



UNIVENTURES

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The Registration NO. 0107537001030

February 13, 2018

Subject: Management Discussion and Analysis on Financial Statements for the three-month period ended December 31, 2017

Dear: The SET Board of Governors
The Stock Exchange of Thailand

By Copy to: Secretary
General Office of the Securities and Exchange Commission

We, Univentures Public Company Limited ("the Company"), reported reviewed financial statements for the three-month period ended 31 December 2017 (Q1/2018) and the financial statements of the same period of previous year. Profit attributable to the owners of the company shown in our consolidated financial statements of this quarter was Baht 342.2 million, increased by Baht 90.8 million, or 36%.

The Company would like to explain the consolidated operating result for the three-month period ended 31 December 2017 and financial position as at the same date as follows:

1. Consolidated statements of comprehensive income

The consolidated statements of comprehensive income for the three-month period ended 31 December 2017 compared with same period of previous year.

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	Q1'18 (Oct-Dec 17)	% of sales	Q1'17 (Oct-Dec 16)	% of sales	Increased (Decreased)	%
Revenue from sale of goods, rendering of services and	5,653.6	100%	4,192.5	100%	1,461.1	35
Cost of sale of goods, rendering of services and rental	3,977.6	70%	2,932.3	70%	1,045.3	36
Gross Profit	1,676.0	30%	1,260.2	30%	415.8	33
Selling and administrative expenses	831.6	15%	865.6	20%	(34.0)	(4)
Operating Profit	844.4	15%	394.6	9%	449.8	114
Other Income	35.1		155.0		(119.9)	(77)
Share of profit of equity-accounted investees associates	28.7		(3.7)		32.4	869
Profit before Depreciation and Amortization (EBITDA)	1,061.8	19%	691.6	16%	370.1	54
Depreciation and Amortization	153.6	3%	145.7	3%	7.9	5
Profit before finance costs and income tax (EBIT)	908.2	16%	545.9	13%	362.2	66
Finance costs	31.0	1%	38.4	1%	(7.4)	(19)
Profit before income tax (EBT)	877.1	15%	507.5	12%	369.6	73
Income tax expense	170.2	3%	121.1	3%	49.2	41
Profit for the period	706.9	12%	386.5	9%	320.4	83
Profit attributable to:						
Owners of the Company	342.2	6%	251.4	6%	90.8	36
Non-controlling interests	364.7	6%	135.1	3%	229.6	170

Table 1: Consolidated statements of comprehensive income

(Unit : Million Baht)

1.1 Revenue from sale of goods, rendering of services and rental

According to Table 1, total revenue from sale of goods, rendering of services and rental ("core revenue") for the Q1/2018 was Baht 5,653.6 million, increased from the same period of previous year by Baht 1,461.1 million or 35%. Figure 1 illustrated revenue proportion from sale of goods, rendering of services and rental. The changing for the three-month period ended 31 December 2017 from the same period of previous year by segment is per below detail:

- Revenue from sale of real estate projects remained at 81% of core revenue.
- Revenue from rental and rendering of services decreased from 6% of core revenue to 5%
- Revenue from sale of goods and rendering of services increased from 10% of core revenue to 11%
- Revenue from hotel business decreased from 3% of core revenue to 2%
- Revenue from management fee remained at 1% of core revenue
- Revenue from golf course operation remained at 0.1% of core revenue

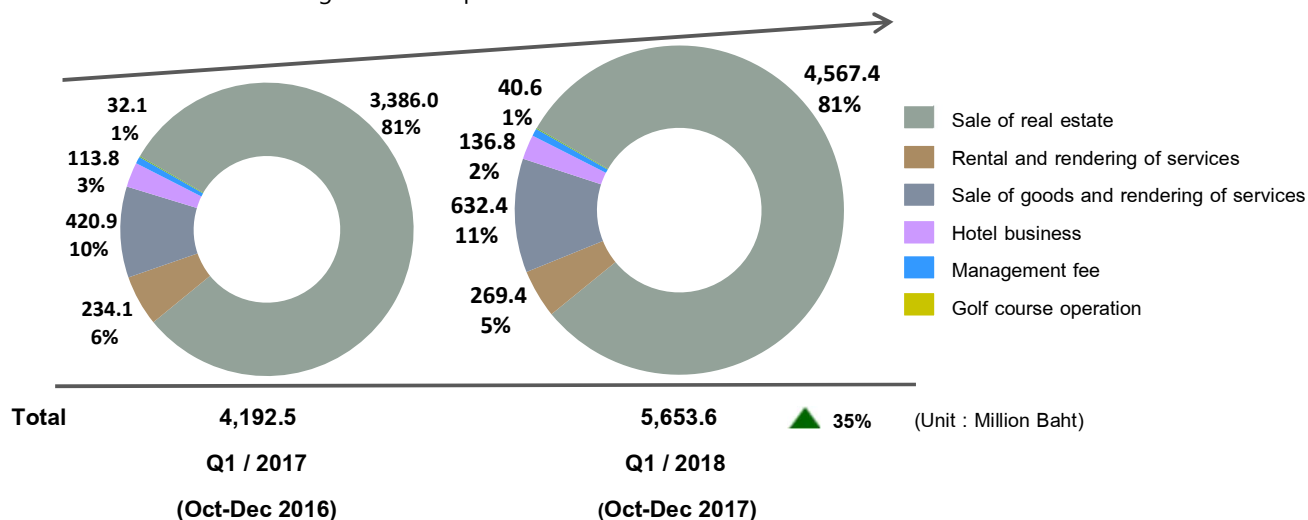


Figure 1: Proportion of revenue from sale of goods, rendering of services and rental

- **Revenue from sale of real estate projects**

Real estate market outlook for the year 2017 is expected to increase slightly from clearer government spending on extension of new mass transit lines and announcement of general election tentative timeline which helped increase foreign investor confidence. Upper middle near mass transit line and high-end properties in prime location with residential technology and innovation are still in high demand. In addition, rise of mixed-use development projects shows increasing demand for residential that blends with offices, retail complexes, and convenience stores.

According to AREA survey for the year 2017, there were 112,802 newly launched units. From the total launch, 57% were from condo and 30% were from town house. From the total residential sold units, 78% were from condominium, 17% were from townhouse. The highest sold out rate was from the condo price THB 3-5 million followed by high-end condo price THB 10-20 million, and condo price THB 5-10 million respectively.

To meet rising demand in high-end condo and targeting higher purchasing power customer, the company will launch 4 new brands condos in primer location next to the mass transist stations. The new brand strategy correspond to the living concept "Simply Make Sense" focusing on simple design and living comfort for ultimate happiness. Total value of 4 new launched projects worth THB 12 billion.

In Q1/2018, the Company reported revenue from sale of real estate from high-rise and low-rise projects of Baht 4,567.4 million, increased from the same period of previous year by Baht 1,181.5 million or 35% per below detail:

- High-rise Projects shown in Figure 2: Revenue derived from 325 Units, 9 projects in total value of Baht 805.4 million, decreasing by Baht 78.9 million, or 9% from the same period of previous year.

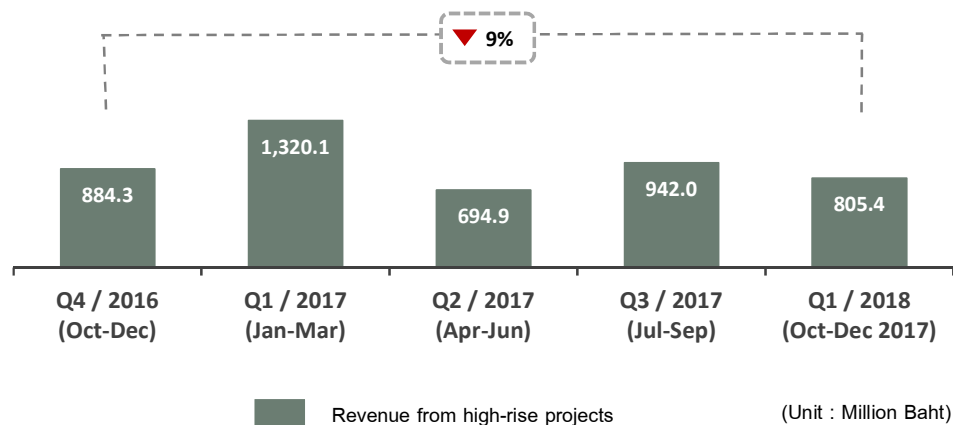


Figure 2: Graph shown revenue from high-rise projects

- Low-rise projects shown in Figure 3: Revenue derived from 931 units, 91 projects in value of Baht 3,762.1 million, increasing by Baht 1,260.5 million, or 50% from previous year.

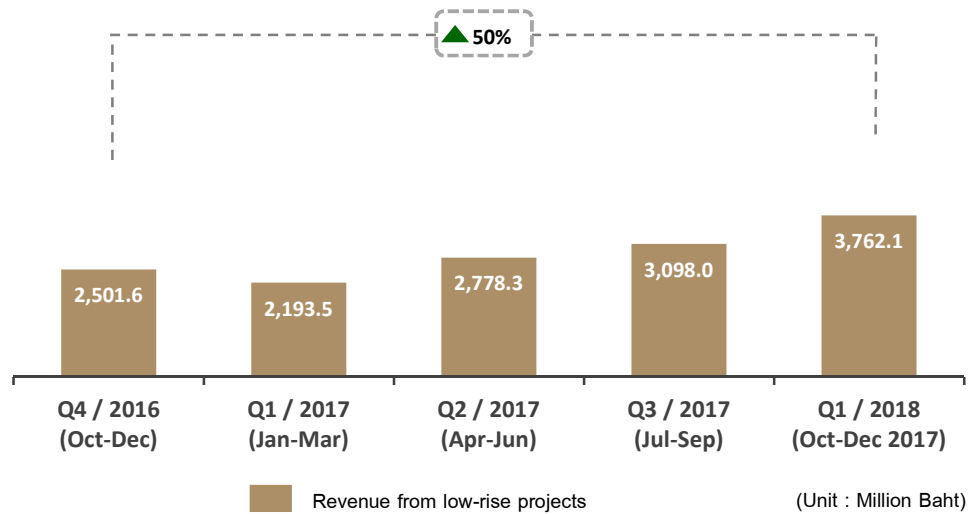


Figure 3: Graph shown revenue from low-rise projects

- **Revenue from rental and hotel business**

From Figure 1, the Company reported revenue from rental and hotel business in total of Baht 406.2 million in Q1/2018, increased from the same period of previous year by Baht 58.3 million or 17%. Revenue from rental mainly derived from office buildings, hotels and service apartments of GOLD in total of Baht 360.6 million, increased from the previous year by Baht 46.3 million or 15%, as shown in Figure 4 due to revenue recognition from FYI and Modena by Fraser Bangkok Hotel.

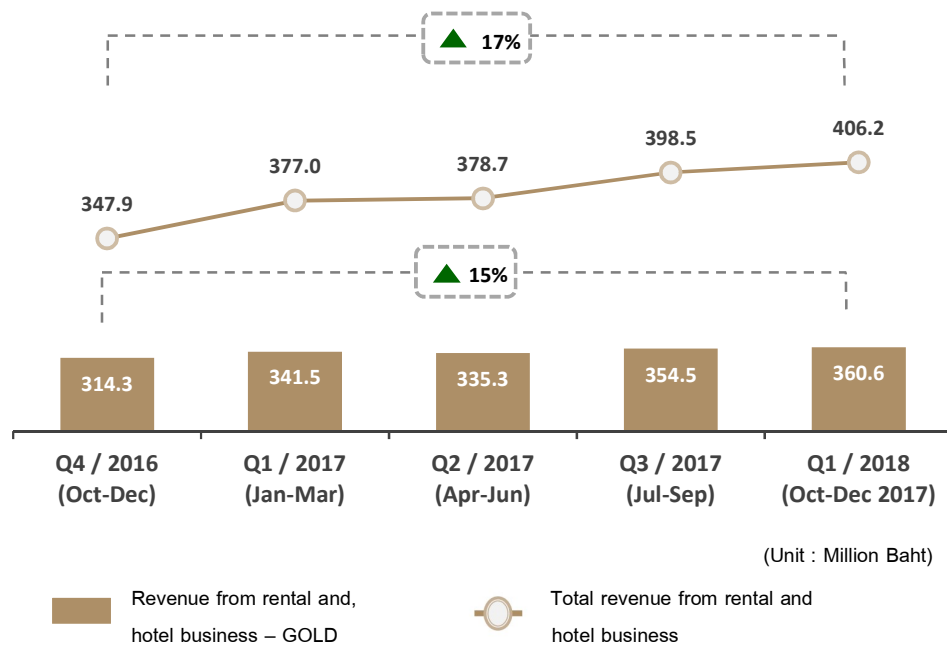


Figure 4: Graph of revenue from rental and rendering of services

- **Revenue from sale of goods, rendering of services and management fee**

From Figure 1, the Company reported revenue from sale of goods, rendering of services and management fee of Baht 680.0 million in Q1/2018, increased from the same period of previous year by Baht 221.3 million or 33%. Increasing revenue was mainly from increased in zinc oxide revenue by Baht 227.5 million, or 61% compared to the same period of previous year due to increasing of sale volume by 26% and increasing of raw material price (LME) by 28%, as shown in figure 5.

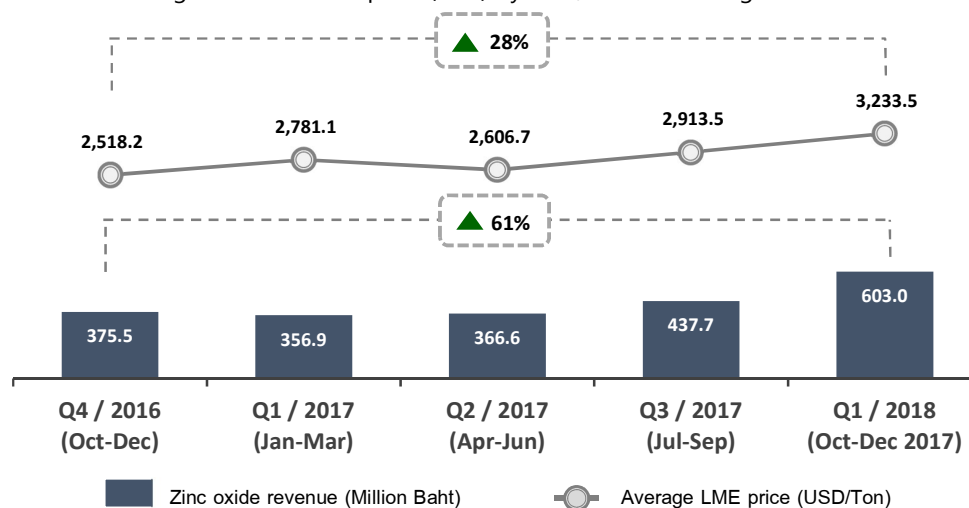


Figure 5: Graph of zinc oxide revenue and Average LME

1.2 Cost of sale of goods, rendering of services and rental

According to Table 1, the Company reported cost of sale of goods, rendering of services and rental of Baht 3,977.6 million in Q1/2018, increased from the same period of previous year by Baht 1,045.3 million or 36%. The proportion of cost of sale of goods, rendering of services and rental to core revenue was 70%, unchanged from the same period of previous year. Consequently, the Company reported gross profit margin was 30% this year. The analysis of cost of sale of goods, rendering of services and rental by business segments is per below detail:

- Cost from sale of real estate remained at 68%, unchanged from the same period of previous year
- Cost from rental and rendering services was 70% in Q1/2018, decreased from 77% in the same period of previous year.
- Cost from sale of goods and rendering services was 87% in Q1/2018, increased from 84% in the same period of previous year due to increased LME cost.
- Cost from hotel business was 70% in Q1/2018, decreased from 80% in the same period of previous year
- Cost from management fee was 56% in Q1/2018, decreased from 58% in the same period of previous year
- Cost from golf course operation was 51% in Q1/2018, decreased from 52% in the same period of previous year

1.3 Selling and administrative expenses

According to Table 1, the Company reported selling and administrative expenses of Baht 831.6 million in Q1/2018, decreased by Baht 34.0 million, or 4%. The proportion of selling and administrative expenses to revenue was 15%, decreased from 20% in the same period of previous year as shown in Figure 6. The details of selling and administrative expenses are per below:

- Selling expense in Q1/2018 was Baht 368.7 million, increased by Baht 63.6 million, or 21% compared with the same period of previous year. Increased selling expenses were mainly from special business tax, transfer fee and marketing expense related from launching new projects. The proportion of selling expense to revenue in Q1/2018 was at 6% of total revenue, decreased from 7% in the same period of previous year.
- Administrative expense in Q1/2018 was Baht 463.0 million, decreased by Baht 97.6 million, or 17% compared with the same period of previous year. The proportion of administrative expense to revenue in Q1/2018 was at 8% of total revenue, decreased from 12% in the same period of previous year.

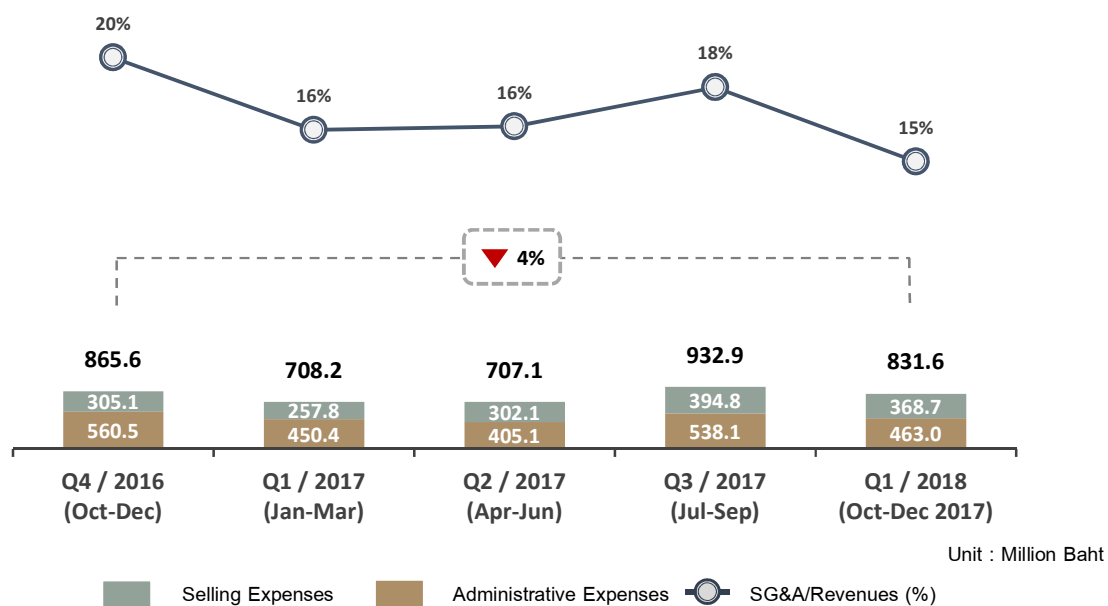


Figure 6: Graph of selling and administrative expenses

1.4 Finance costs

According to Table 1, Finance costs in Q1/2018 were Baht 31.0 million, decreased from the same period of previous year by Baht 7.4 million, or 19%

1.5 Profit attributable to the owners of the Company

According to Figure 7, profit in Q1/2018 was Baht 706.9 million, increased by Baht 320.4 million, or 83%. Profit attributable to the owners of the Company was Baht 342.2 million, increased by Baht 90.8 million, or 36% compared to the same period of previous year mainly due to increasing core revenue and efficiency of management selling and administrative expenses.

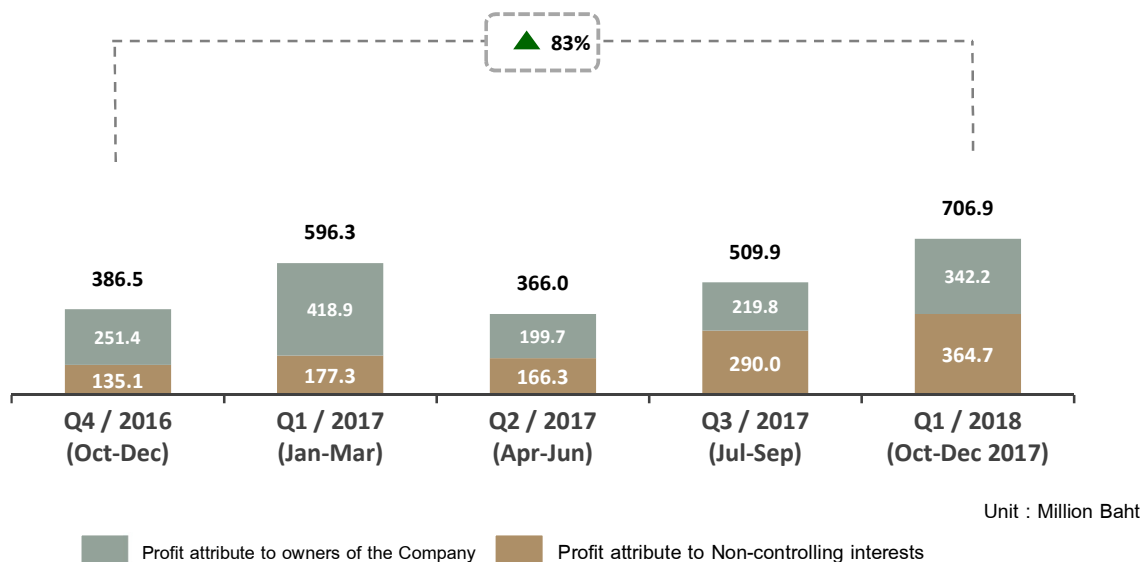


Figure 7: Graph of profit attributable proportion to the owner of the Company and Non-controlling interests

2. Consolidated statements of financial position

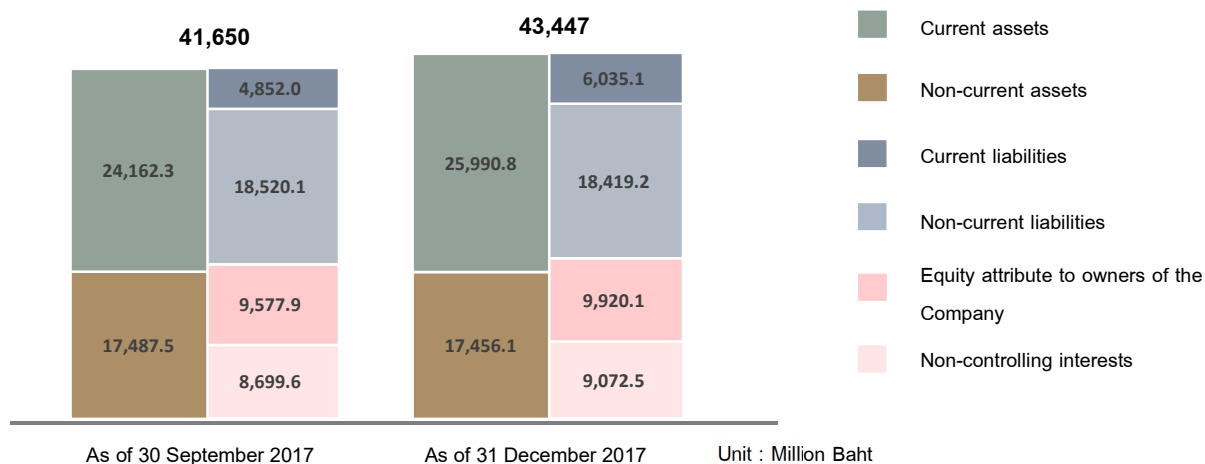


Figure 8: Consolidated statements of financial position

Assets

As ending of quarter 1 year 2018 (31 December 2017), the Company reported total assets in amount of Baht 43,446.8 million, increased from 2017 year end (30 September 2017) by Baht 1,797.1 million, or 4%. Increase in asset was mainly from increasing real estate project under development by Baht 2,263.8 million, netting with reduction cash and cash equivalent by Baht 465.4 million and reduction of inventory by Baht 130.1 million.

Liabilities

As ending of quarter 1 year 2018 (31 December 2017), the Company reported total liabilities of Baht 24,454.2 million, increased from the end of the year 2017 (30 September 2017) by Baht 1,082.1 million, or 5%. Increase in liabilities was mainly from increasing short-term loan by Baht 1,112.9 million.

Liquidity

The current ratio as ending of quarter 1 year 2018 (31 December 2017) and 2017 year end (30 September 2017) were at 4.31 times and 4.98 times, respectively while debt to equity ratio as ending of quarter 1 year 2018 (31 December 2017) were at 1.29 times, increased from 2017 year end (30 September 2017) at 1.28 times.

Please be informed accordingly.

Yours sincerely,

(Mr. Worawat Srisa-an)

President

Univentures Public Company Limited