

14 May 2020

Subject : Management Discussion and Analysis of the first quarter 2020 ended 31 March 2020  
Attn. : Director and Manager  
The Stock Exchange of Thailand  
Encls. : A copy of Reviewed Financial Statements for the first quarter 2020 ended 31 March 2020

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 2020, for your information and publication.

In the first quarter of 2020, the Company and its subsidiaries recorded the net profit in the amount of 1,343.99 million baht while the same period last year recorded the net profit in the amount of 1,825.80 million baht, decreased of 481.81 million baht or 26.39% because of the following;

1. In the first quarter of 2020, the Company recorded sales income in an amount of 5,048.29 million baht while the same period last year the Company recorded sales income in an amount of 5,698.25 million baht, decreased of 649.96 million baht or decreased by 11.41%.
2. In the first quarter of 2020, the Company recorded gross profit margin of 29.51%, while the same period last year the Company recorded gross profit margin of 32.31%, decreased by 2.80% as a result of the higher cost while the price is not increased from the Covid-19 outbreak.

The decrease in sales and gross profit margin in 1 and 2 make a decrease of 351.81 million baht in gross profit.

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

Type of product	1 <sup>st</sup> quarter of 2020	1 <sup>st</sup> quarter of 2019
Single Detached House	75%	80%
Town House	16%	13%
Condominium	9%	7%
Total	100%	100%

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

(Million baht)

	1 <sup>st</sup> quarter of 2020	1 <sup>st</sup> quarter of 2019
Rental and services income	986.88	1,250.49
Cost	703.13	870.47
Gross profit	265.75	380.02
Gross profit margin	26.93%	30.39%

4.1 Rental and service income in the first quarter of 2020 was 986.88 million baht compared to 1,250.49 million baht at the same period last year, decreased 263.61 million baht or decreased by 21.08% affected from the Covid-19 outbreak make a decrease in the number of tourist.

4.2 Gross profit margin of the Company's rental and service income in the first quarter of 2020 decreased by 3.46%.

5. In the first quarter of 2020, details of share of profit from investment in associates compared to 2019 are as follows:

(million baht)

Name of the Company	1 <sup>st</sup> quarter of 2019	1 <sup>st</sup> quarter of 2018
LH Financial Group Public PLC.	210.57	176.50
Quality Construction Products Public PLC.	13.15	12.75
Home Product Center Public PLC.	382.90	429.25
LH Property and Loan Fund II	1.99	18.00
Quality House Public PLC.	127.64	221.31
Total	736.25	857.81

Share of profit from investment in associates in 1<sup>st</sup> quarter of 2020 was decreased of 121.56 million baht when compared to the same period last year from the Covid-19 outbreak effect.

6. The comparison of the Company's administration expenses of the first quarter of 2020 and 2019 are as follows:

	1 <sup>st</sup> quarter of 2020	%	1 <sup>st</sup> quarter of 2019	%	Increase / Decrease	
					MB.	%
Sales income	5,048.29	100.00%	5,698.25	100.00%	(649.96)	-11.41%
Selling expenses	170.37	3.37%	167.03	2.93%	3.34	2.00%
Administrative expenses	575.22	11.39%	585.93	10.28%	(10.71)	-1.83%
Specific Business Tax	191.18	3.79%	218.42	3.83%	(27.24)	-12.47%
Finance Cost	199.80	3.96%	176.52	3.10%	23.28	13.19%
Exchange Losses (Derivatives)	188.84	3.74%	2.71	0.05%	186.13	6,868%
Income Tax	91.28	1.81%	276.78	4.86%	(185.50)	6,868%
Total	1,416.69	28.06%	1,427.39	25.05%	(10.7)	-0.01%

6.1 In the first quarter of 2020, the Company's finance cost increased in an amount of 23.28 million baht when compared to the same period last year.

6.2 In the first quarter of 2020, the Company's Exchange Losses (Derivatives) is 188.84 million baht due to the weak of Baht value and the method of recording the derivatives in fair value.

6.3 In the first quarter of 2020, the Company's income tax was 91.28 million baht while the same period last year the Company's income tax was 185.50 million baht, increased 185.50 million baht.

Please be informed accordingly.

Yours sincerely,

Mr. Wit Tantiworawong  
Senior Executive Vice President