

24 February 2021

Subject : Management Discussion and Analysis of the year ended 31 December 2020
Attn. : Director and Manager
The Stock Exchange of Thailand
Encls. : A copy of Audited Financial Statements for the year ended 31 December 2020

The Company, Land and Houses Public Company Limited, would like to submit the audited financial statements for period of the year ended 31 December 2020, for your information and publication.

According to the Company's income statements for the year ended 31 December 2020, the Company recorded the net profit in an amount of 7,144.92 million baht while the same period last year recorded the net profit in an amount of 10,024.91 million baht, decreased of 2,880.00 million baht or decreased by 28.73% because of the followings;

1. In 2020, the Company recorded sales income in an amount of 27,481.22 million baht while the same period last year the Company recorded sales income in an amount of 25,151.37 million baht, increased of 2,329.85 million baht or increased by 9.26%.
2. In 2020, the Company recorded gross profit margin of 31.71%, while the same period last year the Company recorded gross profit margin of 32.43%, decreased by 0.72%.

The increase in sales and slightly decrease in gross margin in 1 and 2 make an increase of 557.63 million baht in gross profit.

3. In 2020, the Company sold a property in USA at selling price of 2,373.00 million baht and recorded the profit before tax in an amount of 405.28 million baht, while the year of 2019, the Company sold the Grand Centerpoint Sukhumvit 55 Hotel as a selling price of 4,155 million baht and recorded the profit before tax in an amount of 2,418.31 million bath.

4. Details of the revenue from sale are as follows:

Type of product	2020	2019
Single Detached House	77.4%	75.8%
Town House	12.4%	10.8%
Condominium	10.2%	13.4%
Total	100.0%	100.0%

5. Details of the Company's rental and services income compared to last year are as follows:

	(million baht)	
	2020	2019
Rental and Hotel service Income	2,417.22	4,906.52
Cost	1,977.27	3,361.26
Gross profit	439.95	1,545.27
Gross profit margin	18.20%	31.49%

The Gross profit decreased of 1,105.32 million baht due to the Covid-19 pandemic situation which causes a low occupancy rate.

6. In 2020, details of share of profit from investment in associates compared to the year of 2019 are as follows:

(million baht)

Name of the Company	2020	2019
LH Financial Group PCL.	496.00	703.32
Quality Construction Products PCL.	24.12	38.02
Home Product Center PCL	1,558.67	1,867.48
LH Property and Loan Fund II	(20.77)	56.81

Name of the Company	2020	2019
Quality House PCL.	530.35	716.88
Total	2,588.37	3,382.51

Share of profit from investment in associates decreased in the amount of 794.14 million baht from the Covid-19 pandemic situation.

7. The comparison of the Company's administration expenses for the year 2020 and 2019 are as follows:

	(million baht)					
	2020	%	2019	%	Increase / Decrease	
					MB.	%
Sales income	27,481.22	100.00	25,151.37	100.00	2,329.85	9.26
Selling expenses	636.82	2.32	728.32	2.90	(91.50)	(12.56)
Administrative expenses	2,224.99	8.10	2,367.72	9.41	(142.73)	(6.03)
Specific Business Tax	1,041.99	3.79	974.71	3.88	67.29	6.90
Finance Cost	888.13	3.23	835.45	3.32	52.68	6.31
Income Tax	1,215.74	4.42	1,718.79	6.83	(503.05)	(29.27)
Total	6,007.67	21.86	6,624.99	26.34	(617.98)	(9.33)

In 2020, the Company's selling expense decreased in an amount of 91.50 million baht, also with the Company's administrative expenses decreased in an amount of 142.73 million baht when compared to 2019.

Please be informed accordingly.

Yours sincerely,

Mr. Wit Tantiworawong
Senior Executive Vice President