

Subject : Clarification of Year 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 Year 2017 as follows:

Statement of comprehensive income	2017		2018		Increased(Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenue from sale of real estate	8,931.9	69.0	9,780.4	80.0	(848.5)	(8.7)
Revenue from project management services & Comission Incomes	2,060.7	15.9	1,242.8	10.2	817.9	65.8
Construction service income	1,208.1	9.3	539.4	4.4	668.7	124.0
Revenue from sales and services	201.3	1.6	175.3	1.4	26.0	14.9
Revenue from land sourcing	173.0	1.3	189.9	1.5	(16.9)	(8.9)
Gain on sale of investment in joint venture	71.3	0.6	-	-	71.3	100.0
Other incomes	303.8	2.3	302.0	2.5	1.8	0.6
Total Revenues	12,950.1	100.0	12,229.8	100.0	720.3	5.9
Cost of Good Sold						
Cost of real estate sold	6,060.4	46.8	6,472.9	52.9	(412.5)	(6.4)
Cost of project management services & Comission Income	736.9	5.7	604.9	4.9	132.0	21.8
Cost of construction services	1,105.8	8.5	492.6	4.0	613.2	124.5
Cost of Sale and Services	143.4	1.1	127.1	1.0	16.3	12.8
Total Cost of Good Sold	8,046.5	62.1	7,697.5	62.9	348.9	4.5
Profit Before Selling & Administration Expenses	4,903.6	37.9	4,532.3	37.1	371.3	8.2
Selling & Administration Expenses	2,575.5	19.9	2,505.1	20.5	70.4	2.8
Selling expenses	1,111.7	8.6	1,015.7	8.3	96.0	9.5
Administrative expenses	1,463.8	11.3	1,489.4	12.2	(25.6)	(1.7)
Operating Profit (Loss)	2,328.1	18.0	2,027.2	16.6	300.9	14.8
Finance cost	285.2	2.2	334.8	2.7	(49.6)	(14.8)
Income tax expense	372.9	2.9	306.3	2.5	66.6	21.7
Profit before share of loss from investments in joint ventures	1,670.0	12.9	1,386.1	11.3	283.9	20.5
Share of Profit (loss) from investments in joint ventures	(341.5)	(2.6)	115.4	0.9	(456.9)	(395.9)
Profit for the period	1,328.5	10.3	1,501.5	12.3	(173.0)	(11.5)
Other comprehensive income for the period	(6.1)	(0.0)	2.2	0.0	(8.3)	(373.8)
Total comprehensive income for the period	1,322.4	10.2	1,503.7	12.3	(181.3)	(12.1)

Total Revenue

For the Year 2017, the Company and its subsidiaries generated total revenues of Baht 12,950.1 million, an increase of Baht 720.3 million or 5.9% compared to the same period of last year resulting mainly from an increase in Revenue from project management services & Commission incomes of Baht 817.9 million and an increase in Construction service income of Baht 668.7 million. The Revenue from the Sale of Real Estate contributed 69.0% of total revenues decreased from 80.0% in the previous year. The increase 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 65.8% from an additional 6 projects compared to last year, plus 124.0% growth in Construction Service Income from the addition of 5 projects from last year.

Cost of Goods Sold

For the Year 2017, the Cost of Goods Sold was Baht 8,046.5 million, an increase of Baht 348.9 million or an increase of 4.5% from the same period of last year, which was in line with the increase in Revenue. The cost of Real Estate Sales was Baht 6,060.4 million or 67.9% of the revenue from real estate, a decrease of the Cost of Goods Sold of Baht 412.5 Million or 6.4% from a same period of last year which the Cost of Goods Sold of Baht was Baht 6,472.9 million. The higher than the cost of Real Estate Sales from the last year, which was 66.2% because of the higher contribution from Unio Charan 3 Projects, which normally has a higher Cost of Goods Sold than the company's average cost of real estate projects.

Selling & Administrative Expenses

Selling & Administration Expenses	2017		2016		Increased(Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Selling Expenses						
Selling expense	740.4	28.8	645.1	25.8	95.3	14.8
Special business tax and transfer fees	371.3	14.4	370.6	14.7	0.7	0.2
Total Selling expenses	1,111.7	43.2	1,015.7	40.5	96.0	9.4
Administrative expenses	1,463.8	56.8	1,489.4	59.5	(25.6)	(1.7)
Total Selling & Admin expenses	2,575.5	100.0	2,505.1	100.0	70.4	2.8

For the Year 2017, the company and its subsidiaries Selling and Administrative Expenses were Baht 2,575.5 million or 19.9% of total revenues, an increase of Baht 70.4 million or an increase of 2.8% from the same period of last year.

The Total Selling Expenses in the Year 2017 of Baht 1,111.7 million consisted of Selling Expenses totalling Baht 740.4 million and Special Business Tax and Transfer fees of Baht 371.3 million. The increase in Selling Expenses of Baht 95.3 million, an increase of 14.8% from the same period of last year because no expenses of a corporate selling event: Ananda Urban Pulse at Siam Paragon in Year 2016, for which the company usually holds the event every year.

The Administrative Expenses of Year 2017 were Baht 1,463.8 million, decrease of Baht 25.6 million, a decrease of 1.7% from the same period of last year due to better efficiency of operations.

Finance Costs

For the Year 2017, Finance Costs were Baht 285.2 million or 2.2% of total revenues, a decrease of Baht 49.6 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 31 December 2017, the Company had a Debt to Equity ratio of 1.2 times, an Interest Bearing Debt to Equity ratio of 0.9 times and a Net Cash Interest Bearing Debt to Equity ratio of 0.8 times.

Share of loss from investment in associates and joint ventures

For the Year 2017, the Share of Loss from investment in associates and joint ventures was Baht 341.5 million, an increase of 395.9% from the same period of last year due to an additional 6 projects.

Income Tax Expenses

For the Year 2017, the Income Tax Expenses were Baht 372.9 million or 2.9% of total revenues, an increase of Baht 66.6 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 Year 2017 of Baht 1,322.4 million, equal to 10.2% of total revenues. This was a decrease of Baht 181.3 million or a decrease of 12.1% from the same period of last year, which was mainly from the Share of Loss from investment in associates and joint ventures

Please be informed accordingly.

Sincerely yours,

(Mr. Chanond Ruangkritya)
President & Chief Executive Officer