

Management outlook and future projects

According to the Economic and Monetary Conditions report, September 2021, the Bank of Thailand summarized that the Thai economy in the third quarter of 2021 was severely affected by the COVID-19 outbreak and strict containment measures. Merchandise exports decreased due to the intensified outbreak situation abroad which undermined demand from trading partners. Meanwhile, private investment indicators and manufacturing production declined due to weak demand while production in some sectors were affected by the supply disruption problem. Nevertheless, foreign tourist figures increased after the opening of tourism sandbox scheme in July 2021. Public spending expanded compared to the same period in the previous year.

In 3Q/2021, the Company and its subsidiaries ("the Company") continued the construction of the two joint venture projects with Tokyo Tatemono Asia Pte Ltd., The Estelle Phrom Phong and TAIT Sathorn 12, which had 64% and 24% in the construction progress, respectively. Moreover, the Company continued to develop One City Centre ("OCC"), a grade-A office building, a 60:40 joint venture project with Mitsubishi Estate Asia (MEA Commercial Holding PTE Ltd), with the construction progress of approximately 51%. However, due to the sharp increase in the COVID-19 case during July 2021, the Bangkok Metropolitan Administration ("BMA") announced the temporary containment measures of all construction sites in Bangkok. The Company had resumed the construction of all the sites from August.

On 30 July 2021, the Company formed the partnership with Ascott International Management (Thailand) Co., Ltd. - the pioneer in Asia Pacific's first international-class serviced apartment - to operate two residential leasing projects: "Somerset Riverside Bangkok" and "Lyf Riverside Bangkok". The projects were previously known as Klapsons The River Residences and Hotel Kitch, respectively, and are expected to start generating revenue under the new brands in 2022.

3Q/2021 financial highlight

- The backlog of the Company was equal to THB 5,643.1mn as of 30 September 2021.
- Presales in 3Q/2021 was THB 176.0mn and in 9M/2021 was THB 1,645.2mn.
- Total revenue in 3Q/2021 was THB 199.3mn, while that of 9M/2021 was THB 2,208.0mn. Of which, THB 102.5mn and THB 1,979.7mn, respectively, were from sales of real estate.
- Net loss in 3Q/2021 was THB 99.8mn, while in 9M/2021, net profit was THB 4.2mn.
- As of 30 September 2021, the total assets value was THB 8,655.1mn, and the total liabilities value was THB 3,631.2mn.
- D/E ratio¹ was 0.64 times as of 30 September 2021, slightly increased from 0.63 times at the end of 2020.

¹ Calculated from interest-bearing debt to equity

Operating result 3Q/2021 and 9M/2021
Presales and Backlog

In 3Q/2021, the Presales was THB 176.0mn, decreased from THB 576.1mn in 3Q/2020. It was mainly due to the gradual decrease of the inventories when the Company launched a sale promotion campaign throughout the year. Especially, the inventory units in the ready-to-transfer projects such as The Lofts Silom, The River, and other projects were almost sold-out and transferred. The city-lock-down issue caused by the surge in Covid-19 cases during 3Q/2021 also slowed down most selling activities.

In 9M/2021, the Company had Presales of THB 1,645.2mn, decreased from the Presales of THB 2,457.3mn in 9M/2020 mainly due to the reasons explained above. The Company is accelerating the launch of a new project, which is expected to be in the beginning of 2022.

As of 30 September 2021, the total backlog from 4 projects was THB 5,643.1mn, 14.0% down from THB 6,565.2mn at the end of 2020. It was because most of the ready-to-transfer inventories previously available were already sold.

Summary of statement of profit and loss

	3Q/2021		3Q/2020		Change		9M/2021		9M/2020		Change	
	THB mn	%	THB mn	%	THB mn	%	THB mn	%	THB mn	%	THB mn	%
Total Revenue	199.3	100.0	1,396.4	100.0	(1,197.1)	(85.7)	2,208.0	100.0	2,445.8	100.0	(237.8)	(9.7)
Sales of real estate	102.5	51.4	1,339.8	95.9	(1,237.3)	(92.3)	1,979.7	89.7	2,295.0	93.8	(315.3)	(13.7)
Others	96.8	48.6	56.6	4.1	40.2	71.0	228.3	10.3	150.8	6.2	77.5	51.4
Total cost	113.2	56.8	1,142.8	81.8	(1,029.6)	(90.1)	1,522.6	69.0	2,012.1	82.3	(489.5)	(24.3)
Cost of real estate sold	113.2	56.8	1,142.8	81.8	(1,029.6)	(90.1)	1,522.6	69.0	2,009.4	82.2	(486.8)	(24.2)
SG&A	124.5	62.5	270.5	19.4	(146.0)	(54.0)	472.6	21.4	607.2	24.8	(134.6)	(22.2)
Loss on impairment and write-off	-	-	250.1	17.9	(250.1)	(100.0)	-	-	250.1	10.2	(250.1)	(100.0)
Net financial cost	44.4	22.3	45.6	3.3	(1.2)	(2.6)	121.0	5.5	151.4	6.2	(30.4)	(20.1)
Share of loss in JV	6.6	3.3	12.9	0.9	(6.3)	(48.8)	20.4	0.9	22.7	0.9	(2.3)	(10.1)
Tax expense (income)	10.5	5.3	56.5	4.0	(46.0)	(81.5)	67.1	3.0	54.2	2.2	12.9	23.8
Net profit (loss)	(99.8)	(50.1)	(382.0)	(27.4)	282.2	73.9	4.2	0.2	(652.0)	(26.7)	656.2	100.6

Management Discussion & Analysis (- translation -)

For operating result of 3Q/2021, ended 30 September 2021



Revenue

Source of revenue	3Q/2021		3Q/2020		Change		9M/2021		9M/2020		Change	
	THB mn	%	THB mn	%	THB mn	%	THB mn	%	THB mn	%	THB mn	%
The River	-	-	330.9	23.7	(330.9)	(100.0)	420.1	19.0	350.6	14.3	69.5	19.8
Zire Wongamart	-	-	-	-	-	-	6.5	0.3	-	-	6.5	100.0
UNIXX South												
Pattaya	-	-	20.1	1.4	(20.1)	(100.0)	-	-	21.6	0.9	(21.6)	(100.0)
The Lofts Ekkamai	-	-	6.8	0.5	(6.8)	(100.0)	-	-	6.8	0.3	(6.8)	(100.0)
Mews Yen Akat	-	-	42.9	3.1	(42.9)	(100.0)	-	-	169.9	6.9	(169.9)	(100.0)
The Lofts Asoke	5.8	2.9	556.9	39.9	(551.1)	(99.0)	78.7	3.6	748.9	30.6	(670.2)	(89.5)
The Diplomat 39	-	-	42.0	3.0	(42.0)	(100.0)	18.2	0.8	65.1	2.7	(46.8)	(72.0)
The Diplomat												
Sathorn	-	-	71.7	5.1	(71.7)	(100.0)	8.7	0.4	71.7	2.9	(63.0)	(87.8)
The Lofts Silom	96.7	48.5	268.5	19.2	(171.8)	(64.0)	1,447.5	65.6	860.4	35.2	587.1	68.2
Total revenue sales of real estate	102.5	51.4	1,339.8	95.9	(1,237.3)	(92.3)	1,979.7	89.7	2,295.0	93.8	(315.3)	(13.7)
Project management income	24.3	12.2	13.7	1.0	10.6	77.4	67.7	3.1	32.2	1.3	35.5	110.3
Marketing commission income	3.4	1.7	1.6	0.1	1.8	112.5	13.3	0.6	9.7	0.4	3.6	37.3
Guarantee fee income	12.8	6.4	10.8	0.8	2.0	18.5	36.5	1.6	31.1	1.3	5.4	17.5
F&B	-	-	-	-	-	-	-	-	8.5	0.3	(8.5)	(100.0)
Rental and Services	6.6	3.3	7.4	0.5	(0.8)	(10.8)	19.8	0.9	23.5	1.0	(3.7)	(15.7)
Gain on loss control / disposal of investment in subsidiaries	-	-	9.5	0.7	(9.5)	(100.0)	7.2	0.3	9.5	0.4	(2.3)	(24.7)
Others ^[1]	49.7	24.9	13.6	1.0	36.0	263.9	83.8	3.8	36.3	1.5	47.5	130.7
Total Revenue	199.3	100.0	1,396.4	100.0	(1,197.1)	(85.7)	2,208.0	100.0	2,445.8	100.0	(237.8)	(9.7)

In 3Q/2021, the total revenue was THB 199.3mn, with a decrease of THB 1,197.1mn or 85.7% YoY, mainly from the decreasing revenue from sales of real estate due to the fact that most ready-to-transfer projects were already sold while the new projects are under construction.

¹ Including interest, forfeit income and others

9M/2021, the Company had a total revenue of THB 2,208.0mn, a decrease of THB 237.8mn or 9.7% YoY, mainly from the reasons described above.

Revenue from sales of real estate

In 3Q/2021, the revenue from sales of real estate was from 2 projects, a total of THB 102.5mn or 51.4% of the total revenue, reduced from THB 1,339.8mn in 3Q/2020; the reasons are described above.

In 9M/2021, the revenue from sales of real estate was from 6 projects, a total value of THB 1,978.7mn or 89.7% of the total revenue. The revenue decreased by THB 315.3mn or 13.7% YoY from THB 2,295.0mn in 9M/2020 due to the reasons described above.

Project management income

Project management income is the fees that the Company charges from the joint venture companies for the project construction management and the management of other residential juristic persons. In 3Q/2021 and 9M/2021, the income increased because the construction has progressed more than that in the same period of last year as well as more income from the management of other residential juristic persons.

Marketing commission income and Guarantee fee income

Marketing commission income is the commission fee the Company charged from the joint venture companies when customers sign the purchase agreement contracts for the units under the joint venture companies. The income also includes the commission fee when the Company provides re-sales and leasing services for property owners. Guarantee fee income is the fee charged from the joint venture companies when the Company commits to be the guarantor for the loan of the joint venture companies. At the end of 3Q/2021, there are 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, One City Centre ("OCC"); and 4) Raimon Land Thirty Eight Co., Ltd., developing a pipeline condominium project in soi Sukhumvit 38.

Marketing commission income in 3Q/2021 and 9M/2021 increased YoY to THB 3.4mn and THB 13.3mn, respectively, from THB 1.6mn and THB 9.7mn in the same period of the previous year. It was the commission from sales of Tait Sathorn 12 and The Estelle Phrom Phong project, as well as commission from re-sales and leasing. The Guarantee fee income in 3Q/2021 and 9M/2021 slightly increased due to the increased loan amount drawn down for the constructions and operations of the 4 joint venture projects progress.

Revenue from F&B business, Rental and Services and other income

Since 3Q/2020, the Company discontinued its F&B business and no longer recognised revenue from this business.

Revenue from Rental and Services is mainly the rental revenue from Vue Mall, a community mall located on Charernnakhorn Road. Since 2020, the Company has reclaimed retail spaces from the tenants and renovated them into a hotel. The revenue from Rental and Service during 3Q/2021 was almost unchanged YoY due to the reasons explained above. The revenue in 9M/2021 slightly decreased YoY from the base 9M/2020 which was higher than usual because Thailand was not affected by the COVID-19 in 1Q/2020. The construction of the new hotel will be completed and start operating under the name “Lyf Riverside Bangkok”, managed by the Ascott group and contribute revenue to the Company from 2022 onward.

Other income in 3Q/2021 increased YoY to THB 49.7mn from THB 13.6mn in 3Q/2020, mainly contributed by the forfeit from deposits of The Lofts Silom’s customers who denied transferring the units.

Other income in 9M/2021 increased to THB 83.8mn from THB 36.3mn in 9M/2020 due to the same reasons as described above.

Cost of real estate sold, Gross Profit (GP) and Gross Profit Margin (GPM) of sales of real estate

In 3Q/2021, the cost of real estate sold decreased to THB 113.2mn from THB 1,142.8mn in 3Q/2020 due to the decrease in revenue from sales of real estate. Part of the cost of real estate sold in this quarter is special promotions on units in The Diplomat 39 and The River total of THB 39.0mn to accelerate sales and transfer. Consequently, the Company recorded a gross loss in 3Q/2021 of THB 10.7mn and the gross loss margin of 10.4%, while in 3Q/2020, the Company recorded a gross profit of THB 197.0mn and GPM of 14.7%.

In 9M/2021, the cost of real estate sold decreased to THB 1,522.6mn from THB 2,009.4mn in the same period of the previous year, in line with the decrease in revenue from sales of real estate. However, in 9M/2020, the Company offered special promotions to customers for quick sales of the units in the old projects. Consequently, the GPM in 9M/2020 dropped to 12.4%. While in 9M/2021, there were fewer such special promotions, the GPM increased to 23.1%.

Distribution Costs and Administrative Expenses (SG&A)

In 3Q/2021, the Company's SG&A was THB 124.5mn, dropped from THB 270.5mn in the same period last year. Of which, THB 37.6mn was the distribution costs, including marketing cost, commission and transfer expenses. The cost decreased from THB 103.7mn in 3Q/2020 due to the lockdown period during July 2021. The administrative expenses in this quarter were THB 86.9mn, down from THB 166.8mn in 3Q/2020, mainly due to the reorganization and the reduction in business consulting fees.

In 9M/2021, the Company's SG&A was THB 472.6mn, decreased from THB 607.2mn in the same period last year. The THB 209.5mn was the distribution costs, slightly increased from THB 200.2mn in 9M/2020, due to the launch of the marketing campaign and the transfer expenses, which increased during the 1st half of 2021, in line with the

revenue from sales of real estate. On the other hand, the administrative expenses in 9M/2021 were THB 263.1mn, down from THB 407.0mn in 9M/2020 due to the abovementioned reasons.

Loss on impairment and write-off

During 2021, the Company does not record any loss on impairment and write-off. However, in 3Q/2020, the Company sold the land in soi Sukhumvit 19, which was under design stage to be a 4-star hotel. Consequently, the Company recorded a total loss of THB 250.1mn, which is the sum of a write-off of property, plant and equipment and other preparation costs of the hotel project of THB 128.4mn; and loss on the net selling price of THB 121.7mn.

Net Financial Cost

Most of the financial cost resulted from interest costs on loans borrowed to develop projects, which are recorded as development costs until construction completion. After that, such interest costs will be recorded as financial expenses in the Statement of Income. Loans are repaid in instalments upon unit transfer.

The Company's net financial cost in 3Q/2021 and 9M/2021 were THB 44.4 mn and THB 121.0mn, down THB 1.2mn and THB 30.4mn, from THB 45.6mn and THB 151.4mn, respectively, in the same period of the previous year. It was mainly due to the reduction in the interest-bearing debt, which as at the end of 9M/2021 stood at THB 3,192.5mn, while at the end of 9M/2020 stood at THB 4,215.4mn. The decrease resulted from the loan repayment during the year when condominium units are transferred to customers.

Net profit (Loss)

In 3Q/2021, the Company had a consolidated net loss of THB 99.8mn, an improvement from the net loss of THB 382.0mn in 3Q/2020. Net loss per share was THB 0.02 per share.

For the 9M/2021, the Company had a consolidated net profit of THB 4.2mn, an increase of THB 656.2mn from the net loss of THB 652.0mn in 9M/2020.

Financial Position (as of 30 September 2021)

	30 September 2021		31 December 2020		Change	
	THB mn	%	THB mn	%	THB mn	%
Assets	8,655.1	100.0	9,371.5	100.0	(716.4)	(7.6)
Liabilities	3,631.2	42.0	4,347.7	46.4	(716.5)	(16.5)
Interest-bearing debt	3,192.5	36.9	3,177.1	33.9	15.4	0.5
Other liabilities	438.7	5.1	1,170.6	12.5	(731.9)	(62.5)
Equity	5,023.9	58.0	5,023.8	53.6	0.1	0.0
Total Liabilities and Shareholders' Equity	8,655.1	100.0	9,371.5	100.0	(716.4)	(7.6)

Assets

The Company's total assets stood at THB 8,655.1mn, a decrease of THB 716.4mn, or a 7.6% decrease from THB 9,371.5mn at the end of 2020. It was mainly due to decreased project development costs (condominium unit inventories), which gradually reduced when transferring to customers and recognised revenue throughout 2021.

Liabilities

Total liabilities stood at THB 3,631.2mn, a decrease of THB 716.5mn, or 16.5% decreased from THB 4,347.7mn as of 31 December 2020. It was mainly due to the reduction in the deposits and advances received from customers upon the condominium unit transfer. However, the interest-bearing debt slightly increases by THB 15.4mn to THB 3,192.5mn as of 30 September 2021, from THB 3,177.1mn as of 31 December 2020. The increase was mainly from the debenture issuance value of THB 900mn, on 30 March 2021, offset by the loan repayment to financial institutions when transferring units to customers.

The Company is preparing to issue a new debenture, "Secured Debentures of Raimon Land Plc. No. 2/2021, due 2023, with callable options", total value of THB 752mn, issue date on 11 November 2021. The proceeds from this debenture will be used to repay the Company's debenture due on 4 December 2021, amount of THB 194mn and use the rest as working capital for the Company, including developing new projects that will be launched next year. Of the total interest-bearing debt, 38.6% was short-term debt, and 61.4% was long-term debt, suitable for the business capital turnover.

Shareholders' Equity

The Company's total shareholders' equity stood at 5,023.9mn, almost unchanged from THB 5,023.8mn as of 31 December 2020, mainly from the net profit in 9M/2021.

Debt to Equity Ratio¹

The D/E ratio at the end of this quarter, the D/E ratio was 0.64 times, slightly increased from 0.63 times as of 31 December 2020, resulting from the slight increase in the interest-bearing debt as described above.

Cash Flow

During 9M/2021, for the operating activities, the Company had net cash received from the operating activities of THB 778.4mn. Of the amount, THB 953.8mn was from cash inflow from operations, offset by THB 175.4mn cash paid for net financial costs and tax. Out of the cash inflow from the operations, the key components were 1) THB 71.3mn from net profit in 9M/2021 before tax and; 2) THB 1,411.9mn cash received from the unit transfers; deducted by 3) THB 705.7mn liabilities on the deposits and advance received from customers; and 4) other items

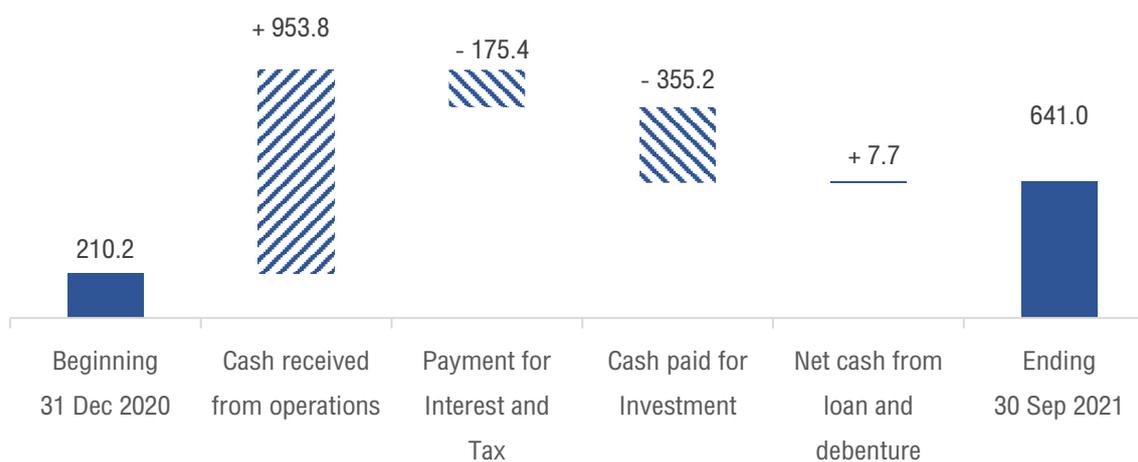
¹ Calculated from interest-bearing debt to equity

Management Discussion & Analysis (- translation -)

For operating result of 3Q/2021, ended 30 September 2021

such as cash repaid to trade and other payables and retention payables. For the investing activities, the Company paid net cash of THB 355.2mn, mainly were cash paid for additional investment in joint ventures total of THB 312.8mn during 2Q/2021 and 3Q/2021 and paid for the deposit of land THB 40.0mn in 1Q/2021. For the financing activities, the Company received net cash of THB 7.7mn. The key components were THB 900.0mn cash received from the debenture issuance net of THB 885.0mn cash paid for fees and repay the loan from financial institutions. As a result, the Company had ending cash of THB 641.0mn as of 30 September 2021.

Cash flow movement in 9M/2021



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Janjira Panitpon
Chief Financial Officer