

Subject : Clarification of Quarter 2/2018 Operating Results

To : The President
The Stock Exchange of Thailand

Ananda Development Pcl. (ANAN) would like to clarify the company and its subsidiaries' operating results for the Quarter 2/2018 as follows:

Statement of comprehensive income	Quarter 2/2018		Quarter 2/2017		Increased(Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenue from sale of real estate	1,534.1	63.2	2,661.3	70.9	(1,127.2)	(42.4)
Revenue from project management services & Comission Incomes	431.0	17.8	633.9	16.9	(202.9)	(32.0)
Revenue from Construction	329.6	13.6	244.1	6.5	85.5	35.0
Revenue from sales and services	52.3	2.2	50.6	1.3	1.7	3.3
Revenue from land sourcing	-	-	82.0	2.2	(82.0)	100.0
Other incomes	78.6	3.2	79.8	2.1	(1.2)	(1.5)
Total Revenues	2,425.6	100.0	3,751.7	100.0	(1,326.1)	(35.3)
Cost of Good Sold						
Cost of real estate sold	1,095.1	45.1	1,793.3	47.8	(698.2)	(38.9)
Cost of project management services & Comission Income	207.1	8.5	204.2	5.4	2.9	1.5
Cost of construction services	302.3	12.5	223.9	6.0	78.4	35.0
Cost of Sale and Services	47.5	2.0	37.7	1.0	9.8	25.9
Total Cost of Good Sold	1,652.0	68.1	2,259.1	60.2	(607.1)	(26.9)
Profit Before Selling & Administration Expenses	773.6	31.9	1,492.6	39.8	(719.0)	(48.2)
Selling & Administration Expenses	627.1	25.9	673.6	18.0	(46.5)	(6.9)
Selling expenses	214.7	8.9	307.3	8.2	(92.6)	(30.1)
Administrative expenses	412.4	17.0	366.3	9.8	46.1	12.6
Operating Profit (Loss)	146.5	6.0	819.0	21.8	(672.5)	(82.1)
Finance cost	90.9	3.7	104.5	2.8	(13.6)	(13.0)
Income tax expense	10.2	0.4	134.9	3.6	(124.7)	(92.4)
Profit before share of loss from investments in joint ventures	45.4	1.9	579.6	15.4	(534.2)	(92.2)
Share of Profit (loss) from investments in joint ventures	538.6	22.2	(300.1)	(8.0)	838.7	(279.5)
Profit for the period	584.0	24.1	279.5	7.4	304.5	109.0
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	584.0	24.1	279.5	7.4	304.5	109.0

Total Revenue

For the Quarter 2/2018, the Company and its subsidiaries generated total revenues of Baht 2,425.6 million, a decrease of Baht 1,326.1 million or 35.3% compared to the same period of last year resulting mainly from a decrease in Revenue from Sale of real estate of Baht 1,127.2 million incomes of Baht because the company presently has been developing the project through Join venture companies which was recognized in Statement of comprehensive income under the share of Profit (Loss) from the investment.

The Revenue from the Sale of Real Estate contributed 63.2% of total revenues decreased from 70.9% in the previous year. The decrease in contribution of Revenue from the Sale of Real Estate to total revenue was due to the Revenue from Project Management Services and Commission income growing by 35%.

Cost of Goods Sold

For the Quarter 2/2018, the Cost of Goods Sold was Baht 1,652.0 million, a decrease of Baht 607.1 million or a decrease of 26.9% from the same period of last year, which was in line with the decrease in Revenue. The cost of Real Estate Sales was Baht 1,095.1 million or 71.4% of the revenue from real estate, a decrease of the Cost of Goods Sold of Baht 698.2 Million or 38.9% from a same period of last year which in line with the decrease of Revenue.

Selling & Administrative Expenses

Selling & Administration Expenses	Quarter 2/2018		Quarter 2/2017		Increased(Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Selling Expenses						
Selling expense	155.5	24.8	197.1	29.3	(41.6)	(21.1)
Special business tax and transfer fees	59.2	9.4	110.2	16.4	(51.0)	(46.3)
Total Selling expenses	214.7	34.2	307.3	45.6	(92.6)	(30.1)
Administrative expenses	412.4	65.8	366.3	54.4	46.1	12.6
Total Selling & Admin expenses	627.1	100.0	673.6	100.0	(46.5)	(6.9)

For the Quarter 2/2018, the company and its subsidiaries Selling and Administrative Expenses were Baht 627.1 million or 25.9 of total revenues, a decrease of Baht 46.5million or decrease of 6.9% from the same period of last year.

The Total Selling Expenses for the Quarter 2/2018 were Baht 214.7 million consisted of Selling Expenses totalling Baht 155.5 million and Special Business Tax and Transfer fees of Baht 59.2 million. The decrease in Selling Expenses of Baht 92.6 million, a decrease of 30.1% from the same period of last year was in line with the decrease of company's revenue

The Administrative Expenses for the Quarter 2/2018 were Baht 412.4 million, an increase of Baht 46.1 million, an increase of 12.6% from the same period of last year.

Finance Costs

For the Quarter 2/2018, Finance Costs were Baht 90.9million or 3.7% of total revenues, a decrease of Baht 13.6 million from the same period of last year because the company has the average Financial cost lower than last year. As of 30 June 2018, the Company had a Debt to Equity ratio of 1.6 times, an Interest-Bearing Debt to Equity ratio of 1.3 times and a Net Cash Interest Bearing Debt to Equity ratio of 1.1 times.

Share of Profit(Loss) from investment in associates and joint ventures

For the Quarter 2/2018, the Share of Profit (Loss) from investment in associates and joint ventures was Baht 538.6 million, an increase from the same period of last year due to the recognition profit from the Ashton Asoke and Ashton Chula-Silom projects which both projects were completed and started to transfer during Quarter 2/2018.

Income Tax Expenses

For the Quarter 2/2018, the Income Tax Expenses were Baht 10.2 million or 0.4% of total revenues, a decrease of Baht 124.7 million from the same period of last year because the company presently has been developing the project through Join venture companies which Income Tax Expenses were netted of under the share of Profit (Loss) from the investment.

Net Profit

The Company and its subsidiaries generated a Net Profit for the Quarter 2/2018 of Baht 584.0 million, equal to 24.1% of total revenues. This was an increase of Baht 304.5 million which mainly was come from the Share of Profit from investment in joint ventures companies.

Please be informed accordingly.

Sincerely yours,

(Mr. Chanond Ruangkritya)
President & Chief Executive Officer