

7 February 2018

SC announces “SC RE-INVENTION 2020”, the 3-year roadmap, gearing toward “Living Solutions Provider” with confidence to achieve more than 60 billion Baht of total sales in three years, planning to launch 19 projects worth 19 billion Baht in 2018.

Mr. Nuttaphong Kunakornwong, SC Asset Corporation Plc (SC) 's Chief Executive Officer, announced SC vision and roadmap toward steady growth in three years. He said, “Every organization in this world is being challenged by the rapidly-changing landscape of global business. Old ways of thinking become irrelevant when digital technology is playing a massive role in transforming people behavior now and the future. The new landscape is formed with connectivity of all industries, forming an ecosystem with diverse members and a linkage of various ecosystems. This creates a new business model featuring platforms and solutions, in addition to products and services, combining the following three aspects to better respond to human needs.

The first group: Incumbents or existing stakeholders in old industries.

The second group: Tech entrepreneurs or fast operators that come into existence to provide specific human solutions.

The third group: Digital giants or large-scale tech firms with tendency to expand their operation scope and business size to cover every industry.

Tech entrepreneurs and digital giants play an important role in linking various industries together. To keep with the changing behavior of humans or consumers, the companies under the first group need to work with the second and third groups to survive and thrive in a sustainable manner”

“To ensure our healthy growth, SC announces our three-year roadmap called “SC-REINVENTION 2020”, targeting to achieve 24 billion Baht of sales and 22 billion Baht of income in 2020 with the total sales in 2018-2020 exceeding 60 billion Baht. SC rethinks our business approaches by transforming SC from being merely a “Developer” to become “Living Solutions Provider” by working with various partners in the ecosystem to better respond to people’s evolving lifestyle on this new business landscape.” SC aims to proper by 4 strategies:

1. RE-INVENTION from a “Developer” toward “Living Solutions Provider” through 3Ds.

- D1 Digitize: Transform work system from analog toward digital to incorporate big data in terms of our work and consumer insights to analyze and develop our operations.

- D2 Design: Use Human-Centric Approach to design our products & services and solutions by starting from our understanding of pain points in customers' lifestyle.

- D3 Develop: Incorporate innovations in quality property development for every price level.

2. CO-CREATION Work with business partners in the ecosystem to develop Living Solutions (SC residential property development & after-sales service, coupled with other services by our business partners) for our customers and nearby communities. Our Living Solutions Platform is called "Rue Jai".

3. Quality First: The quality of SC products and services, categorized into "pre-transfer and after-transfer, is our highest priority.

4. TOP-LINE GROWTH: Expand in terms of top-line both volume and value of property projects to continue driving SC growth, while property leasing project, currently covering 110,000 square meters is our secured income, representing one-fourth of SC net profit.

Property projects for sales are classified as horizontal and vertical projects

- Horizontal projects: SC has maintained our leadership in detached home segment, priced over 8 million Baht, and planned to increase the market share of detached home segment, lower than 8 million Baht, and townhome worth around 2-3 million Baht per unit. This year, SC will expand our property development projects to Chachoengsao province, perceiving urbanization potential from the prospective Eastern Economic Corridor (EEC) mega project. In 2020, the ratio of SC horizontal projects in Bangkok and provinces will be 90:10.

- Vertical project: SC and SCOPE, a new joint venture with SC holding 90 percent share under the leadership of CEO Mr. Yongyuth Chaipromprasit, plan to develop more than 10 vertical projects this year. The main income of vertical projects in the next three years will come from the transfer of three super luxury projects namely SALADAENG ONE, BEATNIQ and 28 CHIDLUM.

SC targets to achieve sales and income in 2018 of 17 billion Baht with the sales rising around 11 percent. SC plans to launch 19 projects worth 19 billion Baht. Seventeen projects of them are horizontal projects worth 15 billion Baht and two vertical projects worth 4 billion Baht. SC allocates 10 billion Baht of budget to buy land this year.

"Highlight of our new horizontal projects this year is two township concept development projects on two locations, one in Krungthep Kreetha in the Eastern part of Bangkok and the other is located in Bang Kradee, Pathum Thani, in the Western part of Bangkok, covering more than 200 rais, which will be offered for sales in the second half of 2018."

In addition, 50 percent of new projects this year will be under PAVE and VERVE brands which will be single houses and townhome worth between 2-5 million Baht, in line with an expected growth in market share of this market segment in 2018-2020.

SC vertical projects in the pipeline include Centric Ratchayothin, situated close to BTS Ratchayothin station or only 150 meters away. It is a 1.5-billion Baht high-rise, comprising 21 floors, with the starting price at 3.7 million Baht. Centric Ratchayothin's pre-sale will happen in March this year. Meanwhile, the 2.5-billion Baht Crest project on Sukhumvit 23 will be offered for sales in the fourth quarter.

Mr. Nuttaphong summed up, "In 2017, SC hit new records both in terms of total sales of 15.278 billion Baht and horizontal projects of 10.547 billion Baht. Thus, SC commands No. 1 market share for detached house segment priced over 15 million Baht and No. 2 for all detached house market. SC sales from word-of-mouth generated 18 percent of the total sales, showing trust that we have earned from our customers, in addition to superb quality of our residential products and services. In 2018, the business landscape has changed. To ensure SC healthy growth, we will not stick with old ways of doing business. Instead, we are ready to re-invent and work with our partners in the ecosystem to deliver high-quality living solutions with optimal quality to our customers."

Sincerely yours,

-Signature-

(Mr. Attapol Sariddipuntawat)

Chief Corporate Officer

SC Asset Corporation Public Company Limited