

28 February 2017

Subject : Management Discussion and Analysis of year ended 31 December 2016
Attn. : Director and Manager
The Stock Exchange of Thailand
Encls. : A copy of Audited Financial Statements for the year ended 31 December 2016

The Company, Land and Houses Public Company Limited, would like to submit the reviewed financial statements for period of the year ended 31 December 2016, for your information and publication.

For the period of the year in 2016, the Company recorded the net profit in an amount of 8,617.97 million baht while the same period last year recorded the net profit in an amount of 7,920.23 million baht, increasing 697.74 million baht or 8.81% because of the followings;

1. In the year of 2016, the Company recorded sales income in an amount of 27,372.38 million baht while the same period last year the Company recorded sales income, in an amount of 24,223.14 million baht, increasing 3,149.24 million baht or increasing of 13.00%.
2. In the year of 2016, the Company recorded gross profit margin of 34.89%, while the same period last year the Company recorded gross profit margin of 33.93%, increasing of 0.92%

The increase in sales and gross profit margin makes an increase of 1,330.49 million baht in gross profit.

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

(million baht)

	2016	2015
Rental and services income	2,536.13	2,036.49
Cost	1,812.04	1,309.05
Gross profit	724.09	727.44
Gross profit margin	28.55%	35.72%

In the year of 2016, gross profit margin decreasing of 7.17% 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' subsidiary.

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

Name of the Company	2016	2015
LH Financial Group Public Co.,Ltd.	916.32	561.29
Quality Construction Products Public Co.,Ltd.	(22.80)	1.52
Home Product Center Public Co.,Ltd.	1,247.17	1,057.83
LH Property and Loan Fund II	52.36	38.01
Quality House Public Co.,Ltd.	770.48	777.94
Total	2,963.53	2,436.59

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

	2016	%	2015	%	Increase / Decrease	
					MB.	%
Sales income	29,908.51	100.0	26,259.63	100.0	3,648.88	13.9
Selling expenses	920.13	3.1	887.71	3.4	32.42	-0.3
Administrative expenses	2,058.93	6.9	1,807.51	6.9	251.42	0.0
Specific Business Tax	991.49	3.3	878.51	3.3	112.98	0.0
Finance Cost	373.16	1.2	304.70	1.2	68.46	0.1
Income Tax	1,571.69	5.3	1,601.39	6.1	-29.70	-0.8
Total	5,915.40	19.8	5,479.82	20.9	435.58	-1.1

Please be informed accordingly.

Yours sincerely,

Mr. Wit Tantiworawong
Executive Vice President