

Ref. LPN/SorKor/038/2024

15<sup>th</sup> February 2024

RE: Financial Statements Analysis Report 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 2023 of the Company and subsidiary companies as well as the performance report as follows:

### Overall Operating Results of the Company and its subsidiaries for Q4 of the year 2023 and 2022

| Table Summarizing Consolidated Statement of Profit                   |          |          |          |          |           |          |
|--|----------|----------|----------|----------|-----------|----------|
| Item   | Q4'23    | Q4'22    | %YoY     | 2023     | 2022      | %YoY     |
| <b>Amount</b> <b>Unit: Million Baht</b>                              |          |          |          |          |           |          |
| 1.Total revenue  | 1,880.42 | 1,892.98 | (0.66%)  | 7,443.92 | 10,301.32 | (27.74%) |
| 2. Total revenue from sales  | 1,867.38 | 1,887.41 | (1.06%)  | 7,406.51 | 10,275.74 | (27.92%) |
| 1) Revenue from sales of real estate                                 | 1,253.16 | 1,373.20 | (8.74%)  | 5,103.43 | 8,422.98  | (39.41%) |
| 2) Rental and service business income                                | 88.38    | 80.74    | 9.46%    | 332.15   | 308.01    | 7.84%    |
| 3) Income from management business                                   | 525.84   | 433.47   | 21.31%   | 1,970.93 | 1,544.76  | 27.59%   |
| 3. Total other income  | 13.04    | 5.57     | 134.11%  | 37.41    | 25.58     | 46.25%   |
| 4. Gross profit  | 380.99   | 425.68   | (10.50%) | 1,629.39 | 2,252.58  | (27.67%) |
| 5. Selling and administrative expenses                               | 331.35   | 287.00   | 15.45%   | 1,121.37 | 1,269.31  | (11.66%) |
| 1) Selling expenses  | 110.12   | 99.04    | 11.19%   | 393.35   | 624.99    | (37.06%) |
| 2) Administrative expenses   | 221.23   | 187.96   | 17.70%   | 728.02   | 644.32    | 12.99%   |
| 6. EBIT  | 62.68    | 144.24   | (56.54%) | 545.43   | 1,008.85  | (45.94%) |
| 7. EBITDA  | 68.86    | 150.56   | (54.26%) | 567.84   | 1,029.70  | (44.85%) |
| 8. Profit for the quarter  | 22.23    | 37.53    | (40.77%) | 361.64   | 612.16    | (40.92%) |
| 9. Profit attributable to the Company                                | 16.60    | 37.53    | (55.77%) | 352.66   | 612.14    | (42.39%) |
| <b>Significant financial ratio (%)</b>                               |          |          |          |          |           |          |
| 10. Total Gross Profit Margin  | 20.40%   | 22.55%   | (2.15%)  | 22.00%   | 21.92%    | 0.08%    |
| 1) Gross Profit Margin from Real Estate Sales                        | 18.12%   | 21.96%   | (3.84%)  | 21.44%   | 21.24%    | 0.19%    |
| 2) Gross Profit Margin from Rental and Service                       | 37.22%   | 34.21%   | 3.01%    | 32.96%   | 33.84%    | (0.88%)  |
| Business   |          |          |          |          |           |          |
| 3) Gross Profit Margin from Management Business                      | 23.02%   | 22.27%   | 0.74%    | 21.61%   | 23.24%    | (1.63%)  |
| 11. Total selling and administrative expenses to total sales revenue | 17.62%   | 15.16%   | 2.46%    | 15.06%   | 12.32%    | 2.74%    |
| 12. EBIT margin  | 3.33%    | 7.62%    | (4.29%)  | 7.33%    | 9.79%     | (2.47%)  |
| 13. EBITDA margin  | 3.66%    | 7.95%    | (4.29%)  | 7.63%    | 10.00%    | (2.37%)  |
| 14. Net Profit Margin (for the quarter)                              | 1.18%    | 1.98%    | (0.80%)  | 4.86%    | 5.94%     | (1.08%)  |
| 15. Net Profit Margin (attributable to the Company)                  | 0.88%    | 1.98%    | (1.10%)  | 4.74%    | 5.94%     | (1.20%)  |

After Revision

The details of the operating results are as follows:

In 2023 the net profit attributable to the Company of the Company and its subsidiaries decreased by 259.48 million baht or 42.39% when compared to 2022 (decreasing 20.93 million baht or 55.77% in Q4'23 as a result of a 1.06% decrease in the total income of main business). This was mainly because the income from real estate business decreased by 39.41% (decreasing by 8.74% in Q4'23). At the same time in 2023 the gross profit of the Company from the aforementioned business increased by 0.19%. The income from rental business and management business in 2023 increased by 7.84% and 27.59% respectively (increasing by 9.46 % and 21.31 % respectively in 2023) due to post-COVID housing demand and the business expansion of management business.

In 2023, the selling and administrative expenses decreased by 11.66% from 1.26931 billion baht to 1.12137 billion baht (increasing by 15.45% in 2023) due to the fact that the ownership transfer expenses decreased in accordance with the decline in revenue. There was an 12.99% increase in administrative expenses to support the expansion of new projects (increasing by 17.70% in Q4'23). With the above reasons, the net profit attributable to the Company decreased by 42.39% in 2023 (decreasing by 55.77% in Q4'23).

Proportion of Total Revenue of the Company and its Subsidiaries for Q4 of 2023 and 2022

| Type of Revenue                                | Q4'23           | Q4'22           | %YoY           | 2023            | 2022             | %YoY            |
|--|-----------------|-----------------|----------------|-----------------|------------------|-----------------|
| 1. Revenue from sales of real estate           | 1,253.16        | 1,373.20        | (8.74%)        | 5,103.43        | 8,422.98         | (39.41%)        |
| 1.1 Residential Condominium                    | 937.79          | 854.55          | 9.74%          | 3,738.29        | 3,769.16         | (0.82%)         |
| Proportion (%)                                 | 74.83           | 62.23           | 12.60%         | 73.25           | 44.75            | 28.50%          |
| 1.2 Residential Home                           | 315.37          | 518.65          | (39.20%)       | 1,365.14        | 2,064.42         | (33.87%)        |
| Proportion (%)                                 | 25.17           | 37.77           | (12.60%)       | 26.75           | 24.51            | 2.24%           |
| 1.3 Office Building                            | -               | -               | -              | -               | 2,589.40         | (100.00%)       |
| Proportion (%)                                 | -               | -               | -              | -               | 30.74            | (30.74%)        |
| 1.4 Gross Profit Margin                        | 18.12%          | 21.96%          | (3.84%)        | 21.44%          | 21.24%           | 0.19%           |
| 2. Rental and service business income          | 88.38           | 80.74           | 9.46%          | 332.15          | 308.01           | 7.84%           |
| 3. Income from management business             | 525.84          | 433.47          | 21.31%         | 1,970.93        | 1,544.76         | 27.59%          |
| <b>4. Total main revenue</b>                   | <b>1,867.38</b> | <b>1,887.41</b> | <b>(1.06%)</b> | <b>7,406.51</b> | <b>10,275.74</b> | <b>(27.92%)</b> |
| <b>5. Gross Profit Margin of main business</b> | <b>20.40%</b>   | <b>22.55%</b>   | <b>(2.15%)</b> | <b>22.00%</b>   | <b>21.92%</b>    | <b>0.08%</b>    |
| 6. Other income <sup>Note 1</sup>              | 13.04           | 5.57            | 134.11%        | 37.41           | 25.58            | 46.25%          |
| <b>7. Total revenue</b>                        | <b>1,880.42</b> | <b>1,892.98</b> | <b>(0.66%)</b> | <b>7,443.92</b> | <b>10,301.32</b> | <b>(27.74%)</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.

After Revision

## Sales Volume and Backlog

1. The sales volume is approximately 9.97 billion baht.
  - 1) 80% of which is from residential condominium projects.
  - 2) 20% of which is from residential home projects.

In 2023, the Company launched 11 new projects with a combined project value of 11.7 billion baht in approximate as follows:

| Two residential condominium projects                     | Four residential home projects   |   |
|--|--|---|
| 1. EARN Amata by L.P.N.<br>2. Park 168 Nopparat Ramindra | 1. Maison 168 Muangthong<br>2. Villa 168 Westgate<br>3. Residence 168 Ratchaphruek<br>4. Haus 24 Ratchaphruek<br>5. Haus 24 Westgate | 6. Haus 24 Khukhot Station<br>7. Haus 24 Kaew In<br>8. Haus 24 Bang Yai<br>9. Venue 24 Prachauthit 90 |
| A combined project value of 3.9 billion baht             | A combined project value of 7.8 billion baht   |   |

2. The backlog is 2.34 billion baht which will gradually be recognized in 2024 and 2025

### Sales Volume and Backlog as at 31 December 2023

| Sales Volume                                 | Q1'23        | Q2'23        | Q3'23        | Q4'23        | Total        |
|--|--------------|--------------|--------------|--------------|--------------|
| 1. Residential Condominium<br>Proportion (%) | 2,200<br>80% | 2,200<br>80% | 2,100<br>80% | 1,620<br>80% | 8,120<br>80% |
| 2. Residential Home<br>Proportion (%)        | 520<br>20%   | 480<br>20%   | 500<br>20%   | 350<br>20%   | 1,850<br>20% |
| <b>3. Total Sales Volume</b>                 | <b>2,720</b> | <b>2,680</b> | <b>2,600</b> | <b>1,970</b> | <b>9,970</b> |

### Unit: Million Baht

| Backlog                                      | To be handed over in |             |              |
|--|----------------------|-------------|--------------|
|  | Year 2024            | Year 2025   | Total        |
| 1. Residential Condominium<br>Proportion (%) | 1,200<br>86%         | 950<br>100% | 2,150<br>92% |
| 2. Residential Home<br>Proportion (%)        | 190<br>14%           | -           | 190<br>8%    |
| <b>3. Total Backlog</b>                      | <b>1,390</b>         | <b>950</b>  | <b>2,34</b>  |

After Revision

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

Table Summarizing Consolidated Statement of Financial Position of the Company and its subsidiaries as of 31<sup>th</sup> December 2023 and 2022

| ASSETS<br>(Unit: Million Baht)                                  | As at<br>31 Dec 2023 | As at<br>31 Dec 2022 | Variance<br>(%) |
|---|----------------------|----------------------|-----------------|
| Cash and cash equivalents                                       | 569.30               | 508.09               | 12.05%          |
| Trade and other receivables                                     | 475.04               | 734.86               | (35.36%)        |
| Land and costs of project<br>under construction                 | 13,036.98            | 11,041.82            | 18.07%          |
| Inventories   | 6,673.16             | 7,119.35             | (6.27%)         |
| Other current assets <sup>Note 1</sup>                          | 336.50               | 297.88               | 12.97%          |
| Non-current assets <sup>Note 2</sup>                            | 5,474.88             | 4,412.09             | 24.04%          |
| <b>TOTAL ASSETS</b>   | <b>26,565.86</b>     | <b>24,114.08</b>     | <b>10.17%</b>   |
| LIABILITIES AND<br>SHAREHOLDERS' EQUITY<br>(Unit: Million Baht) | As at<br>31 Dec 2023 | As at<br>31 Dec 2022 | Variance<br>(%) |
| Bank overdrafts and short-<br>term borrowings                   | 10,384.40            | 6,740.17             | 54.07%          |
| Trade and other payables  | 1,027.50             | 942.24               | 9.05%           |
| Long-term borrowings  | 2,484.71             | 3,841.49             | (35.32%)        |
| Income tax payables   | 9.01                 | 18.31                | (50.77%)        |
| Non-current liabilities <sup>Note 3</sup>                       | 701.34               | 704.35               | (0.43%)         |
| <b>TOTAL LIABILITIES</b>  | <b>14,606.97</b>     | <b>12,246.56</b>     | <b>19.27%</b>   |
| <b>Shareholders' equity</b>                                     | <b>11,958.89</b>     | <b>11,867.53</b>     | <b>0.77%</b>    |
| <b>Total liabilities and<br/>shareholders' equity</b>           | <b>26,565.86</b>     | <b>24,114.08</b>     | <b>10.17%</b>   |

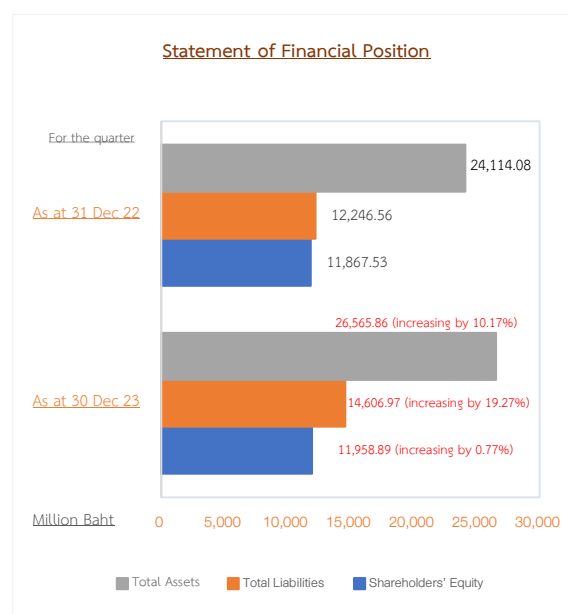
<sup>Note 1</sup> Comprising temporary investment, short-term loans to related parties

<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 2.45178 billion baht or 10.17% from 24.11408 billion baht to 26.56586 billion baht. The main reasons were as follow:

- Land and costs of projects under construction increased by 1.99516 billion baht while inventories decreased by 446.19 million baht. Overall, it increased by 1.54897 billion baht or 8.53%, from 18.16117 billion baht to 19.71014 billion baht due to the following reasons.
  - 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 446.19 million baht.



- 1.2. There are 8 projects that are completed and ready to be handed over. One of them is a residential condominium project namely Lumpini Condotown Ekachai 48. Seven are residential home projects namely Maison 168 Muangthong, Villa 168 Westgate, Venue 24 Ratchaphruek, Venue 24 Khukhot Station, Venue 24 Westgate, Haus 24 Ratchaphruek and Haus 24 Khukhot Station with a combined value of 8.1 billion baht in approximate.
- 1.3. Payments for land purchased for development of 8 projects for future development were made as follows.

| Land Payment for development of 8 projects |                                    |                                   |
|--|------------------------------------|-----------------------------------|
| Three residential condominium projects     | Five residential home projects     |                                   |
| 1. Park 168 Nopparat-Ramindra              | 1. Villa 168 Chesada -Ratchaphruek | 4. Residence 168 Thanon Utthayan  |
| 2. EARN Amata by L.P.N.                    | 2. Villa 168 New Krungthep Kreetha | 5. A plot of land at Ratchaphruek |
| 3. Place 168 Wutthakat                     | 3. Venue 24 New Nakhon Pathom      |                                   |

2. The short-term loan to related parties increased by 38.63 million baht or 12.97%, from 297.88 million baht to 336.50 million baht, for use in the operation of associated companies.
3. Land and costs of project held for development increased by 1.0194 billion baht or 189.27%, from 538.58 million baht to 1.55798 billion baht due to the delay of one project namely Lumpini Mix Narathiwas – Ratchada.

From the 3 aforementioned reasons, the value of total assets increased by 2.45178 billion baht or 10.17%.

Total liabilities of the Company increased by 19.27% or 2.36041 billion baht, from 12.246.56 billion baht to 14.60697 billion baht. It was mainly because the short-term and long-term borrowings of the Company increased by 2.28746 billion baht or 21.62% from 10.58165 billion baht to 12.86911 billion baht for future project development and business operation. As a result, the interest-bearing debt to equity ratio and the total debt to equity ratio increased from 0.89:1 to 1.08:1 and from 1.03:1 to 1.22:1 as of 31<sup>th</sup> December 2023 and 31<sup>th</sup> December 2022 respectively. The Company has strictly upheld the financial discipline, maintained the debt-to-equity ratio according to the Company's policy as well as kept the investment portfolio balanced for future growth.

As of 31<sup>th</sup> December 2023, the shareholders' equity increased from 11.95889 billion baht to 11.96104 billion baht or increasing by 0.77% as a result of the 290.80-million-baht dividends paid to shareholders, the 2023 performance of 361.64 million baht and the business combination of subsidiaries.

## Financial structure

As for the overall financial market conditions in 2023 and the 2024 outlook, 2023 was marked by the fastest rises in interest rates in several years as a result of the ongoing inflationary pressures that continued from 2022. The Monetary Policy Committee meetings resolved to raise the policy interest rate 5 times from 1.25 percent to 2.50 percent at the end of 2023. This has directly led to an increase in the Company's financial costs as the Company relies on debt-financing to fund its development of properties for sale. As for the 2024 outlook, analysts from multiple sources and the Company's research department have predicted that the interest rates will be high with a tendency to decline in the future. At the moment, the Company must be cautious in investment and selection of capital sources to hedge against interest rate risk as well as to prevent financial risks that may arise from debt default and maintain the interest-bearing debt to equity ratio of 1:1 according to the Company's policy to ensure long-term sustainable growth.

## Cash flow statement

As for the cash flow statement for the quarter ended 31<sup>th</sup> December 2023 and at 31<sup>th</sup> December 2022, the net cash flow increased by 61.21 million baht or 12.05% from 508.09 million baht to 569.30 million baht as a result of the ownership transfer and the liquidity management to ensure that it is commensurate with the current situation.

## Quarterly Financial Ratio Analysis (Q4 of 2023 and 2022)

| Quarterly Financial Ratio                          | Unit  | Q4'23  | Q4'22  | 2023   | 2022   |
|--|-------|--------|--------|--------|--------|
| <b>1. Liquidity Ratio</b>                          |       |        |        |        |        |
| 1.1 Current Ratio                                  | times | 1.85   | 2.56   | 1.85   | 2.56   |
| 1.2 Quick Ratio                                    | times | 0.12   | 0.20   | 0.12   | 0.20   |
| 1.3 Collection Period                              | days  | 29.15  | 35.36  | 29.40  | 25.98  |
| 1.4 Inventory Turnover                             | days  | 604.88 | 670.04 | 619.21 | 433.00 |
| 1.5 Payable Period                                 | days  | 86.38  | 88.68  | 88.42  | 57.31  |
| <b>2. Profitability Ratio</b>                      |       |        |        |        |        |
| 2.1 Gross Profit Margin from Main Activities       | %     | 20.40  | 22.55  | 22.00  | 21.92  |
| 2.2 Gross Profit Margin from Sales of Real Estates | %     | 18.12  | 21.96  | 21.44  | 21.24  |
| 2.3 Gross Profit Margin from Rental and Services   | %     | 37.22  | 34.21  | 32.96  | 33.84  |
| 2.4 Gross Profit Margin from Management services   | %     | 23.02  | 22.27  | 21.61  | 23.24  |
| 2.5 Net Profit Margin Ratio                        | %     | 0.88   | 1.98   | 4.74   | 5.94   |
| 2.6 Gross Sales to Equity Ratio                    | %     | 10.53  | 11.81  | 42.87  | 72.41  |
| 2.7 Return on Equity                               | %     | 0.14   | 0.32   | 2.96   | 5.26   |
| <b>3. Efficiency Ratio</b>                         |       |        |        |        |        |
| 3.1 Return on Assets                               | %     | 0.07   | 0.16   | 1.39   | 2.56   |
| 3.2 Return on Fixed Assets                         | %     | 0.71   | 1.31   | 11.73  | 18.91  |
| 3.3 Total Asset Growth Rate                        | %     | 10.17  | 1.42   | 10.17  | 1.42   |
| 3.4 Total Liability Growth Rate                    | %     | 19.27  | (1.07) | 19.27  | (1.07) |
| <b>4. Financial Policy Ratio</b>                   |       |        |        |        |        |
| 4.1 Debt to Equity                                 | times | 1.22   | 1.03   | 1.22   | 1.03   |
| 4.2 Interest Bearing Debt to Equity                | times | 1.08   | 0.89   | 1.08   | 0.89   |
| 4.3 Earnings Per Share                             | baht  | 0.02   | 0.03   | 0.24   | 0.42   |
| 4.4 Book Value                                     | baht  | 8.22   | 8.16   | 8.22   | 8.16   |

Liquidity ratio in Q4'23 and 2023 was lower than the previous quarter's ratio since the revenue recognition from real estate sales decreased by 8.74% and 39.41% respectively when compared to the previous quarter. However, the Company is able to maintain liquidity commensurate with the normal operation of the business.

Regarding the profitability ratio of the Company, although the net profit margin decreased when compared to the previous quarter, in 2023 the gross profit margin from main business of the Company increased when compared to the previous quarter. This was because of the sales management and the adjustment of marketing strategies to align with current economic conditions as well as the business expansion of subsidiaries.

Regarding the efficiency ratio, the increases in asset growth rate and liability growth rate were in compliance with growth policy. The increase in project expansion of the Company satisfied consumers' needs and supported future revenue recognition continually. In 2023 the Company has expanded upcountry by launching a new project in Chonburi province near Amata City Chonburi Industrial Estate in order to expand its customer base and increase more sales after experiencing a slowdown in purchasing power in Bangkok and its peripherals. In addition, the Company is getting ready for projects in the next year which is expected to be the year that the real estate sector will be mainly driven by sustainability-based development. Social, cultural and environmental contexts will be considered in the design of housing and services. Under sustainable housing concept, appropriate use of resources and technology will be taken into account amid changes in social conditions, climate and environment.

Regarding the financial ratio, the Company has strictly upheld the financial discipline while flexibility is added from time to time to allow the Company to expand its business as planned and to support project expansion of the Company.

After Revision

### 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  |

After Revision

Please kindly be informed accordingly.

Sincerely yours,

Mr. Apichart Kasemkulsiri

Chief Executive Officer