



2015 Management Discussion and Analysis

Financial Summary	2015	2014	2013	% YoY
Total Revenue (Btm)	22,079	23,149	19,989	-4.6%
Cost of sales (Btm)	14,545	15,304	13,270	-5.0%
Selling and Administrative Expenses (Btm)	3,969	4,140	3,944	-4.1%
Selling Expenses (Btm)	2,004	1,964	1,949	2.1%
Admin Expenses (Btm)	1,965	2,177	1,995	-9.7%
Net Profit from Operation (Btm)	2,486	2,614	2,010	-4.9%
Net Profit (Btm)	2,623	2,615	2,013	0.3%
Gross Margin	34.1%	33.9%	33.6%	
SG&A as a % of revenue	18.0%	17.9%	19.7%	
Selling exp as a % of revenue	9.1%	8.5%	9.7%	
Admin exp as a % of revenue	8.9%	9.4%	10.0%	
Net Margin	11.9%	11.3%	10.1%	
EPS (Bt)	0.83	0.83	0.70	
Net Debt to Equity (x)	0.81	0.90	1.04	

- **2015 Net margin was at 11.9%, improved 60bpt versus 2014 or Net profit at 2.62 billion Baht, grew at +0.3%.** Several factors has contributed to improvement of net margin:
 - Overall Gross Margin improvement (+20bpt versus 2014). Satisfactory GM showed in both Condominium and low rise segments.
 - Admin Expenses reduction (-9.7% versus last year). Well-controlled in admin expenses, allowed more investment in marketing and selling activities, while maintaining SG&A level.
 - Gains from sales of investments to our current partner MJRI (subsidiary of Mitsubishi Estate Corporation). We made 171.7 million Baht gains (before tax) from selling shares of AP (Ekamai) and AP (Petchaburi) with profits of 155.1 million Baht and 16.6 million Baht respectively.
- **Total Revenue was booked at 22.1 billion, slightly declined by -4.6% YoY% or 94.8% achieved target (23.3 billion Baht).**
 - Low rise continued its good momentum with a record high revenue recognition in Q4 at 4 billion Baht. Full year revenue recorded at 12.5 billion Baht or +7% YoY.
 - Unlike low rise, we saw slower transfer in condominium, where 2015 revenue was recorded at 9.1 Billion Baht or -19% YoY. Key revenue contributors of 2015 were as follows:

Top 5 contributors to revenue	% of 2015 revenue	Accumulated Project Transfer
Rhythm Sathorn	11.6%	51.9%
Rhythm Sathorn-Narathiwas	7.5%	99.7%
Aspire Sukhumvit 48	6.0%	91.2%
Aspire Sathorn-Taksin phase 1 (Timber)	5.0%	96.9%
Aspire Rama9	3.1%	99.8%

- **Overall Gross Margin was booked at 34.1%, improved 20 bpt YoY.** Despite competitive pricing action on slow moving stocks, satisfactory gross margin showed in both low rise and condominium segments. Overall gross margin were compensated by higher yield on new

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launches and fast moving projects, on top with 279.5 million Baht service incomes from management and sales fees charged to the JV companies. Condominium GM was at 37.0%, well above target at 35% and Low rise GM was at 30.1% aligned with target. Moreover, the service income was enough to offset shared loss of 207 million Baht from JV investment this year.

- **SG&A was well-managed at 18.0% of revenue, same level as 2014.** Efficiency improvement is always our top agenda, where we can further brought down our operating expenses to 8.9% of revenue, or 50bpt lower than last year. This allowed more supports for marketing and selling activities for both new launches and stock depletion schemes.

Debt Structure

- We continuously brought down Net Debt to Equity, our gearing ratio went down to 0.81x, improved from 0.9x at the end 2014. In terms of land acquisition, we acquired 9.1 billion Baht of land in 2015 and set acquisition budget of 8 Billion baht in 2016 acquisiton. Total outstanding debt was at 14.6 billion Baht with average interest cost of 3.8%, of which 92.6% was fixed rate debenture.
- We successfully issued 1 tranche of debenture in January 2016 at low interest cost, detail as per below. This will help further bringing down average cost of funds.

Debenture	Amount (MB)	Duration	Interest Rate
AP17DA	1,000	1 yrs 11 mth	2.05%

Overall Situation and Outlook

	1 Jan - 22 Feb 2016	2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014	2013
Gross sales booking	2,777	24,207	6,698	6,464	5,534	5,512	21,245	5,930	6,014	5,107	4,194	22,083
Beginning Backlog	9,278	14,275	10,426	11,327	13,022	14,275	22,576	15,876	19,024	21,259	22,576	27,246
Total sold value	12,054	38,482	17,124	17,791	18,556	19,787	43,822	21,806	25,038	26,366	26,771	49,329
Cancellation	(471)	(7,567)	(2,028)	(1,993)	(1,946)	(1,599)	(6,606)	(1,524)	(1,578)	(1,473)	(2,030)	(6,900)
Net sold value	11,583	30,915	15,096	15,798	16,610	18,187	37,216	20,282	23,459	24,893	24,740	42,430
Revenue Recognition		(21,637)	(5,818)	(5,371)	(5,283)	(5,165)	(22,941)	(6,008)	(7,583)	(5,870)	(3,481)	(19,853)
Ending Backlog (excl. JV)	11,583	9,278	9,278	10,426	11,327	13,022	14,275	14,275	15,876	19,024	21,259	22,576
- from TH&SDH	3,924	2,088	2,088	2,461	1,846	1,884	1,411	1,411	2,258	2,097	1,928	1,407
- from Condo	7,658	7,189	7,189	7,964	9,480	11,138	12,863	12,863	13,618	16,926	19,331	21,168
Net Sales Booking (excl. JV)	2,306	16,640	4,669	4,471	3,587	3,913	14,640	4,406	4,436	3,634	2,164	15,184
- from TH&SDH	1,836	13,225	3,663	3,681	2,710	3,171	11,752	2,873	3,534	2,930	2,415	8,481
- from Condo (excl. JV)	470	3,415	1,007	790	877	741	2,888	1,533	902	704	(251)	6,703
Net Sales Booking (inc. JV)	2,608	28,185	5,871	5,045	12,623	4,645	22,679	5,188	8,207	7,119	2,164	
- from TH&SDH	1,836	13,225	3,663	3,681	2,710	3,171	11,752	2,873	3,534	2,930	2,415	
- from Condo (inc. JV)	772	14,960	2,208	1,364	9,913	1,474	10,927	2,315	4,674	4,188	(251)	
Revenue Recognition		21,637	5,818	5,371	5,283	5,165	22,941	6,008	7,583	5,870	3,481	19,853
- from TH&SDH		12,548	4,036	3,066	2,748	2,698	11,748	3,721	3,373	2,761	1,894	10,092
- from Condo		9,090	1,782	2,305	2,535	2,467	11,193	2,287	4,210	3,109	1,587	9,761

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- **2015 Presales grew by 24% YoY, achieved 99.6% of target or at 28.2 billion Baht.**

We successfully maintained our low rise presales momentum with +13% growth YoY, or booked at 13.2 billion Baht in 2015. We did made a record high in Q3 at 3.7 billion Baht and repeat the same amount in Q4, despite slower market condition.

We booked strong Condominium presales at 14.9 billion Baht in 2015 with 37% growth YoY. JV projects had promising take up rate as shown in Appendix 3. 2H2015 focus was on stock depletion by leveraging “Government stimulus campaign”.

Presales performance of 2015 as below:

Sales Booking	Y 2015	Y 2014	% Growth	% Achieved Target
Low Rise	13,225	11,752	+12.5%	99.4%
Condominium	14,959	10,927	+36.9%	99.7%
Total Sales booking	28,184	22,679	+24.3%	99.6%

- **YTD Booking as of February 22, 2016 was at 2.6 billion Baht.** Low rise continued its momentum, particularly Townhouse showed 4.7% growth versus same period last year. First launch of this year will start with townhouse in Mar 2016, whilst Condominium launch will start in Q2, 2016. (Appendix 5: Launch plan 2016)
- **Backlog excluding JV projects as of February 22, 2016 was at 11.6 Billion Baht,** of which 3.9 billion Baht came from low rise and 7.7 Billion Baht from condominium. Low rise backlog will be recognized within this year while condo backlog will be recognized as follows:

High Rise AP projects	2016F	2017F	2018F
Based on project completion	9,916	12,584	6,602
Condo Backlog as of 22 Feb 2016	5,002	2,656	-
% Take up as of 22 Feb 2016	50%	21%	0%
Additional Sales	4,913	9,928	6,602

- **JV Projects posted backlog of 19.9 Billion Bht as of February 22, 2016.** Three projects are ready to be transferred in 2016 with 100% secured backlog per below transfer schedule. There are now 8 projects under JV with the value of 26.7 Billion Baht. Seven projects had been launched with over take up rate of 78%, and the 8th one (Ekkamai) will be launched in Q3 2016.

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Condo Projects	Project value (MB)	Total units	% unit sold *	Launch year	2016F	2017F	2018F
Rhythm Sukhumvit 36-38**	2,900	496	90%	Q2 2014	40%	60%	
Aspire Ratchada-Wongsawang**	2,850	1,232	53%	Q2 2014	40%	60%	
Aspire Sathorn-Thapra**	3,500	1,218	99%	Q3 2014	20%	80%	
Rhythm Asoke II**	1,500	346	88%	Q2 2014		100%	
Rhythm Rangnum**	2,700	385	100%	Q2 2015		35%	65%
Life Asoke**	7,500	1,642	95%	Q2 2015			95%
Life Pinklao**	3,100	803	29%	Q4 2015			90%
Total Launch	24,050		78%		3,000	8,695	11,670
JV condo backlog (100%)	19,886				3,000	7,082	9,804
% secure revenues					100%	81%	84%

- **2016 presales is targeted at 31 Billion baht with 10% growth from 2015.** We expect the same growth rate of 10% from both Lowrise and Condominium or presales of 14.5 and 16.5 billion Baht respectively. These will be supported by 20 projects launches or 32.7 billion Baht in value (see Appendix 5).
- **2016 Revenue target is at 23.7 Billion baht,** of which 13.8 billion Baht for low rise and 9.9 billion Baht for Condominium. Majority of condominium projects will be completed in Q4, with peak revenue recognition.

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Appendix

Appendix 1: Financial Summary

Financial Summary	2015	2014	2013
Revenues from Property Development (Btm)	21,638	22,941	19,854
YoY Chg (%)	-5.7%	15.5%	15.5%
QoQ Chg (%)			
Consolidated Revenues (Btm)	22,079	23,149	19,989
YoY Chg (%)	-4.6%	15.8%	15.5%
QoQ Chg (%)			
Gross profit from Property Development (Btm)	7,135	7,691	6,616
Gross margin from Property (%)	33.0%	33.5%	33.3%
Overall Gross profit (Btm)	7,534	7,845	6,718
Gross margin (%)	34.1%	33.9%	33.6%
Operating profit (Btm)	3,565	3,705	2,774
Operating margin (%)	16.1%	16.0%	13.9%
Net profit from normal operations (Btm)	2,486	2,614	2,010
YoY Chg (%)	-4.9%	30.1%	-4.1%
QoQ Chg (%)			
Net profit (Btm)	2,623	2,615	2,013
YoY Chg (%)	0.3%	29.9%	-7.9%
QoQ Chg (%)	0.0%		
EPS (Bt)	0.83	0.83	0.70
Total assets (Btm)	36,147	35,564	34,410
Equity (Btm)	17,654	15,848	14,007
Outstanding debt (Btm)	14,679	14,705	15,430
Net debt (Btm)	14,258	14,242	14,541
Net debt to equity (x)	0.81	0.90	1.04
ROE (%) (average equity)	15.7%	17.5%	15.1%

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Appendix 2: Ongoing Projects

Brand	No of Projects	No of units	Project value (Btm)	% sold (in unit) (as of 31 Dec 15)	Available for sales (Btm)
Single Detached House					
The Palazzo	3	211	4,600	89%	720
Soul	3	143	2,950	87%	523
Mind	3	203	1,980	28%	1,466
The City	8	782	7,290	50%	3,362
Centro	6	1,598	10,200	75%	2,590
Pleno	1	70	260	6%	245
SDH - Available for Sales					8,905
Townhouse					
Baan Klang Muang	22	4,845	24,900	63%	8,937
Pleno	14	3,926	10,620	68%	3,905
District	2	53	1,125	85%	120
TH-Available for Sales					12,962
Condominium					
Galerie rue de 39	1	88	3,500	0%	3,500
Rhythm	6	3,294	18,245	85%	3,119
Life	1	837	3,550	99%	34
Aspire	11	8,261	18,504	49%	8,533
Coo	1	448	740	44%	418
Condo-Available for Sales (exc. JV)					15,603
Total ongoing projects available for sales (exc. JV)					37,471
Brand	No of Projects	No of units	Project value (Btm)	% sold (in unit) (as of 31 Dec 15)	Available for sales (Btm)
JV	7	6,122	24,050	78%	4,164
JV-Available for Sales					4,164
Total ongoing projects available for sales (JV)					4,164

Data: as of February 22nd, 2016

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Appendix 3: Projects launches in 2015

Planned-to-be-launched projects in 2015		Rai	No of units	Project value (Btm)	% sold (in unit) (as of 31 Dec 15)	Land acquisition	Launch year	Completion (last unit transferred)
Single Detached House								
1	The City Sukhumvit-Bangna	23.1	94	1,030	53%	Q3 2014	Q1 2015	2017
2	Mind Rama 2 Sathorn	7.3	33	320	12%	Q3 2014	Q2 2015	2016
3	The City Navamin	27.9	108	1,000	23%	Q4 2014	Q3 2015	2018
4	Centro Srinakarin-Bangna	15.8	63	400	24%	Q1 2015	Q4 2015	2017
5	Pleno Petchkasem 112	11.5	70	260	0%	Q1 2015	Q4 2015	2017
6	The City Phaholyothin	30.0	121	840	2%	Q1 2015	Q4 2015	2018
7	The City Ratchapruek	23.3	88	680	9%	Q2 2015	Q4 2015	2018
Total SDH			577	4,530				
Townhouse								
1	Pleno Suksawas 66	28.0	277	810	34%	Q4 2014	Q2 2015	2017
2	Baan Klang Muang Phaholyothin 50	9.9	108	460	28%	Q4 2014	Q2 2015	2017
3	District Ladprao	1.6	17	260	41%	Q1 2014	Q2 2015	2017
4	Pleno Ratchaphreuk-Rama5	27.4	301	830	27%	Q4 2014	Q3 2015	2017
5	Baan Klang Muang Rama 2	8.1	50	380	34%	Q4 2014	Q3 2015	2016
6	Baan Klang Muang Suanluang	53.4	498	2,200	11%	Q4 2014	Q3 2015	2019
7	Pleno Suksawas Rama3	27.1	285	830	26%	Q1 2015	Q3 2015	2018
8	Pleno Suksawas	24.2	146	680	11%	Q2 2015	Q3 2015	2018
9	Pleno Ratchapruek-Thanamnon	17.0	98	510	7%	Q1 2015	Q4 2015	2017
Total TH			1,395	6,960				
Condominium								
1	Life Asoke*	9.2	1,642	7,100	94%	Q1 2015	Q2 2015	2019
2	Aspire Wuttakard	1.3	166	390	16%	Q1 2015	Q2 2015	2017
3	Aspire Ladprao 113	2.4	270	490	94%	Q1 2014	Q2 2015	2016
4	Rhythm Rangnum*	2.0	385	2,700	100%	Q1 2015	Q2 2015	2018
5	Aspire Erawan Phase 1	6.5	1,576	3,500	12%	Q1 2015	Q3 2015	2018
6	Life Pinklao*	5.1	803	3,100	26%	Q2 2015	Q4 2015	2019
Total Condo			4,842	17,280				
Total planned-to-be-launched projects in 2015				28,770				

Data: as of December 31st, 2015

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Appendix 4: Schedule of Condo Transfer

Condo Projects	Project value (million Baht)	Total units	% unit sold *	% unit sold as of Dec 31st, 2015	Accumulated transfer until 2015	2016F	2017F	2018F	2019F	Launch year	Estimated start transfer	Estimated last unit transferred
Rhythm Phahol-Aree	3,538	809	100%	100%	100%					Q3 2010	Q4 2013	Q1 2015
Rhythm Sathorn	5,337	910	62%	60%	52%	48%				Q3 2010	Q2 2015	Q1 2016
Aspire Ngamwongwan	2,630	1,458	24%	23%		40%	60%			Q4 2010	Q4 2016	Q1 2018
Rhythm Sukhumvit 44/1	2,756	486	100%	100%	100%					Q2 2011	Q4 2013	Q1 2015
Life Ratchadapisek	3,550	837	99%	98%	95%	5%				Q3 2011	Q2 2014	Q3 2015
Aspire Rama 9	2,435	663	100%	100%	100%					Q1 2012	Q3 2014	Q2 2015
Aspire Sukhumvit 48	2,670	837	97%	93%	91%	9%				Q1 2012	Q3 2014	Q4 2015
Rhythm Sathorn-Narathiwat	1,614	300	100%	100%	100%	0%				Q2 2012	Q1 2015	Q2 2015
Aspire Rattanaibet	989	540	100%	100%	99%	1%				Q2 2012	Q4 2014	Q3 2015
Aspire Sathorn-Taksin phase 1	1,100	546	100%	100%	97%	3%				Q4 2012	Q2 2015	Q4 2015
Galerie rue de 39	3,500	88	0%	0%		10%	90%			Q1 2013	Q4 2016	Q4 2017
Aspire Udonthani	700	413	32%	32%	30%	50%	20%			Q1 2013	Q1 2015	Q1 2016
Aspire Rattanaibet II	3,000	1,428	21%	21%		45%	55%			Q1 2013	Q2 2016	Q1 2017
Rhythm Sukhumvit 42	3,500	404	76%	76%		40%	60%			Q2 2013	Q4 2016	Q3 2017
Aspire Sathorn-Taksin phase 2	600	364	55%	54%	38%	62%				Q3 2013	Q4 2015	Q2 2016
Rhythm Asoke	1,500	385	84%	83%		50%	50%			Q3 2013	Q4 2016	Q4 2017
Coo Phitsanulok	740	448	44%	44%	23%	50%	27%			Q4 2013	Q4 2015	Q2 2016
Aspire Wuttakard	390	166	16%	16%		40%	60%			Q2 2015	Q4 2016	Q3 2017
Aspire Ladprao 113	490	270	93%	94%		80%	20%			Q2 2015	Q3 2016	Q2 2017
Aspire Erawan Phase 1	3,500	1,576	15%	12%			30%	70%		Q3 2015	Q4 2017	Q4 2018
Aspire Sathorn-Ratchaphreuk	2,940	1,085					20%	80%		2017	Q4 2017	Q4 2018
Aspire Sathorn-Taksin phase 3	1,390	613				25%	75%			2016	Q4 2016	Q2 2017
Life Sukhumvit 48	1,800	614						100%		2016	Q1 2018	Q4 2018
	50,668											
** Joint venture projects * % sold as of 22 February 2016												
Rhythm Sukhumvit 36-38**	2,900	496	90%	89%		40%	60%			Q2 2014	Q4 2016	Q3 2017
Aspire Ratchada-Wongsawang**	2,850	1,232	53%	51%		40%	60%			Q2 2014	Q3 2016	Q2 2017
Rhythm Asoke II**	1,500	346	88%	87%			100%			Q2 2014	Q1 2017	Q4 2017
Aspire Sathorn-Thapra**	3,500	1,218	99%	98%		20%	80%			Q3 2014	Q4 2016	Q4 2017
Life Asoke**	7,500	1,642	95%	94%				95%	5%	Q2 2015	Q2 2018	Q1 2019
Rhythm Rangnum**	2,700	385	100%	100%			35%	65%		Q2 2015	Q4 2017	Q3 2018
Life Pinklao**	3,100	803	29%	26%				90%	10%	Q4 2015	Q2 2018	Q2 2019
	24,050		78%	77%								

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Appendix 5: Projects launches in 2016

New project launch in 2016	Rai	No of units	Project value (Btm)	Land acquisition	Launch year	Completion (last unit transferred)
Single Detached House						
1 Centro Westgate	28.24	144	710	Q3 2015	Q2 2016	Q4 2018
2 The City Buddhamonthon 4	34.57	82	780	Q4 2015	Q2 2016	Q2 2019
3 Centro Suksawas 64	55.15	241	1,400	Q3 2015	Q2 2016	Q2 2019
4 Centro Ratchapruk	51.52	240	1,160	Q4 2015	Q2 2016	Q2 2019
5 Centro Wat Pha-Nyen	24.22	106	600	Q1 2015	Q2 2016	Q2 2018
6 The City Therdthai	20.80	91	840	Q4 2015	Q2 2016	Q2 2018
7 Srinakkarin	31.22	136	1,380	Q4 2015	Q3 2016	Q3 2019
8 The City Pattanakarn	45.46	179	1,500	Q4 2014	Q3 2016	Q3 2019
Total SDH			8,370			
Townhouse						
1 BKM Rama9 -Onnuch	17.60	209	760	Q2 2015	Q1 2016	Q2 2019
2 District Nuanchan	6.02	34	550	Q3 2015	Q2 2016	Q2 2017
3 BKM Rama 9 -Onnuch (The Edition)	16.33	98	510	Q2 2015	Q2 2016	Q3 2019
4 Pleno Rattanatibet	24.13	217	725	Q4 2015	Q3 2016	Q4 2018
5 BKM Sukonthasawad	32.30	156	2,560	Q3 2015	Q4 2016	Q4 2019
+2 Townhouse			1,000		Q4 2016	
Total TH			6,105			
Condominium						
1 Aspire Sathorn-Taksin phase 3	3.54	613	1,440	Q1 2010	Q2 2016	Q3 2018
2 Life Sukhumvit 48	3.75	612	2,200	Q4 2011	Q2 2016	Q3 2018
3 Ekamai*	2.03	385	2,600	Q2 2014	Q3 2016	Q2 2019
4 + 2 Condo			12,000			
Total Condo			18,240			
Total New project launch in 2016			32,715			

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