

10 August 2023

Subject : Management Discussion and Analysis of the second quarter 2023 ended 30 June 2023
Attn. : Director and Manager
The Stock Exchange of Thailand
Encls. : A copy of Reviewed Financial Statements for the second quarter 2023 ended 30 June 2023

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 2023, for your information and publication.

In the second quarter of 2023, the Company and its subsidiaries recorded the net profit in an amount of 1,449.72 million baht while the same period last year recorded the net profit in the amount of 2,139.24 million baht, decreased of 689.52 million baht or 32.23% because of the following;

1. In the second quarter of 2023, the Company recorded sales income in an amount of 5,009.98 million baht while the same period last year the Company recorded sales income in the amount of 8,360.02 million baht, decreased of 3,350.04 million baht or decreased by 40.07%.
2. In the second quarter of 2023, the Company recorded gross profit margin of 29.03%, while the same period last year the Company recorded gross profit margin of 33.56%, decreased by 4.53% due to the decrease in sales. Meanwhile the indirect cost did not decrease in the same proportion as sales.

The effect from 1 and 2 made the decrease of 1,351.31 million baht in gross profit.

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

Type of product	2 nd quarter of 2023	2 nd quarter of 2022
Single Detached House	85.8%	77.3%
Town House	6.0%	10.2%
Condominium	8.2%	12.5%
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 2023	2 nd quarter of 2022
Rental and services income	1,877.98	920.25
Cost	1,193.49	715.16
Gross profit	684.49	205.09
Gross profit margin	36.45%	22.29%

The Gross profit of rental and services income increased in the amount of 479.40 million baht due to the easing of the Covid-19 pandemic situation in 2023 and the opening of a hotel and a shopping center at the end of 2022.

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

(Million baht)

Name of the Company	2 nd quarter of 2023	2 nd quarter of 2022
LH Financial Group Plc.	116.41	51.03
Quality Construction Products Plc.	32.75	10.79
Home Product Center Plc.	489.75	459.55
LH Property and Loan Fund II	11.32	1.28
Quality House Plc.	167.20	128.68
Total	817.43	651.33

The share of profit from investment in associates has increased by 166.1 million baht.

6. The comparison of the Company's Total revenue and expenses of the second quarter of 2023 and 2022 are as follows:

	2 nd quarter of 2023	%	2 nd quarter of 2022	%	Increase / Decrease	
	(MB)		(MB)		MB.	%
Total Revenue	7,569.04	100.00%	9,982.90	100.00%	(2,413.86)	-24.18%
Selling expenses	257.52	3.40%	287.71	2.88%	(30.19)	-10.49%
Administrative expenses	660.45	8.73%	620.53	6.22%	39.92	6.43%
Specific Business Tax	191.08	2.52%	312.60	3.13%	(121.52)	-38.87%
Finance Cost	391.82	5.18%	253.61	2.54%	138.21	54.50%
Income Tax	198.48	2.62%	398.65	3.99%	(200.17)	-50.21%
Total Expense	1,699.35	22.45%	1,873.10	18.76%	(173.75)	-9.28%

In the 2nd Quarter of 2023, the Company's Finance cost increase in an amount of 138.21 million baht due to the opening of a hotel and a shopping center at the end of 2022.

In the 2nd Quarter of 2023, the income tax decrease in the amount of 200.17 million baht.

For the period of six months ended 30 June 2022 the Company and its subsidiary recorded the net profit in the amount of 2,803.70 million baht while the same period last year recorded the net profit in the amount of 4,070.73 million baht, decrease of 1,267.03 million baht or decrease by 31.13% because of the followings;

1. In the first six months of 2023, the Company recorded sales income in the amount of 9,842.35 million baht while the same period last year the Company recorded sales income in the amount of 15,325.68 million baht, decrease of 5,483.33 million baht or decrease 35.78%.
2. In the first six months of 2023, the Company recorded gross profit margin of 28.86%, while the same period last year the Company recorded gross profit margin of 33.21%, decreased by 4.35%.

The effect from 1 and 2 makes a decrease of 2,249.03 million baht in gross profit.

3 Details of the revenue from sale are as follows:

Type of product	First Half of 2023	First Half of 2022
Single Detached House	87.3%	79.1%
Town House	5.6%	10.7%
Condominium	7.2%	10.2%
Total	100.0%	100.0%

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

(Million baht)

	First Half of 2023	First Half of 2022
Rental and services income	3,753.09	1,581.23
Cost	2,384.49	1,184.14
Gross profit	1,368.60	397.09
Gross profit margin	36.47%	25.11%

The Gross profit of rental and services income increased in the amount of 971.51 million baht due to the easing of the Covid-19 pandemic situation in 2023 and the opening of one hotel and one shopping center at the end of 2022.

5 Details of share of profit from investment in associates in the first six months of 2023 compared to the first six months of 2022 are as follows:

(Million baht)

Name of the Company	First Half of 2023	First Half of 2022
LH Financial Group Plc.	262.97	163.00
Quality Construction Products Plc.	65.92	20.48
Home Product Center Plc.	976.82	916.33
LH Property and Loan Fund II	45.72	(6.40)
Quality House Public Plc.	313.86	274.74
Total	1,665.29	1,368.15

Share of profit from investment in associates increased in the amount of 297.14 million baht.

6. The comparison of the Company's Total revenue and expenses of the first six months of 2023 and the first six months of 2022 are as follows:

	First Half 2022 (MB)	%	First Half 2021 (MB)	%	Increase / Decrease	
					(MB)	%
Total Revenue	14,360.02	100.00%	17,838.38	100.00%	(3,478.36)	-19.50%
Selling expenses	548.52	3.82%	453.18	2.54%	95.34	21.04%
Administrative expenses	1,430.40	9.96%	1,199.85	6.73%	230.55	19.21%
Specific Business Tax	374.52	2.61%	573.39	3.21%	(198.87)	-34.68%
Finance Cost	679.85	4.73%	499.14	2.80%	180.71	36.20%
Income Tax	345.65	2.41%	718.50	4.03%	(372.85)	-51.89%
Total Expense	3,378.94	23.53%	3,444.06	19.31%	(65.12)	-1.89%

In the first six months of 2023, the Company's Finance Cost increased, when compared to the same period last year, in the amount of 180.71 million baht due to the opening of one hotel and one shopping center at the end of 2022.

In the first six months of 2023, the income tax decreased, when compared to the same period last year, in the amount of 372.85 million.

Please be informed accordingly.

Yours sincerely,

(Wit Tantiworawong)

Mr. Wit Tantiworawong
Managing Director