



(Amendment)

(English Translation)

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28 February 2019

Subject : Clarification of Year 2018 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 2018 of the Company and its subsidiaries as follows.

Total revenue in 2018 amounted to 27,146 Million Baht, decreased by 15 percent from 31,757 Million Baht in 2017. A decrease in total revenue was caused by a 17 percent decrease in the revenue from project sales, which was the core revenue of Sansiri. For the year 2018, Sansiri and its subsidiaries reported net profit (equity holders of the Company) of 2,046 Million Baht, a decrease of 28 percent from net profit (equity holders of the Company) of 2,825 Million Baht in 2017.

#### Revenue from Property Development for Sale

The breakdown of revenue from project sales during 2016 - 2018 is as follows:

	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Single-detached Houses	9,616	31.9	11,401	43.7	12,552	58.2
Townhouses / Home Offices	1,224	4.1	1,751	6.7	2,236	10.4
Mixes	-	-	30	0.1	160	0.7
Condominiums	19,260	64.0	12,897	49.5	6,605	30.6
<b>Total</b>	<b>30,099</b>	<b>100.0</b>	<b>26,080</b>	<b>100.0</b>	<b>21,552</b>	<b>100.0</b>



In 2018, Sansiri and its subsidiaries reported the revenue from project sales amounted to 21,552 Million Baht, resulting in a 17 percent decrease in revenue from project sales from 26,080 Million Baht in 2017 due to the decrease of revenue from condominium projects. As in 2018, Sansiri had 4 new and ready-to-transferred condominium projects, All of which have been operated under joint venture companies between Sansiri Public Company Limited and BTS Group Public Company Limited, making the revenue from those projects been excluded from revenue from property development for sale accordingly, and resulting in the decrease in project sales in 2018. To the total revenue from project sales in 2018, 12,552 Million Baht revenue from single-detached house projects contributed 58 percent, 6,605 Million Baht revenue from condominium projects contributed 31 percent, the revenue of 2,236 Million Baht from townhouse projects contributed 10 percent, and the revenue of 160 Million Baht from mixed project contributed 1 percent accordingly.

Revenue from single-detached house projects in 2018 amounted to 12,552 Million Baht, a 10 percent increase from 11,401 Million Baht in 2017. The revenue from single-detached house was mainly from four projects, including Setthasiri Krungthep Kreetha, Setthasiri Phahol-Watcharapol, Burasiri Ratchapruek-345 and Burasiri Pattanakarn, which altogether contributed 3,411 Million Baht or 16 percent of total revenue from project sales.

Revenue from townhouse projects in 2018 amounted to 2,236 Million Baht, an increase of 28 percent compared to that of last year. In this regard, the main contributors were the 936 Million Baht revenue from three townhouse projects namely Siri Place Rangsit, Siri Place Navanakhorn and Siri Square Charoenkrung 80 with total revenue accounted for 4 percent of the total revenue from project sales.

In 2018, revenue from condominium projects amounted to 6,605 Million Baht, a significant decrease of 49 percent from 12,897 Million Baht in 2017. In this regard, dcondo Ping Chiang Mai and 98 Wireless were the top two highest contributors in 2018, contributing revenue of 3,034 Million Baht or accounting for 14 percent of the total revenue from project sales.

In 2018, revenue from mixed project amounted to 160 Million Baht from Anasiri Ayutthaya.



### Revenue from Property Services

In 2018, revenue from projects for rent amounted to 85 Million Baht, decreasing from 89 Million Baht in 2017. Revenue from business management in 2018 amounted to 4,311 Million Baht, with a decrease from 4,368 Million Baht or 1 percent from last year. Moreover, revenue from other services including revenue from hotel business and education business amounted to 297 Million Baht, an increase of 2 percent compared to that of last year.

### Cost of Goods Sold and Operating Expenses

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

For the year 2018, cost of project sales amounted to 14,633 Million Baht, a 16 percent decrease from that of the year 2017, in accordance with a decrease in revenue from project sales. Gross profit margin of project sales decreased from 33.3 percent in 2017 to 32.1 percent in 2018. Cost of projects for rent amounted to 72 Million Baht, remained unchanged from that of the year 2017. Meanwhile, cost of business management increased from 3,447 Million Baht in 2017 to 3,549 Million Baht in 2018. In addition, cost of other services including hotel business and education business decreased by 1 percent from that of last year.

### Selling, General and Administrative Expenses

Sansiri and its subsidiaries recorded selling and administrative expense in 2018 at 5,555 Million Baht, accounted for 20.5 percent of the total revenue, an increase from 19.2 percent of total revenue of last year. The increase was mainly due to the lower total revenue based. The selling expenses in 2018 were at 2,593 Million Baht or 9.6 percent of total revenue, decreased from 10.2 percent of total revenue at 3,224 Million Baht in 2017. The decrease was due to the efficiency of selling expense management, and also the adoption of TFRS 15, which changes the principle of the commission expense recognition, resulting in a decrease in selling expenses. The administrative expenses (including management benefit expenses) amounted to 2,962 Million Baht, an increase of 3 percent from 2,879 Million Baht in 2017.



## Financial Expense

In 2018, financial expense was at 570 Million Baht, increased from 411 Million Baht in 2017, in accordance with an increase of Liabilities.

## Net Profit

For the year 2018, Sansiri and its subsidiaries reported net profit of 2,046 Million Baht, a decrease of 28 percent from 2,825 Million Baht in 2017. In this regards, the net profit margin decreased from 8.9 percent of total revenue in 2017 to 7.5 percent of total revenue in 2018 as a result of a decrease in revenue from project sales. In addition, effective corporate income tax in 2018 was at 20.7 percent of earnings before corporate income tax.

## Assets

Total assets of Sansiri and its subsidiaries as of 31 December 2018 amounted to 95,357 Million Baht, an increase of 15,016 Million Baht from that of 31 December 2017. Current assets as of 31 December 2018 was at 70,742 Million Baht, increased by 16,309 Million Baht from that of 31 December 2017 due to an increase in property development for sale. Total non-current assets as of 31 December 2018 was at 24,615 Million Baht, a decrease of 1,293 Million Baht from that of 31 December 2017 due to a decrease in land held for development.

## Liabilities

Total liabilities of Sansiri Group amounted to 64,504 Million Baht as of 31 December 2018, an increase of 15,083 Million Baht from that of 31 December 2017. Total current liabilities amounted to 29,125 Million Baht or decreased by 1,375 Million Baht while total non-current liabilities increased by 16,457 Million Baht to 35,379 Million Baht. In this regard, the interest bearing debt increased from 35,527 Million Baht as of 31 December 2017 to 48,179 Million Baht as of 31 December 2018. The debt-to-equity ratio was 2.09 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 1.56 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 2018 amounted to 30,852 Million Baht, a decrease of 67 Million Baht from as of 31 December 2017, caused by the stock repurchase of 392 Million Baht. Dividend payment was paid at 1,634 Million Baht out of net profit in 2017.

### Cashflow

For the year 2018, beginning cash balance was 2,978 Million Baht, with net cash used in operating activities of 5,807 Million Baht, net cash used in investing activities of 2,496 Million Baht, and net cash from financing activities of 9,333 Million Baht, resulting in the ending cash balance as of 31 December 2018 of 3,933 Million Baht. In this regard, profit from operating activities before changes in operating assets and liabilities was at 18,029 Million Baht. Cash outflow as development costs for property development for sale amounted to 24,981 Million Baht. For investing activities, loans to related parties and current investments amounted to 5,855 Million Baht and 1,395 Million Baht, respectively. For financing activities, cash outflow for loan repayment including interest payment to financial institutions were 8,096 Million Baht, while cash outflow from repayment of debentures amounted to 6,000 Million Baht, with dividend payment amounted to 1,634 Million Baht.

### Liquidity Ratio

The liquidity ratio of Sansiri Group increased from 1.78 times as of 31 December 2017 to 2.43 times as of 31 December 2018 mainly due to the 30 percent increase in total current assets according to the increase in property development for sale, while total current liabilities decreased by 5 percent from long-term promissory note – purchase of land and unsecured debentures, which decreased from 3,200 Million Baht and 5,998 Million Baht as of 31 December 2017 to 0 Baht and 3,997 Million Baht as of 31 December 2018, respectively.



### Return on Equity

As of 31 December 2018, return on equity was 6.62 percent, decreased from 9.57 percent as of 31 December 2017 mainly due to a 28 percent decrease in net profit in 2018. Return on assets decreased from 3.69 times as of 31 December 2017 to 2.33 times as of 31 December 2018. Furthermore, the debt-to-equity ratio increase from 1.60 times as of 31 December 2017 to 2.09 times as of 31 December 2018, as a result of an increase in total liabilities from unsecured debentures issuance, an increase in short-term loans from banks, and long-term loans.

### Interest Coverage Ratio

As of 31 December 2018, the interest coverage ratio of Sansiri Group was -1.80 times, decreased from 3.32 percent as of 31 December 2017 mainly due to a significant increase in net cash used in operating activities to 5,807 Million Baht, together with an increase in payment of interest expenses to 1,800 Million Baht.

### Debt Service Coverage Ratio

As of 31 December 2018, the Debt Service Coverage Ratio of Sansiri Group was -0.25 times, decreased from 0.12 percent as of 31 December 2017 mainly due to an increase in net cash used in operating activities to 5,807 Million Baht in 2018 from 1,936 Million Baht from that of last year, with an increase of net cash used in repayment of debentures from 2,000 Million Baht in 2017 to 6,000 Million Baht in 2018, altogether with an increase in cash used in investment activities and asset purchasing to 8,872 Million in 2018 from 6,993 Million Baht in the previous year.

Please be informed accordingly.

Yours Sincerely,

(Mr. Wanchak Buranasiri)

Authorised Director