

No. 006/2019

7 March 2019

Subject: Clarification on Change in Operating Result Exceeding 20% for the Period Ended 31 December 2018

To: President
The Stock Exchange of Thailand

Adamas Incorporation Public Company Limited (“the Company”) would like to clarify operating result for the period ended 31 December 2018 audited by the certified auditor regarding change from the same period of the last year exceeding 20%. The details are as follows:

Unit : Baht

Items	Year 2018	Year 2017 (Adjusted)	Increase (Decrease)	
			Baht	%
Revenues from sale of real estate	198,304,808	246,945,791	(48,640,983)	(19.70)
Interest income	2,089,846	801,499	1,288,347	160.74
Other income	600,872	1,378,771	(777,899)	(56.42)
Total revenues	200,995,526	249,126,061	(48,130,535)	(19.32)
Cost of sale of real estate	143,389,884	205,831,166	(62,441,282)	(30.34)
Distribution costs	36,677,209	16,075,665	20,601,544	128.15
Administrative expenses	29,316,076	34,943,150	(5,627,074)	(16.10)
Loss on sales of investments in subsidiaries	5,061,371	-	5,061,371	N/A
Business merger expense	255,840,869	-	255,840,869	N/A
Finance costs	26,886,733	11,153,387	15,733,346	141.06
Total cost	497,172,142	268,003,368	229,168,774	85.51
Profit (Loss) for the period	(289,707,542)	(18,494,122)	(271,213,420)	1,466.48

Description on significant changes

1. Revenues from sale of real estate of the Company and subsidiary decreased by 48.64 Million Baht or 19.70% compared to the previous year due to declining in condominium units available for sale while the Company just realized income from Rachaya Baan Chang 2 project in August 2018. Moreover, the Company has not yet realized income from Vana Resident project.

2. Cost of sale of real estate of the Company and subsidiary decreased by 62.44 Million Baht or 30.34% compared to the previous year, which is relevant to decrease in revenues.

3. Distribution costs increased by 20.60 Million Baht or 128.15% compared to the previous year due to increase in promotional campaign in Vana Resident project.

4. Loss on sales of investments in subsidiaries 5.06 Million Baht since disposal of all investment in Sittarom Development Company Limited at a price lower than the book value according to the consolidated financial statements. However, the selling price is higher than the book value according to the separate financial statements. Thus the separate financial statements shows the profit from the sale of investments 17.34 Million Baht

5. Business merger expense of 255.84 Million Baht are calculated in relative to accounting standard caused by the selling and offering of newly issued ordinary shares of the Company at a price higher than the fair value in order to be the compensation for the entire business transfer of Asset Five Holding Company Limited, which is only booked as expense in term of accounting but does not affect the cash of the Company and subsidiaries.

6. Financial costs increased by 15.73 Million Baht or 141.06% compared to the previous year due to interest expense of loans to buy land

Please be informed accordingly

Sincerely yours

Adamas Incorporation Public Company Limited

Signed

(Mr. Kriangkrai Siravanichkan)
Chairman of the Board of Directors