

13 May 2019

Subject : Management Discussion and Analysis of the first quarter 2019 ended 31 March 2019
Attn. : Director and Manager
The Stock Exchange of Thailand
Encls. : A copy of Reviewed Financial Statements for the first quarter 2019 ended 31 March 2019

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 2019, for your information and publication.

In the first quarter of 2019, the Company and its subsidiaries recorded the net profit in the amount of 1,825.80 million baht while the same period last year recorded the net profit in the amount of 2,465.68 million baht, decreased of 639.88 million baht or 25.95% because of the following;

1. In the first quarter of 2019, the Company recorded sales income in an amount of 5,698.25 million baht while the same period last year the Company recorded sales income in an amount of 7,974.52 million baht, decreased of 2,276.27 million baht or decreased by 28.54%.
2. In the first quarter of 2019, the Company recorded gross profit margin of 32.31%, while the same period last year the Company recorded gross profit margin of 37.11%, decreased by 4.80% as a result of the indirect cost, which is a fixed cost, was not decreased in the same direction of the sales. Gross profit margin of condominium was also decreased.

The decrease in sales and gross profit margin in 1 and 2 make a decrease of 1,118.12 million baht in gross profit.

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

Type of product	1 st quarter of 2019	1 st quarter of 2018
Single Detached House	80%	63%
Town House	13%	7%
Condominium	7%	30%
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 2019	1 st quarter of 2018
Rental and services income	1,250.49	923.51
Cost	870.47	704.71
Gross profit	380.02	218.80
Gross profit margin	30.39%	23.69%

4.1 Rental and service income in the first quarter of 2019 was 1250.49 million baht compared to 923.51 million baht at the same period last year, increased 326.98 million baht or increased by 35.41%

4.2 Gross profit margin of the Company's rental and service income in the first quarter of 2019 increased by 6.70%.

The effect of 4.1 and 4.2 came from an increase in rental and service income from Grand Center Point Hotel and Shopping Mall in Pattaya, which has been opened since November 2018.

5. In the first quarter of 2019, details of share of profit from investment in associates compared to 2018 are as follows:

(million baht)

Name of the Company	1 st quarter of 2019	1 st quarter of 2018
LH Financial Group Public PLC.	176.50	168.71
Quality Construction Products Public PLC.	12.75	3.17
Home Product Center Public PLC.	429.25	377.44
LH Property and Loan Fund II	18.00	17.96
Quality House Public PLC.	221.31	210.96
Total	857.81	778.24

Share of profit from investment in associates in 1st quarter of 2019 was increased of 79.57 million baht when compared to the same period last year.

6. The comparison of the Company's administration expenses of the first quarter of 2019 and 2018 are as follows:

	1 st quarter of 2019	%	1 st quarter of 2018	%	Increase / Decrease	
					MB.	%
Sales income	5,698.25	100.00%	7,974.51	100.00%	(2,276.26)	-28.54%
Selling expenses	167.03	2.93%	234.75	2.94%	(67.72)	-28.85%
Administrative expenses	585.93	10.28%	557.09	6.99%	28.84	5.18%
Specific Business Tax	218.42	3.83%	307.19	3.85%	(88.77)	-28.90%
Finance Cost	176.52	3.10%	193.08	2.42%	(16.56)	-8.54%
Exchange Losses (Derivatives)	2.71	0.05%	124.13	1.56%	(121.42)	-97.82%
Income Tax	276.78	4.86%	275.40	3.45%	1.38	0.50%
Total	1,427.39	25.05%	1,691.56	21.21%	(264.17)	-15.62%

6.1 In the first quarter of 2019, the Company's finance cost decreased in an amount of 16.56 million baht when compared to the same period last year.

6.2 In the first quarter of 2019, the Company's income tax was 276.78 million baht while the same period last year the Company's income tax was 275.40 million baht.

Please be informed accordingly.

Yours sincerely,

Mr. Wit Tantiworawong
Senior Executive Vice President