

11 August 2022

Subject : Management Discussion and Analysis of the second quarter 2022 ended 30 June 2022
Attn. : Director and Manager
The Stock Exchange of Thailand
Encls. : A copy of Reviewed Financial Statements for the second quarter 2022 ended 30 June 2022

The Company, Land and Houses Public Company Limited, would like to submit the reviewed financial statements for period of the second quarter ended 30 June 2022, for your information and publication.

In the second quarter of 2022, the Company and its subsidiaries recorded the net profit in an amount of 2,139.24 million baht while the same period last year recorded the net profit in the amount of 1,869.53 million baht, increased of 269.71 million baht or 14.43% because of the following;

1. In the second quarter of 2022, the Company recorded sales income in an amount of 8,360.02 million baht while the same period last year the Company recorded sales income in the amount of 8,465.06 million baht, decreased of 105.04 million baht or decreased by 1.24%.
2. In the second quarter of 2022, the Company recorded gross profit margin of 33.56%, while the same period last year the Company recorded gross profit margin of 31.64%, increased by 1.92% due to the sales of single detached houses and Townhouses with higher margin.

The effect from 1 and 2 make the increase of 126.97 million baht in gross profit.

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

Type of product	2 nd quarter of 2022	2 nd quarter of 2021
Single Detached House	77.3%	79.2%
Town House	10.2%	9.6%
Condominium	12.5%	11.2%
Total	100.0%	100.0%

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

(Million baht)

	2 nd quarter of 2022	2 nd quarter of 2021
Rental and services income	920.25	405.87
Cost	715.16	363.04
Gross profit	205.09	42.83
Gross profit margin	22.29%	10.55%

The Gross profit of Rental and services income increased in the amount of 162.26 million baht due to the easing of the Covid-19 pandemic situation.

5. In the second quarter of 2022, details of share of profit from investment in associates compared to 2021 are as follows:

(Million baht)

Name of the Company	2 nd quarter of 2022	2 nd quarter of 2021
LH Financial Group Plc.	51.03	90.06
Quality Construction Products Plc.	10.79	6.83
Home Product Center Plc.	459.55	433.21
LH Property and Loan Fund II	1.28	(7.78)
Quality House Plc.	128.68	121.87
Total	651.33	644.19

The share of profit from investment in associates has increased by 7.14 million baht.

6. In the second quarter of 2022, the Company recorded gain on exchange rate (after deduct loss on derivatives) in an amount of 200.74 million baht while the same period last year recorded loss in the amount of 11.63 million baht.

7. The comparison of the Company's sales income and administrative expenses of the second quarter of 2022 and 2021 are as follows:

	2 nd quarter of 2022 (MB)	%	2 nd quarter of 2021 (MB)	%	Increase / Decrease	
					MB.	%
Sales income	8,360.02	100.00%	8,465.06	100.00%	(105.04)	(1.24%)
Selling expenses	287.71	3.44%	131.39	1.55%	156.32	118.97%
Administrative expenses	620.53	7.42%	551.59	6.52%	68.94	12.50%
Specific Business Tax	312.60	3.74%	317.95	3.76%	(5.35)	(1.68%)
Finance Cost	253.61	3.03%	293.02	3.46%	(39.41)	(13.45%)
Income Tax	398.65	4.77%	326.49	3.86%	72.16	22.10%
Total	1,873.10	22.41%	1,620.44	19.14%	252.66	15.59%

In the 2nd Quarter of 2022, Selling expenses increase, when compared to the same period last year, in an amount of 156.32 million baht or increased by 118.97% due to an increase in marketing expenses.

For the period of six months ended 30 June 2022 the Company and its subsidiary recorded the net profit in the amount of 4,070.73 million baht while the same period last year recorded the net profit in the amount of 3,613.93 million baht, increase of 456.80 million baht or increase by 12.64% because of the followings;

1. In the first six months of 2022, the Company recorded sales income in the amount of 15,325.68 million baht while the same period last year the Company recorded sales income in the amount of 15,605.26 million baht, decrease of 279.58 million baht or decrease 1.79%.
2. In the first six months of 2022, the Company recorded gross profit margin of 33.21%, while the same period last year the Company recorded gross profit margin of 31.75%, increased by 1.46%.

The effect from 1 and 2 make an increase of 135.40 million baht in gross profit.

3 Details of the revenue from sale are as follows:

Type of product	First Half of 2022	First Half of 2021
Single Detached House	79.1%	80%
Town House	10.7%	10%
Condominium	10.2%	10%
Total	100.0%	100%

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

(Million baht)

	First Half of 2022	First Half of 2021
Rental and services income	1,581.23	840.25
Cost	1,184.14	726.57
Gross profit	397.09	113.68
Gross profit margin	25.11%	13.53%

The Gross profit of Rental and services income increased in the amount of 283.41 million baht due to the easing of the Covid-19 pandemic situation.

5 Details of share of profit from investment in associates in the first six months of 2022 compared to the first six months of 2021 are as follows:

(Million baht)

Name of the Company	First Half of 2022	First Half of 2021
LH Financial Group Plc.	163.00	213.92

Name of the Company	First Half of 2022	First Half of 2021
Quality Construction Products Plc.	20.48	19.31
Home Product Center Plc.	916.33	845.11
LH Property and Loan Fund II	(6.40)	(15.48)
Quality House Public Plc.	274.74	227.98
Total	1,368.15	1,290.84

6. In the first 6 months of 2022, the Company recorded gain on exchange rate (after deduct loss on derivatives) in an amount of 276.35 million baht while the same period last year recorded loss in the amount of 19.71 million baht.
7. The comparison of the Company's sales income and administrative expenses of the first six months of 2022 and the first six months of 2021 are as follows:

	First Half 2022 (MB)	%	First Half 2021 (MB)	%	Increase / Decrease	
					(MB)	%
Sales income	15,325.68	100.00%	15,605.26	100.00%	(279.58)	(1.79%)
Selling expenses	453.18	2.96%	269.93	1.73%	183.25	67.89%
Administrative expenses	1,199.85	7.83%	1,107.20	7.10%	92.65	8.37%
Specific Business Tax	573.40	3.74%	586.50	3.76%	(13.10)	(2.23%)
Finance Cost	499.14	3.26%	552.48	3.54%	(53.34)	(9.65%)
Income Tax	718.50	4.69%	610.59	3.91%	107.91	17.67%
Total	3,444.07	22.47%	3,126.70	20.04%	317.37	10.15%

In the first six months of 2022, the Company's selling expenses increased, when compared to the same period last year, in the amount of 183.25 million baht or increase 67.89% due to an increase in marketing expenses.

In the first six months of 2022, income tax increase , when compared to the same period last year, in the amount of 107.91 million.

Please be informed accordingly.

Yours sincerely,

(Wit Tantiworawong)

Mr. Wit Tantiworawong
Managing Director