

### **Current situation and impact on the company**

Outlook for the Thai economy in 2022, the Office of the National Economic and Social Development Council (NESDC) expected the economy to grow approximately 3.5% to 4.5% from 1.6% in 2021. The factors that contribute to the economics growth are improvement in domestic demand, the recovery of the tourism sector, the continuous expansion of exports and from the government investment. For the real estate sector, the government has extended measures to reduce the transfer and mortgage fees for residential value below THB 3.0mn including second-hand houses until the end of 31 December 2022. In addition, Bank of Thailand (BOT) has announced a temporary easing of the Loan-to-value (LTV) measure for loan agreements contracted from 20 October 2021 to 31 December 2022.

Throughout 2022, negative factors that will cause the economic slowdown especially in the real estate sector will be the conflict between Russia and Ukraine. The conflict has already caused the increase in oil and construction materials price, labor shortage in the construction sector, rising household debt, and an increase in interest rates. As mentioned, the Real Estate Data Center still have the positive outlook that the housing market supply and demand in 2022 will be improved comparing to 2021.

### **Management outlook and future projects**

The Thai economy slowed down in March 2022. Domestic spending from private sector declined both in consumption and in investment while activities in the manufacturing sector also slowed down. Several factors accounted for the slow down are Omicron variant outbreak, higher production costs, and rising living costs. Moreover, public spending declined from the same period last year both in current and capital expenditures of the central government. Nevertheless, merchandise exports value increased in line with trading partners' demand. Foreign tourist figures also continued to improve after the relaxation of international travel restrictions. On the economic stability, inflation was increased from energy and prepared food prices. Labor market gradually improved but still remained vulnerable. The current account became a surplus due to a larger surplus in trade balance, while the net service, income, and transfers registered a deficit close to the previous month.

On 29 April 2022, the Company held the 2022 Annual General Meeting of Shareholders to seek approval for the debenture issuance and offer plan in the amount of not exceeding THB 5,900mn. The objectives for the debenture were to be used as working capital and/or suitable capital for operations and/or business expansion in the future and/or repayment of loans and/or redemption of debentures and/or purchase of land which the shareholders approved in this agenda.

For the updated progress on new projects, in 1Q/2022, the Company and its subsidiaries ("the Company") continued the construction of the two residential condominium projects which are 51:49 joint venture with Tokyo Tatemono Asia Pte Ltd., The Estelle Phrom Phong and TAIT Sathorn 12, which completed 94% and 41% in the

construction progress, respectively. For One City Centre ("OCC"), a grade-A office building, a 60:40 joint venture project with Mitsubishi Estate Asia (MEA Commercial Holding PTE Ltd), the project currently completed 73% in the construction progress.

### **1Q/2022 financial highlight**

- The backlog of the Company stood at THB 5,715.0mn as of 31 March 2022.
- The presales was THB 318.3mn.
- Total revenue was THB 95.8mn, of which, THB 19.8mn was from sales of real estate.
- As of 31 March 2022, the total assets were THB 8,039.4mn, and the total liabilities were THB 3,547.0mn.
- D/E ratio<sup>1</sup> stood at 0.69 times as of 31 March 2022, decreased from 0.81 times at the end of 2021.

### **Operating result 1Q/2022**

#### ***Summary of statement of profit and loss***

	1Q/2022		1Q/2021		Change	
	THB mn	%	THB mn	%	THB mn	%
<b>Revenues</b>						
Revenues	27.4	28.6	1,554.1	97.2	(1,526.7)	(98.2)
Other income	68.5	71.4	45.1	2.8	23.4	51.9
<b>Total revenues</b>	<b>95.8</b>	<b>100.0</b>	<b>1,599.2</b>	<b>100.0</b>	<b>(1,503.4)</b>	<b>(94.0)</b>
<b>Expenses</b>						
Cost of real estate sold	25.9	27.0	1,164.8	72.8	(1,139.0)	(97.8)
Distribution costs	22.2	23.2	105.8	6.6	(83.6)	(79.0)
Administrative expenses	98.9	103.2	88.2	5.5	10.7	12.2
Net financial cost	63.9	66.7	37.5	2.3	26.4	70.3
Share of loss in JV	2.7	2.8	6.5	0.4	(3.8)	(58.7)
Tax expense/(income)	0.2	0.2	58.0	3.6	(57.8)	(99.7)
<b>Net profit (loss)</b>	<b>(118.0)</b>	<b>(123.1)</b>	<b>138.3</b>	<b>8.6</b>	<b>(256.3)</b>	<b>(185.3)</b>

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

# Management Discussion & Analysis ( - translation - )

For operating result of 1Q/2022, ended 31 March 2022

## ***Revenue***

	1Q/2022		1Q/2021		Change	
	THB mn	%	THB mn	%	THB mn	%
<b>Revenues</b>						
The Lofts Silom	19.8	20.6	1,182.3	73.9	(1,162.6)	(98.3)
The River	-	-	323.7	20.2	(323.7)	(100.0)
The Lofts Asoke	-	-	41.4	2.6	(41.4)	(100.0)
Total revenue from sales of real estate	<b>19.8</b>	<b>20.6</b>	<b>1,547.4</b>	<b>96.8</b>	<b>(1,527.7)</b>	<b>(98.7)</b>
Revenue from rental and services	<b>7.6</b>	<b>7.9</b>	<b>6.7</b>	<b>0.4</b>	<b>1.0</b>	<b>14.4</b>
<b>Other income</b>						
Project management income	29.2	30.5	17.9	1.1	11.3	63.4
Marketing commission income	7.0	7.3	2.5	0.2	4.5	177.0
Guarantee fee income	13.7	14.3	11.5	0.7	2.2	18.8
Gain on dissolution of the investment in subsidiaries	-	-	0.2	0.0	(0.2)	(100.0)
Other revenues <sup>1</sup>	18.6	19.4	13.0	0.8	5.6	43.3
<b>Total revenues</b>	<b>95.8</b>	<b>100.0</b>	<b>1,599.2</b>	<b>100.0</b>	<b>(1,503.4)</b>	<b>(94.0)</b>

## ***Revenue from sales of real estate***

In 1Q/2022, the Company had the revenue from sales of real estate from The Lofts Silom, a value of THB 19.8mn or 20.6% of the total revenue. The reason for the decrease in the revenue from sales of real estate was from the closure of the existing projects which gradually sold out in 2021. The Company expects to recognize revenue from the new projects, The Estelle Phrom Phong in Q3/2022 and Tait Sathorn 12 in Q3/2023.

## ***Presales and Backlog***

In 1Q/2022, the Company had Presales of THB 318.3mn, a decrease from the Presales of THB 1,036.4mn in 1Q/2021 mainly due to the project-closing of The River and the Lofts Silom in 2021. As mentioned, this quarter,

<sup>1</sup>Revenue from deposit forfeited and others

the presales was mainly contributed from projects under construction which are The Estelle Phrom Phong and Tait Sathorn 12.

As of 31 March 2022, the total backlog was THB 5,715.0mn, an increase of 4.8% from THB 5,451.6mn, at the end of 2021, mainly due to the projects under construction as mentioned above.

### **Revenue from Rental and Services**

Revenue from Rental and Services is mainly the rental revenue from Vue Mall, a community mall located on Charoennakorn Road, and The River Residences Bangkok (formerly Klapson). In 1Q/2022, the revenue from rental and services slightly increased to THB 7.6mn from THB 6.7mn from the same period last year. The reason for the increase in income was because Thailand had opened the country for tourists at the end of 2021, thus increasing rental and service income of the The River Residences Bangkok.

### **Project management income**

The income came from fees that the Company charges to the joint venture companies for project construction management and managing other residential juristic persons. In 1Q/2022, the income was THB 29.2mn, an increase from THB 17.9mn compared to the last year due to the project constructions progressed more than that in the same period of the previous year. In addition, the managing income of juristic persons also increase in 1Q/2022.

### **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 and 4) Raimon Land Thirty Eight Co., Ltd., developing a pipeline condominium project in soi Sukhumvit 38.

Marketing commission income in this quarter increased from the commissions that the Company can re-sales and find tenants to unit owners. The marketing income increased to THB 7.0mn from THB 2.5mn comparing to the same period last year. Guarantee fee income increased due to the increase in the loan drawdown amount according to the construction progress of the 3 joint venture projects. In 1Q/2022, the guarantee fee income was THB 13.7mn, an increase of THB 2.2mn, from THB 11.5mn in in 1Q/2021.

### **Gain on dissolution of the investment in subsidiaries**

In 1Q/2022, there was no transaction occurred. However, in 1Q/2021, the Company completed the liquidation process of 2 subsidiaries, Raimon Land Digital Pte. Ltd (Singapore) and LIVVZ.com Pte. Ltd. and recognized the gain from the de-consolidation of THB 0.2mn. The revenue under this category was one-time recognition.

### **Other revenues**

In 1Q/2022, other income increased to THB 18.6mn from THB 13.0mn in the same period last year mainly due to the deposit forfeited from The Lofts Silom and The Lofts Asoke customers defaulted on the purchase agreement.

### **Cost of real estate sold, gross loss and gross loss margin of sales of real estate**

In 1Q/2022, the cost of real estate sold was THB 25.9mn decreased from THB 1,164.8mn in 1Q/2021 but in line with the decrease in revenue from sales of real estate. In 1Q/2022, the Company had gross loss THB 6.1mn reduced from gross profit THB 382.6mn and the gross loss margin was 30.8% decreased from gross profit margin 24.7% in 1Q/2021.

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

In 1Q/2022, the Company's total SG&A was THB 121.1mn, decreased by THB 72.8mn or 37.6% from THB 194.0mn in 1Q/2021. The distribution costs which were advertising, marketing, commission and transfer related expenses were totally reduced by THB 83.6mn in parallel with the reduction in revenue from sales of real estate. The Company's administrative expenses was THB 97.4mn or increased THB 10.7mn from 1Q/2021. The main contribution for the increase in administrative expenses was property tax expense from land selling at Phayathai.

### **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. Most of the finance costs are from interest on debentures and project loans as discussed above.

In 1Q/2022, The Company's net financial cost was THB 63.9mn, increased THB 26.4mn or 70.3% from THB 37.5mn in the first quarter last year. The rising in net financial cost was stemmed from debenture issuance in 2021 totaling THB 1,652mn.

### **Net loss**

In 1Q/2022, the Company had a consolidated net loss of THB 118.0mn, a decrease of THB 256.3mn from the net profit of THB 138.3mn in 1Q/2021. Net loss per share was THB 0.03 per share.

**Financial Position as of 31 March 2022**

	31 March 2022		31 December 2021		Change	
	THB mn	%	THB mn	%	THB mn	%
<b>Assets</b>	<b>8,039.4</b>	<b>100.0</b>	<b>9,451.1</b>	<b>100.0</b>	<b>(1,411.6)</b>	<b>(14.9)</b>
<b>Liabilities</b>	<b>3,547.0</b>	<b>44.1</b>	<b>4,874.5</b>	<b>51.6</b>	<b>(1,327.5)</b>	<b>(27.2)</b>
Interest-bearing debt	3,114.1	38.7	3,689.2	39.0	(575.1)	(15.6)
Other liabilities	432.9	5.4	1,185.3	12.5	(752.5)	(63.5)
<b>Equity</b>	<b>4,492.4</b>	<b>55.9</b>	<b>4,576.5</b>	<b>48.4</b>	<b>(84.1)</b>	<b>(1.8)</b>
<b>Total Liabilities and Equity</b>	<b>8,039.4</b>	<b>100.0</b>	<b>9,451.1</b>	<b>100.0</b>	<b>(1,411.6)</b>	<b>(14.9)</b>

**Assets**

The Company's total assets stood at THB 8,039.4mn, a decrease of THB 1,411.6mn or 14.9% from THB 9,451.1mn at end of 2021. The major changes in assets were 1) decreased cash and cash equivalents of THB 679.8mn, 2) decreased project development costs THB 1,044.1mn. from selling Company's land, and 3) increased long-term loan to other party THB 233.3mn

**Liabilities**

Total liabilities stood at THB 3,547.0mn, a decrease of THB 1,327.5mn, or 27.2% from THB 4,874.5mn as of 31 December 2021. The interest-bearing debt stood at THB 3,114.1mn, a decrease THB 575.1mn from THB 3,689.2 as of 31 December 2021. The major changes in liabilities were 1) decreased trade and other current payables THB 77.4mn, 2) decreased land deposit THB 555.7mn, 3) decreased advance received from customers THB 60.1mn, and 4) decreased in long-term borrowings from financial institutions THB 620.4mn.

**Shareholders' Equity**

The Company's total shareholders' equity stood at 4,492.4mn, a decrease of THB 84.1mn or 1.8% from THB 4,576.5mn as of 31 December 2021, mainly from the net loss in 1Q/2022.

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

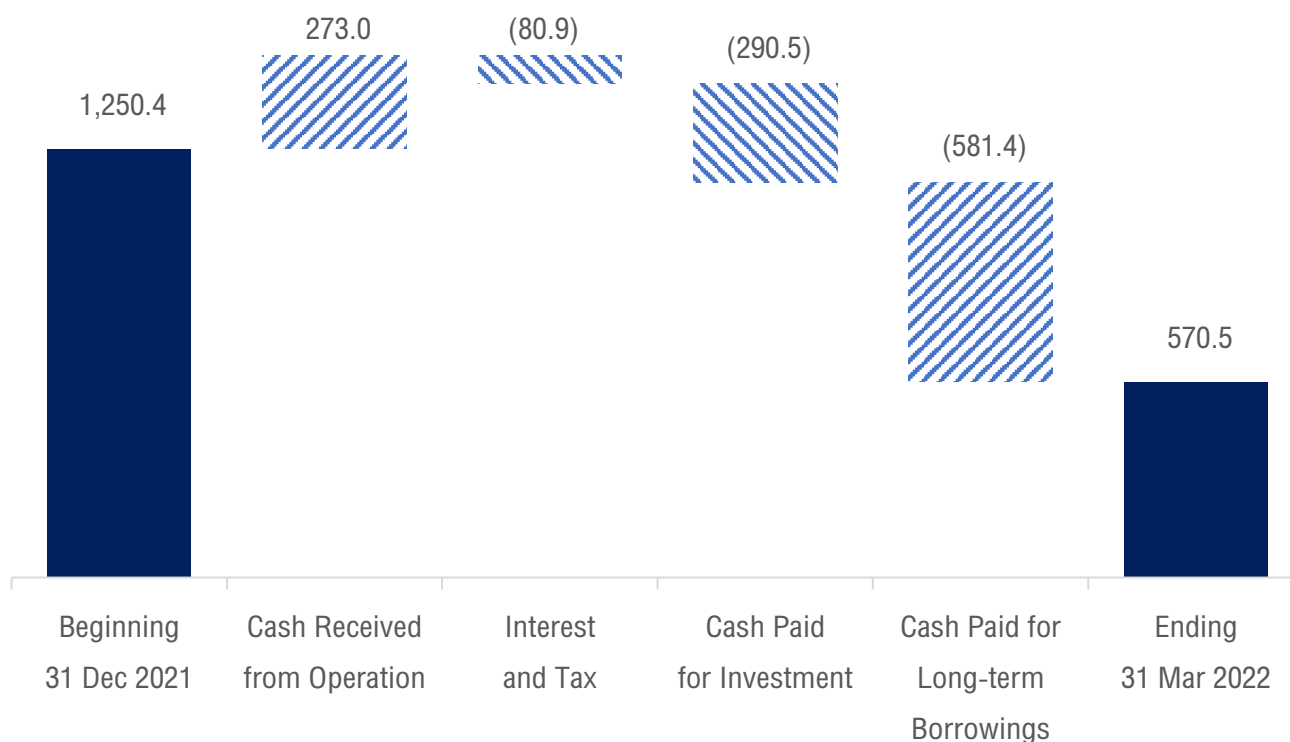
The D/E ratio at the end 1Q/2022 was 0.69 times, decreased from 0.81 times as of 31 December 2021.

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

**Cash Flow**

During 1Q/2022, for the operating activities, the Company had cash received from the operating activities of THB 273.0mn. Of which, THB 80.9mn cash paid for net financial costs and tax resulting net cash received from the operating activities of THB 192.1mn. The key changes in operating activities were 1) THB 117.8mn loss before tax in this quarter and, 2) THB 1,045.1mn cash received from selling land (project development cost), and 3) THB 631.2mn decreased in trade and other current payables. For the investing activities, the Company paid net cash of THB 290.5mn, mainly were 1) THB 233.3mn cash paid for long-term loans to other party and 2) THB 56.1mn cash paid for investment in joint ventures. For the financing activities, the Company paid net cash of THB 581.4mn. The key component was THB 619.7mn cash paid long-term borrowings from financial institutions. As a result, the Company had an ending cash and cash equivalents of THB 570.5mn as of 31 March 2022.

***Cash flow movement in 1Q/2022***



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 Janjira Panitpon  
 Chief Financial Officer