

SPL.107/2020

May 12, 2020

Subject: Report of operating results for the three-month period ended March 31, 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 period ended March 31, 2020.

Detailed explanations are as follows:

The Company and its subsidiaries' operating results for the three-month period ended March 31, 2020 and 2019.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Quarter 1 2020	Quarter 1 2019	Increase / (Decrease) %	Quarter 1 2020	Quarter 1 2019	Increase / (Decrease) %
Total revenues	3,831.16	6,415.07	(40%)	3,562.31	6,128.20	(42%)
Revenue from sales of real estate	3,620.62	6,252.56	(42%)	3,425.29	6,006.35	(43%)
Selling and administrative expenses	504.42	655.24	(23%)	451.09	603.59	(25%)
% Selling and administrative expenses / Total revenue	13.2%	10.2%	-	12.7%	9.8%	-
Profit before income tax expenses	987.68	1,934.87	(49%)	857.96	1,873.00	(54%)
Income tax expenses	226.31	390.20	(42%)	174.61	370.44	(53%)
Effective corporate income tax rate (%)	22.9%	20.2%	-	20.4%	19.8%	-
Net income	749.96	1,527.36	(51%)	683.35	1,502.56	(55%)
Net profit margin (%)	19.6%	23.8%	-	19.2%	24.5%	-
Basic earnings per share (Baht)	0.36	0.71	(49%)	0.32	0.70	(54%)
	Consolidated financial statements			Separate financial statements		
	31 March 2020	31 December 2019	Increase / (Decrease) %	31 March 2020	31 December 2019	Increase / (Decrease) %
Net gearing ratio (%)	48%	34%	-	51%	37%	-
Book value per share (Baht)	16.96	17.66	(4%)	15.92	16.59	(4%)

1. The revenue from sales of real estate in the amount of Baht was 3,620.62 million or decreased of Baht 2,631.94 million or 42% from the same period of the last year, divided into the revenue of 79% from the transfer of ownership of detached houses and townhouses and the remaining 21% from the transfer of ownership of condominiums. The revenue was mainly decreased because the new finished condominium projects were transferred in the first quarter of the year 2019. However, the Company has 4 finished condominium projects to be transferred in second half of the year 2020. Additionally, another reason for the decrease in revenue is that the Company is still affected by the adjusting the maximum loan-to-value (LTV) ratio, which have been effective since April 1, 2019. In the first quarter of 2019, the loan-to-value (LTV) regulation was not enforced.
2. Selling and administrative expenses to total revenue was 13.2% that was increased from 10.2% of the last year. This is due to the decrease in the revenue, as stated in No. 1.
3. Net profit was Baht 749.96 million or decreased of Baht 777.40 million or 51% from the same period of the last year, mainly due to the reasons as stated in No.1 and 2. Therefore, basic earnings per share was Baht 0.36 per share or decreased from Baht 0.71 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 48% as at 31 March 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 31 March 2020 is amounting to Baht 2,116.67 million; therefore, shareholders' equity of the Company was decreased.

As of 31 March 2020, the Company and its subsidiaries have backlog revenue from waiting to be transferred the ownership of house and/or condominium Baht 38,717 million. The Company and its subsidiaries expect to transfer additional Baht 9,243 million of these backlogs over 9 months in year 2020, and Baht 29,474 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