

S A N S I R I

Quarterly Newsletter

Issue No. 1/2004

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

Key Stock Data

Year End 2003	01 oct 04	31 Dec 03	% change
SIRI Price (Baht / Share)	15.8	11.7	-25.9%
Property Sector Index	166.39	199.53	19.9%
SET index	569.75	772.15	35.5%
Avg Daily Turnover (Mil Baht)		104.11	
Avg Daily Turnover (Mil Shares)		7.49	

As of 18 Mar 04	
Issued shares (Mil Shares)	1,473
Estimated free float	40%
SIRI Price (Baht / Share)	8.35
Market Cap (Mil Baht / Mil US\$)	7,379 / 187

Major Shareholders (%)	As of 13 Feb 04
1. Natural Park Plc.	24.33%
2. Thai NVDR	6.07%
3. Unigold Enterprises Limited	5.66%
4. Capital Sign Investment Ltd.	4.53%
5. HSBC(Singapore)Nominees Pte Ltd.	4.07%
6. Morgan Stanley & Co International Ltd.	3.24%
7. Univenture Asset Management Ltd.	2.27%

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In Brief

Sansiri successfully turns around its business, as evidenced by a 12-fold increase of net profits from 49 million baht in Y2002 to 579 million baht in Y2003. The key factors in the resurgence were the successful rollout of projects supported by a strong demand for quality housing and the speedy recovery of Thai economy. Based on strong expertise and experience in the property market, Sansiri capitalized on its established reputation in the condominium market and made significant inroads toward being recognized as one of the leading property developers in the single-detached housing market.

A steady supply of pre-built houses from six single-detached housing projects, commenced in Y2003, will be placed on the market for sale in 1Q04 onwards. With its highly reputable standing as a property developer who delivers high quality housing, Sansiri continues to capitalize on the strong pent-up demand for quality housing. Total revenues in Y2004 are projected to soar to 15,000 million baht.

The 2,946 million baht re-capitalization, completed on March 2, 2004, strengthened Sansiri's capital base to support its sustainable growth over the next few years, with current total project value of 42,525 million baht under launch and development. After investing significant resources in planting their fields in Y2003, Sansiri is a growing business with an expected bumper harvest in Y2004 and onwards.



SANSIRI

Y2003 Performance

Sansiri Plc. registered 579.61 million baht net profit for the year ended 2003, a 12-fold increase over the same period in Y2002. This is due fundamentally to the explosive increase of total revenues and improved cost management, together with an astute handling of the financial crisis. In addition to 463.90 million baht normal profit from operation, prepayment of the last restructured corporate debt obligation and securing interest forgiveness resulted in a 115.71 million baht gain from debt restructuring.

Total revenues amounted to 3,813.92 million baht, or a 3-fold increase over the same period in Y2002, largely attributed to a 3-fold increase in revenues from projects for sale. An efficient and successful rollout of new development projects resulted in a progressive growth in revenues from project for sales, which increased significantly from 868.22 million baht realized from 2 single-detached housing projects and one condominium project in Y2002, to 2,858.40 million baht realized from 5 single-detached housing projects, 8 condominium projects and one townhouse project. In addition, revenues from property management increased 53% from 143.83 million baht in Y2002 to 220.41 million baht in Y2003 due to aggressive business expansion of Sansiri's subsidiary, Plus Property Partners Co., Ltd.

Due to the SARs outbreak during first half of Y2003, revenues from the hotel business improved only slightly from 111.03 million baht (5-month operation) in Y2002 to 342.82 million baht for Y2003. However, the occupancy rate has rallied after bottoming out in May 2003, as evidenced by the average occupancy rate at 50.2% in 1H2003 to 77.4% in 2H2003. The hotel business confirmed its upward trend with average occupancy rate of 92% for the first two months of Y2004.

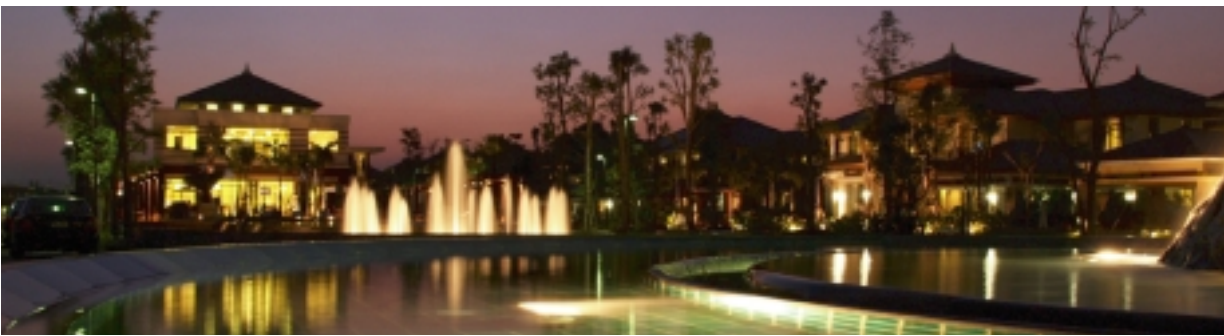
The gross margin of projects for sale improved significantly from 22.4% in Y2002 to 35.4% in Y2003 due to better cost-management and economies of scale. SG&A expense slightly improved from 20% of total revenues in Y2002 to 18% of total revenues in Y2003, and is forecast to reduce further to 15% of total revenues in Y2004.

Y2004 is expected to be one of the more prosperous years for Sansiri, as the strong demand for quality housing continues on the back of low interest rates and an obvious recovery of Thai economy. Banking on expertise and experience together with a strong reputation as a well-established high quality property developer, Sansiri is confident that it will make great strides toward becoming one of the highest capitalized developers in Thailand.

Y2004 Preview

For Y2004, total revenues are projected to increase fourfold to 15,000 million baht, 87% of which is from for-sale projects, 4% from rental business (including Hotel business) and the balance will from Sansiri's Plus Property Partners Co., Ltd. subsidiary. Of the total 15,000 million baht revenues, approximately 5,200 million baht from total group presales of 10,414 million baht (as of March 29, 2004) will be realized in Y2004. The 13,000 million baht of revenues from for-sale single-detached housing project and condominium projects is 70% and 30% respectively. The major component of revenues is from for-sale single-detached projects, as a series of six single-detached housing projects featuring pre-built houses (initiated in Y2003 with total project value of 14,473 million baht) will be placed into the market in the first quarter of 2004 onwards.

Gross margin will be maintained at 35% while SG&A will be reduced to 15% of total revenues, resulting in expected net profits of 16.5% of total revenues.



Update

Rights offering was fully subscribed with 187 shares oversubscribed

SIRI's rights offering with subscription ratio of 3 existing shares to 2 newly issued shares, at 5 baht per share, was fully subscribed with 187 million shares oversubscribed. Of the total rights offering 589,218,474 shares, 68.14% were allotted to Thai investors with the balance allotted to foreign investors. After the new share issuance, SIRI has 1,473,046,185 outstanding shares with 4,974 shareholders. Total registered capital is 7,754,778,150 baht while paid-up capital is 7,365,223,925 baht.

Reflecting the high level of confidence in the company, the successful capital increase worth 2,946 million baht lessens concerns on financial risk and increases funding flexibility to accommodate continuing growth. The proceeds will be used for land acquisition and development of new projects to support aggressive expansion aimed at capturing a higher market share and building a strong platform for sustainable future growth. Due to a strong demand for housing projects and Sansiri's recognized brand value, some new condominium projects will begin generating income from 2004 onwards and should ease any earnings dilution.

NEW PROJECTS ANNOUNCEMENT FROM SANSIRI

In February 2004, Sansiri announced plans to develop eight new residential projects, comprising six single-detached housing projects and two condominium projects with a total project value of 20,850 million baht.

The development plan for the new projects is founded on detailed surveys that indicate all six locations for the new single-detached housing projects will satisfy customer demand, both in terms of convenient transportation and access and a high potential to develop a quality community. The new locations include Phuttamonthon Sai-1, Panya Ramindra Road, Sanambinnam, Sathorn-wongwaen, Sukhapiban 2, and Prachachuen. Sansiri plans to launch at least four condominium projects worth 3 billion baht in Y2004 with two land plots already acquired and an additional two plots yet to be selected. The two new condominium projects, with total value of 1,147 million baht, to be unofficially launched on March 15, 2004 are Baan SiriThirtyOne, with 104 units, and Baan Sathornsiri on YenAkut Road, with 41 units.



NEW LOOK OF

PLUS PROPERTY PARTNERS CO., LTD.

Plus Property Partners Co., Ltd. ("Plus"), a 95%-owned subsidiary of Sansiri, rolled out a new logo to reflect the positioning of the company as the universal property solution provider of Thailand.

Mr. Yongyutt Chaipromprasith, Chief Executive Officer of "Plus", reports that the growth of every element to Plus' core business, including property development, property management, and brokerage and sales management, was higher than forecasted in Y2003. The company successfully paved the way to be one of the leading property developers by launching 7 quality residential projects worth 2,300 million baht, all of which received a warm welcome from customers. The projects include 2 cluster-homes named "City Plus Sukhumvit Soi 50" and "City Plus Ekamai Soi 10", and 5 condominium projects named "Plus 38", "Plus 67", "49 Plus", "Sukhumvit Plus", and "Garden Court".

In addition, the company has been awarded the management of 63 projects by both public and private sector owners, including 29 condominium projects, 15 office buildings, 5 apartment buildings, 9 single-detached housing projects, 2 resort projects, with and additional 2 projects under engineering management and one project under asset management. Consequently, the company is recognized as the largest property manager in Thailand with 2.65 million square meters under management.

The company also has become more active in the brokerage and sales management business, with total resale transactions valued at 1,800 million baht under brokerage management, and 18 projects valued at 23,000 million baht under sales management. The projects under sales management comprise 6 single-detached housing projects worth 15,000 million baht and 12 condominium projects worth 8,000 million baht.

At the end of Y2003, the company engaged a re-branding program and rolled-out a new logo reflecting a new look emphasizing "Plus" as an effective and highly professional universal property solution provider. Following the launch of new logo, "Plus" will highlight its competence as a property developer by launching 5 projects worth 1,900 million baht, including 3 cluster-home projects named "City Plus Kaset-Nawamin", "City Plus Sukhumvit 101/1" and "City Plus Ladprao", together with 2 condominium projects at YenAkut Road and Sukhumvit Soi 49.

In order to sustain 30% growth in its property management services, "Plus" plans to expand its business to cover 80 projects all over Thailand with a greater focus on the office building asset class. Banking on its integrated database and highly efficient sales management system, the company targets 70% growth of brokerage and sales management, with a greater focus on projects in outer Bangkok area.

Project Progress Update (as of March 31, 2004) Housing Projects



Narasiri Sathorn Wongwaen is a 2,352-million baht single-detached house project offering a total of 157 units. The Italian-style project was launched in May 2003 and, to date, 68 houses are sold. The expected construction completion is in June 2004 with the current construction progress at 82%.



Baan Sansiri Sukhumvit 67 is a 3,304-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 88%.



Narasiri Pattanakarn-Srinakarindra is a 3,688-million baht Oriental Contemporary style single-detached house project, featuring 177 units. The grand opening was held during February 28-29, 2004 and to date, 15 units of the 20 units from the first phase of pre-built houses are sold. The expected construction completion is in 4Q2004 with the current construction progress at 42%.



Sretthasiri Sanambin-Nam is a 2,797-million baht Contemporary style single-detached house project with 299 units. The project was unofficially launched in the mid-March and to date, 14 units of the 20 units from the first phase of pre-built houses are sold. The expected completion is in August 2005, with the current construction progress at 38%.

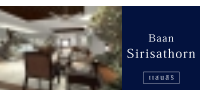


Setthasiri Panya-Ramindra is a 1,053-million baht single-detached house project with 143 units. The project was unofficially launched in the March and to date, 4 units of the 15 units from the first phase of pre-built houses are sold. The expected completion is in 3Q2004 with the current construction progress at 89%.

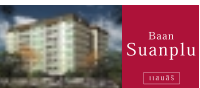


Saransiri Rangsit Klong 2 is a 1,279-million baht single-detached house project featuring 240 units. The project will be unofficially launched in mid-March with the first phase of 20 pre-built homes available. The expected completion is in May 2005 with the current construction progress at 19%.

Project Progress Update Condominium Projects



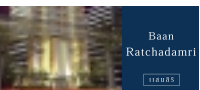
Baan Sirisathorn is a 529-million baht premium quality condominium project located on Yen-Akat Road. The project was sold out in October 2002 and construction was complete in September 2003, approximately one month ahead the schedule. Of the 169 total units, 150 units were transferred to customers in Y2003 while the balance will be transferred within March 2004.



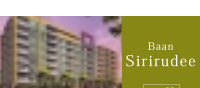
Baan Sirisathorn Suanplu is a 342-million baht premium grade condominium project with 75 units located in the business district. The expected completion is in 1Q2004.



Baan Sirisukhumvit Soi 13 is a 314-million baht luxury condominium project with 73 units. The expected completion is in 1Q2004.



Baan Ratchadamri is a 947-million baht ultra-exclusive condominium project centrally located in the business district on Ratchadamri Road. The 32-unit project was launched in January 2003 and sold out in by YE2003, with the current construction progress of 40% and completion scheduled in January 2005.



Baan Sirirudee is another Sansiri pre-sale success story. The 68-unit condominium project worth approximately 485 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 60%.



Baan Nunthasiri is another example of Sansiri's strong reputation in the high-end condominium market. The 1,052-million baht project was sold well after the launch in August 2003, and to date, only 13 units are available. The construction started in September 2003 with expected completion in 2Q2005. The current construction progress is 20%.



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. The current construction progress is 15%.

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 85% completion and expected completion in 1Q2004.



Project Progress Update

Plus Property Partners Co., Ltd.
(as of March 31, 2004)



Townhouse Projects

City Plus Sukhumvit Soi 50

City Plus Sukhumvit Soi 50 is a 140-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. The construction is 100% complete. Most of the units were transferred in Y2003 except 3 units to be transferred withing 1Q2004.



City Plus Ekamai Soi 10

City Plus Ekamai Soi 10 is an exclusive Neo-Euro style townhouse project with 11 units available. The 106-million baht project was launched in June 2003 with current construction progress at 74% 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 current construction progress is 41% with expected completion in August 2004.



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 started in July 2003 and is now approximately 33% finished with completion scheduled in October 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 100% complete with 203 units already transferred.



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 February 2005. 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

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Summary of Real Estate Market and Competition

Sansiri Research

Bangkok's property market had enjoyed a steady turnaround in 2003, supported by strong pent-up demand for detached housings, townhouses, and condominiums, while developers themselves had continually introduced new supply in the market. On the other hand, the office-for-rent market overall had room for further expansion, though demand still lagged behind supply.

The government's decision to terminate its special property tax incentive scheme by end of 2003 and the low interest rate over the past two years were two major factors pushing up growth in the property market last year.



Single-Detached Home and Townhouse Market

Last year, both segments of single-detached house and townhouse had apparently recovered. There were 511 active housing projects with a total unit supply of 70,737, which could be divided into 365 single-detached home projects with 41,774 units and 146 townhouse projects with 28,963 units - almost doubling from in 1H-2003.

It is found that most developers had tried to attract low-to-middle income clients with offering price of 1-3 million baht, and 3-5 million baht, respectively, for single-detached houses. Both groups of clients together makes up a 59 market share and the offering price set by developers was suitable with actual income base of target clients. Most interestingly, sale of single-detached house with price ranging from 7 million to 10 million baht during 2H-2003 had grow by 14 percent from in 1H-2003, indicating a high-end market had made a comeback once again.



As for the market outlook for 2004, both segments of single-detached houses and townhouses are expected to expand further, with even more intensified competition than last year. However, total supply left over from 2003 coupled with that of new projects would enable the market to have at least 40,000 units for sale this year, with most operators opting to run new projects mainly on prime locations, where new roads networks are being built linking up with inner city.



CONDOMINIUM MARKET

The condominium market in 2003 kept its growing pace as evidenced by more than 44 new condominium projects, with a total of 6,874 units - doubling from in 2002, were in the market. Of the totals, 26 new projects with a total of 3,836 units were launched in 2H-2003, most of which were located along inner city areas of Bangkok such as Sukhumvit, Silom, Sathorn, Rajdamri, Lungsuan, and Ploenchit, where commuters can gain easy access to BTS sky-train service; and Ratchadapisek area where a subway project would be in full-service this August.

The condominium market trend in 2004, particularly projects in Ratchadapisek area where subway project would be in service this year; and the ones located in Rama IV are expected to expand further both on the fronts of demand and supply. These areas are economically viable for running new condominium projects, while price of new condominium projects' unit is expected to go up by 10-15 percent, pushed up by increased costs of land, construction related expenses and building materials.



APARTMENT MARKET

The apartment for rental market in 2003 improved slightly from a year before. New supply of rental apartments last year totaled 83 units. Sukhumvit area had the largest number of apartments available for rents, with a combined 7,224 units from 257 projects, followed by Yen Akard-Rama III that had 1,081 units from 25 projects, and central business district areas I (Ploenchit-Chidlom).

The average occupancy rates in 2003 fell by one percent to 93 percent. Rents for the grade-A apartments in Yen Akard-Rama III areas last year fell by average 5 percent. However, rents for grade-A apartments with large rooms had been raised up significantly from in 2002. Rents of grade-A apartments in central business district 1 (Ploenchit-Chidlom) declined by 3 percent, while rents of grade-A apartments in central business district 2 (Silom-Sathorn) were up from in 2002 by 2 percent. Rents of grade-A apartments in Sukhumvit area, however, rose from in 2002 by 3 percent to 358 baht. Rents for grade-B apartments in 2003 fell by average 1-2 percent from in 2002.

It is expected that a few new apartment projects would be opened up for services in 2004, especially in Sukhumvit area. At the same time, existing projects are likely to meet with an intense competition in the market, thus forcing operators to slash price of rental apartments slightly. It is projected that occupancy rates for 2004 would go up by average 2-5 percent from in 2003 as the likely growth of foreign tourist arrivals this year would lead to strong demand for rental apartments in Bangkok.





SERVICED APARTMENT MARKET

There were a total of 10,718 units of serviced apartments in 2003 from 91 active projects. Of these, 8 were new projects with a total of 1,200 units, while services for two existing projects with combined 30 units were closed down for partial renovations. The serviced apartment market in 2003 had much improved from in 2002 and enabled it to be able to meet a steady strong demand.

New projects in 2003 helped push up rents of grade-A serviced apartments by 31 percent from in 2002. On the other hand, rents of grade-B serviced apartments in 2003 fell by average 13 percent from in 2002

Outlook for serviced apartment market in 2004, operators are expected to come up with variety of new marketing strategy to attract interests from clients.



OFFICE MARKET



The office-for-rent market's total space in 2003 fell to 6.578 million square meters from 6.599 million square meters in 2002. The office space fell because certain developers had changed their development models into condominium projects instead.

A strong expansion of the Thai economy in 2003 brought to expand current capacity, which in turn led to strong demand for office buildings. A result of the survey showed that occupancy rates of office-for rent in 2003 rose by 4 percent to 5.295 million square meters from 5.035 million square meters in 2002. The vacancy rate declined to 20 percent in 2003 from 24 percent in 2002, and it was also equivalent to a lowest record vacancy level in 1996. The office space increase derived mostly from business expansions such as insurance, telecoms, finance and banking. Government's agencies had also expanded office spaces, particularly the establishment of new ministries such as the Energy and Social Development Ministries.

The occupancy rates for office buildings in 2003 rose from in 2002 by average 4-6 percent, with occupancy rate in central business district and Phayathai areas surging by 6 percent, followed by occupancy rate in Chaengwattana and Ratchadapisek areas that rose by 5 percent and 4 percent, respectively.

Rents of office building in all areas in 2003 rose from in 2002 by average 4 percent, with rents of office space in Ploenchit were highest at 417 baht per square meter, followed by Silom and Sathorn area with rental rate of 399 baht per square meter, while at the same time occupancy rate of office space in these areas remained high.

The office market in 2004, regarding to occupancy and rental rates, is expected to further improved on the back of a constant expansion of the Thai economy. Rents of office space are expected to gradually recover and on way to match a pre-crisis range shortly, depending on conditions, quality, and rental rates of each office building.