



**AP (THAILAND) PCL.**

**NEWS RELEASE**

**No.15/2019**

13<sup>th</sup> August 2019

Subject: Explanation on -26.3% year-on-year decrease in revenue and -59.0% year-on-year decrease in net profit results

*(Remark: Due to an adoption of new accounting standard (IFRS 15), Q2 2018 results mentioned below are restated.)*

To: Director and Manager  
The Stock Exchange of Thailand

AP (Thailand) Plc. would like to report Q2 2019 revenue of THB 4.8 billion and net profit of THB 487 million. Comparing to last year, revenue decreased by -26.3% YoY (from THB 6.5 billion) and net profit decreased by -59.0% YoY (from THB 1.2 billion) resulting from the followings:

- With the enactment of LTV regulation in April 2019, transfer was partially brought forward to Q1 making Q2 revenue (excluding JV) declined to THB 4.8 billion (-26.3% YoY).
- **Condominium**: AP condo revenue recorded at THB 985 million (-39.8% YoY). “Vittorio” (87.5% transferred) and “Aspire Erawan Phase 1” (74.2% transferred) maintained their position as the largest revenue earner of THB 307 million and THB 174 million, respectively. Also, we continued to gradually clear off stock of other existing projects such as “Aspire Sathorn - Ratchaphreuk”, “Aspire Sathorn - Taksin Phase 3”, and “Aspire Ratchada - Wongsawang” which we were able to finish transfer this quarter.
- **Low rise**: Q2 revenue reported at THB 3.2 billion (-29.3% YoY), fairly shared between single-detached house and townhouse, making YTD revenue of THB 9.2 billion (+8.2% YoY). Given new LTV rules in place along with many public holidays, transfer in Q2 was slow. On top of that, there were only 3 new projects that started to transfer this quarter. All were launched in Q2 including 1) “Baan Klang Muang Ramintra”, 2) “Pleno Phaholyothin - Watcharapol 2”, and 3) “Grande Pleno Ratchapruek”.
- AP GM maintained its level at 33.3% (-40bpt YoY). Underlying GM\* recorded at 35.1% unchanged from last year with property GM\* of 33.1%.



- Q2 2019 SG&A reported at THB 1.1 billion (-9.2% YoY). Although there was a decrease in terms of absolute amount, %SG&A jumped to 23.9% (+450bpt YoY) due to lower revenue recognition. Generally, JV operation is covered by AP, like for like comparison, underlying SG&A would be 22.2% of revenue\*.
- JV revenue came from continuous transfer of 3 existing projects, i.e. “Life Asoke” (98.5% transferred), “Rhythm Ekkamai” (91.4% transferred), and “Life Pinklao” (79.8% transferred). Q2 2019 revenue reported at THB 1.4 billion (-64.9% YoY) with YTD revenue of THB 3.6 billion (-36.6% YoY).
- YTD 2019 “Share of profit from investments in joint ventures” reported at THB 460 million (-32.3% YoY) of which THB 167 million was from Q2. A YoY decline resulted from transfer phasing as we started to transfer “Life Asoke” in Q2 of last year. Please note that 2018 JV profit sharing peaked in Q2 with the amount of THB 530 million.
- Under unfavorable sentiment, Q2 2019 net profit reported at THB 487 million (-59.0% YoY) with net margin of 10.2%. YTD net profit recorded at THB 1.6 billion (-23.8% YoY).

Note: \* Revenue and GM are based on AP + 51% portion in JV.

Sincerely yours,  
AP (Thailand) Public Company Limited.  
/S/  
(Mr. Pramart Kwanchuen)  
Corporate Secretary