

Ref. LPN/Sor Kor/235/2565

3<sup>rd</sup> November 2022

RE: Financial Analysis Report Q3/2022

Dear Director and Manager

Stock Exchange of Thailand

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.

**Report on the performance during the first 9 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:** 6 projects worth 4,700 million THB, namely,

- 1) Three residential condominium projects i.e. Lumpini Place Taopoon-Interchange, Lumpini Selected Charan 65-Sirindhorn Station and Lumpini Ville Chaengwattana 10 worth 3,420 million THB.
- 2) Two single house projects developed by a subsidiary company i.e. Townplace Ladprao 101-Pokaew and Lumpini Townville Saimai 18-Paholyothin worth 1,170 million THB.
- 3) One commercial building developed by a subsidiary company i.e. Townville Ladkrabang-Suvarnabhumi worth 110 million THB.

**2. Sales volume and backlog**

2.1 The sales volume is 6,750 million THB i.e.

- 1) 70% of the sales volume derives from condominium projects.
- 2) 30% of the sales volume derives from single house projects.

2.1 The backlog of 2,330 million THB will gradually be recognized in 2022 and 2023.

As of 30 September 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	Q3	Accumulated 9 Months		2022	2023	Total
1. Residential Condominium	1,660	1,840	1,250	4,750	1. Residential Condominium	630	920	1,550
Proportion (%)	75%	70%	64%	70%	Proportion (%)	45%	100%	67%
2. Single House	560	740	700	2,000	2. Single House	780	-	780
Proportion (%)	25%	30%	36%	30%	Proportion (%)	55%	-	33%
<b>3. Total Sales Volume</b>	<b>2,220</b>	<b>2,580</b>	<b>1,950</b>	<b>6,750</b>	<b>3. Total Backlog</b>	<b>1,410</b>	<b>920</b>	<b>2,330</b>

### 3. Launches of new projects

The Company launches 4 new projects with the combined value of 6,100 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
- 4) Venue 168 Ratchapruek worth 500 million THB.

#### Performance in Q3/2022 and 2021

#### Consolidated profit (loss) statements

The net profit of the Company and subsidiary companies increases 791.31% or 9 times from the same period of the previous year because of 357.95% increase of the income from sales. 19% of the income from sales is from the income recognition of condominium projects, 70% is from that of office building projects and 11% is from that of single house projects. The income from rental and service business increases 24.06% as a result of the COVID19 situation being better than it was during the same period of the previous year. Thus, the rental business improves. The income from management increases 28.59% from the management of residential projects and provision of engineering service and other services.

**Table 1: Proportion of the gross income of the Company and subsidiary companies quarterly and accumulative 9 months in 2022 and 2021**

Type of Income	2022		Q3		%	Accumulated 9 Months		%
	Q1	Q2	2022	2021	Variance	2022	2021	Variance
1. Income from sales of real estate	1,784.66	1,539.30	3,725.82	813.59	357.95%	7,049.77	2,847.59	147.57%
1.1 Residential condominium	1,229.55	959.74	725.32	566.99	27.92%	2,914.61	1,773.39	64.35%
Proportion (%)	68.90%	62.35%	19.47%	69.69%	(50.22%)	41.34%	62.28%	(20.94%)
1.2 Office building	-	-	2,589.40	-	100%	2,589.40	-	100%
Proportion (%)	-	-	69.50%	-	69.50%	36.73%	-	36.73%
1.3 Single house	555.11	579.55	411.10	246.60	66.71%	1,545.76	1,074.19	43.90%
Proportion (%)	31.10%	37.65%	11.03%	30.31%	(19.28%)	21.93%	37.72%	(15.79%)
2. Income from rental and service business	71.06	75.00	81.21	65.46	24.06%	227.27	206.93	9.83%
3. Income from management business	349.06	371.67	390.56	303.72	28.59%	1,111.29	912.13	21.83%
<b>4. Total main income</b>	<b>2,204.78</b>	<b>1,985.97</b>	<b>4,197.59</b>	<b>1,182.77</b>	<b>254.90%</b>	<b>8,388.34</b>	<b>3,966.64</b>	<b>111.47%</b>
5. Other income <sup>Note 1</sup>	9.56	5.54	4.91	7.32	(32.99%)	20.00	19.23	4.05%
<b>6. Total income</b>	<b>2,214.35</b>	<b>1,991.50</b>	<b>4,202.49</b>	<b>1,190.09</b>	<b>253.12%</b>	<b>8,408.34</b>	<b>3,985.87</b>	<b>110.95%</b>

<sup>Note 1</sup> 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.

## Statement of financial position as of 30<sup>th</sup> September 2022 and 31<sup>st</sup> December 2021

### Total assets

Total assets of the Company decreases 1,048.02 million THB or 4.41% i.e. from 23,776.63 million THB to 22,728.61 million THB. It is mainly because the land and project costs during construction and finished goods inventory decreases 1,495.00 million THB or 8.37% i.e. from 17,865.81 million THB to 16,370.81 million THB. During the first 9 months of 2022, 6 projects have been completed, namely, 3 condominium projects, 2 single house projects and one commercial building as mentioned above with the combined value of approximately 4,700 million THB. The ownership of an office building ready to be handed over worth 2,600 million THB has also been transferred. The deposit for 4 plots of land for project development in 2022 has been paid, namely, Place 168 Pinklao, Venue 168 Kukot Station, Venue 168 Westgate and Ville 168 Bangwa. In Q3/2022, the deposit for 3 plots of land for project development in the future has also been paid, namely, a plot of land on Prachautit 2 road, a plot of land around Bangyai and a plot of land around Bangsanoe.

### Total liabilities

Total liabilities decrease 1,404.52 million THB or 11.35% i.e. from 12,379.43 million THB to 10,974.91 million THB. It is mainly because of the increased liquidity from ownership transfer and loan repayment to financial institutions. The debt burden has decreased 1,443.97 million THB or 13.85% i.e. from 10,426.33 million THB to 8,982.36 million THB.

As a result of the above, the interest-bearing debt to equity ratio and the debt to equity ratio have decreased from 0.91:1 to 0.76:1 and from 1.09:1 to 0.93:1 as of 30 September 2022 and 31 December 2021 respectively. In comparison with the same period of the previous year, the interest-bearing debt to equity ratio and the debt to equity ratio have decreased from 0.98:1 to 0.76:1 and 1.14:1 to 0.93:1. The Company has strictly upheld the financial discipline, maintained the debt ratio not to exceed 1:1 and strike a balance in investment for future growth.

### Financial structure

The inflation rate that has been increased since the beginning of the year has pressured the Monetary Policy Committee of the Bank of Thailand to adjust the policy interest rate twice in Q3, resulting in higher costs for the Company's sources of funds and loans. As a prevention for liquidity and interest rate risks, the Company has issued three-year debentures worth 1,500 million THB with fixed interest rate in Q2 to facilitate the operation in 2022 as well as to strictly maintain the interest-bearing debt to equity ratio at 1:1.

### Cash flow statement

Regarding the cash flow statement as of 30<sup>th</sup> September 2022 and 31<sup>st</sup> December 2021, the net cash flow increases 382.88 million THB or 114.31% owing to the ownership transfer that succeeded in achieving the target. Particularly, in Q3/2022, the ownership of one office building, namely, Lumpini Tower Vibhavadi worth 2,600 million THB has been transferred. The liquidity has thus been increased and the loan from financial institutions has been repaid.

Important numbers in the financial statements in Q3/2022 and 2021

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

Number	Consolidated Financial Statements			Separate Financial Statements		
	Q3/2022	Q3/2021	%Variance	Q3/2022	Q3/2021	%Variance
1. Main income (Million THB)	4,202.49	1,190.09	253.12%	3,556.47	768.46	362.80%
2. Gross profit from sale (%)	20.29%	20.94%	(0.65%)	20.22%	20.65%	(0.43%)
3. Gross profit from rental and service business (%)	39.00%	33.51%	5.49%	40.37%	34.91%	5.46%
4. Gross profit from management business (%)	40.07%	44.79%	(4.71%)	-	-	-
5. Gross profit from main income (Million THB)	944.08	328.31	187.56%	730.91	155.29	370.67%
(%)	22.49%	27.76%	(5.27%)	20.67%	21.97%	(1.30%)
6. Expenses on sales (Million THB)	353.30	59.46	494.18%	344.35	45.36	659.15%
(%)	8.41%	5.00%	3.41%	9.68%	5.90%	3.78%
7. Expenses on sales (Million THB)	215.64	27.07	696.60%	217.22	19.59	1,008.83%
(excluding ownership transfer)						
(%)	5.13%	2.27%	2.86%	6.11%	2.55%	3.56%
8. Expenses on management (Million THB)	234.00	192.27	21.70%	98.82	84.65	16.74%
(%)	5.57%	16.16%	(10.59%)	2.78%	11.02%	(8.24%)
9. Profit before financial costs and corporate income tax (Million THB)	359.45	81.06	343.44%	306.54	85.21	259.75%
(%)	8.55%	6.81%	1.74%	8.62%	11.09%	(2.47%)
10. Profit before corporate income tax (Million THB)	301.66	34.40	776.92%	242.31	37.20	551.38%
(%)	7.18%	2.89%	4.29%	6.81%	4.84%	1.97%
11. Net profit (loss) (Million THB)	235.84	26.46	791.31%	187.15	39.02	379.63%
(of the main Company) (%)	5.61%	2.22%	3.39%	5.26%	5.08%	0.18%
12. Net profit (loss) per share (THB)	0.16	0.02	700.00%	0.13	0.03	333.33%
13. Book value per share (THB)	8.08	7.82	3.32%	7.49	6.97	7.46%

Table 3: Statement of Financial Position as of 30<sup>th</sup> September 2022 and 31<sup>st</sup> December 2021

Unit: Million

THB

Number	Consolidated Financial Statements			Separate Financial Statements		
	As of 30 Sep 22	As of 31 Dec 21	%Variance	As of 30 Sep 22	As of 31 Dec 21	%Variance
1. Cash and cash equivalent	717.83	334.95	114.31%	450.52	198.64	126.80%
2. Trade debtors and other debtors	858.56	748.45	14.71%	347.65	323.19	7.57%
3. Land and project costs during Construction	9,382.62	9,027.77	3.93%	6,979.63	7,285.42	(4.20%)
4. Backlog	6,988.20	8,838.04	(20.93%)	6,615.06	8,556.02	(22.69%)
5. Other current assets <a href="#">Note 1</a>	268.88	202.13	33.02%	1,258.43	331.68	279.42%
6. Non-current assets <a href="#">Note 2</a>	4,512.53	4,625.29	(2.44%)	4,906.35	5,001.07	(1.89%)
7. Total assets	22,728.61	23,776.63	(4.41%)	20,557.64	21,696.01	(5.25%)
8. Overdraft and short-term loan	5,058.40	7,104.67	(28.80%)	4,793.62	6,797.94	(29.48%)
9. Trade account payable and other creditors	1,183.48	1,169.67	1.18%	907.38	909.76	(0.26%)
10. Long-term loan	3,923.96	3,321.66	18.13%	3,446.67	3,365.44	2.41%
11. Overdue corporate income tax	19.11	4.29	345.68%	13.05	-	100.00%
12. Non-current liabilities <a href="#">Note 3</a>	789.95	779.14	1.39%	508.28	467.86	8.64%
13. Total liabilities	10,974.91	12,379.43	(11.35%)	9,669.00	11,540.99	(16.22%)
14. Shareholders' equity	11,753.70	11,397.20	3.13%	10,888.64	10,155.02	7.22%

[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 Q3/2022 and 2021

Item	Unit	Q3		Item	Unit	Q3	
		2022	2021			2022	2021
<b>Liquidity Ratio</b>				9. Net Profit per gross income	%	5.61%	2.22%
1. Current Ratio	Time	2.91	2.53	10. Sales to Equity Ratio	%		
2. Quick Ratio	Time	0.29	0.21	<b>Asset Management Ratio</b>			
3. Collection Period	Day	3.33	9.13	11. Return on Assets	%	1.01	0.11
4. Inventory Turnover Ratio	Day	384.14	1,161.98	12. Return on Fixed Assets	%	7.67	1.43
5. Payment Period	Day	31.19	80.77	13. Asset Growth Rate	%	(4.41)	3.09
<b>Profitability Ratio</b>				14. Liabilities Growth Rate	%	(11.35)	10.06
6. Gross Profit Margin from Sales	%	20.29%	20.94%	<b>Financial Ratio</b>			
7. Gross Profit Margin from Rent	%	39.00%	33.51%	15. D/E Ratio	Time	0.93	1.14
8. Gross Profit Margin from Management	%	40.07%	44.79%	16. Interest Bearing D/E Ratio	Time	0.76	0.98

From the above ratio, the Company's net profit compared to gross profit was higher than the previous quarter during the same period as a result of the recognition of income from sales that has been increased almost 5 times. Therefore, the liquidity of the Company has been increased. In addition, the asset utilization efficiency has improved and the debt burden has decreased, causing the debt to equity ratio to stay at 1:1 in accordance with the Company's policy.

After Revision

Please kindly be informed accordingly.

Sincerely yours,

(Mr. Opas Sripayak)

Chief Executive Officer and Managing Director