

SPL.023/2019

February 26, 2019

Subject: Report of operating results for the year ended December 31, 2018

To Director and Manager
The Stock Exchange of Thailand

Supalai Public Company Limited would like to inform the operating results for the year ended December 31, 2018. Detailed explanations are as follows:

The Company and its subsidiaries' operating results for the year ended December 31, 2018 and 2017.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Year 2018	Year 2017 (Restated)	Increase / (Decrease)%	Year 2018	Year 2017 (Restated)	Increase / (Decrease)%
Total revenues	25,809.53	25,572.57	1%	24,419.90	23,709.15	3%
Revenue from sales of real estate	25,203.08	24,400.65	3%	23,875.81	23,289.14	3%
Selling and administrative expenses	2,812.66	2,652.29	6%	2,534.51	2,426.78	4%
% Selling and administrative expenses / Total revenue	10.9%	10.4%	-	10.4%	10.2%	-
Profit before income tax expenses	7,291.33	7,368.36	(1%)	6,851.54	6,310.91	9%
Income tax expenses	1,448.72	1,488.92	(3%)	1,337.84	1,278.72	5%
Effective corporate income tax rate (%)	19.9%	20.2%	-	19.5%	20.3%	-
Net income	5,770.42	5,813.69	(1%)	5,513.71	5,032.19	10%
Net profit margin (%)	22.4%	22.7%	-	22.6%	21.2%	-
Basic earnings per share (Baht)	2.92	3.39	(14%)	2.79	2.93	(5%)
Diluted earnings per share (Baht)	2.92	3.25	(10%)	2.79	2.81	(1%)
Net gearing ratio (%)	39%	68%	-	42%	74%	-
Book value per share (Baht)	16.20	16.55	(2%)	15.26	15.33	(0%)

The Company and its subsidiaries elected to early adopt TFRS 15 Revenue from Contracts with Customers by using the full retrospective method of adoption per details stated in Note to Financial Statement No. 3. (b)

1. The revenue from sales of real estate in the amount of Baht was 25,203.08 million or increased of Baht 802.43 million or 3% from the last year, divided into the revenue of 55% from the transfer of ownership of detached houses and townhouses and the remaining 45% from the transfer of ownership of condominiums. The revenue was increased mainly due to increase in sales.
2. Total revenue was increase Baht 236.96 million or 1% from the last year due to the increase in the revenue from sales of real estate as stated in No.1. However, in third quarter of 2017, a subsidiary in Philippines entered into the sale agreement of rental office building, totaling PHP 1,620 million. The subsidiary recorded gain on disposal of rental office building amounting to PHP 668 million (amounting to Baht 451 million) so total revenue was slightly increase when compare with the last year.
3. Selling and administrative expenses to total revenue was 10.9% that was increased from 10.4% of the last year. This is mainly due to the increase in number of projects.
4. Net profit was Baht 5,770.42 million or decrease of Baht 43.27 million or 1% from the last year, mainly due to gain on disposal of rental office building, as stated in No. 2. Therefore, basic earnings per share was Baht 2.92 per share or decrease from Baht 3.39 per share of the last year. In October 2017, the Company issued the Company's warrants No.4 to existing shareholder. Number of exercised warrants in 2017 is shares 427 million. The Company's warrants No.4 was expired on October 20, 2018, as a result, diluted earnings per share was Baht 2.92 per share as of 2018 and Baht 3.25 per share as of 2017.
5. The net gearing ratio was 39% as at December 31, 2018, which was decreased from the level of 68% as at December 31, 2017, mainly due to repayment of long-term loan and redemption of debentures by using cash flow from operating activities of the Company and its subsidiaries. Additionally, shareholders' equity was increased due to the exercised Company's warrants No.4 as above.

As of December 31, 2018, the Company and its subsidiaries have backlog revenue from waiting to be transferred the ownership of house and/or condominium Baht 42,529 million. The Company and its subsidiaries expect to transfer additional Baht 13,407 million of these backlogs over the year 2019, and Baht 29,122 million over the next 3 years. The backlog means total value of house and/or condominium sold but awaiting to be transferred, then the Company and its subsidiaries could recognize the revenue according to the Thai Accounting Standard, recognizing in full when ownership is transferred.

Please be informed and publicize to public accordingly.

(Mrs.Varunee Lapitananuvat)

Deputy Managing Director