

11 May 2018

Subject : Management Discussion and Analysis of the first quarter 2018 ended 31 March 2018
Attn. : Director and Manager
The Stock Exchange of Thailand
Encls. : A copy of Reviewed Financial Statements for the first quarter 2018 ended 31 March 2018

The Company, Land and Houses Public Company Limited, would like to submit the reviewed financial statements for period of the first quarter ended 31 March 2018, for your information and publication.

In the first quarter of 2018, the Company and its subsidiaries recorded the net profit in the amount of 2,465.68 million baht while the same period last year recorded the net profit in the amount of 1,773.55 million baht, increasing 692.13 million baht or 39.03% because of the following;

1. In 2018, the Company recorded sales income in an amount of 7,974.52 million baht while the same period last year the Company recorded sales income, in an amount of 6,369.35 million baht, increase of 1,605.17 million baht or increase by 25.20%.
2. In 2018, the Company recorded gross profit margin of 37.11%, while the same period last year the Company recorded gross profit margin of 35.00%, increase by 2.11%

The increase in sales and gross profit margin in 1 and 2 make an increase of 730.26 million baht in gross profit.

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

Type of product	1 st quarter of 2018	1 st quarter of 2017
Single Detached House	62%	65%
Town House	9%	8%
Condominium	29%	27%
Total	100%	100%

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

(million baht)

	1 st quarter of 2018	1 st quarter of 2017
Rental and services income	923.51	785.16
Cost	704.71	566.74
Gross profit	218.80	218.42
Gross profit margin	23.69%	27.82%

Gross profit of the Company's rental and service income in the first quarter of 2018 decreased by 4.13% from last year due to the Company rent hotel from the Real Estate Investment Trust while the same period last year the hotel was the Company's assets, therefore, the cost is increase.

5. In 2017, details of share of profit from investment in associates compared to 2016 are as follows:

(million baht)

Name of the Company	1 st quarter of 2018	1 st quarter of 2017
LH Financial Group Public Co.,Ltd.	168.71	199.35
Quality Construction Products Public Co.,Ltd.	3.17	(2.40)
Home Product Center Public Co.,Ltd.	377.44	316.30
LH Property and Loan Fund II	17.96	15.32
Quality House Public Co.,Ltd.	210.96	163.05
Total	778.24	691.62

Share of profit from investment in associates in 1st quarter of 2018 increase of 86.62 million baht when compared with the same period last year.

6. The comparison of the Company's administration expenses of the first quarter of 2018 and 2017 are as follows:

	1 st quarter of 2018	%	1 st quarter of 2017	%	Increase / Decrease	
					MB.	%
Sales income	7,974.51	100.00	6,369.35	100.00	1,605.16	25.20
Selling expenses	234.75	2.94	222.12	3.49	12.63	5.69
Administrative expenses	557.09	6.99	506.52	7.95	50.57	9.98
Specific Business Tax	307.19	3.85	242.81	3.81	64.38	26.51
Finance Cost	193.00	2.42	123.89	1.95	69.11	55.78
Exchange Losses (Derivatives)	124.13	1.56	131.69	2.07	(7.56)	(5.74)
Income Tax	275.40	3.45	328.32	5.15	(52.92)	(16.12)
Total	1,691.56	21.21	1,555.35	24.42	136.21	8.76

6.1 In the first quarter of 2018, the Company's finance cost increase in an amount of 69.11 million baht because of an increase of investment in leasehold right and investment property.

6.2 In the first quarter of 2018, an decrease of 52.92 million baht in income tax came from the record of the deferred tax asset, amount 147.23 million baht, from the loss carry forward of Land and Houses U.S.A. Inc. (the Company Subsidiary)

Please be informed accordingly.

Yours sincerely,

Mr. Wit Tantiworawong
Senior Executive Vice President