

SPL. 164/2020
August 11, 2020

Subject: Report of operating results for the three-month and six-month periods ended 30 June 2020

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 2020. Detailed explanations are as followed:

1. The Company and its subsidiaries' operating results for the three-month period ended 30 June 2020 and 2019.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Second Quarter 2020	Second Quarter 2019	Increase / (Decrease) %	Second Quarter 2020	Second Quarter 2019	Increase / (Decrease) %
Total revenues	3,039.89	4,477.11	(32%)	2,805.21	4,226.04	(34%)
Revenue from sales of real estate	2,917.91	4,320.05	(32%)	2,741.18	4,125.55	(34%)
Selling and administrative expenses	515.88	703.23	(27%)	483.05	640.83	(25%)
% Selling and administrative expenses / Total revenue	17.0%	15.7%		17.2%	15.2%	
Profit before income tax expenses	588.11	989.16	(41%)	478.30	895.78	(47%)
Income tax expenses	164.80	212.01	(22%)	102.54	180.75	(43%)
Effective corporate income tax rate (%)	27.7%	21.4%		21.4%	20.2%	
Net income	420.09	766.15	(45%)	375.76	715.02	(47%)
Net profit margin (%)	13.8%	17.1%		13.4%	16.9%	
Basic earnings per share (Baht)	0.21	0.36	(42%)	0.19	0.33	(42%)
	Consolidated financial statements			Separate financial statements		
	30 June 2020	31 December 2019	Increase / (Decrease) %	30 June 2020	31 December 2019	Increase / (Decrease) %
Net Gearing Ratio (%)	62%	34%		68%	37%	
Book Value per share (Baht)	16.28	17.66	(8%)	15.11	16.59	(9%)

1. The revenue from sales of real estate in the amount of Baht 2,917.91 million or decrease of Baht 1,402.14 million or 32% from the same period of the last year, divided into the revenue of 84% from the transfer of ownership of detached houses and townhouses and the remaining 16% 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. In 2020, the Company has 4 finished condominium projects to be transferred in second half of the year. Additionally, COVID-19 pandemic from March to April 2020 affected partly decrease in sales and transfer of ownership in this second quarter.
 2. Selling and administrative expenses to total revenue was 17.0% that was increased from 15.7% of the last year. This is due to the decrease in the revenue from sales of real estate, as stated in No. 1.
 3. Net profit was Baht 420.09 million or decreased of Baht 346.06 million or 45% from the same period of the last year, mainly due to the reasons as stated in No.1. Therefore, basic earnings per share was Baht 0.21 per share or decreased from Baht 0.36 per share of the same period of the last year.
 4. As stated in No. 1, while the company still consistently invest. As a result, the net gearing ratio was 62% as at 30 June 2020, which was increased from the level of 34% as at 31 December 2019.
 5. In the first quarter of the year 2020, the Company's Board of Directors' Meeting approved a share repurchase program for financial management purposes, with a budget of up to Baht 3,000 million, or not exceeding amount 200 million shares. The treasury stocks as at 30 June 2020 is amounting to Baht 2,991.08 million; therefore, shareholders' equity of the Company was decreased.
2. The Company and its subsidiaries' operating results for the six-month period ended 30 June 2020 and 2019.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Six-month period 2020	Six-month period 2019	Increase / (Decrease) %	Six-month period 2020	Six-month period 2019	Increase / (Decrease) %
Total revenues	6,871.05	10,892.18	(37%)	6,367.52	10,354.23	(39%)
Revenue from sales of real estate	6,538.53	10,572.61	(38%)	6,166.48	10,131.91	(39%)
Selling and administrative expenses	1,020.30	1,358.46	(25%)	934.13	1,244.42	(25%)
% Selling and administrative expenses / Total revenue	14.9%	12.5%		14.7%	12.0%	
Profit before income tax expenses	1,575.78	2,924.03	(46%)	1,336.26	2,768.77	(52%)
Income tax expenses	391.10	602.20	(35%)	277.15	551.19	(50%)
Effective corporate income tax rate (%)	24.8%	20.6%		20.7%	19.9%	
Net income	1,170.05	2,293.51	(49%)	1,059.11	2,217.59	(52%)
Net profit margin (%)	17.0%	21.1%		16.6%	21.4%	
Basic earnings per share (Baht)	0.57	1.07	(47%)	0.52	1.03	(50%)

The revenue from sales of real estate in the amount of Baht 6,538.53 million or decrease of Baht 4,034.08 million or 38% from the same period of the last year, divided into the revenue of 81% from the transfer of ownership of detached houses and townhouses and the remaining 19% 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. In 2020, the Company

has 4 finished condominium projects to be transferred in second half of the year. Additionally, COVID-19 pandemic from March to April 2020 affected partly decrease in sales and transfer of ownership in this first half year.

According to the reason as stated above, resulting to the net income for the first half of year 2020 was decreased from Baht 2,293.51 million of the same period of the last year to Baht 1,170.05 million or decrease of Baht 1,123.46 million or 49%.

As of 30 June 2020, the Company and its subsidiaries have house and/or condominium backlogs of Baht 40,022 million. The Company and its subsidiaries expect to transfer additional Baht 10,144 million of these backlogs over the next 6 months of year 2020, and Baht 29,878 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