

11 November 2021

Subject : Management Discussion and Analysis of the third quarter 2021 ended 30 September 2021
Attn. : Director and Manager
The Stock Exchange of Thailand
Encls. : A copy of Reviewed Financial Statements for the third quarter 2021 ended 30 September 2021

The Company, Land and Houses Public Company Limited, would like to submit the reviewed financial statements for period of the third quarter ended 30 September 2021, for your information and publication.

In the third quarter of 2021, the Company and its subsidiaries recorded the net profit in the amount of 1,307.61 million baht while the same period last year recorded the net profit in the amount of 2,049.09 million baht, decreased of 741.48 million baht or 36.19% because of the following;

1. In the third quarter of 2021, the Company recorded sales income in the amount of 6,520.32 million baht while the same period last year the Company recorded sales income in the amount of 7,616.76 million baht, decreased of 1,096.44 million baht or increased by 14.40%. This was effect from the government's measure to contain the COVID-19 which announced to shut construction sites and seal off worker camps for a month.
2. In the third quarter of 2021, the Company recorded gross profit margin of 32.06%, while the same period last year the Company recorded gross profit margin of 32.77%, decreased by 0.71% as a result of the higher competition of sales and effects of the COID-19 pandemic situation.

The effects from 1 and 2 make a decrease of 405.37 million baht in gross profit.

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

Type of product	3 rd quarter of 2021	3 rd quarter of 2020
Single Detached House	81%	80%
Town House	12%	11%

Condominium	7%	9%
Total	100.0%	100.0%

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

(Million baht)

	3 rd quarter of 2021	3 rd quarter of 2020
Rental and services income	388.93	543.96
Cost	355.60	457.68
Gross (loss) profit	33.33	86.28
Gross (loss) profit margin	8.57%	15.86%

The Company recorded a decrease in gross profit of rental and services income amounting to 52.95 million baht. This was due to the COVID-19 pandemic causing the low occupancy rate.

5. In the third quarter of 2021, details of share of profit from investment in associates compared to 2020 are as follows:

(Million baht)

Name of the Company	3 rd quarter of 2021	3 rd quarter of 2020
LH Financial Group Plc.	139.89	128.03
Quality Construction Products Plc.	5.13	(2.23)
Home Product Center Plc.	263.14	423.41
LH Property and Loan Fund II	(7.85)	(7.88)
Quality House Plc.	65.67	143.62
Total	465.99	684.95

The share of profit from investment in associates has decreased in the amount of 218.96 million baht which effect from the COVID-19 pandemic situation.

6. The comparison of the Company's sales income and administrative expenses of the third quarter of 2021 and 2020 are as follows:

	3 rd quarter of 2021 (MB)	%	3 rd quarter of 2020 (MB)	%	Increase / Decrease	
					MB.	%
Sales income	6,520.32	100.00	7,616.76	100.00	(1,096.44)	(14.40)
Selling expenses	117.78	1.81	151.93	1.99	(34.15)	(22.48)
Administrative expenses	571.53	8.77	561.32	7.37	10.21	1.82
Specific Business Tax	244.24	3.75	288.11	3.78	(43.87)	(15.23)
Finance Cost	284.59	4.36	216.27	2.84	68.32	31.59
Income Tax	228.89	3.51	511.78	6.72	(282.89)	(55.28)
Total	1,447.03	22.19	1,729.41	22.71	(282.38)	(16.33)

For the period of nine months ended 30 September 2021 the Company and its subsidiary recorded the net profit in the amount of 4,921.55 million baht while the same period last year recorded the net profit in the amount of 4,788.01 million baht, increase of 133.54 million baht or increase by 2.79% because of the followings;

1. In the first nine months of 2021, the Company recorded sales income in the amount of 22,125.58 million baht while the same period last year the Company recorded sales income in the amount of 19,895.26 million baht, increase of 2,230.32 million baht or increase 11.21%.
2. In the first nine months of 2021, the Company recorded gross profit margin of 31.84%, while the same period last year the Company recorded gross profit margin of 31.30%, increased by 0.54%.

The effect from 1 and 2 make an increase of 818.08 million baht in gross profit.

3 Details of the revenue from sale are as follows:

Type of product	9 months of 2021	9 months of 2020
Single Detached House	80%	78%
Town House	9%	13%
Condominium	11%	9%
Total	100%	100%

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

(Million baht)

	9 months of 2021	9 months of 2020
Rental and services income	1,229.18	1,857.19
Cost	1,082.18	1,550.32
Gross profit	147.00	306.87
Gross profit margin	11.96%	16.52%

The gross profit of rental and services income decreased in the amount of 159.87 million baht due to the Covid-19 pandemic situation which causes a temporary closure of the hotel service.

5 Details of share of profit from investment in associates in the 9 months of 2021 compared to the 9 months of 2020 are as follows:

(Million baht)

Name of the Company	9 months of 2021	9 months of 2020
LH Financial Group Plc.	353.81	450.75

Name of the Company	9 months of 2021	9 months of 2020
Quality Construction Products Plc.	24.44	18.37
Home Product Center Plc.	1,108.25	1,091.59
LH Property and Loan Fund II	(23.34)	(13.57)
Quality House Public Plc.	293.66	385.54
Total	1,756.82	1,932.68

The profit from investment in associates decreased 175.86 million baht due to the COVID-19 pandemic situation.

- 6 The comparison of the Company's sales income and administrative expenses of the 9 months of 2021 and the 9 months of 2020 are as follows:

	9 months 2021 (MB)	%	9 months 2020 (MB)	%	Increase / Decrease	
					(MB)	%
Sales income	22,125.58	100.00	19,895.26	100.00	2,230.32	11.21
Selling expenses	387.71	1.75	414.93	2.39	(87.22)	(18.37)
Administrative expenses	1,678.74	7.59	1,659.97	8.34	18.77	1.13
Specific Business Tax	830.74	3.75	754.05	3.79	76.69	10.17
Finance Cost	837.07	3.78	654.43	3.29	182.64	27.91
Income Tax	839.48	3.79	863.87	4.34	(24.39)	(2.82)
Total	4,573.73	20.67	4,407.25	22.15	166.48	3.78

In the 9 months of 2021, the Company's selling expenses decreased in the amount of 87.22 million baht as a result of the Covid-19 situation which cause a temporary closure of the hotel service.

Please be informed accordingly.

Yours sincerely,

(Wit Tantiworawong)

Mr. Wit Tantiworawong
Senior Executive Vice President