

**DISCOUNTED CASH FLOW VALUATION OF
ANANDA DEVELOPMENT PUBLIC COMPANY LIMITED**



**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF MANAGEMENT
COLLEGE OF MANAGEMENT
MAHIDOL UNIVERSITY
2018**

COPYRIGHT OF MAHIDOL UNIVERSITY

Thematic paper
entitled
**DISCOUNTED CASH FLOW VALUATION OF
ANANDA DEVELOPMENT PUBLIC COMPANY LIMITED**

was submitted to the College of Management, Mahidol University
for the degree of Master of Management

on
December 23, 2018



.....
Mr. Voratach Atasukwatana
Candidate

.....
Simon M. Zaby,
Ph.D.
Advisor

.....
Asst. Prof. Piyapas Tharavanij,
Ph.D.
Chairperson

.....
Duangporn Arbhasil,
Ph.D.
Dean
College of Management
Mahidol University

.....
Assoc.Prof. Tatre Jantarakolica,
Ph.D.
Committee member

ACKNOWLEDGEMENTS

First of all, I would like to express my sincere gratitude to my thematic paper advisor, Simon M. Zaby Ph.D. for his invaluable help and consult encouragement throughout the course of this thematic paper. I am most grateful for instruct me well on management and financial knowledge which help me to open overall business view and understand deeply about financial management both on business and capital market view. I would not have achieved this far and this thematic paper would not have been completed without all the support that I have always received from him.

In addition, I am grateful for the professor of Corporate Finance Asst. Prof. Piyapas Tharavanij Ph.D., and other person for suggestion and all their help.

Finally, I most gratefully acknowledge my parents and my friends for all their support throughout the period of this thematic paper.

Voratach Atasukwatana

DISCOUNTED CASH FLOW VALUATION OF ANANDA DEVELOPMENT PUBLIC COMPANY LIMITED

VORATACH ATASUKWATANA 6049055

M.M. (FINANCIAL MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: SIMON M. ZABY, Ph.D., ASSOC. PROF. TATRE JANTARAKOLICA, Ph.D., ASST. PROF. PIYAPAS THARAVANIJ, Ph.D.

ABSTRACT

This thematic paper provides a perspective on valuation studies focus on the stock price of Ananda Development Public Company Limited (ANAN) based on discounted cash flow valuation model (FCFF) which represent the concept that the stock price of the firm should reflect its fundamental value in term of cash flow, growth and risk. Considering with upside in Thailand's real estate tread and rising in infrastructure of Thailand, these factors enhance ANAN opportunity to grow in both urban and upcountry. The result as one-year target price of ANAN shall approximately equal to 3.53 THB, comparing to the current price of 4.00 THB, therefore, the valuation is indicative to SELL.

In conclusion, the valuation study is to suggest company intrinsic value which the method has some limitations. Therefore, the value must be looked carefully. However, the study can still provide guidance regarding intrinsic valuation for investors and interested person in real estate companies.

KEY WORDS: ANAN / Valuation / Discounted Cash Flow / FCFF / Real Estate

65 pages

CONTENTS

	Page
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
LIST OF TABLES	viii
LIST OF FIGURES	x
LIST OF ABBREVIATIONS	xi
CHAPTER I VALUATION	1
1.1 Highlights	1
1.2 Business Description	2
1.2.1 Main Subsidiary	3
1.2.2 SWOT Analysis	4
1.3 Macro-Economic Analysis	6
1.3.1 Positive Factor	6
1.3.2 Negative Factor	11
1.4 Industry Analysis	13
1.4.1 Expansion of the condominium market along the mass transit route	13
1.4.2 Property Developer Company in Thailand joint venture with foreign and more foreign customer in the market	14
1.4.3 Investment of the Retirement Community project during 2018-2020	14
1.4.4 Prop Tech 'New Normal' 4.0 eras when the property comes integrated with technology	15
1.5 Competitors Analysis	16
1.5.1 Ananda Development the first Tech Company in Thailand	16
1.5.2 Ananda Development the market leader in condo along the mass transit	16

CONTENTS (cont.)

	Page
1.5.3 Ananda Development is the number one joint venture in market	17
1.5.4 Ananda Development is the number one of international sales	18
1.6 Discounted Cash Flow Valuation (DCF)	21
1.6.1 Investment Summary	21
1.6.2 Discounted Cash Flow Assumption	21
1.6.3 Valuation summary	26
1.7 Scenario Analysis	27
1.8 Sensitivity Analysis	28
1.9 Financial Analysis	29
1.10 Investment Risk and Downside Possibilities	29
1.10.1 Fierce market in real estate industry	29
1.10.2 The scarcity of empty land in metropolis	30
1.10.3 Risks from the changing of regulations and laws which relating to real estate business.	30
1.10.4 Risk from higher cost of construction.	31
1.10.5 Risk of inventory	31
1.10.6 Risk of Ananda's financing and approval restriction policy from financial institution.	32
CHAPTER II DATA	33
2.1 Business Structure	33
2.2 Revenue Breakdown	34
2.3 Major Shareholders (as of March 14, 2017)	35
2.4 Organizational Chart	35
2.5 Management	36
2.5.1 Board of Directors	36
2.5.2 The Executives	36

CONTENTS (cont.)

	Page
2.6 Corporate Governance	37
2.7 Five Forces Analysis	38
2.7.1 Threat of New Entrants: low	38
2.7.2 Threat of Substitutes: low	38
2.7.3 Bargaining Power of Customers: medium	39
2.7.4 Bargaining Power of Suppliers: low	39
2.7.5 Competition in the industry: high	39
2.8 Income Statement of Ananda	40
2.9 Balance Sheet Including Projections	41
2.10 Statement of Cash Flow Projections	43
2.11 Backlog Data in percentage of project sold and transfer	44
2.12 Backlog Data in percentage of project sold and transfer in JV	45
2.13 Assumption of PPE and Depreciation include estimate years	46
2.14 Assumption for capital expenditure include estimate years	47
2.15 Discount Cash Flow Valuation Model	48
2.16 Financial Statement of ANAN	49
2.17 Statement of Comprehensive Income of ANAN	51
2.18 Common Size Analysis of Assets of ANAN	52
2.19 Common Size Analysis of Liability and Equity of ANAN	53
2.20 Common Size Analysis of statement of income of ANAN	54
2.21 Trend Analysis of Assets of ANAN	55
2.22 Trend Analysis of Liability and Equity of ANAN	56
2.23 Trend Analysis of statement of income of ANAN	57
2.24 Growth Analysis of Assets of ANAN	58
2.25 Growth Analysis of Liability and Equity of ANAN	59
2.26 Growth Analysis of statement of income of ANAN	60
2.27 Return Ratio of ANAN	61
2.28 Solvency Ratio of ANAN	62

CONTENTS (cont.)

	Page
REFERENCES	63
BIOGRAPHY	65

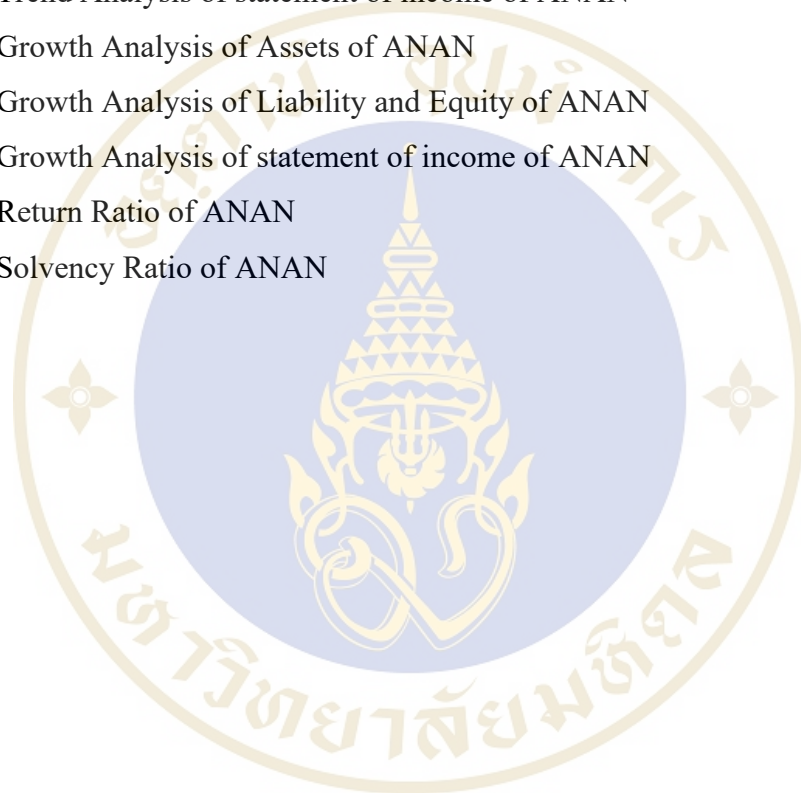


LIST OF TABLES

Table	Page
1.1 Summary Forecasting data	2
1.2 Number of foreigners granted work permit in Thailand	10
1.3 Number of population in Thailand	10
1.4 Taxation in term of land and Building tax	12
1.5 Total Revenue forecasting	22
1.6 Total COGs forecasting	23
1.7 EBIT forecasting	24
1.8 Weighted Average Cost of Capital	26
1.9 The Discount Cash Flow to Firm	26
1.10 Valuation Summary	27
1.11 Scenario Summary	28
1.12 Sensitivity Analysis: Discount Rates	29
2.1 ANAN Revenue Breakdown as of 2017	34
2.2 ANAN weight of Corporate Governance	37
2.3 ANAN Income Statement	40
2.4 ANAN Balance Sheet Including Projections	41
2.5 ANAN Statement of Cash Flow Projections	43
2.6 Backlog Data of project sold and transfer	44
2.7 Backlog Data of project sold and transfer in JV	45
2.8 Assumption of PPE and Depreciation	46
2.9 Assumption for capital expenditure	47
2.10 Discount Cash Flow Valuation Model	48
2.11 Financial Statement of ANAN	49
2.12 Statement of Comprehensive Income of ANAN	51
2.13 Common Size of Assets of ANAN	52
2.14 Common Size of Liability and Equity of ANAN	53

LIST OF TABLES (cont.)

Table	Page
2.15 Common Size of Statement of income of ANAN	54
2.16 Trend Analysis of Assets of ANAN	55
2.17 Trend Analysis of Liability and Equity of ANAN	56
2.18 Trend Analysis of statement of income of ANAN	57
2.19 Growth Analysis of Assets of ANAN	58
2.20 Growth Analysis of Liability and Equity of ANAN	59
2.21 Growth Analysis of statement of income of ANAN	60
2.22 Return Ratio of ANAN	61
2.23 Solvency Ratio of ANAN	62



LIST OF FIGURES

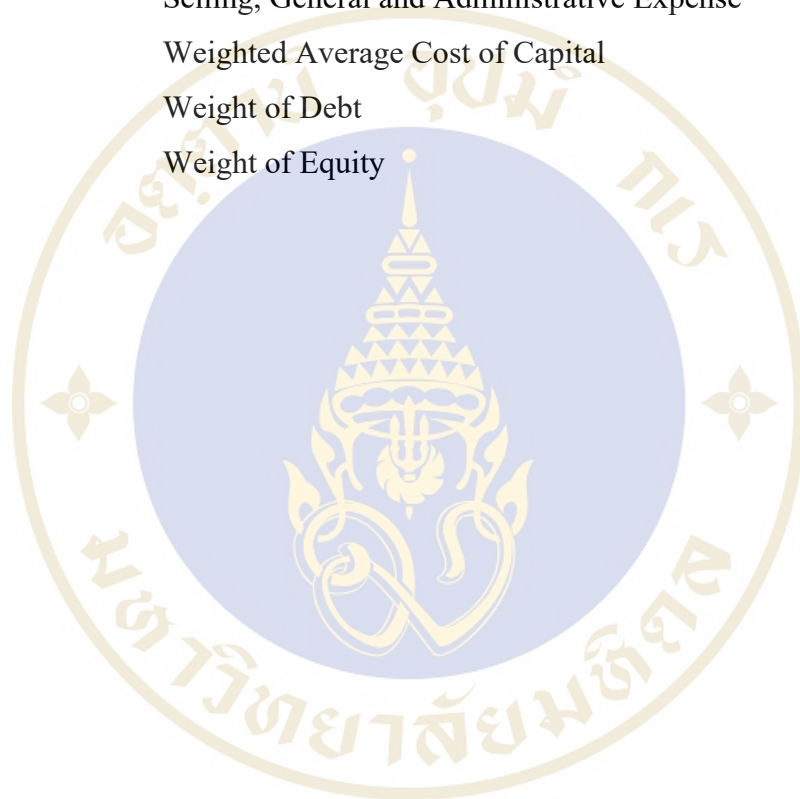
Figure	Page
1.1 Ananda's Brand level	4
1.2 Thailand's Mass Transit Infrastructure Rollout	7
1.3 Graph of Real GDP annual growth rate in Thailand	8
1.4 Thailand GDP annual growth rate	8
1.5 Households by Type of Dwelling in Thailand	9
1.6 Urban Households in Thailand	10
1.7 The household debt and real estate loan	11
1.8 Joint Venture growth of Ananda	17
1.9 International sale growth of Ananda	18
1.10 Main countries of foreign customer	19
1.11 Comparing market shares of property development industry	20
1.12 Comparing market shares of top 10 of residential developer in Thailand	20
2.1 ANAN Business Structure	33
2.2 ANAN Revenue Breakdown as of 2017	34
2.3 ANAN Major Shareholder as of March 14, 2017	35
2.4 ANAN Organizational Chart	35
2.5 ANAN Board of Directors	36
2.6 ANAN The Executives	36
2.7 ANAN Corporate Governance	37
2.8 Five Forces Analysis	40

LIST OF ABBREVIATIONS

b	Beta
BOT	Bank of Thailand
BOI	Board of Investment of Thailand
BV	Book Value
CAGR	Compound Annual Growth Rate
CAPM	Capital Asset Pricing Model
CAPEX	Capital Expenditure
COGS	Cost of Goods Sold
DCF	Discounted Cash Flow
D/E	Debt/Equity
EPS	Earnings per Share
EBIT	Earnings before Interest and Taxes
EBITDA	Earnings before Interest, Taxes and Depreciation
FCFF	Free Cash Flow to Firm
GDP	Gross Domestic Production
IPO	Initial Public Offering
IPP	Independent Power Producer
JV	Joint Venture
K _d	Cost of Debt
K _e	Cost of Equity
MRP	Market Risk Premium
NPV	Net Present Value
NOPAT	Net Operating Profit After Taxes
PV	Present Value
P/E	Price/Earnings per Share
P/BV	Price/Book Value
R _f	Risk Free

LIST OF ABBREVIATIONS (cont.)

ROA	Return on Assets
ROE	Return on Equity
SEC	Security and Exchange Commission
SET	Stock Exchange of Thailand
SG&A	Selling, General and Administrative Expense
WACC	Weighted Average Cost of Capital
Wd	Weight of Debt
We	Weight of Equity



CHAPTER I

VALUATION

1.1 Highlights

The recommendation for ANAN share after valuation is indicative to SELL with the 1-year target price at 3.53 THB per share by using Discounted Cash Flow Valuation method (DCF) which offer 11.75% downside if comparing with closed price at 4.00 THB as of 30 November 2018.

Moreover, the business continuously grows by strategic of joint venture with foreign investor. The net profit that Ananda could generate in quarter 3, 2018 is equal to 976 million THB in which has profit-sharing from joint venture project around 982 million THB. Comparing with same period in previous year has 204% YoY growth. Due to Ananda starting transfer 3 mega-projects of condominiums as Ashton Asoke (6.7 billion THB), Ashton Chula-Silom (8.6 billion THB), and Ideo Sukhumvit 93 (6.4 billion THB).

The revenue structure of Ananda come from two parts with the main revenue from project sales in each year and also the secondary revenue in project management and service which maintain the same as year 2017.

From project information of Ananda's announcement, the estimation in 2019, the total revenue between 2018 and 2019 will growth by 24.3%. Especially, Ananda will recognize revenue from JV in 2019 will be considered as Ideo Q Victory, Ideo Q Sukhumvit 36, Ideo New Rama 9, Elio Del Nest, Ideo Mobi Rangnam, Elio Del Moss, and Ideo Sathorn-Wongwian Yai.

Table 1.1 Summary Forecasting data

YEAR	2016	2017	2018F	2019F	2020F	2021F
EBIT	2,143	1,987	3,410	4,107	3,605	2,430
Depreciation	64	92	92	92	92	92
EBITDA	2,206	2,079	3,502	4,199	3,697	2,522
Total CA	18,749	22,182	18,928	12,348	8,783	8,331
Total non-current assets	6,620	7,708	11,805	19,162	24,032	26,228
Total assets	25,370	29,890	30,733	31,510	32,815	34,559
Total current liabilities	9,547	8,040	5,212	10,188	8,702	7,874
Total non-current liabilities	5,065	8,370	7,613	1,615	2,838	4,448
Total liabilities	14,612	16,410	12,825	11,803	11,540	12,322
Equity attributable to owners of the company	10,754	12,396	16,844	18,644	20,211	21,173
Non-controlling interest of subsidiaries		1,063	1,063	1,063	1,063	1,063
Total shareholders' equity	10,754	13,460	17,908	19,707	21,275	22,237
Total liabilities and shareholders' equity	25,366	29,870	30,733	31,510	32,815	34,559

1.2 Business Description

Ananda is a developer of condominium projects and housing projects in Bangkok and its vicinities. The Company is one of market leader in developer of real estate projects in Bangkok. The developed condominium projects under the name of “Ashton”, “IDEO”, “Venus” and “Elio”, which are modern style and focus on the modern lifestyle.

Ananda catches up customers who have “urban life” for residents in Bangkok with creating a strong brand and become successful in the real estate market in Bangkok and its vicinity.

The company focuses on cutting-edge design and to be attracted for the “Gen C” who focuses on “convenience”, able to control “cost and time” and “comfortably life “with money wisely use.

1.2.1 Main Subsidiary

Mr. Chanond Ruangkritiya, the president of Ananda Development Public Company Limited (ANAN) from 2001 until now. In the past, the different of Ananda from other competitors is facial structure which is mostly use the leverage by equity part. The product of Ananda mostly focuses on mid-to upscale segment.

In 1999, Ruangkritiya's family was established Ananda Development Public Company Limited (ANAN). The core business of Ananda is all aspect about residential developer in real estate industry and providing the management service for real estate, especially, the condominium development project which mostly located around the mass transit stations (close to the station of BTS, MRT, Airport link etc.) in metropolis and peripheral areas. It can be called that in term of condominium around mass railway transit network, Ananda is the market leader. In additional to core business, the urban living product as residential housing which located in reachable city center area. Moreover, the subsidiaries and affiliated projects of Ananda are Bira International Circuit (the race track in Chonburi), Bira-kart company limited (the Go-kart race track in Samutprakarn) and the sports club and restaurant named Bluedeck company limited.

In 2007, Ananda has jointed venture with Primerica Financial for raising fund to launched the first project at Ladproad district in Bangkok named "Ideo ladproad 17" and continually further invest in condominium projects. Without funding limit, in 2010 Ananda became the highest in revenue sale and ended joint venture with Primerica Financial.

In 2012, Ananda decided to issue IPO amount of 1,333,000,000 shared to gain capital around 5.6 billion THB which could improve healthy statement for Ananda.

Ananda's target customer called "Gen C" which are anyone who is looking for the condominium with the modern lifestyle, casual and hustle life. So, the products will consist of varieties of brand which is divided into Hi-end, middle range until economy market segmentation as the following groups of customers.







Luxury	ASHTON
High-end	
Up-scale	 
Mid-range	  
Low-range	ELIO
Super value-range	UNIO

Figure 1.1 Ananda's Brand level

The company has developed and launched a condominium project under the name “UNO”, which is an 8-storey condominium in 2017. The selling price would offer less than 1 million baht per unit for target “Super Value” customer segment.

Ananda provides the residents in the city and aims to set up the philosophy as LIVE/WORK/PLAY with mass transit railway connecting. Therefore, most of Ananda condominium placed near the railway stations.

1.2.2 SWOT Analysis

1.2.2.1 Strengths

Reputation of brand: Ananda developer, known as Idea and Ashton brand.

Location: Placed reachable distance along rail way network by walking.

Partner: Over past 10 years, Ananda has not only JV and IPO, but also having M&A which formed financial structure by heavy equity part.

Strong brand image: With image as urban living with hassle life style.

Innovation: with set up Innovation to be new strategy, Ananda aim to integrate technology with lifestyle for more convenience of urban live.

Segment product: variety of products segmentation.

After sale service: one of Ananda's subsidiary is community management and juristic person service entity offering.

Manufacturing consistency: Deeping into supplier, Ananda has their own construction company, property agency and other with developing projection plan in future

Manufacturing consistency: Deeping into supplier, Ananda has their own construction company, property agency and other with developing projection plan in future.

On time production: Ananda can finish the accommodation and ready to transfer to customer on hand in an agreement term.

1.2.2.2 Weaknesses

Consumer confidential: After unappreciated of Aston condominium about transferable to customer which affect to reputation of Ananda.

Higher price: due to land prices tend to be higher and rarely free placement, especially in city center. As a result, the cost of project development is high and lead to further costly for location around public railway station. Therefore, Ananda's concept with reachable development is high and lead to further costly for location around public railway station. Therefore, Ananda's concept with reachable location along sky train will set up higher price than competitor.

Limitation of budgeting: capital structure of Ananda mostly equity financing, but it can gain more budgeting by loan.

1.2.2.3 Opportunities

Modern life style: with urbanization push condition of living trend to be smaller household size and more being single-living or childless family

Government policy of buying first property which subsidize for buying low range or economy range property product.

Number of Population and migrant increasing: would cause of higher density in downtown.

The extension of train line: according to Ananda's concept of location settlement

Heavy traffic congestion: Due to more spending time on traffic, people tends to buy living place which convenience of transportation.

Aging society: There are some survey found that the housing market for the elderly in Thailand over past 5 years is likely to grow significantly. The developer has opportunity to provide accommodation for increasing number of retirement clients.

1.2.2.4 Threats

Politic instability: Construction business is risky from political and overall economic situation at the current time that cannot be avoidable

Even, developers continue to grow in Bangkok and its vicinities but they have to face with intense competition with pricing, greater number of competitor and limited free area in metropolis

1.3 Macro-Economic Analysis

1.3.1 Positive Factor

In last 4 years, the mega-project investment in fundamentals of public transport will create reliance of public and will dynamic to further investment in private sector especially in property development industry.

After 1999, the sky train was served for public to solve the traffic congestion in metropolis and Private sector would gain the positive side-effect as well as Ananda have had. Nowadays, there are opening the new extension 5 sky train lines and with effort of government to develop the ultimate phase of mass transit railway in coming soon which are majority factor to support the Ananda's projects located along the BTS line, as well as the projects near the new retail space in the outer area.

Thailand's Mass Transit Infrastructure Rollout

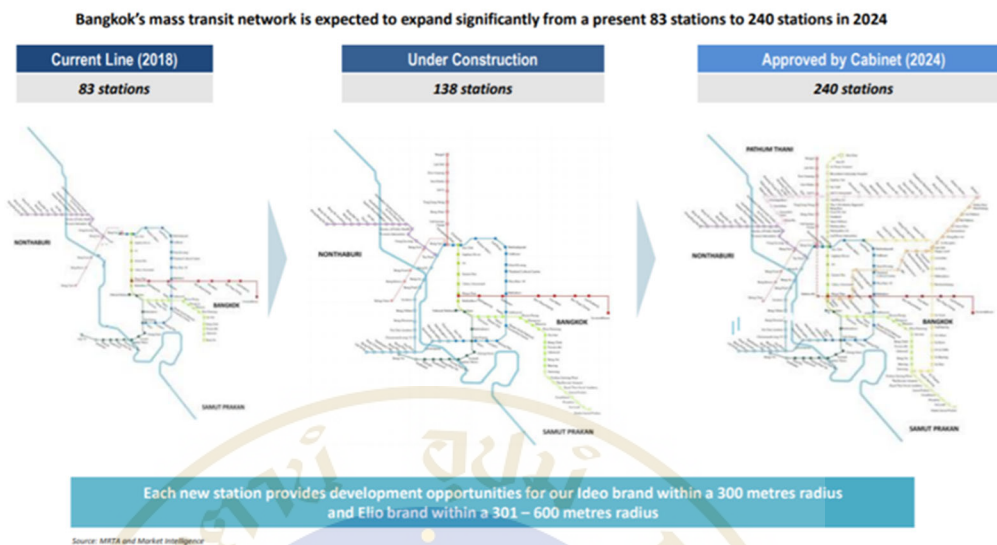


Figure 1.2 Thailand's Mass Transit Infrastructure Rollout

1.3.1.1 Thai economic trend seems to be recovery after political crisis in 2014 which affected to all aspect in Thai economic. Thai's GDP grew up on average 3.73% from 1984 until quarter 2 of 2018. The GDP in 2nd quarter grew by 4.6% (yoy) and the first half of the year grew up 4.8% when compared with 3.7% in 2017 and 3.15% in 2016 (Graph1). The investment of private sector increased 4.9% in Q1 as a consequence from investment of state enterprise sector 8.9% and private sector 3.2% which consist of construction sector increased around 2.8%. The sale in property development industry grew 3.5% between 2016 and 2017 and 4.63% between 2015 and 2016. Ananda has worked in process project around 17,250 units by 26 projects for condominium and housing is around 770 units by 8 projects in 2018.



Figure 1.3 Graph of Real GDP annual growth rate in Thailand

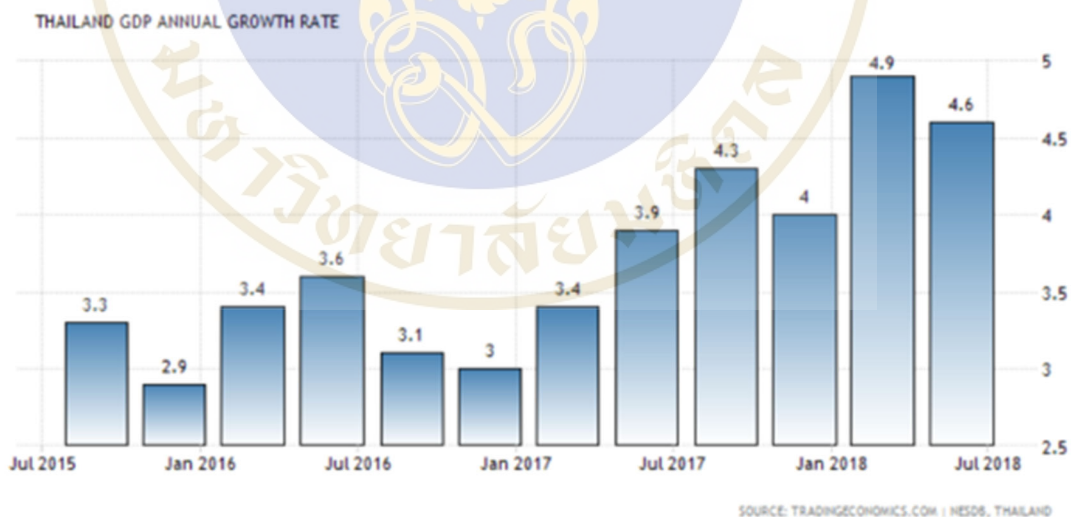


Figure 1.4 Thailand GDP annual growth rate

1.3.1.2 The world-wide connecting and population increasing.

As a result of advance in transportation, technology and communication, there are higher number of population and migrant which is continually

increasing. The first reason, Thai population amounts continually increase with average growth 0.5% from 65.12 million in 2014 to 66.19 million in 2017 (Table 1.2).

The number of urban households in Bangkok is growing from 10.5 million in 2012 to 12.7 million in 2017 and consistent with the higher number of Apartment household from 1.6million to 2 million between 2012 and 2017. These numbers (figures) can imply that due to the more population in Bangkok, the greater number of high living households.

Not only Thai population will increase, but the expatriate amount will increase as well. Focusing on collected number, foreigner workers in Thailand who has purchasing power, raised from 1.5 million in 2014 to 1.7 million in 2016 (Table 1.1). To support this number of foreigners to be target group, there is a legal term of land law about forbidden for foreigner holding land proprietor in Thailand. Foreigners are forbidden to holding the land properties in Thailand but there are ways to conserve their properties asset if foreigners wish to dwell in Thailand. Therefore, immigrant can only rent the house but not allow to buy house in Thailand. The condominium is the solution for immigrant to own the residential with limitation of holding under 49% of total unit of building. It can imply that more demanding in residential the expat worker will have more opportunity to become the owner of the asset as condominium.

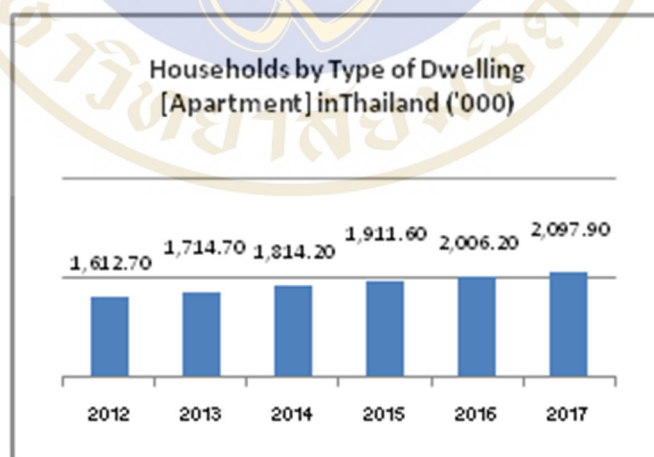


Figure 1.5 Households by Type of Dwelling in Thailand

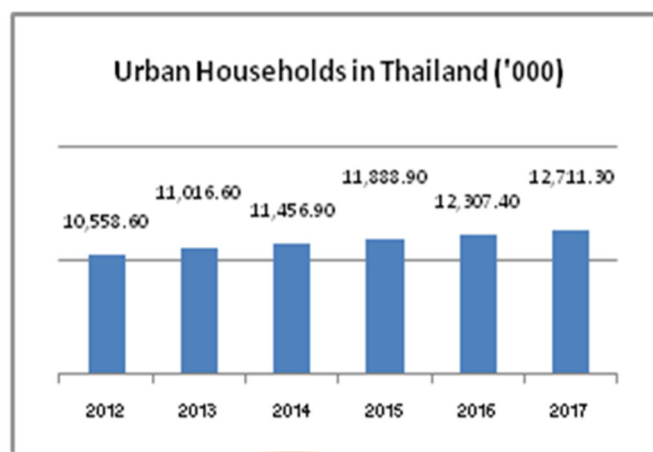


Figure 1.6 Urban Households in Thailand

Table 1.2 Number of foreigners granted work permit in Thailand

Unit: million

Source: Ministry of Labor)2016(	2014	2015	2016	2017
Number of foreigners granted work permit in TH)general(
Amount of migrant with work permit	1.32	1.44	1.48	-
Chinese, Japanese, Filipino, Indian, British and U.S.	0.11	0.11	0.12	-
France, Taiwan, Australia, South Korea and other	0.046	0.047	0.048	-
Number of foreigners granted work permit in TH)board of investment(
Japanese, Chinese, Indian, Taiwan and South Korea	0.041	0.045	0.047	-
British, U.S., Filipino, France, Malaysia and other	0.01	0.012	0.013	-

Table 1.3 Number of population in Thailand

Unit: million

Source: Ministry of Labor	2014	2015	2016	2017	Avg.
Population in Thailand)million(	65.12	65.73	65.93	66.19	
Growth )%(	0.5	0.9	0.3	0.4	0.52
Minimum wage in Bangkok)Bath/day(	300	300	300	315	
*Minimum wage in Bangkok in 2018 = 325 THB/day					

1.3.1.3 The Mortgage for housing

Mortgage overview over the past 10 years has continued to expand with the expansion of the housing market demand. The credit of commercial Bank consists of credit for the entrepreneur (Pre-finance) and for personal loans (Post-finance) average growth of 11% over 10 years (Graph 5). Even though, it was slightly drop after 2015 but it gradually growth.

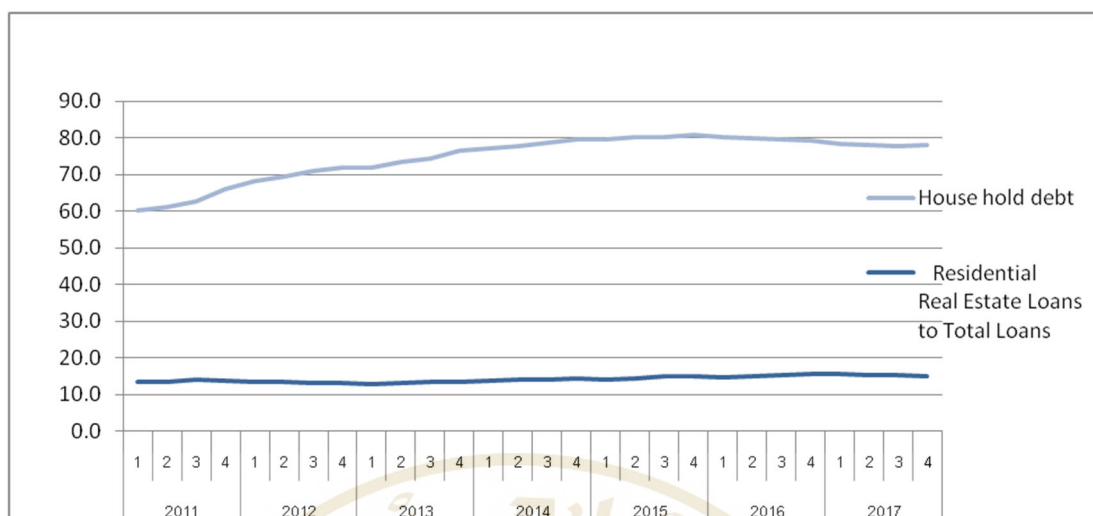


Figure 1.7 The household debt and real estate loan

The house hold debt is 66% of GDP at the end of 2011 and caught up at 80% in 2015 and remains stable until the end of 2017. The number of real estate loan to total loan in Thailand remain stable from 2011 to 2017 (Graph 5), it can imply that Thai people tend to have more debt which relevant with mortgage for housing growth rate as mention above. In summary, Thai people tend to have higher household debt which partly from buying property.

1.3.1.4 The government's public house policy was introduced in April 2016 and will end up in 2018.

Cabinet has approved the revised terms of “Ban Pracharat - Baan Thanarak Pracharat” to reduce the loan’s criteria for low credibility applicant (Post Finance) with limitation maximum property price at 1.5 million baht. As a result, the rejection rate of mortgage is expected to decrease. On other bright side, this policy will not only further stimulate the economy market segment which currently the sales volume is slower, but also accelerate unsold real estate volume which is around 33% of total.

1.3.2 Negative Factor

1.3.2.1 The consequence effects

In late 2011, there was a major disaster by floods around Bangkok which is the main cause of the residential market industry is sluggish. Later between 2013 and 2015: The residential market along the BTS line has extremely expanded,

because of accelerating investment in condominium projects in 2013 - 2014 and with this real shock in 2012 could push demanding of high-rise living for people, as a result higher sale for industrial developer between 2013 and 2014.

Subsequently, in 2015, the overall housing demand would be slow down again due to domestic political instability and a sluggish global economy. Reflection of this could see by the declining of condominiums registration rate in Thailand. After 2015, the growth rate of the number of condominiums registered dropped from 25% growth rate to 9%, due to the consumer's confidence for spending money.

1.3.2.2 The new taxation in term of land and building tax

Announcement to use in 2019 may cause all developers and constructors to incur additional costs for projects under development by following this:

Table 1.4 Taxation in term of land and Building tax

Residence		Commercial			Wasteland
Main residential		Asset value	Tax rate	Year	Tax rate
Asset value	Tax rate	≤ 20 mil	0.3%	1 -3	2%
≤ 50 mil.	exception	> 20 -50 mil	0.5%	4 -6	2.5%
> 50 – 100 mil.	0.05%	> 50 -100 mil	0.7%	7 -9	3%
> 100 mil.	0.1%	≤100 -1000 mil	0.9%	10 -12	3.5%
Second residential		> 1000 -3000 mil	1.2%	13 -15	4%
≤ 5 mil.	0.03%	> 3000 mil	1.5%	16 -19	4.5%
> 5 -10 mil.	0.05%			19 years up	5%
> 10 -20 mil	0.1%				
> 20 -30 mil	0.15%				
> 30 -50 mil	0.2%				
> 50 -100 mil	0.25%				
> 100 mil	0.3%				

Source: Ministry of Finance

The tax calculation method has 3 stages

- In case of land without buildings.
- In case of land with building.
- In case of apartment room.

New taxation of land and building assessments will impact to property holders who have multi properties, have to pay a tax of 0.03% onwards. If the

house costs more than 5 million or there are many houses, it will cause lot more tax payment.

Due to empty land which preparing for developing project have to pay tax also. It will affect to have higher cost not only developer in industry, but also in many sectors of economics will be impacted of having higher cost of tax.

Impact on investors who buy and rent the property as a commercial or have an empty land. The new regulation of land and building taxation will add more tax value. Therefore, investors with multiple properties will result increase in tax payment.

The remaining backlog units of sales whether are housing project or condominium project, as this will result in higher project costs in each unit sold until the backlog will be sold out.

It is probably that the developer will charge more fee whether properties for sale or commercial. The higher price will lead to the lower chance to buy the properties product.

1.4 Industry Analysis

1.4.1 Expansion of the condominium market along the mass transit route

Since the sky train was built in 1999, and the subway was opened in 2004. From that day on, it is still concentrated in the heart of the city, today the metro lines begin to expand. This year, Bangkok will operate 5 lines of mass transit, 87 stations totaling 121.6 km. The current mass transit in Thailand may be called BTS and MRT. It is a route that creates a change in the area along both directions. There are various types of the emerging real estate, but in the past 5-6 years' condominium projects are mostly due to the fact that land prices are too high to develop other types of projects. At the end of 2016, there are currently 77,740 units of condominiums along the mass transit route, most of them are sold, with an average sales rate of around 88%. This is because of the many office buildings along the mass transit route and it is expected that in the year 2020 there may be more than 90,000 units. With the expansion of the metro is a change of urban structure and also the real estate market. The location of the mass transit route is a golden location and the city center is the land of diamonds, but

the price of land will rise enormously. They also change their way of life and the style of living in the city to become more “Vertical Living”.

In the year 2027, the last year of the mass transit network development plan in Bangkok. At that time, Bangkok will operate 11 lines of mass transit, 297 stations totaling 466.1 km. From the mass transit network development plan in Thailand lead to property and condominium market continues to grow in both unit size and price, with smaller space because of demand for many reasons such as; the demand of new houses, a second home near to the workplace and invest a legacy.

1.4.2 Property Developer Company in Thailand joint venture with foreign and more foreign customer in the market

According to Thai banks are stricter in leading to new projects lead to the property developers are looking for foreign partners. The real estate projects in Bangkok as a result of the joint venture, the number of projects increased from 4 projects in 2013 to 52 projects in 2017. Most joint ventures are joint venture projects with Japanese investors to develop condominium projects. Currently, there are also other investors from other countries, such as Singapore, Hong Kong and China. Although the joint venture will start from the condominium project but investment is expected to be condominiums and other income generating properties such as office buildings.

In the other hand, the proportion of foreign condominium buyers increases from last year. It is expected that foreign buyers will continue to purchase luxury residences in Thailand and below 10 million baht as a project developer that tries to market more international.

1.4.3 Investment of the Retirement Community project during 2018-2020

Thailand is transitioning from the elderly society to the complete old society. The demand for housing that is conducive to housing for the elderly. At present, there are developers of housing projects for the elderly, both public and private. In the residential segment for the elderly, developed by the private sector, there are two types of housing projects. 1) General housing projects with caring elderly by function design 2) The Retirement Community Project.

The development of housing projects for the elderly from the private sector has continued to invest. Real estate developers should pay more attention to the development of housing projects combine with functions that are conducive to living for the elderly because it is a segment with a large market. In addition to the entrepreneur will target the target group is a family with the elderly and also expand the market to residential buyers who become an elder in the future as well.

Although the number of elderlies in Thailand is likely to increase but most of them still have low income and the savings are not very high lead to the housing market for the elderly is still limited. However, personal savings and the proportion of personal savings compared with personal cost of living of Thai population, it is likely to increase. As a result, the number of elderlies with middle-income earners will increase in the future and can reflect the opportunities for the long-term housing market for elderly.

Success factors in sustainable housing development for the elderly. It would be on other services and covers the entire life of the elderly, such as financial management, maintain the benefits and legal facilities. The entrepreneur must collaborate with partners who have expertise in various fields to create and build trust for the housing project for the elderly. This should be able to attract the elderly to trust and to buy housing in the end.

1.4.4 Prop Tech 'New Normal' 4.0 eras when the property comes integrated with technology

In the world of modern times, it is changing into a digital society, especially in the 4.0 eras where the tool is clever also can be raced and linked the data to each other. These are the big digital waves that affect the dynamics of the business sector. In the real estate business is the same, but it has to adjust to catch up with the development of Property Technology or short as 'Prop Tech'

In the 4.0 eras, “Digital Disruption” has transformed the real estate industry into “New Normal” or “new norms” for the real estate industry. To meet the needs of consumers in the era by bringing Technology to the property business called Prop Tech when consumer behavior changes to this new norm. It is necessary to have technology for property business but everything that happens is still circulating in ecosystem itself,

not torn into any new. But often the technology is happening to support the original work in each section to the potential or strengthen the quality.

Prop Tech is a new business opportunity of entrepreneurs, if we are looking at Prop Tech's investment corner is finding new business opportunities but in terms of strategy, the key goal of looking for startups related to real estate. It is to find technology developers who are involved in the business whether it is construction technology, Home management online buying and selling systems or even residential technology. To meet the core business of real estate development companies that is the development of project for both sale and rent there.

1.5 Competitors Analysis

1.5.1 Ananda Development the first Tech Company in Thailand

Ananda Development restricting the decision to Tech Company, the first in Thailand, which is a revolution in the real estate industry. And there are also announcements the important strategic which will bring innovation and technology to develop and raise standards in driving organizations and projects to be more effective also to keep pace with the changing market and consumers for the lifestyle of the city is modern and better quality.

This unexpected turn of decision makes Ananda the first real estate company to announce itself as a Tech Company, but remains a core business real estate with a focus on technology partnerships to create an ecosystem, it is important to help their business survive and grow in the future. We can tell this is better than before also looking forward to develop the new tech in the same time.

1.5.2 Ananda Development the market leader in condo along the mass transit

Ananda Development has outstanding in the development of residential land adjacent to the mass transit than other developers. From the succession in the past, it shows that the demands for housing near to mass transit still very high. In addition, the company has been able to implement the plan as it has entered into a joint venture agreement with Mitsui Fudan Co., Ltd. of Japan to develop a condominium project adjacent to

the mass transit in Thailand. As a result, the company has gained the confidence of its customers and strengthened its leadership in the development of condominiums adjacent to the mass transit to meet the life of the city.

1.5.3 Ananda Development is the number one joint venture in market

Since Ananda Development joint venture with Mitsui Fudosan, Japan's largest real estate developer in 2013. As a result of joint venture, the growth in residential property values has grown annually from 6,800 million baht in 2013 to 26,000 million baht in 2014, representing 282%, and growing by 75% in 2015 from 2014. Business continuity in 2016 is projected to increase by 53% from 2015, and by 2017, the value of the venture will be 95,000 million baht, up 36% from 2016. According to growth can be concluded that Ananda Development is the number one of joint venture company strategy in Thailand by the result of 5 years the value is 95,000 million baht and 21 projects in hands.

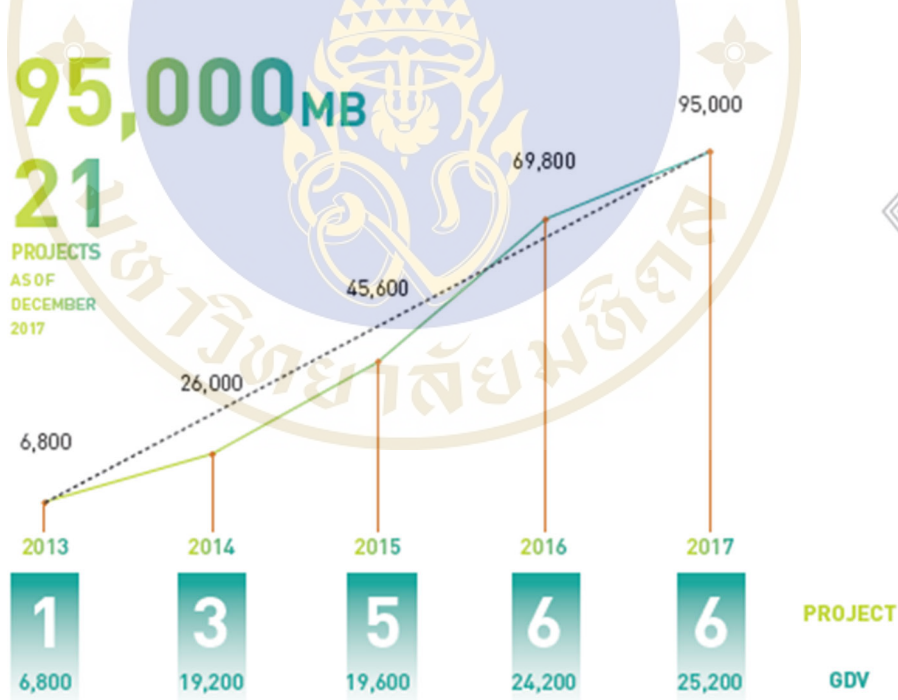


Figure 1.8 Joint Venture growth of Ananda

Source: Ananda Annual Report 2017

1.5.4 Ananda Development is the number one of international sales

From the growth of the real estate market due to the expansion of foreign customers investing in residential properties in Thailand. According to statistics from 2015-2017, Ananda Development has grown 164% overseas in 2017 if compare with the year 2016 and the figure stood at 9,775 million baht. Most of the foreign customers are coming from 38 countries, but the segment has resulted in the highest growth in sales from 10 countries: USA, UK, Canada, Australia, China, Japan, Hong Kong, Singapore, Malaysia and Taiwan accounted for 93% of all foreign customers.

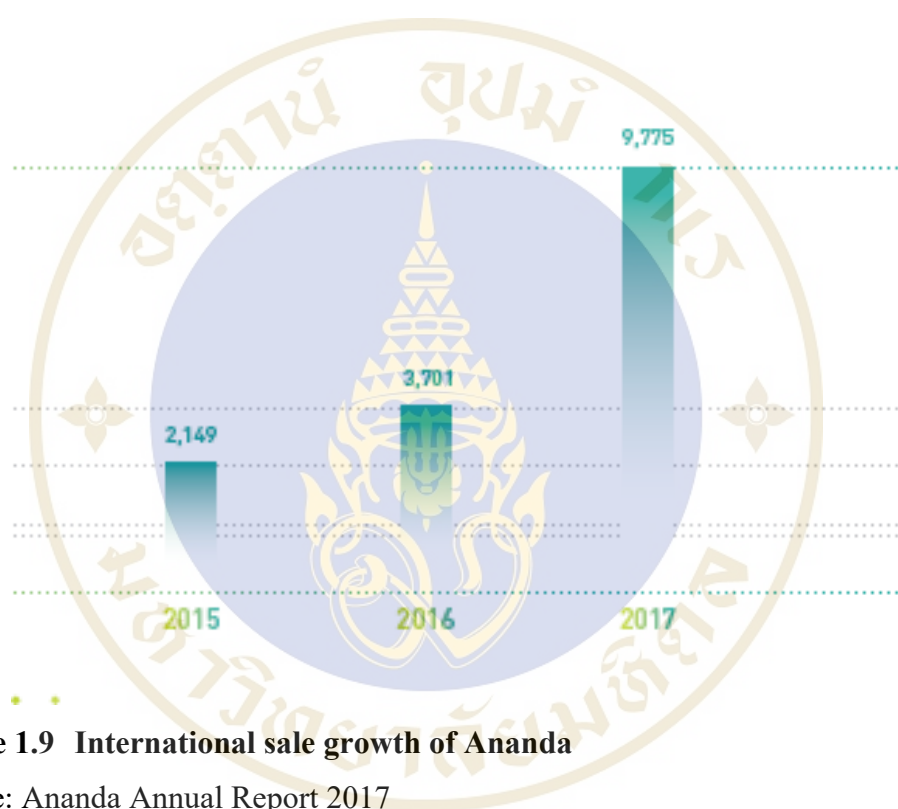


Figure 1.9 International sale growth of Ananda

Source: Ananda Annual Report 2017



Figure 1.10 Main countries of foreign customer

Source: Ananda Annual Report 2017

Ananda Development gains about 3% market shares in the industry of listed companies and grow up in market shares about 1% in top 10 residential development companies in Thailand.

According to the market's data of statistics (statistics of the market's data) recorded by SET in Thailand in 2016-2017, Ananda Development get about 3% market shares from sales report of the company show 11,340 million baht if compare with the total of industry sales in 2016 about 403,571 million baht and in the year of 2017 still get 3% market shares in the industry it means that the performance of Ananda Development still stables performed. If we focus on top 10 companies about residential development which almost popular choice of customer such as LH, PSH, SPALI, QH, SIRI, AP, LPN, ANAN, GOLD and SC, Ananda development got about 5% market shares in 2016. Ananda's keep on performance and can (able to) make more customer reliance as a result of market shares growth up about 1% from 5% to 6% in 2017 if compare with top 10 of residential developer in Thailand.

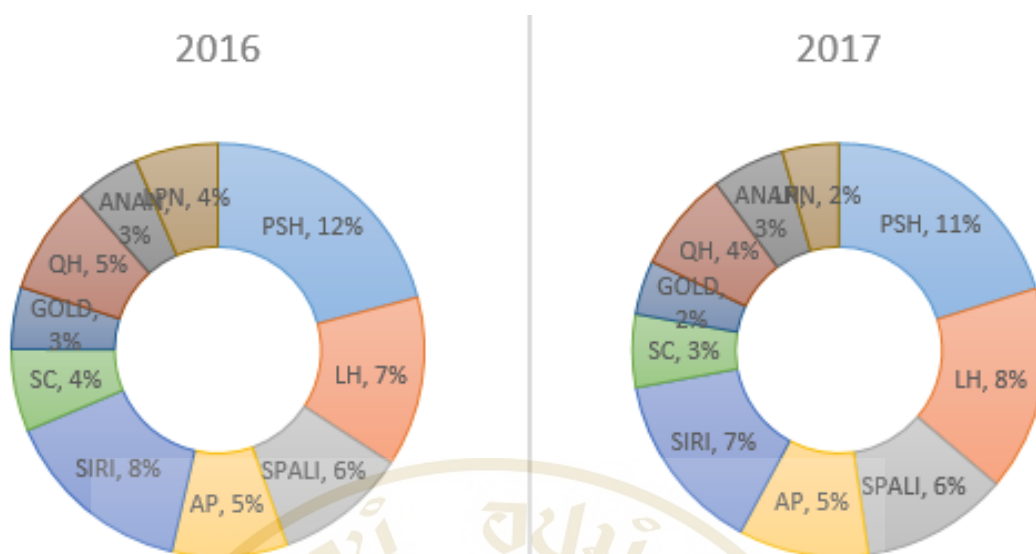


Figure 1.11 Comparing market shares of property development industry

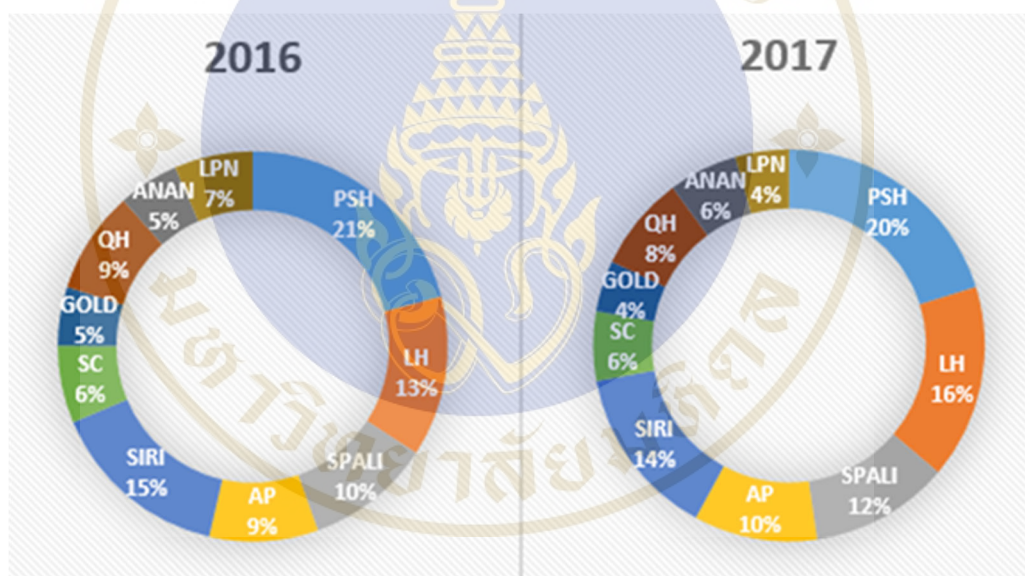


Figure 1.12 Comparing market shares of top 10 of residential developer in Thailand

1.6 Discounted Cash Flow Valuation (DCF)

1.6.1 Investment Summary

We issue a SELL recommendation on Ananda Development Public Company Limited (ANAN) with target price of THB 3.53 using the Discount Free Cash Flow to Firm Method. If comparing with current price as of 30 November 2018 is 4.00 THB per share and from Valuation with DCF method target price is 3.53 THB so it down more than 10% from current price.

For this method we not recommend to use for valuation in these industry because of the need to create assumptions. In practice, even entrepreneurs are not able to predict precisely the long term. Moreover, the industry is constantly changing in product customer competition and rules. Another reason that makes discount cash flow valuation unsuitable is because term of investments for these stock. It is a short-term investment rather than a long-term investment. So, the most appropriate method is Relative Valuation.

1.6.2 Discounted Cash Flow Assumption

1.6.2.1 Revenue from project sale project management and service

Ananda Development's main business is to develop real estate for sale and recognize revenue. The key criteria for predicting the company's performance are sales milestone report and the transfer of ownership from the fourth quarter of 2014 to the third quarter of 2018; details the quarterly information on the presentation of the company website.

According to the data was analyzed to recognize the revenue of each quarter to accumulate into the income from the sale of real estate annually, it consists of low-rise and high-rise projects. Each project details the start date of the project until the end of the project, or if the project has not ended it will show the transfer of ownership at that time compare with 100%

Estimation of revenue each year, from the percentage of transfer of ownership represents the value of project value of each project and to bring it into the revenue recognition of that year in 2018. From the data, we know the data up to

quarter 3 so the estimate of the fourth quarter in 2018 by the low-rise projects are projected to grow from the third quarter by assumption that plus the different of percent sold in quarter 3 and 4 from last year and the high-rise project, which is the main income of the company, we estimate by expect more transfer ownership from quarter 3 to quarter 4 of last year. Then calculate the value from project value and deducted from the transfer value of the previous year. This is recognition of the income of each project in that year.

In the secondary income from project management and service, the growing of percentage is not fixed from previous year so the estimation we compared to the total revenue of each year and the ratio is only 10%, so we expect revenue recognition on the secondary income equivalent to 2017, and the projection is the same every year until 2021.

Table 1.5 Total Revenue forecasting

(million Baht)

Revenue	2017	2018F	2019F	2020F	2021F
Revenue from project sales	8,932	6,762	5,696	6,831	4,124
Revenue from project management and service	3,470	3,470	3,470	3,470	3,470
Total Revenue	12,402	10,232	9,166	10,301	7,594

1.6.2.2 Cost of project sales and cost of rent and service

In term of costs, if look at the past 5 years, it is proportional to the revenue of each category so we calculate from historical data from cost of project sales compare with the revenue from project sales; the main income of the company and cost of rent and service compare with the revenue from project management and service; secondary recognition activities. From the past, if calculate by average in percentage the cost of project sale accounted for 64.5% of revenue from project sales and average in percentage the cost of project management and service accounted for 54.6% of the revenue from project management and service, so we estimate that each year is a percentage of the projection for the next five years.

Table 1.6 Total COGs forecasting

(million Baht)

COGS	2017	2018F	2019F	2020F	2021F
Cost of project sales	6,060	4,362	3,674	4,407	2,660
Cost of rent and service	1,986	1,893	1,893	1,893	1,893
Total COGS	8,046	6,256	5,568	6,300	4,553

1.6.2.3 Selling expense and Administrative expense

In term of selling expense and administrative expense we estimate the SG&A by look at the past 5 years; it is proportional to the total revenue of each year, for the result we calculate by average in percentage of the past 5 years so SG&A accounted for 21.1% of total revenue so we estimate that each year is a percentage of the projection for the next five years.

1.6.2.4 Share of gain/loss from investment in JV

For the share of gain/loss from investment in JV, we estimate by look at the data of estimation of revenue each year, from the percentage of transfer of ownership represents the value of project value of each project and to bring it into the revenue recognition of that year in 2018. From the data, we know the data up to quarter 3 so the estimate of the fourth quarter we estimate by expect more transfer ownership from quarter 3 to quarter 4 of last year. Then calculate the value from project value and deducted from the transfer value of the previous year. This is recognition of the income of each project in that year. According to ANAN have 51% of 100% in JV and after we estimate the number of revenue of the next 4 years we multiple into 51% to get the value of revenue own by ANAN in JV and we calculate the share of gain/loss from investment in JV by multiple by net profit margin of each year.

Table 1.7 EBIT forecasting

(million Baht)

COGS	2017	2018F	2019F	2020F	2021F
Total Revenue	12,402	10,232	9,166	10,301	7,594
Total COGS	8,046	6,256	5,568	6,300	4,553
Gross profit	4,356	3,977	3,598	4,001	3,040
SG&A expenses	2,576	2,156	1,931	2,171	1,600
Operating profit	1,780	1,821	1,667	1,831	1,440
Interest income	223	223	223	223	223
Dividend income	-	-	-	-	-
Gain on sales of assets	-	-	-	-	-
Gain in sales of investment	71	-	-	-	-
Other income	253	179	160	181	133
Share of profit on investment in associates	-	-	-	-	-
Share of gain/loss from investment JV	-341	1,186	2,055	1,370	633
EBIT	1,987	3,410	4,107	3,605	2,430

1.6.2.5 Depreciation

In term of Depreciation, we look at the data of PPE from the details in notes of financial statement of the past 5 years. The detail of PPE we divided into two parts Land and land improvement and Other PPE so we calculated by input the value of gross book at 1 January of each year also additions and disposals or writes-off between that years and we get the gross book of PPE at 31 December of each year (the value of Gross book at 31 Dec of the last year is the value of gross book at 1 Jan of the next year). So after we calculate from the data we assume that the estimate of the next 4 year of depreciation equal to the last year of 2017.

1.6.2.6 Capital Expenditure

In term of capital expenditure, we calculate from the value of beginning property development for sale in each year plus with CAPEX for the year and deducted by cost of project sales of each year to get the ending property development for sale of the year. We know the date of the past 5 years of beginning property development for sale and cost of project sales also ending property development for sale in the year from the beginning of the previous year so we can calculate CAPEX for the year of

each year. After we get the value of capital expenditure of each year we calculate the change in CAPEX for the year to get the value for calculate in DCF.

1.6.2.7 Net Operating Working Capital

In term of net operating working capital, we calculated by sum of the total value of Trade Account Receivable and Inventory and deducted by Trade Account Payable. For the value of Trade Account Receivable, we calculated by divided estimate revenue of the year by 365 days and multiple by average account receivable turnover ratio of ANAN from the past 5 years as 11.45. For the value Inventory, we calculated by divided estimate costs of the year by 365 days and multiple by average inventories turnover of ANAN from the past 5 years as 0.33. For the value of Trade Account Payable, we calculated by divided estimate purchase of the year by 365 days and multiple by average account payable turnover of ANAN from the past 5 years as 54.56. According to the calculated above, we got the net operating working capital of each year in the next 4 years of estimation.

1.6.2.8 Terminal Value

For Terminal Value, we assuming that the terminal value it will take into account the constant growth rate from 2021 onwards. We use the constant growth rate is 1% as lower bound of expected level reflecting the expected inflation rate by Bank of Thailand ($2.5\% \pm 1.5\%$), the constant growth rate as 1% for conservative assumption. Then, the terminal value is equal to THB 33,310 million.

1.6.2.9 Weighted Average Cost of Capital

We calculate weight average cost of capital by using CAPM model. For the information of the risk-free rate we use 10-year government bond yield reference Thai BMA information as 2.69981%. We calculate Beta by using adjusted beta method, the beta of company as of 2017 is 0.92 so the calculate adjusted Beta equal to 0.9496 and the market risk premium of Thailand reference Damodaran Online information update as January 2018 is 6.92%. According to information above the result of the cost of equity of ANAN is equal to 9.25%. In term of cost of debt, we calculate by using risk-free rate plus spread, ANAN got rating of BBB lead to cost of debt equal to 4.77% and we use tax rate as 20% so after-tax cost of debt is 3.82%. Finally, WACC of the company using in DCF method is equal to 6.64%.

Table 1.8 Weighted Average Cost of Capital

STOCK	ANAN
Debt	12,368
Equity	13,332
Debt Ratio	48.13%
Capital	25,700
Tax rate	20%
Beta	0.95
Risk-Free rate	2.70%
Market Risk Premium	6.92%
Cost of Equity	9.25%
Cost of Debt	4.77%
After-tax Cost of Debt	3.82%
WACC	6.64%

Table 1.9 The Discount Cash Flow to Firm

YEAR	2018F	2019F	2020F	2021F
EBIT	3,409,898,460.92	4,106,947,970.53	3,604,602,595.90	2,429,526,521.27
Tax	20.0%	20.0%	20.0%	20.0%
EBIT(1-T)	2,727,918,768.74	3,285,558,376.42	2,883,682,076.72	1,943,621,217.02
Depreciation	92,044,000.00	92,044,000.00	92,044,000.00	92,044,000.00
Capital Expenditure	6,786,808,085.89	-1,269,197,511.83	3,026,466,988.97	-
Working Capital	-613,201,170.16	-545,696,689.20	-620,019,903.69	-442,984,938.35
Change in WC	-564,624,813.16	67,504,480.96	-74,323,214.50	177,034,965.34
FCFF	-3,402,220,503.99	4,579,295,407.29	23,582,302.25	1,858,630,251.68
Terminal Value				33,309,561,504.63
PV	-3,402,220,503.99	4,579,295,407.29	23,582,302.25	35,168,191,756.31

1.6.3 Valuation summary

According to all of assumption above, we calculate the value per share at the end of 2021 show the result in the table below:

Table 1.10 Valuation Summary

(million)

Valuation Summary	Amount
Value of Operating Assets	28,054
Value of Non-operating Assets	2,063
Value of Firm	30,118
Value of Debt	12,368
Debt to Equity	6,000
Value of Equity	11,749
Number of share Outstanding	3,333
Share Price	3.53 Baht
Current Share Price	4.00 Baht

Rating Criteria: According to share price from valuation using the discount cash flow to firm method, we assign the recommendation on target stock, when there is upside more than 10% from current price we assign BUY recommendation and when the upside is -10% to 10% we assign to HOLD recommendation and when the target price estimated has 10% downside from current price we assign SELL recommendation.

1.7 Scenario Analysis

According to analysis that ANAN value would drive target price of ANAN so, we run scenario analysis by changing value of EBIT to increase 25% for best case and decrease 25% for worst case based on the base case.

Based on scenario analysis, the expected from bank of Thailand going to launch a policy to increase loan to value rate for people who want to buy second house or buy the house with the price higher than 10 million THB so we expected that the best case EBIT of the company will boost up to 25% before this policy launch, in the other hand on worst case if the situation not go well as above, we also run the worst case that EBIT of the company will declined 25% from the base case the result of scenario show as below table:

Table 1.11 Scenario Summary

Scenario Summary		EBIT up 25%		EBIT down 25%	
Current Values:		Base case		Best Case	
Worst case		Best Case		Worst case	
Changing Cells:					
EBIT 2018	3,409,898,460.92	3,409,898,460.92	4,262,373,076.15	2,557,423,845.69	
EBIT 2019	4,106,947,970.53	4,106,947,970.53	5,133,684,963.16	3,080,210,977.90	
EBIT 2020	3,604,602,595.90	3,604,602,595.90	4,505,753,244.87	2,703,451,946.92	
EBIT 2021	2,429,526,521.27	2,429,526,521.27	3,036,908,151.59	1,822,144,890.95	
Result Cells:					
Share Value	3.53	3.53	6.25	0.80	

From the result shows that if the situation goes with the best case the share value will increase to 6.25 THB if compare with the base care we still recommend BUY. In the other hand if the situation goes with the worst case the share price will drop to 0.80 THB if compare with the base case so we still recommend SELL. For conclusion, if EBIT factor change from the situation can significantly impact on share price.

1.8 Sensitivity Analysis

We performed a sensitivity analysis for ANAN by look at the key variables are weight average costs of capital, terminal growth rate, debt level, non-operating asset, EBIT and depreciation.

Discount Rates: WACC and Terminal Growth Rate: According to terminal growth rate based on downside of inflation rate as 1%, it has a little impact on target price. The change in 10% to 30% of assumption terminal growth rate leads to change on share value around 0.10 to 0.30 THB. Also, changing in WACC between -30% and 30% from base WACC can impact on target price, the higher decrease of WACC can change rating from SELL to HOLD and BUY in order but in term of increase in WACC can change target price to higher value and we still recommend to BUY if WACC change by 10% and more.

Table 1.12 Sensitivity Analysis: Discount Rates

Share Value		3.53	TERMINAL GROWTH RATE						
			1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%
WACC	-30%	4.64%	8.74	10.87	13.79	18.08	24.98	37.90	70.84
	-20%	5.31%	6.47	7.92	9.82	12.39	16.07	21.79	31.87
	-10%	5.97%	4.80	5.85	7.17	8.87	11.14	14.33	19.13
	0%	6.64%	3.53	4.32	5.29	6.48	8.01	10.03	12.81
	10%	7.30%	2.52	3.14	3.87	4.76	5.86	7.24	9.04
	20%	7.96%	1.71	2.20	2.78	3.46	4.28	5.28	6.53
	30%	8.63%	1.04	1.44	1.90	2.44	3.07	3.82	4.74

1.9 Financial Analysis

In term of financial analysis, we divide into two parts: the historical statements of comprehensive income and the financial ratios. We provide the analysis by comparing information with ANAN's competitor, ORI. The analysis of historical statements of comprehensive income consisted of common size analysis, trend analysis, growth analysis and also financial ratios. See more detail in appendix.

1.10 Investment Risk and Downside Possibilities

The negative factors that may be risk to Ananda performance's as the following:

1.10.1 Fierce market in real estate industry

The increasing in household debt rate and political instability lead to restriction of loan from financial institution and limitation of financial transferring policy in China will affect in real estate industry overall to has higher competition. All developers stimulate the sale by offering heavy marketing campaign.

With the reputation of the company, the developer of real estate projects located near Bangkok Mass Transit System in city center area is able to target the demand of consumers who need convenient living place and short travel time, the Ananda's projects are always in demanding in market. From risk factors may impact sales, the Company

often reviews the development plan to be proper with the economic situation, including marketing strategies, marketing promotional activities and planning the operational work in various aspect. By doing this, it can maintain a competitive advantage and manage sales to achieve the target.

1.10.2 The scarcity of empty land in metropolis

From the fierce market in real estate industry cause higher competition in the land acquiring's of any business, especially the area in the center of Bangkok. In addition, the company has a policy of non-holding land before the investment, which may be costly, may affect the risk of land acquisition which is not in accordance with the future business plan and the increasing land prices risk. To reduce this risk factor, Ananda has a long-term plan with land agency partner in order to limit risk of unexpected land procurement in potential place with optimized costs.

The risk of land acquisition that cannot be developed the project due to legal constraints. The Company has policy to reduced risk by providing a knowledgeable and experienced staff to inspect all area of acquiring land before execution of the land purchasing and has coordinating agencies in order to obtain the certification with government agencies and hiring an independent appraiser in the land appraisal. In addition, the process of purchasing and procurement of land will be committed through the board of directors' committee which composed top executives who are specializing in land acquiring and land development, in business development, in financial department, in law department and specialist in government requirements and regulation, to ensure that company can acquire potential land with optimum price and follow the execution project development plan.

1.10.3 Risks from the changing of regulations and laws which relating to real estate business.

To reduce the risk of reforming law and regulation by government. Ananda has established a committee to oversee and comply with applicable laws and regulations which relating with developing current projects and future project.

For the development of condominium projects, the Environmental Impact Assessment Report (Environmental Impact Assessment or EIA) for approval EIA from

Ministry of Natural Resources and Environment. At present, the approval is under authorization of environmental impact analysis agencies committee to consider the environmental impact assessment report. And there are no standard requirements for environmental impact mitigation. Therefore, the company is risky if its projects would reject by the committee of Environmental Impact Analysis or has been delayed over the time frame.

To propose the report, Ananda hired an advisory company who registered with the Ministry of Natural Resources and the Environment in charge to prepare accordance the Environmental Impact Assessment Report and relating law and regulation and Ananda has complied with the conditions in the EIA report in all respects.

1.10.4 Risk from higher cost of construction.

The construction cost which mainly consist of material costs and labor costs. If price of main material increase or change labor cost. These will unavoidably impact on production costs.

To prevent and reduce the risk level of volatility construction cost. Ananda has a relationship with its business alliance and believes that strong business partnerships will mitigate the risk of price adjustment. So, the company ensures under alliance collaboration can deliver quality products and services at standard prices for their construction costs control. In term of labor cost increasing, Ananda has concessionaire for project development which can mitigate risk of labor cost adjustment for under construction project.

1.10.5 Risk of inventory

In developing project, the number of units is determined to meet the demand of the consumer which based on sales and marketing data to closely observe market trends and Ananda's capacity. In condition of fluctuated economic and the more stringent credit approval from financial institutions, it may impact sales growth which get along with estimation. As a consequence, there may be a number of completed unsold units for a while

As a policy to limit risk of unsold unit by managing the inventory more efficiently, the low-rise such single house projects and townhome project will be developed

by separated in phases to enhance the construction management more effective. If sales are not according to estimates, the company can adjust the construction schedule in a timely manner or if the consumer behavior has significantly changes, company will be able to adapt its model to meet consumer lifestyle. For condominium projects, Ananda has reduced risk of having units left over by focusing on in-depth research to develop the style of condominium projects and meet the demand of the main target customers. In additional, department of marketing & sale usually stimulate the purchasing decision of the customer by launching promotion activities and campaign that appropriate with the needs of customers at that time as well.

1.10.6 Risk of Ananda's financing and approval restriction policy from financial institution.

Financial institutions are strict in credit approval for entrepreneurs for Pre-Finance (Business) and Post-Finance (Consumer Loans).

For pre-finance of Ananda, the company has policy of financial discipline by managing debt to equity ratio under 2:1 time and manage the financial capital effectively and allocate the appropriate financial cost. Moreover, Ananda plan the future budgeting and have credit loan plan for further investment in project.

However, post-finance as most of Ananda consumer also need financial support from financial institutions. The qualification of creditability is considered intensively and rejection rate of credit approval slightly growth which is concerning point for Ananda, as well. Therefore, Ananda offer the risk management program to prepare the proposal process for customers applying for a loan from a financial institution at least 6 months in advance. This program can facilitate customers in applying for a commercial bank loan and encourage customers to get a quick loan. If customer proposal will be rejected, Ananda will resale the reserved room to other customer which can reduce the unit leftover effectively.

CHAPTER II DATA

2.1 Business Structure

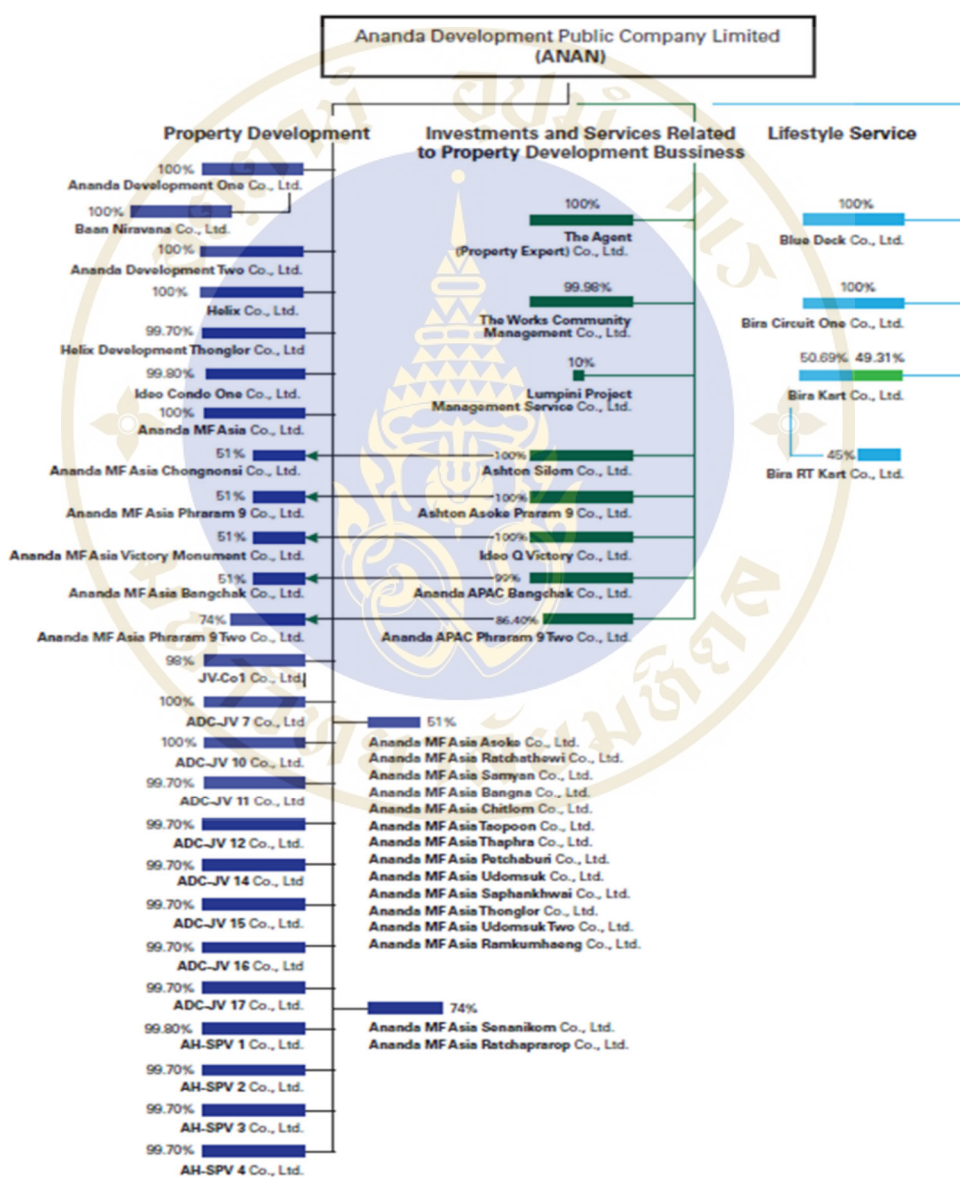


Figure 2.1 ANAN Business Structure

Source: Ananda Annual Report and Financial Statement as of 31 December 2017

2.2 Revenue Breakdown

Table 2.1 ANAN Revenue Breakdown as of 2017

Revenue from real estate business	8,931,914,200
Revenue from project management and commission income	2,060,723,241
Construction service income	1,208,132,087
Revenue from sales, rental and service	201,331,218
Revenue from land sourcing	172,973,321
Gain on sale of investment in JV	71,258,057
Other income	303,826,047

Source: ANAN Annual Report and Financial Statement as of December 2017

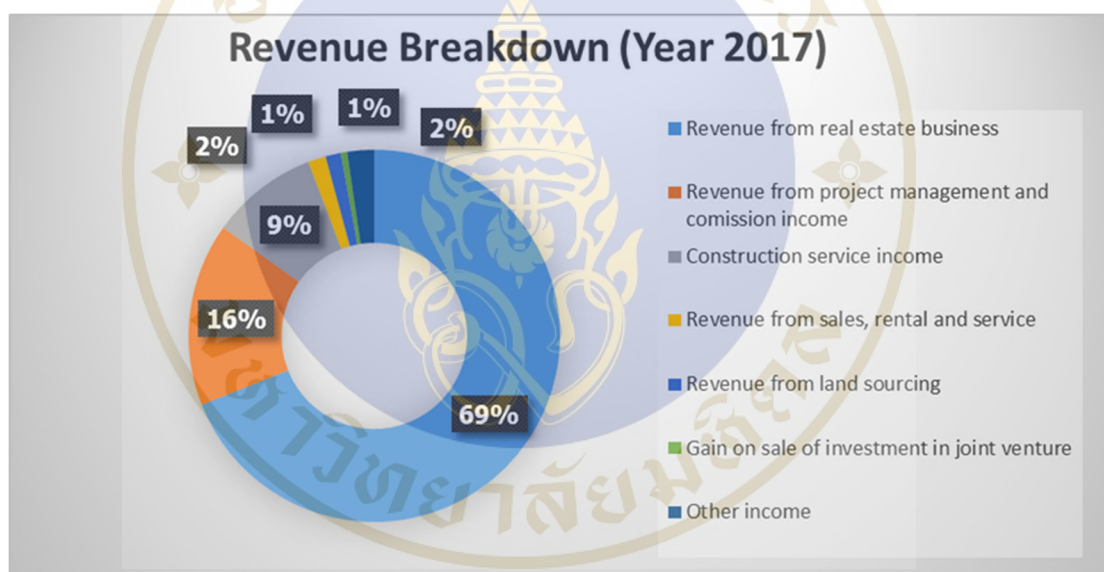


Figure 2.2 ANAN Revenue Breakdown as of 2017

Source: ANAN Annual Report and Financial Statement as of December 2017

2.3 Major Shareholders (as of March 14, 2017)

Free Float: 44.52% of Number of Shares Outstanding (as of March 14, 2017)

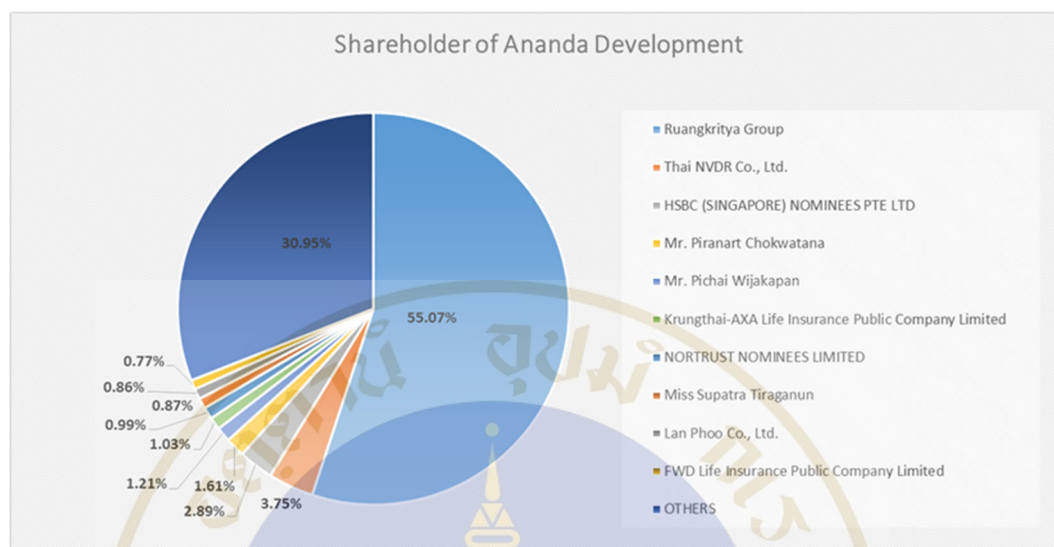


Figure 2.3 ANAN Major Shareholder as of March 14, 2017

Source: ANAN Annual Report and Financial Statement as of December 2017

2.4 Organizational Chart

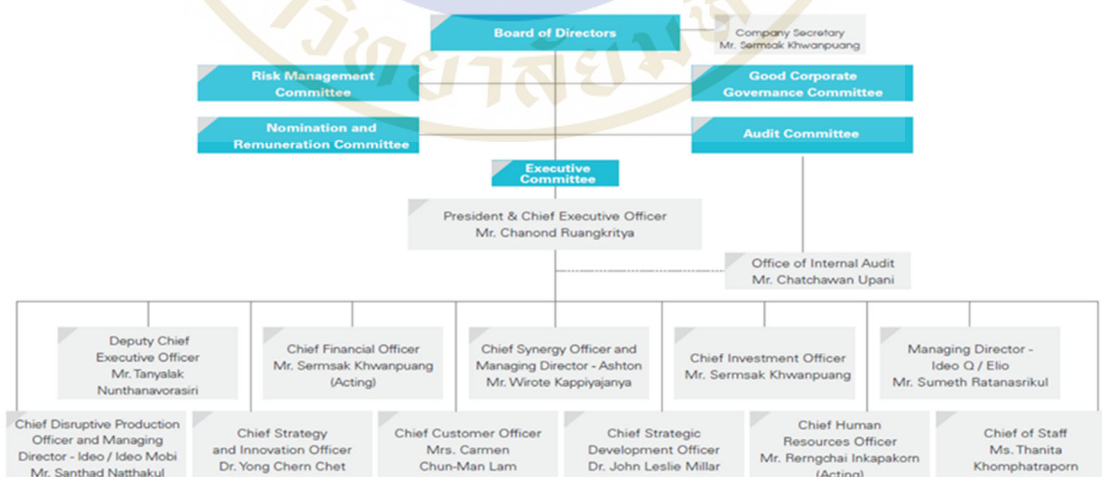


Figure 2.4 ANAN Organizational Chart

Source: ANAN Annual Report and Financial Statement as of December 2017

2.5 Management

2.5.1 Board of Directors

Name	Position
1 Dr. Narongchai Akrasanee	Chairman (Independent Director)
2 Mr. Poolsak Tansitthipun	Vice Chairman (Independent Director)
3 Mr. Nopporn Thepsithar	Director (Independent Director)
4 Mr. Wiboon Rasmeepaisarn	Director (Independent Director)
5 Mr. James Teik Beng Lim	Director
6 Mr. Tomoo Nakamura	Director
7 Mr. Chanond Ruangkritya	Director (Authorized Director)
8 Mr. Tanyalak Nunthanavorasiri	Director (Authorized Director)
9 Miss Patcharavalai Ruangkritya	Director (Authorized Director)

Mr. Sermsak Khwanpuang, the Company Secretary, is the Secretary of the Board of Directors

Figure 2.5 ANAN Board of Directors

Source: ANAN Annual Report and Financial Statement as of December 2017

2.5.2 The Executives

Name	Position
1 Mr. Chanond Ruangkritya	President and Chief Executive Officer
2 Mr. Tanyalak Nunthanavorasiri	Deputy Chief Executive Officer
3 Mr. Sermsak Khwanpuang	Chief Investment Officer / Chief Financial Officer (Acting)
4 Mr. Wirote Kappiyajanya	Chief Synergy Officer / Managing Director - Ashton
5 Mr. Santhad Natthakul	Chief Disruptive Production Officer / Managing Director - Ideo / Ideo Mobi
6 Mr. Sumeth Ratanasrikul	Managing Director - Ideo Q / Elio
7 Mrs. Carmen Chun-Man Lam	Chief Customer Officer
8 Dr. John Leslie Millar	Chief Strategic Development Officer
9 Dr. Yong Chern Chet	Chief Strategy and Innovation Officer
10 Mr. Rerngchai Inkapakorn	Chief Human Resources Officer (Acting)
11 Ms. Thanita Khomphatraporn	Chief of Staff

Figure 2.6 ANAN The Executives

Source: ANAN Annual Report and Financial Statement as of December 2017

2.6 Corporate Governance


The Board has prioritized the compliance with the principles of good corporate governance by highlighting the roles, duties and responsibilities of the Board and the management in order to promote good corporate governance practices, increase the competitive potential of the business and create credibility for shareholders, investors and all stakeholders by managing the Company's business operations efficiently and transparently. The Company has therefore set up a good corporate governance policy which includes 5 major principles of good corporate governance.

Table 2.2 ANAN weight of Corporate Governance

YEAR 2017	ITEM	WEIGHT
Rights of Shareholders	6	6%
Equitable Treatment of Shareholders	7	7%
Roles of Stakeholders	35	34%
Disclosure of Information and Transparency	5	5%
Responsibility of the Board	50	49%

Source: Ananda's Website

Companies with Excellent CG Scoring
by alphabetical order











No	Symbol		Public Company Limited	No	Symbol		Public Company Limited
1	ADVANC		ADVANCED INFO SERVICE	21	DEMCO		DEMCO
2	AKP		AKKHIE PRAKARN	22	DRT		DIAMOND BUILDING PRODUCTS
3	ANAN		ANANDA DEVELOPMENT	23	DTAC		TOTAL ACCESS COMMUNICATION
4	AOT		AIRPORTS OF THAILAND	24	DTC		DUSIT THANI

Figure 2.7 ANAN Corporate Governance

As of 2017, ANAN received Excellent scoring with the top quartile for large-scale market capitalization.

2.7 Five Forces Analysis

2.7.1 Threat of New Entrants: low

Economy of scale, the production of high demand standard products, it can reduce the fixed cost per unit, resulting in lower production costs. Ananda has high unit to construct in each project and there are many project in a year. Moreover, Ananda has construction innovation as “Ananda UrbanTech” which is artificial intelligence (AI) to improve the efficiency of project management and data transfer. This ultimately leads to reduce in construction time and costs.

With this new innovation of the company, Ananda can achieve the success by

Reduce design cycle time by 47% using construction management tools.

Reduce construction time by 5-10% and reduce construction costs by 5-10% using the scheduling tool.

Save the time up to 7,800 minutes and another 4 million baht using monitoring tools.

Product differentiates, with the concept of the condominium along the mass transit route and design innovations are the product differentiation to compete with competitors. Ananda has announced to be innovative company by focusing on Gen C as customer target group who is not grouped by age, but grouping based on internet usage, and social networks. It has addictive behavior of connection and sharing at all times (Digital Lifestyle) and have fast and hassle life style. With target group will be interested for customer.

Capital requirement, the nature of real estate industry will be requiring very high capital investment for each project, mainly in construction cost. In additional, the new comer might have higher advertising budgeting to be recognized for customer, rather than existing developer.

2.7.2 Threat of Substitutes: low

Ananda also offer substitution product of condominium as housing, as well. But, housing mostly located outside Bangkok. The customer who interest to buy condominium has reason of time spending on transportation.

2.7.3 Bargaining Power of Customers: medium

The more developers in industry, the higher bargaining power will transfer to customer. On the other hand, product differentiation as location and innovative design will reduce the bargaining power of customer.

2.7.4 Bargaining Power of Suppliers: low

There are many direct competitor and indirect competitor who need the same similar material products as Ananda's need. However, to prevent and reduce the risk level of volatility construction cost. Ananda has a relationship with its business alliance and believes that strong business partnerships will mitigate the risk of price adjustment. So, the company ensures under alliance collaboration can deliver quality products and services at standard prices for their construction costs control.

In term of construction concessionaire, Ananda has subsidiary construction company named Helix which has supplied Ananda's project around 30% of total project on hand to reduce risk and bargaining power of supplier.

Labor force, Ananda has considered in this factor by implement innovation named Ananda UrbanTech to reduce requirement amount of labors need in construction.

2.7.5 Competition in the industry: high

Barriers of exit will force many developers to continue run on this business.

The industry growth rate will affect to fierce completion and the land price will grow faster which make the lower margin of any developer.

5 Forces Analysis

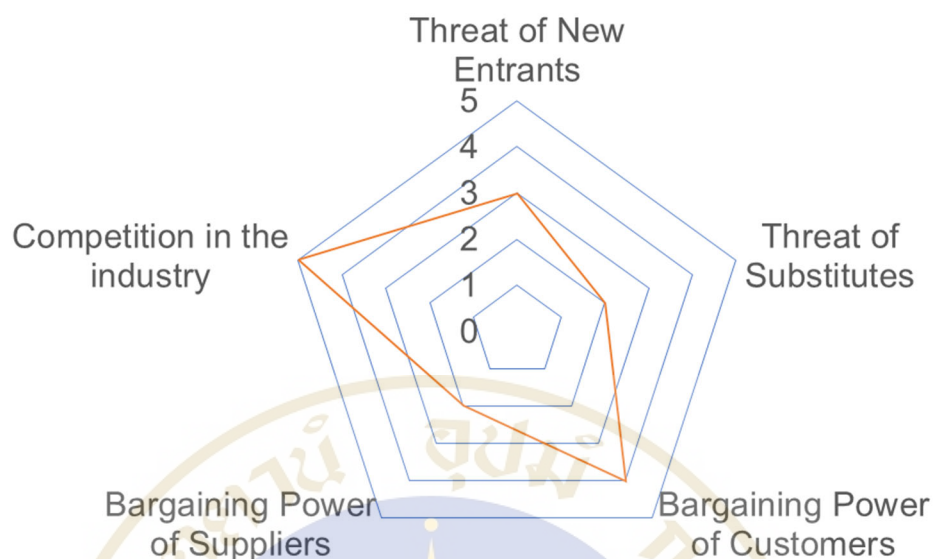


Figure 2.8 Five Forces Analysis

2.8 Income Statement of Ananda

ANAN the historical Statements of Comprehensive income

Table 2.3 ANAN Income Statement

(million Baht)

Items	2017	2016	2015	2014	2013
Revenue from project sales	8,932	9,780	9,598	9,678	8,808
Revenue from project management and services	3,470	1,957	1,154	650	365
Total revenue	12,402	11,738	10,752	10,328	9,173
Cost of project sales	6,060	6,473	6,002	6,118	5,529
Cost of rent and service	1,986	1,225	593	284	212
Total COGS	8,046	7,697	6,596	6,402	5,741
SG&A expenses	2,576	2,505	2,152	2,059	2,136
Interest income	223	157	74	32	25
Dividend income	-	-	-	-	-
Gain on sales of assets	-	-	-	110	-
Gain in sales of investment	71	-	-	-	-
Other income/(expense)	253	334	199	107	90
Share of profit on investment in associates	-	-	-	0.1	0.1
Share of loss from investment in JV	342	115	477	293	94
EBIT	1,987	2,143	1,801	1,823	1,137
Finance cost	285	335	254	227	112
EBT	1,701	1,808	1,547	1,596	1,024
Income tax	373	306	341	294	213
Net profit	1,328	1,501	1,207	1,301	812

2.10 Statement of Cash Flow Projections

Table 2.5 ANAN Statement of Cash Flow Projections

Ananda Development Public Company Limited				
Cash flows statements				
	ESTIMATE			
	2018E	2019E	2020E	2021E
Cash flows from operating activities				
Profit (loss) before tax	3,016,232,787.76	3,748,930,713.28	3,205,745,364.63	1,958,878,477.92
Depreciation and amortisation	92,044,000.00	92,044,000.00	92,044,000.00	92,044,000.00
Share of loss from investment in joint venture	- 1,186,411,180	- 2,055,890,798	- 1,369,962,502	- 632,649,381
Dividend income	-	-	-	-
Interest income	-223473335	-223473335	-223473335	-223473335
Interest expenses	393,665,673	358,017,257	398,857,231	470,648,043
Profit from operating activities before changes in operating assets and liabilities	2,092,057,946	1,919,627,837	2,103,210,759	1,665,447,805
Operating assets (increase) decrease				
Trade and other receivables	750,734,587	33,453,911	(35,617,717)	84,932,285
Unbilled receivables	-	-	-	-
Constructions in progress	23,314,557	(4,389,363)	10,466,662	-
Project management in progress	-	-	-	-
Inventories	14,897,892	619,554	(659,627)	1,572,915
Real estate developments cost	6,786,808,086	(1,269,197,512)	3,026,466,989	-
Land development costs	-	-	-	-
Advance payments for constructions	-	-	-	-
Advance payments for purchase of project land and related costs	-	-	-	-
Other current assets	4,525,583,103	120,983,703	(170,458,946)	365,825,974
Other non-current assets	122,692,708	(3,031,341)	(8,013,108)	(5,844,202)
Operating liabilities increase (decrease)				
Trade and other payables	(201,007,666)	(101,577,947)	110,600,558	(263,540,165)
Short-term provisions	-	-	-	-
Unbilled payable	-	-	-	-
Unearned project management revenue	-	-	-	-
Advances received from project management services	-	-	-	-
Advance received from customers	(118,231,607)	125,878,850	(300,164,617)	-
Other current liabilities	(351,226,183)	(172,630,370)	183,796,136	(438,271,374)
Provision for long-term employee benefits	-	-	-	-
Other non-current liabilities	(5,808,046)	1,406,372	3,717,632	2,711,381
Cash flows from (used in) operating activities	13,639,815,377	651,143,695	4,923,344,720	1,412,834,618
Cash received from income tax refund	-	-	-	-
Cash paid for corporate income tax	(603,246,558)	(749,786,143)	(641,149,073)	(391,775,696)
Net cash flows from (used in) operating activities	13,036,568,819	(98,642,448)	4,282,195,647	1,021,058,923
Cash flows from investing activities				
Cash paid for investment in joint venture	(4,304,658,685)	(7,459,393,782)	(4,970,638,412)	(2,295,443,349)
Cash received from sale of investment in joint venture	-	-	-	-
Dividend income	-	-	-	-
Interest income	223,473,335.00	223,473,335.00	223,473,335.00	223,473,335.00
Proceeds from sales of land held for development	-	-	-	-
Proceeds from sales of buildings, equipment and vehicles	-	-	-	-
Cash paid for purchase of land held for development	-	-	-	-
Cash paid for acquisitions of buildings, equipment and intangible assets	75,763,616.00	92,044,000.00	92,044,000.00	92,044,000.00
Cash paid for leasehold rights	-	-	-	-
Cash paid for purchasing investment property of subsidiary	13,099,165.00	13,099,000.00	13,099,000.00	13,099,000.00
Cash paid for other long-term investment	-	-	-	-
Net cash flows from (used in) investing activities	(3,992,322,569)	(7,130,777,447)	(4,642,022,077)	(1,966,827,014)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	-	-	-	-
Increase in short-term bills of exchange	-	-	-	-
Decrease in short-term loans from financial institutions	- 1,498,567,964	-	3,000,513,675	1,314,748,599
Increase in short-term loans from related party	-	-	-	-
Cash received from subordinated short-term loans from related party	-	-	-	-
Repayments of promissory notes	-	-	-	-
Cash received from debentures	- 1,979,293,560	500,000,000	6,000,000,000	1,500,000,000
Cash paid for liabilities under finance lease agreements	7,503,624	1,273,098	1,273,098	1,273,098
Cash received from long-term loans	- 636,260,729	246,788,357	3,855,031,131	1,689,176,364
Cash received from short-term loans	- 1,498,567,964	-	3,000,513,675	1,314,748,599
Cash received from issuance of subordinated perpetual debenture	3,000,000,000	-	-	-
Cash paid for fees related to issuance of subordinated perpetual debenture	-	-	-	-
Cash received from issuance of preference shares	-	-	-	-
Cash paid for interest expenses	- 393,665,673	- 358,017,257	- 398,857,231	- 470,648,043
Cash paid for financial fees	-	-	-	-
Cash paid for fees related to issuance preference shares	-	-	-	-
Proceeds from increase in share capital	-	-	-	-
Cash paid for expenses incurred in making the offering	-	-	-	-
Cash paid for dividend of ordinary shares	(965,194,492)	(1,199,657,828)	(1,025,838,517)	(626,841,113)
Cash paid for dividend of subordinated perpetual debentures	-	-	-	-
Net cash flow from financing activities	(3,979,054,006)	(2,305,736,540)	2,430,089,637	1,719,911,309
Net increase in cash and cash equivalents	5,065,192,244	(9,535,156,435)	2,070,263,207	774,143,219
Cash and cash equivalents at beginning of year	7,660,238,279	(7,571,309,637)	347,668,034	-
Cash and cash equivalents at end of year	2,063,403,324	9,723,641,603	2,152,331,966	2,500,000,000
Cash and cash equivalents at end of year	9,723,641,603	2,152,331,966	2,500,000,000	2,500,000,000

2.11 Backlog Data in percentage of project sold and transfer

Table 2.6 Backlog Data of project sold and transfer

Project	Project Value	SOLD %			TRANSFER %		
		4Q16	4Q17	3Q18	4Q16	4Q17	3Q18
Ideo Verve Ratchapratop	2,153,000,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ideo Mobi Sukhumvit	3,434,000,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ideo Mobi Phayathai	1,466,000,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ideo Mobi Sathorn	1,888,000,000	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Ideo Mobi Rama 9	2,892,000,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Atoll (Housing)	8,498,000,000	63.0%	65.4%	38.1%	61.9%	65.2%	70.2%
Ashton Morph	2,918,000,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Elo Sukhumvit 64	1,488,000,000	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Ideo Sathorn - Tha Phra	3,701,000,000	85.4%	100.0%	0.0%	84.3%	100.0%	0.0%
Elo Del Ray	3,267,000,000	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Ideo Wutthakat	2,157,000,000	96.8%	100.0%	0.0%	94.0%	100.0%	0.0%
Ideo Mobi Charun-Interchange	3,688,000,000	92.8%	100.0%	0.0%	92.1%	100.0%	0.0%
Ideo Q Ratchatewi	2,020,000,000	99.6%	100.0%	0.0%	98.8%	100.0%	0.0%
2014 launches							
Ideo Mobi Wongsawang-Interchange	1,680,000,000	31.3%	36.9%	54.2%	28.0%	36.3%	52.0%
Ideo Mobi Sukhumvit Eastgate	2,521,000,000	56.0%	89.5%	0.0%	51.4%	89.0%	100.0%
2015 launches							
Ashton Residence 41	1,942,000,000	53.8%	46.3%	53.6%	0.0%	24.9%	39.2%
Unio Charan 3	2,118,000,000	66.3%	92.7%	100.0%	42.1%	90.2%	100.0%
Arden (3 projects)	2,844,000,000	53.9%	76.7%	96.3%	51.5%	74.0%	95.4%
Ideo Sukhumvit 115	2,805,000,000	66.7%	87.3%	100.0%	0.0%	79.7%	100.0%
2016 launches							
Unio Sukhumvit 72	1,565,000,000	41.4%	89.5%	96.1%	0.0%	61.8%	93.2%
Unio Rama2-Thakham	988,000,000	43.5%	72.4%	84.4%	0.0%	57.7%	79.3%
Venio Sukhumvit 10	881,000,000	89.3%	79.2%	81.2%	0.0%	0.0%	66.9%
2017 launches							
Unio Ramkhamhaeng-Serithai	888,000,000	0.0%	30.2%	52.7%	0.0%	0.0%	37.8%
Unio H Tiwanon	788,000,000	0.0%	19.4%	39.7%	0.0%	0.0%	0.0%
Artale Phattanakarn-Thonglor	1,673,000,000	0.0%	31.1%	59.7%	0.0%	13.9%	41.8%
Unio Town Lumlukka Klong 4	947,000,000	0.0%	16.6%	23.5%	0.0%	8.7%	20.7%
Airi Rama 5-Ratchaphruek	795,000,000	0.0%	7.4%	31.8%	0.0%	2.8%	22.4%
Artale Kaset-Nawamin	1,658,000,000	0.0%	2.9%	4.8%	0.0%	0.0%	2.0%
Atoll Wongwaen-Lumlukka	803,000,000	0.0%	6.8%	20.7%	0.0%	1.6%	18.0%
Ideo Mobi Sukhumvit 40	2,076,000,000	0.0%	50.8%	41.9%	0.0%	0.0%	0.0%
Ideo Mobi Rama 4	5,031,000,000	0.0%	35.7%	42.3%	0.0%	0.0%	0.0%
2018 launches							
Unio Sukhumvit 72 Phase 2	1,801,000,000	0.0%	0.0%	52.9%	0.0%	0.0%	0.0%
Unio Town Phetkasem 110	409,000,000	0.0%	0.0%	23.6%	0.0%	0.0%	13.1%
Unio Town Srinakarín-Bangna	889,000,000	0.0%	0.0%	9.6%	0.0%	0.0%	2.6%
Unio Town Suanluang-Patthanakan	628,000,000	0.0%	0.0%	5.7%	0.0%	0.0%	0.0%
Airi Rama 2	1,023,000,000	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%
Airi Chaengwatthana	1,145,000,000	0.0%	0.0%	5.4%	0.0%	0.0%	0.0%

Source: Ananda's presentation

2.12 Backlog Data in percentage of project sold and transfer in JV

Table 2.7 Backlog Data of project sold and transfer in JV

JV projects	Project Value	SOLD %			TRANSFER %		
		4Q16	4Q17	3Q18	4Q16	4Q17	3Q18
Ideo Q Chula-Samyang	6,773,000,000	97.1%	100.0%	0.0%	89.1%	100.0%	0.0%
2014 launches							
Ashton Asoke	6,719,000,000	98.0%	98.0%	74.9%	0.0%	0.0%	49.3%
Ideo Q Siam-Ratchathewi	3,863,000,000	82.2%	81.5%	84.6%	0.0%	50.1%	75.7%
2015 launches							
Ashton Chula-Silom	8,650,000,000	72.9%	79.6%	87.8%	0.0%	0.0%	66.8%
Q Chidlom	3,092,000,000	49.8%	64.3%	77.8%	0.0%	0.0%	60.1%
Ideo O2	5,123,000,000	55.3%	62.8%	75.6%	0.0%	34.0%	59.8%
Ideo Mobi Bangsue Grand Interchange	2,475,000,000	42.1%	41.1%	50.6%	0.0%	30.3%	49.0%
Ashton Silom	6,118,000,000	65.2%	66.9%	67.5%	0.0%	0.0%	0.0%
2016 launches							
Ideo Tha Phra Interchange	2,782,000,000	29.7%	48.6%	55.5%	0.0%	35.4%	54.1%
Ideo Mobi Asoke	3,331,000,000	67.8%	77.5%	78.7%	0.0%	0.0%	0.0%
Ideo Sukhumvit 93	6,360,000,000	74.5%	88.5%	91.1%	0.0%	0.0%	52.6%
Ideo Phaholyothin-Chatuchak	2,562,000,000	40.2%	72.1%	78.4%	0.0%	0.0%	0.0%
Ideo Sukhumvit 66	2,427,000,000	38.3%	43.5%	49.8%	0.0%	0.0%	0.0%
2017 launches							
Ideo Q Victory	3,208,000,000	0.0%	97.9%	97.9%	0.0%	0.0%	0.0%
Ashton Asoke-Rama 9	6,514,000,000	0.0%	65.1%	77.1%	0.0%	0.0%	0.0%
Ideo Q Sukhumvit 36	4,318,000,000	0.0%	45.4%	56.3%	0.0%	0.0%	0.0%
Ideo New Rama 9	3,001,000,000	0.0%	62.1%	71.7%	0.0%	0.0%	0.0%
Elio Del Nest	5,110,000,000	0.0%	31.0%	43.7%	0.0%	0.0%	0.0%
Ideo Mobi Rangnam	2,390,000,000	0.0%	29.3%	39.4%	0.0%	0.0%	0.0%
Elio Del Moss	3,433,000,000	0.0%	16.8%	41.1%	0.0%	0.0%	0.0%
2018 launches							
Ideo Sathorn-Wongwian Yai	2,573,000,000	0.0%	0.0%	53.1%	0.0%	0.0%	0.0%
Ideo Rama 9-Asoke	6,676,000,000	0.0%	0.0%	86.2%	0.0%	0.0%	0.0%
Ideo Ratchada-Sutthisan	1,721,000,000	0.0%	0.0%	33.7%	0.0%	0.0%	0.0%
Elio Sathorn-Wutthakat	3,403,000,000	0.0%	0.0%	16.1%	0.0%	0.0%	0.0%
Ideo Mobi Sukhumvit Eastpoint	5,573,000,000	0.0%	0.0%	7.2%	0.0%	0.0%	0.0%

Source: Ananda's presentation

2.13 Assumption of PPE and Depreciation include estimate years

Table 2.8 Assumption of PPE and Depreciation

	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E	2021E
Land and Land improvement										
Gross book @ 1 JAN	200,822,000	200,826,000	202,722,000	190,762,000	190,762,000	201,153,000	201,153,000	201,153,000	201,153,000	201,153,000
Additions	4,000	1,896,000	9,900,000	-	12,670,000	-	-	-	-	-
Disposals/writes-off	-	-	21,860,000	-	2,279,000	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Gross book @ 31 DEC	200,826,000	202,722,000	190,762,000	190,762,000	201,153,000	201,153,000	201,153,000	201,153,000	201,153,000	201,153,000
Accumulated depreciation										
Accum Depr @ 1 JAN	671,000	1,464,000	1,983,000	2,046,000	2,109,000	-	-	-	-	-
Depreciation for the year	793,000	519,000	63,000	63,000	46,000	-	-	-	-	-
Disposals/writes-off	-	-	-	-	2,155,000	-	-	-	-	-
Transfer in	-	-	-	-	-	-	-	-	-	-
Accum Depr @ 31 DEC	1,464,000	1,983,000	2,046,000	2,109,000	2,155,000	2,155,000	2,155,000	2,155,000	2,155,000	2,155,000
Net book value of office equipment @ 31 Dec	199,362,000	200,739,000	188,716,000	188,653,000	201,153,000	201,153,000	201,153,000	201,153,000	201,153,000	201,153,000
Other PPE (ex. Land)										
Gross book @ 1 Jan	363,934,000	420,432,000	480,616,000	501,045,000	570,884,000	981,710,000	971,155,000	971,155,000	971,155,000	971,155,000
Purchases	53,930,000	136,761,000	37,779,000	76,242,000	435,597,000	61,298,000	-	-	-	-
Disposals/writes off	-	6,536,000	91,918,000	15,511,000	56,109,000	13,813,000	-	-	-	-
Others	9,104,000	15,341,000	3,871,000	9,108,000	31,338,000	58,040,000	-	-	-	-
Gross book @ 31 Dec	420,432,000	480,616,000	501,045,000	570,884,000	981,710,000	971,155,000	971,155,000	971,155,000	971,155,000	971,155,000
Accumulated depreciation										
Accum Depr @ 1 JAN	120,606,000	198,897,000	171,698,000	199,040,000	233,823,000	262,511,000	342,506,000	434,550,000	526,594,000	618,638,000
Depreciation for the year	84,678,000	53,929,000	42,301,000	46,614,000	63,533,000	92,044,000	92,044,000	92,044,000	92,044,000	92,044,000
Disposals/writes off	-	6,400,000	81,128,000	14,741,000	34,845,000	8,084,000	-	-	-	-
Transfer in	13,000	-	18,000	57,000	-	3,965,000	-	-	-	-
Accum Depr @ 31 DEC	198,897,000	171,698,000	199,040,000	233,823,000	262,511,000	342,506,000	434,550,000	526,594,000	618,638,000	710,682,000
Allowance for impairment loss										
Impairment balance @ 1 JAN	-	-	-	-	-	-	-	-	-	-
Increase (write off) for the year	-	-	-	8,895,000	8,895,000	17,848,000	-	-	-	-
Transfer in	-	-	-	-	8,953,000	1,572,000,000	-	-	-	-
Impairment balance @ 31 DEC	-	-	-	8,895,000	17,848,000	16,276,000	-	-	-	-
Net book value of vehical @ 31 DEC	221,535,000	308,918,000	302,005,000	328,166,000	701,351,000	612,373,000	536,605,000	444,561,000	352,517,000	260,473,000
NET BOOK VALUE OF PPE	420,897,000	509,657,000	490,721,000	516,839,000	902,504,000	813,526,000	737,758,000	645,714,000	553,670,000	463,626,000
Assumptions										
Land purchase as % of increase in transfer	4.97	8.91	11.90	12.25	15.45	10.55	10.55	10.55	10.55	10.55
Equipment purchase as % of increase transfer										
Avg useful life (ex.Land)										

Source: Detail in notes from financial statement of each year

2.14 Assumption for capital expenditure include estimate years

Table 2.9 Assumption for capital expenditure

	2012	2013	2014	2015	2016	2017	PROJECTION			
							2018F	2019F	2020F	2021F
Beginning property development for sale	6,959,986,318	6,016,409,450	7,913,349,212	9,959,778,597	12,065,008,905	12,394,731,831	13,153,721,025	6,366,912,939	7,636,110,451	4,609,643,462
+ CAPEX for the year	2,412,238,330	7,426,341,341	8,164,288,404	8,107,380,756	6,802,641,840	6,819,359,701	- 2,424,353,099	4,943,671,687	1,380,486,729	2,660,318,434
- Cost of project sales	- 3,355,815,198	- 5,529,401,579	- 6,117,859,019	- 6,002,150,448	- 6,472,918,914	- 6,060,370,507	- 4,362,454,987	- 3,674,474,175	- 4,406,953,718	- 2,660,318,434
- Transfer from land held for project development										
- Allowance for loss on diminution in project value										
Ending property development for sale	6,016,409,450	7,913,349,212	9,959,778,597	12,065,008,905	12,394,731,831	13,153,721,025	6,366,912,939	7,636,110,451	4,609,643,462	4,609,643,462
Change in CAPEX for the year		1,896,939,762	2,046,429,385	2,105,230,308	329,722,926	758,989,194	- 6,786,808,086	1,269,197,512	- 3,026,466,989	-

Source: Detail in notes from financial statement of each year

2.15 Discount Cash Flow Valuation Model

Table 2.10 Discount Cash Flow Valuation Model

Stock	ANAN		
Debt	12,368,414,234		
Equity	13,332,000,000		
Debt Ratio	48.13%		
Capital	25,700,414,234		
Tax rate	20.00%		
Beta	0.95		
Rf	2.70%		
MRP	6.92%		
Ke	9.25%		
Kd	4.77%		
Kd (1-T)	3.82%		
WACC	6.64%		
Shares	3,333,000,000		
	Inflation rate BOT	lower	1.0%
	2.5+-1.5		2.5%
		upper	4.0%
		inflation	
	Terminal Growth	1.0%	

YEAR	2017	2018F	2019F	2020F	2021F
EBIT	1,986,584,695.00	3,409,898,460.92	4,106,947,970.53	3,604,602,595.90	2,429,526,521.27
Tax	20.0%	20.0%	20.0%	20.0%	20.0%
EBIT(1-T)	1,589,267,756.00	2,727,918,768.74	3,285,558,376.42	2,883,682,076.72	1,943,621,217.02
Depreciation	92,044,000.00	92,044,000.00	92,044,000.00	92,044,000.00	92,044,000.00
Capital Expenditure	-	6,786,808,085.89	1,269,197,511.83	3,026,466,988.97	-
Working Capital	- 48,576,357.00	- 613,201,170.16	- 545,696,689.20	- 620,019,903.69	- 442,984,938.35
Change in WC	961,442,500.00	- 564,624,813.16	67,504,480.96	74,323,214.50	177,034,965.34
FCFF	719,869,256.00	- 3,402,220,503.99	4,579,295,407.29	23,582,302.25	1,858,630,251.68
Terminal Value					33,309,561,504.63
PV		- 3,402,220,503.99	4,579,295,407.29	23,582,302.25	35,168,191,756.31

NPV	28,054,243,857.62
Non-operating asset	2,063,403,324.00
Debt	12,368,414,234.00
debenture equity	6,000,000,000.00
Equity	11,749,232,947.62
Per share	3.53

2.16 Financial Statement of ANAN

Table 2.11 Financial Statement of ANAN

Ananda Development Public Company Limited					
Statements of financial position					
	2013	2014	2015	2016	2017
Assets					
Current assets					
Cash and cash equivalents	2,308,812,060	2,477,261,979	2,573,392,341	2,182,743,520	2,063,403,324
Current investment	-	-	-	500,064,680	-
Trade and other receivables	333,886,074	27,580,061	121,920,860	369,076,923	1,071,723,851
Unbilled receivables	-	-	20,109,133	230,569,465	527,434,855
Current portion of long-term loans to and interest receivable from related parties	-	-	319,015,340	979,735,151	2,715,988,793
Constructions in progress	-	-	5,158,242	42,648,120	45,333,739
Project management in progress	10,931,312	42,968,194	54,098,319	75,256,151	47,444,630
Inventories	654,479	9,725,228	7,465,984	3,786,813	20,531,312
Real estate development costs	7,913,349,212	9,959,778,597	12,059,850,663	12,352,083,711	13,108,387,286
Land development costs	-	-	-	-	-
Advance payments for constructions	410,403,947	298,201,142	228,614,057	148,209,627	117,234,551
Short-term loans to and interest receivable from related parties	-	-	-	1,647,639,975	761,899,578
Advance payments for purchase of project land and related costs	52,635,200	1,290,580,053	637,495,750	38,209,150	1,431,286,687
Other current assets	153,695,969	138,192,160	115,470,926	175,415,831	250,716,044
Total current assets	11,184,368,253	14,244,287,414	16,142,591,615	18,745,439,117	22,161,384,650
Non-current assets					
Restricted financial institution deposits/withdrawal conditions	9,363,372	408,343,662	167,606,485	288,454,505	284,431,553
Investments in associates	177,548	-	-	-	-
Investments in subsidiaries	-	-	-	-	-
Investment in joint venture	347,019,603	781,163,535	2,025,697,430	3,329,064,950	4,429,776,986
Investments in other companies	-	-	-	-	12,500,000
Subordinated long-term loans to and interest receivable from related parties	81,793,619	765,894,805	1,122,156,493	1,505,428,017	1,305,047,454
Land held for development	-	-	-	-	-
Investment properties	150,126,813	173,714,089	260,730,734	267,565,949	356,098,165
Property, buildings and equipment	509,653,399	490,716,555	516,814,815	902,500,132	813,521,616
Intangible assets	59,328,381	101,826,707	154,632,527	185,676,630	209,652,280
Leasehold rights	-	-	-	-	132,920,131
Deferred tax assets	65,332,908	104,671,264	50,707,399	84,359,512	88,039,171
Other non-current assets	57,255,770	17,675,385	29,593,991	57,419,664	76,203,886
Total non-current assets	1,280,051,413	2,844,006,002	4,327,939,874	6,620,469,359	7,708,191,242
Total assets	12,464,419,666	17,088,293,416	20,470,531,489	25,365,908,476	29,869,575,892

Table 2.11 Financial Statement of ANAN (cont.)

	2013	2014	2015	2016	2017
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	-	-	-	854,019,920	1,498,567,964
Trade and other payables	972,313,931	1,063,911,672	1,067,009,026	1,382,882,593	1,140,831,520
Current portion of long-term debentures	-	-	2,390,561,666	3,997,584,431	1,999,127,605
Current portion of share purchase payable	250,000,000	-	-	-	-
Short-term debentures	2,597,751,361	-	-	997,065,690	-
Short-term provisions	19,738,748	96,032,177	173,902,500	238,646,968	202,039,880
Short-term bills of exchange	-	650,000,000	-	-	-
Unbilled payables	14,825,041	11,316,686	26,413,888	45,929,627	158,047,286
Unearned project management revenue	-	-	-	-	-
Advances received from project management services	-	66,408,743	526,712,980	926,797,318	1,275,714,879
Advances received from customers	811,905,759	747,787,558	694,586,970	541,973,942	749,701,236
Short-term loans from and interest payable to related parties	-	-	-	-	-
Subordinated short-term loans from and interest payable to related party	-	-	-	-	-
Promissory notes	-	-	-	-	-
Provision for loss on project management	-	-	-	-	-
Current portion of liabilities under finance lease agreements	11,900,442	11,979,674	22,861,923	15,857,920	7,503,624
Current portion of long-term loans	44,511,109	350,167,666	298,811,187	149,918,291	636,260,729
Income tax payable	34,116,564	179,744,979	160,022,846	99,470,540	44,483,435
Deposits	-	-	-	-	-
Retention payables	180,267,473	250,673,357	231,115,831	217,533,085	208,182,546
Other current liabilities	61,723,311	66,680,156	60,890,464	79,206,491	119,141,313
Total current liabilities	4,999,053,739	3,494,702,668	5,652,889,281	9,546,886,816	8,039,602,017
Non-current liabilities					
Long-term debentures	-	6,370,046,942	5,985,704,045	3,991,418,463	7,980,165,955
Share purchase payable - net of current portion	-	-	-	-	-
Liabilities under finance lease agreements - net of current portion	31,896,342	21,534,586	29,771,082	12,712,382	5,092,390
Long-term loans - net of current portion	1,520,360,765	243,976,654	7,332,707	947,318,294	246,788,357
Provision for long-term employee benefits	26,128,191	36,857,723	50,056,653	63,902,030	86,413,722
Deferred tax liabilities	8,355,996	8,063,651	7,604,823	7,144,738	7,778,046
Long-term provisions	-	-	-	32,184,543	33,928,563
Other non-current liabilities	-	-	10,000,000	10,000,000	10,000,000
Total non-current liabilities	1,586,741,294	6,680,479,556	6,090,469,310	5,064,680,450	8,370,167,033
Total liabilities	6,585,795,033	10,175,182,224	11,743,358,591	14,611,567,266	16,409,769,050
Shareholders' equity					
Share capital					
Registered	333,300,000	333,300,000	333,300,000	333,300,000	333,300,000
Issued and fully paid up	333,300,000	333,300,000	333,300,000	333,300,000	333,300,000
Share premium on ordinary shares	5,210,297,103	5,210,297,103	5,169,453,296	5,159,491,182	5,150,396,725
Subordinated perpetual debenture	-	-	1,000,000,000	2,000,000,000	3,000,000,000
Retained earnings (Deficit)					
Appropriated - statutory reserve	33,330,000	33,330,000	33,330,000	33,330,000	33,330,000
Unappropriated (Deficit)	297,786,596	1,332,331,453	2,187,528,831	3,224,749,474	3,875,907,549
Other components of shareholders' equity	3,910,934	3,852,636	3,560,771	3,470,554	3,380,888
Non-controlling interests of the subsidiary	-	-	-	-	1,063,491,680
Total shareholders' equity (capital deficit)	5,878,624,633	6,913,111,192	8,727,172,898	10,754,341,210	13,459,806,842
Total liabilities and shareholders' equity	12,464,419,666	17,088,293,416	20,470,531,489	25,365,908,476	29,869,575,892

2.17 Statement of Comprehensive Income of ANAN

Table 2.12 Statement of Comprehensive Income of ANAN

Ananda Development Public Company Limited
Statements of comprehensive income

	2013	2014	2015	2016	2017
Profit or loss:					
Revenues					
Revenue from sale of real estate	8,807,659,332	9,678,027,956	9,598,072,450	9,780,358,801	8,931,914,200
Revenue from project management services	103,326,478	265,163,773	695,991,257	852,853,502	1,649,783,023
Construction service income	-	5,288,896	45,162,824	539,415,968	1,208,132,087
Commission income	110,809,855	256,937,396	265,230,880	389,920,465	410,940,218
Rental income	-	-	-	20,126,035	22,331,753
Services income	122,215,311	92,982,136	118,491,589	130,007,236	160,128,115
Revenue from sale of food and beverages	28,985,392	29,777,989	29,059,141	25,164,635	18,871,350
Trademark income	-	-	-	-	-
Interest income	25,249,409	31,906,677	74,488,155	157,452,498	223,473,335
Dividend income	-	-	-	-	-
Gain on sale of investment in joint ventures	-	-	-	-	71,258,057
Gain on sale of project land and real estate development costs	-	109,572,948	-	-	-
Revenue from land sourcing	-	-	-	189,904,034	172,973,321
Other income	29,282,035	110,341,035	198,856,524	144,572,835	80,352,712
Total revenues	9,227,527,812	10,579,998,806	11,025,352,820	12,229,776,009	12,950,158,171
Expenses					
Cost of real estate sold	5,529,401,579	6,117,859,019	6,002,150,448	6,472,918,914	6,060,370,507
Cost of project management services	106,602,152	95,505,866	315,241,662	412,413,381	483,425,981
Cost of construction services	-	4,760,772	41,446,862	492,598,031	1,105,768,108
Cost of commission income	-	111,443,854	135,108,475	192,503,555	253,512,327
Cost of rental	-	-	-	23,462,535	24,958,564
Cost of services	95,023,736	60,999,132	89,300,445	93,450,971	110,959,574
Cost of sale of food and beverages	9,965,903	11,053,705	12,256,657	10,142,186	7,439,336
Selling expenses	1,267,078,520	1,011,859,739	1,150,719,421	1,015,732,423	1,111,759,237
Administrative expenses	869,359,075	1,047,589,168	1,001,390,199	1,489,396,325	1,463,857,239
Other expenses					
Amortisation of agreements to buy and to sell condominium signed with customers	119,503,028	3,187,149	-	-	-
Loss from impairment of investment in associate	-	-	-	-	-
Loss from impairment of investment in subsidiaries	-	-	-	-	-
Total expenses	7,996,933,993	8,464,258,404	8,747,614,169	10,202,618,321	10,622,050,873
Profit (loss) before share of income from investments in associated companies, finance cost and corporate income tax	1,230,593,819	2,115,740,402	2,277,738,651	2,027,157,688	2,328,107,298
Share of income from investments in associates	101,950	(177,548)	-	-	-
Share of loss from investment in joint venture	(93,980,398)	(292,674,262)	(476,644,392)	115,415,395	(341,522,603)
Profit before finance cost and income tax	1,136,715,371	1,822,888,592	1,801,094,259	2,142,573,083	1,986,584,695
Finance cost					
Finance cost associated with the acquisition	-	-	-	-	-
Other finance cost	(112,241,226)	(227,307,760)	(253,642,990)	(334,835,726)	(285,232,160)
Profit (loss) before corporate income tax	1,024,474,145	1,595,580,832	1,547,451,269	1,807,737,357	1,701,352,535
Corporate income tax	(212,937,483)	(294,413,120)	(340,808,828)	(306,295,602)	(372,898,049)
Profit (loss) for the year	811,536,662	1,301,167,712	1,206,642,441	1,501,441,755	1,328,454,486
Other comprehensive income:					
Actuarial gains arising from defined benefit plan of employees	1,559,679	-	-	2,769,378	(7,582,661)
Income tax effect	(311,936)	-	-	(553,876)	1,516,532
Other comprehensive income for the year	1,247,743	-	-	2,215,502	(6,066,129)
Total comprehensive income for the year	812,784,405	1,301,167,712	1,206,642,441	1,503,657,257	1,322,388,357
Earnings per share					
Basic earnings per share					
Profit (loss) for the year	0.24	0.39	0.36	0.42	0.34
Weighted average number of ordinary shares (shares)	3,333,000,000	3,333,000,000	3,333,000,000	3,333,000,000	3,333,000,000

2.18 Common Size Analysis of Assets of ANAN

Table 2.13 Common Size of Assets of ANAN

Ananda Development Public Company Limited					
Common Size of Statements of financial position					
	2013	2014	2015	2016	2017
Assets					
Current assets					
Cash and cash equivalents	18.52%	14.50%	12.57%	8.61%	6.91%
Current investment	0.00%	0.00%	0.00%	1.97%	0.00%
Trade and other receivables	2.68%	0.16%	0.60%	1.46%	3.59%
Unbilled receivables	0.00%	0.00%	0.10%	0.91%	1.77%
Current portion of long-term loans to and interest receivable from related parties	0.00%	0.00%	1.56%	3.86%	9.09%
Constructions in progress	0.00%	0.00%	0.03%	0.17%	0.15%
Project management in progress	0.09%	0.25%	0.26%	0.30%	0.16%
Inventories	0.01%	0.06%	0.04%	0.01%	0.07%
Real estate development costs	63.49%	58.28%	58.91%	48.70%	43.89%
Land development costs	0.00%	0.00%	0.00%	0.00%	0.00%
Advance payments for constructions	3.29%	1.75%	1.12%	0.58%	0.39%
Short-term loans to and interest receivable from related parties	0.00%	0.00%	0.00%	6.50%	2.55%
Advance payments for purchase of project land and related costs	0.42%	7.55%	3.11%	0.15%	4.79%
Other current assets	1.23%	0.81%	0.56%	0.69%	0.84%
Total current assets	89.73%	83.36%	78.86%	73.90%	74.19%
Non-current assets					
Restricted financial institution deposits/withdrawal conditions	0.08%	2.39%	0.82%	1.14%	0.95%
Investments in associates	0.00%	0.00%	0.00%	0.00%	0.00%
Investments in subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%
Investment in joint venture	2.78%	4.57%	9.90%	13.12%	14.83%
Investments in other companies	0.00%	0.00%	0.00%	0.00%	0.04%
Long-term loans to and interest receivable from related parties	0.66%	4.48%	5.48%	5.93%	4.37%
Subordinated long-term loans to and interest receivable from related parties	0.91%	8.55%	12.53%	16.82%	14.58%
Land held for development	1.20%	1.02%	1.27%	1.05%	1.19%
Property, buildings and equipment	4.09%	2.87%	2.52%	3.56%	2.72%
Intangible assets	0.48%	0.60%	0.76%	0.73%	0.70%
Leasehold rights	0.00%	0.00%	0.00%	0.00%	0.45%
Deferred tax assets	0.52%	0.61%	0.25%	0.33%	0.29%
Other non-current assets	0.46%	0.10%	0.14%	0.23%	0.26%
Total non-current assets	10.27%	16.64%	21.14%	26.10%	25.81%
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%

2.19 Common Size Analysis of Liability and Equity of ANAN

Table 2.14 Common Size of Liability and Equity of ANAN

Ananda Development Public Company Limited					
Common Size of Statements of financial position					
	2013	2014	2015	2016	2017
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	0.00%	0.00%	0.00%	3.37%	5.02%
Trade and other payables	7.80%	6.23%	5.21%	5.45%	3.82%
Current portion of long-term debentures	0.00%	0.00%	11.68%	15.76%	6.69%
Current portion of share purchase payable	2.01%	0.00%	0.00%	0.00%	0.00%
Short-term debentures	20.84%	0.00%	0.00%	3.93%	0.00%
Short-term provisions	0.16%	0.56%	0.85%	0.94%	0.68%
Short-term bills of exchange	0.00%	3.80%	0.00%	0.00%	0.00%
Unbilled payables	0.12%	0.07%	0.13%	0.18%	0.53%
Unearned project management revenue	0.00%	0.00%	0.00%	0.00%	0.00%
Advances received from project management services	0.00%	0.39%	2.57%	3.65%	4.27%
Advances received from customers	6.51%	4.38%	3.39%	2.14%	2.51%
Short-term loans from and interest payable to related parties	0.00%	0.00%	0.00%	0.00%	0.00%
Subordinated short-term loans from and interest payable to related party	0.00%	0.00%	0.00%	0.00%	0.00%
Promissory notes	0.00%	0.00%	0.00%	0.00%	0.00%
Provision for loss on project management	0.00%	0.00%	0.00%	0.00%	0.00%
Current portion of liabilities under finance lease agreements	0.10%	0.07%	0.11%	0.06%	0.03%
Current portion of long-term loans	0.36%	2.05%	1.46%	0.59%	2.13%
Income tax payable	0.27%	1.05%	0.78%	0.39%	0.15%
Deposits	0.00%	0.00%	0.00%	0.00%	0.00%
Retention payables	1.45%	1.47%	1.13%	0.86%	0.70%
Other current liabilities	0.50%	0.39%	0.30%	0.31%	0.40%
Total current liabilities	40.11%	20.45%	27.61%	37.64%	26.92%
Non-current liabilities					
Long-term debentures	0.00%	37.28%	29.24%	15.74%	26.72%
Share purchase payable - net of current portion	0.00%	0.00%	0.00%	0.00%	0.00%
Liabilities under finance lease agreements - net of current portion	0.26%	0.13%	0.15%	0.05%	0.02%
Long-term loans - net of current portion	12.20%	1.43%	0.04%	3.73%	0.83%
Provision for long-term employee benefits	0.21%	0.22%	0.24%	0.25%	0.29%
Deferred tax liabilities	0.07%	0.05%	0.04%	0.03%	0.03%
Long-term provisions	0.00%	0.00%	0.00%	0.13%	0.11%
Other non-current liabilities	0.00%	0.00%	0.05%	0.04%	0.03%
Total non-current liabilities	12.73%	39.09%	29.75%	19.97%	28.02%
Total liabilities	52.84%	59.54%	57.37%	57.60%	54.94%
Shareholders' equity					
Share capital					
Registered	2.67%	1.95%	1.63%	1.31%	1.12%
Issued and fully paid up	2.67%	1.95%	1.63%	1.31%	1.12%
Share premium on ordinary shares	41.80%	30.49%	25.25%	20.34%	17.24%
Subordinated perpetual debenture	0.00%	0.00%	4.89%	7.88%	10.04%
Retained earnings (Deficit)					
Appropriated - statutory reserve	0.27%	0.20%	0.16%	0.13%	0.11%
Unappropriated (Deficit)	2.39%	7.80%	10.69%	12.71%	12.98%
Other components of shareholders' equity	0.03%	0.02%	0.02%	0.01%	0.01%
Non-controlling interests of the subsidiary	0.00%	0.00%	0.00%	0.00%	3.56%
Total shareholders' equity (capital deficit)	47.16%	40.46%	42.63%	42.40%	45.06%
Total liabilities and shareholders' equity	100.00%	100.00%	100.00%	100.00%	100.00%
	0.00%	0.00%	0.00%	0.00%	0.00%

2.20 Common Size Analysis of statement of income of ANAN

Table 2.15 Common Size of Statement of income of ANAN

Ananda Development Public Company Limited
Common Size of Statements of comprehensive income

	2013	2014	2015	2016	2017
Profit or loss:					
Revenues					
Revenue from sale of real estate	100.00%	100.00%	100.00%	100.00%	100.00%
Revenue from project management services	1.17%	2.74%	7.25%	8.72%	18.47%
Construction service income	0.00%	0.05%	0.47%	5.52%	13.53%
Commission income	1.26%	2.65%	2.76%	3.99%	4.60%
Rental income	0.00%	0.00%	0.00%	0.21%	0.25%
Services income	1.39%	0.96%	1.23%	1.33%	1.79%
Revenue from sale of food and beverages	0.33%	0.31%	0.30%	0.26%	0.21%
Trademark income	0.00%	0.00%	0.00%	0.00%	0.00%
Interest income	0.29%	0.33%	0.78%	1.61%	2.50%
Dividend income	0.00%	0.00%	0.00%	0.00%	0.00%
Gain on sale of investment in joint ventures	0.00%	0.00%	0.00%	0.00%	0.80%
Gain on sale of project land and real estate development costs	0.00%	1.13%	0.00%	0.00%	0.00%
Revenue from land sourcing	0.00%	0.00%	0.00%	1.94%	1.94%
Other income	0.33%	1.14%	2.07%	1.48%	0.90%
Total revenues	104.77%	109.32%	114.87%	125.04%	144.99%
Expenses					
Cost of real estate sold	62.78%	63.21%	62.53%	66.18%	67.85%
Cost of project management services	1.21%	0.99%	3.28%	4.22%	5.41%
Cost of construction services	0.00%	0.05%	0.43%	5.04%	12.38%
Cost of commission income	0.00%	1.15%	1.41%	1.97%	2.84%
Cost of rental	0.00%	0.00%	0.00%	0.24%	0.28%
Cost of services	1.08%	0.63%	0.93%	0.96%	1.24%
Cost of sale of food and beverages	0.11%	0.11%	0.13%	0.10%	0.08%
Selling expenses	14.39%	10.46%	11.99%	10.39%	12.45%
Administrative expenses	9.87%	10.82%	10.43%	15.23%	16.39%
Other expenses					
Amortisation of agreements to buy and to sell condominium signed with customers	1.36%	0.03%	0.00%	0.00%	0.00%
Loss from impairment of investment in associate	0.00%	0.00%	0.00%	0.00%	0.00%
Loss from impairment of investment in subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%
Total expenses	90.80%	87.46%	91.14%	104.32%	118.92%
Profit (loss) before share of income from investments in associated companies, finance cost and corporate income tax	13.97%	21.86%	23.73%	20.73%	26.07%
Share of income from investments in associates	0.00%	0.00%	0.00%	0.00%	0.00%
Share of loss from investment in joint venture	-1.07%	-3.02%	-4.97%	1.18%	-3.82%
Profit before finance cost and income tax	12.91%	18.84%	18.77%	21.91%	22.24%
Finance cost					
Finance cost associated with the acquisition	0.00%	0.00%	0.00%	0.00%	0.00%
Other finance cost	-1.27%	-2.35%	-2.64%	-3.42%	-3.19%
Profit (loss) before corporate income tax	11.63%	16.49%	16.12%	18.48%	19.05%
Corporate income tax	-2.42%	-3.04%	-3.55%	-3.13%	-4.17%
Profit (loss) for the year	9.21%	13.44%	12.57%	15.35%	14.87%

2.21 Trend Analysis of Assets of ANAN

Table 2.16 Trend Analysis of Assets of ANAN

Ananda Development Public Company Limited						
Trend of Statements of financial position						
	2012	2013	2014	2015	2016	2017
Assets						
Current assets						
Cash and cash equivalents	100.00%	112.16%	120.34%	125.01%	106.03%	100.24%
Current investment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Trade and other receivables	100.00%	333.89%	27.58%	121.92%	369.08%	1071.72%
Unbilled receivables	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Current portion of long-term loans to and interest receivable from related parties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Constructions in progress	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Project management in progress	100.00%	51.75%	203.42%	256.11%	356.28%	224.61%
Inventories	100.00%	63.56%	944.40%	725.01%	367.73%	1993.76%
Real estate development costs	100.00%	131.56%	165.59%	200.50%	205.36%	217.93%
Land development costs	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Advance payments for constructions	100.00%	296.13%	215.17%	164.96%	106.94%	84.59%
Short-term loans to and interest receivable from related parties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Advance payments for purchase of project land and related costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other current assets	100.00%	78.72%	70.78%	59.14%	89.84%	128.41%
Total current assets	100.00%	131.10%	166.97%	189.22%	219.73%	259.78%
Non-current assets						
Restricted financial institution deposits/withdrawal conditions	100.00%	10.72%	467.53%	191.90%	330.26%	325.66%
Investments in associates	100.00%	234.86%	0.00%	0.00%	0.00%	0.00%
Investments in subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Investment in joint venture	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Investments in other companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Long-term loans to and interest receivable from related parties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Subordinated long-term loans to and interest receivable from related parties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Land held for development	100.00%	137.93%	159.60%	239.55%	245.83%	327.17%
Property, buildings and equipment	100.00%	121.09%	116.59%	122.79%	214.43%	193.28%
Intangible assets	100.00%	38.33%	65.78%	99.89%	119.95%	135.44%
Leasehold rights	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Deferred tax assets	100.00%	43.46%	69.63%	33.73%	56.12%	58.56%
Other non-current assets	100.00%	140.66%	43.42%	72.70%	141.06%	187.21%
Total non-current assets	100.00%	132.93%	295.33%	449.43%	687.50%	800.45%
Total assets	100.00%	131.29%	179.99%	215.62%	267.18%	314.62%

2.22 Trend Analysis of Liability and Equity of ANAN

Table 2.17 Trend Analysis of Liability and Equity of ANAN

Ananda Development Public Company Limited						
Trend of Statements of financial position						
	2012	2013	2014	2015	2016	2017
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Trade and other payables	100.00%	263.75%	288.60%	289.44%	375.13%	309.47%
Current portion of long-term debentures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Current portion of share purchase payable	100.00%	50.00%	0.00%	0.00%	0.00%	0.00%
Short-term debentures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Short-term provisions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Short-term bills of exchange	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unbilled payables	100.00%	3671.20%	2802.41%	6541.01%	11373.79%	39138.05%
Unearned project management revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Advances received from project management services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Advances received from customers	100.00%	101.71%	93.68%	87.01%	67.90%	93.92%
Short-term loans from and interest payable to related parties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Subordinated short-term loans from and interest payable to related party	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Promissory notes	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Provision for loss on project management	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Current portion of liabilities under finance lease agreements	100.00%	830.46%	835.99%	1595.39%	1106.62%	523.63%
Current portion of long-term loans	100.00%	104.11%	819.01%	698.90%	350.65%	1488.16%
Income tax payable	100.00%	41.18%	216.95%	193.15%	120.06%	53.69%
Deposits	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Retention payables	100.00%	157.34%	218.79%	201.72%	189.86%	181.70%
Other current liabilities	100.00%	58.19%	62.86%	57.40%	74.67%	112.32%
Total current liabilities	100.00%	248.10%	173.44%	280.54%	473.80%	398.99%
Non-current liabilities						
Long-term debentures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Share purchase payable - net of current portion	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Liabilities under finance lease agreements - net of current portion	100.00%	2424.85%	1637.12%	2263.28%	966.43%	387.14%
Long-term loans - net of current portion	100.00%	72.18%	11.58%	0.35%	44.97%	11.72%
Provision for long-term employee benefits	100.00%	117.87%	166.27%	225.82%	288.28%	389.83%
Deferred tax liabilities	100.00%	28.81%	27.80%	26.22%	24.64%	26.82%
Long-term provisions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-current liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total non-current liabilities	100.00%	65.87%	277.32%	252.82%	210.24%	347.46%
Total liabilities	100.00%	148.87%	230.00%	265.45%	330.28%	370.93%
Shareholders' equity						
Share capital						
Registered	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Issued and fully paid up	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Share premium on ordinary shares	100.00%	100.00%	100.00%	99.22%	99.02%	98.85%
Subordinated perpetual debenture	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Retained earnings (Deficit)						
Appropriated - statutory reserve	100.00%	131.96%	131.96%	131.96%	131.96%	131.96%
Unappropriated (Deficit)	100.00%	-58.74%	-262.83%	-431.53%	-636.14%	-764.59%
Other components of shareholders' equity	100.00%	48.64%	47.92%	44.29%	43.17%	42.05%
Non-controlling interests of the subsidiary	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total shareholders' equity (capital deficit)	100.00%	115.95%	136.35%	172.13%	212.12%	265.48%
Total liabilities and shareholders' equity	100.00%	131.29%	179.99%	215.62%	267.18%	314.62%

2.23 Trend Analysis of statement of income of ANAN

Table 2.18 Trend Analysis of statement of income of ANAN

Ananda Development Public Company Limited Trend of Statements of comprehensive income		2012	2013	2014	2015	2016	2017
Profit or loss:							
Revenues							
Revenue from sale of real estate		100.00%	177.57%	195.11%	193.50%	197.18%	180.07%
Revenue from project management services		100.00%	506.58%	1300.02%	3412.25%	4181.30%	8088.42%
Construction service income		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commission income		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rental income		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Services income		100.00%	130.01%	98.91%	126.05%	138.30%	170.34%
Revenue from sale of food and beverages		100.00%	102.75%	105.56%	103.01%	89.20%	66.90%
Trademark income		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest income		100.00%	352.44%	445.36%	1039.73%	2197.76%	3119.30%
Dividend income		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gain on sale of investment in joint ventures		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gain on sale of project land and real estate development costs		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Revenue from land sourcing		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other income		100.00%	103.53%	390.13%	703.09%	511.16%	284.10%
Total revenues		100.00%	179.58%	205.91%	214.57%	238.01%	252.03%
Expenses							
Cost of real estate sold		100.00%	164.77%	182.31%	178.86%	192.89%	180.59%
Cost of project management services		100.00%	736.06%	659.44%	2176.66%	2847.61%	3337.93%
Cost of construction services		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cost of commission income		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cost of rental		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cost of services		100.00%	143.19%	91.92%	134.57%	140.82%	167.20%
Cost of sale of food and beverages		100.00%	83.57%	92.69%	102.78%	85.05%	62.38%
Selling expenses		100.00%	169.99%	135.75%	154.38%	136.27%	149.15%
Administrative expenses		100.00%	159.35%	192.02%	183.56%	273.01%	268.33%
Other expenses							
Amortisation of agreements to buy and to sell condominium signed with customers		100.00%	34.17%	0.91%	0.00%	0.00%	0.00%
Loss from impairment of investment in associate		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loss from impairment of investment in subsidiaries		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total expenses		100.00%	157.13%	166.32%	171.88%	200.47%	208.71%
Profit (loss) before share of income from investments in associated companies, finance cost and corporate income tax							
		100.00%	2511.35%	4317.73%	4648.33%	4136.95%	4751.12%
Share of income from investments in associates		100.00%	1.22%	-2.13%	0.00%	0.00%	0.00%
Share of loss from investment in joint venture		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Profit before finance cost and income tax		100.00%	1982.19%	3178.73%	3140.72%	3736.19%	3464.18%
Finance cost							
Finance cost associated with the acquisition		100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other finance cost		100.00%	567.62%	1149.52%	1282.70%	1693.30%	1442.45%
Profit (loss) before corporate income tax		100.00%	-409.88%	-638.37%	-619.12%	-723.25%	-680.69%
Corporate income tax		100.00%	-418.11%	-578.09%	-669.19%	-601.42%	-732.20%
Profit (loss) for the year		100.00%	-407.77%	-653.80%	-606.30%	-754.43%	-667.51%

2.24 Growth Analysis of Assets of ANAN

Table 2.19 Growth Analysis of Assets of ANAN

Ananda Development Public Company Limited
Growth of Statements of financial position

	2012	2013	2014	2015	2016	2017	CAGR
Assets							
Current assets							
Cash and cash equivalents	100.00%	12.16%	7.30%	3.88%	-15.18%	-5.47%	0.05%
Current investment	0.00%	0.00%	0.00%	0.00%	0.00%	-100.00%	0.00%
Trade and other receivables	100.00%	233.89%	-91.74%	342.06%	202.72%	190.38%	60.70%
Unbilled receivables	0.00%	0.00%	0.00%	0.00%	1046.59%	128.75%	128.75%
Current portion of long-term loans to and interest receivable from related parties	0.00%	0.00%	0.00%	0.00%	207.11%	177.22%	177.22%
Constructions in progress	0.00%	0.00%	0.00%	0.00%	726.80%	6.30%	6.30%
Project management in progress	100.00%	-48.25%	293.07%	25.90%	39.11%	-36.96%	17.57%
Inventories	100.00%	-36.44%	1385.95%	-23.23%	-49.28%	442.18%	81.94%
Real estate development costs	100.00%	31.56%	25.86%	21.09%	2.42%	6.12%	16.86%
Land development costs	100.00%	-100.00%	0.00%	0.00%	0.00%	0.00%	-100.00%
Advance payments for constructions	100.00%	196.13%	-27.34%	-23.34%	-35.17%	-20.90%	-3.29%
Short-term loans to and interest receivable from related parties	0.00%	0.00%	0.00%	0.00%	0.00%	-53.76%	0.00%
Advance payments for purchase of project land and related costs	0.00%	0.00%	2351.93%	-50.60%	-94.01%	3645.93%	3.51%
Other current assets	100.00%	-21.28%	-10.09%	-16.44%	51.91%	42.93%	5.13%
Total current assets	100.00%	31.10%	27.36%	13.33%	16.12%	18.22%	21.04%
Non-current assets							
Restricted financial institution deposits/withdrawal conditions	100.00%	-89.28%	4261.07%	-58.95%	72.10%	-1.39%	26.63%
Investments in associates	100.00%	134.86%	-100.00%	0.00%	0.00%	0.00%	-100.00%
Investments in subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Investment in joint venture	0.00%	0.00%	125.11%	159.32%	64.34%	33.06%	78.33%
Investments in other companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Long-term loans to and interest receivable from related parties	0.00%	0.00%	836.37%	46.52%	34.15%	-13.31%	19.44%
Subordinated long-term loans to and interest receivable from related parties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Land held for development	100.00%	37.93%	15.71%	50.09%	2.62%	33.09%	26.75%
Property, buildings and equipment	100.00%	21.09%	-3.72%	5.32%	74.63%	-9.86%	14.09%
Intangible assets	100.00%	-61.67%	71.63%	51.86%	20.08%	12.91%	6.25%
Leasehold rights	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Deferred tax assets	100.00%	-56.54%	60.21%	-51.56%	66.37%	4.36%	-10.15%
Other non-current assets	100.00%	40.66%	-69.13%	67.43%	94.02%	32.71%	13.36%
Total non-current assets	100.00%	32.93%	122.18%	52.18%	52.97%	16.43%	51.59%
Total assets	100.00%	31.29%	37.10%	19.79%	23.91%	17.75%	25.76%

2.25 Growth Analysis of Liability and Equity of ANAN

Table 2.20 Growth Analysis of Liability and Equity of ANAN

Ananda Development Public Company Limited Growth of Statements of financial position							
	2012	2013	2014	2015	2016	2017	CAGR
Liabilities and shareholders' equity							
Current liabilities							
Short-term loans from financial institutions	0.00%	0.00%	0.00%	0.00%	0.00%	75.47%	0.00%
Trade and other payables	100.00%	163.75%	9.42%	0.29%	29.60%	-17.50%	25.35%
Current portion of long-term debentures	0.00%	0.00%	0.00%	0.00%	67.22%	-49.99%	-49.99%
Current portion of share purchase payable	100.00%	-50.00%	-100.00%	0.00%	0.00%	0.00%	-100.00%
Short-term debentures	0.00%	0.00%	-100.00%	0.00%	0.00%	-100.00%	0.00%
Short-term provisions	0.00%	0.00%	386.52%	81.09%	37.23%	-15.34%	28.14%
Short-term bills of exchange	0.00%	0.00%	0.00%	-100.00%	0.00%	0.00%	0.00%
Unbilled payables	100.00%	3571.20%	-23.67%	133.41%	73.88%	244.11%	230.00%
Unearned project management revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Advances received from project management services	0.00%	0.00%	0.00%	693.14%	75.96%	37.65%	55.63%
Advances received from customers	100.00%	1.71%	-7.90%	-7.11%	-21.97%	38.33%	-1.25%
Short-term loans from and interest payable to related parties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Subordinated short-term loans from and interest payable to related party	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Promissory notes	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Provision for loss on project management	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Current portion of liabilities under finance lease agreements	100.00%	730.46%	0.67%	90.84%	-30.64%	-52.68%	39.25%
Current portion of long-term loans	100.00%	4.11%	686.70%	-14.67%	-49.83%	324.41%	71.61%
Income tax payable	100.00%	-58.82%	426.86%	-10.97%	-37.84%	-55.28%	-11.70%
Deposits	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Retention payables	100.00%	57.34%	39.06%	-7.80%	-5.88%	-4.30%	12.69%
Other current liabilities	100.00%	-41.81%	8.03%	-8.68%	30.08%	50.42%	2.35%
Total current liabilities	100.00%	148.10%	-30.09%	61.76%	68.89%	-15.79%	31.88%
Non-current liabilities							
Long-term debentures	0.00%	0.00%	0.00%	-6.03%	-33.32%	99.93%	15.46%
Share purchase payable - net of current portion	0.00%	-100.00%	0.00%	0.00%	0.00%	0.00%	-100.00%
Liabilities under finance lease agreements - net of current portion	100.00%	2324.85%	-32.49%	38.25%	-57.30%	-59.94%	31.09%
Long-term loans - net of current portion	100.00%	-27.82%	-83.95%	-96.99%	12819.08%	-73.95%	-34.87%
Provision for long-term employee benefits	100.00%	17.87%	41.06%	35.81%	27.66%	35.23%	31.27%
Deferred tax liabilities	100.00%	-71.19%	-3.50%	-5.69%	-6.05%	8.86%	-23.14%
Long-term provisions	0.00%	0.00%	0.00%	0.00%	0.00%	5.42%	0.00%
Other non-current liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total non-current liabilities	100.00%	-34.13%	321.02%	-8.83%	-16.84%	65.27%	28.29%
Total liabilities	100.00%	48.87%	54.50%	15.41%	24.42%	12.31%	29.97%
Shareholders' equity							
Share capital							
Registered	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Issued and fully paid up	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Share premium on ordinary shares	100.00%	0.00%	0.00%	-0.78%	-0.19%	-0.18%	-0.23%
Subordinated perpetual debenture	0.00%	0.00%	0.00%	0.00%	100.00%	50.00%	50.00%
Retained earnings (Deficit)							
Appropriated - statutory reserve	100.00%	31.96%	0.00%	0.00%	0.00%	0.00%	5.70%
Unappropriated (Deficit)	100.00%	-158.74%	347.41%	64.19%	47.42%	20.19%	-250.21%
Other components of shareholders' equity	100.00%	-51.36%	-1.49%	-7.58%	-2.53%	-2.58%	-15.91%
Non-controlling interests of the subsidiary	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total shareholders' equity (capital deficit)	100.00%	15.95%	17.60%	26.24%	23.23%	25.16%	21.56%
Total liabilities and shareholders' equity	100.00%	31.29%	37.10%	19.79%	23.91%	17.75%	25.76%

2.26 Growth Analysis of statement of income of ANAN

Table 2.21 Growth Analysis of statement of income of ANAN

Ananda Development Public Company Limited Growth of Statements of comprehensive income							
	2012	2013	2014	2015	2016	2017	CAGR
Profit or loss:							
Revenues							
Revenue from sale of real estate	100.00%	77.57%	9.88%	-0.83%	1.90%	-8.67%	12.48%
Revenue from project management services	100.00%	406.58%	156.63%	162.48%	22.54%	93.44%	140.75%
Construction service income	0.00%	0.00%	0.00%	753.92%	1094.38%	123.97%	511.29%
Commission income	0.00%	0.00%	131.87%	3.23%	47.01%	5.39%	38.77%
Rental income	0.00%	0.00%	0.00%	0.00%	0.00%	10.96%	10.96%
Services income	100.00%	30.01%	-23.92%	27.43%	9.72%	23.17%	11.24%
Revenue from sale of food and beverages	100.00%	2.75%	2.73%	-2.41%	-13.40%	-25.01%	-7.73%
Trademark income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-
Interest income	100.00%	252.44%	26.37%	133.46%	111.38%	41.93%	98.98%
Dividend income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-
Gain on sale of investment in joint ventures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-
Gain on sale of project land and real estate development costs	0.00%	0.00%	0.00%	-100.00%	0.00%	0.00%	-
Revenue from land sourcing	0.00%	0.00%	0.00%	0.00%	0.00%	-8.92%	-8.92%
Other income	100.00%	3.53%	276.82%	80.22%	-27.30%	-44.42%	23.22%
Total revenues	100.00%	79.58%	14.66%	4.21%	10.92%	5.89%	20.31%
Expenses							
Cost of real estate sold	100.00%	64.77%	10.64%	-1.89%	7.84%	-6.37%	12.55%
Cost of project management services	100.00%	636.06%	-10.41%	230.08%	30.82%	17.22%	101.70%
Cost of construction services	0.00%	0.00%	0.00%	770.59%	1088.51%	124.48%	514.70%
Cost of commission income	0.00%	0.00%	0.00%	21.23%	42.48%	31.69%	31.52%
Cost of rental	0.00%	0.00%	0.00%	0.00%	0.00%	6.38%	6.38%
Cost of services	100.00%	43.19%	-35.81%	46.40%	4.65%	18.74%	10.83%
Cost of sale of food and beverages	100.00%	-16.43%	10.92%	10.88%	-17.25%	-26.65%	-9.01%
Selling expenses	100.00%	69.99%	-20.14%	13.72%	-11.73%	9.45%	8.32%
Administrative expenses	100.00%	59.35%	20.50%	-4.41%	48.73%	-1.71%	21.82%
Other expenses							
Amortisation of agreements to buy and to sell condominium signed with customers	100.00%	-65.83%	-97.33%	-100.00%	0.00%	0.00%	-100.00%
Loss from impairment of investment in associate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-
Loss from impairment of investment in subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-
Total expenses	100.00%	57.13%	5.84%	3.35%	16.63%	4.11%	15.85%
Profit (loss) before share of income from investments in associated companies, finance cost and corporate income tax	100.00%	2411.35%	71.93%	7.66%	-11.00%	14.85%	116.45%
Share of income from investments in associates	100.00%	-98.78%	-274.15%	-100.00%	0.00%	0.00%	-100.00%
Share of loss from investment in joint venture	0.00%	0.00%	211.42%	62.86%	-124.21%	-395.91%	38.07%
Profit before finance cost and income tax	100.00%	1882.19%	60.36%	-1.20%	18.96%	-7.28%	103.20%
Finance cost							
Finance cost associated with the acquisition	100.00%	-100.00%	0.00%	0.00%	0.00%	0.00%	-100.00%
Other finance cost	100.00%	467.62%	102.52%	11.59%	32.01%	-14.81%	70.54%
Profit (loss) before corporate income tax	100.00%	-509.88%	55.75%	-3.02%	16.82%	-5.88%	-246.75%
Corporate income tax	100.00%	-518.11%	38.26%	15.76%	-10.13%	21.74%	-248.91%
Profit (loss) for the year	100.00%	-507.77%	60.33%	-7.26%	24.43%	-11.52%	-246.18%

2.27 Return Ratio of ANAN

Table 2.22 Return Ratio of ANAN

Ananda Development Public Company Limited					
Return Ratio					
	2013	2014	2015	2016	2017
ROA					
Revenue from sale of real estate	8,807,659,332	9,678,027,956	9,598,072,450	9,780,358,801	8,931,914,200
Profit before finance cost and income tax	1,136,715,371	1,822,888,592	1,801,094,259	2,142,573,083	1,986,584,695
Finance cost	- 112,241,226	- 227,307,760	- 253,642,990	- 334,835,726	- 285,232,160
Profit (loss) before corporate income tax	1,024,474,145	1,595,580,832	1,547,451,269	1,807,737,357	1,701,352,535
Statutory tax rate	0.20	0.20	0.20	0.20	0.20
(1-Tb)	0.80	0.80	0.80	0.80	0.80
Profit margin = (EBIT(1-Tb))/R	9%	13%	13%	15%	15%
Cost of real estate sold	5,529,401,579	6,117,859,019	6,002,150,448	6,472,918,914	6,060,370,507
Cost of project management services	106,602,152	95,505,866	315,241,662	412,413,381	483,425,981
Cost of construction services	-	4,760,772	41,446,862	492,598,031	1,105,768,108
Cost of commission income	-	111,443,854	135,108,475	192,503,555	253,512,327
Cost of rental	-	-	-	23,462,535	24,958,564
Cost of services	95,023,736	60,999,132	89,300,445	93,450,971	110,959,574
Cost of sale of food and beverages	9,965,903	11,053,705	12,256,657	10,142,186	7,439,336
Total Cost of sale and goods and rendering services	5,740,993,370	6,401,622,348	6,595,504,549	7,697,489,573	8,046,434,397
Gross Profit	3,066,665,962	3,276,405,608	3,002,567,901	2,082,869,228	885,479,803
Gross Profit Margin = Gross Profit/R	35%	34%	31%	21%	10%
corporate tax income	0.20	0.20	0.20	0.20	0.20
Tax change = (1-Ts)/(1-Tb)	1.00	1.00	1.00	1.00	1.00
Corporate income tax	- 212,937,483	- 294,413,120	- 340,808,828	- 306,295,602	- 372,898,049
Profit (loss) before corporate income tax	1,024,474,145	1,595,580,832	1,547,451,269	1,807,737,357	1,701,352,535
Tax actually paid (Ta)	0.21	0.18	0.22	0.17	0.22
(1-Ta)	1.21	1.18	1.22	1.17	1.22
Statutory tax rate (Ts)	0.20	0.20	0.20	0.20	0.20
(1-Ts)	0.80	0.80	0.80	0.80	0.80
Tax management = (1-Ta)/(1-Ts)	1.51	1.48	1.53	1.46	1.52
ROA = NOPAT/Avg.TA	11%	13%	10%	9%	8%
Profit Margin (PM)	9%	13%	13%	15%	15%
Tax Change (TC)	1.00	1.00	1.00	1.00	1.00
Tax Management (TM)	1.51	1.48	1.53	1.46	1.52
TATO	0.80	0.65	0.51	0.43	0.32
Doupant's ROA	11%	13%	10%	9%	8%
ROE					
Net Income	811,536,662	1,301,167,712	1,206,642,441	1,501,441,755	1,328,454,486
Avg.E	5,474,296,924	6,395,867,913	7,820,142,045	9,740,757,054	12,107,074,026
ROE = NI/Avg.E	15%	20%	15%	15%	11%
Earning leverage (EL) (times) = NI/NOPAT	0.66	0.69	0.64	0.71	0.64
Avg.Total Assets	10,979,166,444	14,776,356,541	18,779,412,453	22,918,219,983	27,617,742,184
Avg. E	5,474,296,924	6,395,867,913	7,820,142,045	9,740,757,054	12,107,074,026
Capital structure leverage (CSL) = Avg.TA/Avg.E	2.01	2.31	2.40	2.35	2.28
Return On Assets (ROA)	11%	13%	10%	9%	8%
Earning Leverage (EL)	0.66	0.69	0.64	0.71	0.64
Capital Structure Leverage (CSL)	2.01	2.31	2.40	2.35	2.28
Doupont's ROA	15%	20%	15%	15%	11%
Asset turnover ratio					
Total asset turnover					
Revenue from sale of real estate	8,807,659,332	9,678,027,956	9,598,072,450	9,780,358,801	8,931,914,200
Total asset	12,464,419,666	17,088,293,416	20,470,531,489	25,365,908,476	29,869,575,892
Avg. total asset	10,979,166,444	14,776,356,541	18,779,412,453	22,918,219,983	27,617,742,184
TATO (times) = R/Avg.TA	0.80	0.65	0.51	0.43	0.32
Trade and other receivables	333,886,074	27,580,061	121,920,860	369,076,923	1,071,723,851
Trade and other receivables Avg.	216,943,037	180,733,068	74,750,461	245,498,892	720,400,387
Account receivable turnover (ARTO) = R/Avg.AR	40.60	53.55	128.40	39.84	12.40
	8.99	6.82	2.84	9.16	29.44
Cost of real estate sold	5,529,401,579	6,117,859,019	6,002,150,448	6,472,918,914	6,060,370,507
Cost of project management services	106,602,152	95,505,866	315,241,662	412,413,381	483,425,981
Cost of construction services	-	4,760,772	41,446,862	492,598,031	1,105,768,108
Cost of commission income	-	111,443,854	135,108,475	192,503,555	253,512,327
Cost of rental	-	-	-	23,462,535	24,958,564
Cost of services	95,023,736	60,999,132	89,300,445	93,450,971	110,959,574
Cost of sale of food and beverages	9,965,903	11,053,705	12,256,657	10,142,186	7,439,336
Total Cost of sale and goods and rendering services	5,740,993,370	6,401,622,348	6,595,504,549	7,697,489,573	8,046,434,397
Inventories	654,479	9,725,228	7,465,984	3,786,813	20,531,312
Avg. inventory	842,130	5,189,854	8,595,606	5,626,399	12,159,063
Inventories turnover (ITO) = COGS/Avg.Inv	6,817.23	1,233.49	767.31	1,368.10	661.76
	0.05	0.30	0.48	0.27	0.55
Credit purchase	5,740,618,069	6,410,693,097	6,593,245,305	7,693,810,402	8,063,178,896
Trade and other payables	972,313,931	1,063,911,672	1,067,009,026	1,382,882,593	1,140,831,520
Trade and other payables Avg.	670,479,589	1,018,112,802	1,065,460,349	1,224,945,810	1,261,857,057
Accounts payable turnover (APTO) = Credit Purchase/Avg.AP	8.56	6.30	6.19	6.28	6.39
	42.63	57.97	58.98	58.11	57.12
Fixed asset (PPE)	659,780,212	664,430,644	777,545,549	1,170,066,081	1,169,619,781
Avg. net fixed asset	594,757,858	662,105,428	720,988,097	973,805,815	1,169,842,931
Fixed asset turnover (FATO) = R/Fix Asset (PPE)	14.81	14.62	13.31	10.04	7.64

2.28 Solvency Ratio of ANAN

Table 2.23 Solvency Ratio of ANAN

Ananda Development Public Company Limited
Solvency Ratio

	2013	2014	2015	2016	2017
Short-term risk					
Current Assets (CA)	11,184,368,253	14,244,287,414	16,142,591,615	18,745,439,117	22,161,384,650
Current Liabilities (CL)	4,999,053,739	3,494,702,668	5,652,889,281	9,546,886,816	8,039,602,017
Current Ratio = CA/CL	2.24	4.08	2.86	1.96	2.76
Assets					
Current Liabilities (CL)	2,642,698,134	2,504,842,040	2,715,422,334	3,282,454,588	3,662,562,030
Quick Ratio = Cash+AR+Marketable securities+Short-term Loan/CL	0.53	0.72	0.48	0.34	0.46
RCP	8.99	6.82	2.84	9.16	29.44
ICP	0.05	0.30	0.48	0.27	0.55
PDP	42.63	57.97	58.96	58.11	57.12
CCC	33.59 Days	50.86 Days	55.67 Days	48.68 Days	27.13 Days
CCC = RCP+ICP-PDP	365 Days				
Solvency Risk					
Debt	296,229,262	113,791,890	303,899,633	670,033,797	460,995,950
Equity	5,878,624,633	6,913,111,192	8,727,172,898	10,754,341,210	13,459,806,842
DE =D/E	5.04%	1.65%	3.48%	6.23%	3.42%
Debt	296,229,262	113,791,890	303,899,633	670,033,797	460,995,950
Total Assets	12,464,419,666	17,088,293,416	20,470,531,489	25,365,908,476	29,869,575,892
Debt to Total Assets Ratio =D/TA	2.38%	0.67%	1.48%	2.64%	1.54%
Profit before finance cost and income tax (EBIT)	1,136,715,371	1,822,888,592	1,801,094,259	2,142,573,083	1,986,584,695
Finance cost	112,241,226	227,307,760	253,642,990	334,835,726	285,232,160
Interest Coverage Ratio =EBIT/I	10.13	8.02	7.10	6.40	6.96

REFERENCES

- Ananda Development Public Company Limited. (2012). *Financial Annual Report yearly 2012*. Retrieved from <https://www.ananda.co.th/en/ir/new-center/annual-report>.
- Ananda Development Public Company Limited. (2012). *Form 56-1 Year 2012*. Retrieved from <https://www.ananda.co.th/en/ir/new-center/form-56-1>.
- Ananda Development Public Company Limited. (2012). *Presentation Q1-Q4 Year 2012*. Retrieved from <https://www.ananda.co.th/en/ir/presentations/presentations>.
- Ananda Development Public Company Limited. (2013). *Financial Annual Report yearly 2013*. Retrieved from <https://www.ananda.co.th/en/ir/new-center/annual-report>.
- Ananda Development Public Company Limited. (2013). *Form 56-1 Year 2013*. Retrieved from <https://www.ananda.co.th/en/ir/new-center/form-56-1>.
- Ananda Development Public Company Limited. (2013). *Presentation Q1-Q4 Year 2013*. Retrieved from <https://www.ananda.co.th/en/ir/presentations/presentations>
- Ananda Development Public Company Limited. (2014). *Financial Annual Report yearly 2014*. Retrieved from <https://www.ananda.co.th/en/ir/new-center/annual-report>
- Ananda Development Public Company Limited. (2014). *Form 56-1 Year 2014*. Retrieved from <https://www.ananda.co.th/en/ir/new-center/form-56-1>
- Ananda Development Public Company Limited. (2014). *Presentation Q1-Q4 Year 2014*. Retrieved from <https://www.ananda.co.th/en/ir/presentations/presentations>
- Ananda Development Public Company Limited. (2015). *Financial Annual Report yearly 2015*. Retrieved from <https://www.ananda.co.th/en/ir/new-center/annual-report>.
- Ananda Development Public Company Limited. (2015). *Form 56-1 Year 2015*. Retrieved from <https://www.ananda.co.th/en/ir/new-center/form-56-1>.

- Ananda Development Public Company Limited. (2015). *Presentation Q1-Q4 Year 2015*. Retrieved from <https://www.ananda.co.th/en/ir/presentations/presentations>.
- Ananda Development Public Company Limited. (2016). *Financial Annual Report yearly 2016*. Retrieved from <https://www.ananda.co.th/en/ir/new-center/annual-report>.
- Ananda Development Public Company Limited. (2016). *Form 56-1 Year 2016*. Retrieved from <https://www.ananda.co.th/en/ir/new-center/form-56-1>.
- Ananda Development Public Company Limited. (2016). *Presentation Q1-Q4 Year 2016*. Retrieved from <https://www.ananda.co.th/en/ir/presentations/presentations>.
- Ananda Development Public Company Limited. (2017). *Financial Annual Report yearly 2017*. Retrieved from <https://www.ananda.co.th/en/ir/new-center/annual-report>.
- Ananda Development Public Company Limited. (2017). *Form 56-1 Year 2017*. Retrieved from <https://www.ananda.co.th/en/ir/new-center/form-56-1>.
- Ananda Development Public Company Limited. (2017). *Presentation Q1-Q4 Year 2017*. Retrieved from <https://www.ananda.co.th/en/ir/presentations/presentations>.
- Bank of Thailand. (2018). *Thailand's Key Macroeconomic Chart Pack October 2018*. Retrieved from https://www.bot.or.th/Thai/Statistics/Graph/Chart_Pack/Chart%20Pack.pdf.
- Thai Institute of Directors Association. (2017). *Corporate Governance Report of Thai Listed Companies*. Retrieved from <https://www.thai-iod.com>.