

10 November 2016

Subject : Management Discussion and Analysis of third quarter ended 30 September 2016
Attn. : Director and Manager
The Stock Exchange of Thailand
Encls. : A copy of Reviewed Financial Statements for the third quarter ended 30
September 2016

The Company, Land and Houses Public Company Limited, would like to submit the reviewed financial statements for period of the third quarter ended 30 September 2016, for your information and publication.

According to the Company's third quarter income statements ended 30 September 2016, the Company and its subsidiaries recorded net profit of 1,993.50 million baht while the same period last year the Company and its subsidiaries recorded net profit of 1,481.66 million baht, increasing of 511.84 million baht or 34.55% because of the following;

1. In the third quarter of 2016, the Company recorded sales income in an amount of 6,268.27 million baht while the same period last year the Company recorded sales income, in an amount of 5,331.75 million baht, increasing of 936.52 million baht or 17.56%.
2. In the third quarter of 2016, the Company recorded gross profit margin of 36.10%, while the same period last year the Company recorded gross profit margin of 34.20%, increasing of 1.90%
The increase in sales and gross profit margin makes an increase of 439.68 million baht in gross profit.
3. In the third quarter of 2016, the Company recorded profit before tax from the sale of undeveloped project in an amount of 77.93 million baht.
4. Details of the Company's rental and services income compared to last year are as follows:

(million baht)

	Quarter 3 rd /2016	Quarter 3 rd /2015
Rental and services income	664.96	517.48
Cost	445.25	341.79
Gross profit	219.71	175.69
Gross profit margin	33.04%	33.95%

5. In the third quarter of 2016, details of share of profit from investment in associates compared to the third quarter of 2015 are as follows:

Name of the Company	Quarter 3 rd /2016	Quarter 3 rd /2015
LH Financial Group Public Co.,Ltd.	237.35	150.49
Quality Construction Products Public Co.,Ltd.	(6.86)	1.47
Home Product Center Public Co.,Ltd.	286.77	242.70
LH Property and Loan Fund II	16.74	13.44
Quality House Public Co.,Ltd.	191.85	142.34
Total	725.85	550.44

6. The comparison of the Company's administration expenses of the third quarter 2016 and the third quarter of 2015 are as follows:

	Q3/2016	%	Q3/2015	%	Increase / Decrease	
					MB.	%
Sales income	6,268.27	100.0	5,331.75	100.0	936.52	17.6
Selling expenses	241.29	3.8	220.44	4.1	20.86	-0.3
Administrative expenses	484.95	7.7	426.27	8.0	58.68	-0.3
Specific Business Tax	240.47	3.8	200.78	3.8	39.69	0.1
Finance Cost	77.58	1.2	67.12	1.3	10.46	-0.1
Income Tax	343.00	5.5	261.54	4.9	81.46	0.6
Total	1,387.29	22.1	1,176.14	22.1	211.15	0.0

For the period of 9 months in 2016, the Company recorded the net profit in an amount of 6,619.94 million baht while the same period last year recorded the net profit in an amount of 4,531.39 million baht, increasing 2,088.55 million baht or 46.09% because of the followings;

1. In the first 9 months of 2016, the Company recorded sales income in an amount of 20,495.28 million baht while the same period last year the Company recorded sales income, in an amount of 15,940.71 million baht, increasing 4,554.57 million baht or increasing of 28.57%.

- In the first 9 months of 2016, the Company recorded gross profit margin of 35.22%, while the same period last year the Company recorded gross profit margin of 33.53%, increasing of 1.69%

The increase in sales and gross profit margin makes an increase of 1,872.60 million baht in gross profit.

- In the first 9 months of 2016, the Company's subsidiary that the company holds 55% of shares holding recorded an amount of 1,240 million baht of profit from the sale of land. On a prorated basis of shareholding, the Company recorded profit from the sale of land in an amount of 682 million baht. The Company also recorded profit from the sale of undeveloped project in an amount of 77.93 million baht.

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

(million baht)

	9 months of 2016	9 months of 2015
Rental and services income	1,871.08	1,489.28
Cost	1,361.17	925.85
Gross profit	509.91	563.43
Gross profit margin	27.25%	37.83%

In the first 9 months of 2016, gross profit margin decreasing of 10.58% when compared to the same period last year because in this year the company's subsidiary (which the Company holds 60% of shareholding) has leased the Grand Center Point Terminal 21 Hotel from the LHHOTEL REIT while last year such hotel was the asset of the Company's subsidiary.

- In the first 9 months of 2016, details of share of profit from investment in associates compared to the first 9 months of 2015 are as follows:

Name of the Company	9 months of 2016	9 months of 2015
LH Financial Group Public Co.,Ltd.	704.13	404.79
Quality Construction Products Public Co.,Ltd.	(15.03)	3.38
Home Product Center Public Co.,Ltd.	848.13	712.50
LH Property and Loan Fund II	39.99	28.46
Quality House Public Co.,Ltd.	601.22	452.46
Total	2,178.44	1,601.59

6. The comparison of the Company's administration expenses of the first 9 months of 2016 and the first 9 months of 2015 are as follows:

	9 months of 2016	%	9 months of 2015	%	Increase / Decrease	
					MB.	%
Sales income	20,495.28	100.0	15,940.71	100.0	4,554.57	28.6
Selling expenses	681.48	3.3	626.02	3.9	55.46	-0.6
Administrative expenses	1,511.02	7.4	1,300.46	8.2	210.56	-0.8
Specific Business Tax	727.87	3.6	602.66	3.8	125.21	-0.2
Finance Cost	254.53	1.2	209.64	1.3	44.89	-0.1
Income Tax	1,269.09	6.2	770.33	4.8	498.76	1.4
Total	4,443.99	21.7	3,509.11	22.0	934.88	-0.3

Please be informed accordingly.

Yours sincerely,

Mr. Adisorn Thananan-narapool
Managing Director