

### COVID-19 situation and the impact on the company

The global COVID-19 epidemic situation continued from 2020 to 2021. As of 31 December 2021, the number of COVID-19 cases worldwide was 286.9 million and death toll was 5.4 million. In 2020, the number of infections was only 83.1 million and the death toll was 1.8 million, or in 2021 the number of infections increased 2.5 times and the number of death toll was doubled from 2020, respectively. However, in late 2020, there was the start of the first dose of vaccination on 8 December 2020 in the United Kingdom. Then, most countries had begun vaccination process can help prevent serious illness and mortality rate. As a result, in 2021, many countries were able to resume their normal activities or be in more relaxed control measures comparing to 2020.

In 2021, Thailand encountered many changes such as the COVID-19 variations, the third wave of epidemic, the start of vaccination, and the opening of the country for foreign tourists. In the end of 2021, Thailand has accumulated 2.2 million of confirmed COVID-19 cases and 22.0 thousand of deaths, respectively. According to the medical system “Mhor Prom”, as of 31 December 2021, Thailand have accumulated 50 million first dose and 43 million cumulative second dose of vaccinations which were enough to reduce serious illnesses and mortality rate as mentioned earlier. Consequently, Thailand began to relaxed COVID-19 control measures in the second half of 2021. On 1 September 2021, The Center of COVID-19 Situation Administration (CCSA) resolved to further relax the control measures, some activities and businesses and adapted the new control measures of COVID-19 that balanced between normal lifestyle and safety by maintaining social distancing, which corresponded to government's policy of preparing to open the country on 1 November 2021.

For the impact on the Company's operation of real estate business, the company had to postpone the launch of new residential condominium project in 2021 as 40-45% of the Company's total customers were foreigners. The lockdown measures of Thailand and most of other countries created an obstacle to fully market the new project. For the completed construction projects, the Company continue to focus on domestic customers same as in 2020. The projects under development, which are The Estelle Phrom Phong, TAIT Sathorn 12, and One City Centre, a grade-A office building, continue to construct as scheduled.

The impact on the financial position, the Company still maintained its liquidity from operation by selling residential units from existing projects. The Company were able to raise funds from debenture issuance, repay interest and principal from existing debentures and loans as scheduled. Moreover, the Company has entered into discussion with commercial banks for providing new loans and extending existing loans in parallel with Company's strategic growth plan. In 2021, the Company announced no dividend payment to maintain cash flows to support various operations, investments, and unexpected situations that may occur in the future.

### Management outlook and milestone in 2021

According to the Economic and Monetary Conditions report, December 2021, the Bank of Thailand summarized that the Thai economy recovered from the third quarter of 2021 due to the relaxation in COVID-19 control measures. Merchandise exports performed exceptionally well, partly due to the improvement in the supply disruption problems. Foreign tourist figures accelerated after the government re-opened the country for foreign tourists on 1 November 2021. Private domestic expenditures also improved both in consumption and investment, which bolstered activities in the manufacturing and service sectors. Public spending expanded compared to the same period last year from both current and capital expenditures. On the economic stability, headline inflation increased which was driven by higher energy and fresh food prices. Labor market continued to improve in line with the economic activities but remained vulnerable.

For the updated progress on new projects, in 4Q/2021, the Company and its subsidiaries ("the Company") continued the construction of the two projects which are 51:49 joint venture with Tokyo Tatemono Asia Pte Ltd., The Estelle Phrom Phong and TAIT Sathorn 12, which completed 79% and 32% in the construction progress, respectively. Moreover, the Company continued to develop One City Centre ("OCC"), a grade-A office building, a 60:40 joint venture project with Mitsubishi Estate Asia (MEA Commercial Holding PTE Ltd), with the construction progress of approximately 65%.

For milestone in 2021, on 25 November, the Company announced the establishment of a new subsidiary company, Kamala Hilltop Holding Co., Ltd., to operate restaurant and leisure business. The Company will further inform of any progress.

On 28 October 2021, the Company announced the establishment of a new subsidiary company, Kamala Bay Holding Co., Ltd., which will be the entity to develop Rosewood Residences Kamala.

On 30 July 2021, the Company formed the partnership with Ascott International Management (Thailand) Co., Ltd., the pioneer in Asia Pacific's international class serviced apartment, to operate two projects: "Somerset Riverside Bangkok" and "Lyf Riverside Bangkok". The projects were previously known as Klapsons The River Residences and Hotel Kitch, respectively, and are expected to start generating revenue under the new brands in 2022.

In 1Q/2021, the Company reached out to the young-affluent target group via rebranding strategy with a new corporate tagline, "Luxury Reimagined", together with the Company's new logo and corporate theme color.

## **4Q/2021 and FY2021 financial highlight**

- The backlog of the Company was equal to THB 5,451.6mn as of 31 December 2021.
- Presales in 4Q/2021 was THB 462.7mn and in FY2021 was THB 2,107.9mn.
- Total revenue in 4Q/2021 was THB 306.6mn, and FY2021 was THB 2,514.6mn. Of which, THB 208.9mn and THB 2,188.7mn, respectively, were from sales of real estate.
- Net loss in 4Q/2021 was THB 457.0mn, and FY2021, net loss was THB 452.7mn.
- As of 31 December 2021, the total assets value was THB 9,451.1mn, and the total liabilities value was THB 4,874.5mn.
- D/E ratio<sup>1</sup> was 0.81 times as of 31 December 2021, increased from 0.63 times at the end of 2020.

## **Operating result 4Q/2021 and FY2021**

### **Presales and Backlog**

In 4Q/2021, the Presales was THB462.7mn, decreased from THB 588.2mn in 4Q/2020. The Presales mainly generated from ready-to-transfer projects (The River, 185 Rajdamri, UNIXX South Pattaya, and The Diplomat 39) and from the project under construction (The Estelle Phrom Phong and Tait Sathorn 12). The decrease was mainly due to the gradual sale of the inventories when the Company launched a sale promotion campaign throughout the year. Especially, the inventory units in the ready-to-transfer projects such as The Lofts Silom, The River, and other projects were almost sold-out and transferred.

In 2021, the Company had Presales of THB 2,107.9mn, decreased from THB 3,045.5mn in 2020 mainly due to the reasons explained above. The Company continue to accelerate the launch of new projects, which is expected to be in the 2022-2023.

As of 31 December 2021, the total backlog from 3 projects was THB 5,451.6mn, 17.0% down from THB 6,565.2mn at the end of 2020 as most of the ready-to-transfer inventories previously available were already sold.

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<sup>1</sup> Calculated from interest-bearing debt to equity

# Management Discussion & Analysis ( - translation - )

For operating result of full year 2021 and 4Q/2021, ended 31 December 2021



## Summary of statement of profit and loss

	2021		2020		Change		4Q/2021		4Q/2020		Change	
	THB mn	%	THB mn	%	THB mn	%	THB mn	%	THB mn	%	THB mn	%
<b>Total Revenue</b>	<b>2,514.6</b>	<b>100.0</b>	<b>3,171.5</b>	<b>100.0</b>	<b>(656.9)</b>	<b>(20.7)</b>	<b>306.6</b>	<b>100.0</b>	<b>725.7</b>	<b>100.0</b>	<b>(419.1)</b>	<b>(57.8)</b>
Sales of real estate	2,188.7	87.0	2,961.1	93.4	(772.4)	(26.1)	208.9	68.2	666.1	91.8	(457.2)	(68.6)
Others	325.9	13.0	210.4	6.6	115.5	54.9	97.6	31.8	59.6	8.2	38.0	63.8
<b>Total cost</b>	<b>1,837.1</b>	<b>73.1</b>	<b>2,536.7</b>	<b>80.0</b>	<b>(699.6)</b>	<b>(27.6)</b>	<b>314.5</b>	<b>102.6</b>	<b>524.5</b>	<b>72.3</b>	<b>(210.1)</b>	<b>(40.0)</b>
Cost of real estate sold	1,837.1	73.1	2,533.9	79.9	(696.8)	(27.5)	314.5	102.6	524.5	72.3	(210.1)	(40.0)
SG&A	660.5	26.3	840.2	26.5	(179.7)	(21.4)	187.9	61.3	232.9	32.1	(45.1)	(19.4)
Loss on impairment and write-off	208.1	8.3	250.2	7.9	(42.1)	(16.8)	208.1	67.9	-	-	208.1	-
Net financial cost	160.0	6.4	192.4	6.1	(32.3)	(16.8)	39.0	12.7	41.0	5.6	(2.0)	(4.9)
Share of loss in JV	28.5	1.1	31.3	1.0	(2.7)	(8.7)	8.1	2.6	8.6	1.2	(0.5)	(5.5)
Tax expense/(income)	73.0	2.9	45.3	1.4	27.8	61.4	6.0	1.9	(9.0)	(1.2)	14.9	(166.7)
<b>Net profit (loss)</b>	<b>(452.7)</b>	<b>(18.0)</b>	<b>(724.4)</b>	<b>(22.8)</b>	<b>271.7</b>	<b>(37.5)</b>	<b>(457.0)</b>	<b>(149.1)</b>	<b>(72.4)</b>	<b>(10.0)</b>	<b>(384.5)</b>	<b>530.9</b>

# Management Discussion & Analysis ( - translation - )

For operating result of full year 2021 and 4Q/2021, ended 31 December 2021



## Revenue

Source of revenue	2021		2020		Change		4Q/2021		4Q/2020		Change	
	THB mn	%	THB mn	%	THB mn	%	THB mn	%	THB mn	%	THB mn	%
The River	427.0	17.0	390.6	12.3	36.4	9.3	6.9	2.2	40.0	5.5	(33.1)	(82.8)
Zire Wongamart	6.5	0.3	-	-	6.5	-	-	-	-	-	-	-
UNIXX South Pattaya	3.9	0.2	21.7	0.7	(17.7)	(82.0)	3.9	1.3	-	-	3.9	-
The Lofts Ekkamai	-	-	6.8	0.2	(6.8)	(100.0)	-	-	-	-	-	-
Mews Yen Akat	-	-	169.9	5.4	(169.9)	(100.0)	-	-	-	-	-	-
185 Rajadamri	38.5	1.5	2.4	0.1	36.1	1,534.1	38.5	12.6	2.4	0.3	36.1	1,534.1
The Lofts Asoke	78.7	3.1	748.9	23.6	(670.3)	(89.5)	-	-	-	-	-	-
The Diplomat 39	161.2	6.4	110.6	3.5	50.6	45.8	142.9	46.6	45.5	6.3	97.4	214.2
The Diplomat Sathorn	8.7	0.3	71.7	2.3	(62.9)	(87.8)	-	-	-	-	-	-
The Lofts Silom	1,464.3	58.2	1,438.7	45.4	25.6	1.8	16.7	5.5	578.2	79.7	(561.5)	(97.1)
<b>Total revenue sales of real estate</b>	<b>2,188.7</b>	<b>87.0</b>	<b>2,961.1</b>	<b>93.4</b>	<b>(772.4)</b>	<b>(26.1)</b>	<b>208.9</b>	<b>68.2</b>	<b>666.1</b>	<b>91.8</b>	<b>(457.2)</b>	<b>(68.6)</b>
Project management income	103.9	4.1	55.1	1.7	48.8	88.5	36.2	11.8	22.9	3.2	13.3	58.0
Marketing commission income	21.2	0.8	16.6	0.5	4.7	28.1	7.9	2.6	6.8	0.9	1.1	15.7
Guarantee fee income	50.0	2.0	42.2	1.3	7.8	18.4	13.4	4.4	11.1	1.5	2.3	20.7
F&B	-	-	8.5	0.3	(8.5)	(100.0)	-	-	-	-	-	-
Rental and Services	26.7	1.1	31.0	1.0	(4.2)	(13.7)	6.9	2.3	7.5	1.0	(0.6)	(8.0)
Gain on loss control / disposal of investment in subsidiaries	7.2	0.3	9.5	0.3	(2.4)	(25.0)	-	-	-	-	-	-
Others <sup>[1]</sup>	116.9	4.7	47.4	1.5	69.5	146.4	33.2	10.8	11.2	1.5	22.0	196.0
<b>Total Revenue</b>	<b>2,514.6</b>	<b>100.0</b>	<b>3,171.5</b>	<b>100.0</b>	<b>(656.9)</b>	<b>(20.7)</b>	<b>306.6</b>	<b>100.0</b>	<b>725.7</b>	<b>100.0</b>	<b>(419.1)</b>	<b>(57.8)</b>

In 2021, the Company had a total revenue of THB 2,514.6mn, a decrease of THB 656.9mn or 20.7% compared to 2020. The decreasing revenue from sales of real estate was due to most ready-to-transfer projects were already sold while the new projects (The Estelle Phrom Phong and Tait Sathorn 12) are under construction and expected to generate revenue in 2022-2023. Moreover, the Company discontinued its F&B business and no longer recognized revenue from this business resulting in reduction in the revenue portion.

<sup>1</sup> Including interest, forfeit income and others

In 4Q/2021, the total revenue was THB 306.6mn, with a decrease of THB 419.1mn or 57.8% YoY, mainly from the reasons described above.

### Revenue from sales of real estate

In 2021, the revenue from sales of real estate was from 8 projects, a total value of THB 2,188.7mn or 87.0% of the total revenue. The revenue decreased by THB 772.4mn or 26.1% YoY from THB 2,961.1mn in 2020 due to the reasons described above.

In 4Q/2021, the revenue from sales of real estate was from 5 projects, a total of THB 208.9mn or 68.2% of the total revenue, reduced from THB 666.1mn in 4Q/2020; the reasons are described above.

### Project management income

Project management income is the fees that the Company charges from the joint venture companies for the project construction management and the management of residential juristic persons. In 2021 and 4Q/2021, the income was THB 103.9mn and THB 36.2mn respectively, increased from THB 55.1mn and THB 22.9mn from the same period last year. The increase in income is due to the construction progress as well as additional income from the management of residential juristic persons.

### Marketing commission income and Guarantee fee income

Marketing commission income is the commission fee that the Company charged from the joint venture companies when customers sign the purchase agreement for the units under the joint venture companies. The income also includes the commission fee when the Company provides re-sales and leasing services to the property owners.

Guarantee fee income is the fee charged from the joint venture companies when the Company act as guarantor for the loan of the joint venture companies. At the end of 2021, there are 4 joint venture companies: 1) Raimon Land Twenty Six Co., Ltd., developing The Estelle Phrom Phong project; 2) Raimon Land Sathorn Co., Ltd., developing TAIT Sathorn 12 project; 3) RML 548 Co., Ltd., developing the grade A office building project, One City Centre ("OCC"); and 4) Raimon Land Thirty Eight Co., Ltd., developing a pipeline condominium project in soi Sukhumvit 38.

Marketing commission income in 2021 and 4Q/2021 increased YoY to THB 21.2mn and THB 7.9mn, respectively, from THB 16.6mn and THB 6.8mn in the same period last year. It was the commission from sales of Tait Sathorn 12 and The Estelle Phrom Phong project, as well as commission from re-sales and leasing services. The guarantee fee income in 2021 and 4Q/2021 slightly increased due to the increased loan amount drawn down for the constructions and operations of the 4 joint venture projects.

### Revenue from F&B business, Rental and Services and other income

Since 3Q/2020, the Company discontinued its F&B business and no longer recognized revenue from this business.

Revenue from Rental and Services is mainly the rental revenue from Vue Mall, a community mall located on Charoennakorn Road, and Klapsons The River Residences Bangkok. Since 2020, the Company has reclaimed retail spaces from the tenants and renovated them into hotel. The revenue from Rental and Service during 4Q/2021 was almost unchanged YoY due to the reasons explained above. The revenue in 2021 slightly decreased YoY from the base 2020 which was higher than usual because Thailand was not affected by the COVID-19 in 1Q/2020. The construction of the new hotel will be completed and start operating under the name “Lyf Riverside Bangkok”, managed by the Ascott group and contribute revenue to the Company from 2022 onward.

Other income in 2021 and 4Q/2021 increased to THB 116.9mn and THB 33.2mn from THB 47.4mn and THB 11.2mn from the same period last year, mainly contributed by the deposit forfeited from The Lofts Silom and The Lofts Asoke customers, who did not transfer the units.

#### **Cost of real estate sold, Gross Profit (GP) and Gross Profit Margin (GPM) of sales of real estate**

In 2021, the cost of real estate sold decreased to THB 1,837.1mn from THB 2,533.9mn in the same period of the previous year, in line with the decrease in revenue from sales of real estate. However, in 2020, the Company offered special promotions to customers for quick sales of the units in the old projects. Consequently, the GPM in 2020 dropped to 14.3% while in 2021, there were fewer such special promotions, the GPM increased to 16.1%.

In 4Q/2021, the cost of real estate sold decreased to THB 314.5mn from THB 524.5mn in 4Q/2020 due to the decrease in revenue from sales of real estate. The Company recorded a gross loss in 4Q/2021 of THB 105.5mn and the gross loss margin of 50.5%, while in 4Q/2020, the Company recorded a gross profit of THB 141.5mn and GPM of 21.2%. The key factor that contributed to gross loss in 4Q/2021 was the reduction in project development cost to reflect the net realizable value of THB 111.6mn, which was recognized as cost of real estate sold.

#### **Distribution Costs and Administrative Expenses (SG&A)**

In 2021, the Company's SG&A was THB 660.5mn, decreased from THB 840.2mn or reduce by THB 179.7mn or 21.4% from the same period last year. The THB 209.4mn was the distribution costs, including marketing cost, commission, and transfer expenses decreased from THB 274.0mn in 2020. On the other hand, the administrative expenses in 2021 were THB 451.1mn, down from THB 566.1mn in 2020 mainly due to the reorganization and the reduction in business consulting fees.

In 4Q/2021, the Company's SG&A was THB 187.9mn, dropped from THB 232.9mn in the same period last year.

## ***Loss on impairment and write-off***

In 4Q/2021, a subsidiary company entered into sales and purchase agreement to sell land with another person. The Company recorded loss on write-off of real estate development costs totaling THB 208.1mn. In 2020, the Company sold the land in soi Sukhumvit 19. Consequently, the Company recorded a total loss of THB 250.2mn, which was the sum of a write-off of property, plant and equipment and loss on disposal of assets held for sales.

## ***Net Financial Cost***

Most of the financial cost resulted from interest costs on loans borrowed to develop projects, which are recorded as development costs until construction completion. After that, such interest costs will be recorded as financial expenses in the Statement of Income. Loans are repaid in instalments upon unit transfer. At present, the Company raised funds through debentures and loans with financial institutions and incurred interest accordingly.

In 2021 and 4Q/2021, the Company's net financial cost was THB 160.0mn and THB 39.0mn, down THB 32.4mn and THB 2.0mn, from THB 192.4mn and THB 41.0mn, respectively, in the same period of the previous year. In 4Q/2021, the Company issued debentures 2<sup>nd</sup>/2021 totaling THB 752.0mn resulting in as at the end of 2021, the Company's interest-bearing debt stood at THB 3,689.2mn.

## ***Net profit (Loss)***

In 4Q/2021, the Company had a consolidated net loss of THB 457.0mn, declining from the net loss of THB 72.4mn in 4Q/2020.

In 2021, the Company had a consolidated net loss of THB 452.7mn, an improvement of THB 271.7mn from the net loss of THB 724.4mn in 2020. Net loss per share was THB 0.11 per share.

## ***Financial Position (as of 31 December 2021)***

	31 December 2021		31 December 2020		Change	
	THB mn	%	THB mn	%	THB mn	%
<b>Assets</b>	<b>9,451.1</b>	<b>100.0</b>	<b>9,371.5</b>	<b>100.0</b>	<b>79.6</b>	<b>0.8</b>
<b>Liabilities</b>	<b>4,874.5</b>	<b>51.6</b>	<b>4,347.7</b>	<b>46.4</b>	<b>526.8</b>	<b>12.1</b>
Interest-bearing debt	3,689.2	39.0	3,177.1	33.9	512.1	16.1
Other liabilities	1,185.3	12.5	1,170.6	12.5	14.7	1.3
<b>Equity</b>	<b>4,576.5</b>	<b>48.4</b>	<b>5,023.8</b>	<b>53.6</b>	<b>(447.3)</b>	<b>(8.9)</b>
<b>Total Liabilities and Equity</b>	<b>9,451.1</b>	<b>100.0</b>	<b>9,371.5</b>	<b>100.0</b>	<b>79.6</b>	<b>0.8</b>



### **Assets**

The Company's total assets stood at THB 9451.1mn, an increase of THB 79.6mn, or a 0.8% increase from THB 9,371.5mn at the end of 2020. The changes in assets were 1) increased cash and cash equivalents of THB 1,040.2mn, 2) increased short-term loans to related parties THB 150.0mn, 3) net decreased in project development costs and condominium purchased for sales THB 1,350.1mn (condominium unit inventories), which gradually reduced when transferring units to customers and recognized revenue throughout 2021, and 4) increased investments in joint ventures amount THB 297.0mn and 5) net decreased in advance payment for land purchase, deferred tax assets and other current assets amount THB 55.5mn

### **Liabilities**

Total liabilities stood at THB 4,874.5mn, a decrease of THB 526.8mn, or 12.1% decreased from THB 4,347.7mn as of 31 December 2020. The changes in liabilities were 1) decreased retention payables amount THB 25.7mn, 2) increased advance received for land purchase THB 555.7mn, 3) increased in advance receive for investment THB 233.0mn, 4) decreased in deposits and advance received from customers upon the condominium unit transfer amount THB 763.4mn, 5) reduction in long-term borrowings from financial institutions THB 861.3mn, 6) increased in debentures amount THB 1,432.6mn from issuance in 1<sup>st</sup>/2021 (THB 900.0mn), 2<sup>nd</sup>/2021 (THB 752.0mn) and repayment of THB 194.0mn, 7) reduction in long-term borrowings from other persons THB 48.5mn

### **Shareholders' Equity**

The Company's total shareholders' equity stood at 4,576.5mn, decrease by THB 447.3mn or 8.9% compared to THB 5,023.8 as of 31 December 2020, mainly from the net loss in 2021.

### **Debt to Equity Ratio**<sup>1</sup>

The D/E ratio at the end of this quarter was 0.81 times, increased from 0.63 times as of 31 December 2020, resulting from Company's debenture issuance. The purposes of the debenture's issuance were for bond repayment and use as working capital for the new projects launched in 2022-2023.

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<sup>1</sup> Calculated from interest-bearing debt to equity

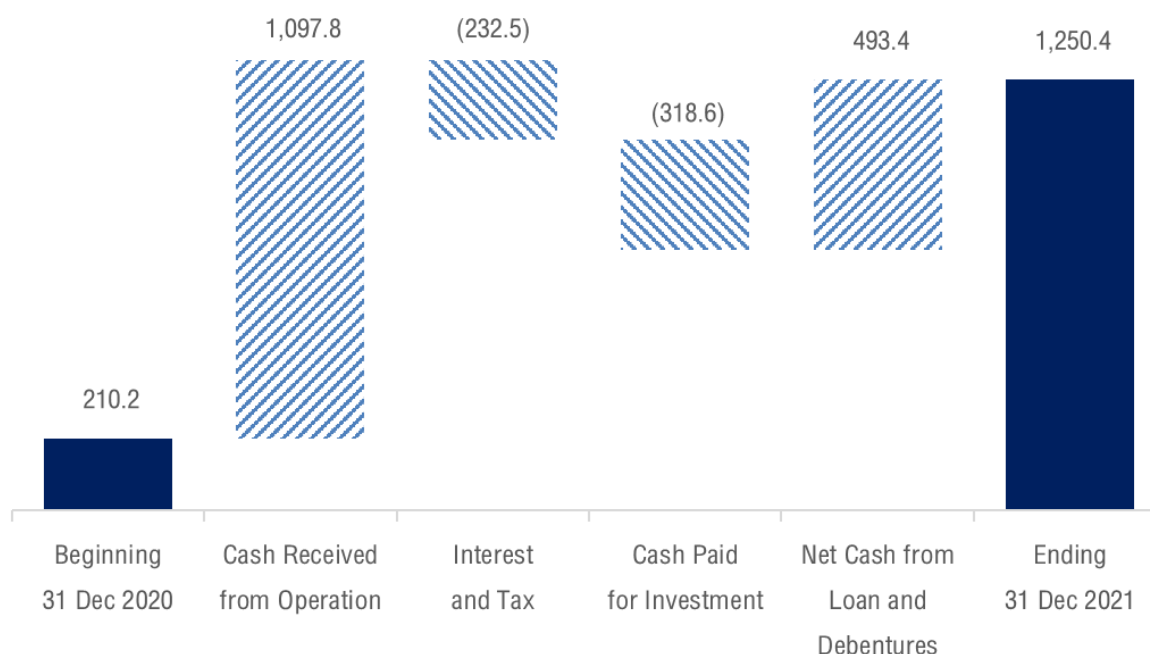
## Management Discussion & Analysis ( - translation - )

For operating result of full year 2021 and 4Q/2021, ended 31 December 2021

### Cash Flow

In 2021, the Company had net cash received from the operating activities of THB 865.3mn. Of the amount, THB 1,097.8mn was from cash inflow from operations, offset by THB 232.5mn cash paid for net financial costs and tax. Out of the cash inflow from the operations, the key components were 1) THB 379.7mn from net loss in 2021 before tax and 2) THB 1,194.3mn cash received from the unit transfers; deducted by 3) THB 852.0mn liabilities on the deposits and advance received from customers; and 4) other items such as cash repaid to trade and other payables and retention payables. For the investing activities, the Company paid net cash of THB 318.6mn, mainly were 1) cash paid for additional investment in joint ventures totaling THB 325.5mn 2) cash paid for short-term loans to related parties THB 150.0mn and 3) cash received from advance for investment THB 233.0mn. For the financing activities, the Company received net cash of THB 493.4mn. The key components were 1) THB 1,458.0mn net cash received from the debenture issuance and repayment 2) THB 926.0mn cash paid for fees and repay the loan from financial institutions and other persons. As a result, the Company had ending cash of THB 1,250.4mn as of 31 December 2021.

### Cash flow movement in 2021



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Chief Financial Officer