

SPL. 188/2018

August 14, 2018

Subject: Report of operating results for the three-month and six-month periods ended 30 June 2018

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 2018. Detailed explanations are as followed:

1. The Company and its subsidiaries' operating results for the three-month period ended 30 June 2018 and 2017.

| (Unit: Million Baht) | | | | | | |
|---|-----------------------------------|---------------------|-------------------------|-------------------------------|---------------------|-------------------------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | Second Quarter 2018 | Second Quarter 2017 | Increase / (Decrease) % | Second Quarter 2018 | Second Quarter 2017 | Increase / (Decrease) % |
| Total revenues | 6,502.72 | 6,078.79 | 7% | 6,086.51 | 5,751.98 | 6% |
| Revenue from sales of real estate | 6,361.93 | 5,908.93 | 8% | 6,006.06 | 5,652.10 | 6% |
| Selling and administrative expenses | 939.44 | 708.11 | 33% | 853.59 | 654.95 | 30% |
| % Selling and administrative expenses / Total revenue | 14.4% | 11.6% | | 14.0% | 11.4% | |
| Profit before income tax expenses | 1,548.59 | 1,671.35 | (7%) | 1,426.70 | 1,493.28 | (4%) |
| Income tax expenses | 307.73 | 328.06 | (6%) | 287.44 | 316.43 | (9%) |
| Effective corporate income tax rate (%) | 19.9% | 19.6% | | 20.1% | 21.2% | |
| Net income | 1,222.11 | 1,328.35 | (8%) | 1,139.26 | 1,176.85 | (3%) |
| Net profit margin (%) | 18.8% | 21.9% | | 18.7% | 20.5% | |
| Basic earnings per share (Baht) | 0.64 | 0.77 | (17%) | 0.60 | 0.69 | (13%) |
| Diluted earnings per share (Baht) | 0.58 | 0.77 | (25%) | 0.54 | 0.69 | (22%) |
| | | | | | | |
| | Consolidated financial statements | | | Separate financial statements | | |
| | 30 June 2018 | 31 December 2017 | Increase / (Decrease) % | 30 June 2018 | 31 December 2017 | Increase / (Decrease) % |
| Net Gearing Ratio (%) | 54% | 69% | - | 59% | 74% | - |
| Book Value per share (Baht) | 16.22 | 16.53 | (2%) | 15.13 | 15.31 | (1%) |

1. The revenue from sales of real estate in the amount of Baht 6,361.93 million or increase of Baht 453.00 million or 8% from the same period of the last year, divided into the revenue of 51% from the transfer of ownership of detached houses and townhouses and the remaining 49% was from the transfer of ownership of condominiums.
2. Selling and administrative expenses of the Company and its subsidiaries / total revenue ratio was 14.4%, increase from 11.6% when compared with the same period of the last year. The selling expenses of the projects was increased mainly due to increase in sales.
3. Net profit was Baht 1,222.11 million or decrease of Baht 106.24 million or 8% from the same period of the last year, mainly due to increase in selling and administrative expenses of the Company and its subsidiaries as stated in No 2. Therefore, basic earnings per share was Baht 0.64 per share or decrease from Baht 0.77 per share of the same period of the last year.

In October 2017, the Company issued the Company's warrants No.4 to existing shareholder, as a result, diluted earnings per share was Baht 0.58 per share for the three-month period ended June 30, 2018. A reduction in earnings per share resulting from the assumption that all warrants are exercised by warrant holders.

4. The net gearing ratio was 54% as at 30 June 2018, which was decreased from the level of 69% as at 31 December 2017, mainly due to repayment of long-term loan and redemption of debentures by using cash flow from operating activities.

2. The Company and its subsidiaries' operating results for the six-month period ended 30 June 2018 and 2017.

| (Unit: Million Baht) | | | | | | |
|---|-----------------------------------|-----------------------|-------------------------|-------------------------------|-----------------------|-------------------------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | Six-month period 2018 | Six-month period 2017 | Increase / (Decrease) % | Six-month period 2018 | Six-month period 2017 | Increase / (Decrease) % |
| Total revenues | 11,158.31 | 9,882.69 | 13% | 10,464.18 | 9,344.35 | 12% |
| Revenue from sales of real estate | 10,844.91 | 9,549.08 | 14% | 10,270.10 | 9,142.84 | 12% |
| Selling and administrative expenses | 1,662.29 | 1,317.74 | 26% | 1,524.62 | 1,212.34 | 26% |
| % Selling and administrative expenses / Total revenue | 14.9% | 13.3% | | 14.6% | 13.0% | |
| Profit before income tax expenses | 2,630.92 | 2,532.77 | 4% | 2,405.64 | 2,275.85 | 6% |
| Income tax expenses | 511.23 | 492.54 | 4% | 478.24 | 469.59 | 2% |
| Effective corporate income tax rate (%) | 19.4% | 19.4% | | 19.9% | 20.6% | |
| Net income | 2,092.18 | 2,014.86 | 4% | 1,927.39 | 1,806.27 | 7% |
| Net profit margin (%) | 18.7% | 20.4% | | 18.4% | 19.3% | |
| Basic earnings per share (Baht) | 1.12 | 1.17 | (4%) | 1.03 | 1.05 | (2%) |
| Diluted earnings per share (Baht) | 1.00 | 1.17 | (15%) | 0.92 | 1.05 | (12%) |

The revenue from sales of real estate in the amount of Baht 10,844.91 million or increase of Baht 1,295.83 million or 14% from the same period of the last year, divided into the revenue of 56% from the transfer of detached houses and townhouses and the remaining 44% was from the transfer of ownership of condominiums. The revenue was increased mainly due to increase in sales.

According to the reason as stated above, resulting to the net income for the first half of year 2018 was increased from Baht 2,014.86 million of the same period of the last year to Baht 2,092.18 million or increase of Baht 77.32 million or 4%.

As at 30 June 2018, the Company's issued and fully paid share capital has increased from Baht 1,716.55 million to Baht 1,917.48 million as a result of the exercises of the warrant to purchase the ordinary shares No.4 amounting to Baht 200.93 million, resulting in the decrease in basic earnings per share and book value per share according to the increase in number of shares.

As of 30 June 2018, the Company and its subsidiaries have house and/or condominium backlogs of Baht 42,486 million. The Company and its subsidiaries expect to transfer additional Baht 9,745 million of these backlogs over the next 6 months of year 2018, and Baht 32,741 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