



(English Translation)

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29 February 2016

Subject : Clarification of Year 2015 Operating Result

To : President  
The Stock Exchange of Thailand

Sansiri Public Company Limited (SIRI) would like to clarify the operating result for the year ended 31 December 2015 of the Company and its subsidiaries as follows.

Total revenue in 2015 amounted to 38,455 Million Baht, increased by 30 percent from 29,527 Million Baht in 2014. An increase of total revenue was driven by a 29 percent increase in the revenue from project sales, which was the core revenue, as well as a 136 percent and a 28 percent increase in revenue from business management and revenue from other service respectively. For the year 2015, Sansiri and its subsidiaries reported net profit of 3,506 Million Baht, an increase of 3 percent from net profit of 3,393 Million Baht in 2014.

#### Revenue from Property Development for Sale

The breakdown of revenue from property for sale during 2013 – 2015 is as follows:

	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Single-detached houses	10,166	36.7	11,488	42.2	10,107	28.8
Townhouses / Home Office	2,367	8.5	1,622	6.0	1,996	5.7
Condominiums	15,157	54.7	14,045	51.7	23,048	65.6
Others	34	0.1	20	0.1	1	0.0
<b>Total</b>	<b>27,724</b>	<b>100.0</b>	<b>27,174</b>	<b>100.0</b>	<b>35,152</b>	<b>100.0</b>



In 2015, Sansiri and its subsidiaries reported a significant increase in revenue from townhouse and condominium projects, resulting in a 29 percent increase in revenue from project sales from 27,174 Million Baht in 2014 to 35,152 Million Baht in 2015. To the total revenue from project sales in 2015, 23,048 Million Baht revenue from condominium projects contributed 65.6 percent, 10,107 Million Baht revenue from single-detached house projects contributed 28.8 percent, and the revenue of 1,996 Million Baht from townhouse projects contributed 5.7 percent.

Revenue from single-detached house projects in 2015 amounted to 10,107 Million Baht, a 12 percent decrease from 11,488 Million Baht in 2014. The main contributors were the eight single-detached house projects under the brand "Setthasiri" which contributed 3,906 Million Baht of revenue, and the five single-detached house projects under the brand "Narasiri" which contributed 1,536 Million Baht of revenue. Altogether, they contributed 15.0 percent of total revenue from project sales. In this regard, Setthasiri Charun-Pinklao had the highest contribution to the total revenue from single-detached house project in 2015, amounted to 1,083 Million Baht.

Revenue from townhouse projects in 2015 amounted to 1,996 Million Baht, an increase of 23 percent compared to the previous year. In this regard, the main contributors were the 946-Million Baht revenue from seven townhouse projects under the brand "Town Avenue", together with the 572-Million Baht revenue from three townhouse projects under the brand "Habitown". Habitown Nest Thakham-Rama 2 project contributed the biggest portion to the total revenue from townhouse projects in 2015.

In 2015, revenue from condominium projects accounted for 66 percent of the total revenue from project sales. The revenue significantly increased by 64 percent, from 14,045 Million Baht in 2014 to 23,048 Million Baht in 2015. The revenue was mainly from condominium projects in upcountry, accounted for 67 percent of total revenue from condominium projects or contributed revenue of 15,497 Million Baht. In this regard, NYE by Sansiri, dcondo Kanchanavanich, and The BASE Park West Sukhumvit 77 were the three highest contributors in 2015, contributing revenue of 5,870 Million Baht or accounting for 17 percent of the total revenue for project.



### Revenue from Property Services

Revenue from projects for rent decreased by 16 percent from 76 Million Baht in 2014 to 64 Million Baht in 2015. Revenue from business management in 2015 amounted to 1,432 Million Baht, with an increase of 606 Million Baht or 136 percent from last year. The increase was driven by the revenue from property management of joint venture. Moreover, revenue from other services including revenue from hotel business and education business amounted to 304 Million Baht, an increase of 28 percent compared to last year. In addition, Sansiri and subsidiaries reported a gain from sale of land of 964 Million Baht in 2015.

### Cost of Goods Sold and Operating Expenses

#### *Cost of Project Sales and Other Costs*

For the year 2015, cost of project sales amounted to 24,656 Million Baht, a 37 percent increase from that of the year 2014, in accordance with an increase in revenue from project sales. Gross profit margin of project sales decreased from 33.6 percent in 2014 to 29.9 percent in 2015 as a result from stock management as the selling price of some units was adjusted down. Cost of projects for rent amounted to 46 Million Baht, a decrease of 24 percent from that of last year, while cost of business management amounted to 1,061 Million Baht, an increase by 111 percent corresponding to the increase in revenue from business management. In addition, cost of other services including hotel business and education business increased by 22 percent compared to last year.

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

Sansiri and its subsidiaries recorded selling and administrative expense in 2015 of 6,460 Million Baht, accounted for 16.8 percent of total revenue, a decline from 18.6 percent from that of last year. Selling expenses in 2015 were at 3,312 Million Baht, an increase from 2,633 Million Baht in 2014 due to the increasing expenses related to transfer of ownership. Nevertheless, the selling expense in 2015 accounted for 8.6 percent of total revenue, a decrease from 8.9 percent of total revenue in 2014. The administrative expenses (including management benefit expenses) amounted to 3,148 Million Baht, an increase from 2,873 Million Baht in 2014. The administrative expense accounted for 8.2 percent of total revenue, a decrease from 9.7 percent of total revenue in 2014.



## Financial Expense

In 2015, financial expense increased from 646 Million Baht in 2014 to 728 Million Baht 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 completed condominium projects that were ready for transfer of ownership was included in the financial expenses as well.

## Net Profit

For the year 2015, Sansiri and its subsidiaries reported net profit of 3,506 Million Baht, an increase of 3 percent from 3,393 Million Baht in 2014. In this regard, the net profit margin decreased from 11.5 percent of total revenue in 2014 to 9.1 percent of total revenue in 2015 due to the decrease in the gross profit margin. In addition, an effective corporate income tax in 2015 was at 26.2 percent of earnings before corporate income tax.

## Assets

Total assets of Sansiri and its subsidiaries as of 31 December 2015 amounted to 69,451 Million Baht, a decrease of 3,696 Million Baht from that of 31 December 2014. Current assets as of 31 December 2015 was at 59,135 Million Baht, decreased by 6,146 Million Baht from that of 31 December 2014 due to the decrease in property development for sale. Total non-current assets as of 31 December 2015 was at 10,316 Million Baht, increased by 2,450 Million Baht from that of 31 December 2014 due to an increase in current portion of loans to related parties and the investment in joint venture.

## Liabilities

Total liabilities of Sansiri Group amounted to 42,253 Million Baht as of 31 December 2015, a decrease of 6,078 Million Baht from that of 31 December 2014. Total current liabilities amounted to 19,949 Million Baht or decreased by 7,619 Million Baht from that of 31 December 2014 due to the decrease in short-term loans and current portion of long-term loans. On the other hand, total non-current liabilities increased by 1,541 Million Baht from that of 31 December 2014 to 22,303 Million Baht as of 31 December 2015. An increase was mainly due to the issuance of new unsecured debentures as source of fund for project development. In this regard, the interest bearing debt decreased from 39,097 Million Baht as of 31 December 2014 to 33,369 Million Baht as of 31 December 2015. The debt-to-equity ratio was 1.55 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 1.23 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 December 2015 amounted to 27,198 Million Baht, an increase of 2,382 Million Baht from that of 31 December 2014, mainly driven by the net profit of 3,506 Million Baht, together with proceeds from the exercise of ESOP#6 allocating to directors and employees of Sansiri and its subsidiaries, and of SIRI-W1 amounted to 537 Million Baht. Sansiri paid dividend from 2014 net profit of 1,713 Million Baht as well.

### Cashflow

For the year 2015, beginning cash balance was 3,051 Million Baht with net cash from operating activities of 9,503 Million Baht and net cash used in investing activities and financing activities of 1,255 Million Baht and 8,683 Million Baht respectively, resulting in the ending cash balance of 2,672 Million Baht, as of 31 December 2015. In this regard, profit from operating activities before changes in operating assets and liabilities was at 31,506 Million Baht. In this regard, cash outflow as development costs for property development for sale amounted to 18,915 Million Baht. For investing activities, loans to related parties and investments in joint venture amounted to 899 Million Baht and 1,269 Million Baht respectively. For financing activities, cash outflow for loan repayment including interest payment to financial institutions amounted to 12,214 Million Baht, cash outflow from repayment of debentures and dividend payment amounted to 2,000 Million Baht and 1,713 Million Baht respectively.

### Liquidity Ratio

The liquidity ratio of Sansiri Group increased from 2.37 times as of 31 December 2014 to 2.96 times as of 31 December 2015 as total current liabilities decreased by 28 percent from that of 31 December 2014 in accordance with the decrease in short-term loans and current portion of long-term loans whereas the total current assets decreased by 9 percent from that of 31 December 2014.



### Return on Equity

As of 31 December 2015, the return on equity was 13.48 percent, a decrease from 16.20 percent as of 31 December 2014 mainly due to a decrease in net profit margin from 11.5 percent in 2014 to 9.1 percent in 2015. The return on assets was at 4.9 percent, a decrease from 5.1 percent in 2014 while the debt-to-equity ratio decreased from 1.95 times as of 31 December 2014 to 1.55 times as of 31 December 2015.

Please be informed accordingly.

Yours Sincerely,

(Mr. Wanchak Buranasiri)

Authorised Director