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16th February 2023

RE: Financial Statements Analysis Report 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 2022 of the Company and subsidiary companies as well as the performance report as follows:

Operating Results for Q4, 2022 and 2021

Table Summarizing Consolidated Statement of Profit and Loss						
Item	Q4/2022	Q4/2021	%YoY	2022	2021	%YoY
Amount Unit: Million Baht						
Total revenue	1,892.98	1,612.17	17.42%	10,301.32	5,598.05	84.02%
Total revenue from sales	1,887.41	1,603.33	17.72%	10,275.74	5,569.97	84.48%
Revenue from sales of real estate	1,373.20	1,196.55	14.76%	8,422.98	4,044.14	108.28%
Rental and service business income	80.74	65.63	23.02%	308.01	272.56	13.01%
Income from management business	433.47	341.15	27.06%	1,544.76	1,253.28	23.26%
Total other income	5.57	8.84	(36.99%)	25.58	28.08	(8.90%)
Gross profit	411.96	332.34	23.96%	2,252.58	1,380.70	63.15%
Selling and administrative expenses	273.28	252.05	8.42%	1,269.31	834.30	52.14%
Selling expenses	99.04	85.81	15.42%	624.99	266.66	134.38%
Administrative expenses	174.24	166.24	4.81%	644.32	567.64	13.51%
EBIT	144.24	89.13	61.83%	1,008.85	574.47	75.61%
EBITDA	150.56	94.04	60.10%	1,029.70	594.76	73.13%
Profit for the quarter	37.53	32.02	17.21%	612.16	302.36	102.46%
Profit attributable to the Company	37.53	32.03	17.17%	612.14	302.34	102.47%
Significant financial ratio (%)						
Total Gross Profit Margin	21.83%	20.73%	1.10%	21.92%	24.79%	(2.87%)
Gross Profit Margin from Real Estate Sales	21.96%	21.36%	0.60%	21.24%	23.44%	(2.20%)
Gross Profit Margin from Rental and Service Business	34.21%	28.62%	5.59%	33.84%	36.02%	(2.18%)
Gross Profit Margin from Management Business	19.11%	17.00%	2.11%	23.24%	26.69%	(3.45%)
Total selling and administrative expenses to total sales revenue	14.44%	15.63%	(1.20%)	12.32%	14.90%	(2.58%)
EBIT margin	7.62%	5.53%	2.09%	9.79%	10.26%	(0.47%)
EBITDA margin	7.95%	5.83%	2.12%	10.00%	10.62%	(0.63%)
Net Profit Margin (for the quarter)	1.98%	1.99%	(0.01%)	5.94%	5.40%	0.54%
Net Profit Margin (attributable to the Company)	1.98%	1.99%	(0.01%)	5.94%	5.40%	0.54%

The operating results can be categorized by business segments as follows:

- Real Estate Development Business increased by 4,378.84 million THB or 108.28% compared to year 2021.**
 - Revenue from residential condominiums increased by 1,242.74 million THB or 49.19% from the revenue in 2021.
 - In 2022, revenue from ownership transfers of office buildings was 2,58.94 million THB. In 2021 there was no ownership transfer.
 - Revenue from residential homes increased by 546.70 million THB or 36.02% from the revenue in 2021

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2. Rental Business

With the relaxation of the COVID-19 situation, the income from rental business of the Company still increased from 272.56 million THB to 308.01 million THB or increasing by 13.01%.

3. Service Business

The continuous expansion of the Company's service business has made the operating results increase from 1,253.28 million THB to 1,544.76 million THB or increasing by 23.26%.

In 2022, the net profit of the Company and its subsidiaries increased by 309.80 million THB, or 102.47% from the previous year. This was because the income from the main business increased by 4,705.77 million THB or 84.48% (increasing by 284.08 million THB or 17.72% in Q4/2022). The income from real estate business increased by 108.28% (increasing by 14.76% in Q4/2022). The Company has offered sales promotions to stimulate sales and decorated products to add value to the project. From external factors, the economy starts to return to normal. In addition, the government maintains measures to support real estate sectors almost throughout the year. Forty-five percent were revenue recognized from residential condominium projects. Thirty percent were revenue recognized from office building projects. Twenty-five percent were revenue recognized from residential home projects. Income from rental and service business increased by 13.01% (increasing by 23.02% in Q4/2022) because rental continues to rise as a result of the relaxation of the COVID-19 situation. Income from management fees increased by 23.26% (increasing by 27.06% in Q4/2022) due to the constant rises in project management services, engineering services and other services. Therefore, the gross profit from main business increased from 1,380.70 million THB to 2,252.58 million THB or increasing by 63.15% (increasing by 23.96% from 332.34 million THB to 411.96 million THB in Q4/2022) according to the following details.

Proportion of Total Revenue of the Company and its Subsidiaries in 2022 and 2021

Type of Revenue	2022				2022	2021	% Variance
	Q1	Q2	Q3	Q4			
1. Revenue from sales of real estate	1,784.66	1,539.30	3,725.82	1,373.20	8,422.98	4,044.14	108.28%
1.1 Residential condominium	1,229.55	959.74	725.32	854.55	3,769.16	2,526.42	49.19%
Proportion (%)	68.90%	62.35%	19.47%	62.23%	44.75%	62.47%	(17.72%)
1.2 Office Building	-	-	2,589.40	-	2,589.40	-	100.00%
Proportion (%)	-	-	69.50%	-	30.74%	-	30.74%
1.3 Residential Home	555.11	579.55	411.10	518.65	2,064.42	1,517.72	36.02%
Proportion (%)	31.10%	37.65%	11.03%	37.77%	24.51%	37.53%	(13.02%)
2. Rental and service business income	71.06	75.00	81.21	80.74	308.01	272.56	13.01%
3. Income from management business	349.06	371.67	390.56	433.47	1,544.76	1,253.28	23.26%
4. Total main revenue	2,204.78	1,985.97	4,197.59	1,887.41	10,275.74	5,569.97	84.48%
5. Other income ^{Note 1}	9.56	5.54	4.91	5.57	25.58	28.08	(8.90%)
6. Total revenue	2,214.35	1,991.50	4,202.49	1,892.98	10,301.32	5,598.05	84.02%

^{Note 1} Other income includes interest income, dividend received, fee incomes from ownership transfer, changes of details or breach of contract, profits from sales of assets, business support incomes collected from associate companies, incomes from pre-construction management service rendering to associate companies, income from public services, income from insurance claim and miscellaneous income.

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In 2022 the selling and administrative expenses increased by 52.14% from 834.30 million THB to 1,269.31 million THB (increasing by 8.42%, from 252.05 million THB to 273.28 million THB in Q4/2022). It was because the ownership transfer expenses increased in accordance with an increase in previous year's sales revenue that corresponds with better market conditions. There was also an increase in operating expenses incurred for present and future operational activities. In addition, the Company was cautious about expenses. With all of the above reasons, the net profit attributable to the Company increased by 102.47% in 2022 (increasing by 17.17% in Q4/2022).

Overall Information on Projects Completed, New Projects Launched, Sales Volume and Backlog in 2022

Item	Completed		New Projects Launched		Sales Volume (Million THB)	Backlog (Million THB)
	No. of Projects	Value (Million THB)	No. of Projects	Value (Million THB)		
1. Residential Condominium	4	4,520	5	8,600	8,350	1,850
2. Residential Home	2	1,170	3	1,850		
3. Commercial Building	1	110	-	-		
Total	7	5,800	8	10,450		

The details are as follows:

- 1. Projects Completed and Ready to be Handed Over** There are 7 projects with an approximated combined value of 5,800 million THB, namely,
 - 1) Four residential condominium projects i.e., Lumpini Place Taopoon – Interchange, Lumpini Selected Charan 65 - Sirindhorn Station, Lumpini Ville Chaengwattana 10 and Lumpini Ville Chaengwattana-Pakkret Station, valuing approximately 4,520 million THB.
 - 2) Two residential home projects of subsidiaries i.e., Maison 168 LATPHRAO 101 and Lumpini Townville Saimai 18 - Phahonyothin, valuing approximately 1,170 million THB.
 - 3) One commercial building project of subsidiaries i.e., Town Ville Ladkrabang-Suvarnabhumi, valuing approximately 110 million THB.
- 2. New Projects Launched:** The Company launched eight new projects with an approximate combined value of 10,450 million THB, namely,

Residential Condominium		Residential Home	
Project	Value (Million THB)	Project	Value (Million THB)
1. Lumpini Place Chaengwattana-Pakkret Station	1,200	1. Venue 168 Ratchaphruek	500
2. Place 168 Pinklao	2,300	2. Venue 168 Westgate	630
3. Lumpini Ville Charan-Faichai Building AB	2,100	3. Venue 168 Khukhot Station	720
4. Ville 168 Bangwa	1,400		
5. Park 168 Onnut 19	1,600		
Five projects in total with an approximate combined value of	8,600	Three projects in total with an approximate combined value of	1,850
Eight projects in total with an approximate combined value of 10,450 million THB			

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3. Sales Volume and Backlog

3.1 The sales volume is 8,350 million THB.

- 1) 70% of which is from residential condominium projects.
- 2) 30% of which is from residential home projects.

3.2 The backlog is 1,850 million THB which will gradually be recognized in 2023 and 2024.

Sales Volume and Backlog as at 31 December 2022

Sales Volume	2022				
	Q 1	Q 2	Q 3	Q 4	Total
1. Residential Condominium	1,660	1,840	1,250	1,100	5,850
Proportion (%)	75%	70%	64%	70%	70%
2. Residential Home	560	740	700	500	2,500
Proportion (%)	25%	30%	36%	30%	30%
3. Total Sales Volume	2,220	2,580	1,950	1,600	8,350

Unit: Million THB

Backlog	To be handed over in		
	2023	2024	Total
1. Residential Condominium	530	830	1,360
Proportion (%)	52%	100%	74%
2. Residential Home	490	-	490
Proportion (%)	48%	-	26%
3. Total Backlog	1,020	830	1,850

Analysis of Consolidated Statement of Financial Position of the Company

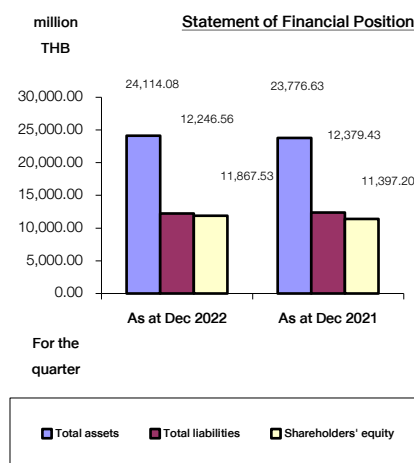
Table Summarizing Consolidate Statement of Financial Position

ASSETS (Unit : Million THB)	As at 31 Dec 2022	As at 31 Dec 2021	Variance (%)
Cash and cash equivalents	508.09	334.95	51.69%
Trade and other receivables	734.86	748.45	(1.82%)
Land and costs of project under construction	11,041.82	9,027.77	22.31%
Inventories	7,119.35	8,838.04	(19.45%)
Other current assets ^{Note 1}	297.88	202.13	47.37%
Other non-current assets ^{Note 2}	4,412.09	4,625.29	(4.61%)
TOTAL ASSETS	24,114.08	23,776.63	1.42%
LIABILITIES AND SHAREHOLDERS' EQUITY (Unit : Million THB)	As at 31 Dec 2022	As at 31 Dec 2021	Variance (%)
Bank overdrafts and short-term borrowings	6,740.17	7,104.67	(5.13%)
Trade and other payables	942.24	1,169.67	(19.44%)
Long-term borrowings	3,841.49	3,321.66	15.65%
Income tax payables	18.31	4.29	327.09%
Non-current liabilities ^{Note 3}	704.35	779.14	(9.60%)
TOTAL LIABILITIES	12,246.56	12,379.43	(1.07%)
Shareholders' equity	11,867.53	11,397.20	4.13%
Total liabilities and shareholders' equity	24,114.08	23,776.63	1.42%

^{Note 1} Comprising temporary investment, short-term loans to related parties

^{Note 2} Comprising investments in subsidiaries and associates, land and costs of project held for development, investment properties, property, plant and equipment, goodwill, intangible assets, leasehold right, deferred tax assets and other non-current assets

^{Note 3} Comprising unearned rental income, provisions for employee benefit, rental and service deposit and other non-current liabilities



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The value of total assets of the Company increased by 1.42% or 337.46 million THB i.e., from 23,776.63 million THB to 24,114.08 million THB. The main reasons were as follows:

1. Cash and Cash Equivalents increased by 173.13 million THB or 51.69% due to the fact that the ownership transfer target was achieved and the liquidity was reserved for normal business operation of the Company.
2. Land and costs of project under construction increased by 2,014.05 million THB whereas inventories decreased by 1,718.69 million THB. When considered together, it increased by 295.36 million THB or 1.65%, from 17,865.81 million THB to 18,161.17 million THB. This was because of the following reasons.
 - 2.1 There were 7 completed projects including 4 residential condominium projects, 2 residential home projects and 1 commercial building projects as mentioned above. The approximate combined value of the projects was 5,800 million THB. Moreover, there was an ownership transfer of one office building project that was ready to be handed over with a project value of 2,600 million THB.
 - 2.2 Payment for land purchased for development of 9 projects in 2022 and deposits for 4 plots of land for future development were made as follows.

Land Payment in 2022 for development of 9 projects			Deposits for 4 plots of land in 2022
Three residential condominium projects	Six residential home projects		
1. Place 168 Pinklao	1. Venue 168 Khukhot Station	4. House 168 Bang Yai	1. A plot of land in Ratchaphruek - Nonthaburi 2. A plot of land on Utthayan Road 3. A plot of land in srinakarin -romklao 4. A plot of land in Nakhon Pathom
2. Ville 168 Bangwa	2. Venue 168 Westgate	5. House 168 Kaew-In	
3. Park 168 Onnut 19	3. Venue 168 Pracha Uthit 90	6. A plot of land in Onnut 46	

3. The short-term loan to related parties increased by 95.75 million THB or 47.37%, to 297.88 million THB from 202.13 million THB in the previous year, for use in the operation of associated companies.
4. Other non-current assets decreased by 213.19 million THB as a result of the depreciation in asset value in 2022 and the sale of some assets together with the decrease in 2 main items in the deferred tax assets such as the income tax from the asset sale contract with a buy-back option for customers and the income tax from the reserve for long-term employee benefits which decreased as a consequence of the higher discount rate.

From the 4 aforementioned reasons, the value of total assets increased by 337.46 million THB or 1.42%.

Total liabilities of the Company decreased by 1.07% or 132.87 million THB, from 12,379.43 million THB to 12,243.56 million THB. It was mainly because of the following reasons.

1. The Company had higher liquidity from the ownership transfer enabling it to make loan repayment to financial institutions. As a result, the short-term debt burden decreased by 364.50 million THB or 5.13%. At the same time there was a 519.82 million THB (or 15.65%) increase in the long-term borrowings from financial institutions for future project development. As a result, net liabilities from financial institutions increased by 155.32 million THB or 1.49%

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2. The value of trade and other payables decreased by 227.42 million THB or 19.44% since payments for construction works and interests were made and there were more ownership transfers when compared to the previous year. This caused a decrease in deferred income.
3. The income tax payable increased by 14.02 million THB due to the fact that total revenue increased by 84.02% from the previous year.
4. The value of non-current liabilities decreased by 74.39 million THB due to a 66.67 million THB decrease in the provisions for employee benefits in accordance with the higher discount rate which included retired employees in 2022 as well as a 10.39 million THB decrease in unearned leasehold right income recognized as a rental income during 2022.

As a result of the 4 aforementioned reasons, the total liabilities decreased by 132.87 million THB or 1.07%. Hence the interest-bearing debt to equity ratio and the total debt to equity ratio decreased from 0.91:1 to 0.89:1 and from 1.09:1 to 1.03:1 as at 31 December 2022 and 2021 respectively. The Company has strictly upheld the financial discipline, maintain the debt-to-equity ratio according to the Company's policy as well as keep the investment portfolio balanced for future growth.

As at 31 December 2022, the shareholders' equity increased from 11,397.20 million THB to 11,867.53 million THB or increasing by 4.13% as a result of a capital reduction of 21.50 million treasury shares. The retained earnings, then, increased by 60.56 million due to the reduction of the share capital. There was a recalculation of employee benefits in accordance with the discount rate that increased from 1.19 - 2.28% to 1.37 - 5.22% which caused an increase in the retained earnings. The dividend paid to shareholders decreased by 508.94 million THB to 218.12 million THB from 727.07 million THB in the previous year. The 2022 profit increased by 309.80 million THB from the previous year. The aforementioned reasons caused a 4.13% increase in the shareholders' equity.

Financial structure

The Bank of Thailand gradually raised the policy rate from 0.50 percent to 1.25 percent in 3 Monetary Policy Committee meetings in 2022 to ensure that it was in line with the economic recovery direction and inflation outlook. As a result, the Company's financial cost was higher. Therefore, to prevent liquidity risk and interest rate risk during the 2nd quarter, in 2022 the Company issued a 3-year fixed-rate debentures worth 1,500 million THB to fund its operational activities from 2022 to 2024 and strictly maintain the interest-bearing debt to equity ratio of not more than 1:1.

Cash flow statement

As for the cash flow statement ended 31th December 2022 and 2021, the net cash flow increased by 173.13 million THB or 51.69% due to the fact that the ownership transfer target was achieved and it was reserved to fund the normal operation of the Company.

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Quarterly Financial Ratio	Unit	Q4/2022	Q4/2021	2022	2021
1. Liquidity Ratio					
1.1 Current Ratio	times	2.56	2.31	2.56	2.31
1.2 Quick Ratio	times	0.20	0.16	0.20	0.16
1.3 Collection Period	days	8.66	8.02	6.36	9.24
1.4 Inventory Turnover	days	670.04	857.40	433.00	1,042.35
1.5 Payable Period	days	45.60	65.52	29.47	79.65
2. Profitability Ratio					
2.1 Gross Profit Margin from Main Activities	%	21.83	20.73	21.92	24.79
2.2 Gross Profit Margin from Sales of Real Estates	%	21.96	21.36	21.24	23.44
2.3 Gross Profit Margin from Rental and Services	%	34.21	28.62	33.84	36.02
2.4 Gross Profit Margin from Management services	%	19.11	17.00	23.24	26.69
2.5 Net Profit Margin Ratio	%	1.98	1.99	5.94	5.40
2.6 Gross Sales to Equity Ratio	%	11.81	10.31	72.41	34.84
2.7 Return on Equity	%	0.32	0.28	5.26	2.60
3. Efficiency Ratio					
3.1 Return on Assets	%	0.16	0.14	2.56	1.28
3.2 Return on Fixed Assets	%	1.80	1.60	20.97	11.46
3.3 Total Asset Growth Rate	%	1.42	0.67	1.42	0.67
3.4 Total Liability Growth Rate	%	(1.07)	4.94	(1.07)	4.94
4. Financial Policy Ratio					
4.1 Debt to Equity	times	1.03	1.09	1.03	1.09
4.2 Interest Bearing Debt to Equity	times	0.89	0.91	0.89	0.91
4.3 Earnings Per Share	THB	0.03	0.02	0.42	0.21
4.4 Book Value	THB	8.16	7.84	8.16	7.84

Quarterly Financial Ratio Analysis Q4, 2022 and 2021

As mentioned above, the operating results in 2022 increased when compared to the previous year. Although the gross profit margin of main business in 2022 decreased by 2.87% from the previous year as a result of higher costs and price adjustment according to market conditions, overall, the net profit margin attributable to the owners of the Company still increased by 0.54% from the previous year i.e., from 5.40% to 5.94% caused by the recognition of sales revenue that increased more than 2 times. As a result, the Earnings Per Share increased from 0.21 THB per share to 0.42 THB per share. The inventory turnover rate was improved from 1,042.35 days to 433 days (from 857.40 days to 670.04 days in Q4/2022). The liquidity was higher and the payable period was better. Return on Fixed Assets increased from 11.46% to 20.97%. A decrease in debts enabled the Company to maintain its debt ratio in accordance with its policy.

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Index: Financial Ratio and Formulas

Financial Ratio	Unit	Formula
1. Liquidity Ratio		
1.1 Current Ratio	times	Current Assets / Current Liabilities
1.2 Quick Ratio	times	(Current Assets - Inventory - Land and costs of project under construction) / Current Liabilities
1.3 Collection Period	days	Average accounts receivable / (Total sales revenue / days in the period)
1.4 Inventory Turnover	days	Average Inventory / (COGS / days in the period)
1.5 Payable Period	days	Average accounts payable / (COGS / days in the period)
2. Profitability Ratio		
2.1 Gross Profit Margin from Main business	%	(Total revenue of main business – Total cost of goods sold) / Total revenue of main business
2.2 Gross Profit Margin from Sales of Real Estate	%	(Net sales - COGS) / Net Sales
2.3 Gross Profit Margin from Rental and Service	%	Rental and service revenue – Cost of rental and service / Rental and service revenue
2.4 Gross Profit Margin from Management Service	%	Revenue from management service – Cost of management service / Revenue from management service
2.5 Net Profit Margin Ratio	%	Profit for the quarter / Total Revenue
2.6 Gross Sales to Equity Ratio	%	Total sales revenue / Average Shareholders' Equity
2.7 Return on Equity	%	Profit for the quarter / Average Shareholders' Equity
3. Efficiency Ratio		
3.1 Return on Assets	%	Profit for the quarter / Average Total Assets
3.2 Return on Fixed Assets	%	(Profit for the quarter + Depreciation) / Average Fixed Assets
3.3 Total Asset Growth Rate	%	Total assets at the end of the quarter – Total assets at the beginning of the quarter / Total assets at the beginning of the quarter
3.4 Total Liability Growth Rate	%	Total liabilities at the end of the quarter – Total liabilities at the beginning of the quarter / Total liabilities at the beginning of the quarter
4. Financial Policy Ratio		
4.1 Debt to Equity	times	Total debt / Shareholders' equity after Minority Interest
4.2 Interest Bearing Debt to Equity	times	Interest Bearing Debt / Shareholders' equity after Minority Interest
4.3 Earnings Per Share	THB	Profit for the quarter / Weighted Average Shares
4.4 Book Value	THB	Shareholders' Equity / Weighted Average Shares

After Revision

Please kindly be informed accordingly.

Sincerely yours,

Mr. Opas Sripayak

Chief Executive Officer and Managing Director