

Subject : Clarification of Quarter 3/2017 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 30 September 2017 as follows:

Statement of comprehensive income	Quarter 3/2017		Quarter 3/2016		Increased(Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenue from sale of real estate	1,692.4	61.3	2,358.0	79.2	(665.6)	(28.2)
Revenue from project management services & Commission Incomes	611.0	22.1	282.9	9.5	328.1	116.0
Construction service income	278.2	10.1	158.2	5.3	120.0	75.9
Revenue from sales and services	52.5	1.9	40.6	1.4	11.9	29.3
Other incomes	124.6	4.5	138.9	4.7	(14.3)	(10.3)
Total Revenues	2,758.7	100.0	2,978.6	100.0	(219.9)	(7.4)
Cost of Good Sold						
Cost of real estate sold	1,148.0	41.6	1,539.9	51.7	(391.9)	(25.4)
Cost of project management services & Commission Income	268.7	9.7	145.0	4.9	123.7	85.3
Cost of construction services	254.4	9.2	143.6	4.8	110.8	77.2
Cost of Sale and Services	36.5	1.3	38.8	1.3	(2.3)	(5.9)
Total Cost of Good Sold	1,707.6	61.9	1,867.3	62.7	(159.7)	(8.6)
Profit Before Selling & Administration Expenses	1,051.1	38.1	1,111.3	37.3	(60.2)	(5.4)
Selling & Administration Expenses	649.1	23.5	569.7	19.1	79.4	13.9
Selling expenses	252.7	9.2	247.5	8.3	5.2	2.1
Administrative expenses	396.4	14.4	322.2	10.8	74.2	23.0
Operating Profit (Loss)	402.0	14.6	541.6	18.2	(139.6)	(25.8)
Finance cost	89.4	3.2	97.7	3.3	(8.3)	(8.5)
Income tax expense	58.6	2.1	89.6	3.0	(31.0)	(34.6)
Profit before share of loss from investments in joint ventures	254.0	9.2	354.3	11.9	(100.3)	(28.3)
Share of loss from investments in joint ventures	(113.1)	(4.1)	(104.8)	(3.5)	(8.3)	7.9
Profit for the period	140.9	5.1	249.5	8.4	(108.6)	(43.5)
Other comprehensive income for the period	-	-	2.2	0.1	(2.2)	
Total comprehensive income for the period	140.9	5.1	251.7	8.5	(110.8)	(44.0)

Total Revenue

For the Quarter 3/2017, the Company and its subsidiaries generated total revenues of Baht 2,758.6 million, a decrease of Baht 219.9 million or 7.4% compared to the same period of last year resulting mainly from a decrease in Revenue from the Sale of Real Estate of Baht 665.6 million. However, there was an increase in Revenue from project management services & Commission incomes of Baht 328.1 million and an increase in Construction service income of Baht 120.0 million. The Revenue from the Sale of Real Estate contributed 61.3% of total revenues, a decrease from 79.2% in the previous year. The decrease in contribution of Revenue from the Sale of Real Estate to total revenue was due to the Revenue from Project Management Services and Commission income growing by 116.0% from an additional 8 projects compared to last year, plus 75.9% growth in Construction Service Income from the addition of 5 projects from last year.

Cost of Goods Sold

For the Quarter 3/2017, the Cost of Goods Sold was Baht 1,707.6 million, a decrease of Baht 159.7 million or a decrease of 8.6% from the same period of last year, which was in line with the decrease in Revenue. The cost of Real Estate Sales was Baht 1,148.0 million or 67.8% of the revenue from real estate, a decrease in the Cost of Goods Sold of Baht 391.9 Million or 25.4% from the same period of last year in which the Cost of Goods Sold of Baht was Baht 1,539.9 million. The higher cost of Real Estate Sales than last year, which was 65.3%, was because of the higher contribution from Unio Charan 3 Projects, which has a higher Cost of Goods Sold than the company's average cost of real estate projects.

Selling & Administrative Expenses

Selling & Administration Expenses	Quarter 3/2017		Quarter 3/2016		Increased(Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Selling Expenses						
Selling expense	183.8	28.3	152.4	26.8	31.4	20.6
Special business tax and transfer fees	68.9	10.6	95.1	16.7	(26.2)	(27.6)
Total Selling expenses	252.7	38.9	247.5	43.5	5.2	2.1
Administrative expenses	396.4	61.1	322.2	56.5	74.2	23.0
Total Selling & Admin expenses	649.1	100.0	569.7	100.0	79.4	13.9

For the Quarter 3/2017, the company and its subsidiaries Selling and Administrative Expenses were Baht 649.1 million or 23.5% of total revenues, an increase of Baht 79.4 million or an increase of 13.9% from the same period of last year.

The Total Selling Expenses in Quarter 3/2017 of Baht 252.7 million consisted of Selling Expenses totalling Baht 183.8 million and Special Business Tax and Transfer fees of Baht 68.9 million. The increase in Selling Expenses was Baht 31.4 million, an increase of 20.6% from the same period of last year. However, Special Business Tax and Transfer fees decreased Baht 26.2 million, which was in line with the decrease in Revenue

The Administrative Expenses of Quarter 3/2017 were Baht 396.4 million, an increase of Baht 74.2 million, an increase of 23.0% from the same period of last year, mainly due to the office rental expenses at FYI building and additional expenses for Urban Tech Projects which help to improve the customer's urban life through future Ananda products.

Finance Costs

For Quarter 3/2017, Finance Costs were Baht 89.4 million or 3.2% of total revenues, a decrease of Baht 8.3 million from the same period of last year which was in line with the decrease of cost of bond from the same period of last year.

As of 30 September 2017, the Company had a Debt to Equity ratio of 1.38 times, an Interest Bearing Debt to Equity ratio of 0.96 times and a Net Cash Interest Bearing Debt to Equity ratio of 0.84 times.

Share of loss from investment in associates and joint ventures

For Quarter 3/2017, the Share of Loss from investment in associates and joint ventures was Baht 113.1 million, an increase of 7.9% from the same period of last year due to an additional 8 projects.

Income Tax Expenses

For Quarter 3/2017, the Income Tax Expenses were Baht 58.6 million or 2.1% of total revenues, a decrease of Baht 31.0 million from the same period of last year which was in line with the increase in Revenue.

Net Profit

The Company and its subsidiaries generated a Net Profit for the Quarter 3/2017 of Baht 140.9 million, equal to 5.1% of total revenues. This was a decrease of Baht 110.8 million or a decrease of 44.0% 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