

(English Translation)

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16 November 2020

Subject : Clarification of 3Q-2020 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 September 2020 of the Company and its subsidiaries as follows.

Total revenue in 3Q-2020 amounted to 8,582 Million Baht, increased by 44 percent from 5,982 Million Baht in 3Q-2019. An increase in total revenue was caused by an 87 percent increase in the revenue from project sales, which was the core revenue of Sansiri. Total revenue for the period of 9M2020 amounted to 26,511 Million Baht, an increase of 57 percent compared to that of 9M2019 with the amount of 16,905 Million Baht. In 3Q-2020, Sansiri and its subsidiaries reported net profit (equity holders of the Company) of 765 Million Baht, a significant increase of 70 percent from net profit (equity holders of the Company) of 451 Million Baht in 3Q-2019. However, the net profit (equity holders of the Company) as of 9M2020 decreased from 1,141 Million Baht in 9M2019 to 1,085 Million Baht.

#### Revenue from Property Development for Sale

The breakdown of revenue from property for sale as of 3Q-2020 and 3Q-2019, and for the period of 9M2020 and 9M2019 is as follows:

| Product Type              | 3Q-2020      |              | 3Q-2019      |              | 9M2020        |              | 9M2019        |              |
|---------------------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|--------------|
|                           | Million Baht | %            | Million Baht | %            | Million Baht  | %            | Million Baht  | %            |
| Single-detached houses    | 3,580        | 46.9         | 2,372        | 58.2         | 10,902        | 46.7         | 7,097         | 61.8         |
| Townhouses / Home Offices | 742          | 9.7          | 484          | 11.9         | 2,421         | 10.4         | 1,781         | 15.5         |
| Mixes                     | 169          | 2.2          | 61           | 1.5          | 617           | 2.6          | 117           | 1.0          |
| Condominiums              | 3,143        | 41.2         | 1,157        | 28.4         | 9,415         | 40.3         | 2,496         | 21.7         |
| <b>Total</b>              | <b>7,635</b> | <b>100.0</b> | <b>4,074</b> | <b>100.0</b> | <b>23,356</b> | <b>100.0</b> | <b>11,492</b> | <b>100.0</b> |

In 3Q-2020, Sansiri and its subsidiaries reported an 87 percent increase in revenue from project sales from that of 3Q-2019. The increase in revenue was caused by the significant increase in revenue from every product type, especially condominium projects. Revenue from project sales as of 9M2020 increased by 103 percent compared to that of 9M2019. To the total revenue from project sales in 3Q-2020, 3,580 Million Baht revenue from single-detached house projects contributed 46.9 percent, 3,143 Million Baht revenue from condominium projects contributed 41.2 percent, 742 Million Baht revenue from townhouse projects contributed 9.7 percent, and 169 Million Baht revenue from mix projects contributed 2.2 percent.

Revenue from single-detached house projects in 3Q-2020, amounted to 3,580 Million Baht, increased from 2,372 Million Baht in 3Q-2019. In 3Q-2020, the revenue from single-detached house was mainly from 4 projects, including Burasiri Pattanakarn, Setthasiri Krungthep Kreetha, Saransiri Chaiyaphruek - Chaengwattana, and Setthasiri Phahol-Watcharapol which altogether contributed to 1,118 Million Baht or 15 percent of total revenue from project sales. As a result, revenue from single-detached house projects in 9M2020, amounted to 10,902 Million Baht, increased from 7,097 Million Baht of in 9M2019.

In 3Q-2020, revenue from townhouse projects amounted to 742 Million Baht increased from 484 Million Baht in 3Q-2019. Four townhouse projects under the brand "Siri Place", namely Siri Place Prachauthit 90, Siri Place Charan – Pinklao, Siri Place Rangsit, and Siri Place Phetkasem-Sai 4 were the major contributors, which altogether contributed to 411 Million Baht or 5 percent of total revenue from project sales. Revenue from townhouse projects of 9M2020, amounted to 2,421 Million Baht, increased from 1,781 Million Baht of 9M2019.

Revenue from mix projects in 3Q-2020, amounted to 169 Million Baht, tremendously increased by 176 percent from 61 Million Baht in 3Q-2019. In 3Q-2020, the revenue from mix project was mainly from Anasiri Bangyai. Revenue from mix projects of 9M2020, amounted to 617 Million Baht, increased from 117 Million Baht of 9M2019.

Nonetheless, revenue from condominium projects greatly increased by 172 percent from 1,157 Million Baht in 3Q-2019 to 3,143 Million Baht in 3Q-2020. In this regard, Oka Haus, Kawa Haus, and The BASE Central Phuket were the three highest contributors in 3Q-2020, which altogether contributed to 2,584 Million Baht or 34 percent of total revenue from project sales. As a result, the revenue from condominium projects increased from 2,496 Million Baht of 9M2019 to the amount of 9,415 Million Baht of 9M2020.

#### Revenue from Property Services

In 3Q-2020, the revenue from projects for rent amounted to 28 Million Baht, increasing from 23 Million Baht in 3Q-2019. As a result, the revenue from projects for rent as of 9M2020 increased by 10 percent compared

to the same period of last year whereas the revenue from business management amounted to 626 Million Baht, a decrease of 41 percent from 1,062 Million Baht compared to the same period of last year. For the period of 9M2020, the revenue from business management decreased by 45 percent compared to the same period of last year. In Q3-2020, Sansiri recorded a revenue from hotel management of 27 Million Baht increased from 23 Million Baht in Q3-2019. In addition, revenue from other services, including revenue from hotel business and education business, was 66 Million Baht, decreased from 89 Million Baht in 3Q-2019 due to the COVID-19 pandemic that had significant impact on the hotel business. In this regard, the Company decided to temporarily close down for hotel renovation in April 2020 and reopened since October 2020. As a result, the revenue from other services of 9M2020, amounted to 142 Million Baht, decreased from 219 Million Baht of 9M2019.

### Cost of Goods Sold and Operating Expenses

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

In 3Q-2020, cost of project sales amounted to 5,438 Million Baht, a 77 percent increase from that of 3Q-2019. Similarly, cost of project sales as of 9M2020 increased by 116 percent when compared to the same period of last year. Gross profit margin of project sales increased from 24.5 percent in 3Q-2019 to 28.8 percent in 3Q-2020, while gross profit margin as of 9M2020 decreased to 22.9 percent from 27.3 percent compared to the same period of last year, which was the result of sales activities and sales promotion to stimulate sales and transfer of ready-to-move units in order to release the inventory during the economy crisis from COVID-19 pandemic in 1Q-2020. For the cost of projects for rent in 3Q-2020, it amounted to 22 Million Baht, slightly increased from 21 Million Baht in 3Q-2019. On the other hand, cost of business management decreased from 877 Million Baht in 3Q-2019 to 382 Million Baht in 3Q-2020, making the cost of business management decreased by 46 percent compared to that of 9M2019 in accordance with a decrease in revenue from business management. The cost of hotel management in 3Q-2020 amounted to 89 Million Baht increased from 26 Million Baht in 3Q-2019. In addition, cost of other services including hotel business and education business decreased by 35 percent from 3Q-2019, and decreased by 22 percent comparing between 9M2020 and 9M2019.

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

Sansiri and its subsidiaries recorded selling and administrative expense in 3Q-2020 at 1,435 Million Baht, accounted for 16.7 percent of the total revenue, a decrease from 19.5 percent in 3Q-2019. Nevertheless, the selling and administrative expense for the period of 9M2020 decreased from 20.3 percent to 16.8 percent compared to the same period of last year. The significant decrease in Q3-2020 was mainly due to the better spending management and the higher total revenue based. The selling expenses in 3Q-2020 were at 695 Million Baht or 8.1 percent of total revenue, increased from 7.1 percent of total revenue at 425 Million Baht in 3Q-2019.

As a result, the selling expenses as of 9M2020 had increased, accounted for 7.7 percent of total revenue. In 3Q-2020, the administrative expenses (including management benefit expenses) amounted to 740 Million Baht or 8.6 percent of total revenue, decreased from 742 Million Baht or a 12.4 percent of total revenue in 3Q-2019. In this regard, the administrative expenses for the period of 9M2020 amounted to 2,422 Million Baht, decreased from 12.7 percent of total revenue for the period of 9M2019 to 9.1 percent of total revenue.

### Financial Expense

In 3Q-2020, financial expense was at 213 Million Baht, decreased from 282 Million Baht in 3Q-2019. However, financial expense in 9M2020 was at 718 Million Baht, increased from 631 Million baht in 9M2019. An increase of project launch in the latter half of the year resulted to the decreasing in interest expense in 3Q-2020 due to the interest expenses incurred by the developing land plots are able to be capitalised, instead of recorded as financial expense.

### Net Profit

For 3Q-2020, Sansiri and its subsidiaries reported net profit of 765 Million Baht, a significant increase from net profit of 451 Million Baht in 3Q-2019. A net profit margin of 8.9 percent of total revenue in 3Q-2020 increased from 7.5 percent of total revenue in 3Q-2019. Conversely, for 9M2020, Sansiri and its subsidiaries reported net profit of 1,085 Million Baht, a decrease from net profit of 1,141 Million Baht in 9M2019. A net profit margin of 4.1 percent of total revenue in 9M2020 decreased from 6.7 percent of total revenue in 9M2019 as a result of a decrease in gross profit from project sales during the former half of the year due to the sale promotion given during COVID-19 pandemic.

### Assets

Total assets of Sansiri and its subsidiaries as of 30 September 2020 amounted to 110,502 Million Baht, an increase of 2,166 Million Baht from that of 31 December 2019. Current assets as of 30 September 2020 was at 74,240 Million Baht, decreased by 343 Million Baht from that of 31 December 2019 due to a decrease in current portion of long-term loans to related parties. Total non-current assets as of 30 September 2020 was at 36,263 Million Baht, an increase of 2,510 Million Baht from that of 31 December 2019 due to an increase in other intangible assets and right-of-use assets.

### Liabilities

Total liabilities of Sansiri Group amounted to 73,143 Million Baht as of 30 September 2020, a decrease of 3,318 Million Baht from that of 31 December 2019. Total current liabilities amounted to 27,950 Million Baht or

decreased by 290 Million Baht while total non-current liabilities decreased by 3,029 Million Baht to 45,192 Million Baht. In this regard, the interest-bearing debt decreased from 57,867 Million Baht as of 31 December 2019 to 53,599 Million Baht as of 30 September 2020. The debt-to-equity ratio was 1.96 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 1.43 times. In this regard, Sansiri has been operating under restrictive financial covenants with gearing ratio less than 2.5 to 1.

By the definition, “Liabilities” means total liabilities as appears in the financial statements, including financial obligations and provisions from collateral of aval by bond issuers or any obligations in the same manner to any person or juristic person (The collateral is not included the case that other person acts as a guarantor for the bond issuer or subsidiary). However, financial obligations and provisions as mentioned above are not included financial obligations and provisions with account payables, advanced received from customer or any debt of bond issuer with no interest obligation, and lease payables.

#### Shareholders' Equity

Shareholders' Equity as of 30 September 2020 amounted to 37,360 Million Baht, an increase of 5,485 Million Baht from as of 31 December 2019, caused by the issuance of subordinated perpetual debentures and the resale of treasury stocks. Sansiri made dividend payment at 848 Million Baht out of net profit in 2019.

#### Cashflow

For 3Q-2020, beginning cash balance was 2,132 Million Baht, with net cash from operating activities of 3,851 Million Baht, net cash from investing activities of 669 Million Baht, and net cash used in financing activities of 4,300 Million Baht, resulting in the ending cash balance as of 30 September 2020 of 2,425 Million Baht. In this regard, profit from operating activities before changes in operating assets and liabilities was at 20,403 Million Baht. Cash outflow as development costs for property development for sale amounted to 14,426 Million Baht. For investing activities, payment on purchase of investments in subsidiaries, long-term loans to related parties, and purchase of land, building and equipment amounted to 1,190 Million Baht, 1,183 Million Baht, and 1,088 Million Baht, respectively. For financing activities, cash outflow for loan repayment including interest payment to financial institutions were 7,581 Million Baht, while cash outflow from repayment of debentures amounted to 5,000 Million Baht, with dividend payment amounted to 848 Million Baht.



Please be informed accordingly.

Yours Sincerely,

(Mr. Apichart Chutrakul)

Authorised Director