

28 February 2012

Re: Resolution of the Board of Directors' Meeting No. 1/2554
Attn: President
The Stock Exchange of Thailand

The Meeting of the Board of Directors No. 1/2554 of Land and Houses Public Company Limited (the “**Company**”) held on 28 February 2012, resolved as follows:

1. That the establishment of Land and Houses Freehold and Leasehold Property Fund (the “**Fund**”) by Land & Houses Fund Management Company Limited (the “**Management Company**”) be approved. The Management Company, acting as the fund manager, will offer for sale of the investment units in the total amount not exceeding Baht 3,300 million. At present, the Management Company has already submitted the application for an establishment of the Fund and details of the Fund for consideration of the Office of the Securities and Exchange Commission on 26 January 2012. At this stage, it is anticipated that the Fund will be established before the end of the first quarter of 2012.
2. That the sale by L&H Sathon Co., Ltd., a subsidiary of the Company, of the real properties of L&H Villa Sathon Project to the Fund be approved. The sale includes (a) a transfer of the ownership over the buildings, infrastructure, fixtures, fittings, furniture and equipments relating to such real properties; (b) an assignment of the sub-leasehold rights over the land which has the sub-lease term of approximately 13 years from 1 January 2012 to 10 January 2025; and (c) an assignment of the sub-leasehold rights which is subject to the time of commencement for additional sub-lease term of approximately 14 years from 11 January 2025 to 27 July 2038, totalling the sub-lease term of approximately 27 years. L&H Sathon Co., Ltd. will receive the consideration for the sale of the above real properties in an amount of approximately Baht 628 million, whilst the book value of the real properties so transferred as of 31 December 2011 is Baht 628 million.

In this regard, as the Fund falls under the definition of a “connected person” of the Company pursuant to the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551 Re: Rules on Connected Transactions and the Notification of the SET Re: Disclosure of Information and Act of Listed Company Concerning the Connected Transactions dated 19 November 2003, as amended (the “**Connected Transaction Regulations**”), the sale of the real properties by L&H Sathon Co., Ltd.

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to the Fund therefore constitutes a connected transaction. Taken into account the value of this transaction in light of the Connected Transaction Regulations, the Company is obliged to prepare and disclose the information memorandum on the transaction to the Stock Exchange of Thailand (the “**SET**”) and obtain an approval from the Board of Directors of the Company. The details of the transaction are set out in the information memorandum (the “**Information Memorandum**”) which has been disclosed to the SET on the date hereof. However, taken into account the value of this transaction in light of the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the SET Notification Re: Disclosure of Information and Procedures Concerning an Acquisition or Disposition of Assets of the Listed Company 2004, as amended (the “**Major Transaction Regulations**”), the transaction does not constitute a major transaction.

Moreover, the Land and Houses Property and Loan Fund-II (which is a property fund in which the Company holds 49 per cent of the total amount of its investment units) is also desirous to dispose of the land, buildings, infrastructure, fixtures, fittings, furniture and equipments used in relation to Centre Point Sukhumvit-Thong Lo Serviced Apartment Project and Centre Point Residence Phromphong Project to the Fund for total consideration of Baht 2,661 million.

3. That the purchase by the Company of the investment units of the Fund in an amount not exceeding 49.5 million units at Baht 10 par value, totalling maximum investment of Baht 495 million equal to 15% of shareholding in the Fund be approved, Taken into account the value of this transaction in light of the Major Transaction Regulations, the transaction does not constitute a major transaction.
4. That the Company provide a guarantee in respect of the minimum rental income of the Fund during the period from the date on which the Fund acquires the properties to 31 December 2015 (the “**Guarantee Period**”). If the Fund’s actual net profit as at the end of any fiscal year (1 January to 31 December) during the Guarantee Period is lower than the guaranteed minimum net profit of the Fund, the Company and Reco Plaza Pte Ltd. (“**Reco Plaza**”) shall pay to the Fund (in a pre-agreed proportion) an amount equivalent to the difference between (a) the guaranteed minimum net profit which is Baht 179.88 million for the period from the date on which the Fund acquires the properties to 31 December 2012 and Baht 243.16 million annually for the period from the year 2013 to 2015; and (b) the Fund’s actual net profit, provided that the aggregate amount payable by the Company and Reco Plaza to the Fund in any fiscal year shall be limited to an amount not exceeding 50 percent of the Fund’s actual net profit before including the contribution from the Company and Reco Plaza in such relevant year.

Based on the foregoing, the maximum contribution expected to be payable by the Company to the Fund is Baht 31.18 million for the period from the date on which the

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Fund acquires the properties to 31 December 2012 and a total of Baht 126.44 million for the year 2013 to 2015.

In this regard, Reco Plaza agrees to participate in such minimum rental income guarantee to the Fund together with the Company. The maximum contribution expected to be payable by Reco Plaza to the Fund is Baht 30.30 million for the period from the date on which the Fund acquires the properties to 31 December 2012 and a total of Baht 116.73 million for the year 2013 to 2015.

In this regard, as the Fund falls under the definition of a “connected person” of the Company pursuant to the Connected Transaction Regulations, the minimum rental income guarantee to be provided by the Company to the Fund therefore constitutes a connected transaction. Taken into account the value of this transaction in light of the Connected Transaction Regulations, the Company is obliged to prepare and disclose the information memorandum on the transaction to the SET and obtain an approval from the Board of Directors of the Company. The details of the transaction are set out in the Information Memorandum which has been disclosed to the SET on the date hereof. However, this transaction does not constitute a major transaction pursuant to the Major Transaction Regulations.

5. That the authorisation to the authorised directors and/or managing director of the Company to negotiate, sign, agree and enter into any documents and/or agreements relating to the Fund be approved.

Please be informed accordingly.

Yours sincerely

(Mr. Adisorn Thananan-narapool)

Director