

(-English Translation-)

IR.PIN 002/2022

25 February 2022

Re: Management Discussion and Analysis (MD&A) of the Operating Performance for the year 2021

To President

The Stock Exchange of Thailand

Pinthong Industrial Estate Public Company Limited (“the Company”) would like to report the operating performance results of the company for the year 2021 as follows:

**Statement of Income**

Item	Consolidated financial statements 2021		Separate financial statements 2020		Change Increase / (Decrease)	
	Millions of THB	%	Millions of THB	%	Millions of THB	%
	Key Operating Revenue	1,062.85	94.22	538.64	91.07	(524.21)
- Revenue from sales of real estate	876.11	77.66	341.56	57.75	(534.55)	(61.01)
- Revenue from leases and services	186.74	16.55	197.08	33.32	10.34	5.54
Other income	65.26	5.78	52.80	8.93	(12.46)	(19.09)
<b>Total revenues</b>	<b>1,128.11</b>	<b>100.00</b>	<b>591.44</b>	<b>100.00</b>	<b>(536.67)</b>	<b>(47.57)</b>
Cost of sales of real estate, leases, and services	(527.75)	(46.78)	(271.17)	(45.85)	(256.58)	(48.62)
<b>Gross profit</b>	<b>535.10</b>	<b>47.43</b>	<b>267.47</b>	<b>45.22</b>	<b>(267.63)</b>	<b>(50.01)</b>
SG&A	(164.18)	(14.55)	(151.61)	(25.63)	(12.57)	(7.66)
Finance costs	(10.53)	(0.93)	(11.94)	(2.02)	1.41	13.39
Income tax	(21.76)	(1.93)	(12.70)	(2.15)	(9.07)	(41.66)
<b>Profit (loss) for the period</b>	<b>403.89</b>	<b>35.80</b>	<b>144.03</b>	<b>24.35</b>	<b>(259.86)</b>	<b>(64.34)</b>
<b>Key Financial Ratio</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>			
Gross profit margin	%	50.35	49.66			
Net profit margin	%	35.80	24.35			
Basic EPS	Baht	0.46	0.16			

## **Operating Performance For The Year 2021**

### **Key Operating Revenue**

The Company's key operating revenue for yearly performance ending 31 December 2021 fell by THB 524.21 million or 49.31% from the same period of the preceding year for the following reasons.

The revenue from sales of real estate at THB 341.56 million, decreased by THB 534.55 million or 61.01 % from overall of 2020. The Company transferred and recognized 78 rai of land in 2021 which decrease compared to 204 rai of land decreased by 126 rai or 61.76%. This is mainly due to that the customers were unable to travel internationally to proceed with the transfer of title deeds during the COVID-19 pandemic situation.

The revenue from leases and services at THB 197.08 million, increased by THB 10.34 million or 5.54 % from 2020. This was mainly due to an increase in revenue from services including common areas, industrial water and wastewater treatment which are in line with the increasing number of industrial tenants.

### **Gross Profit**

The Company's gross profit for 2021 and 2020 was THB 535.10 and 267.47 million, calculated as gross profit 50.35% or 49.66% consecutively.

The gross profit of sales of real estate in 2021 was increased by 4.69% from 58.47% in 2020 to 63.16% in 2021 caused by the Company has revenue recognition from the sales of land which has average selling price per rai resulting in higher gross profit.

Gross profit of leases and services in 2021 increased by 14.02% from 12.22% in 2020 to 26.25% in 2021 due to the Company has gained increase incognito in revenue and the cost of rental and service has been reduced resulting in higher gross profit.

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## SG&A

SG&A in 2021 fell by THB 12.57 million or 7.66% from 2020 due to a decline in sales promotion expenses and land agent commission expenses based on the amount of land sold in the year 2021. In 2020, the Company was recognized of loss from impairment of land in the type of real estate under development amounted to THB 6.92 million, causing higher expenses than usual. Considering the ratio of selling and administrative expenses to total revenue found that the ratio in the year 2020 and 2021 were 14.55% and 25.63% respectively.

## Net Profit

Net profit for 2020 and 2021 totaled THB 403.89 and THB 144.03 million respectively. This represents a net profit of 35.80% and 24.35% in each respective period.

The Company reported net profit for annual financial statement ended 31 December 2021 amounted of THB 144.03 million fell from the same period of 2020 to THB 259.86 million or 64.34% due mainly to decreased in revenue from sales of real estate as the impact from the customers were unable to travel internationally to proceed with the transfer of title deeds during the COVID-19 pandemic situation.

## Statement of Financial Position

Statement of Financial Position		Statement of Financial Position as at:					
		Consolidated financial statements 31 December 2020		Separate financial statements 31 December 2021		Change Increase / Decrease	
		Millions of THB	%	Millions of THB	%	Millions of THB	%
Total Assets		4,667.60	100.00	5,163.96	100.00	496.37	10.63
Total Liabilities		1,767.24	37.86	2,794.75	54.12	1,027.52	58.14
Total Shareholders' Equity		2,900.36	62.14	2,369.21	45.88	(531.15)	(18.31)
Financial Ratio	Unit	2020		2021			
Liquidity Ratio	X	5.11		4.16			
ROE	%	13.93		6.08			
ROA	%	9.34		3.27			
D/E Ratio	X	0.61		1.18			

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## **The Company's Financial Position**

### **Total Assets**

The Company's total assets as of 31 December 2021 rose by THB 496.37 million or 10.63% from 31 December 2020, mainly from the increase of cash and cash equivalents from the IPO. Also, the cost of property development also increased as the Company is developing a public utility system for PIN6 Project.

### **Total Liabilities**

The Company's liabilities as of 31 December 2021 increased by THB 1,027.52 million or 58.14% from 31 December 2020 as it increased from the loan from the financial institution to support the Company's financial restructuring.

### **Total Shareholders' Equity**

Shareholders' equity as of 31 December 2021 fell by THB 531.15 million or 18.31% from 31 December 2020 mainly due to the increase from registered capital amounted of THB 290 million from the IPO and the increase in surplus in the amount of THB 841.00 million while there was decreased in unallocated retained earnings of THB 1,638.42 million from the annual dividend payment of THB 1,783.50 million. The net profit incurred during the year amounted to THB 144.03 million. Also, the gain on other components of equity from an increase in the market capitalization of PPF.

## **Key Financial Ratio**

### **Liquidity Ratio**

The Company's liquidity ratio as of 31 December 2021 declined from 31 December 2020 due to an increase in short-term liabilities. The Company obtained more long-term borrowings from the financial institution which are due within one year to fulfill its working capital requirement and increase trade account payable.

### **Return on Assets (ROA)**

The Company's ROA for 2021 fell from 2020 as it was decreased in earnings before interest expenses and income tax in 2021 compared to earnings before interest and income tax in 2020, while the

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Company's assets increased from cash and cash equivalents including the increase of real estate development costs.

**Return on Equity (ROE)**

The Company's ROE as of 31 December 2021 (annualized) downed from 31 December 2020, due to a decrease in net profit in 2021 compared to net profit in 2020 because of lower revenue and lower net profit.

**Debt-to-Equity (D/E)**

Debt-to-Equity ratio as of 31 December 2021 rose from 31 December 2020 as the Company obtained more long-term borrowings from the financial institution for working capital. Meanwhile, its shareholders' equity decreased due to the dividend payment declaration in March 2021 and in August 2021.

Please be informed accordingly.

Yours sincerely,

**(Mr. Pira Patamavorakulchai)**  
**Director and Chief Executive Officer**