

27 February 2019

Subject : Management Discussion and Analysis of the year ended 31 December 2018
Attn. : Director and Manager
The Stock Exchange of Thailand
Encls. : A copy of Audited Financial Statements for the year ended 31 December 2018

The Company, Land and Houses Public Company Limited, would like to submit the audited financial statements for period of the year ended 31 December 2018, for your information and publication.

In the year 2018, the Company and its subsidiaries recorded net profit of 10,475 million baht while the same period last year the Company and its subsidiaries recorded net profit of 10,463 million baht, increase of 12 million baht or increase by 0.11%

1. In the year 2018, the Company recorded sales income in an amount of 30,514 million baht while the same period last year the Company recorded sales income, in an amount of 31,724 million baht, decrease of 1,210 million baht or decrease by 3.81%.
2. In the year 2018, the Company recorded gross profit margin of 36.42%, while the same period last year the Company recorded gross profit margin of 35.43%, increase by 0.99%

The decrease in sales and increase in gross profit margin in 1 and 2 make an increase of 127 million baht in gross profit.

3. In the year 2018, the Company recorded profit 1,335 million baht from divestment of a property in USA at selling price of 4,437 million baht.
4. In the year 2017, the Company recorded the profit from sale of Leasehold Right in the hotel in an amount of 2,080 million baht to the REIT.
5. Details of the revenue from sale are as follows:

Type of product	2018	2017
Single Detached House	68.8%	59.5%
Town House	10.2%	7.0%
Condominium	21.0%	33.5%
Total	100%	100%

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

(million baht)

	2018	2017
Rental and services income	3,733	3,197
Cost	2,836	2,441
Gross profit	897	756
Gross profit margin	24.0	23.7%

7. In the year 2018, details of share of profit from investment in associates compared to the year 2017 are as follows:

(million baht)

Name of the Company	2018	2017
LH Financial Group Public Pcl.	680	737
Quality Construction Products Public Pcl.	12	1
Home Product Center Public Pcl.	1,697	1,477
LH Property and Loan Fund II	66	57
Quality House Public Pcl.	949	865
Total	3,404	3,137

8. The comparison of the Company's administration expenses of the year 2018 and the year 2017 are as follows:

	2018	%	2017	%	Increase / Decrease	
					MB.	%
Sales income	30,514	100.00	31,724	100.0	(1,211)	(3.8)
Selling expenses	1,096	3.6	987	3.1	109	11.0
Administrative expenses	2,408	7.9	2,802	8.8	(394)	(14.1)
Specific Business Tax	1,167	3.8	1,221	3.8	(54)	(4.4)
Finance Cost	731	2.4	641	2.0	90	14.0
Income Tax	1,708	5.6	1,890	6.1	(182)	(9.6)
Total	7,110	23.3	7,845	23.7	(431)	(5.4)

In the year 2018, the Company's finance cost is increase in an amount of 89 million baht from an increase investment in leasehold rights of subsidiaries.

Please be informed accordingly.

Yours sincerely,

Mr. Wit Tantiworawong
Senior Executive Vice President