

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

On January 25, 2023, the Monetary Policy Committee (“MPC”) increased the policy rate from 1.25 percent to 1.50 percent per year, effective immediately<sup>1</sup>. The increased in policy rate stemmed from the recovery of the Thai economy continuing to expand from the tourism sector, private consumption, and the inflation remained high. There is an increased risk from demand-side inflationary pressure following the economic recovery. The gradual increase in the policy interest rate continuously is a guideline for policy implementation parallel with the economic recovery and inflation.

Real estate developers were directly impacted by the economic recession during COVID-19 and from the increasing in construction material prices and labor costs. However, Raimon Land Public Company Limited and its subsidiaries (“**the Company**”) can manage the impacts from these factors by fixed the cost for all ongoing projects since the launch of the projects. In addition, the Company closely monitored and managed financial costs in both floating and fixed interest rates. As a result, the Company was not much affected from the increase in interest rate.

### **Milestone in 2022**

In 2022, the Company has issued debentures totaling 1,600.0 million baht with details shown below:

<b>Debenture</b>	<b>Period</b>	<b>Amount (mn)</b>	<b>Coupon</b>	<b>Issued date</b>	<b>Maturity date</b>
RML235A	1/2022	486.7	7.00%	15 Jul 22	15 Jun 23
RML241A		356.4	7.10%-7.25%	15 Jul 22	15 Jan 24
RML251A		206.9	7.10%-7.60%	15 Jul 22	15 Jan 25
RML24NA	2/2022	250.0	7.35%	25 Nov 22	25 Nov 24
RML253A	3/2022	300.0	7.00%	9 Dec 22	12 Mar 25
<b>Total</b>		<b>1,600.0</b>			

The purposes of debentures RML235A, RML241A, and RML251A were utilized for redeeming the debentures RML228A worth THB 1,005.0mn and the remaining are used as working capital.

The purpose of debenture RML24NA was utilized for redeeming the debentures RML22A worth THB 250.0mn and

The purposes of debenture RML253A are utilized for 1) pay interest on debentures, 2) office relocation expenses, 3) head office expenses, 4) investments in 2 joint ventures, RML 548 Co., Ltd. and Raimon Land Sathorn Co., Ltd., and 5) for repayment of principal, interest and financial cost of the Company.

<sup>1</sup>[www.bot.or.th](http://www.bot.or.th)

The Estelle Phrom Phong, a residential condominium project, was completed and the transfer of ownership to buyers starting from 3Q/2022. The Estelle Phrom Phong is a 51:49 joint venture between the Company and Tokyo Tatemono Asia Pte Ltd. ("TTA"), respectively.

The construction of Tait Sathorn 12, a residential condominium project, was 78.3% completed as of 31 December 2022. Tait Sathorn 12 is also a 51:49 joint venture between the Company and TTA, respectively.

The One City Centre ("OCC"), a grade-A office building project, is a 60:40 joint venture between the Company and Mitsubishi Estate Asia (MEA Commercial Holding Pte., Ltd.), respectively. As of 31 December 2022, the project is still under construction, with progress of 95.6% completed.

The Company has continuously transformed its project-based investment strategy from self-funding to a joint venture model. Consequently, the recognition of revenue and profit on the Company's financial statements started to shift from revenue recognition of real estate sales to the share of profits from joint ventures. As mentioned, the Company currently has two joint venture projects on sale: The Estelle Phrom Phong and Tait Sathorn 12, which are the joint venture projects.

### **Financial highlight 4Q/2022 and FY2022**

- The Company's backlog stood at THB 4,965.3mn as of 31 December 2022.
- Presales in 4Q/2022 and FY2022 were THB 802.8mn and THB 2,245.2mn, respectively.
- Total revenue in 4Q/2022 and FY2022 were THB 105.2mn and THB 352.1mn, respectively. Of which, THB 25.0mn and THB 67.6mn, respectively, were from sales of real estate.
- As of 31 December 2022, the total assets and total liabilities were THB 8,255.4mn and THB 3,956.5mn, respectively.
- The Interest-Bearing Debt to Equity ratio ("IBD/E") stood at 0.82 times as of 31 December 2022, increasing from 0.81 times as of 31 December 2021.

**Operating results 4Q/2022 and FY2022**
**Summary of statement of profit and loss**

4 <sup>th</sup> Quarter	3M 2022		3M 2021		Change		FY2022		FY2021		Change	
	THB mn	% of total revenue	THB mn	% of total revenue	THB mn	%	THB mn	% of total revenue	THB mn	% of total revenue	THB mn	%
<b>Revenues</b>												
Revenues	36.0	34.2	215.9	70.4	(179.9)	(83.3)	104.6	29.7	2,215.4	88.1	(2,110.8)	(95.3)
Other income	69.2	65.8	90.7	29.6	(21.5)	(23.7)	240.3	68.3	299.2	11.9	(58.9)	(19.7)
Unrealized gain on exchange rate	-	-	-	-	-	-	7.2	2.0	-	-	7.2	-
<b>Total revenues</b>	<b>105.2</b>	<b>100.0</b>	<b>306.6</b>	<b>100.0</b>	<b>(201.4)</b>	<b>(65.7)</b>	<b>352.1</b>	<b>100.0</b>	<b>2,514.6</b>	<b>100.0</b>	<b>(2,162.5)</b>	<b>(86.0)</b>
<b>Expenses</b>												
COGs	(13.6)	(12.9)	(314.5)	(102.6)	(300.9)	(95.7)	(59.1)	(16.8)	(1,837.1)	(73.1)	(1,778.0)	(96.8)
Distribution cost and Admin. expenses	(86.9)	(82.6)	(187.9)	(61.3)	(101.0)	(53.8)	(406.5)	(115.5)	(660.5)	(26.3)	(254.0)	(38.5)
Loss on impairment and write-off	-	-	(208.1)	(67.9)	(208.1)	(100.0)	0.0	0.0	(208.1)	(8.3)	(208.1)	(100.0)
Loss on fair value measurement of financial assets	(11.2)	(10.6)	-	-	11.2	-	(3.5)	(1.0)	-	-	3.5	-
Expenses related to litigation	2.2	2.1	-	-	(2.2)	-	(88.1)	(25.0)	-	-	88.1	-
Unrealized loss on exchange rate	(23.8)	(22.6)	(23.8)	-	-	-	-	-	-	-	-	-
Net financial costs	(42.9)	(40.8)	(39.0)	(12.7)	3.9	10.1	(233.4)	(66.3)	(160.0)	(6.4)	73.3	45.8
Share of profit (loss) in JV	126.5	120.2	(8.1)	(2.6)	134.6	1,660.7	136.9	38.9	(28.5)	(1.1)	165.5	579.8
Tax expense (income)	(12.1)	(11.5)	(6.0)	(1.9)	6.2	103.1	(13.4)	(3.8)	(73.0)	(2.9)	(59.6)	(81.6)
<b>Net profit (loss)</b>	<b>43.4</b>	<b>41.3</b>	<b>(456.9)</b>	<b>(149.1)</b>	<b>500.3</b>	<b>109.5</b>	<b>(315.1)</b>	<b>(89.5)</b>	<b>(452.7)</b>	<b>(18.0)</b>	<b>137.6</b>	<b>30.4</b>

**Presales and Backlog**

In 4Q/2022, the Company had Presales of THB 802.8mn, an increase from the Presales of THB 462.7mn in 4Q/2021. The increase was from the sales of The Estelle Phrom Phong and Tait Sathorn 12, especially from The Estelle Phrom Phong project, which was completed in 3Q/2022 and began transferring ownership since then. Thus, customers can visit the project, common areas, facilities, and actual units to use as information to support decision making.

In 2022, the Company had Presales of THB 2,245.2mn improved from 2021 which had Presales THB 2,107.9mn, mainly due to the increase in sales from the 2 new projects as mentioned above. The Company expects all units of The Estelle Phrom Phong to be sold out in 2023 and Tait Sathorn 12 project will begin to transfer ownership in the 3Q/2023.

As of 31 December 2022, the total backlog was THB 4,965.3mn, a decrease from THB 5,451.6mn as of 31 December 2021, mainly from the transfer of the Estelle Phrom Phong which started in 3Q/2022, net of the Presales throughout the FY2022.

***Revenues***

4 <sup>th</sup> Quarter	3M 2022		3M 2021		Change		2022		2021		Change	
	THB mn	% of total revenue	THB mn	% of total revenue	THB mn	%	THB mn	% of total revenue	THB mn	% of total revenue	THB mn	%
<b>Revenues</b>												
Revenues from sales of real estate	25.0	23.7	208.9	68.2	(183.9)	(88.0)	67.6	19.2	2,188.7	87.0	(2,121.1)	(96.9)
Revenue from rental and services	11.0	10.5	6.9	2.3	4.1	58.4	37.0	10.5	26.7	1.1	10.3	38.4
<b>Other income</b>												
Project management income	44.0	41.9	36.2	11.8	7.9	21.8	129.2	36.7	103.9	4.1	25.3	24.4
Marketing commission income	9.7	9.3	7.9	2.6	1.8	23.0	31.2	8.9	21.2	0.8	10.0	47.1
Guarantee fee income	14.4	13.7	13.4	4.4	1.0	7.6	57.4	16.3	50.0	2.0	7.4	14.9
Gain on dissolution of the investment in subsidiaries	-	-	-	-	-	-	-	-	7.2	0.3	(7.2)	(100.0)
Unrealized gain on the FX	-	-	-	-	-	-	7.2	2.0	-	-	7.2	-
Other income	1.0	0.9	33.2	10.8	(32.2)	(97.0)	22.4	6.4	116.9	4.7	(94.5)	(80.8)
<b>Total revenues</b>	<b>105.2</b>	<b>100.0</b>	<b>306.6</b>	<b>100.0</b>	<b>(201.4)</b>	<b>(65.7)</b>	<b>352.1</b>	<b>100.0</b>	<b>2,514.6</b>	<b>100.0</b>	<b>(2,162.5)</b>	<b>(86.0)</b>

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

In 4Q/2022 and FY2022, revenue from real estate sales decreased to THB 25.0mn and THB 67.6mn, respectively, from THB 208.9mn and THB 2,188.7mn in the same periods of 2021. The decrease in revenue from real estate sales is because all inventories have been fully recognized. The remaining inventories will be recognized in the "share of profits from joint ventures" category, as described above.

The Company has revenue from sales of real estate from the joint venture project "The Estelle Phrom Phong" THB 1,794.9mn in 4Q/2022 and THB 2,393.3mn in FY2022 (Revenue from sales of real estate before deduction of COGs and other expenses).

***Revenue from rental and services***

Most of the rental and services income are generated from the Somerset Riverside Bangkok project and the Vue Mall, which is a community shopping center located next to The River condominium. In 4Q/2022 and FY2022, revenue increased to THB 11.0mn and THB 37.0mn, respectively, from THB 6.9mn and THB 26.7mn from the same period last year, respectively. The increase in rental and services income were from the Thai government dismissed COVID-19 measures and fully opened country to tourists.

***Project management income***

The income is derived from fees that the Company charges to the joint venture companies for project construction management and managing residential juristic persons. In 4Q/2022 and FY2022, project management income are THB 44.0mn and THB 129.2mn, increased 21.8% and 24.4% as compared to THB 36.2mn and THB 103.9mn, respectively, in the same period last year. The higher revenues are in line with the project construction progress

of the 3 joint venture projects. In addition, the Company also had an increased income from managing juristic persons at The Estelle Phrom Phong.

### **Marketing commission income and guarantee fee income**

Marketing commission income is the commission fee the Company charges the joint venture companies on sales of the units in the joint venture projects. The income also includes the commission fee for resales and leasing services to the property owners. Guarantee fee income is the fee charged to the joint venture companies when the Company acts as a guarantor for the loan of the joint venture companies.

At the end of 4Q/2022, the Company is engaging in 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 named One City Centre and 4) Raimon Land Thirty Eight Co., Ltd., developing a condominium project in soi Sukhumvit 38.

Marketing commission income in 4Q/2022 and FY2022 were THB 9.7mn and THB 31.2mn, respectively, increasing as compared to THB 1.8mn and THB 10.0mn in the same periods last year. The improvement is attributed to the resales and leasing commissions. The guarantee fee income increased in 4Q/2022 and FY2022 to THB 14.4mn and THB 57.4mn, respectively, which is in line with the higher loan drawdowns following the construction progress of joint venture projects.

### **Gain on loss control of the investment in subsidiaries**

There was no transaction under this category in 2022. However, in 2021, the Company completed the liquidation process of 2 subsidiaries, Raimon Land Digital Pte. Ltd. (Singapore) and LIVVZ.com Pte. Ltd., resulting in a one-off gain from the deconsolidation of THB 7.2mn.

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

In 4Q/2022 and FY2022, the cost of real estate was THB 13.6mn and THB 59.1mn, respectively, from THB 314.5mn and THB 1,837.1mn, in the same period of 2021. The reduction is in line with the lower revenue recognition from sales of real estate during the periods. However, gross profits of sales of real estate were THB 11.4mn (gross profit margin 45.6%) and THB 8.5mn (gross profit margin 12.6%) in 4Q/2022 and FY2022, respectively, which were aligned with the decrease in sales due to the decrease in ready-to-sell condominiums in various projects. For the Estelle Phrom Phong and Tait Sathorn 12, which are joint venture projects, will be recognized in the "Share of profit/loss from investments in joint ventures".

### ***Distribution costs and Administrative expenses (SG&A)***

The distribution costs, including advertising, marketing, commission, and condominium units transfer-related expenses, while administrative expenses are mostly fixed costs related to employees and all expenses related to business operations.

In 4Q/2022, the total SG&A was THB 86.9mn, a reduction of THB 101.3mn or 53.8% from THB 187.9mn. The total SG&A in 4Q/2022 was comprised of the distribution costs THB 10.6mn and the administrative expenses THB 76.3mn.

For FY2022, the Company's SG&A was THB 406.5mn, comprising distribution costs and administrative expenses of THB 51.9mn and THB 354.6mn, respectively. The distribution costs decreased from THB 209.4mn in line with the reduction in revenue from real estate sales. The administrative expenses reduced to THB 354.6mn from THB 451.1mn in the same periods in 2021. The reduction in administrative expenses comparing to 2021 was originated from the operating and the administrative expense related to sales of land at Phyathai and impairment of asset of Taksin Properties Company Limited.

### ***Expenses related to litigation***

In 2022, the Company recorded expenses to settle litigation cases amounting to THB 88.1mn. The cases were related to allegations of breaches of sales & purchase agreements, filed by some customers and torts, and misunderstanding of the right of ownership of the common properties in a condominium project, The River. The cost of litigation settlement has been revised down from THB 90.3mn occurred during 1Q/2022-3Q/2022.

### ***Net financial cost***

Financial costs are primarily interest expenses on loans to develop projects, recorded as development costs until construction complete. Post-construction completion, such interest expenses will be recorded as financial expenses in the Statement of Income. Loans are repaid in instalments upon unit transfer. Currently, the Company raised funds through debentures and loans with financial institutions. Most of the finance costs are from interest on debentures and project loans, as discussed above.

For 4Q/2022 and FY2022, the net financial cost was THB 42.9mn and THB 233.4mn, respectively, which is an increase of THB 3.9mn and THB 73.3mn, from THB 39.0mn and THB 160.0mn in the same period last year. The higher net finance costs were mainly due to interest rates on the new debentures issued in 2022. The debentures were issued for the redemption of existing debentures, for the working capital, and for the investments. At the end of 2022, the Company's interest-bearing debts were THB 3,533.2mn, a decrease from THB 3,689.2mn at the end 2021.

***Net (loss) profit***

In 4Q/2022, the Company had a consolidated net profit of THB 43.4mn which is an improvement QoQ to the net loss of THB 47.6mn in 3Q/2022 and an improvement YoY to the net loss of THB 456.9mn in 4Q/2021. The Net profit per share for this period was THB 0.02 per share. For FY2022, the Company had a consolidated net loss of THB 315.1mn. Thus, the net loss per share was THB 0.07 per share.

**Financial position as of 31 December 2022**

	31 December 2022		31 December 2021		Change	
	THB mn	%	THB mn	%	THB mn	%
<b>Assets</b>	<b>8,255.4</b>	<b>100.0</b>	<b>9,451.1</b>	<b>100.0</b>	<b>(1,195.7)</b>	<b>(12.7)</b>
<b>Liabilities</b>	<b>3,956.5</b>	<b>47.9</b>	<b>4,874.5</b>	<b>51.6</b>	<b>(918.0)</b>	<b>(18.8)</b>
Interest-bearing debt	3,533.2	42.8	3,689.2	39.0	(156.0)	(4.2)
Other liabilities	423.3	5.1	1,185.3	12.5	(762.0)	(64.3)
<b>Equity</b>	<b>4,298.9</b>	<b>52.1</b>	<b>4,576.5</b>	<b>48.4</b>	<b>(277.6)</b>	<b>(6.1)</b>
<b>Total Liabilities and Equity</b>	<b>8,255.4</b>	<b>100.0</b>	<b>9,451.1</b>	<b>100.0</b>	<b>(1,195.7)</b>	<b>(12.7)</b>

***Assets***

The Company's total assets stood at THB 8,255.4mn, a decrease of THB 1,195.7mn or 12.7% from THB 9,451.1mn at the end of 2021. The major changes in assets were 1) decreased cash and cash equivalents of THB 1,145.0mn mainly from loan repayment to financial institutions, debenture, and investment in non-current financial assets, 2) increased trade accounts receivable and other current receivables increased THB 22.3mn due to the advance payment that the Company paid to the contractor on behalf of the partner, 3) decreased project development costs THB 920.8mn from selling Company's remaining inventories and sales of the land at Lofts Ratchthewi project, 4) increased short-term loans to a related party of THB 150.0mn for the JV project, 5) increased investments in joint ventures THB 410.1mn, and 6) increased in other non-current financial assets THB 237.2mn from entering into a convertible promissory note purchase agreement with another company which registered and operates in the United States of America.

***Liabilities***

Total liabilities stood at THB 3,956.5mn, a decrease of THB 918.0mn, or 18.8% from THB 4,874.5mn as of 31 December 2021. The Interest-Bearing Debt ("IBD") stood at THB 3,533.2mn, a decrease THB 156.0mn from THB 3,689.2mn as of 31 December 2021. The major changes in liabilities were 1) decreased trade and other current payables THB 81.6mn mainly from payment for land acquisition of Kamala Bay Holding Company Limited (THB 44.8mn), 2) decreased land deposit THB 555.7mn, 3) decreased advance receipt for investment THB 34.0mn from a subsidiary company had registered the capital increase with the Department of Business Development., 4) decreased advance received from customers THB 103.1mn, according to transfer and recognize as revenue, and

5) decreased THB 156.0mn in IBD which mainly from the decrease of long-term borrowings from financial institutions.

***Shareholders' equity***

The Company's total shareholders' equity stood at 4,298.9mn, a decrease of THB 277.1mn or 6.1% from THB 4,576.5mn as of 31 December 2021, mainly from the net loss in FY2022.

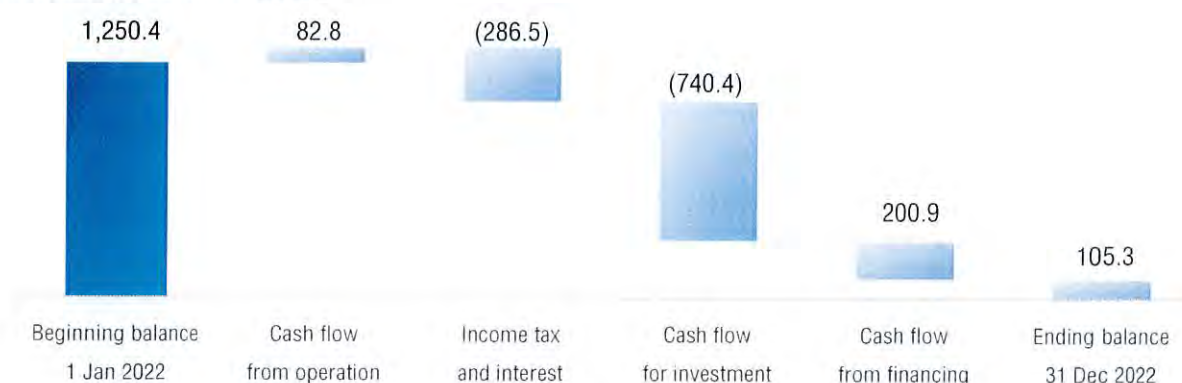
***Interest-Bearing Debt to Equity ratio***

The IBD/E ratio as of 31 December 2022 was 0.82 times, which increased from 0.81 times as of 31 December 2021.

**Cash flow**

For FY2022, the Company had cash received from the operating activities of THB 82.8mn. In addition, the Company had THB 286.5mn cash paid for financial costs and tax, resulting in net cash used in the operating activities of THB 203.7mn. The key changes in operating activities were 1) THB 315.1mn loss before tax in FY2022, 2) THB 927.4mn cash received from selling the remaining inventories and land (project development cost, and 3) THB 678.2mn cash repay to trade and other current payables and advance received from customers. For the investing activities, the Company paid net cash of THB 740.4mn, mainly 1) THB 150.0mn short-term loan granted to a joint venture company, Raimon Land Thirty Eight Co., Ltd., 2) THB 233.3mn cash paid for long-term loans to another party, 3) THB 273.2mn cash paid for an investment in joint venture companies, and 4) THB 51.1mn cash paid for acquisition of property, plant, equipment. For the financing activities, the Company paid net cash of THB 200.9mn. The key components were 1) THB 51.3mn net cash received from short- and long-term borrowings from other persons and 2) THB 624.5mn cash paid for long-term borrowings from financial institutions. As a result, the Company had ending cash and cash equivalents of THB 105.3mn as of 31 December 2022.

***Cash flows movement in FY2022***



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Maneekarn Wuttikullert  
Acting Chief Financial Officer