

Ref. LPN/SorKor/147/2565

4th August 2022

RE: Financial Statements Analysis Report Q2/2022

Dear Director and Manager

The Stock Exchange of Thailand

L.P.N. Development Public Co.,Ltd. would like to submit the financial statements in Q2/2022 of the Company and subsidiary companies to the Stock Exchange of Thailand 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 the residents and develop a home for all ranges of income earners at the affordable price. In 2022, the target of the gross sales volume is approximately 13,000 million THB. The Company aims to launch 16 new projects with the combined value of 11,000 million THB i.e. 5 residential condominium projects worth 7,000 million THB, 10 single house projects worth 3,300 million THB and 1 premium single house project worth 700 million THB. The budget for investment in plots of land for project development is approximately 4,000 million THB.

Report on the performance during the first 6 months of 2022

Complete projects ready to be handed over, sales volume, backlog and launches of new projects

1. **Projects completed and ready to be handed over:** 4 projects worth 3,580 million THB, namely,
 - 1) Two residential condominium projects i.e. Lumpini Place Taopoon Interchange and Lumpini Selected Charan 65 - Sirindhorn Station worth 2,870 million THB.
 - 2) One single house project developed by a subsidiary company i.e. Lumpini Town Place Ladprao 101 - Pokaew worth 600 million THB.
 - 3) One commercial building developed by a subsidiary company i.e. Lumpini Town Ville Ladkrabang -Suvamabhumi worth 110 million THB.
2. **Sales volume and backlog**
 - 2.1 The sales volume is 4,800 million THB i.e.
 - 1) 73% of the sales volume derives from condominium projects.
 - 2) 27% of the sales volume derives from single house projects.
 - 2.2 The backlog of 2,480 million THB will gradually be recognized in 2022 and 2023.

After Revision

As of 30th June 2022 the sales volume and backlog of the Company and subsidiary company are as follows:

Unit: Million THB

Sales Volume	2022			Backlog	To Be Handed Over		
	Q1	Q2	Accumulated 6 Months		2022	2023	Total
1. Residential Condominium	1,660	1,840	3,500	1. Residential Condominium	1,080	650	1,730
Proportion (%)	75%	70%	73%	Proportion (%)	60%	100%	70%
2. Single House	560	740	1,300	2. Single House	750	-	750
Proportion (%)	25%	30%	27%	Proportion (%)	40%	-	30%
3. Total Sales Volume	2,220	2,580	4,800	3. Total Backlog	1,830	650	2,480

3. Launches of new projects

The Company launches 3 new projects worth 5,600 million THB, namely,

- 1) Lumpini Place Chaengwattana - Pakkred Station worth 1,200 million THB.
- 2) Place 168 Pinklao worth 2,300 million THB
- 3) Lumpini Ville Charan - Faichai Building AB worth 2,100 million THB.

Performance in Q2/2022 and 2021

Consolidated profit (loss) statements

The net profit of the Company and subsidiary companies increases 21.86% from the same period of the previous year because of 57.49% increase of the income from sales. 62% of the income from sales is from the income recognition of condominium projects and 38% from that of single house projects. The income from rental and service business increases 9.35%. The rental business benefits as a result of the COVID19 situation being better than it was during the same period of the previous year. The income from management increases 18.04% from the management of residential projects and provision of engineering service and other services. As for the separated net profit of the Company, it increases 20 times from the same period of the previous year because of the dividend received from subsidiary companies of 556 million THB.

After Revision

Table 1: Proportion of the gross income of the Company and subsidiary companies quarterly and accumulative 6 months in 2022 and 2021

Type of Income	Q1		Q2		%	Accumulated 6 Months		%
	2022	2021	2022	2021	Variance	2022	2021	Variance
1. Income from sales of real estate ¹	1,784.66	1,056.58	1,539.30	977.42	57.49%	3,323.96	2,034.00	63.42%
1.1 Residential condominium	1,229.55	674.05	959.74	532.35	80.28%	2,189.29	1,206.40	81.47%
Proportion (%)	68.90%	63.80%	62.35%	54.47%	7.88%	65.86%	59.31%	6.55%
1.2 Single house	555.11	382.53	579.55	445.07	30.22%	1,134.66	827.59	37.10%
Proportion (%)	31.10%	36.20%	37.65%	45.53%	(7.88%)	34.14%	40.69%	(6.55%)
2. Income from rental and service business	71.06	72.88	75.00	68.59	9.35%	146.06	141.47	3.25%
3. Income from management business	349.06	293.54	371.67	314.87	18.04%	720.73	608.41	18.46
4. Total Main Income	2,204.78	1,423.00	1,985.97	1,360.88	45.93%	4,190.75	2,783.88	50.54%
5. Other income ^{Note 1}	9.56	3.61	5.54	8.30	(33.32%)	15.10	11.91	26.82%
6. Total income	2,214.35	1,426.60	1,991.50	1,369.18	45.45%	4,205.85	2,795.78	50.44%

^{Note 1} Other income comprises received interest, received dividend, income from fees from the change of owner, change of details or breach of contract of the sales of real estate projects, profit from sales of assets, income from supporting departments collected from associated companies, income from construction management fee collected from associated companies, income from public service, income from insurance claim and miscellaneous income

After Revision

Statement of financial position as of 30th June 2022 and 31st December 2021

Total assets

The total assets of the Company increases 557.27 million THB or 2.34% i.e. from 23,776.63 million THB to 24,333.89 million THB. The main reasons are as follows:

1. Cash increases 268.88 million THB or 80.27% from 2021 from business operation.
2. Land and project costs during construction and finished goods inventory increase 184.7 million THB or 1.03% i.e. from 17,865.81 million THB to 18,050.51 million THB. During the first half of 2022, 4 projects have been completed, namely, 2 condominium projects, one single house project and one commercial building as mentioned above with the combined value of 3,580 million THB. Moreover, the payment for plots of land for the development of 3 projects, namely, Place 168 Pinklao, Venue 168 Kukot Station and Venue 168 Westgate, has been paid.
3. In Q2/2022, the deposit for 3 plots of land for project development in the future has been paid, namely, a plot of land on Onnut 19 road, a plot of land on Onnut 46 road and a plot of land on Prachautit road.

Total liabilities

Total liabilities increase 291.2 million THB or 2.35% i.e. from 12,379.43 million THB to 12,670.63 million THB. It is mainly because of the increase of loan from financial institutions for project development and operation of 114.16 million THB or 1.09% i.e. from 10,426.33 million THB to 10,540.48 million THB.

As of 30th June 2022 and 31st December 2021, the interest - bearing debt to equity ratio is more or less the same as that of last year i.e. from 0.91:1 to 0.90:1. The debt-to-equity ratio is similar to that of the previous year i.e. 1.09:1. The Company has strictly upheld the financial discipline and investment balance for future growth. It is expected that within the end of the year, the interest-bearing debt to equity ratio will be at 1:1.

Financial structure

As a result of the war between Russia and Ukraine, the oil price has increased, as well as the price of various products that are costs of the Company. In order to prevent and reduce risks in terms of liquidity and interest rate, in Q2, the Company has issued the new three-year debentures worth 1,500 million THB with fixed interest rate to facilitate the operation in the latter half of the year. In addition, the financial policy of the Company is carefully implemented during COVID19 outbreak and maintain the interest-bearing debt to equity ratio at approximately 1:1 time to ensure financial balance.

Cash flow statement

Regarding the cash flow statement as of 30th June 2022 and 31st December 2021, the net cash flow increases 268.88 million THB or 80.27% due to the preparation to repay debt to financial institutions which will be due in early July and from the business operation of the Company. But comparing with the same period of the previous year, the cash flow statement as of 30th June 2022 and 31st June 2021, the net cash flow decreases 181.18 million THB or 23.08% from the ease of liquidity enhancement scheme during the crisis and the reduction of financial costs.

Important numbers in the financial statements Q2/2022 and 2021

Table 2: Profit/Loss Statement in Q2/2022 and 2021

Number	Consolidated Financial Statements			Separate Financial Statements		
	Q2/2022	Q2/2021	%Variance	Q2/2022	Q2/2021	%Variance
1. Main income (million THB)	1,991.50	1,369.18	45.45%	1,907.50	750.85	154.05%
2. Gross profit from sale (%)	21.99%	25.78%	(3.79%)	22.22%	26.54%	(4.32%)
3. Gross profit from rental and service business (%)	28.79%	37.30%	(8.52%)	30.22%	39.01%	(8.79%)
4. Gross profit from management business (%)	41.23%	48.79%	(7.56%)	-	-	-
5. Gross profit from main income (million THB)	513.31	431.22	19.04%	304.75	205.28	48.46%
(%)	25.85%	31.69%	(5.84%)	22.66%	27.69%	(5.03%)
6. Expenses on sales (million THB)	81.44	57.62	41.34%	67.15	42.08	59.58%
(%)	4.09%	4.21%	(0.12%)	3.52%	5.60%	(2.08%)
7. Expenses on sales (million THB)	21.41	19.15	11.80%	17.67	15.30	15.49%
(excluding ownership transfer)						
(%)	1.08%	1.40%	(0.32%)	0.93%	2.04%	(1.11%)
8. Expenses on management (million THB)	210.19	175.72	19.62%	86.48	76.97	12.36%
(%)	10.55%	12.83%	(2.28%)	4.53%	10.25%	(5.72%)
9. Profit before interest and corporate income tax (million THB)	224.98	203.38	10.62%	711.77	94.18	655.75%
(%)	11.30%	14.85%	(3.55%)	37.31%	12.54%	24.77%
10. Profit before corporate income tax (million THB)	184.22	149.86	22.93%	670.13	39.18	1,610.39%
(%)	9.25%	10.95%	(1.70%)	35.13%	5.22%	29.91%
11. Net profit (loss) (million THB)	147.44	120.99	21.86%	645.91	31.01	1,982.91%
(of the main Company) (%)	7.40%	8.84%	(1.44%)	33.86%	4.13%	29.73%
12. Net profit (loss) per share (THB)	0.10	0.08	25.00%	0.44	0.02	2,100.00%
13. Book value per share (THB)	8.02	7.90	1.52%	7.46	8.19	(8.91%)

After Revision

Table 3: Statement of Financial Position as of 30th June 2022 and 31st December 2021

Unit: million THB

Number	Consolidated Financial Statements			Separate Financial Statements		
	As of 30 th Jun 22	As of 31 st Dec 21	%Variance	As of 30 th Jun 22	As of 31 st Dec 21	%Variance
1. Cash and cash equivalent	603.84	334.95	80.27%	429.95	198.64	116.44%
2. Trade debtors and other debtors	818.00	748.45	9.29%	464.61	323.19	43.76%
3. Land and project costs during Construction	9,206.41	9,027.77	1.98%	6,661.53	7,285.42	(8.56%)
4. Backlog	8,844.10	8,838.04	0.07%	8,616.04	8,556.02	0.70%
5. Other current assets Note 1	235.88	202.13	16.70%	945.43	331.68	185.05%
6. Non-current assets Note 2	4,625.67	4,625.29	0.01%	5,071.22	5,001.07	1.40%
7. Total assets	24,333.89	23,776.63	2.34%	22,188.77	21,696.01	2.27%
8. Overdraft and short-term loan	5,497.72	7,104.67	(22.62%)	5,279.60	6,797.94	(22.34%)
9. Trade account payable and other creditors	1,311.45	1,169.67	12.12%	1,012.82	909.76	11.33%
10. Long-term loan	5,042.76	3,321.66	51.81%	4,515.42	3,365.44	34.17%
11. Overdue corporate income tax	40.23	4.29	838.35%	28.43	-	100.00%
12. Non-current liabilities Note 3	778.47	779.14	(0.09%)	505.60	467.86	(8.07%)
13. Total liabilities	12,670.63	12,379.43	2.35%	11,341.87	11,540.99	(1.73%)
14. Shareholders' equity	11,663.26	11,397.20	2.33%	10,846.90	10,155.02	6.81%

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

[Note 2](#) Comprising investment in subsidiary companies and associated companies, real estate for investment, land, building and equipment, goodwill, non-tangible assets, lease hold, deferred tax assets, withholding tax 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.

[After Revision](#)

Table 4: Financial Ratio in Q2/2022 and 2021

Item	Unit	Q2		Item	Unit	Q2	
		2022	2021			2022	2021
<u>Liquidity Ratio</u>				9. Net Profit per gross income	%	7.40	8.84
1. Current Ratio	Time	2.88	2.35	10. Sales to Equity Ratio	%	13.35	8.39
2. Quick Ratio	Time	0.24	0.18	<u>Asset Management Ratio</u>			
3. Collection Period	Day	8.97	18.05	11. Return on Assets	%	0.61	0.51
4. Inventory Turnover Ratio	Day	1,325.25	2,373.25	12. Return on Fixed Assets	%	4.96	4.17
5. Payment Period	Day	108.77	167.88	13. Asset Growth Rate	%	2.34	0.45
<u>Profitability Ratio</u>				14. Liabilities Growth Rate	%	2.35	3.77
6. Gross Profit Margin from Sales	%	21.99	25.78	<u>Financial Ratio</u>			
7. Gross Profit Margin from Rent	%	28.79	37.30	15. D/E Ratio	Time	1.09	1.07
8. Gross Profit Margin from Management	%	41.23	48.79	16. Interest Bearing D/E Ratio	Time	0.90	0.90

From the above ratio, the net profit and gross profit from sales have decreased from the previous quarter as the Company speeds up the liquidation of inventory and recognizes more than 60% of income from sale, resulting in improved liquidity ratio, improved efficiency in use of asset and reduced debt burden. Therefore, the debt-to-equity ratio can be maintained at 1:1 time in accordance with the policy of the Company.

After Revision

Please kindly be informed accordingly.

Sincerely yours,

(Mr. Opas Sripayak)

Chief Executive Officer and Managing Director