

Enclosure No.2

Performance in 2017

For the year ended 31st December 2017, the company and its subsidiaries generated net profit of 155.50 Million Baht or 7.61% of total revenue. In which, an increase of 92.42 Million Baht or 146.51% compared to the previous year. Because of the following main reasons:

Total Revenue

For fiscal year 2017, Chewathai Public Company Limited and its subsidiaries generated total revenue of 2,042.42 Million Baht, compared to the previous year revenue with an increase of 841.70 Million Baht or 70.10%. The revenue from sale of real estate is 2,013.69 Million Baht compared to the previous year revenue with an increase of 855.56 Million Baht or 73.87 % due to the fact that the Company has completed three projects which generated revenue in this year was 1,373.61 Million Baht due to the large number of inventories of the company projects as a whole were released as well as the rise of economy. The total amount of transfers for inventories was 640.08 Million Baht. As a result, the revenue from the sale of real estate increased substantially from the previous year. In Q4/2017, the Company was able to recognize revenue of 1,203.77 Million Baht, which is higher than the sale of real estate sales in the previous year.

The Company and its subsidiaries generated 19.59 Million Baht from rental and service of ready built factories with an increase of 3 Million Baht or 18.51% due to the number of tenants increasing.

Other revenue also was generated 9.14 Million Baht with a decrease of 16.92 Million Baht or 64.93%. Which has been adversely affected by the inflexibility of the home loan approval from financial institutions. The company must recognize other income from the deposit of the rejected from the financial institution.

Cost of Goods Sold and Gross Profit

For the year 2017, the company and its subsidiaries generated total Cost of goods sold 1,440.59 Million Baht, which increased of 610.23 Million Baht or increase of 73.49% from the previous year. Which is in line with the decline of revenue from real estate.

The gross margin from the sale of real estate in 2017 as compared to the previous year was not much difference as the Company has already recognized the income from Chewathai Residence Asoke project. This was due to assets being purchased from the original developer and the gross margin is lower than that for the Company than it was developed from the beginning.

For cost of renting factories and services perspective, the depreciation cost of the factory for rent in 2017 and 2016 were equally 10.78 Million Baht. The gross profit of the factory for rent in 2017 was 44.98%, an increase of 10% from the previous year.

Selling & Administrative Expenses

Selling and administrative expenses in the year 2017 amounted to 360.89 Million Baht or 17.67% of total revenue, increased from the previous year of 120.95 Million Baht or 50.41%. This was mainly due to the increase in selling expenses of 85.98 Million Baht or 60.35% from the previous year. The main factor was the increase in transfer expenses, commission fees and promotions. Administrative expenses increased of 34.97 Million Baht or 35.87% mainly from personnel expenses. However, the Company has managed the expenses more efficiently. The proportion of total expenses to income this year has decreased from the previous year.

Finance Cost

Financial costs in the year 2017 amounted to 29.80 Million Baht. A decreased from the previous year of 21.43 Million Baht or 41.83% due to short-term loans from Bills of exchange reduction as the company has made reimbursement to financial institution. Also the company was able to manage the interest rate of loan of the company which effected to the reduction of financial cost. The company focuses on long-term debt for under development projects, as a result, most of the interest is borrowing costs.

Financial Position as at 31 December 2017 and 2016

The total assets of the company and its subsidiaries as of 31th December 2017 was 3,646.39 Million Baht compared to the end of previous year an increase of 473.88 Million Baht. The main factor of increment is the cost of land and real estate development which increased from previous financial year of 473.89 Million Baht due to the company has continuous expansion of the new projects. Currently we are under developing 3 project, on the other hand the company has loan to the related companies as working capital.

The total liabilities of the company and its subsidiaries as of 31th December 2017 was 2,537.12 Million Baht, compared to the end of previous year with an increase of 342.09 or 15.58%. Due to the company has arrange more loans from the banks for under development projects and to use as the working capital. The company continue to make reimbursement to the short-term debentures. Moreover the company emphasized to withdrawal the long-term loan to maintain liquidity in debt settlement.

The total shareholders' equity of the company and its subsidiaries as of 31th December 2017 was 1,109.27 Million Baht compared to the end of previous year with an increase of 133.00 Million Baht or 13.62%, resulted from the operation performance of year 2017 equal to 155.50 Million Baht and the company paid the dividend to the shareholders as 22.50 Million Baht from the operation performance from the previous year during the year 2017 with the rate of 0.03 Baht per share.

Debt to Equity ratio of the company as of 31th December 2017 equal to 1.64:1 times and interest bearing debt to equity ratio equal to 1.18 :1 times decrease from the previous year 0.15 times as to maintain the ratio which specified in the loan agreements.

Future Project

For Year 2017, the Company has completed construction and realized the revenue in 3 projects: Chewarom Rangsit Don-mueang, Chewathai Residence Bang Pho and Chewathai Residence Asoke. The Company recognized revenue from these three projects for 68% of total revenues from real estate sales. The Company has 3 projects under developing which will be completed in 2018, namely Chewathai Petchkasem 27, Chewarom Rangsit Khlong 4, Chewahome Pracha Uthit 90. The total value of the future projects is more than 3,000 Million Baht.

In addition, the company has planned to launch new six projects in 2018 with total value of 4,190 Million Baht, four of the six projects are self-developed projects worth 3,740 Million Baht, the project is divided into 3 low-rise projects and 1 housing project and two joint venture projects with Chewa heart Co.,Ltd worth 450 Million Baht.