
Major Events in 1Q18 and April 2018

- February Announcement of RML big lot of 250mn shares, selling from Thai Prosperity Fund, the 2nd largest shareholder, to Country Group Holding Plc. at average price of THB 1.10. The changes of the shareholders did not affect the Company's managements and operations.
- March Launched first branch of "Baan Ying" Thai restaurant and "Dink Dink" noodle store at Royal Square @ Novena, Singapore
- April 1) Announcement of RML big lot of 375mn shares, selling from Country Group Holding Plc., the 2nd largest shareholder to Mr. Jirawut Kuwanan, the 3rd largest shareholder, at average price of THB 1.20. The changes of the shareholders did not affect the Company's managements and operations.
- 2) Announcement of joint venture agreement with Tokyo Tatemono Asia Pte Ltd. ("Tokyo Tatemono") to jointly develop 2 luxury condominium projects in Sathorn 12 and in Prompong area, combined value of THB 9,000.0mn.
- 3) 2018 Annual General Meeting of Shareholders was held at Eastin Grand Sathorn hotel. The meeting resolution approved dividend payment from unappropriated retained earnings of THB 0.0313 per share to shareholders whose name appear on the record date on 8 May 2018. The payment date is on 25 May 2018.

Management outlook and future projects

The management maintain positive view on Thailand's economic growth, which evaluated from the Company's customers database and reports from the Bank of Thailand (BOT). BOT expects that the Thai economy would expand 4.1% in 2018. Key growth drivers included growth in export value 7% YoY and growth in number of foreign tourists 6.2% YoY, or expecting 37.6mn tourists this year. The domestic consumption is estimated to expand led by mid- to high-income non-agricultural household, which are the Company's target customers. The BOT's report mentions on real estate sector that, in 1Q18, there remained pockets of risks to be monitored going forward. An oversupply of condominium units in certain price ranges and areas, particularly condominium with price below THB 3mn, continued to increase, while the time taken for all units to be sold appeared longer. However, the Company's projects are luxury condominium projects with price range above THB 10mn per unit.

For the plan to launch luxury condominium projects worth combine above THB 8bn per year, apart from the 2 projects which the Company had announced a joint venture with Tokyo Tatemono, the Company has already prepared to buy new plots of land, in CBD, for new projects that will be launched in 2019. Moreover, there are on-going negotiation with new partners for expansion of commercial building business. This could add up recurring revenue in the Company's portfolio in the near term. For food and beverage business, after the first branch opening of Baan Ying restaurant and

Dink Dink noodle store in Singapore, the Company will continue to open another 5 branches of Dink Dink in Singapore. Expected revenue from overall F&B business is not less than THB 100mn in 2018.

On Financial strength and cash flow, the Company recently get approved from 2018 Annual General Meeting of Shareholders to maintain debenture issuance limit at THB 4,500mn. With existing debenture of THB 2,212mn, the Company has availability of THB 2,288mn to issue debenture. Moreover, the Company is co-developing real estate projects with the partner who will give supports in term of financial and construction technology. This will also benefit on the cost reduction.

1Q18 Financial Highlight

- Backlog¹ of the Company and its subsidiaries stood at THB5,517.3mn as of 31 Mar 2018
- Presales of 1Q18 was THB 1,388.8mn
- Total revenue was THB 544.7mn, of which THB 502.0mn was from sales of residential condominium units
- Gross profit was THB 102.2mn, decreased 66.8% YoY, and gross profit margin was 20.4%, decreased from 29.2% in 1Q17.
- Total assets was THB 12,187.2mn, an increase of THB 1,729.2mn
- Debt to Equity ratio² stood at 0.79 times as of 31 Mar 2018

Operating result 1Q18

Revenue

The Company and its subsidiaries ("the Company") reported a total revenue of THB544.7mn in 1Q18. This represented a decrease of THB548.1mn or 50.2% YoY. Of which, THB 502.0mn, or 92.2% of the total revenue was from sales of residential condominium units from 5 projects which were UNIXX South Pattaya THB 262.3mn, 185 Rajdamri THB 161.4mn, Zire Wongamat THB 55.3mn and The Lofts Ekkamai THB 23.0mn. Details of the total revenue are presented as below: -

Project	1Q18		1Q17	
	Revenue(THB mn)	%	Revenue(THB mn)	%
The River	-	-	118.8	10.9%
185 Rajdamri	161.4	29.6	48.0	4.4
Zire Wongamat	55.3	10.2	67.7	6.2
The Lofts Ekkamai	23.0	4.2	684.37	62.6
UNIXX South Pattaya	262.3	48.2	133.0	12.2
Others ³	42.7	7.8	40.9	3.7

¹ Backlogs include only sold units with sale and purchase agreements

² Calculated from Interest-bearing Debt net of cash and cash equivalents

³ Including rental and service income, marketing commission income, project management fee, interest, and others

Total	544.7	100.0	1,092.7	100.0
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As of 31 March2018, the Company recorded a total backlog¹ of THB5,517.3mn. Of the total backlog, 44.5% was from The Lofts Asoke, 43.1% was from The Lofts Silom,3.9%was from 185Rajdamri, 3.1%was from Mews Yen Akat, 2.7%was from UNIXX South Pattaya,1.8% was fromNorth Point, and 0.9% was fromZire Wongamat, totaling of 7projects.

Cost of Sales

Cost of Sales of the Company is cost of residential condominium units sold. In1Q18, the costs decreased to THB399.8mn from THB 744.4mn in 1Q17. The costs decreased in line with the decreases in sales of condominium units.

Gross Profit

Gross profit in 1Q18 decreased to THB 102.2mnfrom THB 307.5mn in 1Q17 mainly due to an absence of economies of scale when the revenue from sales of condominium units decreased.

Selling and Administrative Expenses (SG&A)

SG&A in 1Q18was THB 206.8mn, increased THB 18.5mn or 9.8% YoY from THB 188.2mn in 1Q17. This was primarily due to the Company's business expansion which incur higher expense as well as extra expanses for new subsidiaries that operating commercial real estate business and food and beverage business.

Financial Cost

Total cost of financing primarily resulted from interest costs in association with project loans, which are capitalized as development costs for respective projects till completion. Thereafter, such interest costs will be recorded as finance costs in the Statement of Income. Upon project completion, loans are repaid in installments along with transfer of ownerships. In 1Q18, the Company recorded financial cost of THB 23.1mn, a decreasing of THB1.8mn or 7.4% YoY from THB25.0mn in 1Q17. This was due to 1) the recognition of the cost of interest for 2 projectscontinued developing from 2017 were capitalized as project development cost; and2) loans associated with The Lofts Ekkamai were paid in full during 1Q17.

Loss

In 1Q18, the Companyhad consolidated net loss of THB73.9mn, compare to net profit of THB 100.8mn in 1Q17. The loss amount included extraordinary expenses of THB 83.0mn which was one-time project development cost reduction. Without the reduce project development cost to reflectthe net realizable value, the Company would have posted a net profit of 9.1mn.

Losses per share in 1Q18 was THB 0.02.

¹ Backlogs are counted only when sale and purchase agreement is signed

Financial Position (as of 31 March 2018)

Assets

Total assets of the Company stood at THB 12,187.2mn, an increase of THB1,729.2mn or 16.5% from 31 December 2017. The increase was primarily attributed to the increase in cash and cash equivalents and current investments in foreign fund and money market fund totaling of THB 1,069.5mn (details in topic “cash flow”) and the surplus net in project development costs of THB 575.5mn.

Liabilities

Total liabilities stand at THB 7,194.1mn, increased THB 1,802.9mn or 33.4% from that as of 31 December 2017. It was mainly due to an increase in short-term and net long-term loan from financial institution of THB676.1mn and THB815.1mn for investment in new projects and for working capital.

Equity

Total equity stands at THB 4,993.0mn, decreased THB 73.7mn, or 1.5%, from THB 5,066.7mn as of 31 December 2017, mainly from the reduction in retained earnings.

Debt to Equity Ratio

The interest-bearing debt of the Company stood at THB 5,551.9mn while cash and cash equivalents stood at THB1,618.8mn. As a result, the debt to equity ratio¹ was 0.79 times as of 31 March 2018, increased from 0.67 times as of 31 December 2017. Regarding to the Company’s target revenue from residential real estate projects of THB 10-12mn per year within 5 years, the Company expect this ratio will continue to increase. However, the debt’s policy is maintained by limiting D/E ratio¹ at below 1.5 times.

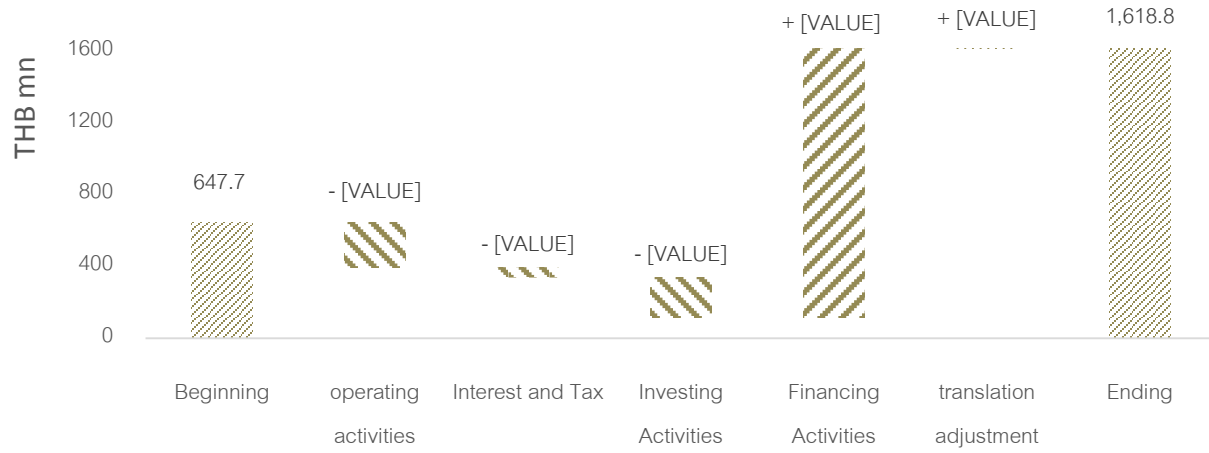
Cash Flow

During 1Q18, the Company and its subsidiaries had net cash used in operating activities of THB 256.5mn. The key components were net cash paid for project development cost for project “the Lofts Asoke” and “the Lofts Silom” as well as the net loss before tax of this quarter. Net cash used in investing activities was THB223.0mn. The key components were Cash paid for current investments THB 98.5mn, increase in certificate of deposit THB 64.0mn and advance payment to contractor for design of building and others of THB34.0mn. Net cash received from financing activities was THB 1,502.8mn. The key components were an increase in short-term loan from financial institution of THB676.1mn and a

¹ Calculated from Interest-bearing Debt net of cash and cash equivalents

net increase in long-term loan from financial institution of THB815.1mn. As a result, the Company had ending cash of THB 1,618.8mn as of 31 March 2018.

Cash flow movement in 1Q18



(Sataporn Amornvorapak)

Chief Financial Officer