



(English Translation)

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15 August 2019

Subject : Clarification of 2Q-2019 Operating Result

To : President  
The Stock Exchange of Thailand

Sansiri Public Company Limited (SIRI) would like to clarify the operating result for the quarter ended 30 June 2019 of the Company and its subsidiaries as follows.

Total revenue in 2Q-2019 amounted to 4,285 Million Baht, decreased by 23 percent from 5,542 Million Baht in 2Q-2018. A decrease in total revenue was caused by a 40 percent decrease in the revenue from project sales, which was the core revenue of Sansiri, while revenue from business management and other revenue increased by 30 percent and 63 percent, respectively. Total revenue for the period of 6M2019 amounted to 10,924 Million Baht, a slight increase of 1 percent compared to that of 6M2018 with the amount of 10,778 Million Baht. In 2Q-2019, Sansiri and its subsidiaries reported net profit of 285 Million Baht, a decrease of 26 percent from net profit of 387 Million Baht in 2Q-2018, making the net profit as of 6M2019 slightly decreased from 693 Million Baht in 6M2018 to 690 Million Baht.

#### Revenue from Property Development for Sale

The breakdown of revenue from property for sale as of 2Q-2019 and 2Q-2018, and for the period of 6M2019 and 6M2018 is as follows:

Product Type	2Q-2019		2Q-2018		6M2019		6M2018	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Single-detached houses	1,651	65.4	2,844	67.3	4,741	63.9	5,340	65.0
Townhouses / Home Offices	480	19.0	389	9.2	1,282	17.3	723	8.8
Mixes	7	0.3	29	0.7	56	0.8	107	1.3
Condominiums	387	15.3	961	22.8	1,339	18.1	2,050	24.9
<b>Total</b>	<b>2,525</b>	<b>100.0</b>	<b>4,223</b>	<b>100.0</b>	<b>7,418</b>	<b>100.0</b>	<b>8,221</b>	<b>100.0</b>



In 2Q-2019, Sansiri and its subsidiaries reported a 40 percent decrease in revenue from project sales from that of 2Q-2018. The decrease in each product type was caused by the government regulations that encouraged the transfer in 1Q-2019. In addition, there was no newly finished condominium project under Sansiri in 2Q-2019 resulted in a decrease in revenue from project sales. As a result, the revenue from project sales as of 6M2019 decreased by 10 percent compared to that of 6M2018. To the total revenue from project sales in 2Q-2019, 1,651 Million Baht revenue from single-detached house projects contributed 65.4 percent, 480 Million Baht revenue from townhouse projects contributed 19.0 percent, 387 Million Baht revenue from condominium projects contributed 15.3 percent, and the revenue of 7 Million Baht from mix projects contributed 0.3 percent.

Revenue from single-detached house projects in 2Q-2019, amounted to 1,651 Million Baht, decreased from 2,844 Million Baht in 2Q-2018. In 2Q-2019, the revenue from single-detached house was mainly from 3 projects, including Setthasiri Phahol-Watcharapol, Setthasiri Thaweewatthana, and Kanasiri Salaya-Pinklao, which altogether contributed to 323 Million Baht or 13 percent of total revenue from project sales.

In 2Q-2019, revenue from townhouse projects amounted to 480 Million Baht increased from 389 Million Baht in 2Q-2018. Four new townhouse projects under the brand "Siri Place" were the major contributors, which altogether contributed to 272 Million Baht or 11 percent of total revenue from project sales.

Nonetheless, revenue from condominium projects decreased by 60 percent from 961 Million Baht in 2Q-2018 to 387 Million Baht in 2Q-2019. In this regard, 98 Wireless, dcondo Kamphaengsaen, and Baan Maikao Phuket were the three highest contributors in 2Q-2019, which altogether contributed to 202 Million Baht or 8 percent of total revenue from project sales.

#### Revenue from Property Services

In 2Q-2019, the revenue from projects for rent amounted to 22 Million Baht, increasing from 21 Million Baht in 2Q-2018. As a result, the revenue from projects for rent as of 6M2019 increased by 6 percent compared to the same period of last year in cooperation with the revenue from business management amounted to 1,362 Million Baht, an increase of 30 percent from 1,051 Million Baht compared to the same period of last year. The main factor was an increase in revenue from business management of joint venture. Nonetheless, for the period of 6M2019, the revenue from business management increased by 38 percent compared to the same period of last year. In addition, revenue from other services, including revenue from hotel business and education business, was 53 Million Baht, increased from 49 Million Baht in 2Q-2018.



## Cost of Goods Sold and Operating Expenses

### Cost of Project Sales and Other Costs

In 2Q-2019, cost of project sales amounted to 1,701 Million Baht, a 40 percent decrease from that of 2Q-2018. Similarly, cost of project sales as of 6M2019 decreased by 7 percent when compared to the same period of last year in accordance with the decrease in revenue from project sales. Gross profit margin of project sales decreased from 33.0 percent in 2Q-2018 to 32.6 percent in 2Q-2019, while gross profit margin as of 6M2019 decreased to 28.7 percent from 31.2 percent compared to the same period of last year. For the cost of projects for rent in 2Q-2019, it amounted to 21 Million Baht, increased from 18 Million Baht when compared to the same period of last year. While cost of business management increased from 769 Million Baht in 2Q-2018 to 879 Million Baht in 2Q-2019 and increased by 23 percent compared to that of 6M2018 in accordance with an increase in revenue from business management. In addition, cost of other services including hotel business and education business increased by 4 percent from 2Q-2018. Similarly, cost of other services as of 6M2019 increased by 4 percent compared to the same period of last year.

### Selling, General and Administrative Expenses

Sansiri and its subsidiaries recorded selling and administrative expense in 2Q-2019 at 1,166 Million Baht, accounted for 27.2 percent of the total revenue, an increase from 22.7 percent in 2Q-2018. Whereas, the selling and administrative expense as of 6M2019 decreased to 20.6 percent from 22.2 percent compared to the same period of last year. The selling expenses in 2Q-2019 were at 388 Million Baht or 9.0 percent of total revenue, decreased from 11.4 percent of total revenue at 631 Million Baht in 2Q-2018. As a result, the selling expenses as of 6M2019 had decreased, accounted for 7.9 percent of total revenue. In 2Q-2019, the administrative expenses (including management benefit expenses) amounted to 778 Million Baht increased from 628 Million Baht in 2Q-2018. In this regard, the administrative expenses increased from 1,229 Million Baht for the period of 6M2018 to 1,387 Million Baht for the period of 6M2019 or 12.7 percent of total revenue.

### Financial Expense

In 2Q-2019, financial expense was at 158 Million Baht, increased from 153 Million Baht in 2Q-2018 mainly due to the business expansion of associates, subsidiaries, and joint ventures.



## Net Profit

For 2Q-2019, Sansiri and its subsidiaries reported net profit of 285 Million Baht, a decrease from net profit of 387 Million Baht in 2Q-2018. A net profit margin of 6.7 percent of total revenue in 2Q-2019 decreased from 7.0 percent of total revenue in 2Q-2018 as a result of a decrease in revenue from project sales and an increase in selling and administrative expense.

## Assets

Total assets of Sansiri and its subsidiaries as of 30 June 2019 amounted to 107,088 Million Baht, an increase of 11,731 Million Baht from that of 31 December 2018. Current assets as of 30 June 2019 was at 80,487 Million Baht, increased by 9,745 Million Baht from that of 31 December 2018 due to an increase in property development for sale and trade accounts receivable. Total non-current assets as of 30 June 2019 was at 26,601 Million Baht, an increase of 1,986 Million Baht from that of 31 December 2018 due to the increase in land, building and equipment.

## Liabilities

Total liabilities of Sansiri Group amounted to 77,402 Million Baht as of 30 June 2019, an increase of 12,897 Million Baht from that of 31 December 2018. Total current liabilities amounted to 33,674 Million Baht or increased by 4,549 Million Baht while total non-current liabilities increased by 8,348 Million Baht to 43,727 Million Baht. In this regard, the interest bearing debt increased from 48,179 Million Baht as of 31 December 2018 to 59,595 Million Baht as of 30 June 2019. The debt-to-equity ratio was 2.61 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 2.01 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 30 June 2019 amounted to 29,686 Million Baht, a decrease of 1,166 Million Baht from as of 31 December 2018. In 2Q-2019, dividend payment was recorded at 1,149 Million Baht.



## Cashflow

For 2Q-2019, beginning cash balance was 3,933 Million Baht as of 31 December 2018, with net cash used in operating activities of 6,827 Million Baht, net cash used in investing activities of 1,067 Million Baht, and net cash from financing activities of 8,806 Million Baht, resulting in the ending cash balance as of 30 June 2019 of 4,789 Million Baht. In this regard, profit from operating activities before changes in operating assets and liabilities was at 7,148 Million Baht. Cash outflow as development costs for property development for sale amounted to 13,494 Million Baht. For investing activities, loans to related parties, purchase of equipment, and purchase of investment in associate amounted to 1,706 Million Baht, 1,449 Million Baht, and 1,049 Million Baht, respectively. For financing activities, cash outflow for loan repayment including interest payment to financial institutions were 2,900 Million Baht, while cash outflow from repayment of debentures amounted to 2,000 Million Baht, with dividend payment amounted to 1,149 Million Baht.

Please be informed accordingly.

Yours Sincerely,

(Mr. Wanchak Buranasiri)

Authorised Director