

SANSIRI

# Quarterly Newsletter

Issue No. 4/2003

Ticker Symbol : SIRI Reuters : SIRI.BK Bloomberg : SIRI TB Primary Exchange : The Stock Exchange of Thailand

## Key Stock Data

3Q03	1 Jul 03	30 Sep 03	% change
SIRI Price (Baht / Share)	9.0	16.4	78.9%
Property Sector Index	108.8	167.95	54.4%
SET index	477.73	578.98	21.2%
Avg Daily Turnover (Mil Baht)		140.11	
Avg Daily Turnover (Mil Shares)		10.60	

As of 2 Dec 03	
Issued shares (Mil Shares)	878
Estimated free float	40%
SIRI Price (Baht / Share)	13.50
Market Cap (Mil Baht / Mil US\$)	11,853 / 296

Major Shareholders (%)	As of 28 Oct 03
1. Natural Park Plc.	24.33%
2. Thai NVDR	6.52%
3. Unigold Enterprises Limited	5.66%
4. Capital Sign Investment Ltd.	4.53%
5. Mr.Sakonthon Sivarorosakul	4.53%
6. HSBC(Singapore)Nominees Pte Ltd.	4.28%
7. Univenture Asset Management Ltd.	3.07%

Contact Information  
Investor Relations  
Tel. (662) 201-3076  
Fax. (662) 201-3904  
email : IR@sansiri.com

Company Information  
Sirinpiyo Building 475  
16th Fl, Sri Ayutthaya Rd.,  
Rajathevi, Bangkok 10400  
Tel. (662) 201-3905-6  
Fax. (662) 201-3904  
www.sansiri.com

## In Brief

Sansiri registered a 244 million baht net profit for 3Q2003, resulted by high velocity of sales and proper strategy to focus on revenue from project sales. Based on solid platform of highly recognized brand and the strong demand for high quality housing, Sansiri's presales have climbed up to 8.69 billion baht, the highest level of the industry (as of November 24, 2003). Of total 347 units offered from 3 condominium projects, 80% were taken up within a few weeks after the launches in October and November 2003.

Moreover, Baan Sirisathorn, the condominium project launched in October 2002 and sold out within 3 weeks after the launch, was completed in September 2003, which is one month ahead the schedule. Sansiri successfully managed the on-budget and on-schedule construction progress although faced with some delays during rainy season by employing large and experienced contractors.

Contribution from Sofitel Silom Hotel has improved as the tourism industry recovers from the SARS outbreak. The government promotion campaign also results in a sustainably positive outlook for the industry. In addition, Plus Property Partners Co., Ltd, a subsidiary of Sansiri, has shown a high potential growth as it becomes more active in not only property development but sales management business as well.

Sansiri strongly believes that the post-crisis property sector has been growing healthier and become more brand-driven market. After a re-branding campaign to create sales momentum together with proven past records, Sansiri is currently riding on the back of established reputation as a high quality housing developer.



## Performance

Sansiri reported 244 million baht net profit in 3Q2003, a 66-fold increase over the same period in 2002, primarily due to speedy sales and proper strategy to ride the upward trend of the property business cycle. In addition to the net profit from core business, the sale of Siri-Apartment at Sukhumvit Soi 12 resulted in a gain of 153.8 million baht.

Of the total 3Q2003 revenues of 1,420 million baht, 1,068 million baht in property sales comprised 75%, 155 million baht from gains from investment and asset disposition comprised 11%, 88 million baht from hotel revenues comprised 6%, 58 million baht from property management comprised 4%, 33 million baht from rental income comprised 3% and 18 million baht from other revenues comprised 1%.

The 4-fold increase in total revenues over the same period in 2002 was largely driven by the 4-fold increase of project sales revenue, generated by 7 condominium projects, 2 single-detached house projects and 1 townhouse project. The condominium projects included Baan Sirisathorn, Baan Sirisathorn Suanplu, Baan Sirisukhumvit Soi 13, Baan Ratchadamri, Baan Siriruedee, Plus 38 and Garden Court while the single-detached house projects referred to Narasiri Sathorn-Wongwaen and Sansiri Sukhumvit 67. Moreover, the townhouse project, City Plus Sukhumvit 50, was added to the portfolio of revenue generator in 3Q2003, compared with only 2 single-detached house projects in 3Q2002.

Gross margin from property sales revenue in 3Q2003 was in line with the budget at 35% and would remain in 4Q2003. SG&A expense in 3Q2003 was 17.6% of revenues from core business, slightly increased from 16.9% in 2Q2003 but dramatically decreased from 24% in 1Q2003. Most of the SG&A expense incurred by the corporate re-branding campaign and launches of

new projects during housing expo in August, which has created sales momentum and resulted in high presales amount year-to-date. SG&A expense is expected to slightly drop to 16% for YE2003 and to continuously decline to the industry average in the next years.

Total assets and liabilities in 3Q2003 were 11.8 billion baht and 7.9 billion baht respectively, increasing from 9.9 billion baht and 6.4 billion baht in 2Q2003. Shareholders' equity slightly increased from 3.5 billion baht to 3.9 billion baht. Interest-bearing debt to shareholders' equity ratio remained within the forecast level of 1.5 times and is expected to move down after the capital increase in 1Q2004.

After bottoming out in May 2003, the average occupancy rate of Sofitel Silom Hotel increased to 69.5% in 3Q2003 and 82.6% in October 2003, resulting in 59.1% year-to-date occupancy rate. The APEC event in Thailand together with "Unseen in Thailand" campaign has also resulted in the positive outlook for tourism and hotel businesses.

Sansiri's revenues and profits are projected to increase in 4Q2003 in the light of strong presales amount of 8.69 billion baht (year-to-date). On the back of low interest rate and favorable economic environments, strong demand for housing should sustain at least in the next few years.



## Update

### **Capital raising plan to take advantage of the demand upturn**

In October 2003, Sansiri announced the 2.9 billion baht capital raising plan through rights offering with the subscription ratio of 3 existing shares to 2 newly issued shares at the price of 5 baht per share. The proceeds will be used for land acquisition and development of new projects to support aggressive expansion aiming at capturing higher market share and to build a strong platform for high sustainable growth in the future.

In order to maintain progressive growth while minimizing financial risk and maximizing funding flexibility, the management chose to increase the equity instead of gearing up the balance sheet. Nonetheless, due to a strong demand for housing projects and well-established Sansiri's brand, some new condominium projects will start generating income from 2004 onwards and therefore should ease an earning dilution.

### **Setting up property fund to free up some capital for higher rate of return investment.**

In order to free up some capital and re-invest in a higher rate of return from property for sales, Sansiri plans to set up a property fund for its Sofitel Silom Hotel. However, due to the currently adverse capital market conditions from the upward shift of the investment yield curve and higher return expectation of investors, the property fund plan has been postponed until the market conditions become more favorable.

### **High presales reflecting the strong demand for high quality housing.**

The 8.69 billion baht presales (as of Nov 24, 2003) indicate not only the strong demand for high quality housing projects but also an established brand of Sansiri. The recently launched condominium projects include Siriyenakat, SiriTwentyFour, and SiriSukhumvit Soi 10. Launched in September 2003, Siriyenakat has been well-received by the customers as more than 80% of total units were taken up within a few weeks after the launch. Currently, this project has only 9 units available for sale. Approximately 95% of 150-unit SiriTwentyFour project and 57% of 118-unit SiriSukhumvit Soi 10 were sold in 1 week after the launch in November 2003. In addition, 137 units of SiriSilom will be launched in late November 2003 in order to capture the strong pent-up demand.

### **Successful sales record enlarging Plus's customer base**

Plus Property Partners Co., Ltd., a subsidiary of Sansiri, has been recognized not only as the country's largest property manager with 30 million square feet under management, but also as a promising property developer with 7 projects launched this year. Plus will launch more projects in the near future. In addition, Plus has become more active in sales management business with diversified clientele including Sansiri and other developers. The successful sales record based on strong platform of full services and professional management system results in 24 projects worth more than 13,000 million baht currently under its sales management. Of the total, projects from other developers account for 2,560 million baht, consisting of: 800-million baht I-House Project of City Villa Co., Ltd.; 1,500-million baht State Tower Project of Challenge Property Co., Ltd.; and 260-million baht City Living Project of P.K. Global Co., Ltd.

### **Casa del Mare – Now Open**

Casa del Mare, a 36-room boutique hotel is now open to satisfy demand for private and cozy accommodation in Hua Hin. Located on more than 3 rai adjoining the prestigious Baan Kai Muk, Casa del Mare is in the tranquil rural setting, furnished with local arts, crafts and woven fabric to bring out the rustic ambience yet still featuring a complete set of modern conveniences. Positioned on the most popular beach of Thailand with high potential growth, Casa del Mare is an investment for recurring income, planned since our capital increase in August 2002. The average room rent per night ranges from 2,800 baht to 4,200 baht.

## Project Progress Update (as of November 15, 2003) Housing Projects



**Narasiri Sathorn Wongwaen** is a 2,100-million baht single-detached house project offering a total of 157 units. The Italian-style project was launched in May 2003 and, to date, 66 houses are sold. The expected construction completion is in April 2004 with the current construction progress at 62%.



**Baan Sansiri Sukhumvit 67** Sukhumvit 67 is a 3,284-million baht single-detached house project featuring 96 premium quality pre-built homes for sale in a fully amenitized, gated and masterplanned community in the mid-Sukhumvit location. The wholly pre-built concept was employed to match the lifestyles of those who need a high standard of living with no further construction after moving in. The current construction progress is 75%.



**Narasiri Pattanakarn-Srinakarindra** is a 3,683-million baht Oriental Contemporary style single-detached house project, featuring 177 units. The expected construction completion is in 4Q2004 with the current construction progress at 30%.



**Sretthasiri Sanambin-Nam** is a 2,796-million baht Contemporary style single-detached house project with 299 units. The first phase of pre-built homes, including 20 units, will be available in December 2003. The expected completion is in 4Q2004 with the current construction progress at 19%.



**Setthasiri Panya-Ramindra** is a 1,052-million baht single-detached house project with 143 units. The first phase of 30 pre-built homes will be available in December 2003. The expected completion is in 1Q2004 with the current construction progress at 45%.



**Saransiri Rangsit Klong 2** is a 1,258-million baht single-detached house project featuring 240 units. The first phase of 20 pre-built homes will be available in January and February 2004. The expected completion is in 4Q2004 with the current construction progress at 9%.

## Project Progress Update Condominium Projects



**Baan Sirisathorn** is a 529-million baht premium quality condominium project located on Yen-Akat Road. The project was sold out in October 2002 and construction was complete in September 2003, approximately one month ahead the schedule.



**Baan Sirisathorn Suanplu** is a 335-million baht premium grade condominium project with 75 units located in the business district. The foundation and structural work are complete with the current construction progress at 51%.



**Baan Sirisukhumvit Soi 13** is a 308-million baht luxury condominium project with 73 units. The foundation and structural work are complete with the current construction progress at 50%.



**Baan Ratchadamri** is a 926-million baht ultra-exclusive condominium project centrally located in the business district on Ratchadamri Road. The 32-unit project was launched in January 2003, with the current construction progress of 21% and completion scheduled in 4Q2004.



**Baan Sirirudee** is another Sansiri pre-sale success story. The 68-unit condominium project worth approximately 477 million baht opened for booking in May 2003. Receiving a strong market response, the project was sold out within a few weeks after the soft launch. The construction started in July 2003 with completion scheduled in 3Q2004. The current construction progress is 22%.



**Baan Nunthasiri** is another example of Sansiri's strong reputation in the high-end condominium market. The 1,043-million baht project was sold well after the launch in August 2003. The construction started in September 2003 with expected completion in 1Q2005.



**Baan Sanploen** is a modern-romantic style resort condominium in Hua Hin. The 729-million baht beachfront project was so enthusiastically received by the market that all 129 units sold out within 2 weeks of its launch in March 2003. The construction started in September 2003 with expected completion in 3Q2005.

## Project Progress Update Commercial Building Project



**SUN Square Silom** is a high-quality commercial building project on Silom Road. The 30-year lease project was fully booked within 2 weeks after launch in November 2002. Total value from the 37 units is approximately 292 million baht. Construction began in January 2003 with current progress at 60% completion and expected completion in 1Q2004.



## Project Progress Update

Plus Property Partners Co., Ltd.  
(as of November 15, 2003)

### Townhouse Projects

#### City Plus Sukhumvit Soi 50



City Plus Sukhumvit Soi 50 is a 145-million baht Contemporary-Euro style townhouse project located in prime location near a BTS commuter rail station. Although the project is the first townhouse project of Sansiri Group, it was sold out within weeks of its launch in March 2003, reflecting an established recognition of Sansiri Group not only as the preeminent condominium developer, but also as a successful developer in the townhouse market. Construction started with current progress of 90% and expected completion in January 2004.

#### City Plus Ekamai Soi 10



City Plus is an exclusive Neo-Euro style townhouse project with 11 units available. The 105-million baht project was launched in June 2003 with current construction progress at 25% and completion scheduled in April 2004.

### Condominium Projects

#### Plus 38



Plus 38 is a 256-million baht condominium project located on Sukhumvit Soi 38 featuring 112 units. The demand for highly individual place (HIP) condominium was so strong that all units were sold out within one week of its early March 2003 launch. The piling process is complete and current construction progress is 20%.

#### Plus 67



Plus 67 is a 274-million baht HIP condominium project located on Sukhumvit Soi 67 featuring 121 units. Following the launch in late March, 2003, the construction project started construction in July, 2003 and, is now approximately 8% finished with completion scheduled in August, 2004.

#### Sukhumvit Plus



Sukhumvit Plus is a 855-million baht condominium project with 383 units, featuring the largest swimming pool in the Sukhumvit area. Launched in June 2003, the project is receiving strong market response and is in the process of site preparation with expected completion in November 2005.

#### Garden court



Garden Court is a 435-million baht condominium project with 338 ready-to-move-in units located on Ratburana Road. The project is in the process of interior decoration.

#### 49 Plus



49 Plus is a 272-million baht condominium project with 77 units located on Sukhumvit Soi 49. The project is in the process of site preparation with expected completion by 4Q2004. The project was sold out within 3 days of its launch, indicating not only the strong demand for high-quality accommodation in this prime location, but the strong recognition of PLUS Property Partners Co., Ltd., as one of the new leading property developers.

### Plus Property Partners Company

Address: 163 Rajapark Bldg., 10th fl. Sukhumvit 21 (Asoke) Rd.,  
Klongtoey Nua., Wattana., Bangkok 10110

Phone: (662) 661-7555 Fax: (662) 661-6633

Email: [webmaster@sansiripropertyplus.com](mailto:webmaster@sansiripropertyplus.com)