

Subject : Clarification of Quarter 1/2017 Operating Results

To : The President

The Stock Exchange of Thailand

Ananda Development Pcl. (ANAN) would like to clarify the company and its subsidiaries' operating results for the quarter ended 31 March 2017 as follows:

Statement of comprehensive income	Quarter 1/2017		Quarter 1/2016		Increased(Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues</b>						
Revenue from sale of real estate	1,577.0	68.1	2,178.8	84.0	(601.8)	(27.6)
Revenue from project management services & Commission Incomes	332.2	14.3	246.0	9.5	86.2	35.0
Construction service income	223.8	9.7	68.8	2.6	155.0	225.5
Revenue from sales and services	50.0	2.2	35.8	1.4	14.2	39.7
Gain on Sale of Investment in a joint venture	71.3	3.1	-	-	71.3	100.0
Other incomes	60.0	2.6	66.0	2.5	(6.0)	(9.0)
<b>Total Revenues</b>	<b>2,314.3</b>	<b>100.0</b>	<b>2,595.4</b>	<b>100.0</b>	<b>(281.1)</b>	<b>(10.8)</b>
<b>Cost of Good Sold</b>						
Cost of real estate sold	1,098.6	47.5	1,381.3	53.2	(282.7)	(20.5)
Cost of project management services & Commission Income	123.6	5.3	129.4	5.0	(5.8)	(4.5)
Cost of construction services	205.5	8.9	63.1	2.4	142.4	225.7
Cost of Sale and Services	33.2	1.4	23.0	0.9	10.2	44.3
<b>Total Cost of Good Sold</b>	<b>1,460.9</b>	<b>63.1</b>	<b>1,596.8</b>	<b>61.5</b>	<b>(135.9)</b>	<b>(8.5)</b>
<b>Profit Before Selling &amp; Administration Expenses</b>	<b>853.4</b>	<b>36.9</b>	<b>998.6</b>	<b>38.5</b>	<b>(145.2)</b>	<b>(14.5)</b>
<b>Selling &amp; Administration Expenses</b>	<b>548.2</b>	<b>23.7</b>	<b>625.5</b>	<b>24.1</b>	<b>(77.3)</b>	<b>(12.4)</b>
Selling expenses	214.9	9.3	222.9	8.6	(8.0)	(3.6)
Administrative expenses	333.3	14.4	402.6	15.5	(69.3)	(17.2)
<b>Operating Profit (Loss)</b>	<b>305.3</b>	<b>13.2</b>	<b>373.1</b>	<b>14.4</b>	<b>(67.9)</b>	<b>(18.2)</b>
Finance cost	87.1	3.8	68.6	2.6	18.5	27.0
Income tax expense	20.3	0.9	47.6	1.8	(27.3)	(57.2)
<b>Profit before share of loss from investments in joint ventures</b>	<b>197.9</b>	<b>8.5</b>	<b>256.9</b>	<b>10.0</b>	<b>(59.0)</b>	<b>(23.0)</b>
Share of loss from investments in joint ventures	(57.6)	(2.5)	(108.3)	(4.2)	50.7	(46.9)
<b>Profit for the period</b>	<b>140.3</b>	<b>6.0</b>	<b>148.6</b>	<b>5.8</b>	<b>(8.3)</b>	<b>(5.6)</b>
Other comprehensive income for the period	-	-	-	-		
<b>Total comprehensive income for the period</b>	<b>140.3</b>	<b>6.0</b>	<b>148.6</b>	<b>5.8</b>	<b>(8.3)</b>	<b>(5.6)</b>

Total Revenue

For the Quarter 1/2017, the Company and its subsidiaries generated total revenues of Baht 2,314.3 million, a decrease of Baht 281.1 million or 10.8% compared to the same period of last year resulting mainly from a decrease in Revenue from the Sale of Real Estate of Baht 601.8 million. Revenue from the Sale of Real Estate contributed 68.1% of total revenues while the the same ratio last year was 84.0%. The decrease of the Revenue from the Sale of Real Estate contribution to revenue was due to an increase of Revenue from Project Management Services and commission incomes of Baht 86.2 million and an increase of Revenue from Construction Service Income of Baht 155.0 million.

Additionally during quarter 1/2017, the company had restructured an investment in a Ananda MF Bangchak Co.,Ltd by selling an investment to Ananda Apac Banchak Co.,Ltd which generated a profit of Baht 71.3 million.

For the Quarter 1/2017, the Company recognised the transfer of Condominium and Single-Detached Houses totalling 883 units, an increase of 277 units compared to the same period of last year. However, the Revenue from the Sale of Real Estate for the Quarter 1/2017 was still decreased because 374 units out of 883 units were transferred by Unio Charan 3 project at which the average selling price was Baht 1 million per unit.

#### Cost of Goods Sold

For the Quarter 1/2017, the Cost of Goods Sold was Baht 1,460.9 million, a decrease of Baht 135.9 million or a decrease of 8.5% from the same period of last year, which was in line with the increase in Revenue. The cost of Real Estate Sales was Baht 1,098.6 million or 69.7% of the revenue from real estate which was higher than the cost of Real Estate Sales last year, which was 63.4% because of the higher contribution from Unio Charan 3 Projects, which normally have a higher Cost of Goods Sold than the company's average cost of real estate projects.

#### Selling & Administrative Expenses

Selling & Administration Expenses	Quarter 1/2017		Quarter 1/2016		Increased(Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Selling Expenses</b>						
Selling expense	147.4	26.9	150.4	24.0	(3.0)	(2.0)
Special business tax and transfer fees	67.5	12.3	72.5	11.6	(5.0)	(7.0)
<b>Total Selling expenses</b>	<b>214.9</b>	<b>39.2</b>	<b>222.9</b>	<b>35.6</b>	<b>(8.0)</b>	<b>(3.6)</b>
<b>Administrative expenses</b>	<b>333.3</b>	<b>60.8</b>	<b>402.6</b>	<b>64.4</b>	<b>(69.3)</b>	<b>(17.2)</b>
<b>Total Selling &amp; Admin expenses</b>	<b>548.2</b>	<b>100.0</b>	<b>625.5</b>	<b>100.0</b>	<b>(77.3)</b>	<b>(12.4)</b>

For the Quarter 1/2017, the company and its subsidiaries Selling and Administrative Expenses were Baht 548.2 million or 23.7% of total revenues, and consisted of Selling Expenses of Baht 214.9 million and Administrative Expenses of Baht 333.3 million. This represented a decrease of Baht 77.3 million, a decrease of 12.4% from the same period of last year.

The Total Selling Expenses in the Quarter 1/2017 of Baht 214.9million consisted of Selling Expenses totalling Baht 147.4 million and Special Business Tax and Transfer fees of Baht 67.5 million. The decrease in Selling Expenses of Baht 8.0 million, a decrease of 3.6 from the same period of last year was in line with decrease in Revenue,

The Administrative Expenses of the Quarter 1/2017 were Baht 333.3 million, decrease of Baht 69.3 million, a decrease of 17.2% from the same period of last year, mainly due to during Quarter 1/2016 there were two major expenses which were a repair & maintenance of Ideo Mubi Payathai and an additional expense to revise a project ownership

#### Finance Costs

For the Quarter 1/2017, Finance Costs were Baht 87.1 million or 3.8% of total revenues, an increase of Baht 18.5 million from the same period of last year which was in line with the increase of Interest Bearing Debt for support of the Real Estate Projects.

The Company also issued the Subordinated Perpetual Debentures during the 1st quarter of 2017 in the amount of Baht 1,000 million upon dissolution with the issuer's right to early redemption and unconditional interest deferral. The debenture has a coupon of 8.0% per annum for the first five years, after which the coupon rate will be adjusted as per the details prescribed in the Terms and Conditions of the issuer.

As of 31 March 2017, the Company had a Debt to Equity ratio of 1.3 times, an Interest Bearing Debt to Equity ratio of 1.0 times and a Net Cash Interest Bearing Debt to Equity ratio of 0.7 times.

#### Share of loss from investment in associates and joint ventures

For the Quarter 1/2017, the Share of Loss from investment in associates and joint ventures was Baht 57.6million, a decrease of 46.9% from the same period of last year due to the shared profit from the investment in the Q Chula Sam Yan Project.

#### Income Tax Expenses

For the Quarter 1/2017, the Income Tax Expenses were Baht 20.3 million or 0.9% of total revenues, a decrease of Baht 27.3 million from the same period of last year because the Unio Charan 3 Project was granted an income tax exemption by the Board of Investment (BOI).

#### Net Profit

The Company and its subsidiaries generated a Net Profit for the Quarter 1/2017 of Baht 140.3 million, equal to 6.0% of total revenues. This was a decrease of Baht 8.3 million or a decrease 5.6% from the same period of last year, which was in line with the decrease in Revenue.

Please be informed accordingly.

Sincerely yours,

(Mr. Chanond Ruangkritya)

President & Chief Executive Officer