

Management Discussion & Analysis (- translation -)

For operating result of Q4 2023, ended December 31, 2023

Current situation and impact on the company

On February 7, 2024, the Monetary Policy Committee (MPC) of the Bank of Thailand deemed it appropriate to maintain the policy interest rate at 2.50 percent per annum. This decision was made in light of the lower economic expansion potential due to structural factors, as the global demand and the Chinese economy are recovering more slowly than anticipated. This also includes structural factors that affected the expansion of industrial exports and tourism more than expected. However, domestic demand continued to expand and served as a key driver of the economy. The inflation rate remains low, with a trend to gradually increase to the target range slower than estimated. MPC assessed that the economy's slowdown in the past period was largely due to reduced foreign sector contributions and the impact of structural factors, but consumption continued to expand well. Meanwhile, the interest rates are at a level that aligns with maintaining economic and financial stability, which is a crucial foundation for sustainable long-term growth.

In 2024, it is forecasted that the overall economic condition will begin to recover, following the country's reopening, which has led to foreigners starting to return. This benefits the overall real estate market. The residential market is recovering gradually, especially the luxury condominium and luxury house markets, which continue to grow well. This aligns with the business development plan of Raimon Land Group, which focuses on developing real estate to meet the needs of luxury customers. The company has developed a variety of projects to cater to the lifestyles of customers at different life stages. The company's products maintain the highest quality and standards to meet the demands, satisfaction, and trust of its long-standing customers. This is evident from the various awards the company has received, indicating a commitment and desire to be a leader in developing luxury and ultra-luxury real estate properties. Moreover, these awards underscore the success and leadership of the company in the luxury real estate market."

Business plan in 2024

The company's business plan for 2024 is outlined as follows:

- One City Centre, the tallest Grade A+ luxury office building project, 'OCC' (One City Centre), is currently considered the pinnacle office building project in Thailand in every aspect. Located in the prime CBD Ploenchit location next to Ploenchit BTS station with a connecting bridge to BTS station, Wireless Road, and Central Embassy. 'OCC' is highly regarded and has garnered significant interest. The building has achieved office and retail space occupancy rate as well as customer interest of approximately 70%, with prominent tenants such as The Boston Consulting Group (Thailand), a world-class consulting company; BNP Paribas, the 8th world's largest French bank; Amadeus Asia, a global travel technology company; Marubeni, a leading Japanese company with diversified businesses covering 8 main industries; and a number of companies from Mitsubishi Group, a Japanese conglomerate, etc. This indicates that 'OCC' is an office building trusted and highly esteemed by many

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world-class companies, resulting in substantial rental income. Moreover, there is also potential for developing ‘OCC’ into a Private Equity Trust (PE Trust) or Real Estate Investment Trust (REIT) with a good rental yield, as recognized by a certain regional financial institution for its outstanding potential and return on investment. A successful PE Trust or REIT development would further strengthen the company's financial status. At the end of 2024, the company anticipates that the occupancy rate will achieve approximately 90%.

- An increase of proportion of project launches, particularly low-rise projects, to maintain liquidity. The company plans to launch two low-rise ultra-luxury projects across two locations with a total value of 15,000 million baht. These include a project in the heart of Sukhumvit valued at 3,000 million baht, with an average selling price of 400–700 million baht per unit, and a branded ultra-luxury villa project on Kamala Bay, Phuket, valued at 12,000 million baht, with an average selling price of 600 – 1,000 million baht per unit. These projects will be funded by a special purpose fund set up by the company with the company as the anchor investor along with real estate institutional investors and debt financing for leverage as appropriate.
- The company’s asset located along the Chao Phraya River is slated to introduce a low-rise ultra-luxury development with a project value of 1 – 1.2 billion baht. This will be attracted by institutional investors.
- Implementing an internal restructuring aimed at significantly reducing operating expenses by streamlining the workforce, focusing on retaining positions that align with the new organizational structure.

Milestone in 2023

In 2023, the company issued debentures totaling a value of 1,082.5 million baht, with details as follows:

Debenture	Period	Amount (mn)	Coupon	Issued Date	Maturity Date
RML249A	1/2023	125.9	7.00%-7.15%	9 Jun 23	9 Sep 24
RML259A		62.1	7.10%-7.40%	9 Jun 23	9 Sep 25
RML249B		161.8	7.00%-7.15%	29 Jun 23	9 Sep 24
RML259B		52.4	7.10%-7.40%	29 Jun 23	9 Sep 25
RML249C	2/2023	118.0	7.00%	18 Oct 23	20 Sep 24
RML258A		383.0	7.10%	6 Oct 23	1 Aug 25
RML261A		179.3	7.25%	6 Oct 23	31 Jan 26
Total		1,082.5			

For the debentures RML249A, RML249B, RML259A, RML259B, they were used for the purpose of repaying the debenture RML236A valued at 188.0 million baht, and the remaining amount was used to repay debt under loan agreements and short-term bonds of Raimon Land Public Company Limited.

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For the debentures RML249C, RML258A, RML261A, they were used for the purpose of repaying the debenture RML230A valued at 562.3 million baht, and the remaining amount was used to repay debt under promissory notes and/or loan agreements and/or short-term bonds of Raimon Land Public Company Limited.

Additionally, the company has continued to adjust its investment strategy in various projects from self-financing to co-investing with other companies (Joint venture), including the Asset Light strategy, which focuses on launching projects with landowners to develop projects, thereby saving on land costs and financial costs. Therefore, the recognition of revenue and profit in the company's financial statements has begun to shift from recognizing revenue from real estate sales to recognizing the share of profit/loss from joint venture investments. Currently, the company has 2 joint venture projects that are in the process of being sold and transferred, namely The Estelle Phrom Phong and Tait Sathorn 12.

The Estelle Phrom Phong, which is a residential condominium, was completed in the third quarter of 2022, and the transfer of ownership to customers has already begun. The Estelle Phrom Phong project is a joint venture in a 51:49 ratio between the company and Tokyo Tatemono Asia Pte. Ltd., respectively.

Similarly, the Tait Sathorn 12 project, which is a residential condominium, was completed in the third quarter of 2023, and the transfer of ownership to customers has already begun. The Tait Sathorn 12 project is a joint venture in a 51:49 ratio between the company and Tokyo Tatemono Asia Pte. Ltd., respectively.

Additionally, for the Grade A office building project One City Centre (OCC), which is a joint venture in a 60:40 ratio between the company and Mitsubishi Estate Asia (MEA Commercial Holdings Limited), construction has been completed. This office building is known for its green technology, amenities, and prime location. It has attracted leading international companies, top industry players, and renowned global organizations to sign contracts.

Financial Highlight 4Q/2023 and FY2023

- The company's sales backlog, as of December 31, 2023, has a total value of 1,912.4 million baht.
- The presales for the 3-month period and for the year 2023 are 307.0 million baht and 1,911.8 million baht, respectively.
- The total revenue for the 3-month period is 51.2 million baht, and for the year 2023, it amounts to 271.4 million baht, with revenues from property sales being 7.8 million baht and 14.9 million baht, respectively.
- As of December 31, 2023, the company has total assets of 7,560.8 million baht and total liabilities of 4,092.3 million baht.
- The interest-bearing debt to equity ratio is 1.06 times as of December 31, 2023, an increase from 0.82 times at the end of 2022.

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Operating Results 4Q/2023 and FY2023

Summary of Statement of Profit and Loss

4 th Quarter	3M 2023		3M 2022		Change		FY 2023		FY 2022		Change	
	THB mn	%of Total Revenue	THB mn	%of Total Revenue	THB mn	%	THB mn	%of Total Revenue	THB mn	%of Total Revenue	THB mn	%
Revenue												
Revenue	18.0	35.2	36.0	47.4	(18.0)	(50.0)	52.4	19.3	104.6	28.4	(52.2)	(49.9)
Other Income	33.2	64.8	40.0	52.6	(6.8)	(17.0)	219.1	80.7	263.2	71.6	(44.1)	(16.8)
Total Revenues	51.2	100.0	76.0	100.0	(24.8)	(32.6)	271.4	100.0	367.8	100.0	(96.3)	(26.2)
Expenses												
COGS	(26.3)	(51.5)	(12.1)	(15.9)	(14.2)	117.4	(31.3)	(11.5)	(59.7)	(16.2)	28.4	(47.5)
Selling Expenses	(8.7)	(16.9)	(10.6)	(14.0)	2.0	(18.5)	(36.4)	(13.4)	(63.6)	(17.3)	27.2	(42.7)
Administrative Expenses	(240.7)	(470.4)	(54.5)	(71.7)	(186.2)	341.7	(597.5)	(220.1)	(429.2)	(116.7)	(168.3)	39.2
Financial Costs	(86.5)	(168.9)	(69.7)	(91.8)	(16.7)	24.0	(308.4)	(113.6)	(253.8)	(69.0)	(54.6)	21.5
Total Expenses	(362.1)	(707.7)	(146.9)	(193.4)	(215.2)	146.5	(973.6)	(358.7)	(806.4)	(219.2)	(167.2)	20.7
Share of Profit (Loss) from Investments in Joint Ventures	16.0	31.3	126.5	166.5	(110.4)	(87.3)	(127.2)	(46.9)	136.9	37.2	(264.2)	(192.9)
Income Tax	(8.4)	(16.3)	(12.1)	(16.0)	3.8	(31.0)	(7.5)	(2.8)	(13.4)	(3.7)	5.9	(44.0)
Net Profit (Loss)	(303.3)	(592.7)	43.4	57.1	(346.7)	(798.9)	(836.9)	(308.3)	(315.1)	(85.7)	(521.8)	165.6

Presales and Backlog

During the fourth quarter of 2023, the company recorded sales of 307.0 million baht, a decrease from the same period of the previous year, which had sales of 802.8 million baht. This was due to the gradual sell-out of the company's ready-to-sell condominium units, with the majority of sales coming from the projects The Estelle Phrom Phong and Tait Sathorn 12. Both projects have been completed and are in the process of transferring ownership, allowing customers to visit the actual project sites, including the common areas, facilities, and residential units, to aid in their decision-making.

For the year 2023, the company had sales of 1,911.8 million baht, which decreased from the sales in 2022, which were 2,245.2 million baht. Throughout 2023, the majority of sales came from two projects: The Estelle Phrom Phong and Tait Sathorn 12. The company was able to close the project The Estelle Phrom Phong in 2023 and transferring ownership, similar to the Tait Sathorn 12 project, which is expected to be closed within 2024.

As of December 31, 2023, the company's backlog of sales awaiting revenue recognition totaled 1,912.4 million baht, a decrease from 4,965.3 million baht as of December 31, 2022. The primary reason for this decrease was the gradual transfer of condominium units in the projects The Estelle Phrom Phong and Tait Sathorn 12, both of which have been completed and have begun the process of transferring units within these two projects.

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Revenue

4 th Quarter	3M 2023		3M 2022		Change		FY 2023		FY 2022		Change	
	THB mn	%of Total Revenue	THB mn	%of Total Revenue	THB mn	%	ล้านบาท	THB mn	%of Total Revenue	THB mn	%of Total Revenue	THB mn
Revenue												
Revenue from Sales of Real Estate	7.8	15	25.0	33	(17.1)	(68.6)	14.9	5	67.6	18	(52.7)	(78.0)
Revenue from Rental and Services	10.2	20	11.0	14	(0.8)	(7.6)	37.5	14	37.0	10	0.5	1.3
Other Income												
Project Management Income	10.8	21	44.0	58	(33.2)	(75.4)	58.1	21	129.2	35	(71.2)	(55.1)
Marketing Fees	7.4	15	9.7	13	(2.3)	(23.6)	35.7	13	31.2	8	4.4	14.2
Guarantee Fees	12.2	24	14.4	19	(2.3)	(15.6)	53.6	20	57.4	16	(3.8)	(6.7)
Interest Income	9.5	19	5.7	8	3.8	66.4	27.0	10	19.3	5	7.8	40.2
Fair Value Measurement of Financial Assets	10.0	20	(11.2)	(15)	21.2	(189.7)	41.4	15	(3.5)	(1)	44.9	(1,268.3)
Net Foreign Exchange Gains	(18.3)	(36)	(23.8)	(31)	5.5	(23.0)	(2.4)	(1)	7.2	2	(9.6)	(133.2)
Others	1.5	3	1.0	1	0.5	48.4	5.8	2	22.4	6	(16.7)	(74.2)
Total Revenue	51.2	100	76.0	100	(24.8)	(32.6)	271.4	100	367.8	100	(96.3)	(26.2)

Revenue from Sales of Real Estate

In the fourth quarter of 2023 and for the year 2023, the company's Revenue from Sales of Real Estate was 7.8 million baht and 14.9 million baht, respectively, a decrease from 25.0 million baht and 67.6 million baht in the same period of 2022. The decrease in revenue was due to the company's ready-to-transfer condominium units, which could be recorded as sales revenue, gradually being sold out. Nearly all of the condominium units ready for sale were part of joint venture projects, which will be recognized in the income statement under "Share of Profit/Loss from Investments in Joint Ventures," as explained earlier.

Revenue from Rental and Services

The majority of the rental and service income was from the projects Somerset Riverside Bangkok and Vue Mall, which is a community mall located adjacent to The River Condominium. The rental and service income for the fourth quarter of 2023, over a 3-month period, decreased slightly to 10.2 million baht from 11.0 million baht in the same period of the previous year. The rental and service income for the year 2023, compared to 2022, increased from 37.0 million baht to 37.5 million baht.

Project Management Income

Project Management Income comes from fees the company charges its joint venture partners for project construction management and the management of the juristic person for various residential projects. In the fourth quarter of 2023, and for the year 2023, the company recorded revenue of 10.8 million baht and 58.1 million baht, respectively, a decrease of 75.4% and 55.1% from the same period of the previous year, which had revenue of 44.0 million baht and 129.2 million baht, respectively. The increase in revenue corresponds with the progress in construction of the three joint venture projects.

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Marketing Commission Income and Guarantee Fee Income

Marketing commission income refers to commissions charged by the company to joint ventures when condominium units in joint venture projects are sold. This revenue also includes commissions from the business of brokerage sales and property rentals. As for the guarantee fee income, it is the fee charged by the company to joint ventures when the company acts as a guarantor for the joint ventures' borrowing.

As of the end of the fourth quarter of 2023, the company had three operating joint ventures, consisting of: 1) Raimon Land Twenty Six Co., Ltd., the developer of The Estelle Phrom Phong condominium project 2) Raimon Land Sathorn Co., Ltd., the developer of the Tait Sathorn 12 condominium project and 3) RML 548 Co., Ltd., the developer of the Grade A office building for rent, One City Centre.

Marketing commission income in the fourth quarter of 2023 amounted to 7.4 million baht, which is a decrease compared to 9.7 million baht in the same period of the previous year. For the year 2023, it totaled 35.7 million baht, an increase compared to 31.2 million baht in the same period of the previous year. This increase was due to higher commission income from brokerage sales and property rentals. Guarantee Fee Income for the fourth quarter of 2023 and for the year 2023 was 12.2 million baht and 53.6 million baht, respectively.

Cost of Real Estate Sold

In the fourth quarter of 2023, the company's cost of real estate sold amounted to 26.3 million baht, an increase from 12.1 million baht in the same period of 2022. For the year 2023, the company's cost of real estate sold was 31.3 million baht, a decrease from 59.7 million baht the previous year. The reason for this decrease is due to the reduced revenue from property sales, as the ready-to-transfer condominium units that the company could record as sales revenue gradually ran out. Nearly all the ready-to-sell condominium units were part of joint venture projects, which will be recognized in the "Share of Profit/Loss from Investments in Joint Ventures" as described above.

Distribution Cost and Administrative Expenses (SG&A)

Selling expenses include costs such as advertising, marketing, commissions, and expenses related to the transfer of condominium units. Meanwhile, administrative expenses are mostly fixed costs related to employees and all expenses associated with running the business.

In the fourth quarter of 2023, the company incurred total selling and administrative expenses of 249.4 million baht, divided into 8.7 million baht for selling expenses and 240.7 million baht for administrative expenses. This represents an increase of 184.2 million baht from 65.1 million baht in the same period of the previous year.

For the year 2023, the company had selling and administrative expenses totaling 633.9 million baht, consisting of 36.4 million baht in selling expenses and 597.5 million baht in administrative expenses, respectively. Selling

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expenses decreased from 27.2 million baht, while administrative expenses increased by 168.3 million baht from the same period of the previous year.

Net Financial Cost

The majority of the financial costs primarily come from interest expenses on bonds and loans. In the fourth quarter of 2023 and for the year 2023, the company's net financial cost was 86.5 million baht and 308.4 million baht, respectively, an increase of 16.7 million baht and 54.6 million baht from 69.7 million baht and 253.8 million baht in the same period of the previous year. The increase in net financial costs is largely due to the interest rates of new bond issues in 2022 and 2023, which were intended for the redemption of existing bonds and as working capital for the company. As of the end of 2023, the company's interest-bearing debt was 3,682.0 million baht, an increase from 3,533.2 million baht at the end of 2022.

Net Profit (Loss)

In the fourth quarter of 2023, the company experienced a net loss of 303.3 million baht, a significant decrease from the same quarter of the previous year, which had a net profit of 43.4 million baht. For the fourth quarter of 2023, the company's net loss per share was 0.07 baht. For the entire year of 2023, the company reported a net loss of 836.9 million baht, resulting in a net loss per share of 0.20 baht.

Financial Position as of 31 December 2023

	31 Dec 2023		31 Dec 2022		Change	
	THB mn	%	THB mn	%	THB mn	%
Assets	7,560.8	100.0%	8,255.4	100.0%	(694.6)	(8.4)
Liabilities	4,092.3	54.1%	3,956.5	47.9%	135.8	3.4
Interest-bearing debt	3,682.0	48.7%	3,533.2	42.8%	148.8	4.2
Other liabilities	410.3	5.4%	423.3	5.1%	(12.9)	(3.1)
Equity	3,468.4	45.9%	4,298.9	52.1%	(830.4)	(19.3)
Total Liabilities and Equity	7,560.8	100.0%	8,255.4	100.0%	(694.6)	(8.4)

Assets

As of December 31, 2023, the company had total assets of 7,560.8 million baht, a decrease of 694.6 million baht, or 8.4%, from 8,255.4 million baht as of December 31, 2022. The significant changes include: 1) Cash and cash equivalents decreased by 53.5 million baht due to the repayment of borrowings from financial institutions, debentures, and investments in other non-current financial assets 2) Net property development costs increased by 1,658.8 million baht, mainly from projects under development 3) Land held for development decreased by 1,643.1 million baht, mostly due to the reclassification to property development costs for projects under development 4) Net investments in joint ventures decreased by 815.5 million baht and 5) Long-term loans to related parties increased by 334.8 million baht.

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Liabilities

The company had total liabilities of 4,092.3 million baht, an increase of 135.8 million baht, or 3.4%, compared to the total liabilities of 3,956.5 million baht as of December 31, 2022. This includes interest-bearing debt of 3,682.0 million baht, up by 148.8 million baht from 3,533.2 million baht as of December 31, 2022. The significant changes in liabilities include: 1) Short-term borrowings from others increased by 1,133.7 million baht 2) The current portion of debentures due within one year decreased by 1,106.1 million baht 3) Long-term borrowings from others decreased by 48.1 million baht 4) Lease liabilities increased by 77.8 million baht and 5) Net debentures increased by 79.2 million baht.

Shareholder's Equity

The company's equity was 3,468.4 million baht, a decrease of 830.4 million baht, or 19.3%, from 4,298.9 million baht as of December 31, 2022. The primary reason for this decrease was due to the net loss incurred in the year 2023.

Interest-Bearing Debt to Equity Ratio

As of December 31, 2023, the company's debt-to-equity ratio was 1.06, which increased from 0.82 as of December 31, 2022.

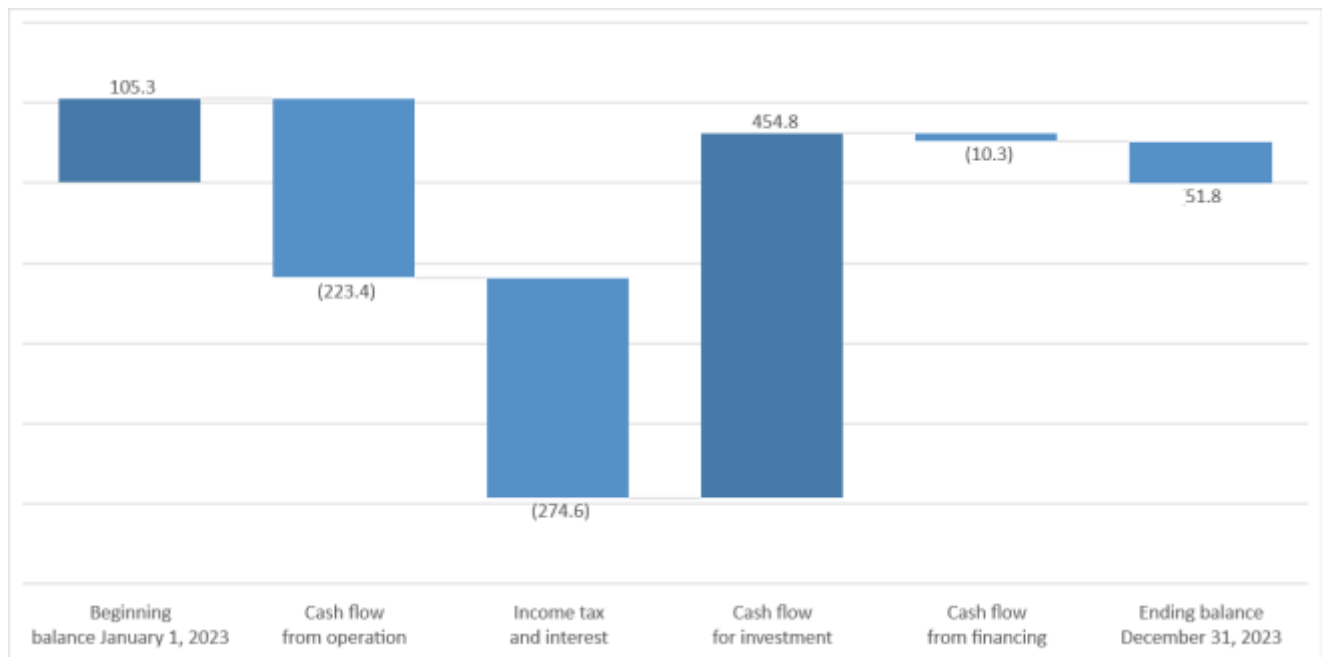
Cashflow

In 2023, the company spent 223.4 million baht in operating activities and had interest and tax payments totaling 274.6 million baht, resulting in a net cash used in operating activities of 223.4 million baht. The significant changes in operating activities include: 1) A pre-tax loss of 829.4 million baht in 2023, 2) Share of loss from joint ventures of 127.2 million baht, and 3) Financial costs of 308.3 million baht. For investment activities, the company had a net cash inflow of 454.8 million baht, with significant transactions including: 1) Cash paid for long-term loans to related parties of 356.7 million baht, 2) Cash received from dividends from joint ventures of 344.1 million baht, 3) Cash received from the decrease in investments in joint ventures of 581.7 million baht, and 4) Cash paid for investments in joint ventures of 165.7 million baht. In financing activities, the company had a net cash outflow of 10.3 million baht, with significant transactions including: 1) Cash repayment of debentures of 1,238.7 million baht, 2) Cash received from short-term borrowings from others of 1,176.8 million baht, 3) Cash received from issuing debentures of 1,082.5 million baht, and 4) Cash repayment of short-term borrowings from others of 934.6 million baht. As a result, the company had cash and cash equivalents of 51.8 million baht as of December 31, 2023.

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Cashflow Movement in FY2023



- Maneekarn Wuttikullert -

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Maneekarn Wuttikullert
Acting Chief Financial Officer