

10 November 2022

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

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 2022, for your information and publication.

In the third quarter of 2022, the Company and its subsidiaries recorded the net profit in the amount of 2,248.83 million baht while the same period last year recorded the net profit in the amount of 1,307.61 million baht, increased of 941.22 million baht or 71.98% because of the following;

1. In the third quarter of 2022, the Company recorded sales income in the amount of 7,504.68 million baht while the same period last year the Company recorded sales income in the amount of 6,520.32 million baht, increased of 984.36 million baht or increased by 15.10% due to the easing of COVID-19 pandemic situation.
2. In the third quarter of 2022, the Company recorded gross profit margin of 31.95%, while the same period last year the Company recorded gross profit margin of 32.06%, decreased by 0.11%.

The effects from 1 and 2 make an increase of 307.40 million baht in gross profit.

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

Type of product	3 rd quarter of 2022	3 rd quarter of 2021
Single Detached House	69.7%	81%
Town House	9.6%	12%
Condominium	20.7%	7%
Total	100.0%	100.0%

In the third quarter of 2022, the Company and its subsidiaries transferred more of completed condominium units than the same period last year.

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

(Million baht)

	3 rd quarter of 2022	3 rd quarter of 2021
Rental and services income	1,360.55	388.93
Cost	956.91	355.60
Gross (loss) profit	403.64	33.33
Gross (loss) profit margin	29.67%	8.57%

The Company recorded an increase in gross profit of rental and services income amounting to 370.31 million baht. This was due to the easing of COVID-19 pandemic situation.

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

(Million baht)

Name of the Company	3 rd quarter of 2022	3 rd quarter of 2021
LH Financial Group Plc.	106.99	139.90
Quality Construction Products Plc.	19.60	5.13
Home Product Center Plc.	463.56	263.14
LH Property and Loan Fund II	11.81	(7.85)
Quality House Plc.	159.86	65.67
Total	761.82	465.99

The share of profit from investment in associates has increased in the amount of 295.83 million baht which effect from the easing of COVID-19 pandemic situation.

6. In the third quarter of 2022, the Company recorded Gain on exchange after deducting Loss on derivatives in the amount of 389.32 million baht, increased of 370.79 million baht when compared to the same period last year. This was due to the depreciation of Thai baht.
7. The comparison of the Company's sales income and administrative expenses of the third quarter of 2022 and 2021 are as follows:

	3 rd quarter of 2022 (MB)	%	3 rd quarter of 2021 (MB)	%	Increase / Decrease	
					MB.	%
Sales income	7,504.68	100.00	6,520.32	100.00	984.36	15.10
Selling expenses	248.20	3.31	117.78	1.81	130.42	110.73
Administrative expenses	684.44	9.12	571.54	8.76	112.90	19.75
Specific Business Tax	287.99	3.84	244.24	3.75	43.75	17.91
Finance Cost	252.50	3.36	284.59	4.36	(32.09)	(11.28)
Income Tax	469.12	6.25	228.89	3.51	240.23	104.95
Total	1,942.25	25.88	1,447.04	22.19	495.21	34.22

During the third quarter of 2022, the Company's selling expenses increased in the amount of 130.42 million baht due to higher commission for using more broker to sell.

The administrative expenses increased in the amount of 112.90 million baht because of the COVID-19 situation is almost back to normal, enabling the Company to operate its' business as usual.

For the period of nine months ended 30 September 2022 the Company and its subsidiary recorded the net profit in the amount of 6,319.56 million baht while the same period last year recorded the net profit in the amount of 4,921.55 million baht, increase of 1,398.01 million baht or increase by 28.41% because of the followings;

1. In the first nine months of 2022, the Company recorded sales income in the amount of 22,830.36 million baht while the same period last year the Company recorded

sales income in the amount of 22,125.58 million baht, increase of 704.78 million baht or increase 3.19%.

2. In the first nine months of 2022, the Company recorded gross profit margin of 32.80%, while the same period last year the Company recorded gross profit margin of 31.84%, increased by 0.96%.

The effect from 1 and 2 make an increase of 442.80 million baht in gross profit.

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

Type of product	9 months of 2022	9 months of 2021
Single Detached House	76.1%	81%
Town House	10.3%	10%
Condominium	13.6%	9%
Total	100.0%	100%

During the period of nine months of 2022, the Company and its' subsidiaries transferred more of completed condominium units than the same period last year, therefore the proportion of revenue from sale of condominium increased.

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

(Million baht)

	9 months of 2022	9 months of 2021
Rental and services income	2,941.77	1,229.18
Cost	2,141.05	1,082.18
Gross profit	800.72	147.00
Gross profit margin	27.22%	11.96%

The gross profit of rental and services income increased in the amount of 653.72 million baht due to the Covid-19 situation is almost back to normal condition.

- 5 Details of share of profit from investment in associates in the 9 months of 2022 compared to the 9 months of 2021 are as follows:

(Million baht)

Name of the Company	9 months of 2022	9 months of 2021
LH Financial Group Plc.	269.99	353.81
Quality Construction Products Plc.	40.08	24.44
Home Product Center Plc.	1,379.90	1,108.25
LH Property and Loan Fund II	5.40	(23.34)
Quality House Public Plc.	434.60	293.66
Total	2,129.97	1,756.82

The profit from investment in associates increased 373.15 million baht due to the easing of COVID-19 pandemic situation.

- 6 During the period of nine months of 2022, the Company recorded Gain on exchange deducting Loss on derivatives in the amount of 665.67 million baht, increasing of 666.86 million baht when compared to the same period last year. This was due to the depreciation of Thai baht.
- 7 The comparison of the Company's sales income and administrative expenses of the 9 months of 2022 and the 9 months of 2021 are as follows:

(Million baht)

	2022		2021		Increase / Decrease	
	Jan. – Sep.	%	Jan. – Sep.	%	(MB)	%
Sales income	22,830.36	100	22,125.58	100.00	704.78	3.19
Selling expenses	701.38	3.07	387.71	1.75	313.67	80.90
Administrative expenses	1,884.28	8.25	1,678.74	7.59	205.54	12.24

	2022		2021		Increase / Decrease	
	Jan. – Sep.	%	Jan. – Sep.	%	(MB)	%
Specific Business Tax	861.38	3.77	830.74	3.75	30.64	3.69
Finance Cost	751.64	3.29	837.07	3.78	(85.43)	(10.21)
Income Tax	1,187.62	5.20	839.48	3.79	348.14	41.47
Total	5,386.30	23.59	4,573.74	20.67	812.56	17.77

During the period of nine months of 2022, the Company's selling expenses increased in the amount of 313.67 million baht due to higher commission for using more broker to sell.

The administrative expenses increased in the amount of 205.54 million baht because of the COVID-19 situation is almost back to normal, enabling the Company to operate its' business as usual.

Please be informed accordingly.

Yours sincerely,

(Wit Tantiworawong)

Mr. Wit Tantiworawong
Managing Director