

SPL.066/2019

May 14, 2019

Subject: Report of operating results for the three-month period ended March 31, 2019

To Director and Manager  
The Stock Exchange of Thailand

Supalai Public Company Limited would like to inform the operating results for the three-month period ended March 31, 2019.

Detailed explanations are as follows:

The Company and its subsidiaries' operating results for the three-month period ended March 31, 2019 and 2018.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Quarter 1 2019	Quarter 1 2018 (Restated)	Increase / (Decrease) %	Quarter 1 2019	Quarter 1 2018 (Restated)	Increase / (Decrease) %
Total revenues	6,415.07	4,600.52	39%	6,128.20	4,322.60	42%
Revenue from sales of real estate	6,252.56	4,427.90	41%	6,006.35	4,208.96	43%
Selling and administrative expenses	655.24	590.70	11%	603.59	538.89	12%
% Selling and administrative expenses / Total revenue	10.2%	12.8%	-	9.8%	12.5%	-
Profit before income tax expenses	1,934.87	1,149.04	68%	1,873.00	1,045.65	79%
Income tax expenses	390.20	216.85	80%	370.44	204.15	81%
Effective corporate income tax rate (%)	20.2%	18.9%	-	19.8%	19.5%	-
Net income	1,527.36	923.45	65%	1,502.56	841.50	79%
Net profit margin (%)	23.8%	20.1%	-	24.5%	19.5%	-
Basic earnings per share (Baht)	0.71	0.51	39%	0.70	0.46	52%
	Consolidated financial statements			Separate financial statements		
	31 March 2019	31 December 2018	Increase / (Decrease) %	31 March 2019	31 December 2018	Increase / (Decrease) %
Net gearing ratio (%)	32%	39%	-	35%	42%	-
Book value per share (Baht)	16.91	16.20	4%	15.96	15.26	5%

The Company and its subsidiaries adopted TFRS 15 using the full retrospective method of adoption in 2018 per details stated in Note to Financial Statement No. 1.3 (a)

1. The revenue from sales of real estate in the amount of Baht was 6,252.56 million or increased of Baht 1,824.66 million or 41% from the same period of the last year, divided into the revenue of 55% from the transfer of ownership of detached houses and townhouses and the remaining 45% from the transfer of ownership of condominiums. The revenue was increased because the new finished condominium projects were transferred in quarter 1 of the year 2019. Additionally, the Bank of Thailand announced the criteria to supervise housing loans by adjusting the maximum loan-to-value (LTV) ratio, which will be effective from April 1, 2019 onwards. This reason affected on some customers to transfer of ownership in this first quarter.
2. Selling and administrative expenses to total revenue was 10.2% that was decreased from 12.8% of the last year due to the ability to control costs.
3. Net profit was Baht 1,527.36 million or increased of Baht 603.91 million or 65% from the same period of the last year, mainly due to the increase in revenue from sales of real estate as stated in No.1. and the decrease in selling and administrative expenses as stated in No.2. Additionally, the Company and its subsidiaries can better control cost of real estate sales. Therefore, basic earnings per share was Baht 0.71 per share or increased from Baht 0.51 per share of the same period of the last year.
4. The net gearing ratio was 32% as at March 31, 2019, which was decreased from the level of 39% as at December 31, 2018, mainly due to repayment of bills of exchange payable and redemption of debentures by using cash flow from operating activities.

As of March 2019, the Company and its subsidiaries have backlog revenue from waiting to be transferred the ownership of house and/or condominium Baht 41,905 million. The Company and its subsidiaries expect to transfer additional Baht 12,012 million of these backlogs over 9 months in year 2019, and Baht 29,893 million over the next 3 years. The backlog means total value of house and/or condominium sold but awaiting to be transferred, then the Company and its subsidiaries could recognize the revenue according to the Thai Accounting Standard, recognizing in full when ownership is transferred.

Please be informed and publicize to public accordingly.

(Mrs.Varunee Lapitananuvat)

Deputy Managing Director