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10th February 2022

RE: Financial Statements Analysis Report 2021

Dear Director and Manager

The Stock Exchange of Thailand

L.P.N. Development Public Co., Ltd. would like to submit the financial statements in 2021 of the Company and subsidiary companies as well as the performance report as follows:

L.P.N. Development Public Co., Ltd. and subsidiary companies provide a complete range of property development services with the focus on the quality of life of all residents managed with “Livable Home” concept and develop a home at the affordable price. In 2021, the Company has still been operating under the pressure of COVID-19 pandemic which has been ongoing from 2020. When the pandemic reached its peak in mid 2021, the government has ordered the lock down of construction camps, resulting in at least three - month delay in project handover. This is the main reason of the decrease of income from complete projects. At the same time, the ownership transfer of the projects in the inventory has been achieved as planned. Moreover, the Company has established a plan to enhance the liquidity as well as cut back on unnecessary expenses so as to accommodate the above situation.

Overall Information on Projects Completed, New Projects Launched, Sales Volume and Backlog in 2021

Item	Completed	Newly Launched		Sales Volume (Million THB)	Backlog (Million THB)
		Project	Value (Million THB)		
1. Residential Condominium	No project completed and ready to be handed over	1	980	8,900	2,990
2. Office Building		3	3,660		
3. Single House		1	110		
4. Commercial Building		5	4,750		
Total					

The details are as follows:

- A. **Projects Completed and Ready to be Handed Over**: There is no project completed and ready to be handed over as a result of the shutdown of construction camps during COVID-19 outbreak. The project handover has thus been delayed for at least three months.

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B. New Projects Launched: There are five new projects launched with the combined value of approximately 4,750 million THB, namely,

1. One residential condominium project i.e., Lumpini Ville Charan - Faichai Building C, valuing 980 million THB.
2. Three single house projects i.e., Baan 365 Muang thong (a premium project), valuing 2,500 million THB and two single house projects of a subsidiary company i.e., Lumpini Townplace Lat phrao 101 – pho kaew and Lumpini Townville Saimai 18 - Phaholyothin, valuing approximately 1,160 million THB.
3. One commercial building project i.e., Baan Lumpini Townville Lat Krabang - Suvarnabhumi, valuing around 110 million THB.

C. Sales Volume and Backlog

1. The sales volume in 2021 is 8,900 million THB, 66% of which is from residential condominium projects and 34% from single house projects.
2. The backlog is 2,990 million THB which will gradually be recognized in 2022 and 2023.

Sales Volume and Backlog as of 31st December 2021

Sales Volume	2021				
	Q1	Q2	Q3	Q4	Annua lly
1. Residential Condominium	1,500	1,240	1,460	1,700	5,900
2. Single House	600	830	670	900	3,000
3. Total Sales Volume	2,100	2,070	2,130	2,600	8,900

Backlog	To be handed over in 2022	To be handed over in 2023	Total
1. Residential Condominium	1,850	100	1,950
2. Single House	1,040	-	1,040
3. Total Backlog	2,890	100	2,990

Note: The income in 2022 will be derived from backlog and ready - to - move - in projects

Performance in 2021 and 2020

Consolidated Profit (Loss) Statements

The net profit of the Company and subsidiary companies decreases 4.30% comparing to the same period of the previous year. It is because the income from sales decreases 32.61%, 62% of which is recognized from residential condominium projects and 38% from single house projects. The income from rental and service business and management fee increases 21.03% and 10.29% respectively from that of the same period of the previous year. It is because of the expansion of the rental business and facilities management business.

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Table 1 : Proportion of Main Income of the Company and Subsidiary Companies in 2021 and 2020 Unit: Million THB

Type of Income	2021				Annually		Variance (%)
	Q1	Q2	Q3	Q4	2021	2020	
1. Income from sales of real estate	1,056.58	977.42	813.59	1,196.55	4,044.14	6,001.26	(32.61%)
1.1 Residential condominium	674.05	532.35	566.99	753.03	2,526.42	4,283.28	(41.02%)
Proportion (%)	63.80%	54.46%	69.69%	62.93%	62.47%	71.37%	(8.90%)
1.2 Single house	382.53	445.07	246.60	443.52	1,517.72	1,717.99	(11.66%)
Proportion (%)	36.20%	45.54%	30.31%	37.07%	37.53%	28.63%	8.90%
2. Income from rental and service business	72.88	68.59	65.46	65.63	272.56	225.19	21.03%
3. Income from management business	293.54	314.87	303.72	341.15	1,253.28	1,136.38	10.29%
4. Total Main Income	1,423.00	1,360.88	1,182.77	1,603.33	5,569.97	7,362.83	(24.35%)

Statement of Financial Position as of 31st December 2021 and 2020

Total assets

The total assets of the Company increase 0.67% or 157.89 million THB i.e., from 23,618.74 million THB to 23,776.63 million THB. The main reasons are as follows:

1. The deposit for four plots of land i.e., a plot of land on Liab Klong 3 Lamlukka road, a plot of land around Ratchaphruek, a plot of land around Boromratchonnane Pinklao and a plot of land around Latpladuk Temple bought for the development of residential condominium and single house projects are paid.
2. Plots of land, project costs during construction and inventory increase 4.08% or 700.10 million THB i.e., from 17,165.71 million THB to 17,865.81 million THB. It is because there are two projects completed and ready to be handed over i.e., one office building project and one single house project. Moreover, the Company buys one plot of land and the subsidiary company two plots of land around Bangplab and Saimai 18. A single house project and a commercial building project are also developed on two plots of land from the land bank.

Total liabilities

Total liabilities increase 4.94% or 582.60 million THB i.e., from 11,796.83 million THB to 12,379.43 million THB. It is mainly because the loan from financial institutions for project development increases 7.58% or 734.38 million THB i.e., from 9,691.95 million THB to 10,426.33 million THB.

As a result of the above reasons, the interest bearing debt to equity ratio and the debt to equity ratio have increased from 0.82 : 1 to 0.91 : 1 and from 1.00 : 1 to 1.09 : 1 as of 31st December 2021 and the year 2020 respectively. The Company has strictly upheld the financial discipline, maintain the debt - to - equity ratio, and control operational costs to minimize management costs.

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Financial structure

As a consequence of COVID-19 situation, the financial policy of the Company is carefully implemented all through 2021. The interest bearing debt to equity ratio is maintained at 1 : 1. Moreover, the Company is able to pay off maturing debentures in 2021 at the amount of 1,980 million THB and enhances the long - term financial liquidity by issuing new debentures in 2021 at the amount of 1,948 million THB to expand the business and build confidence of shareholders and financial institutions that offer loan to the Company.

Cash flow statement

As for the cash flow statement as of 31st December 2021 and 31st December 2020, the net cash flow decreases 63.46% or 581.75 million THB i.e., from 916.70 million THB to 334.95 million THB. It is because the maturing debentures are paid off at the end of the year. However, the current ratio is still high. As of 31st December 2021, the current assets/current liabilities ratio is 2.31 : 1.00. It is evident that the Company has assets with sufficient liquidity to pay interest and short - term loans although the interest coverage ratio is lower than that of the same period of the previous year.

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Important Numbers in the Financial Statements 2021 and 2020

Table 2 : Profit (Loss) Statements in 2021 and 2020

Number		Consolidated Financial Statements			Separate Financial Statements		
		2021	2020	% Variance	2021	2020	% Variance
1.	Main income (Million THB)	5,569.97	7,362.83	(24.35%)	3,249.30	5,083.22	(36.08%)
2.	Gross profit from sale (%)	23.44%	28.62%	(5.17%)	23.42%	27.41%	(3.99%)
3.	Gross profit from rental and service business (%)	36.02%	42.00%	(5.98%)	37.49%	37.21%	0.27%
4.	Gross profit from management business (%)	45.03%	34.56%	10.47%	-	-	-
5.	Gross profit from main income (Million THB)	1,610.62	2,204.68	(26.95%)	799.13	1,415.33	(43.54%)
	(%)	28.92%	29.94%	(1.02%)	24.59%	27.84%	(3.25%)
6.	Expenses on sales (Million THB)	266.66	371.99	(28.32%)	197.17	309.08	(36.21%)
	(%)	4.79%	5.05%	(0.26%)	6.07%	6.08%	(0.01%)
7.	Expenses on sales (Million THB)	106.49	139.42	(23.62%)	77.45	119.09	(34.97%)
	(excluding ownership transfer) (%)	1.91%	1.89%	0.02%	2.38%	2.34%	0.04%
8.	Expenses on management (Million THB)	782.03	880.84	(11.22%)	336.73	427.47	(21.23%)
	(%)	14.04%	11.96%	2.08%	10.36%	8.41%	1.95%
9.	Profit before interest and income tax (Million THB)	574.47	1,032.70	(44.37%)	341.75	776.37	(55.98%)
	(%)	10.31%	14.03%	(3.72%)	10.52%	15.27%	(4.75%)
10.	Profit before tax (Million THB)	385.16	935.16	(58.81%)	146.49	668.30	(78.08%)
	(%)	6.91%	12.70%	(5.79%)	4.51%	13.15%	(8.64%)
11.	Net profit (loss) (Million THB)	302.34	716.35	(57.79%)	121.90	511.20	(76.15%)
	(%)	5.43%	9.73%	(4.30%)	3.75%	10.06%	(6.31%)
12.	Net profit (loss) per share (THB)	0.21	0.49	(57.81%)	0.08	0.35	(76.14%)
13.	Book value per share (THB)	7.84	8.13	(3.57%)	6.98	8.13	(14.15%)

After Revision

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Table 3 : Statement of Financial Position as of 31st December 2021 and 2020

Unit: Million THB

Number	Consolidated Financial Statements			Separate Financial Statements		
	As of 31 st Dec 21	As of 31 st Dec 20	% Variance	As of 31 st Dec 21	As of 31 st Dec 20	% Variance
1. Cash and cash equivalent	334.95	916.70	(63.46%)	198.64	774.01	(74.34%)
2. Trade debtors and other debtors	748.45	357.04	109.63%	323.19	146.94	119.95%
3. Land and project costs during Construction	9,027.77	8,074.95	11.80%	7,285.42	6,678.56	9.09%
4. Backlog	8,838.04	9,090.76	(2.78%)	8,556.02	8,839.08	(3.20%)
5. Other current assets Note 1	202.13	124.75	62.02%	331.68	309.75	7.08%
6. Non - current assets Note 2	4,625.29	5,054.55	(8.49%)	5,001.07	5,411.10	(7.58%)
7. Total assets	23,776.63	23,618.74	0.67%	21,696.01	22,159.44	(2.09%)
8. Overdraft and short - term loan	7,104.67	6,587.89	7.84%	6,797.94	6,677.88	1.80%
9. Trade account payable and other creditors	1,169.67	1,266.63	(7.66%)	909.76	1,019.85	(10.80%)
10. Long - term loan	3,321.66	3,104.06	7.01%	3,365.44	3,164.73	6.34%
11. Overdue corporate income tax	4.29	92.18	(95.35%)	-	73.42	(100.00%)
12. Non - current liabilities Note 3	779.14	746.07	4.43%	467.86	463.37	0.97%
13. Total liabilities	12,379.43	11,796.83	4.94%	11,540.99	11,399.25	1.24%
14. Shareholders' equity	11,397.20	11,821.91	(3.59%)	10,155.02	10,760.19	(5.62%)

After Revision

[Note 1](#) Comprising temporary investment and short - term loan to connected business.

[Note 2](#) Comprising investment in subsidiary companies and associated companies, land and costs of project pending development, real estate for investment, land, building and equipment, goodwill, non - tangible assets, lease hold, deferred tax assets and other non - current assets.

[Note 3](#) Comprising income from rental fee received in advance, estimation of staff benefits, deposit of rental and service fee and other non - current liabilities.

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Table 4 : Financial Ratio in 2021 and 2020

Item	Unit	Year		Item	Unit	Year	
		2021	2020			2021	2020
<u>Liquidity Ratio</u>				<u>Asset Management Ratio</u>			
1. Current Ratio	Time	2.31	2.34	12. Return on Assets	%	1.28	3.04
2. Quick Ratio	Time	0.16	0.18	13. Return on Fixed Assets	%	11.46	28.05
3. Collection Period	Day	9.24	6.02	14. Asset Growth Rate	%	0.67	0.62
4. Inventory Turnover Ratio	Day	1,042.35	778.18	15. Liabilities Growth Rate	%	4.94	14.37
5. Payment Period	Day	79.65	74.38	<u>Financial Ratio</u>			
<u>Profitability Ratio</u>				16. D/E Ratio	Time	1.09	1.00
6. Gross Profit Margin from Sales	%	23.44	28.62	17. Interest Bearing D/E Ratio	Time	0.91	0.82
7. Gross Profit Margin from Rent	%	36.02	42.00	18. Interest Coverage Ratio	Time	3.03	10.59
8. Gross Profit Margin from Management	%	45.03	34.56	19. Net Profit (Loss) per Share	THB	0.21	0.49
9. Net Profit	%	5.43	9.73	20. Book Value per Share	THB	7.84	8.13
10. Sales to Equity Ratio	%	34.84	48.09				
11. Return on Equity	%	2.60	5.74				

After Revision

Please kindly be informed accordingly.

Sincerely yours,

Mr. Opas Sripayak

Chief Executive Officer and Managing Director