

SPL.041/2020

February 25, 2020

Subject: Report of operating results for the year ended December 31, 2019

To Director and Manager
The Stock Exchange of Thailand

Supalai Public Company Limited would like to inform the operating results for the year ended December 31, 2019. Detailed explanations are as follows:

The Company and its subsidiaries' operating results for the year ended December 31, 2019 and 2018.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Year 2019	Year 2018	Increase / (Decrease)%	Year 2019	Year 2018	Increase / (Decrease)%
Total revenues	23,957.15	25,809.53	(7%)	22,702.14	24,419.90	(7%)
Revenue from sales of real estate	23,224.38	25,203.08	(8%)	22,270.04	23,875.81	(7%)
Selling and administrative expenses	2,855.08	2,812.66	2%	2,619.82	2,534.51	3%
% Selling and administrative expenses / Total revenue	11.9%	10.9%	-	11.5%	10.4%	-
Profit before income tax expenses	6,823.07	7,291.33	(6%)	6,258.49	6,851.54	(9%)
Income tax expenses	1,355.01	1,448.72	(6%)	1,268.49	1,337.84	(5%)
Effective corporate income tax rate (%)	19.9%	19.9%	-	20.3%	19.5%	-
Net income	5,402.76	5,770.42	(6%)	4,990.00	5,513.71	(9%)
Net profit margin (%)	22.6%	22.4%	-	22.0%	22.6%	-
Basic earnings per share (Baht)	2.52	2.92	(14%)	2.33	2.79	(16%)
Net gearing ratio (%)	34%	39%	-	37%	42%	-
Book value per share (Baht)	17.66	16.20	9%	16.59	15.26	9%

1. The revenue from sales of real estate in the amount of Baht was 23,224.38 million or decreased of Baht 1,978.7 million or 8% from the last year, divided into the revenue of 54% from the transfer of ownership of detached houses and townhouses and the remaining 46% from the transfer of ownership of condominiums. The revenue was decreased because The Bank of Thailand (BOT) announced to adopt new regulation on requirements for residential mortgage loans and the relevant loans, by adjusting the maximum loan-to-value (LTV) ratio, which will be effective from April 1, 2019 onwards.

2. Selling and administrative expenses to total revenue was 11.9% that was increased from 10.9% when compared with the same period of the last year. This is due to the decrease in the revenue, as stated in No. 1.
3. Net profit was Baht 5,402.76 million or decrease of Baht 367.66 million or 6% from the last year, mainly due to the reasons as stated in No.1 and 2. Therefore, basic earnings per share was Baht 2.52 per share or decrease from Baht 2.92 per share of the last year.
4. The net gearing ratio was 34% as at December 31, 2019, which was decreased from the level of 39% as at December 31, 2018, mainly due to repayment of bills of exchange payable, long-term loan and redemption of debentures by using cash flow from operating activities of the Company and its subsidiaries.

As of December 31, 2019, the Company and its subsidiaries have backlog revenue from waiting to be transferred the ownership of house and/or condominium Baht 38,655 million. The Company and its subsidiaries expect to transfer additional Baht 10,051 million of these backlogs over the year 2020, and Baht 28,604 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