

SPL. 127/2019

August 13, 2019

Subject: Report of operating results for the three-month and six-month periods ended 30 June 2019 ([edited version](#))

To Director and Manager  
The Stock Exchange of Thailand

Supalai Public Company Limited would like to inform the operating results for the three-month and six-month periods ended 30 June 2019. Detailed explanations are as followed:

1. The Company and its subsidiaries' operating results for the three-month period ended 30 June 2019 and 2018.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Second Quarter 2019	Second Quarter 2018 (Restated)	Increase / (Decrease) %	Second Quarter 2019	Second Quarter 2018 (Restated)	Increase / (Decrease) %
Total revenues	4,477.11	6,441.53	(30%)	4,226.04	6,025.32	(30%)
Revenue from sales of real estate	4,320.05	6,300.75	(31%)	4,125.55	5,944.88	(31%)
Selling and administrative expenses	703.23	702.35	-	640.83	616.50	4%
% Selling and administrative expenses / Total revenue	15.7%	10.9%		15.2%	10.2%	
Profit before income tax expenses	989.16	1,701.64	(42%)	895.78	1,579.75	(43%)
Income tax expenses	212.01	338.34	(37%)	180.75	318.05	(43%)
Effective corporate income tax rate (%)	21.4%	19.9%		20.2%	20.1%	
Net income	766.15	1,344.55	(43%)	715.02	1,261.70	(43%)
Net profit margin (%)	17.1%	20.9%		16.9%	20.9%	
Basic earnings per share (Baht)	0.36	0.71	(49%)	0.33	0.67	(51%)
(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	30 June 2019	31 December 2018	Increase / (Decrease) %	30 June 2019	31 December 2018	Increase / (Decrease) %
Net Gearing Ratio (%)	38%	39%		41%	42%	
Book Value per share (Baht)	16.63	16.20	3%	15.69	15.26	3%

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 4,320.05 million or decrease of Baht 1,980.70 million or 31% from the same period of the last year, divided into the revenue of 54% from the transfer of ownership of detached houses and townhouses and the remaining 46% was from the transfer of ownership of condominiums. The revenue was decreased because the new finished condominium projects were transferred in the end of second quarter of 2019. While in the second quarter of 2018, the new finished condominium projects were transferred since April 2018. In addition, 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 of the Company and its subsidiaries / total revenue ratio was 15.7%, increase from 10.9% when compared with the same period of the last year. The ratio was increased mainly due to the decrease in revenue from sales of real estate as stated in No 1. and recognition of employee benefits obligation according to relevant law.
3. Net profit was Baht 766.15 million or decrease of Baht 578.40 million or 43% from the same period of the last year, mainly due to the decrease in revenue from sales of real estate as stated in No 1. Therefore, basic earnings per share was Baht 0.36 per share or decrease from Baht 0.71 per share of the same period of the last year.
4. The net gearing ratio was 38% as at 30 June 2019, which was slightly decreased from the level of 39% as at 31 December 2018.

2. The Company and its subsidiaries' operating results for the six-month period ended 30 June 2019 and 2018.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Six-month period 2019	Six-month period 2018 (Restated)	Increase / (Decrease) %	Six-month period 2019	Six-month period 2018 (Restated)	Increase / (Decrease) %
Total revenues	10,892.18	11,042.05	(1%)	10,354.23	10,347.92	-
Revenue from sales of real estate	10,572.61	10,728.65	(1%)	10,131.91	10,153.84	-
Selling and administrative expenses	1,358.46	1,293.05	5%	1,244.42	1,155.39	8%
% Selling and administrative expenses / Total revenue	12.5%	11.7%		12.0%	11.2%	
Profit before income tax expenses	2,924.03	2,850.68	3%	2,768.77	2,625.40	5%
Income tax expenses	602.20	555.19	8%	551.19	522.20	6%
Effective corporate income tax rate (%)	20.6%	19.5%		19.9%	19.9%	
Net income	2,293.51	2,268.00	1%	2,217.59	2,103.21	5%
Net profit margin (%)	21.1%	20.5%		21.4%	20.3%	
Basic earnings per share (Baht)	1.07	1.22	(12%)	1.03	1.13	(9%)

The revenue from sales of real estate in the amount of Baht 10,572.61 million or decrease of Baht 156.04 million or 1% from the same period of the last year, divided into the revenue of 55% from the transfer of detached houses and townhouses and the remaining 45% was from the transfer of ownership of condominiums.

The net income for the first half of year 2019 was slightly increased from Baht 2,268.00 million of the same period of the last year to Baht 2,293.51 million or increase of Baht 25.51 million or 1%.

As of 30 June 2019, the Company and its subsidiaries have house and/or condominium backlogs of Baht 43,434 million. The Company and its subsidiaries expect to transfer additional Baht 10,189 million of these backlogs over the next 6 months of year 2019, and Baht 33,245 million over the next 4 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