

Land and Houses Public Company Limited and
its subsidiaries
Report and financial statements
31 December 2009 and 2008

Report of Independent Auditor

To the Shareholders of Land and Houses Public Company Limited

I have audited the accompanying consolidated balance sheets of Land and Houses Public Company Limited and its subsidiaries as at 31 December 2009 and 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Land and Houses Public Company Limited for the same years. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements of two associates (2008: two associates). The consolidated financial statements for the year ended 31 December 2009 include investments in these associates, under the equity method, amounting to Baht 1,326 million (2008: Baht 1,222 million), and share of income from these associates for the year then ended amounting to Baht 199 million (2008: Baht 166 million). The values of these investments and share of income of the associates are determined based on financial statements which were audited by other auditors, whose reports have already been furnished to me. My opinion on the financial statements, insofar as it relates to the amounts included for those associates, is based solely on the reports of these other auditors.

Except as discussed in the next paragraph, I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

I have yet to receive the financial statements of an overseas associate for the year ended 31 December 2009 and 2008. Accordingly, the investment in the associate accounted for under the equity method in the consolidated financial statements as at 31 December 2009, amounting to Baht 977 million (2008: Baht 1,005 million), and the share of loss from investment accounted for under the equity method in the consolidated financial statements for the year then ended, amounting to Baht 0.2 million (2008: share of income Baht 51 million), were determined based on unaudited financial statements for nine-month period ended 30 September 2009 and 2008, respectively which were prepared by the management of this company, which were not reviewed by its auditor. In addition, the Company was unable to quantify the possible effect to the financial statements of applying different accounting policies, as discussed in Note 11 to the financial statements.

In my opinion, based on my audits and the report of other auditors, except for the effect to the 2009 and 2008 financial statements of the adjustments that might have been required had I been able to audit the value of the investment in an overseas associate discussed in the third paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Land and Houses Public Company Limited and its subsidiaries and of Land and Houses Public Company Limited as at 31 December 2009 and 2008, the results of their operations and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Rungnapa Lertsuwankul
Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited
Bangkok: 25 February 2010