



(English Translation)

Ref SS. 0193 / 2021

1 March 2021

Subject : Clarification of Year 2020 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 2020 of the Company and its subsidiaries as follows.

Total revenue in 2020 amounted to 34,707 Million Baht, increased by 34 percent from 25,859 Million Baht in 2019. An increase in total revenue was caused by a 60 percent increase in the revenue from project sales, which was the core revenue of Sansiri. For the year 2020, Sansiri and its subsidiaries reported net profit (equity holders of the Company) of 1,673 Million Baht, a decrease of 30 percent from net profit (equity holders of the Company) of 2,392 Million Baht in 2019.

Revenue from Property Development for Sale

The breakdown of revenue from project sales during 2018 - 2020 is as follows;

| Product Type | 2018 | | 2019 | | 2020 | |
|-------------------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Single-detached Houses | 12,552 | 58.2 | 10,968 | 57.3 | 14,390 | 47.1 |
| Townhome / Home Offices | 2,236 | 10.4 | 2,499 | 13.1 | 2,838 | 9.3 |
| Mix Products | 160 | 0.7 | 292 | 1.5 | 1,199 | 3.9 |
| Condominiums | 6,605 | 30.6 | 5,368 | 28.1 | 12,132 | 39.7 |
| Total | 21,552 | 100.0 | 19,126 | 100.0 | 30,559 | 100.0 |

In 2020, Sansiri and its subsidiaries reported the revenue from project sales amounted to 30,559 Million Baht, resulting in a 60 percent increase in revenue from project sales from 19,126 Million Baht in 2019. Revenue from project sales increase in every product types. In 2020, 14,390 Million Baht revenue from single-detached house projects contributed 47 percent, 12,132 Million Baht revenue from condominium projects contributed 40

percent, the revenue of 2,838 Million Baht from townhome projects contributed 9 percent, and the revenue of 1,199 Million Baht from mix product projects contributed 4 percent accordingly.

Revenue from single-detached house projects in 2020 amounted to 14,390 Million Baht, a 31 percent increase from 10,968 Million Baht in 2019. The revenue from single-detached house was mainly from 3 projects, including Setthasiri Charan-Pinklao 2, Baan Sansiri Pattanakarn, and Burasiri Pattanakarn, which altogether contributed 2,952 Million Baht or 10 percent of total revenue from project sales.

In 2020, revenue from condominium projects amounted to 12,132 Million Baht, a significant increase of 126 percent from 5,368 Million Baht in 2019. In this regard, Kawa Haus, Oka Haus, and The Monument Thonglor were the top 3 highest contributors in 2020 respectively, contributing revenue of 6,229 Million Baht or accounting for 20 percent of the total revenue from project sales.

Revenue from townhome projects in 2020 amounted to 2,838 Million Baht, an increase of 14 percent compared to that of last year. In this regard, the main contributors were the 1,022 Million Baht revenue from 4 townhouse projects namely Siri Place Phetkasem Sai.4, Siri Place Charan-Pinklao, Siri Place Prachautit 90, and Siri Place Rangsit with total revenue accounted for 3 percent of the total revenue from project sales.

In 2020, revenue from mix product project amounted to 1,199 Million Baht, significantly increased by 311 percent. Anasiri Bangyai was the highest contributor amounted to 620 Million Baht in 2020.

Revenue from Property Services

In 2020, revenue from projects for rent amounted to 119 Million Baht, increasing from 90 Million Baht in 2019. Revenue from business management in 2020 amounted to 2,751 Million Baht, decreased by 40 percent from 4,601 Million Baht in last year. In 2020, Sansiri record revenue from hotel management amounted to 139 Million Baht. Besides, Sansiri has revenue from other services including revenue from hotel business and education business amounted to 212 Million Baht, which decrease from 303 Million Baht in 2019 due to the COVID-19 pandemic that had significant impact on the hotel business and education business.

Cost of Goods Sold and Operating Expenses

Cost of Project Sales and Other Costs

For the year 2020, cost of project sales amounted to 22,910 Million Baht, a 64 percent increase from that of the year 2019, in accordance with an increase in revenue from project sales. Gross profit margin of project

sales decreased from 26.9 percent in 2019 to 25.0 percent in 2020 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 at the beginning of the year. Cost of projects for rent amounted to 93 Million Baht, increased from 82 Million Baht in 2019. In 2020, Sansiri record cost of hotel management amounted to 473 Million Baht. However, cost of business management decreased from 3,730 Million Baht in 2019 to 1,975 Million Baht in 2020. In addition, cost of other services including hotel business and education business decreased by 18 percent from that of last year in accordance with a decrease in revenue from other services.

Selling, General and Administrative Expenses

Sansiri and its subsidiaries recorded selling and administrative expense in 2020 at 6,460 Million Baht, accounted for 18.6 percent of the total revenue, an increase from 18.2 percent of total revenue of last year. The selling expenses in 2020 were at 2,660 Million Baht or 7.7 percent of total revenue, increased from 7.5 percent of total revenue at 1,927 Million Baht in 2019. The main factors in increasing in selling expense was from expense related to transfer, commission paid, and sale support expense. The administrative expenses (including management benefit expenses) amounted to 3,800 Million Baht or 10.9 percent of total revenue, increased from 10.7 percent of total revenue at 2,770 Million Baht in 2019. The higher administrative expense was caused by the decrease in allocated staff expense to joint venture projects from the decrease in project development under joint venture.

Financial Expense

Financial expense was at 978 Million Baht in 2020, increased from 936 Million Baht in 2019, which mainly due to the postponement of project launch. As a result, the interest expenses incurred by the undeveloped land plots, which were still in the design and marketing process, are unable to be capitalised. Additionally, it was as well due to the application of TFRS 16 at the beginning of 2020, which required the recording of financial expense from lease liabilities.

Net Profit

For the year 2020, Sansiri and its subsidiaries reported net profit of 1,673 Million Baht, decreased by 30 percent from 2,392 Million Baht in 2019. In this regards, the net profit margin was at 4.8 percent of total revenue, decreased from 9.3 percent of total revenue in 2019. The main factor was from the 49 percent decrease in share of profit from investments in joint ventures compared to last year. In addition, effective corporate income tax in 2020 was at 34.3 percent of earnings before corporate income tax.

Assets

Total assets of Sansiri and its subsidiaries as of 31 December 2020 amounted to 112,632 Million Baht, an increase of 4,296 Million Baht from that of 31 December 2019. Current assets as of 31 December 2020 was at 68,909 Million Baht, decreased by 5,674 Million Baht from that of 31 December 2019 due to a decrease in real estate development for sales. Total non-current assets as of 31 December 2020 was at 43,723 Million Baht, an increase of 9,970 Million Baht from that of 31 December 2019 due to an increase in land held for development.

Liabilities

Total liabilities of Sansiri Group amounted to 73,435 Million Baht as of 31 December 2020, a decrease of 3,026 Million Baht from that of 31 December 2019. Total current liabilities amounted to 30,713 Million Baht or increased by 2,473 Million Baht while total non-current liabilities decreased by 5,499 Million Baht to 42,722 Million Baht. In this regard, the interest-bearing debt decreased from 57,867 Million Baht as of 31 December 2019 to 55,520 Million Baht as of 31 December 2020. The debt-to-equity ratio was 1.87 times with the interest-bearing debt-to-equity ratio (Gearing ratio) was 1.42 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 31 December 2020 amounted to 39,197 Million Baht, an increase of 7,322 Million Baht from as of 31 December 2019 caused by the issuance of subordinated perpetual debentures. Furthermore, dividend payment was paid at 848 Million Baht out of net profit in 2019.

Cashflow

For the year 2020, beginning cash balance was 2,132 Million Baht, with net cash from operating activities of 2,831 Million Baht, net cash from investing activities of 319 Million Baht, and net cash used in financing activities of 2,302 Million Baht, resulting in the ending cash balance as of 31 December 2020 of 3,007 Million Baht. In this regard, profit from operating activities before changes in operating assets and liabilities was at 26,623 Million



Baht. Cash outflow as development costs for property development for sale amounted to 20,491 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 2,874 Million Baht, 1,405 Million Baht, and 1,324 Million Baht, respectively. For financing activities, cash outflow for loan repayment including interest payment to financial institutions were 10,416 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