

9 February 2022

Management Discussion and Analysis (MD&A) for the Nine-Month Period Ended 30 September 2021

To President
The Stock Exchange of Thailand

Peace & Living Plc. (“Company”) would like to explain about our financial performance for the Nine-Month Period Ended 30 September 2021 as follows:

Statement of Income

Item	For the Fiscal Year Ended:					
	30 September 2020		30 September 2021		Change Increase / (Decrease)	
	Millions of THB	%	Millions of THB	%	Millions of THB	%
Total revenue	574.86	100.00	809.57	100.00	234.72	40.83
Revenue from property sale	573.53	99.77	808.16	99.83	234.64	40.91
Other income ¹	1.33	0.23	1.41	0.17	0.08	6.20
Expenses	(459.02)	(79.85)	(618.91)	(76.45)	159.89	34.83
Cost of property sale	(355.56)	(61.85)	(494.28)	(61.05)	138.72	39.02
Selling expense	(38.96)	(6.78)	(58.67)	(7.25)	19.71	50.59
Administrative expense	(64.50)	(11.22)	(65.96)	(8.15)	1.46	2.26
EBIT	115.83	20.15	190.66	23.55	74.83	64.60
Financing cost	(8.06)	(1.40)	(2.23)	(0.28)	(5.83)	(72.36)
Corporate income tax	(21.47)	(3.73)	(37.69)	(4.66)	16.22	75.53
Net profit for the year	86.30	15.01	150.75	18.62	64.45	74.68
Item	Unit	For the Nine-Month Period Ended 30 September 2020		For the Nine-Month Period Ended 30 September 2021		
Gross profit margin	%	38.00		38.84		
Net profit margin	%	15.01		18.62		
EPS	THB/Share	0.26 ⁽²⁾		0.45 ⁽²⁾		

Note: 1 Other revenue includes reversal of common fund expense, performance guarantee, revenue from employee uniform, return for electricity meter, financial support for ERP design and installation project and etc.

2 Calculated based on the number of shares outstanding of 336.00 million each with a par value of THB 1.00 each.

The Nine-Month Performance of 2021

Key Operating Revenue

Revenue from property sales as of 30 September 2020 and 30 September 2021 was THB 573.53 million and THB 808.16 million, respectively. The revenue from property sales according to the project can be as follows:

	Statement of Financial Position as at:			
	30 September 2020		30 September 2021	
	Millions of THB	%	Millions of THB	%
Revenue from property sale				
The Exclusive Ratchada - Wongsawang	9.69	1.69	-	-
Cordiz at Udomsuk	216.78	37.80	149.50	18.50
Cher Wongwan - Sathorn	181.44	31.64	136.29	16.86
Cher Watcharapol	97.79	17.05	85.03	10.52
Cher Ngamwongwan - Prachachuen	19.09	3.33	295.12	36.52
The Glamor Ekkamai - Praditmanutham	56.95	9.93	44.77	5.54
Cher Suksawat - Puttabucha	-	-	113.20	14.01
Baan Pa Rim Than	3.91	0.68	-	-
Total	585.65	102.11	823.90	101.95
Deduce: giveaway expense	(12.12)	(2.11)	(15.73)	(1.95)
Revenue from sale of property (net)	573.53	100.00	808.16	100.00

Revenue from property sale for the 9-month period ended 30 September 2021 increased by THB 234.64 million or 40.91% from the same period of last year. This was mainly due to the launch of new project, Cher Ngamwongwan – Prachachuen project which started selling in August 2020 and began to transfer ownership in September 2020, respectively; and Cher Suksawat - Puttabucha project which started selling in November 2020 and began to transfer ownership in March 2021, respectively.

Gross profit

Gross profit as of 30 September 2020 and 30 September 2021 was THB 217.97 million and THB 313.88 million respectively, or accounted for the gross profit margin of 38.00% and 38.84%, respectively.

Gross profit as of 30 September 2021 increased THB 95.91 million or 44.00% from the gross profit as of 30 September 2020, in line with the increase in revenue from property sales. The gross profit margin increased from the same period of 2020 due to the launch of new projects, Cher Ngamwongwan - Prachachuen which is located in a prime location that enabling the Company to set the selling price of the project per the purchase demand and purchasing power of the target group as well.

Selling and administrative expenses

The selling expenses as of 30 September 2021 increased by THB 19.71 million or 50.59% from the selling expenses as of 30 September 2020, as a result of specific business tax, transfer fee, salesperson expenses which increased from the rise in income from the sale of real estate. An increase in advertising costs from more projects had been waiting to launch, and advertising costs arose from the preparation to open the Cher Bangkhunnon project in the 3rd quarter of 2021.

The main administrative expenses is employee expenses which accounted for 76.25% and 74.12% of total administrative expenses for the nine-month period ended 30 September 2020 and 30 September 2021, respectively. Other administrative expenses are the cost of office equipment and services, depreciation, project expenses which consists of project repair cost, security service fee, and cleaning cost and etc. The administrative expenses as of 30 September 2021 was THB 1.46 million, or 2.26% from that as of 30 September 2020 due to an increase in professional service fees to prepare for listing on the stock exchange.

Net Profit

Net profit for the 9-month periods ended 30 September 2021 and 30 September 2020 was THB 86.30 million and THB 150.75 million respectively, representing respective net profit margins of 15.01% and 18.62%.

Net profit for the 9-month period ended 30 September 2021 increased by THB 64.45 million or 74.68% from the same period of last year due mainly to increase in property sale revenue. New project called Cher Ngamwongwan – Prachachuen which is located in the area with high property demand was launched. The Company was be able set the property price that has well corresponded to demand and purchasing power of the target group.

Statement of Financial Position

Statement of Financial Position		Statement of Financial Position as at:					
		31 December 2020		30 September 2021		Change Increase / (Decrease)	
		Millions of THB	%	Millions of THB	%	Millions of THB	%
Total Assets		1,881.38	100.00	1,818.82	100.00	(62.56)	(3.33)
Total Liabilities		487.45	25.91	314.46	17.29	(172.99)	(35.49)
Total Shareholders' Equity		1,393.93	74.09	1,504.36	82.71	110.43	7.92
Item	Unit	31 December 2020		30 September 2021			
Current Ratio	X	4.12		6.14			
ROE	%	10.02		13.87 ⁽¹⁾			
ROA	%	6.77		10.86 ⁽¹⁾			
Debt-to-Equity	X	0.35		0.21			

Note: 1. Figures as of 30 September 2021 are annualized.

Financial Position

Total Assets

Total assets as of 31 December 2020 and 30 September 2021 stood at THB 1,881.38 million and 1,818.82 million consecutively. Its core asset is the cost of property development.

Total assets as of 30 September 2021 decreased by THB 62.56 million or 3.33% from that as of 31 December 2020 due mainly to reduction in cost of property development for sale. The Company recognized more property sale revenue and property ownership transfer. Most of which came from Cher Ngamwongwan – Prachachuen Project, Cordiz at Udomsuk Project, Cher Wongwan-Sathorn Project, Cher Suksawat - Puttabucha Project and Cher- Watcharapol Project.

Total Liabilities

Total liabilities as of 31 December 2020 and 30 September 2021 stood at THB 487.45 million and THB 314.46 million consecutively. Most of which comprise short-andlong-term loans from financial institutions and accouns payable.

Total liabilities as of 30 September 2021 decreased by THB 172.99 million or 35.49% from that as of 31 December 2020 as the Company repaid long-term loans.

Total Shareholders' Equity

Shareholders' equity as of 31 December 2020 and 30 September 2021 stood at THB 1,393.93 million and THB 1,504.36 million consecutively.

Shareholders' equity as of 30 September 2021 rose by THB 110.43 million or 7.92% from that as of 31 December 2020 as the Company's performance during the 9-month period ended 30 September 2021 was good.

Key Financial Ratios

Current Ratio

The Company's current ratio as of 31 December 2020 and 30 September 2021 stood at 4.12 and 6.14 times respectively.

Current ratio as of 30 September 2021 rose from that as of 31 December 2020 as a result of the decrease in current liabilities which was due to a decrease in the portion of long-term loans from financial institutions due within one year.

Return on Assets (ROA)

ROA for 2020 and for the 9-month period ended 30 September 2021 stood at 6.77% and 10.86% consecutively.

ROA for the 9-month period ended 30 September 2021 rose from the period of the preceding year due mainly to increase in its operating revenue and net profit.

Return on Equity (ROE)

ROE for 2020 and for the 9-month period ended 30 September 2021 stood at 10.02 % and 13.87% respectively.

ROE for the 9-month period ended 30 September 2021 rose relative to that of the 9-month period ended 30 September 2020 due mainly to increase in the Company's net profit. It did a great job in boosting operating revenue while controlling operating costs efficiently.

Debt-to-Equity Ratio (D/E)

D/E as at 31 December 2020 and 30 September 2021 stood at 0.35 and 0.21 times respectively.

D/E as of 30 September 2021 slightly decreased from 31 December 2020 as the Company repaid some portion of loans.

Please be informed accordingly.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Prasobsak Sirisopana', is written over a light blue circular stamp.

(Mr. Prasobsak Sirisopana)
Director and Chief Executive Officer