



UNIVENTURES

Ref. UV No. 031/2018  
The Registration NO. 0107537001030

August 9, 2018

Subject: Management Discussion and Analysis on Financial Statements for the three-month period ended June 30, 2018 (Q3/2018)

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 30 June 2018 (Q3/2018) 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 227.0 million, increased by Baht 27.4 million, or 14%.

The Company would like to explain the consolidated operating result for the three-month period ended 30 June 2018 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 30 June 2018 compared with same period of previous year.

	Q3'18 (Apr-Jun 18)	% of sales	Q3'17 (Apr-Jun 17)	% of sales	Increased (Decreased)	%
Revenue from sale of goods, rendering of services and	4,967.8	100%	4,278.3	100%	689.5	16
Cost of sale of goods, rendering of services and rental	3,442.9	69%	3,065.8	72%	377.1	12
<b>Gross Profit</b>	<b>1,524.9</b>	<b>31%</b>	<b>1,212.5</b>	<b>28%</b>	<b>312.4</b>	<b>26</b>
Selling and administrative expenses	869.2	17%	705.1	16%	164.1	23
<b>Operating Profit</b>	<b>655.7</b>	<b>13%</b>	<b>507.4</b>	<b>12%</b>	<b>148.2</b>	<b>29</b>
Other Income	26.1		27.0		(0.9)	(3)
Share of profit of equity-accounted investees associates	19.3		24.1		(4.8)	20
<b>Profit before Depreciation and Amortization (EBITDA)</b>	<b>855.9</b>	<b>17%</b>	<b>711.3</b>	<b>17%</b>	<b>144.6</b>	<b>20</b>
Depreciation and Amortization	154.8	3%	152.8	4%	2.0	1
<b>Profit before finance costs and income tax (EBIT)</b>	<b>701.1</b>	<b>14%</b>	<b>558.5</b>	<b>13%</b>	<b>142.6</b>	<b>26</b>
Finance costs	34.9	1%	47.4	1%	(12.5)	(26)
<b>Profit before income tax (EBT)</b>	<b>666.2</b>	<b>13%</b>	<b>511.1</b>	<b>12%</b>	<b>155.1</b>	<b>30</b>
Income tax expense	138.9	3%	145.2	3%	(6.2)	(4)
<b>Profit for the period</b>	<b>527.3</b>	<b>11%</b>	<b>366.0</b>	<b>9%</b>	<b>161.3</b>	<b>44</b>
<b>Profit attributable to:</b>						
Owners of the Company	227.0	5%	199.7	5%	27.4	14
Non-controlling interests	300.2	6%	166.3	4%	133.9	81

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 Q3/2018 was Baht 4,967.8 million, increased from the same period of previous year by Baht 689.5 million or 16%. Figure 1 illustrated revenue proportion from sale of goods, rendering of services and rental. The change in revenue proportion for the three-month period ended 30 June 2018 compared with the same period of previous year by segment is per below detail:

- Revenue from sale of real estate projects was at 80% (Q3/2017: 81%)
- Revenue from rental and rendering of services remained at 6%, the same as prior period.
- Revenue from sale of goods and rendering of services was 10% (Q3/2017: 9%).
- Revenue from hotel business was at 3%, the same as prior period.
- Revenue from management fee remained at 1%, the same as prior period.
- Revenue from golf course operation remained at 0.1%, the same as prior period.

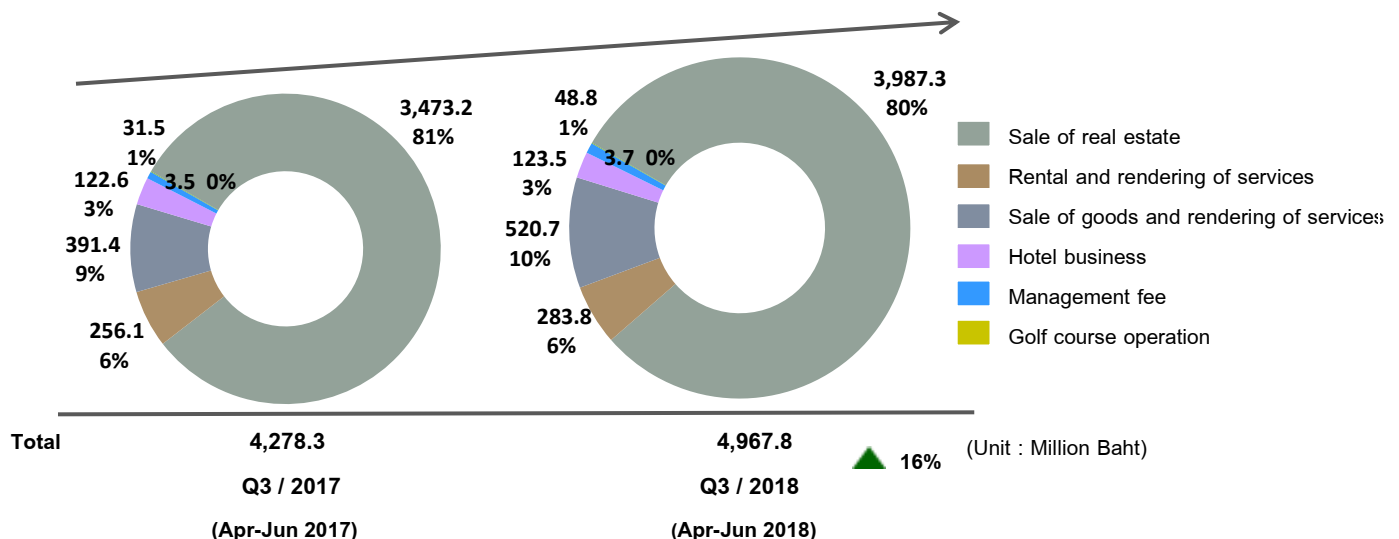


Figure 1: Proportion of revenue from sale of goods, rendering of services and rental

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

Real estate market for the year 2018 is driven by positive factors including low interest rate and clearer government spending on infrastructure and transportation. This year, it is the government plan to open another large infrastructure project for bidding-- the southern Purple Line from Tao Poon to Rat Burana. However, developers remain cautious in high household debt and strict home loan approval from financial institutions. Another crucial factors are new land and building tax and new town planning act. (No 4) expected to take effect in year 2019.

According to AREA survey for 6-month (Jan 2018-Jun 2018), it is estimated that newly launched units were 43,703 units. From the total launched, 57% were from condo and 28% were from town house. The highest sold out rate were from high-end condo and luxury condo in central business district (CBD) average price THB 5 to 20 million followed by town house price THB 3-5 million located on the new extension line.

To meet rising demand in high-end condo and targeting higher purchasing power customer, the company will launch 3 new brands condos in primer location next to the mass transit stations in total project value of Baht 7,750 million. The company have already launched 2 projects—Ciela Sripatum (worth Baht 2,750 million) in March 2018 and DE LAPIS Charan 81 (worth Baht 2,000 million) in June 2018 respectively. The upcoming new project expected to launch in September 2018 is MAZARINE Ratchayothin, a luxury condo project worth Baht 3,000 million locating next to BTS Ratchayothin.

In Q3/2018, the Company reported revenue from sale of real estate from high-rise and low-rise projects of Baht 3,987.3 million, increased from the same period of previous year by Baht 514.0 million or 15% per below detail:

- High-rise Projects shown in Figure 2: Revenue derived from 235 Units, 7 projects in total value of Baht 669.3 million, decreasing by Baht 25.6 million, or 4% from the same period of previous year.

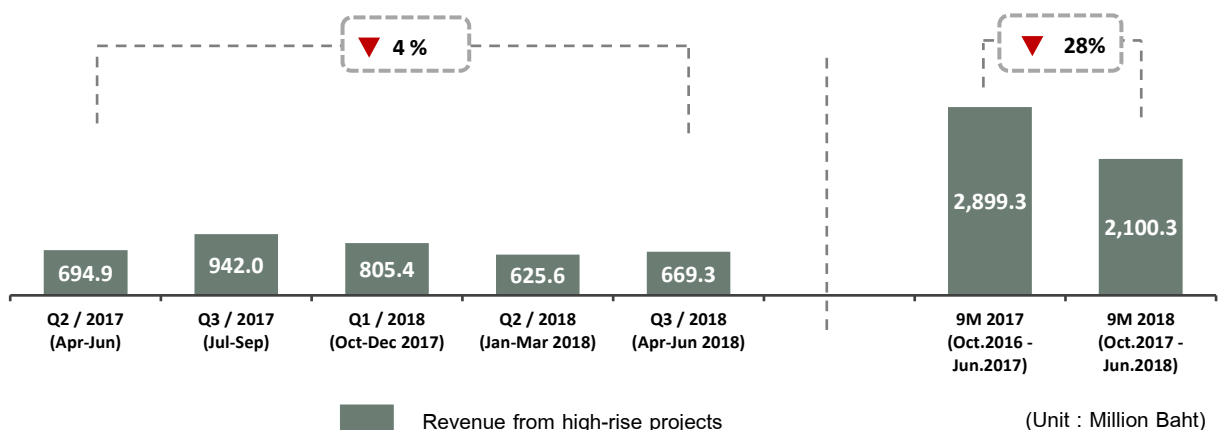


Figure 2: Graph shown revenue from high-rise projects

- Low-rise projects shown in Figure 3: Revenue derived from 897 units, 35 projects in value of Baht 3,318.0 million, increasing by Baht 539.7 million, or 19% from previous year.

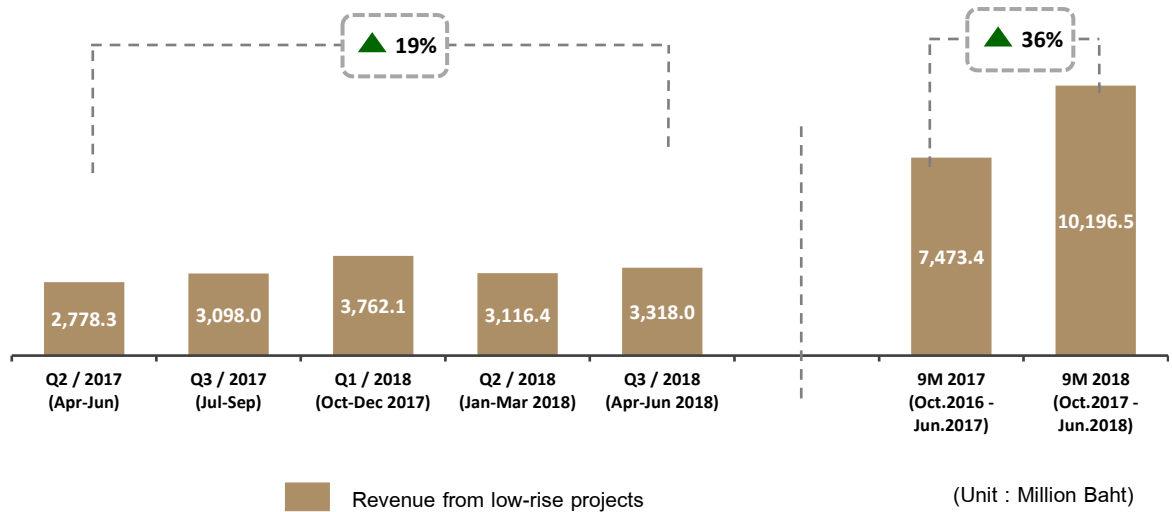


Figure 3: Graph shown revenue from low-rise projects

- **Revenue from rental and hotel business**

From Figure 1, the Company reported revenue from rental and hotel business in total of Baht 407.4 million in Q3/2018, increased from the same period of previous year by Baht 28.6 million or 8%. Revenue from rental mainly derived from office buildings, hotels and service apartments of GOLD in total of Baht 363.3 million, increased from the previous year by Baht 28.0 million or 8%, as shown in Figure 4 due to revenue recognition from FYI and Modena by Fraser Bangkok Hotel.

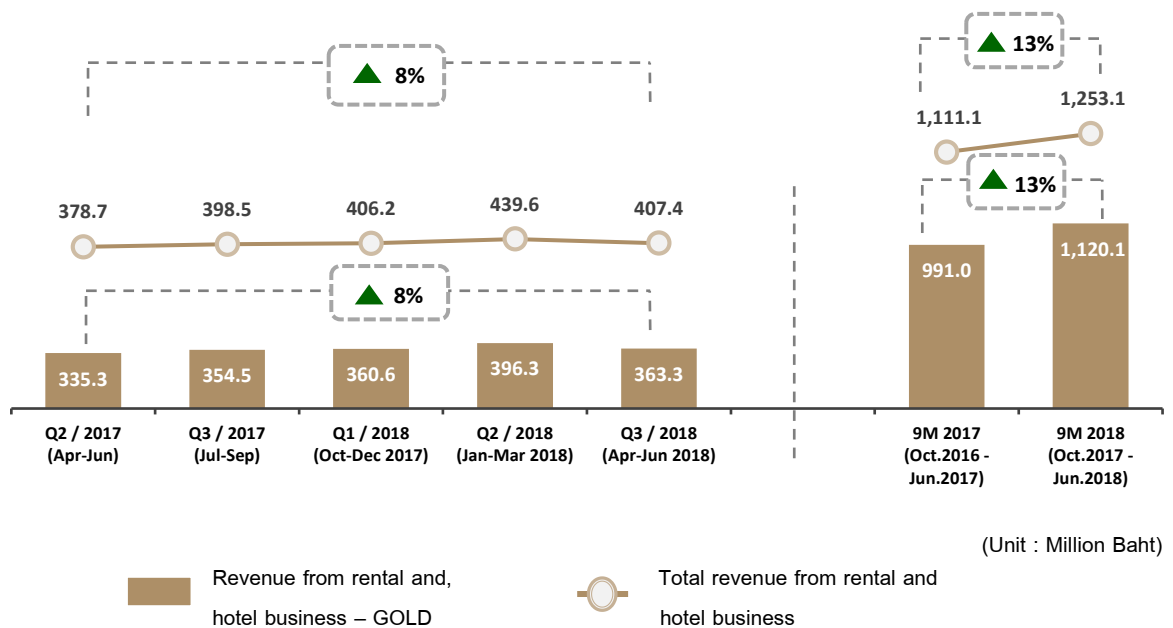


Figure 4: Graph of revenue from rental and rendering of services

- **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 569.5 million in Q3/2018, increased from the same period of previous year by Baht 146.6 million or 35%. Increasing revenue was mainly from increased in zinc oxide revenue by Baht 108.8 million, or 30% compared to the same period of previous year due to increasing of sale volume by 17% and increasing of raw material price (LME) by 19%, as shown in figure 5.

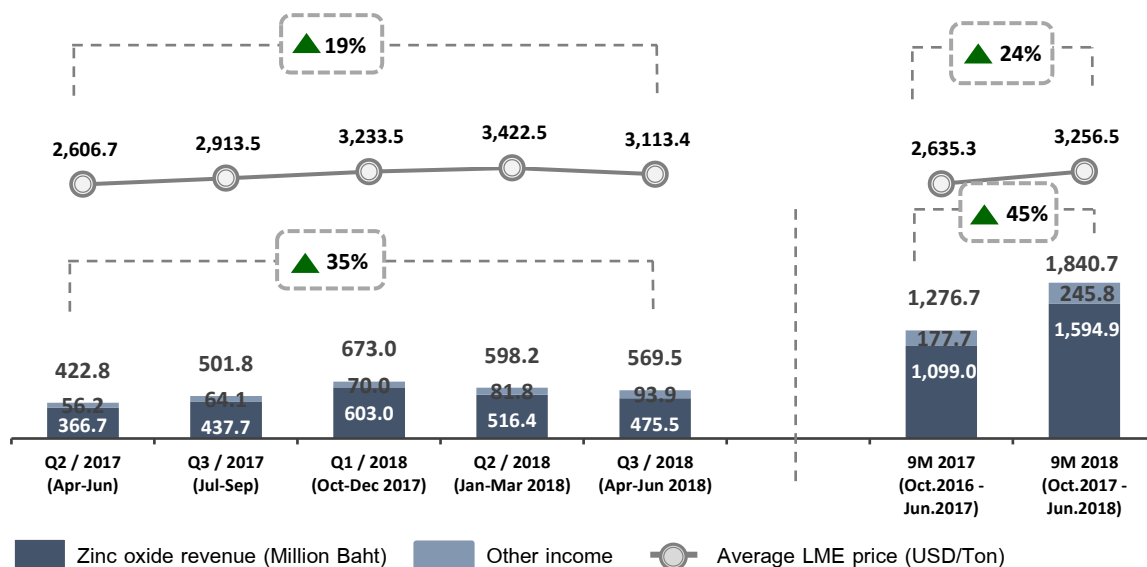


Figure 5: Graph of zinc oxide revenue and Average LME

## 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 3,442.9 million in Q3/2018, increased from the same period of previous year by Baht 377.1 million or 12%. The proportion of cost of sale of goods, rendering of services and rental to core revenue was 69%, decreased from the same period of previous year which was at 72%. Consequently, the Company reported higher gross profit margin at 31% compared to the same period of previous year at 28% 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 was at 66% (Q3/2017: 69%).
- Cost from rental and rendering services was at 66% (Q3/2017: 72%)
- Cost from sale of goods and rendering services was at 95% (Q3/2017: 96%)
- Cost from hotel business was at 72% (Q3/2017: 76%)
- Cost from management fee was at 49% (Q3/2017: 54%)
- Cost from golf course operation increased to 75%(Q3/2017: 70%)

### 1.3 Selling and administrative expenses

According to Table 1, the Company reported selling and administrative expenses of Baht 869.2 million in Q3/2018, increased by Baht 164.1 million, or 23%. The proportion of selling and administrative expenses to revenue was 17%, slightly increased from 16% 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 Q3/2018 was Baht 410.3 million, increased by Baht 108.2 million, or 36% compared with the same period of previous year. Increased selling expenses were mainly from specific business tax, "Grand Unity" corporate branding expense, and marketing expense related to launching new projects both Low-rise and High-rise . The proportion of selling expense to revenue in Q3/2018 was at 8% of total revenue, increased from 7% in the same period of previous year.
- Administrative expense in Q3/2018 was Baht 458.9 million, increased by Baht 55.9 million, or 14% compared with the same period of previous year. The proportion of administrative expense to revenue in Q3/2018 was at 9% of total revenue, increased from 8% in the same period of previous year.

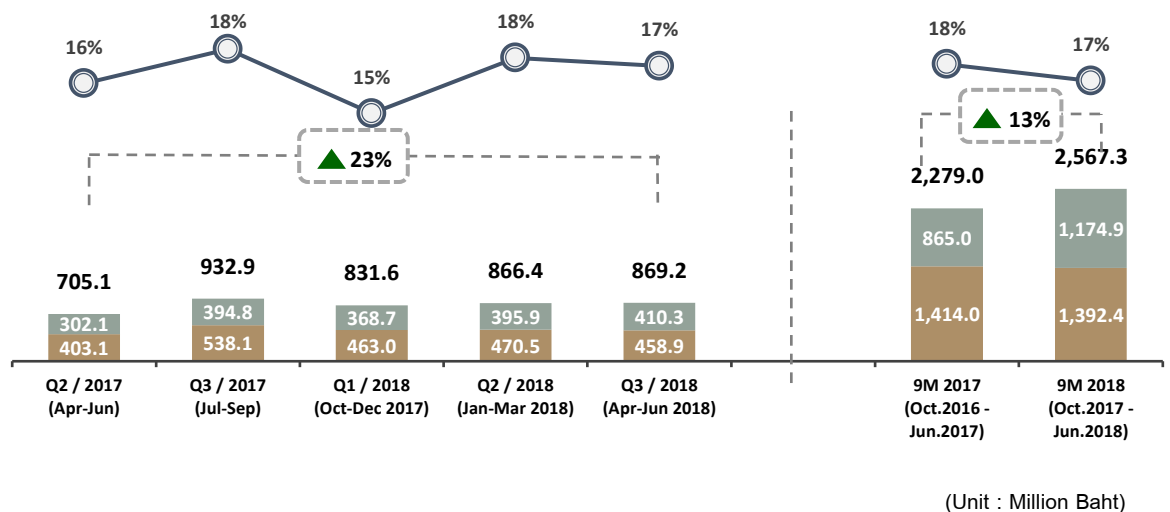


Figure 6: Graph of selling and administrative expenses

### 1.4 Finance costs

According to Table 1, Finance costs in Q3/2018 were Baht 34.9 million, decreased from the same period of previous year by Baht 12.5 million, or 26%. The proportion of Finance costs to revenue in Q3/2018 was at 1% of core revenue, unchanged in the same period of previous year.

## 1.5 Profit attributable to the owners of the Company

According to Figure 7, profit in Q3/2018 was Baht 527.3 million, increased by Baht 161.3 million, or 44%. Profit attributable to the owners of the Company was Baht 227.0 million, increased by Baht 27.4 million, or 14% compared to the same period of previous year mainly from higher gross profit derived from real estate business and rental and hotel business.

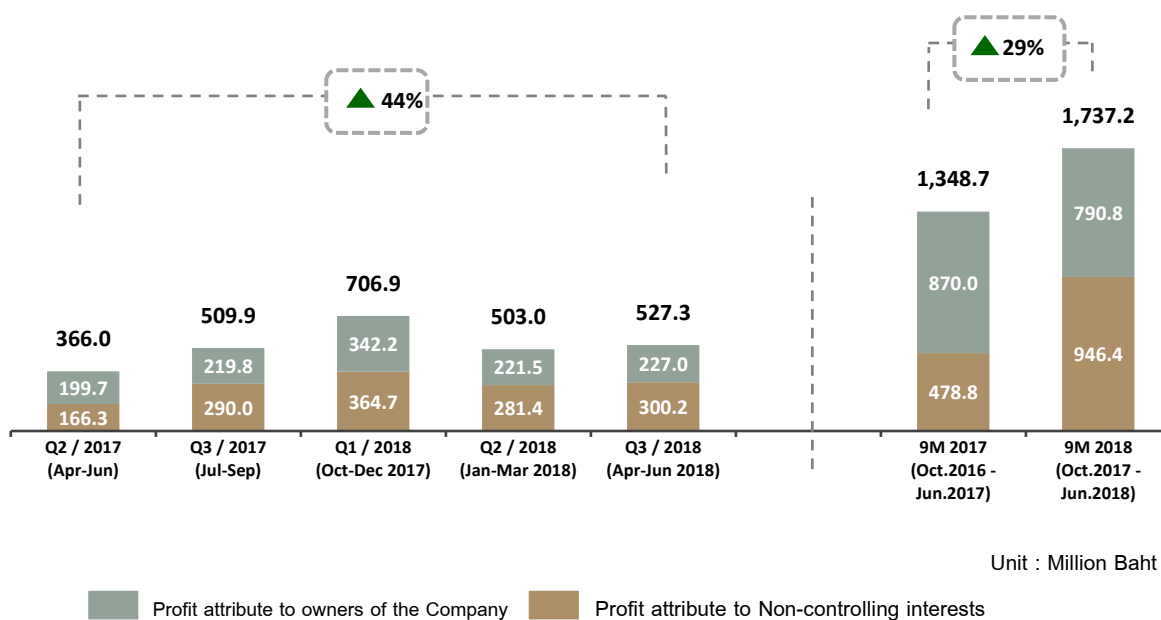


Figure 7: Graph of profit attributable proportion to the owner of the Company and Non-controlling interests

## 2. Consolidated statements of financial position

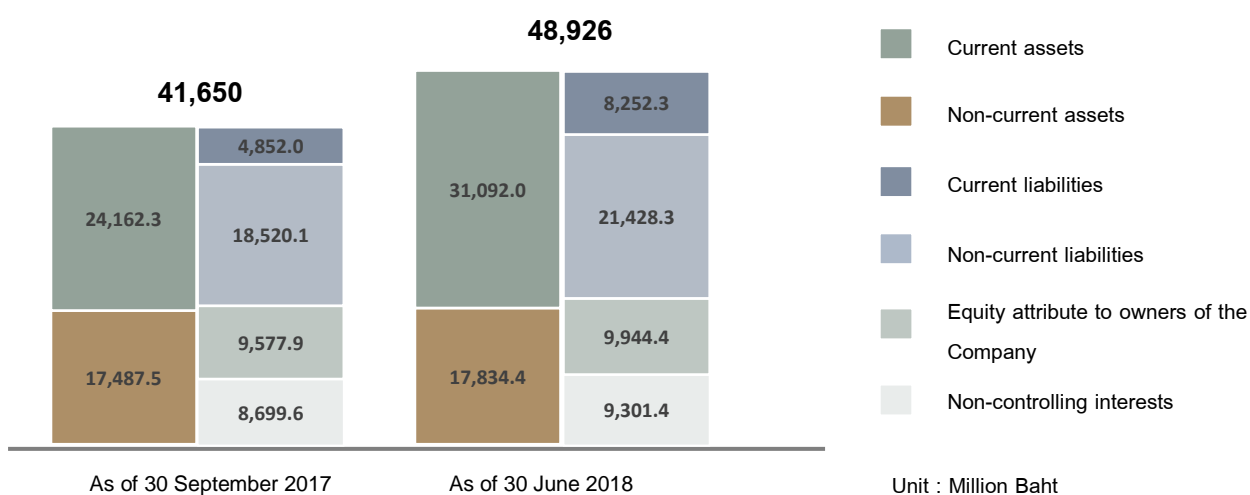


Figure 8: Consolidated statements of financial position

**Assets**

As ending of Q3/2018 (30 June 2018), the Company reported total assets in amount of Baht 48,926.4 million, increased from the end of the year 2017 (30 September 2017) by Baht 7,276.7 million, or 17%. Increase in asset was mainly from increasing real estate project under development by Baht 6,323.3 million.

**Liabilities**

As ending of Q3/2018 (30 June 2018), the Company reported total liabilities of Baht 29,680.6 million, increased from the end of the year 2017 (30 September 2017) by Baht 6,308.5 million, or 27%. Increase in liabilities was mainly from new bond issuance Baht 3,000 million and increasing short-term loan from financial institution by Baht 3,016.7 million.

**Liquidity**

The current ratios as ending of Q3/2018 (30 June 2018) and as the end of year 2017 (30 September 2017) were at 3.77 times and 4.98 times, respectively. Debt to equity ratio and Interest-bearing debt to equity ratio (IBD/E) as ending of Q3/2018 (30 June 2018) were at 1.54 times and 0.77 times respectively, increased from the end of year 2017 (30 September 2017) which were at 1.28 times and 0.48 times respectively.

Please be informed accordingly.

Yours sincerely,

(Mr. Worawat Srisa-an)

President

Univentures Public Company Limited