

Ref: PSH-CS 54/2019

13 May 2019

Subject: Clarification of 1Q19 Operating Result

To: President  
The Stock Exchange of Thailand

Pruksa Holding Public Company Limited ("the Company") would like to clarify operating results of the Company for the three months ended 31 March 2019 (consolidated financial statements) as follows:

The operating results for 1Q19 mainly derived from the real estate business.

Comparison presales by segment for the three months ended 31 March 2019 and 2018

Unit: million baht

Products	Yearly presales ended		Increase (Decrease)	% Change
	31 March 2019	31 March 2018		
Townhouse	5,428	4,787	641	13.4
Single-detached house	1,792	2,459	(667)	(27.1)
Condominium	3,958	5,450	(1,492)	(27.4)
<b>Total</b>	<b>11,178</b>	<b>12,696</b>	<b>(1,518)</b>	<b>(12.0)</b>

In 1Q19, the Company delivered presales from real estate business of Baht 11,178 million, a decrease of Baht 1,518 million or 12.0% compared to 1Q18. In 1Q19, the Company launched 5 new projects with total project value of Baht 6,256 million compared to 15 new projects with total project value of Baht 9,794 million in 1Q18. The projects consisted of 2 townhouses projects with value of Baht 1,101 million, 1 single-detached house project with value of Baht 1,179 million and 2 condominium projects with value of Baht 3,976 million.

For 1Q19, Total presales decreased from 1Q18. Presales from townhouse segments increased Baht 641 million or 13.4% yoy while presales from single-detached houses and condominium segments decreased Baht 667 million and Baht 1,492 million or decreased 27.1% and 27.4% yoy respectively.

Comparison performance of the Company for the three months ended 31 March 2019 and 2018

Unit: million baht

Statement of comprehensive income	31-Mar-19	%	31-Mar-18	%	Increase/ (Decrease)	%YoY
Revenue from sale of real estate	11,969	100.5	8,352	100.7	3,617	43.3
Promotions**	(87)	(0.7)	(78)	(0.9)	(9)	11.5
Revenue from sale of real estate-net	11,881	99.8	8,274	99.8	3,608	43.6
Other Income	28	0.2	16	0.2	12	71.7
<b>Total Revenue</b>	<b>11,909</b>	<b>100</b>	<b>8,290</b>	<b>100</b>	<b>3,619</b>	<b>43.7</b>
Cost of real estate sales	7,780	65.5	5,374	65	2,406	44.8
<b>Gross profit</b>	<b>4,130</b>	<b>34.8</b>	<b>2,916</b>	<b>35.2</b>	<b>1,214</b>	<b>41.6</b>
Selling and Administrative expenses	1,855	15.6	1,775	21.4	81	4.5
Selling expenses	902	7.6	784	9.5	118	15.1
Administrative expenses	953	8	991	12	(38)	(3.8)
<b>Profit before finance cost and income tax expense</b>	<b>2,275</b>	<b>19.1</b>	<b>1,142</b>	<b>13.8</b>	<b>1,133</b>	<b>99.3</b>
Financial cost	56	0.5	38	0.5	18	47.8
Profit and loss from Joint Venture	0	0	0	0	0	0.2
<b>Profit before income tax expense</b>	<b>2,218</b>	<b>18.6</b>	<b>1,103</b>	<b>13.3</b>	<b>1,115</b>	<b>101</b>
Income tax expense	501	4.2	225	2.7	276	122.8
<b>Profit for the period</b>	<b>1,717</b>	<b>14.4</b>	<b>878</b>	<b>10.6</b>	<b>839</b>	<b>95.5</b>
Non-controlling interests	31	0.3	16	0.2	15	96.2
<b>Owners of the Company</b>	<b>1,686</b>	<b>14.2</b>	<b>862</b>	<b>10.4</b>	<b>824</b>	<b>95.6</b>

Remark: Percentage in statement of comprehensive income derived from total income, while percentage of cost of real estate sales and gross profit related to revenue from sale of real estate.

\*\* For the three months ended 31 March 2018, the statement of comprehensive income reported promotion expense adjusting to TFRS 15 for performance comparison.

### Revenue

For 1Q19, the Company generated total revenue of Baht 11,909 million, comprised of Baht 11,881 million from the sale of real estate and Baht 28 million from other revenue.

**Revenue from sale of real estate business by product segment for the three months ended 31 March 2019 and 2018**

Unit: million baht

Products	Three months ended				Increase (Decrease)	%YoY
	31-Mar-19	%	31-Mar-18	%		
Townhouse	5,456	45.9%	4,507	54.5%	949	21.1
Single-detached house	2,176	18.3%	1,976	23.9%	199	10.1
Condominium	4,249	35.8%	1,790	21.6%	2,459	137.4
<b>Revenue from sale real estate</b>	<b>11,881</b>	<b>100.0%</b>	<b>8,274</b>	<b>100.0%</b>	<b>3,608</b>	<b>43.6</b>

For 1Q19, revenue from real estate business was Baht 11,881 million, an increase of Baht 3,608 million or increased 43.6% yoy. Revenue mainly increased from condo segment at Baht 2,459 million or increased 137.4% yoy due to new condo transfers from Chapter One Eco Ratchada Huaykwang, The Tree Sukhumvit 71-Ekkamai, Plum Condo Ram 60 Interchange, Plum Condo Ramkhamhaeng Station, The Tree Ladprao 15 and The Tree Rio Station. Revenue from townhouse segment also increased at Baht 949 million or 21.1% yoy and revenue from single-detached house segment increased at Baht 199 million or 10.1% yoy due to LTV policy effective on April 1, 2019 and none of recurring income.

**Cost of real estate sales**

For 1Q19, the Company reported cost of real estate sales of Baht 7,780 million or 65.5% of net revenue from real estate compared to Baht 5,374 million or 65.0% of net revenue from real estate in 1Q18. Cost of real estate to sales ratio in 1Q19 slightly increased from the previous year.

**Gross profit margin from sale of real estate by product segment**

For 1Q19, the Company reported gross profit margin of the townhouse segment of 31.7%, followed by the single-detached house at 31.6% and 39.5%

**Selling & Administrative expenses**

For 1Q19, the Company reported selling expenses of Baht 1,855 million or 15.6% of total revenue, an increase of Baht 81 million or increased 4.5% from 1Q18. Selling and administrative expenses comprised selling expenses at Baht 902 million or 7.6% of total revenue and administrative expenses at Baht 953 million or 8.0% of total revenue.

For 1Q19, the selling expenses increased at Baht 118 million or 15.1%, mainly from an increase in commission of Baht 85 million, sales office & mock-up expenses of Baht 30 million, special business tax expenses

of Baht 118 million and transfer fee expenses of Baht 26 million due to more transfers. On the contrary, advertising expenses decreased at Baht 141 million.

The administrative expenses were Baht 953 million, a decrease of Baht 38 million or decreased 3.8% from 1Q18, mainly from a drop in professional fee, rental fee and utility expenses.

### Financing cost

For 1Q19, the Company reported financing cost of Baht 56 million, an increase of Baht 18 million from 1Q18, due to a drawdown of additional long-term loan of Baht 500 million in 2Q18 with interest rate of MLR-3.2% and bond issuances with value of Baht 5,500 million, with 2.37% and 2.84 of coupon rate per annum. This resulted in higher average cost of interest-bearing debt compared to the same period of last year.

As of 31 March 2019, interest bearing debt to equity ratio was 0.62 times and interest-bearing debt less cash to equity ratio was 0.56 times, resulting from the effective debt management of the Company and its subsidiaries.

### Net profit

For 1Q19, net profit of the Company was Baht 1,686 million or 14.2% of total revenue, compared to net profit of Baht 862 million or 10.4% of total revenue in 1Q18, an increase of Baht 824 million or 95.6% yoy, mostly from improving revenue from sales of real estate with value of Baht 3,608 million or 43.6%.

### Consolidated statement of financial position

	31 March 2019	31 March 2018		31 March 2019	31 March 2018
	(MB)			(MB)	
<b>Assets</b>			<b>Non-interest bearing debt</b>		
<b>Current Assets</b>			Accounts payable	2,380	2,284
Cash and Cash equivalents	2,744	1,445	Other non current liabilities	10,889	10,587
Real estate project under development	72,061	71,960	<b>Total non interest bearing debt</b>	<b>13,269</b>	<b>12,871</b>
Other current assets	2,338	2,263	Short-term loans from financial institution	4,000	5,600
<b>Total current assets</b>	<b>77,143</b>	<b>75,668</b>	Long-term loans	500	500
property,plant and equipments	4,752	4,739	Current portion of long-term debentures	4,100	6,400
Other non-current assets	1,658	1,438	Long-term debentures	18,100	14,600
<b>Total non-current assets</b>	<b>6,410</b>	<b>6,178</b>	<b>Total interest bearing debt</b>	<b>26,700</b>	<b>27,100</b>
<b>Total assets</b>	<b>83,553</b>	<b>81,845</b>	<b>Total liabilities</b>	<b>39,969</b>	<b>39,971</b>
			<b>Equity</b>	<b>42,849</b>	<b>41,171</b>
			Non-controlling interests	735	704
			<b>Total liabilities and equity</b>	<b>83,553</b>	<b>81,845</b>

Remark: Portion of consolidated statement of financial position

As of 31 March 2019, the Company reported 185 active projects with total project value of Baht 208,005 million. It was categorized by product segment as follows; 111 townhouse projects with total value of Baht 88,179 million, 44 single-detached house projects with total value of Baht 49,294 million, 22 condominium (value business) projects with total value of Baht 48,982 million and 8 condominium (premium business) projects with total value of Baht 21,551 million.

As of 31 March 2019, the Company reported interest bearing debt of Baht 26,700 million, consisting of short-term loans from financial institutions with value of Baht 4,000 million, long-term loans with value of Baht 500 million and long-term debentures with value of Baht 22,200 million. Long-term debentures were classified into current portion of long-term debentures with value of Baht 4,100 million and long-term debentures with value of Baht 18,100 million. During the year, the Company repaid Baht 1,600 million of short-term promissory note and Bath 2,300 million of debenture while issued new 3-year debenture with value of Baht 3,500 million with 2.78% of coupon rate to redeem existing bond and use for liquidity management.

Please be informed accordingly.

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