

Ticker Symbol : **SIRI** Reuters : **SIRI.BK** Bloomberg : **SIRI TB** Primary Exchange : **THE STOCK EXCHANGE OF THAILAND**

## Key Financial Data

1Q2014	31 Mar 14	27 Dec 13	% Change
SIRI Price (Baht/Share)	1.89	1.79	5.59
Property Sector Index	257.89	233.26	10.25
SET Index	1,376.26	1,298.71	5.97
Avg Daily Turnover (Mil Baht)	94.89	498.90	- 80.98
Avg Daily Turnover (Mil Shares)	48.50	148.40	- 67.32

As of 31 Mar 2014	
Issued Shares (Mil Shares)	9,563
Estimated free float	84.81
SIRI Price (Baht/Share)	1.89
Market Cap (Mil Baht/ Mil US\$)	18,073 / 565

Major Shareholders as of 18 Mar 2014	%
Viriyah Insurance Public Company Limited	6.58
Thai NVDR Co., Ltd.	5.46
Littledown Nominees Limited 38	2.72
Mr. Wanchak Buranasiri	2.64
Finansa Life Assurance Co., Ltd.	2.61

## Sansiri Public Company Limited and its subsidiaries

### Profit and Loss Statement (Summary)

	1Q2014		1Q2013		% Change
	Million Baht	%	Million Baht	%	
Total Revenues	5,502	100.0	5,180	100.0	6.2
Total Costs	2,950	53.6	3,478	67.1	-15.2
<b>Gross Profit</b>	<b>2,551</b>	<b>46.4</b>	<b>1,703</b>	<b>32.9</b>	<b>49.8</b>
SG&A	<b>1,365</b>	<b>24.8</b>	<b>1,644</b>	<b>31.7</b>	<b>-16.9</b>
▪ Selling Expenses	594	10.8	1,006	19.4	- 41.0
▪ Administrative Expenses	786	14.3	665	12.6	20.1
▪ Other Expenses	-14	-0.3	-17	-0.3	-18.0
<b>EBIT</b>	<b>1,186</b>	<b>21.6</b>	<b>59</b>	<b>1.1</b>	<b>1,902.0</b>
Finance Cost	155	2.8	133	2.6	17.1
<b>EBT</b>	<b>1,031</b>	<b>18.7</b>	<b>-73</b>	<b>-1.4</b>	<b>1,505.3</b>
Effective Tax Rate	201	19.5	13	-17.8	1,436.1
<b>Profit (loss) for period</b>	<b>830</b>	<b>15.1</b>	<b>- 86</b>	<b>- 1.7</b>	<b>- 1,060.3</b>

Note: Proportion in table above is shown as percentage to total revenues, except effective tax rate which is shown as percentage of EBT

## Total Revenues

	1Q2014		1Q2013		% Change
	Million Baht	%	Million Baht	%	
<b>Revenues from Project</b>					
Revenues from project sales	4,152	75.5	4,873	94.1	-14.8
Revenues from projects for rent	22	0.4	39	0.8	-43.5
<b>Revenues from property services</b>					
Revenues from business management	125	2.3	125	2.4	-0.3
Revenues from other services	56	1.0	73	1.4	-23.2
Other Revenues	1,147	20.8	70	1.3	1,543.7
<b>Total revenues</b>	<b>5,502</b>	<b>100.0</b>	<b>5,180</b>	<b>100.0</b>	<b>6.2</b>

Note: Proportion in table above is shown as percentage to total revenues

Total revenue in 1Q-2014 amounted to 5,502 Million Baht, increasing by 6 percent from 5,180 Million Baht in 1Q-2013. The increase in total revenue was driven by the increase in other revenues consisting of gain from sales of property to the property fund amounting 768 Million Baht, and gain from sale of land amounting 304 Million Baht. However, revenue from project sales which was core revenue, decreased by 15 percent compared to 1Q-2013. For 1Q-2014, Sansiri and its subsidiaries reported net profit of 830 Million Baht, a significant increase from net loss of 86 Million Baht in 1Q-2013 owing to the increase in total revenue and the decrease in operating expense.

## Revenues from Project Sales

	1Q2014		1Q2013		% Change
	Million Baht	%	Million Baht	%	
Single-Detached House	1,923	46.3	2,096	43.0	-8.3
Townhouse	347	8.4	479	9.8	-27.6
Condominium	1,882	45.3	2,298	47.2	-18.1
<b>Revenues from project sales</b>	<b>4,152</b>	<b>100.0</b>	<b>4,873</b>	<b>100.0</b>	<b>-14.8</b>

Note: Proportion in table above is shown as percentage to revenues from project sales



In 1Q-2014, Sansiri and its subsidiaries reported declining revenue from project sales in every product type with a 15 percent decrease from that of 1Q-2013. To the total revenue from project sales in 1Q-2014, 1,923 Million Baht revenue from single-detached house projects contributed 46 percent, 1,882 Million Baht revenue from condominium projects contributed 45 percent, with the balance of 347 Million Baht from townhouse projects contributed 8 percent.

Revenue from single-detached house projects in 1Q-2014 amounted to 1,923 Million Baht, an 8 percent decrease from 2,096 Million Baht in 1Q-2013. Revenue from single-detached house was mainly from four projects, including Setthasiri Chaengwattana-Prachachuen, Narasiri Bangna, Setthasiri Onnut-Srinagarindra, and Setthasiri Ratchapruek-Charun 2, altogether contributed 709 Million Baht or 17 percent of total revenue from project sales.

In 1Q-2014, revenue from townhouse project amounted to 374 Million Baht, decreased from 479 Million Baht in 1Q-2013. The major contributor was 151-million baht revenue from three townhouse projects, namely Habitown Fold Tiwanon-Chaengwattana, Habitown Kohkaew Phuket, and B Avenue Tiwanon.

Similarly, revenue from condominium projects decreased by 18 percent from 2,298 Million Baht in 1Q-2013 to 1,882 Million baht in 1Q-2014. The projects in Phuket province and Hua Hin district were the main contributors to revenue from condominium projects in 1Q-2014, with the value of 1,180 Million Baht or 28 percent of total revenue from project sales. In this regard, The BASE Downtown Phuket was the biggest contributor to revenue from condominium projects in 1Q-2014.

## Revenue from Property Service

The decrease in revenue from project for rent from 39 Million Baht in 1Q-2013 to 22 Million Baht in 1Q-2014 was caused by a declining number of other tenants of Siripinyo Building. Revenue from business management was 125 Million Baht, closed to that of 1Q-2013. Furthermore, revenue from other services including revenue from medical spa business, hotel business, and education business, was 56 Million Baht, a 23 percent decrease from 73 Million Baht in 1Q-2013, mainly due to the decrease in revenue from medical spa business. The operation of medical spa business was suspended upon the expiry of the rental contract of Bhakdi Building in July 2013. Consequently, there is no revenue from medical spa business recorded since 3Q-2013 onwards.

## Costs

	1Q2014		1Q2013		% Change
	Million Baht	%	Million Baht	%	
Cost of project sales	2,763	50.2	3,313	64.0	-16.6
Cost of projects for rent	20	0.4	19	0.4	7.8
Cost of business management	97	1.8	78	1.5	24.0
Cost of other services	69	1.3	67	1.3	3.5
<b>Cost of goods sold</b>	<b>2,950</b>	<b>53.6</b>	<b>3,478</b>	<b>67.1</b>	<b>-15.2</b>

Note: Proportion in table above is shown as percentage to total revenues.

## Cost of Project Sales and Other Costs

In 1Q-2014, cost of project sales amounted to 2,763 Million Baht, a 17 percent decrease from that of 1Q-2013, in accordance with a decrease in revenue from project sales. Gross profit margin of project sales increased from 32.01 percent in 1Q-2013 to 33.45 percent in 1Q-2014 due to the high gross profit margin of condominium projects. Cost of projects for rent in 1Q-2014 amounted to 20 Million Baht, close to that of 1Q-2013, whereas cost of business management increased from 78 Million Baht in 1Q-2013 to 97 Million Baht in 1Q-2014. Cost of other services including medical spa, hotel business, and education business increased by 4 percent from 1Q-2013. The higher cost of education business was caused by English language school outsourcing in order to improve the quality of English classes. In this regard, the primary school outsources the English courses to British Council, the educational institution with expertise in teaching English language.

## **Selling, General and Administrative Expenses**

Sansiri and its subsidiaries recorded selling and administrative expense in 1Q-2014 at 1,379 Million Baht or 25.1 percent of total revenue, significantly decreased from 32.1 percent of total revenue in 1Q-2013. Selling expenses in 1Q-2014 were at 594 Million Baht or 10.8 percent of total revenue, dramatically declined from 1,006 Million Baht or 19.4 percent of total revenue in 1Q-2013 due to the fewer launches. The continual political unrest situation in Thailand which negatively affected the overall economy and consumers' confidence, has led to the revision of Sansiri's business plan with fewer launches of two new projects in 1Q-2014, compared to seventeen new projects launched in 1Q-2013. As a result, selling expenses in 1Q-2014 decreased dramatically. Nonetheless, the administrative expenses (including management benefit expenses) in 1Q-2014 increased moderately from 655 Million Baht in 1Q-2013 to 786 Million Baht or 14.3 percent of total revenue in 1Q-2014. In this regard, the administrative expense in 1Q-2013 was quite low comparable to that of 1Q-2014, as some accrual staff expenses in 1Q-2013 was not recorded due to net loss in 1Q-2013.

## **Financial Expense**

In 1Q-2014, financial expense was at 155 Million Baht, increased from 133 Million Baht in 1Q-2013 due to the interest expenses incurred by the undeveloped land plots, which were acquired and still in the design and marketing process. In addition, the interest expense of complete condominium projects that were ready for transfer of ownership was included in the financial expenses as well.

## **Net Profit**

For 1Q-2014, Sansiri and its subsidiaries reported net profit of 830 Million Baht, with the net profit margin of 15.1 percent of total revenue, a significant growth comparable to net loss of 86 Million Baht in 1Q-2013. The main factor was the increase in total revenue which was driven by gain from sales of property and land as well as the 17 percent decrease in operating expenses. An effective corporate income tax in 1Q-2014 was at 19.5 percent of earnings before corporate income tax.

## Balance Sheet (Summary)

	As of March 31 <sup>st</sup> , 2014		As of December 31 <sup>st</sup> , 2013		% Change
	Million Baht	%	Million Baht	%	
Asset					
Current assets	59,276	90.2	52,957	88.4	11.9
Non-current assets	6,429	11.8	7,083	11.6	-9.2
<b>Total asset</b>	<b>60,705</b>	<b>100.0</b>	<b>60,040</b>	<b>100.0</b>	<b>9.4</b>
Liabilities and shareholders' equity					
Liabilities					
- Current liabilities	23,503	35.8	19,388	39.1	21.2
- Non-current liabilities	24,271	36.9	23,584	28.2	2.9
<b>Total liabilities</b>	<b>47,774</b>	<b>72.7</b>	<b>42,972</b>	<b>67.3</b>	<b>11.2</b>
Shareholders' equity					
- Shareholders' equity	17,932	27.3	17,068	32.7	5.1
<b>Total shareholders' equity</b>	<b>17,932</b>	<b>27.3</b>	<b>17,068</b>	<b>32.7</b>	<b>5.1</b>
<b>Total liabilities and shareholders' equity</b>	<b>65,705</b>	<b>100.0</b>	<b>60,040</b>	<b>100.0</b>	<b>9.4</b>

Note: Proportion in table above is shown as percentage to total assets

## Assets

Total assets of Sansiri and its subsidiaries as of 31 March 2014 amounted to 65,705 Million Baht, an increase of 5,665 Million Baht from that of 31 December 2013. Following the successful business expansion and construction progress of housing units to be transferred to customers in the future, the property development for sale increased by 6,268 Million Baht. As a result, current assets as of 31 March 2014 was at 59,276 Million Baht, increased by 6,319 Million Baht from that of 31 December 2013. Total non-current assets as of 31 March 2014 was at 6,429 Million Baht, decreased by 654 Million Baht from that of 31 December 2013 due to a decrease in investment properties of Papanun Limited, which was one of Sansiri's subsidiaries. Papanun sold land, building, related utility systems and equipment of Siripinyo Building to Sansiri Prime Office Property Fund in March 2014.

## **Liabilities**

Total liabilities of Sansiri Group amounted to 47,774 Million Baht as of 31 March 2014, an increase of 4,801 Million Baht from as of 31 December 2013. Total current liabilities amounted to 23,503 Million Baht or increased by 4,115 Million Baht while total non-current liabilities increased by 687 Million Baht to 24,271 Million Baht. An increase in total liabilities was mainly from an increase in long-term loans in order to accommodate project development. In this regard, the interest bearing debt increased from 34,669 Million Baht as of 31 December 2013 to 38,420 Million Baht as of 31 March 2014. The debt-to-equity ratio was 2.66 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 2.14 times. In this regard, Sansiri has been operating under restrictive financial covenants with gearing ratio less than 2.5 to 1.

## **Shareholders' Equity**

Shareholders' Equity as of 31 March 2014 amounted to 17,932 Million Baht, an increase of 864 Million Baht from as of 31 December 2013, mainly driven by the 1Q-2014 net profit of 830 Million Baht, together with proceeds from the exercise of ESOP#5 and ESOP#6 allocating to directors and employees of Sansiri and its subsidiaries, and of SIRI-W1 amounted to 37 Million Baht.

### **CONTACT INFORMATION INVESTOR RELATIONS**

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### **COMPANY INFORMATION**

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