



**A B C D**

**E F G**



A B C D **E F G**

**ENGINEER FOR GROWTH**



**WHY E F G?**



**FINE-TUNE  
ENGINE FOR  
SUSTAINABLE  
GROWTH**



# HOW?



**1.**  
**SEIZING THE OPPORTUNITY**

**2.**  
**TUNING THE SYSTEM**

**3.**  
**BECOMING A WELL OILED MACHINE**



## **SECTION 1**

# **SEIZING THE OPPORTUNITY**

- Undoubted Growth Potential
- Portfolio Management for Sustainable Growth



# **UNDOUBTED GROWTH POTENTIALS**



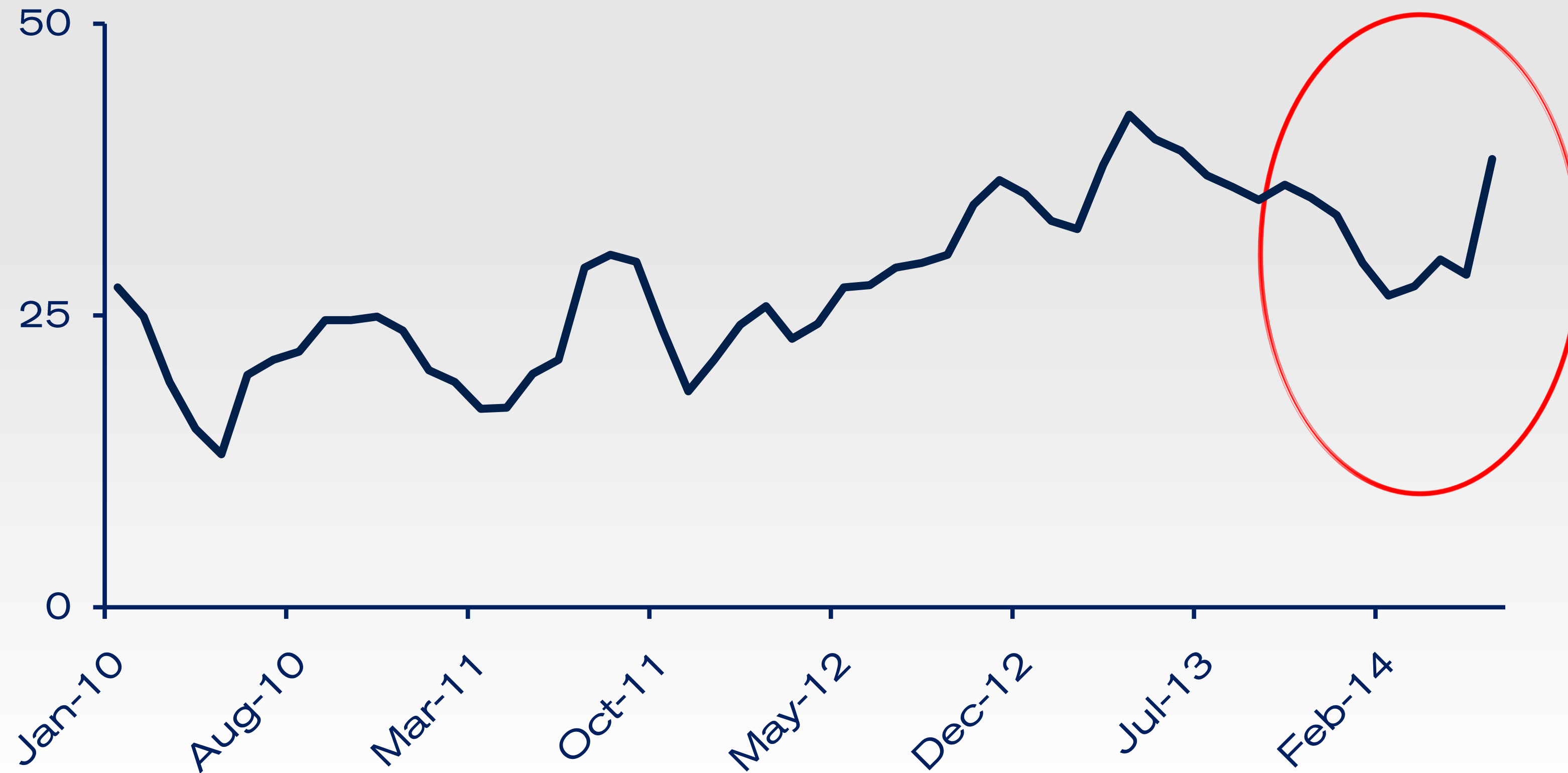
**1. SEIZING THE OPPORTUNITY**  
**UNDOUBTED GROWTH POTENTIALS**



**1. SEIZING THE OPPORTUNITY**  
**UNDOUBTED GROWTH POTENTIALS**



## 2. Recovering in Consumer Confidence Index



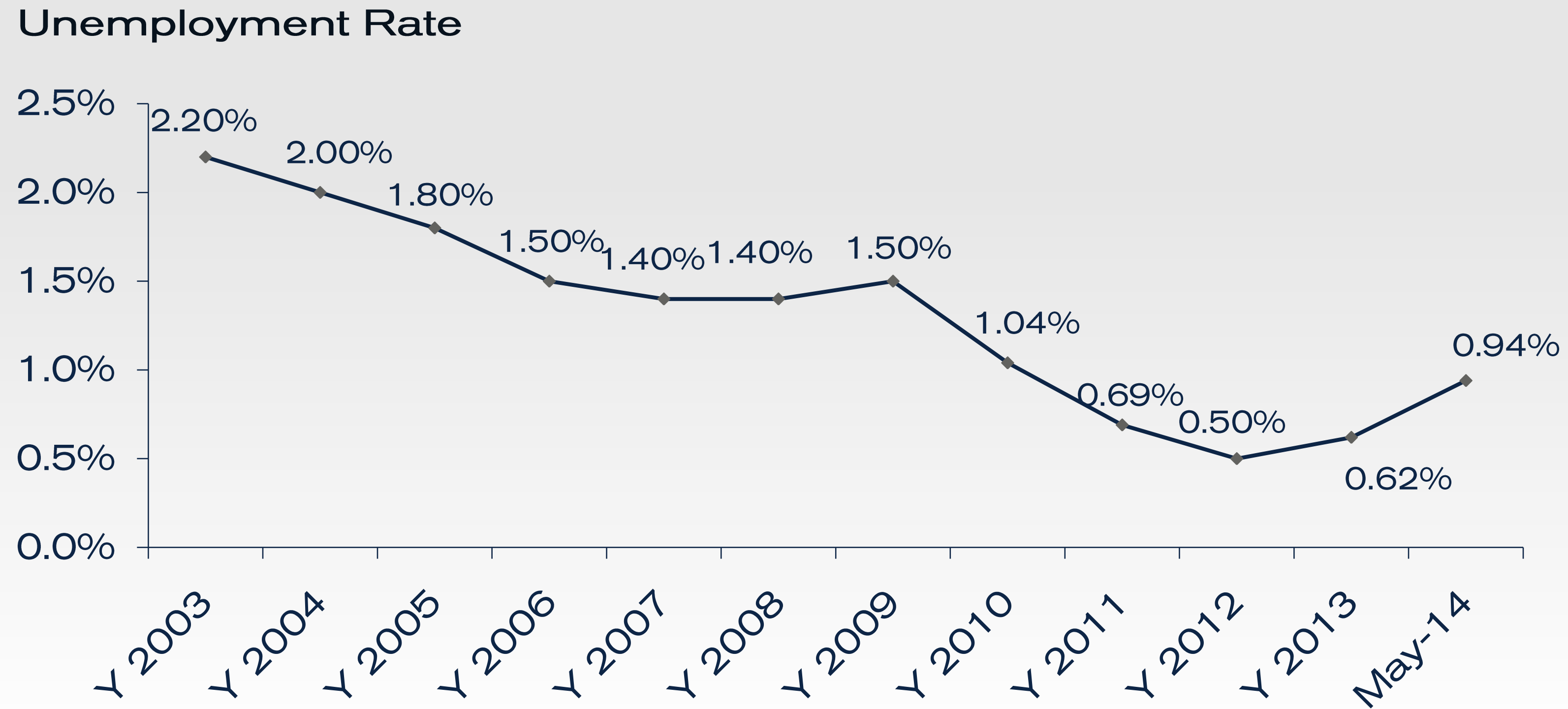
Source: Bureau of Trade and Economic indices Ministry of Commerce Thailand

# 1. SEIZING THE OPPORTUNITY

## UNDOUBTED GROWTH POTENTIALS



### 3. Low Unemployment Rate

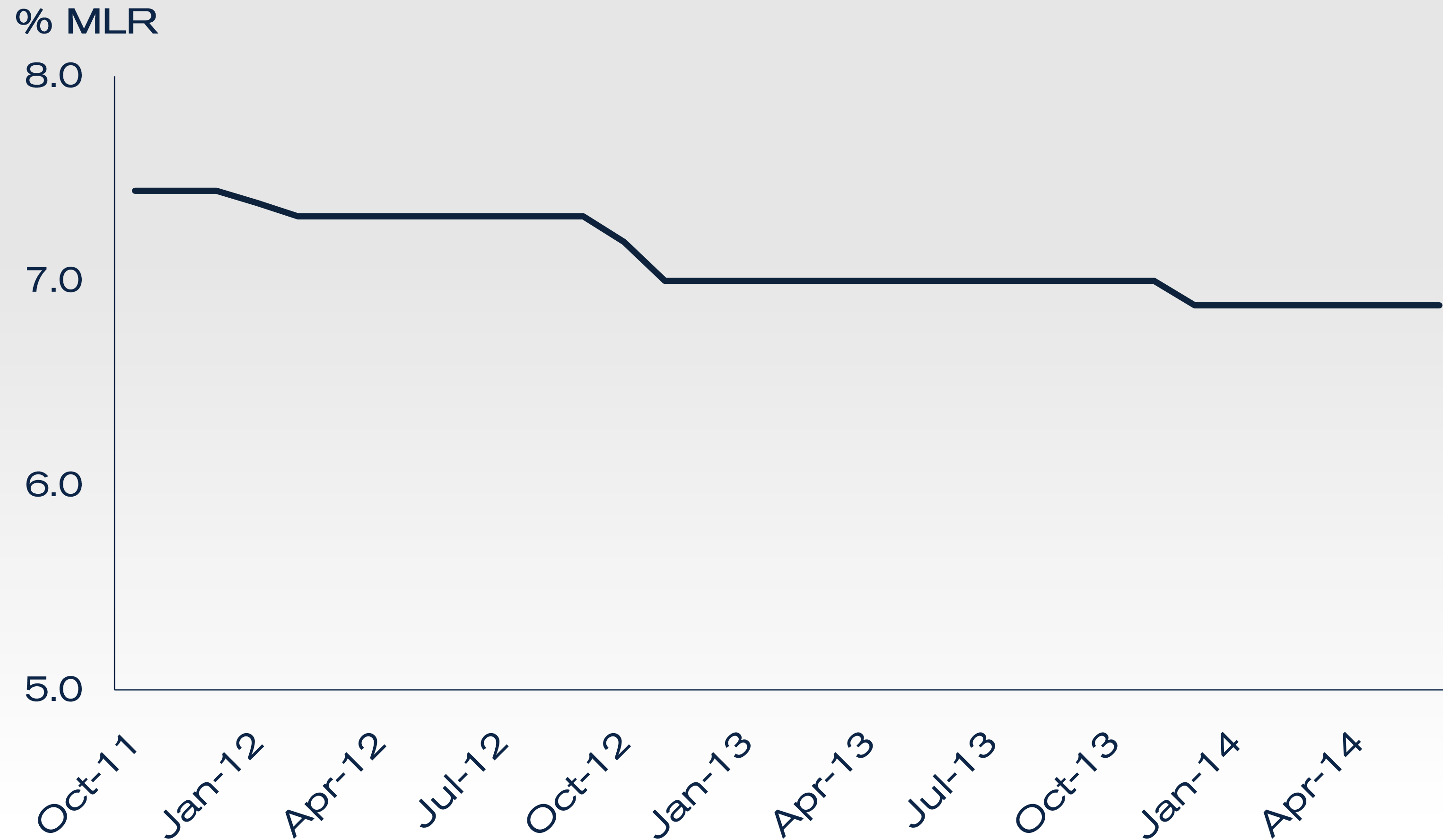


Source: Bank of Thailand

**1. SEIZING THE OPPORTUNITY**  
**UNDOUBTED GROWTH POTENTIALS**



# 3. Low Interest Rate



Source: Bank of Thailand



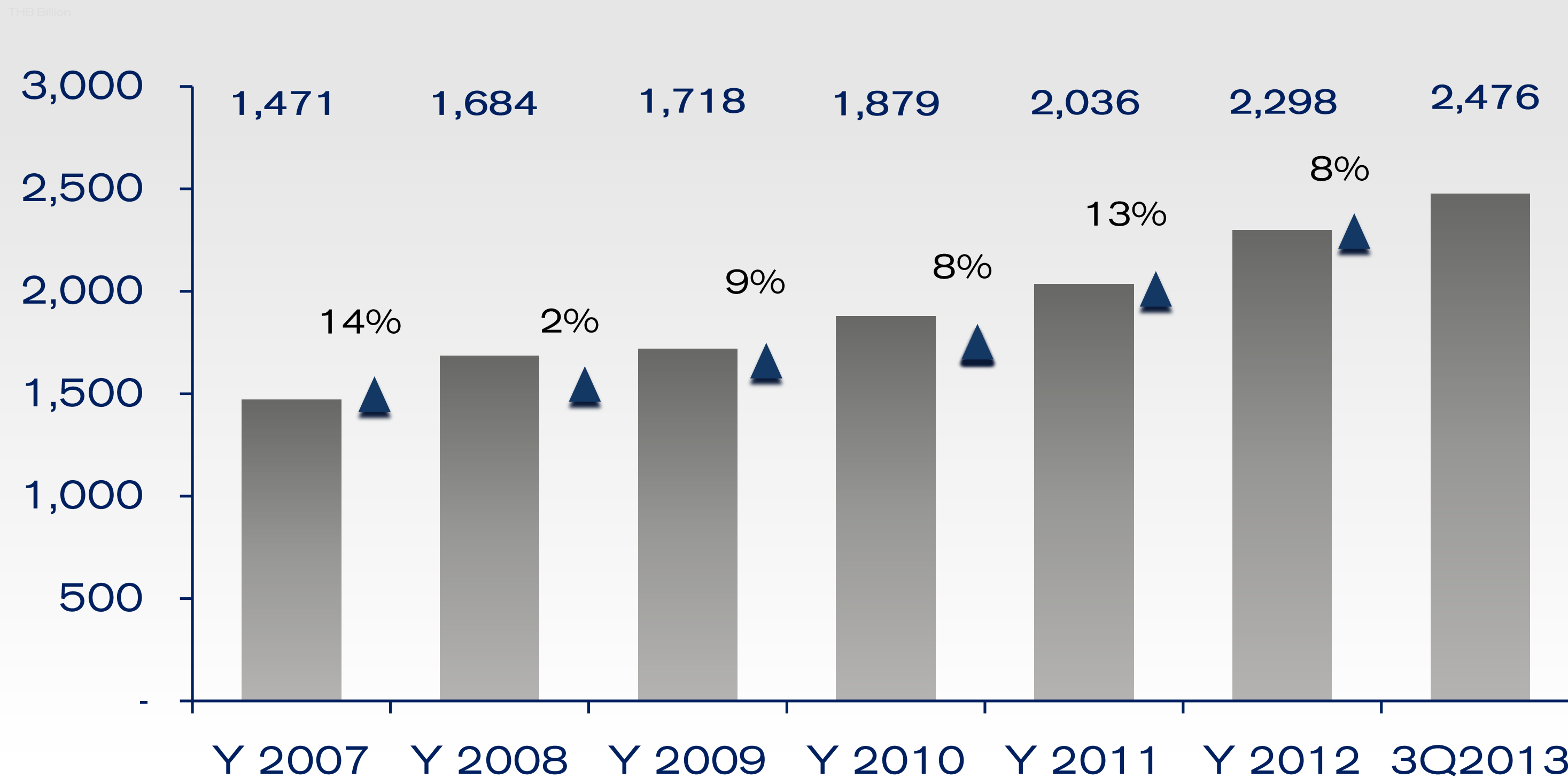
# 1. SEIZING THE OPPORTUNITY

## UNDOUBTED GROWTH POTENTIALS



# 4. Growing Outstanding Mortgage

THB Billion



Source: Government Housing Bank



# **PORTFOLIO MANAGEMENT FOR SUSTAINABLE GROWTH**

- 1. Location Mix**
- 2. Product Mix**

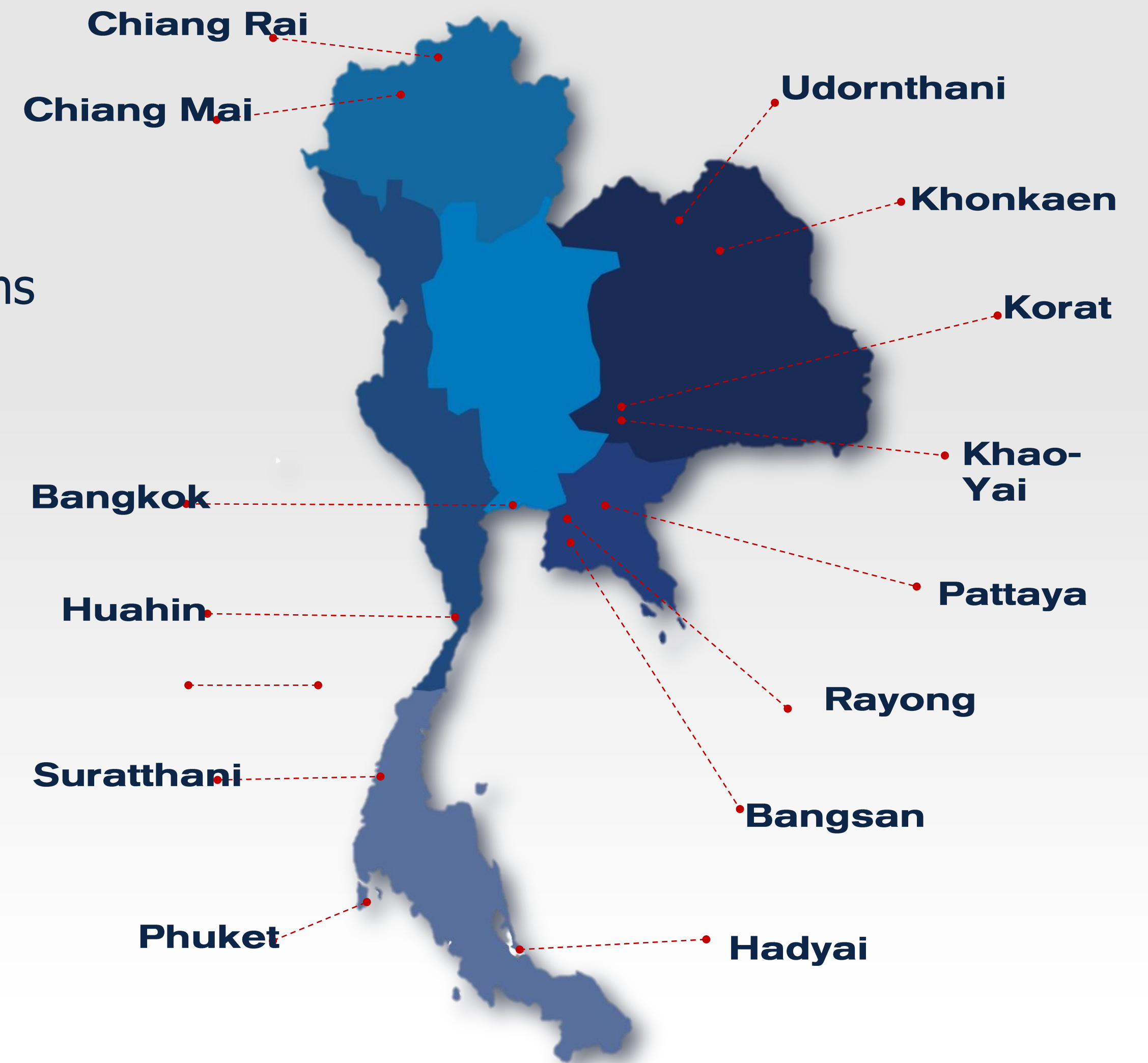
# 1. SEIZING THE OPPORTUNITY

## PORTFOLIO MANAGEMENT FOR SUSTAINABLE GROWTH



### 1. Location Mix

- Urban areas: Low-rise in potential existing locations



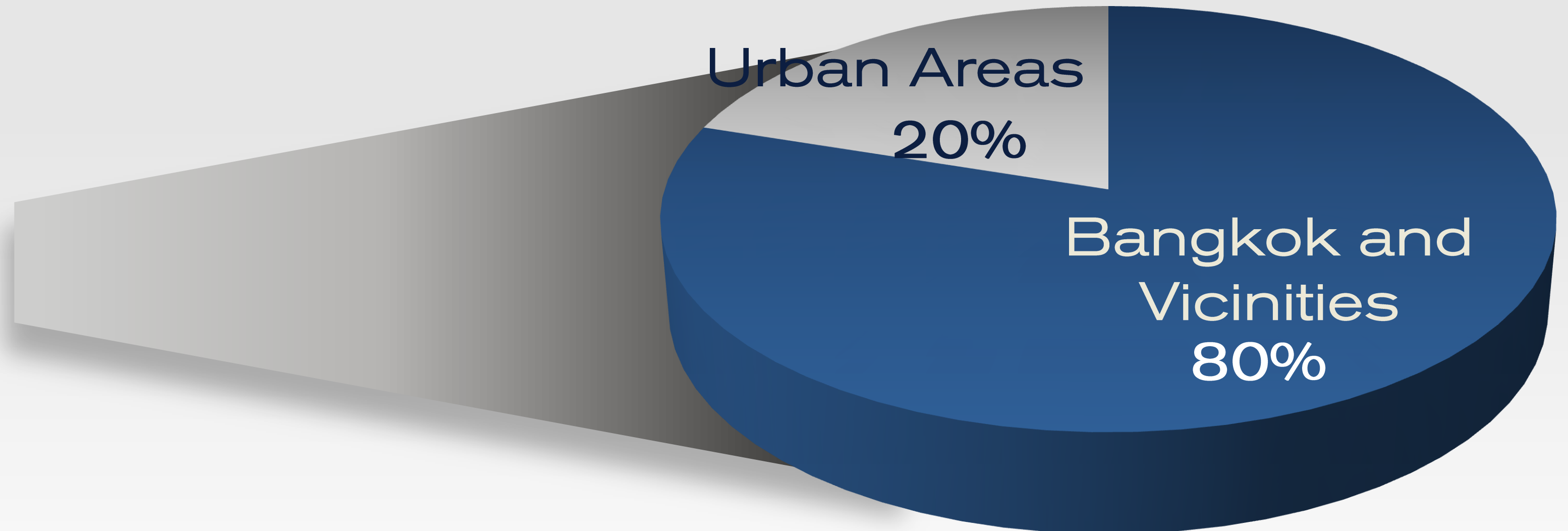
# 1. SEIZING THE OPPORTUNITY

## PORTFOLIO MANAGEMENT FOR SUSTAINABLE GROWTH



### 1. Location Mix

- Target Location Mix by 2017





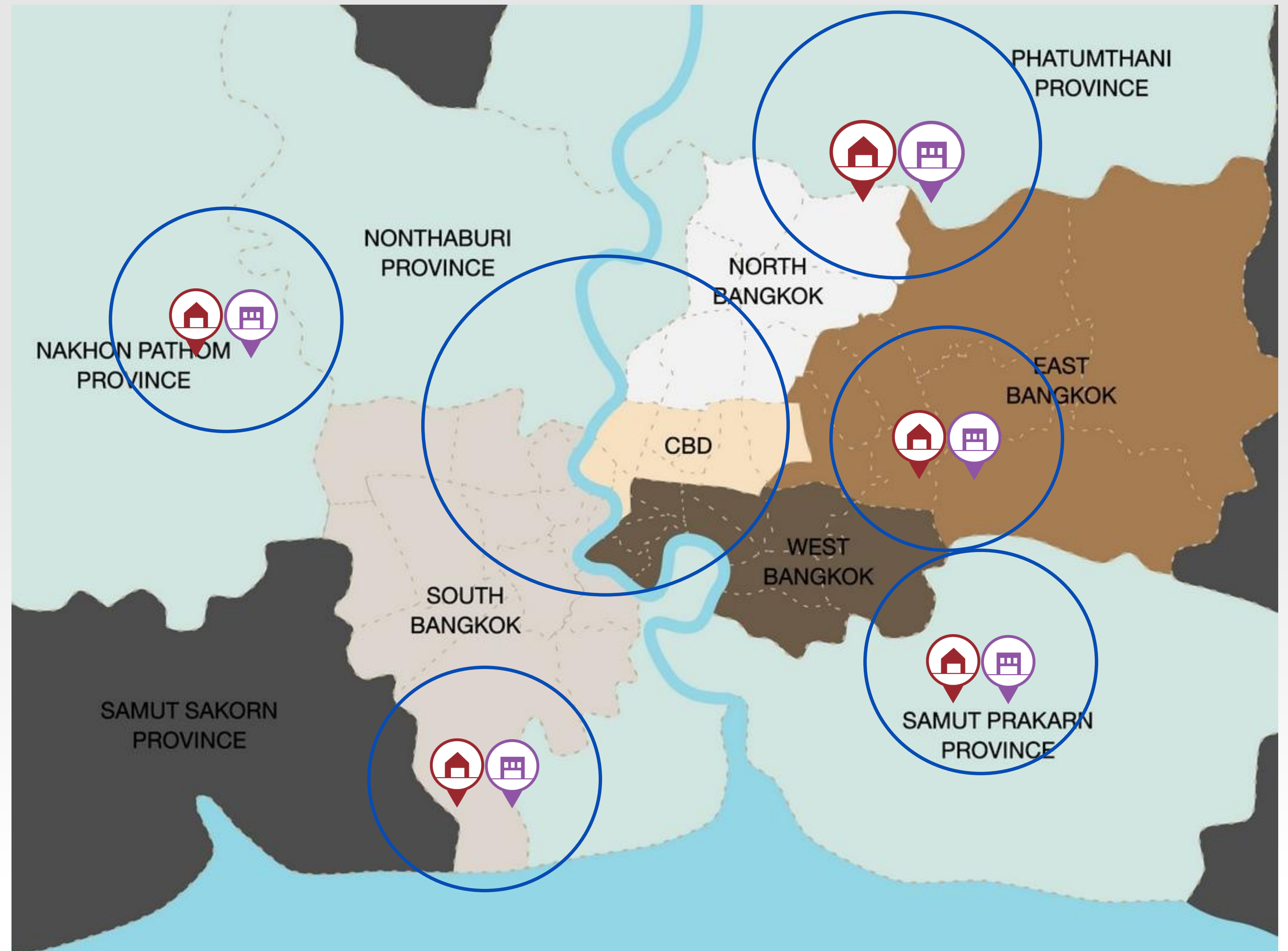
# 1. SEIZING THE OPPORTUNITY

## PORTFOLIO MANAGEMENT FOR SUSTAINABLE GROWTH



### 1. Location Mix

- Bangkok and vicinities



# 1. SEIZING THE OPPORTUNITY

## PORTFOLIO MANAGEMENT FOR SUSTAINABLE GROWTH



## 2. Product Mix Management

– Target Product Mix by 2017

		Single Detached Houses Price/ Unit	Townhouses Price/Unit	Condominiums price./Sq.m.	% of total revenue by segment
Price Range (THB MN)	<b>Premium</b>	>20.00 10%	>10.00 5%	>120,000 15%	<b>30%</b>
	<b>Medium</b>	8.10-20.00 20%	4.10-10.00 5%	80,000-120,000 10%	<b>35%</b>
	<b>Affordable</b>	<8.10 10%	<4.10 5%	<80,000 20%	<b>35%</b>
<b>% of total revenue by product type</b>		<b>40%</b>	<b>15%</b>	<b>45%</b>	



## **SECTION 2**

### **TUNING THE SYSTEM**

- Improve Profitability
- Improve Cost Efficiency – Selling Expense
- Improve Cost Efficiency – Administrative Expense



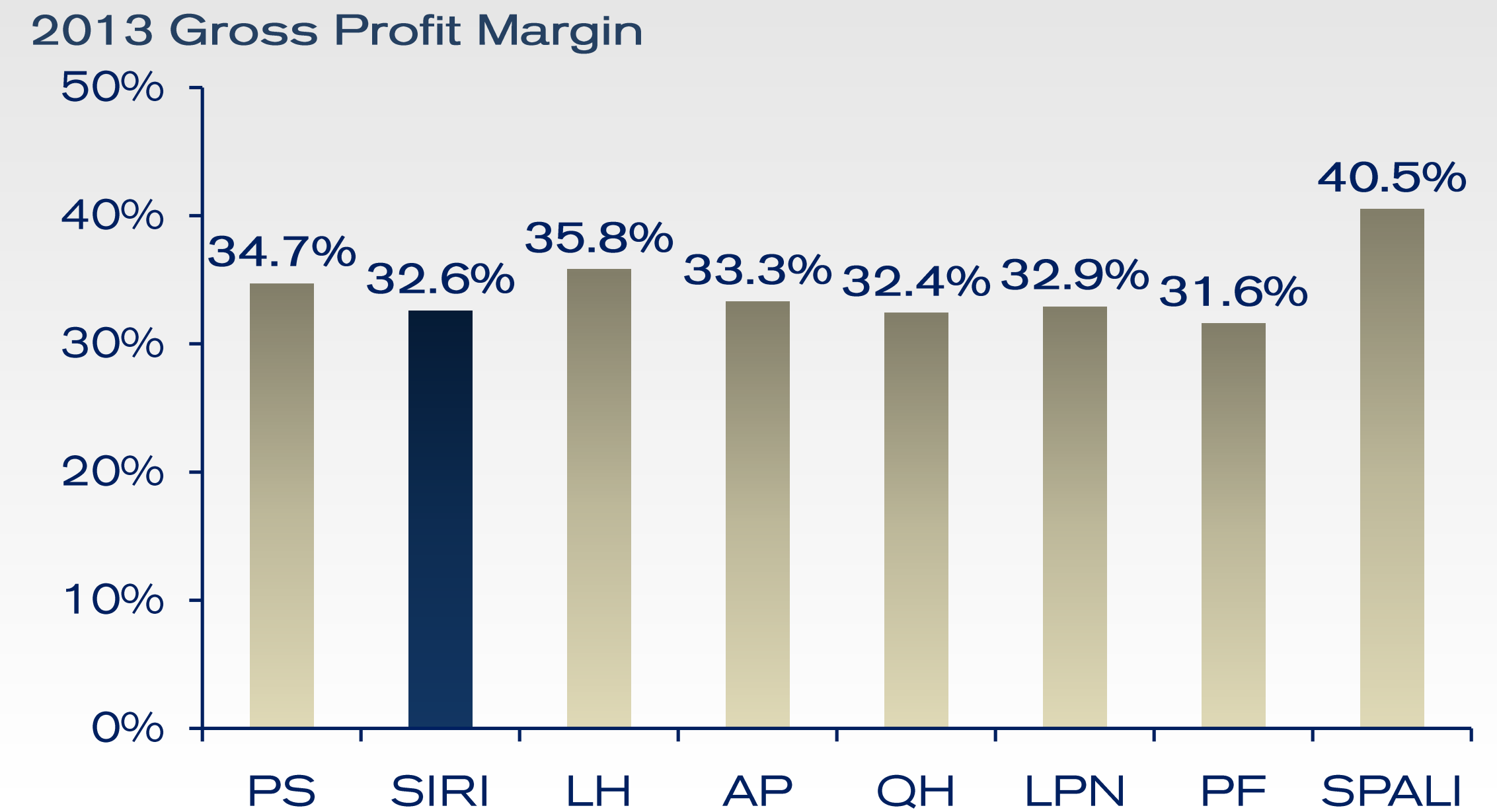
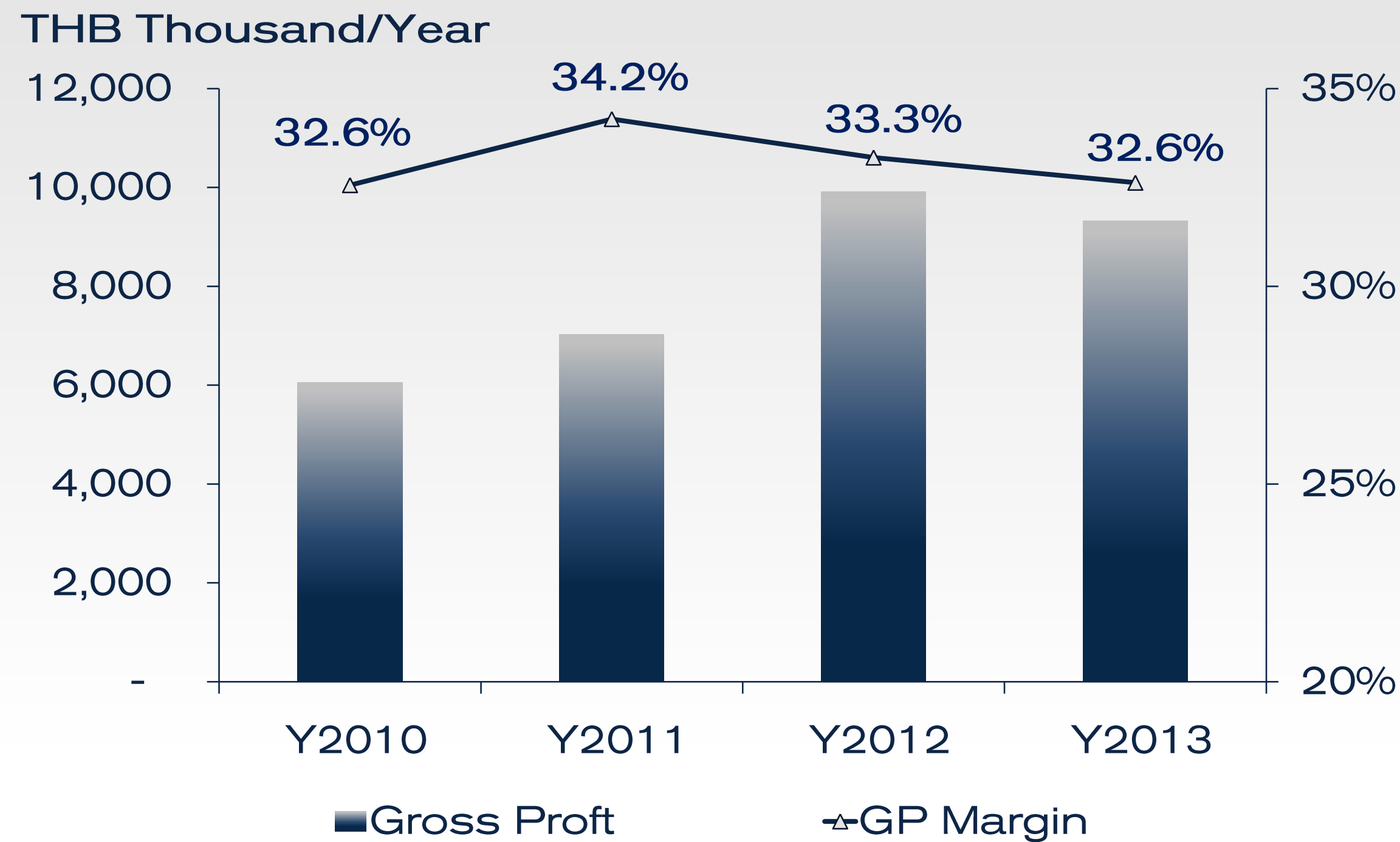
# **IMPROVE PROFITABILITY**

## 2. TUNING THE SYSTEM IMPROVE PROFITABILITY

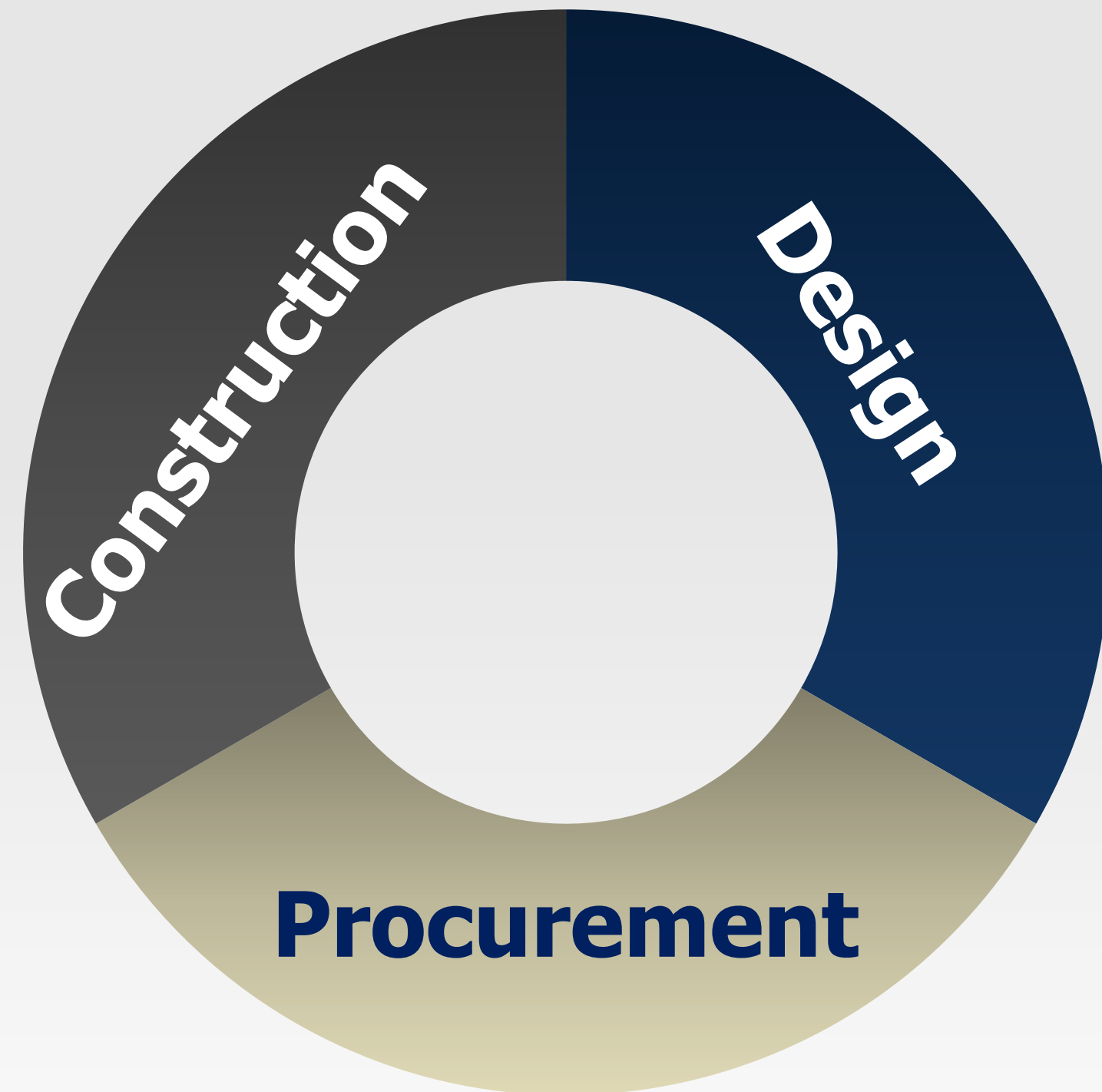


### CURRENT STATUS

- Proven Records: Consistent Gross Profit Margin
  - Gross profit margin at 32-35% since 2010



## 2. TUNING THE SYSTEM IMPROVE PROFITABILITY



### Value-Chain Enhancement

- Standardize Design
- Reduce defect and maintenance cost
- Minimum waste
- Fully utilize Pre-Fabrication Factory





**IMPROVE COST EFFICIENCY  
VIA  
SELLING EXPENSE**

## 2. TUNING THE SYSTEM

### IMPROVE COST EFFICIENT – SELLING EXPENSE

#### 1. Brand Management

- Reaping “brand” equity while continuing to focus on the master brand “SANSIRI” and reducing sub brand communication
- Pooled brand communication – less spending on project advertising

#### 2. Maximize Channels for Awareness

- Reduce bulk of ad spend by rebalancing traditional and digital media budget
- Utilizing partnership and co-branding for maximum exposure with minimum spend

#### 3. Selling Tools

- Effective use of sales office
- Life Comes Home event at Siam paragon







**IMPROVE COST EFFICIENCY  
VIA  
ADMINISTRATIVE EXPENSE**

## 2. TUNING THE SYSTEM

### IMPROVE COST EFFICIENCY – ADMINISTRATIVE EXPENSE



# The New **WOW** (way of working)

## 1. PEOPLE – to maintain status quo on manpower expense

- Reduce rework through synergy of **knowledge sharing**.
- Reduce T&A and utilized HR via enabling **geographical team**.
- **Multi-tasking** via more training and development to unlock staff potential and maximize output.

## 2. PROCESS – to maximize productivity

- **Centralization**
  - Accredited Suppliers to improve bargaining power by better utilization, sharing and control.
- **Standardization**
  - Introduce standard ratio framework for operation and management.
- **Monitoring**
  - Set up standard control team for monitoring and evaluation



## **SECTION 3**

# **BECOMING A WELL OILED MACHINE**

- 2009 Shelved Plan
- Inferior Existing Capital Structure
- Strengthening Financial Position
- Stock Right Offering and Warrant Related Date



# **2009 SHELVED PLAN**

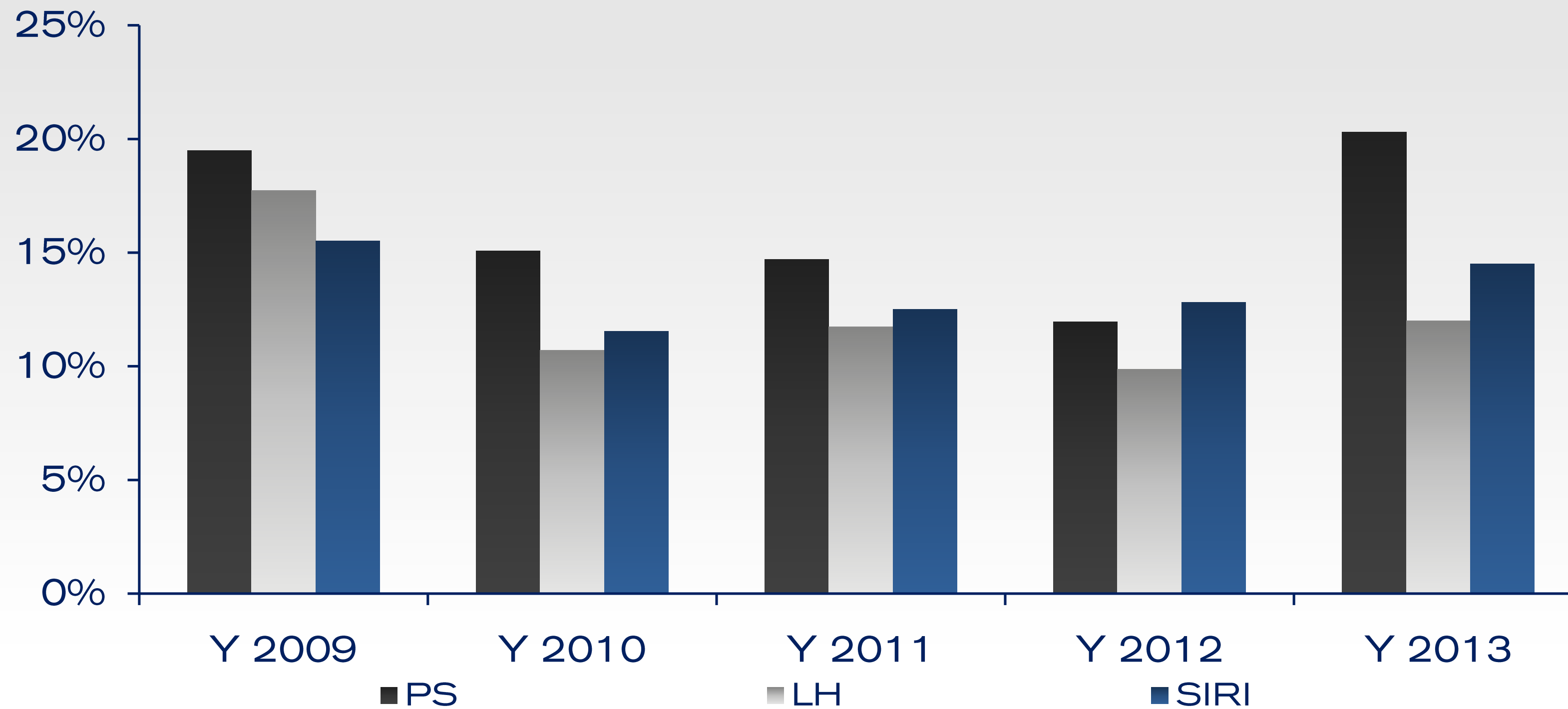
### 3. BECOMING A WELL OILED MACHINE

#### 2009 SHELVED PLAN



- Challenging the market in terms of revenue market share

Consistently Top 3 revenue market share



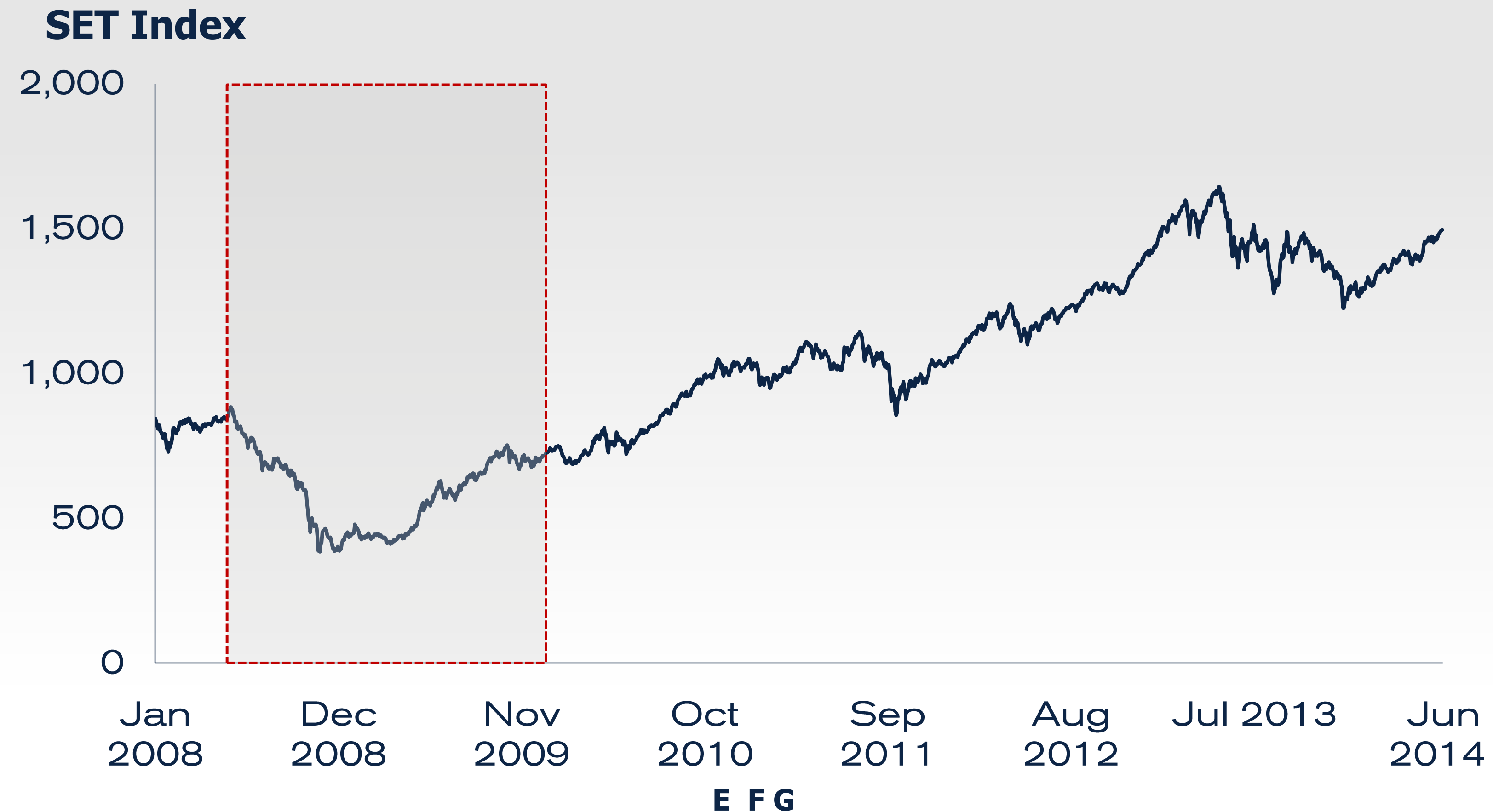
### 3. BECOMING A WELL OILED MACHINE

#### 2009 SHELVED PLAN



- **Deteriorating stock market conditions**

- Called off Private Placement Plan of 1.473 million shares or approximately THB 6.3 billion.



### **3. BECOMING A WELL OILED MACHINE**

#### **2009 SHELVED PLAN**



- **Tapping into attractive bond market**
  - Investment grade bond rating



# **INFERIOR EXISTING CAPITAL STRUCTURE**



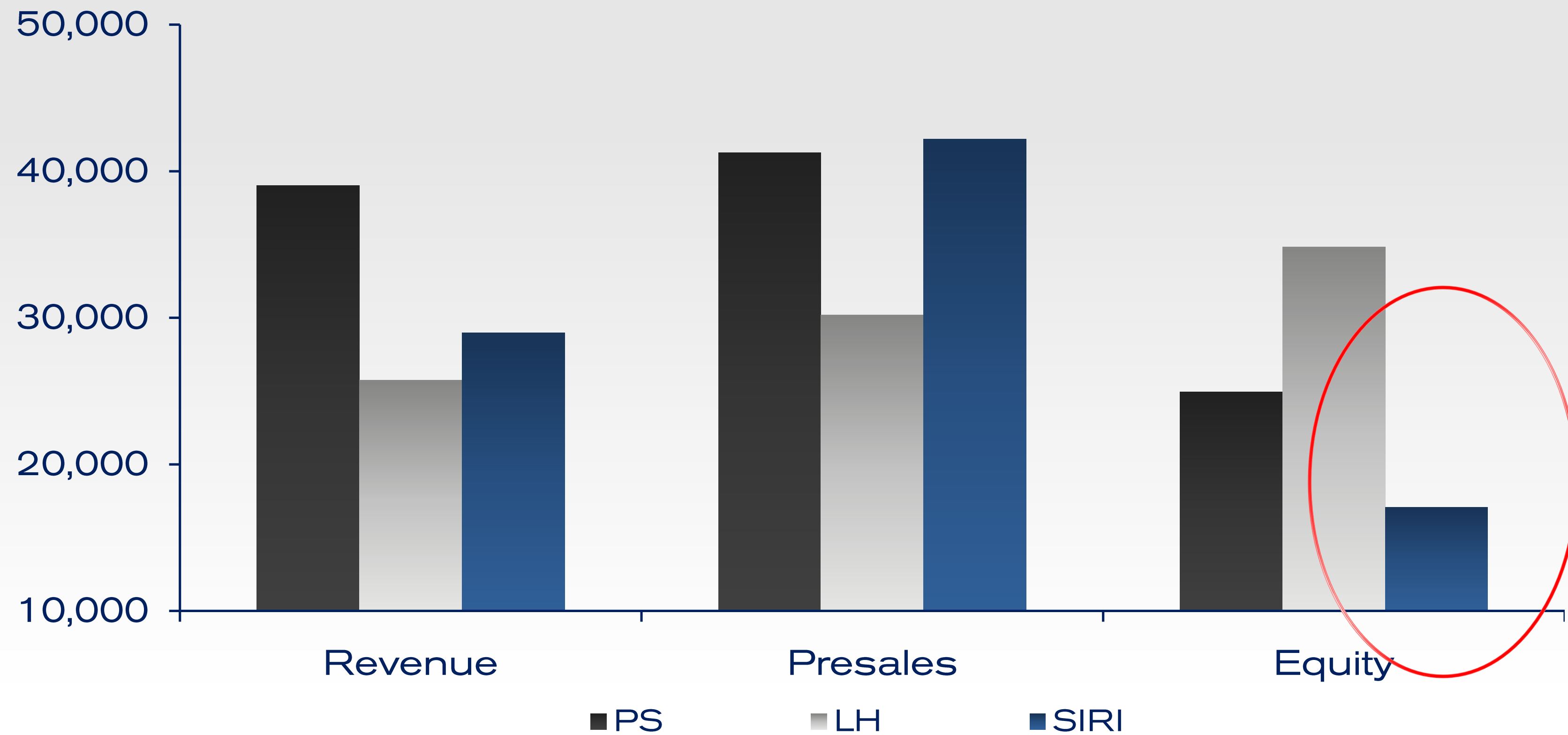
### 3. BECOMING A WELL OILED MACHINE

#### INFERIOR EXISTING CAPITAL STRUCTURE



### 2013 Financial Highlights

THB Thousand





# **STRENGTHENING FINANCIAL POSITION**

### **3. BECOMING A WELL OILED MACHINE**

#### **STRENGTHEN FINANCIAL POSITION**



#### **STOCK RIGHT OFFERING WITH "FREE" DETACHABLE WARRANT (SIRI-W2)**

- Subscription ratio: 3:1
  - Subscription price: THB 1.3
  - Buy 1 share get 1 Warrant "Free"
- 

#### **WARRANTS (SIRI-W2)**

- Exercise ratio: 1:1
  - Exercise price: THB 2.5
  - Expiration date: December 2017
  - Exercise period: Quarterly (1<sup>st</sup> year Non-exercise)
- 

#### **ESOP#7**

- Exercise ratio: 1:1
- Exercise price: THB 2.5
- Expiration date: December 2019
- Exercise period: Monthly
- Vesting (exercise): 20% each year (graded vesting)



# **STOCK RIGHT OFFERING AND WARRANT RELATED DATE**



### **3. BECOMING A WELL OILED MACHINE**

#### **STOCK RIGHT OFFERING AND WARRANT RELATED DATE**

#### **SCHEDULE**

- Extraordinary general meeting: 12<sup>th</sup> September 2014
- Ex-right date: 7<sup>th</sup> October 2014
- Rights record date: 9<sup>th</sup> October 2014
- Payment date: 27<sup>th</sup>-31<sup>st</sup> October 2014
- Tentative listed date of new share: November 2014
- Tentative listed date of Siri-W2: November 2014



# SUMMARY



**E F G**

**ENGINEER FOR GROWTH**



**It is not about compromising quality or  
creating shortcut  
but about implementing best solution through  
innovation, creativity and expert knowhow.**





**Because it's all about moving forward  
and we aim to go forward  
by delivering our consumers great products  
and investors sustainable growth and profit.**



**THANK YOU**