

Major Events in 2Q18 and July 2018

- April
- 1) Announcement of RML big lot of 375mn shares, selling from Country Group Holding Plc. to Mr. Jirawat Kuvanant at average price of THB 1.20 per share. The changes of the shareholders did not affect the Company's managements and operations.
 - 2) Announcement of JV agreements 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.
- May
- Paid dividend from unappropriated retained earnings of THB 0.0313 per share to shareholders whose name appeared on the record date on 8 May 2018. The payment date was on 25 May 2018.
- June
- The Company's warrants (RML-W4) reached its due date of the last exercise on 14 June 2018. 520 new shares were derived from exercised of warrants in this period.
- July
- 1) The new issued shares from the exercised of RML-W4 were traded in SET on 3 July 2018. The Company's total listed shares in SET increased from 3,575,483,607 shares to 3,575,484,127 shares.
 - 2) A tranche of unsecured debenture with issued amount totaling of THB 500mn was due on 29 July 2018. The Company had repaid in full amount.

Management outlook and future projects

The management maintain positive view on luxury residential property market, which evaluated from the Company's customers database and various reports from private and public sectors. The second quarter report from the Bank of Thailand (BOT)¹ summarized that the Thai economy continue to expand supported by the increasing farm household income and total nonfarm payroll income. Moreover, Consumer Confidence Index showed an uptrend when measuring consumers' confidence on current economic situation and the next 6 months. The number of foreign tourist arrivals in second quarter and first-half registered an 9.1% and 12.5% growth respectively compared to the same period last year. It is a positive indicator as foreigners are accounted for more than 30% of the Company's customer portfolio.

For the plan to launch luxury condominium projects worth combine above THB 8bn per year, the Company is launching 2 condominium projects in 4Q18, located in Soi Sathorn 12 and in Phrompong area near BTS station. Moreover, the Company has signed agreements to purchase and sale land in CBD for 2 new projects that will be launched in 2019. For food and beverage business, this second quarter is the first full quarter that we recognize revenue from the joint venture business in Singapore with Baan Ying Group. We saw a good trend in this business and are preparing infrastructure for branch expansion.

On Financial strength and cash flow, the Company has paid back full amount of THB 500mn unsecured debenture due at end of July 2018. That would indicate an advantageous position of the Company's liquidity.

¹ Economic and Monetary Conditions report, June 2018 from the Bank of Thailand

2Q18 Financial Highlight

- Backlog¹ of the Company and its subsidiaries stood at THB 5,698.2mn as of 30 June 2018
- Presales of 2Q18 was THB 932.0mn
- Total revenue was THB 831.1mn, of which THB 774.2mn was from sales of real estate
- Gross profit from sales of real estate was THB 215.8mn, decreased 24.6% YoY, and GPM was 27.9%
- Total assets as of 30 June 2018 stood at THB 12,753.0mn, an increase of THB 2,295.0mn
- Debt to Equity ratio² stood at 1.11 times as of 30 June 2018

Operating result 2Q18

Revenue

The Company and its subsidiaries (“the Company”) reported a total revenue of THB 831.1mn in 2Q18. This represented a decreased of THB 71.9mn or 8.0% YoY. Of which, THB 774.2mn, or 93.2% of the total revenue was from sales of real estate of 6 projects which details are presented as below table, THB 10.7mn was from F&B business and THB 46.1mn was from other businesses³.

Project	2Q18		2Q17	
	Revenue (THB mn)	% of total revenue	Revenue (THB mn)	% of total revenue
UNIXX South Pattaya	271.9	32.7%	178.9	19.8%
185 Rajdamri	173.3	20.9%	78.9	8.7%
The River	160.6	19.3%	64.4	7.1%
North Point	100.0	12.0%	-	-
Zire Wongamat	13.4	1.6%	118.9	13.2%
Mews Yen Akat	55.0	6.6%	-	-
The Lofts Ekkamai	-	-	431.7	47.8%
Total	774.2	93.2%	872.8	96.7%

As of 30 June 2018, the Company recorded a total backlog¹ of THB 5,698.2mn. Of the total backlog, 47.0% was from The Lofts Silom, 43.9% was from The Lofts Asoke, 3.7% was from UNIXX South Pattaya, 2.7% was from 185 Rajdamri, 2.0% was from Mews Yen Akat, and 0.7% was from Zire Wongamat, totaling of 6 projects.

Cost of Sales

Cost of real estate sold in 2Q18 reduced to THB 558.5mn from THB 586.7mn in 2Q17, in line with the decreases in sales of real estate. The costs of food and beverage increased to THB 6.4mn from first full-quarter operation of F&B business.

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

Gross Profit and Gross Profit Margin (GPM)

Gross profit from sales of real estate in 2Q18 decreased to THB 215.8mn, or GPM of 27.9%, from THB 286.1mn, or GPM of 32.8% in 2Q17, due to the transferred of condominium units in the same period of previous year were high selling price units. Gross profit from F&B business was THB 4.4mn, represented GPM of 40.6%.

Selling and Administrative Expenses (SG&A)

SG&A in 2Q18 was THB 191.7mn, increased 7.8% YoY or THB 13.8mn from THB 177.8mn in 2Q17. This was primarily due to the Company's business expansion as well as administration expenses 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 2Q18, the Company recorded financial cost of THB 34.6mn, increased 52.0% YoY or THB 11.8mn from THB 22.8mn in 2Q17. This was due to the increasing in loan for investing in new projects and for working capital.

Profit

In 2Q18, the Company had consolidated net profit of THB 34.5mn. Net profit per share in 2Q18 was THB 0.01.

Financial Position (as of 30 June 2018)

Assets

Total assets of the Company stood at THB 12,753.0mn, an increase of THB 2,295.0mn or 21.9% from total assets of THB 10,458.0mn as of 31 December 2017. The increase was primarily attributed to the increase in deposit for leasehold right of THB 1,209.4mn for the land plot on Ploenchit road which the Company was handed over land plot and registered the leasehold right with the Land Department in April 2018. Apart from that, the project development cost also increased THB 357.0mn and an increase in short-term loans to jointly controlled entity of THB 260.1mn for deposit of land for new projects launched in 2019. (details in topic "cash flow")

Liabilities

Total liabilities stood at THB 7,837.1mn, an increase of THB 2,445.9mn or 45.4% from THB 5,391.3mn of total liabilities as of 31 December 2017. It was mainly due to an increase in loan from financial institutions of the subsidiaries for working capital and invest in new projects. The increased in loan comprised of THB 1,596.4mn increased in short-term loan (includes current portion of long-term loans) and THB 567.0mn increased in long-term loan.

Equity

Total equity stood at THB 4,915.9mn, decreased THB 150.8mn, or 3.0%, from THB 5,066.7mn as of 31 December 2017, mainly from the reduction in retained earnings.

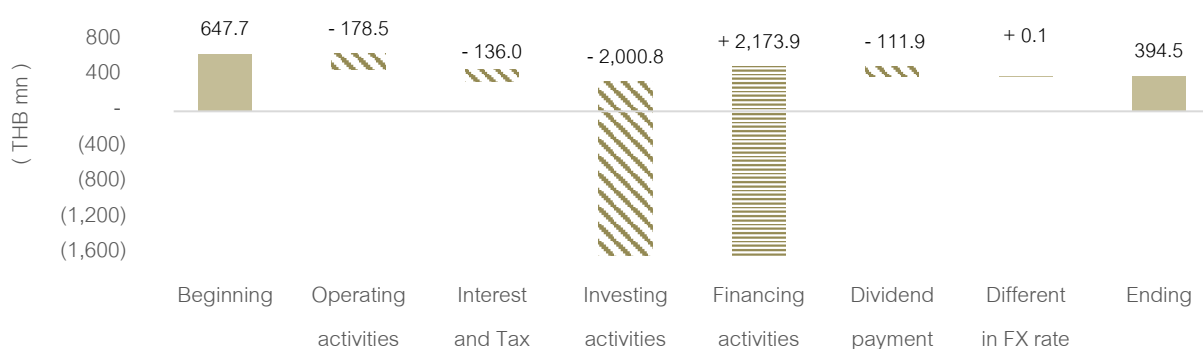
Debt to Equity Ratio

The interest-bearing debt of the Company stood at THB 6,238.4mn while cash and cash equivalents stood at THB 774.2mn. As a result, the debt to equity ratio¹ was 1.11 times as of 30 June 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 6 month period 2018, the Company and its subsidiaries had net cash used in operating activities of THB 314.5mn. The key components were the net loss of this 6 months period and cash paid for deposit of land. Net cash used in investing activities was THB 2,000.8mn. The key components were THB 1,220.9mn cash deposit for leasehold right of land on Ploenchit road for the office building project, cash paid for current investments of THB 364.4mn and short-term loan to jointly controlled entity of THB 260.1mn. Net cash received from financing activities was THB 2,062.0mn. The key components were cash received from a short-term loan from financial institution of THB 1,204.2mn and net long-term loan from financial institution of THB 959.3mn, net of cash paid for dividend of THB 111.9mn. As a result, the Company had ending cash of THB 394.5mn as of 30 June 2018.

Cash flow movement in 6 months period 2018



(Sataporn Amornvorapak)
 Director and Company Secretary

¹ Calculated from interest-bearing debt net of cash and cash equivalents