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Ref. LPN/SorKor/106/2023

11<sup>th</sup> May 2023

RE: Financial Statements Analysis Report Q1/2023

Dear Director and Manager

The Stock Exchange of Thailand

L.P.N. Development Public Co., Ltd. would like to submit the financial statements in Q1/2023 of the Company and subsidiary companies to the Stock Exchange of Thailand as follows:

### Management Discussion and Analysis Q1-2023 Overall Operating Results

Table Summarizing Consolidated Statement of Profit and Loss					
Item	Q1'23	Q1'22	%YoY	Q4'22	%QoQ
<b>Amount</b> <b>Unit: Million Baht</b>					
Total revenue	1,823.88	2,214.35	(17.63%)	1,892.98	(3.65%)
Total revenue from sales	1,816.20	2,204.78	(17.62%)	1,887.41	(3.77%)
Revenue from sales of real estate	1,280.22	1,784.66	(28.27%)	1,373.20	(6.77%)
Rental and service business income	79.28	71.06	11.57%	80.74	(1.81%)
Income from management business	456.71	349.06	30.84%	433.47	5.36%
Total other income	7.67	9.57	(19.85%)	5.57	37.70%
Gross profit	442.32	505.52	(12.50%)	411.96	7.37%
Selling and administrative expenses	250.78	234.91	6.76%	273.28	(8.23%)
Selling expenses	90.77	91.21	(0.48%)	99.04	(8.35%)
Administrative expenses	160.01	143.70	11.35%	174.24	(8.17%)
EBIT	199.22	280.18	(28.90%)	144.24	38.12%
EBITDA	204.32	284.76	(28.25%)	150.56	35.71%
Profit for the quarter	145.04	191.34	(24.20%)	37.53	286.46%
Profit attributable to the Company	145.03	191.33	(24.20%)	37.53	286.44%
<b>Significant financial ratio (%)</b>					
Total Gross Profit Margin	24.35%	22.93%	1.43%	21.83%	2.52%
Gross Profit Margin from Real Estate Sales	24.14%	22.05%	2.10%	21.96%	2.18%
Gross Profit Margin from Rental and Service Business	40.65%	32.86%	7.79%	34.21%	6.44%
Gross Profit Margin from Management Business	22.11%	25.40%	(3.29%)	19.11%	3.00%
Total selling and administrative expenses to total sales revenue	13.75%	10.61%	3.14%	14.44%	(0.69%)
EBIT margin	10.92%	12.65%	(1.73%)	7.62%	3.30%
EBITDA margin	11.20%	12.86%	(1.66%)	7.95%	3.25%
Net Profit Margin (for the quarter)	7.95%	8.64%	(0.69%)	1.98%	5.97%
Net Profit Margin (attributable to the Company)	7.95%	8.64%	(0.69%)	1.98%	5.97%

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### The details of the operating results for Q1'2023 are as follows:

In Q1'23 the net profit of the Company and its subsidiaries decreased by 46.30 million baht, or 24.20% when compared to Q1'22. This was mainly because the income from real estate business decreased by 28.27% (decreasing by 6.77% when compared to Q4'22). At the same time in Q1'23 the gross profit of the Company from the aforementioned business increased by 2.10% (increasing by 2.18% when compared to Q4'22) due to the raise in selling price in accordance with market conditions.

In Q1'23, the selling and administrative expenses increased by 6.76% from 234.91 million baht to 250.78 million baht (decreasing by 8.23% when compared to Q4'22) due to an 11.14% increase in administrative expenses. With the above reasons, the net profit attributable to the Company decreased by 24.20% in Q1'23 (increasing by 286.44% when compared to Q4'22).

### Proportion of Total Revenue of the Company and its Subsidiaries for Q1-2023

Type of Revenue	Q1'23	Q1'22	%YoY	Q4'22	%QoQ
1. Revenue from sales of real estate	1,280.22	1,784.66	(28.27%)	1,373.20	(6.77%)
1.1 Residential Condominium	994.80	1,229.55	(19.09%)	854.55	16.41%
Proportion (%)	77.71%	68.90%	8.81%	62.23%	15.48%
1.2 Residential Home	285.42	555.11	(48.58%)	518.65	(44.97%)
Proportion (%)	22.29%	31.10%	(8.81%)	37.77%	(15.48%)
1.3 Gross Profit Margin	24.14%	22.05%	2.10%	21.96%	2.18%
2. Rental and service business income	79.28	71.06	11.57%	80.74	(1.81%)
3. Income from management business	456.71	349.06	30.84%	433.47	5.36%
<b>4. Total main revenue</b>	<b>1,816.20</b>	<b>2,204.78</b>	<b>(17.62%)</b>	<b>1,887.41</b>	<b>(3.77%)</b>
<b>5. Gross Profit Margin of main business</b>	<b>24.35%</b>	<b>22.93%</b>	<b>1.43%</b>	<b>21.83%</b>	<b>2.52%</b>
6. Other income <sup>Note 1</sup>	7.67	9.57	(19.85%)	5.57	37.70%
<b>7. Total revenue</b>	<b>1,823.88</b>	<b>2,214.35</b>	<b>(17.63%)</b>	<b>1,892.98</b>	<b>(3.65%)</b>

<sup>Note 1</sup> 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 income, income from pre-construction management service collected from associate companies, income from public services, income from insurance claim and miscellaneous income.

### Sales Volume and Backlog

- The sales volume is 2.72 billion baht.
  - 80% of which is from residential condominium projects.
  - 20% of which is from residential home projects.

Starting from the second quarter, the Company will launch 17 new projects with a combined value of 14 billion baht as planned. These include 4 residential condominium projects with a combined value of 5 billion baht and 13 residential home projects with a combined value of 9 billion baht. As a result, the sales volume of the Company will rise starting from the second quarter onwards.

- The backlog is 2.335 billion baht which will gradually be recognized in 2023 and 2024.

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## Sales Volume and Backlog as at 31 March 2023

Unit: Million Baht

Sales Volume	Q1'23	Backlog	To be handed over in		
			2023	2024	Total
1. Residential Condominium Proportion (%)	2,200 80%	1. Residential Condominium Proportion (%)	815 60%	1,020 100%	1,835 80%
2. Residential Home Proportion (%)	520 20%	2. Residential Home Proportion (%)	500 40%	- -	500 20%
3. Total Sales Volume	2,720	3. Total Backlog	1,315	1,020	2,335

## Analysis of Consolidated Statement of Financial Position of the Company

Table Summarizing Consolidated Statement of Financial Position as at 31 March 2023

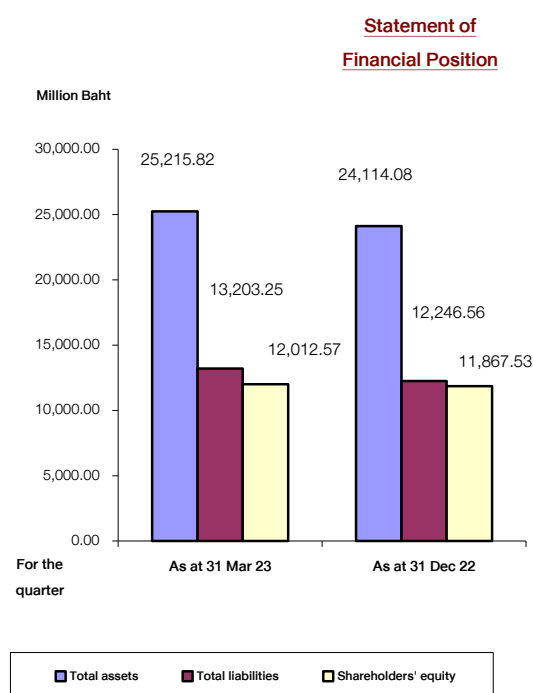
ASSETS (Unit : Million Baht)	As at 31 Mar 2023	As at 31 Dec 2022	Variance (%)
Cash and cash equivalents	557.61	508.09	9.75%
Trade and other receivables	660.84	734.86	(10.07%)
Land and costs of project under construction	11,760.82	11,041.82	6.51%
Inventories	6,729.11	7,119.35	(5.48%)
Other current assets <sup>Note 1</sup>	334.88	297.88	12.42%
Non-current assets <sup>Note 2</sup>	5,172.56	4,412.09	17.24%
<b>TOTAL ASSETS</b>	<b>25,215.82</b>	<b>24,114.08</b>	<b>4.57%</b>
LIABILITIES AND SHAREHOLDERS' EQUITY (Unit : Million Baht)	As at 31 Mar 2023	As at 31 Dec 2022	Variance (%)
Bank overdrafts and short-term borrowings	7,467.09	6,740.17	10.79%
Trade and other payables	1,194.61	942.24	26.78%
Long-term borrowings	3,829.66	3,841.49	(0.31%)
Income tax payables	35.62	18.31	94.51%
Non-current liabilities <sup>Note 3</sup>	676.28	704.35	(3.99%)
<b>TOTAL LIABILITIES</b>	<b>13,203.25</b>	<b>12,246.56</b>	<b>7.81%</b>
<b>Shareholders' equity</b>	<b>12,012.57</b>	<b>11,867.53</b>	<b>1.22%</b>
<b>Total liabilities and shareholders' equity</b>	<b>25,215.82</b>	<b>24,114.08</b>	<b>4.57%</b>

<sup>Note 1</sup> Comprising temporary investment, short-term loans to related parties

<sup>Note 2</sup> 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

<sup>Note 3</sup> Comprising unearned rental income, provisions for employee benefit, rental and service deposit and other non-current liabilities



The value of total assets of the Company increased by 4.57% or 1.10174 billion baht i.e., from 24.11408 billion baht to 25.21582 billion baht. The main reasons were as follows:

1. Cash and Cash Equivalents increased by 49.52 million baht or 9.75% due to the fact that the liquidity was reserved for normal business operation of the Company.
2. Land and costs of project under construction increased by 719 million baht whereas inventories decreased by 390.24 million baht. When considered together, it increased by 328.76 million baht or 1.81%, from 18.16117 billion baht to 18.48993 billion baht. This was because of the following reasons.

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- 2.1 There was a recognition of revenue from ready-to-move-in projects. Ready-to-move-in products were used for rental and service business which caused a decrease in inventories by 390.24 million baht.
- 2.2 Payment for land purchased for development of 3 projects in Q1'23 and a deposit for 1 plot of land for future development were made as follows.

Land Payment for development of 3 residential home projects	Deposit for 1 plot of land
1. Villa 168 Chesada -Ratchaphruek	1. A plot of land on Utthayan Road
2. A plot of land in Srinakarin – Romklao area	
3. A plot of land in Nakhon Pathom	

3. The short-term loan to related parties increased by 37 million baht or 12.42%, from 297.88 million baht to 334.88 million baht, for use in the operation of associated companies.
4. Land and costs of project held for development increased by 1.01981 billion baht or 189.35%, from 538.58 million baht to 1.55839 billion baht due to the delay of a project namely Lumpini Mixx Narathiwas – Ratchada.

From the 4 aforementioned reasons, the value of total assets increased by 1.10174 billion baht or 4.57%.

Total liabilities of the Company increased by 7.81% or 956.70 million baht, from 12.24656 billion baht to 13.20325 billion baht. It was mainly because of the following reasons.

1. The short-term and long-term borrowings of the Company increased by 715.10 million baht or 6.76% from 10.58165 billion baht to 11.29675 billion baht for future project development and business operation.
2. The value of trade and other payables increased by 252.36 million baht or 26.78 % due to the increase in construction payables for future project development.
3. The income tax payable increased from 18.31 million baht to 35.62 million baht. It was the income tax payable on profits incurred in 2022 which is due to be paid off in May 2023 and the income tax payable on profits incurred in Q1'23.

As a result of the 3 aforementioned reasons, the total liabilities increased by 956.70 million baht or 7.81%. Hence the interest-bearing debt to equity ratio and the total debt to equity ratio increased from 0.89:1 to 0.94:1 and from 1.03:1 to 1.10:1 as at 31 March 2023 and 31 December 2022 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 March 2023, the shareholders' equity increased from 11.86753 billion baht to 12.01257 billion baht or increasing by 1.22% as a result of the performance of Q1'23.

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### Financial structure

In Q1'23, the Monetary Policy Committee meetings resolved to raise the policy rate twice from 1.25 percent to 1.75 percent to ensure that it was in line with the economic recovery direction and inflation outlook. The Company strictly maintained the interest-bearing debt to equity ratio of not more than 1:1 and stayed cautious on investment to prevent liquidity risk and the interest cost of the Company that rose accordingly with the banks' interest rates.

### Cash flow statement

As for the cash flow statement for the quarter ended 31 March 2023 and as at 31 December 2022, the net cash flow increased by 49.52 million baht or 9.75%. It increased by 88.20 million baht or 18.79% YoY due to the ownership transfer and the reserve for normal operation of the Company.

#### Quarterly Financial Ratio Analysis (Q1-2023)

Quarterly Financial Ratio	Unit	Q1'23	Q1'22	Q4'22
<b>1. Liquidity Ratio</b>				
1.1 Current Ratio	times	2.30	2.46	2.56
1.2 Quick Ratio	times	0.18	0.15	0.20
1.3 Collection Period	days	3.60	3.40	8.66
1.4 Inventory Turnover	days	213.91	579.23	670.04
1.5 Payable Period	days	17.79	44.77	45.60
<b>2. Profitability Ratio</b>				
2.1 Gross Profit Margin from Main Activities	%	24.35	23.12	21.83
2.2 Gross Profit Margin from Sales of Real Estates	%	24.14	22.05	21.96
2.3 Gross Profit Margin from Rental and Services	%	40.65	32.86	34.21
2.4 Gross Profit Margin from Management services	%	22.11	26.64	19.11
2.5 Net Profit Margin Ratio	%	8.29	8.64	1.98
2.6 Gross Sales to Equity Ratio	%	10.72	15.58	11.81
2.7 Return on Equity	%	1.27	1.67	0.32
<b>3. Efficiency Ratio</b>				
3.1 Return on Assets	%	0.61	0.80	0.16
3.2 Return on Fixed Assets	%	5.55	6.25	1.80
3.3 Total Asset Growth Rate	%	4.66	2.37	1.42
3.4 Total Liability Growth Rate	%	7.93	3.59	(1.07)
<b>4. Financial Policy Ratio</b>				
4.1 Debt to Equity	times	1.10	1.11	1.03
4.2 Interest Bearing Debt to Equity	times	0.94	0.93	0.89
4.3 Earnings Per Share	baht	0.10	0.13	0.03
4.4 Book Value	baht	8.26	7.92	8.16

Almost all financial ratio items in Q1'23 were improved. Product turnover and inventory liquidation were good. The inventory turnover rate was improved from 670.04 days in Q4'22 to 213.91 days in Q1'23. The gross profit margin from main business increased YoY due to the raise in price in accordance with market conditions. The increases in asset growth rate and liability growth rate were in compliance with growth policy. More project expansion of the Company supported project development and responded to consumers' needs.

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## Appendix: Financial Ratio and Formulas

Financial Ratio	Unit	Formula
<b>1. Liquidity Ratio</b>		
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)
<b>2. Profitability Ratio</b>		
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
<b>3. Efficiency Ratio</b>		
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
<b>4. Financial Policy Ratio</b>		
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	baht	Profit for the quarter/Weighted Average Shares
4.4 Book Value	baht	Shareholders' Equity/Weighted Average Shares

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Please kindly be informed accordingly.

Sincerely yours,

Mr. Opas Sripayak  
Chief Executive Officer and Managing Director