

28 February 2024

Subject : Management Discussion and Analysis of the year ended 31 December 2023  
Attn. : Director and Manager  
The Stock Exchange of Thailand  
Encls. : A copy of Audited Financial Statements for the year ended 31 December 2023

The Company, Land and Houses Public Company Limited, would like to submit the audited financial statements for the period of the year ended 31 December 2023, for your information and publication.

According to the Company's income statements for the year ended 31 December 2023, the Company and its subsidiaries recorded the net profit in an amount of Baht 7,481.89 million while the same period last year recorded the net profit in an amount of Baht 8,312.52 million, decreased of Baht 830.63 million or decreased by 9.99% because of the following;

1. In 2023, the Company recorded sales income Baht 18,965.54 million while the same period last year the Company recorded sales income Baht 30,751.79 million, decreased of Baht 11,786.25 million or decreased by 38.33%.
2. In 2023, the Company recorded gross profit margin of 27.91%, while the same period last year the Company recorded gross profit margin of 32.96%, decreased by 5.05%.

The decrease in sales and gross margin in 1 and 2 make a decrease of Baht 4,842.40 million in gross profit.

3. In 2023, the Company has gains on sales of properties of Baht 2,500.55 million from sold the Grande Centre Point Hotel Pattaya and the Grande Centre Point Hotel Space Pattaya as a selling price of Baht 9,400.00 million, while the year of 2022, the Company does not have sales of property to REIT transaction.

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

Type of product	2023	2022
Single Detached House	88.1%	77.0%
Town House	6.4%	9.7%
Condominium	5.5%	13.3%
Total	100.0%	100.0%

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

(Million Baht)

	2023	2022
Rental and Hotel service Income	7,779.22	4,845.22
Cost	4,827.51	3,360.29
Gross profit	2,951.71	1,484.93
Gross profit margin	37.94%	30.65%

The Gross profit from rental and service income increased of Baht 1,466.78 million due to launching hotel and shopping mall which operated in the end of 2022. Moreover, overall operation of hotels has higher occupancy rates than last year.

6. In 2023, details of share of profit from investment in associates compared to the year of 2022 are as follows:

(Million Baht)

Name of the Company	2023	2022
LH Financial Group PCL.	458.65	345.42
Quality Construction Products PCL.	161.87	65.13
Home Product Center PCL	1,947.47	1,879.56
LH Property and Loan Fund II	77.05	21.34
Quality House PCL.	623.77	599.59
Total	3,268.81	2,911.04

The increase of Baht 357.77 million in Share of profit from investment in associates from operating result of associates increased.

7. The comparison of the Company's administration expenses for the year 2023 and 2022 are as follows:

(Million Baht)

	2023	%	2022	%	Increase / Decrease	
					Million Baht	%
Sales income	18,965.54	70.91%	30,751.79	86.39%	(11,786.25)	-38.33%
Rental and Hotel service Income	7,779.22	29.09%	4,845.22	13.61%	2,934.00	60.55%
Total Revenue	26,744.76	100.00%	35,597.01	100.00%	(8,852.25)	-24.87%
Selling expenses	1,237.31	4.63%	1,039.54	2.92%	197.77	19.02%
Administrative expenses	2,866.21	10.72%	2,588.75	7.27%	277.46	10.72%
Specific Business Tax	723.67	2.71%	1,158.25	3.25%	(434.58)	-37.52%
Finance Cost	1,549.57	5.79%	1,054.78	2.96%	494.79	46.91%
Income Tax	791.04	2.96%	1,511.21	4.25%	(720.17)	-47.66%
Total Expenses	7,167.80	26.80%	7,352.53	20.65%	(184.73)	-2.51%

In 2023 compared to 2022, the Company's selling expenses increased by Baht 197.77 million due to an increase in broker fees and marketing expenses of hotel and shopping mall business. Administrative expenses increased by Baht 277.46 million from the recovery in hotel and shopping mall business. Moreover, an increase in finance cost of Baht 494.79 million due to higher interest rate of new long-term loans and debentures issued in 2023, compared to the previous year.

Please be informed accordingly.

Yours sincerely,

(Mr. Wit Tantiworawong)

Managing Director