



LaGuna

RESORTS & HOTELS

2015 ANNUAL REPORT



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Message from the Management

Other than the bomb which went off in the heart of Bangkok in August, 2015 was a relatively peaceful year for Thailand which was conducive for the hospitality business. Although the bombing initially drove tourist away, it was short-lived and the capital city quickly recovered and by Q4 tourism was back to normal.

On the other hand, the ongoing Russian economic crisis continue to take a toll on Thailand's tourism sector especially in Phuket which is the top tourist destination in Thailand for the Russian market. This impacted not only our hotels but also our property sales which have attracted a number of Russian buyers in the years leading up to the Russian economic crisis. Russians who visit Thailand are now more budget conscious, generally opt for less expensive accommodation and look for good bargains at the last minute. This is benefiting the hotels in the 3 to 4 star categories but at the expense of the 5-star luxury hotels in Laguna Phuket.

Fortunately the slowdown in the Chinese economy has not stopped the Chinese from going on holidays and our hotels have benefitted from this. However, the holiday behavior of the Chinese tourists is such that they do not spend as much in the hotels as they tend to prefer site seeing around the island.

Banyan Tree Bangkok suffered a drastic drop in new business as well as cancellations from earlier bookings following the bombing. This prompted the hotel to step up its sales and marketing efforts which eventually paid off by finishing the year with one of its best ever results. The hotel's rooms and food and beverage business increased 26 percent and 18 percent respectively over the prior year and gross operating profit of the hotel was 43 percent higher.

As mentioned earlier, Russia's economic crisis continue to be an impediment on the performance Banyan Tree Phuket and Angsana Laguna Phuket. The number of Russian travelers to Thailand in 2015 dipped by almost 45 percent as compared to the year before which inevitably impacted the business of our two hotels. Fortunately, both hotels were able to partially offset the fall in Russian business with Chinese guests albeit at a lower average room rate. All-in-all, the combined revenue and gross operating profit of Banyan Tree Phuket and Angsana Laguna Phuket in 2015 fell short of previous year by 8 percent and 29 percent respectively due to a combination of lower occupancy and average room rate.

On the property sales front, the good news is that in 2015 we recognized THB 2,156 million in revenue as compared to THB 626 million in the previous year. This represents a recognition of 243 units vs 30 units in 2014. However, approximately 85 percent of the revenue recognized in 2015 relates to the sale made in the prior years. Actual new property sales in 2015 amounted to THB 896 million or 54 units as compared to THB 1,451 million or 113 units in 2014 signaling a slowdown in business due to our key source markets having been affected by situations in their own countries, notably Russia and lower levels of investor confidence constraining discretionary spend due to sluggish global growth.

Corporate social responsibility (CSR) is a major undertaking in the company and we have a number of initiatives and programs to give back to the local community. We are proud to share with our shareholders that in 2015 LRH was awarded the AMCHAM CSR 2015 Excellence Recognition (ACE) by the American Chamber of Commerce (AMCHAM) in Thailand in acknowledgement of the outstanding education empowerment efforts. Key CSR initiatives include Laguna Phuket Kindergarten, Laguna Phuket Community Learning Centre, "Fully Booked!" Mobile Learning Centre, and Seedlings Phuket social enterprises restaurant. These programs have created opportunities in Phuket and the southern provinces of Thailand, with the aim to empower people of all ages to imagine and realize their full potential by connecting them with greater opportunities for education, personal development and employment.

As we move into 2016, management is anticipating a slowing down of the global financial situation and is taking steps to maintain the financial strength of the company in case of a sharp decline in business levels.



Mr. Ho KwonPing
Chief Executive Officer

Financial Highlights

(Unit : Million Baht)

Information from Consolidated Financial Statements	2015	2014	2013
Total Assets	20,091	18,714	18,047
Total Liabilities	8,416	7,306	6,646
Total Shareholders' Equity	11,675	11,408	11,402
Revenue from Hotel Operations	3,109	3,085	3,428
Revenue from Property Development Operations	2,348	804	744
Total Revenue	5,658	4,050	4,352
Operating Profit	527	228	404
Share of Gain (loss) from Investment in Associate	(45)	(36)	(22)
Finance Cost	(166)	(162)	(180)
Income Tax Expenses	(139)	(9)	(85)
Non-Controlling Interests of the Subsidiaries	(1)	(3)	(5)
Profit for the Year	175	18	112

Financial Ratios

Information from Consolidated Financial Statements	2015	2014	2013
Quick Ratio (Times)	0.51	0.26	0.44
Receivables Turnover (Times)	11.20	8.98	9.62
Accounts Payable Turnover (Times)	5.09	7.70	7.99
Return on Total Revenue (%)	3.10	0.45	2.57
Return on Total Equity (%)	1.52	0.16	0.94
Return on Total Assets (%)	0.90	0.10	0.60
Earnings Per Share (Baht)	1.05	0.11	0.67
Dividend Per Share (Baht)	0.36*	0.125	0.34
Net Asset Value Per Share (Baht)	70.04	68.44	68.41
Weighted Average Number of Ordinary Shares	166,682,701	166,682,701	166,682,701

* At the time of printing this report, the Board of Directors proposed a final dividend of Baht 0.36 per share but this is subject to the approval of the Annual General Meeting.

Company History

Laguna Resorts & Hotels Public Company Limited (The Company) was founded in 1983. It shortly thereafter acquired a large parcel of land on the site of an abandoned tin mine at Bangtao Bay, Phuket, Thailand which was later developed to become the Laguna Phuket integrated resort complex.

Major businesses of the Company and its subsidiaries (The Group) are hotel business and property development. The subsidiaries also engage in operating a golf club, sales of merchandise, office and resort rental and sales of holiday club memberships

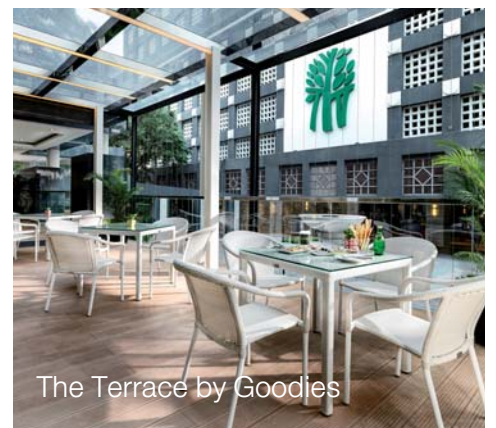
Milestones

- 1987 Dusit Thani Laguna Phuket (formerly known as Dusit Laguna Resort) opened.
- 1991 Laguna Beach Resort opened.
- 1992 Sheraton Grande Laguna Phuket and the Laguna Phuket Golf Club opened.
- 1993 The Company listed on Stock Exchange of Thailand.
Property Sales operations commenced with the Allamanda condominium units.
- 1995 The resort's flagship hotel, Banyan Tree Phuket's Grand Opening.
- 1998 Laguna Holiday Club commenced operations.
- 2002 The Company acquired a large parcel of land adjacent to Laguna Phuket for future development opportunities.
- 2005 The Company acquired Thai Wah Plaza Limited which owns Banyan Tree Bangkok and commercial offices.
- 2006 Banyan Tree Lijiang, People's Republic of China and Laguna Holiday Club Phuket Resort opened. The latter is operated under the Holiday Club Business.
- 2008 The Group entered into an agreement to acquire additional land adjacent to Laguna Phuket for future development.
- 2009 The Group invested in the Banyan Tree Indochina Hospitality Fund which has developed an integrated resort in Hue, Vietnam.
Outrigger Laguna Phuket Resort & Villas commenced operations in December.
- 2010 Divestment of Dusit Thani Laguna Phuket Hotel in October.
- 2011 Divestment of Laguna Beach Resort in May.
Closure of the former Sheraton Grande Laguna Phuket in mid 2011 for a major renovation and rebranding and reopening of Angsana Laguna Phuket in December.
- 2013 Upgrade of Laguna Phuket Golf Club from mid 2013 to end 2014 which included the golf course, club house and the introduction of golf carts.
- 2015 Reopening of Laguna Phuket Golf Club in January.
Grand opening of Cassia Phuket in October.



Concierge Desk

Banyan Tree Bangkok



The Terrace by Goodies



Serenity Club

Mission

The Company has a clearly defined corporate mission designed to further its business aims and generate maximum returns for its shareholders. Principal in the Company's mission statement is to include a culture of cooperation between the hotels and business units to ensure a positive experience for each and every hotel guest, holiday club member and property owner in Laguna Phuket, its most significant investment. In order to avoid an over reliance on its operations in Laguna Phuket, the Company continues to diversify its investment portfolio away from Phuket by investing in projects in other parts of Thailand and within the Southeast Asia region and the People's Republic of China. Paramount in its mission of generating continued growth through expansion, innovation and maximisation of market share, the Company seeks to conduct its operations in an environmentally sensitive manner.

Vision

To be a leading international hotel and property developer with full commitment to environmental protection, social responsibility and maximum satisfaction to all stakeholders.



Business Relationship with Major Shareholder

Banyan Tree Holdings Limited (BTH), a listed company in the Singapore Exchange, is a leading international hospitality brand that manages and develops premium resorts, hotels and spas. It is a major shareholder which directly and indirectly holds 65.8 percent in aggregate of the total issued and paid-up shares of the Company. BTH is also a major shareholder holding (both directly and indirectly) more than 10 percent of the shares in several subsidiaries and one associate of the Company.

The subsidiaries and associate whose shares are held by BTH engage in hotel and property development as well as souvenir retail in the hotels managed by BTH. With BTH's expertise and experience of international hotel development and management of award-winning hotels under the trademarks of "Banyan Tree", "Angsana", "Cassia" and "Dhawa" the joint investment with BTH will result in the said subsidiaries and associate benefitting from the use of trademarks, reputation and managerial assistance of BTH.



Type of Business

The key businesses of the Group are hotel operations, property development operations and office rental. The Group's major business investment largely revolves around the operation and management of the integrated resort of Laguna Phuket, located on the island of Phuket in Thailand, as well as its investments in the Banyan Tree Bangkok and the Banyan Tree Lijiang, People's Republic of China.

Hotel Operations

Hotels

The Group has ownership in 2 hotels in Phuket and 1 hotel in Bangkok all of which are top-tier and luxury properties. The Group also has ownership in Laguna Holiday Club Phuket Resort in Phuket but for accounting purpose the hotel is classified under the Holiday Club Business. Each of the hotels offer deluxe and superior suites, exclusive villas and residences which also include bars and restaurants, swimming pools, fitness centres, meeting rooms and facilities, business centres, etc.

The Group owns majority of the room inventories in those hotels but some are owned by property investors who receive a return on their investment by joining a hotel management scheme and renting their properties to guests and some units are sold as holiday club membership.

Hotel	Location	Opening year	Number of rooms owned by LRH Group (in operation)*	Company (% held by LRH Group)	Operator
Angsana Laguna Phuket	Bangtao, Phuket	2011	328 (402)	BGL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Banyan Tree Phuket	Bangtao, Phuket	1995	112 (175)	LBTL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Cassia Phuket	Bangtao, Phuket	2015	75 (229)	PKRD (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Outrigger Laguna Phuket Resort & Villas	Bangtao, Phuket	2009	14 (49)	LVL (100%)	Outrigger Hotels (Thailand) Limited

Hotel	Location	Opening year	Number of rooms owned by LRH Group (in operation)*	Company (% held by LRH Group)	Operator
Laguna Holiday Club Phuket Resort**	Bangtao, Phuket	2006	79 (79)	LHC (100%)	Banyan Tree Hotels & Resorts (Thailand) Limited
Banyan Tree Bangkok	Sathorn, Bangkok	2002 (purchased in 2005)	304 (325)	TWPL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited

* The number of rooms shown in parenthesis includes those owned by the Group and those which have been sold as property sale units or holiday club membership.

** Classified under the Holiday Club Business for accounting purpose.

Hotel – Related Operations

Laguna Phuket is operated under an integrated resort concept, along with many hotel-related facilities which are also provided to support the concept. All of these facilities are owned and operated by the Group

Hotel – related operation	Opening year	Company (% held by LRH Group)	Type of business/ facilities
Laguna Service	1991	LSC (72.9%)	Provides essential services such as laundry, water supply, inter-resort transport, landscaping, common area maintenance, marquee facilities, a gas station, staff transportation, centralised destination marketing and other centralised services for the Laguna Phuket hotels and ancillary operations.
Laguna Phuket Golf Club	1992	LGL (100%)	A resort style 18-hole golf course.
Quest	1994	LEL (49%)	A corporate training facility providing management groups with programs tailored to suit individual company goals. Quest also operates recreational programs for resort guests and children.
Laguna Tours	2007	LEL (49%)	Started operations by selling selected third party tours to Laguna Phuket guests. From mid 2008, Laguna Tours established its own operated tours offering speed boat tours and city tours as well as offering luxury boat charters.
Laguna Canal Village	1994	LRH (100%)	A boutique shopping centre centrally located on 10 Rai of land within Laguna Phuket.
Banyan Tree Gallery and Angsana Gallery	1996	BTG(T) (51%), BTG(S) (51%), LBTG (51%)	A chain of retail outlets specialising in indigenous handicrafts and spa products. There are many outlets worldwide operated and managed under these companies, 6 of which are located within Laguna Phuket.
Angsana Wedding Chapel	2005	BGL (100%)	Thailand's first resort wedding chapel offering comprehensive wedding packages and well positioned to capture the lucrative wedding market.

Cassia Phuket Lobby



Cassia
Phuket



Market 23



2-Bedroom Apartment

Property Development Operations

Property Sales

Property Sales offers a range of residential and vacation properties such as apartments, semi-detached and detached villas including hotel residences such as the high-end Dusit Thani Pool Villas and Banyan Tree Residences that are situated within a resort or hotel property. Investors in Laguna properties have the option to receive a return on their investment by joining a hotel management scheme and renting their properties to guests. The current developments available for sale are the following.

Project	Location	Type	Price (Million Baht)
Laguna Village	Phuket	Residence Apartments	37 – 38 11 – 25
Laguna Park	Phuket	Detached Homes Townhome	15 – 16 9 – 11
Cassia Phuket	Phuket	Apartment	5 – 10
Banyan Tree Phuket	Phuket	Grande Residences Double Pool Villa	101 – 114 60 – 65
Dusit Thani Pool Villas	Phuket	Two-Bedroom Pool Villa	22
Banyan Tree Bangkok	Bangkok	Apartment	21 – 24

The Group owns significant land both within and adjacent to Laguna Phuket upon which it plans to construct future property developments.

Estate Service Management

A vital differentiation from other property developers, Laguna Property Management and Estate Services started operation in 2007 to provide services to the customers who buy properties within Laguna Phuket. The services comprise of pool maintenance, handyman services, ground and landscape maintenance, engineering services and common area management.

Laguna Phuket Rental

Launched in late 2014, Laguna Phuket Rental offers holiday and long-term rentals service for all non-hotel branded residential properties developed by the Group in Laguna Phuket. The objective of this service is to further enhance the ease of property ownership in Laguna Phuket which is unmatched by any other development in Phuket. The service now provides a one stop shop for housekeeping, maintenance and rental services on an optional basis for property owners.

Holiday Club Business

Laguna Holiday Club commenced operations in 1998 selling memberships that entitle participants to annual vacations at the current participating member home resorts of Laguna Holiday Club Phuket Resort, Allamanda Laguna Phuket, Angsana Laguna Phuket, Laguna Holiday Club Private Pool Villas, Angsana Resort & Spa Bintan, Twin Peaks Chiang Mai, Boathouse Hua Hin and View Talay Residence 6 Pattaya. At the end of 2015, the company ceased selling new memberships under Laguna Holiday Club as the new "Angsana Vacation Club" will be launched in 2016. Existing members of Laguna Holiday Club will continue to enjoy all club home resorts and privileges they are entitled to under their membership.

Office Rental

Strategically located on South Sathorn Road, Thai Wah Tower I is a 24-storey granite clad building and is one of the very first office condominium buildings in Bangkok. The entire building has approximately 20,000 sq.m. of usable area of which 15,389 sq.m. is owned by the Group. Through the years the building has maintained its reputation as a premium office building with timely refurbishments.

In 2013, the lobby of the building underwent a renovation to improve its competitiveness against newer office buildings which have opened in the vicinity in recent years.

Overseas Investment in Hotels and Resorts

Banyan Tree Lijiang, opened in 2006, is a joint venture company incorporated in the People's Republic of China between Laguna Banyan Tree Limited (LBTL), a wholly owned subsidiary of the Company, and Banyan Tree Holdings Limited (BTH). The property features 125 luxurious villas, restaurants, bar, spa complex, gallery shop, gym, and treks and tours.

The Group also has an investment in the Banyan Tree Indochina Hospitality Fund which has developed an integrated resort in Laguna Langco in Vietnam.

Additionally, the Group has other investments overseas through Tropical Resorts Limited (TRL) and Bibace Investments Ltd (BI) which invest in luxury resorts largely throughout the Pacific Rim area.

Developments in 2015

In October 2015 the Group officially opened Cassia Phuket, a property sales project which is operated as a hotel so that property owners may earn a return on their investment. Cassia is a new brand by Banyan Tree for stylish apartment type hotels with limited service. Cassia Phuket has one and two bedroom units catering to young families, couples, and friends looking for affordable holiday accommodation.

The growing intensity of the competition in the Phuket and Bangkok hotel industry has made refurbishment a necessity rather than a luxury. To put Banyan Tree Phuket in better stead to face the competition, the interior of 34 villas were upgraded and a pool was also added to each of them. In addition, the all-day-dining restaurant (Water Court) was relocated to a new and larger venue and the signature Thai restaurant (Saffron) was also given a makeover.

As for Banyan Tree Bangkok, 50 Premier Suites were upgraded to Club Suites with a bright modern interior and have since become very popular with the hotel's corporate clientele. On the restaurant front, a new bar (Vertigo TOO) was added on the 60th floor offering spectacular views of the Bangkok skyline. Additionally, the awarding winning Chinese restaurant (Baiyun) was relocated and redecorated.

Future Plans

The Group is confident that in the medium to long term there are opportunities to improve profitability and expand existing facilities, particularly in light of the ongoing high demand for Phuket and Bangkok in terms of both hotel and residential accommodation.

Going forward the Group will focus on residential property development as its impetus of growth, it is therefore important to build up a pipeline of property sales and to do this the Group needs to maintain average annual sales at significant high level for sustainable revenue growth. The Group will also seek to continue to diversify its investment portfolio away from Phuket by identifying investment opportunities in other parts of Thailand and within the Southeast Asia region.

Hotels

It is also the Group's policy to have the hotels maintain their reputation as being luxury hotels with timely and periodic renovations and refurbishments of hotel rooms and public areas.

Property Sales

The Group is continuing with the strategy to unlock value from its land bank by developing new property sales projects which cater to both primary and vacation home buyers. As a result of the market dynamics, the strategy to offer more affordable homes (sub Baht 10 million) have been continuously implemented, particularly catering to the emerging Asian middle-class with the Cassia Phuket (a new brand by Banyan Tree for part hotel, part serviced apartment) and Laguna Park (townhomes and detached homes) in order to keep pricing points attractive. Cassia Phuket and Laguna Park are expected to account for a significant proportion of sales. That being said, the Group recognizes there is demand for very high-end branded villas and has therefore launched Banyan Tree Grande Residence in 2014 to target this niche market.

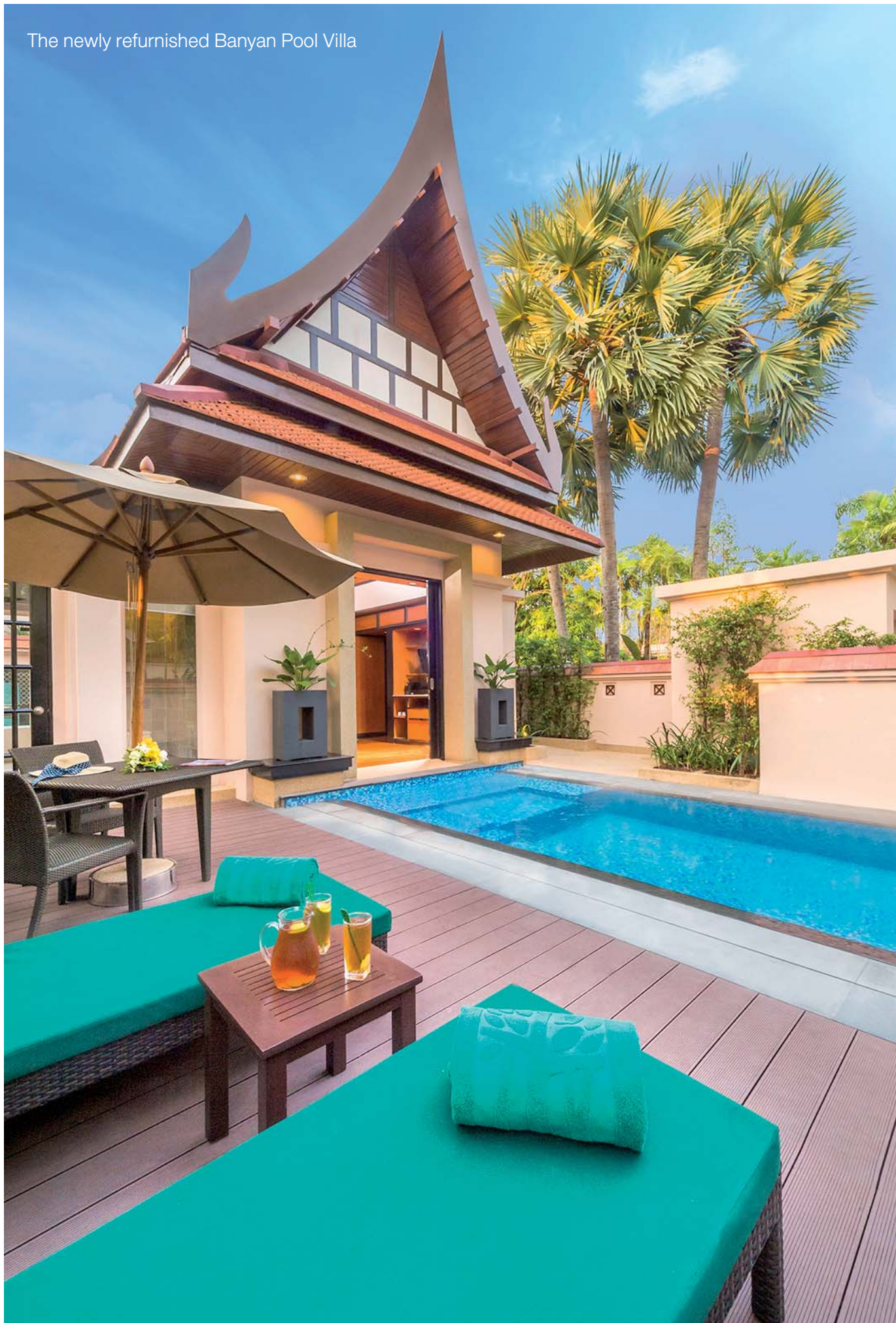
Other Hotel Operations

To further strengthen Laguna Phuket as Asia's finest integrated resort destination, the Group will continue to explore ways to enhance guests' experience by improving and increasing recreational, lifestyle and sporting amenities.

Holiday Club Business

As mentioned earlier, the Group will launch the new "Angsana Vacation Club" in 2016 which will be structurally in line with the major competition and will be able to compete better in terms of product. Unlike the previous club, it will be points-based, with inventory owned by an independent trustee, and members will have access to selected Banyan Tree Resorts.

The newly refurbished Banyan Pool Villa



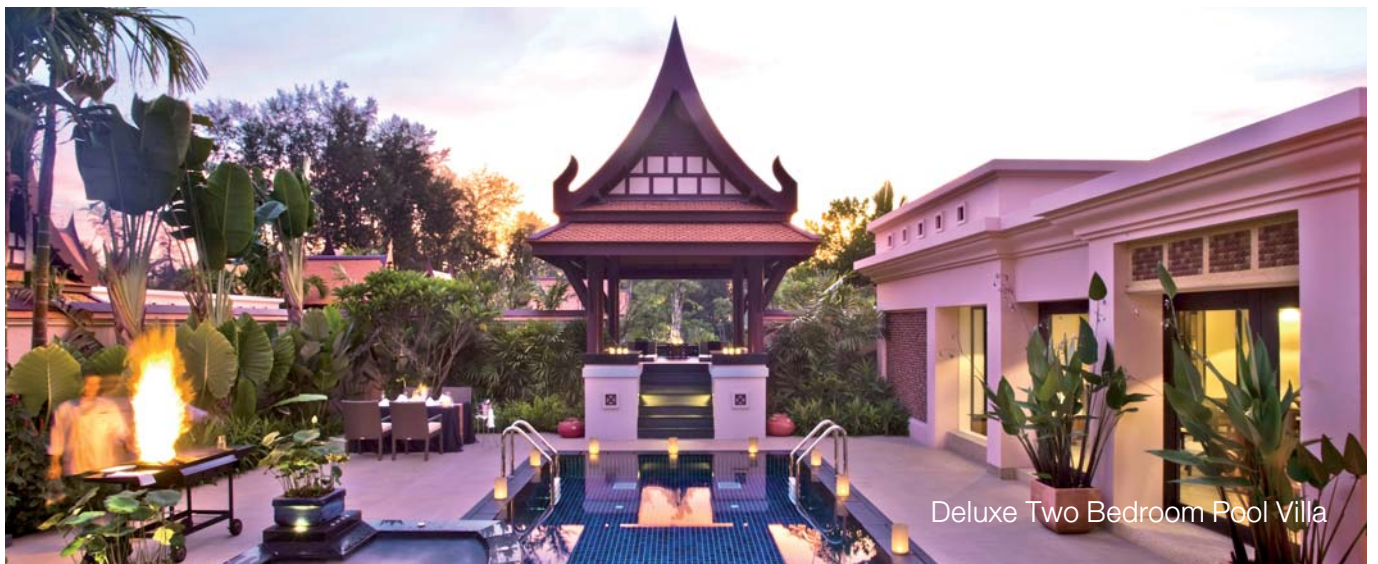
Cassia Room



The Watercourt Indoor



Banyan Tree Phuket



Deluxe Two Bedroom Pool Villa

Awards

Angsana Laguna Phuket was voted:

- 2015 Certificate of Excellence Hall of Fame recognition TripAdvisor
- 2015 Certificate of Excellence Winner TripAdvisor
- 2015 Travellers' Choice Awards – No. 16 in Top 25 Family Hotels in Asia TripAdvisor
- 2015 Travellers' Choice Awards – No. 3 in Top 25 Family Hotels in Thailand TripAdvisor
- Certified as a good venues that meet international standards Thailand MICE Venue Standard (TMVS) 2015
- Top 25 Conference Hotel Smart Travel Asia 2015
- Thailand's Leading Family Resort World Travel Awards 2015
- Australia's Top 10 Family Resort for 2015 Holiday With Kids Magazine, Australia

Banyan Tree Bangkok was voted:

- Certificate of Excellence for the Year of 2015 TripAdvisor
- Certificate of Excellence 2015 Winner "Top Performance" Overall Revenue 2014/15 Expedia
- Best of VIP Access winner Expedia
- Recommended on 2015 Holiday Check
- 2015 Top 10 Best Resort Hotel 2015 The Best of Thailand Awards voted by Chinese Tourist The Tourism Authority of Thailand
- Good Nursery Certification Office of National Education Standards and Quality Assessment
- Bangkok Green Community 2015 Bangkok Metropolitan Administration

- Vertigo – Thailand's Best Restaurant 2015 Thailand Tatler
- Vertigo – Bangkok Best Restaurant 2015 – European restaurant Bangkok Best Dining & Entertainment
- Vertigo – Certificate of Excellence for the Year of 2015 TripAdvisor
- Saffron – Certificate of Excellence for the Year of 2015 TripAdvisor
- Bai Yun – Certificate of Excellence for the Year of 2015 TripAdvisor
- Moon Bar – Certificate of Excellence for the Year of 2015 TripAdvisor
- Moon Bar – Top 10 bars in the world with the best views UK and US Harper's Bazaar
- Moon Bar – World's 10 Best Rooftop Bars Premier Traveler USA

Banyan Tree Phuket was voted:

- Hotels World First Awards Global First Award
- Best of The 45 Most Beautiful Hotels in Thailand – Bronze Award Voyages De Reve
- Top 25 Spa Hotels & Resorts No. 1 SmartTravelAsia.com 2015 BEST IN TRAVEL POLL
- Top 25 Leisure Hotels & Resorts No. 8 SmartTravelAsia.com 2015 BEST IN TRAVEL POLL
- THE BEST OVERSEAS HOTEL SPAS No. 8 Condé Nast Traveller 18th Annual Readers Travel Awards
- Phuket: Banyan Tree Phuket (3rd consecutive year, 9th win) Best Hotel in Phuket DestinAsian Readers' Choice Awards.

Laguna Resorts & Hotels Public Company Limited was voted:

- AMCHAM CSR Excellence Recognition (ACE Award)

Laguna Phuket Golf Club was voted:

- Best Renovated Course of the Year
Asian Golf Awards – October 2015
- Top Ten Best Course in Thailand No. 8
Asian Golf Awards – October 2015
- Top Ten Best Maintained Course in Asia Pacific No. 5
Asian Golf Awards – October 2015
- Thailand's Best Golf Course
World Golf Awards – November 2015

Banyan Tree Spa was voted:

- Best Spa Operator for 11th consecutive year –
inducted into Travel Hall of Fame
Travel Trade Gazette (TTG) Travel Awards
- Continent Winner: Best Luxury Spa Group
2015 World Luxury Spa Awards
- Best Spa Brand (for 3rd consecutive year)
Shanghai Morning Post – 2014 Tourism Industry Awards
- Best Spa Brand (for 9th consecutive year)
Hurun Report China – 2015 Best of the Best Award
- Best Hotel Spa Operator of China
(for 7th consecutive year)
The 10th China Hotel Starlight Awards 2014
- Best Global Spa Resort/Hotel Brand of The Year
as Chosen by Chinese Spa-Goers
SpaChina Awards 2015
- Favourite Hotel Spa in the World
(for 3rd consecutive year)
DestinAsian 10th Readers' Choice Awards 2015
- Best Spa Brand (for 2nd consecutive win)
2014 Travel & Leisure China Awards
- Asia Wellness Excellence Award
Asia Enterprise Brand Awards 2015
- Most Lohas
Shanghai Morning Post "Top 5" Voting Event

Banyan Tree Spa Phuket was voted:

- Overseas Hotel Spas No. 8
Condé Nast Traveller 18th Annual Readers'
Travel Awards 2015

- Top 25 Spa Hotels & Resorts – No. 1
(3rd consecutive year)
SmartTravelAsia.com – Best in Travel Poll 2015

Banyan Tree Spa Sanctuary Phuket was voted:

- Award of Outstanding Performance: Health Tourism
Destination Spa (Nationwide)
10th TAT Thailand Tourism Awards 2015
- Destination Spas – No. 6
Condé Nast Traveller 18th Annual Readers'
Travel Awards 2015
- Best Spa Hotel of the Year
The 8th Asia Hotel Forum – Asia Hotel Awards

Banyan Tree Spa Bangkok was voted:

- Award of Excellence:
Health Tourism Hotel/Resort Spa (Central Region)
10th TAT Thailand Tourism Awards 2015

Banyan Tree Spa Samui was voted:

- Award of Outstanding Performance:
Health Tourism Hotel/Resort Spa (South Region)
10th TAT Thailand Tourism Awards 2015
- Top 25 Spa Hotels & Resorts – No. 12
SmartTravelAsia.com – Best in Travel Poll 2015

Banyan Tree Gallery was voted:

- Community Retailer Award
Hong Kong Retail Industry Trade Awards 2015

Angsana Spa was voted:

- Best Global Spa Resort/Hotel Brand of The Year
as Chosen by Chinese Spa-Goers
SpaChina Awards 2015

Income Structure

The percentage of income generated by each individual line of business is detailed as follows:

(Unit : Thousand Baht)

	2015	%	2014	%	2013	%
Revenue from Hotels	3,108,617	55	3,085,125	76	3,428,458	79
Revenue from Property Development	2,348,479	42	803,905	20	744,417	17
Revenue from Office Rental	86,428	1	90,369	2	88,543	2
Other Income	114,706	2	70,861	2	91,017	2
Total Revenue	5,658,229	100	4,050,260	100	4,352,435	100

The most significant lines of business of the Group are hotels and property development operations for which further details are provided below. Note 37 to the financial statements of the Company for the year ended 31 December 2015 (note 36 and 38 for the year ended 31 December 2014 and 2013 respectively) discloses the operating results by business segment in accordance with accounting standards and principles.

Hotel Operations – Overall	2015	2014	2013
Occupancy (%)			
Angsana Laguna Phuket	63	64	73
Banyan Tree Phuket	55	60	68
Banyan Tree Bangkok	74	59	80
Average - LRH Hotels	65	61	75
Average Room Rate (Baht)			
Angsana Laguna Phuket	4,672	4,983	4,861
Banyan Tree Phuket	15,603	16,094	15,926
Banyan Tree Bangkok	4,196	4,132	3,792
Average - LRH Hotels	6,241	6,778	6,372
Total Revenue (Thousand Baht)			
Angsana Laguna Phuket	753,429	790,614	894,736
Banyan Tree Phuket	780,299	880,586	962,145
Banyan Tree Bangkok	952,771	754,534	889,732
Total LRH Hotels	2,486,499	2,425,734	2,746,613
Gallery Operations	231,077	222,754	236,948
Other Hotel-Related Operations	391,041	436,637	444,897
Total Revenue of Hotel Operations	3,108,617	3,085,125	3,428,458

Hotel Operations - Overall

The total combined hotel revenue in 2015 increased 2 percent from 2014. Banyan Tree Bangkok hotel performed very well despite the Bangkok bombing incident on 17 August 2015 which initially resulted in as many as 23 countries issuing travel advisories to Thailand. Bangkok has once again demonstrated its resilience to unfortunate events and the ability for tourism to recover quickly. However, the Phuket hotels continued to be adversely affected by the downturn in Russian business due to the devaluation of the Rouble.

The political instability which started in late 2013 led to the imposition of nation-wide curfews for several months in 2014 and eventually culminated in a coup by the Thai army on 22 May 2014. Banyan Tree Bangkok's performance was more affected than the two properties in Phuket as many countries issued travel advisories cautioning people to defer and/or avoid travel to Thailand which impacted the overall Thai hospitality industry.

2013 was relatively peaceful and free of any major problem which provided a conducive operating environment for the hotel industry. Unfortunately, in late November the Thai political crisis flared up and this caused significant damage to the critical year-end business for most hotels across the nation.

Property Development Operations

(Unit : Thousand Baht)

Property Development Operations	2015	%	2014	%	2013	%
Property Sales Business*	2,156,122	92	614,851	76	515,893	69
Holiday Club Business	192,357	8	189,054	24	228,524	31
Total Revenue - Property Development Operations	2,348,479	100	803,905	100	744,417	100

* Including other income

Property Sales Business

A total of 243 units amounting to Baht 2,156 million in revenue were recognized in 2015 in accordance with accounting income recognition policies. A further 81 units with revenue of Baht 1,254 million will be recognized in 2016-2018 barring any cancellation.

Holiday Club Business

In 2015 the Holiday Club business did not perform as well as the prior year as operations were scaled back in preparation for the launch of the new Angsana Vacation Club.

Other Income

(Unit : Thousand Baht)

Other Income	2015	2014	2013
Gain on Revaluation of Investment Property	-	4,122	24,091
Interest Income	21,151	20,217	25,242
Dividend Income	25,551	25,551	12,775
Rental and Service Fee	11,233	12,954	11,209
Others	56,771	8,017	17,700
Total Other Income	114,705	70,861	91,017

The "gain on revaluation of investment property" relates to the office units for lease at Thai Wah Tower I located in Bangkok and the Canal Village retail development located in Laguna Phuket. A revaluation of these two properties are conducted annually by an independent appraiser.

"Dividend income" mainly relates to the Group's investment in Thai Wah Public Company Limited (previously Thai Wah Starch Public Company Limited.)

"Others" include an insurance claim of Banyan Tree Bangkok.

Explanation and Analysis by Management

For the year ended 31 December 2015, Laguna Resorts & Hotels Public Company Limited recorded a net profit of Baht 175 million which was Baht 155 million higher as compared to the year before.

Total revenue for the year increased by Baht 1,608 million as compared to last year and this was mainly due to the following:

- The overall revenue from hotel operations which comprise of hotel, golf and retail operations increased by Baht 23 million. This is to a large extent attributed to higher revenues of Banyan Tree Bangkok which benefitted from a generally peaceful political environment in Bangkok. Additionally, the Laguna Phuket Golf Club fully reopened on 1 January 2015 after it was partially closed for a comprehensive upgrade in 2014. However, this was offset by the lower performance of the two Laguna Phuket hotels which were adversely impacted by the Russian rouble crisis and the lower revenue from retail operation.
- Revenue from property development operations which comprise property sales and the sale of holiday club memberships increased by Baht 1,545 million. The main increase in revenues is from the revenue recognition of two property sales projects namely Laguna Park and Cassia Phuket. There is a total of Baht 1,254 million in property sales revenue which will be recognized over the next several years barring any cancellations.
- Revenue from office rental operations which includes retail leasing decreased by Baht 4 million due largely to the decrease in the rental rate of Laguna Canal Village.
- Other income increased by Baht 44 million mainly due to insurance claim of Banyan Tree Bangkok amounting to Baht 39 million.

Total expenses increased by Baht 1,309 million as compared to last year due mainly to the following:

- Cost of hotel operations increased by Baht 8 million is largely the effect of the higher operating costs of Banyan Tree Bangkok hotel (which is in line with the higher business level) and depreciation but partially offset by the lower operating costs of the two hotels in Laguna Phuket (which are in line with their lower business levels) and retail operation.
- Cost of property development operations increased by Baht 1,080 million as a result of the higher property sales recognized during the year.
- Cost of office rental operations decreased by Baht 1 million mainly as common area charges were lower as a result of lower building maintenance costs.
- Selling expenses decreased by Baht 36 million mainly because of lower sales commission, exhibition and advertising expenses for Cassia Phuket and Laguna Park projects. A majority of the sales of these two projects were made in 2014 but the revenues could only be recognized later in accordance with Thai accounting standard. This is partially offset by the higher selling expenses of the hotel operations.
- Administrative expenses increased by Baht 169 million mainly because of increase in payroll costs, hotel repair and maintenance expenses, provision for doubtful accounts and specific business tax of property sales offset by a decrease of provision for legal case.

- Reversal of loss on impairment of investment of Baht 89 million in 2014 relates to the reversal of provision for impairment of investment in Thai Wah Public Company Limited (previously Thai Wah Starch Public Company Limited).

Share of loss from investment in associate increased by Baht 9 million relates to the higher loss of Lijiang Banyan Tree Hotel Company Limited

Finance cost increased by Baht 4 million as compared to last year. This is mainly due to higher loan balances in the current year.

Income tax expenses increased by Baht 131 million as compared to the prior year as pre-tax profit was higher.

Profit attributable to non-controlling interests of the subsidiaries decreased by Baht 2 million as compared to last year due mainly to the lower profit of retail operations.

For the reasons stated above, the Company's profit in 2015 is higher as compared to the prior year.

Sales and Marketing

Hotels

All of the Group's hotels and business units prepare an annual Sales and Marketing Plan to support and demonstrate how they plan to achieve the budgeted revenues. For the hotels, the plans include statistics showing comparisons to prior year, market segmentation analysis, pricing strategy, promotion and PR plans etc.

The 2015 markets, source of reservations and geographical segmentations in terms of room revenue are set out in the table below:

	Laguna Phuket hotels	Banyan Tree Bangkok
Targeted Markets / Type of Customers	The leisure markets account for more than 80 percent of room revenue during high season while regional leisure markets along with the corporate meeting groups account for the majority of revenue during low season.	The leisure markets account for 75 percent of total revenue, while business travelers and corporate meeting groups represent the remainder.
Source of Reservations	More than 50 percent are from travel agencies.	More than 50 percent are from direct bookings.
Geographical Segmentation	<p>Asia 54 percent, mainly from People's Republic of China, Hong Kong, Korea, Japan and Singapore</p> <p>Europe 31 percent, mainly from Russia, United Kingdom, Germany, Switzerland and France</p> <p>Oceania 2 percent</p>	<p>Asia 47 percent, mainly from People's Republic of China, Japan, Taiwan, Korea, and Hong Kong</p> <p>Europe 18 percent, mainly from United Kingdom, Germany, Switzerland and France</p> <p>Oceania 5 percent</p>

The increase in supply of upscale hotels in recent years has increased competition resulting in downward pressure on room rates. The Group believes there is room for continued upward movement of room rates and occupancy levels as demand for Phuket and Bangkok remains strong as a result of:

- Popularity with the existing European markets during high season.
- An increase in the emerging outbound markets from the People's Republic of China throughout the year and Indian weddings.
- An increase in direct flights within the regional markets which significantly assists the demand during low season.

Property Sales

The property sales business improved in 2014 but declined in 2015. However, the Group is hopeful the situation will improve going forward if economic and political stability remains. Areas of focus will include:

- Selling the already completed Laguna Village and Banyan Tree Residences inventory.
- Penetration into newly emerging regional markets such as the People's Republic of China and having collateral in several different languages.

- Offering more affordable products such as the Cassia holiday apartments, Laguna Park projects comprising condominium, townhomes and detached homes and developing competitively priced products for both primary and secondary home buyer segments.
- Organizing exhibitions and road shows in key potential markets such as Singapore, Hong Kong and People's Republic of China.
- Introducing innovative promotions and incentives such as long-term payment plans.
- Continuing to improve our excellent after sales service offerings.

The Group will stay very close to market forces to ensure that the Group continues its leadership position.

The Phuket Situation

A summary of the infrastructure in Phuket and recent developments is set out below:

- The Phuket International Airport, currently has the capacity to handle 6.5 million passengers a year. The expansion of the Phuket International Airport is scheduled to complete and open in 2016. This will include new terminals, an upgraded runway and taxiways and a new car park. It will raise the airport's capacity to 12.5 million passengers per year.
- Continued road network improvements.
- The five existing marinas can accommodate over 1,000 yachts.
- There are currently six international schools with just over 2,000 students.
- There are eight major hospitals, which are increasingly catering for the medical tourism sector.
- There are seven golf courses, which cover more than 4,000 rais.
- Retail developments include Tesco Lotus, Big C hypermarkets, and a number of large shopping malls, including offerings from Central, Robinson, Ocean and Jungceylon. In addition, several smaller community shopping malls have been opened in recent years.

Competition

Laguna Phuket Hotels

The competitive set of Laguna Phuket are upper-tier hotels and luxury villas. There continues to be development activity. The main competitors include the following.

Top Tier Properties - Phuket	Luxury Villa Properties - Phuket	Top Tier Properties - Bangkok
<ul style="list-style-type: none"> • Dusit Thani Laguna Phuket • Outrigger Laguna Phuket Beach Resort • Le Meridien Phuket Beach Resort • JW Marriott Resort & Spa • Renaissance Phuket Resort & Spa • The Westin Siray Bay Resort & Spa 	<ul style="list-style-type: none"> • The Amanpuri • Trisara • Six Senses • Sri Panwa • Anantara 	<ul style="list-style-type: none"> • The Sukhothai Bangkok • Conrad Bangkok • Le Meridien Bangkok • Dusit Thani Bangkok • Sofitel So • W Bangkok

In addition, hotels in Phuket continue to face competition from rental properties which offer competitive rates for longer stay visitors, as well as competition from other resort destinations within the region.

Banyan Tree Bangkok

The number of newly built hotels in recent years has led to an oversupply in downtown Bangkok. Moreover, the increased supply of new hotels and serviced apartments in Bangkok has resulted in a highly competitive market.

Property

The majority of Laguna Phuket's direct competitors are located along the northwest coast where much of the newer, upper-end properties are located. The less developed east-coast does not have the same quality of infrastructure and lacks good quality beaches. Further, due to the high price of land and freehold ownership being available to foreigners, there has been an increased number of condominium developments in recent years.

Laguna Phuket has a combination of its brand, location, quality and range of products to set it apart from its competitors. There are many developers targeting buyers in the sub Baht 10 million segment, including large Bangkok based developers such as Sansiri, Supalai and Land & House. However, they are primarily targeting the domestic market and do not compete directly with the resort based product such as ours. Other developments targeting secondary home buyers currently are not as well located or have a strong brand identity.

Laguna Phuket has a lot to offer our property buyers which cannot be matched by other competing projects. These include a long history of developing quality homes in a safe, secure and beautifully landscaped environment supported by a team of well-trained after sales staff offering a myriad of home services. Laguna Phuket also offers our home owners a wide variety of dining and recreational facilities including an 18-hole golf course right at their doorstep.

Pricing Strategy

The hotels in Phuket and Bangkok are operating in a competitive environment and the Group will need to maintain vigilant and be flexible on its room rates to adapt to market changes market so as to maximize yield and RevPAR (revenue per available room).

In the property sector, competitive pricing will be required to sell the existing completed inventory. The Group will also continue with the strategy to offer more affordable vacation homes (sub Baht 10 million) such as Cassia Phuket and Laguna Park. Cassia is an apartment development managed by a new Banyan Tree brand with units priced from Baht 5 million while Laguna Park is a gated residential development adjacent to the resort comprising townhomes (from Baht 9-11 million) and detached homes (from Baht 15-16 million). These townhomes and villas are typically smaller than the previous Laguna Village projects in order to keep pricing points attractive.

Three Year Outlook

The problems in the Russian economy has created a temporary slowdown in the Phuket tourism business but this has been buffered to a certain extent by the increase in Chinese visitors. The Company believes that Phuket continues to be attractive for Russian holiday makers and will see an uplift over the next few years as the Russian economy improves. Furthermore, there is continued investment in luxury hotels and resorts in Phuket and Bangkok which will further enhance Phuket and Bangkok as world-class holiday destination. Several major international operators are now present or are set to debut over the coming years, and the necessary infrastructure is being developed to support these hotels.

In the short-term, domestic political instability and adverse global economic conditions could affect the performance of the hotel and property sales divisions. However, given enduring appeal of Phuket island and Bangkok, their value proposition, and their standing among global resort markets, it is expected that any downturn will be limited. Historically, political disturbances in Thailand have served to defer demand for hospitality and property in Phuket and Bangkok, but not cancel it. As such, the Company is still confident about the long-term prospects.



CORPORATE SOCIAL
RESPONSIBILITIES

Overview

Corporate Social Responsibility (CSR) is a major undertaking at Laguna Phuket. The Company focuses on socially responsible business that touches all stakeholders in its quest to deliver environmental and social benefits alongside increasing economic performance.

Since the establishment in 1984, which began with the rehabilitation of Bangtao Bay which was once a tin mine and declared by the United Nations Development Program as "too environmentally damaged to have any development potential," - the Company has continued to safeguard the natural environment, cultural heritage, and promote a shared prosperity. It continuously support associates with fair employment and well-rounded benefits, it has also maintained a commitment to communities through community relations and CSR efforts.

The Company's Community Relations & CSR programs are categorized under the following focus areas:

1. Cultural Diversity
2. Social Equity
3. Educational Empowerment
4. Health & Sports Promotion
5. Environmental Preservation

Operation and Report Preparation

The report on CSR initiatives is included in CSR Section of the Company's annual report. The section highlights the program background, objectives, and synopsis of the CSR initiatives implemented.

Impact of Business Operations on CSR

The Company emphasizes and aims to be a socially responsible company and has established the Corporate Social Responsibility (CSR) Committee named "Laguna Phuket Social Committee". This committee strives to contribute towards environmental, educational and social development programs.

There is no report of claim on impact of the Company's business operations on CSR.

CSR Initiatives and Projects

1. Cultural Diversity

Our Cultural Diversity initiatives help to promote and preserve ancient traditions of various origins in local communities. In doing so, Laguna Phuket contributes to uplifting the spiritual well-being of associates, their families, and local community members, to ensure a balance between the influx of western influences brought by tourism and preservation of the local way of life.



Buddhist Lent

Over 200 Laguna Phuket management and associates paraded on the route to Thepwanaram Temple (Wat Manik), in celebration of Buddhist Lent Day on 28 July 2015. The procession, with a float that showcased an elaborately carved Lent candle, wove through Cherngtalay community and collected Baht 41,058 in donations for the temple. Laguna Phuket has been committed to celebrating Buddhist Lent for 20 years.

Vegetarian Festival

The Phuket Vegetarian Festival is an annual event held during the ninth lunar month of the Chinese calendar, in 2015 the festival fell on 13 September to 21 October 2015. We contributed Baht 140,000 for food and supplies given to local shrines and set up an offering shelter to worship Ma-Song devotees through whom the gods are said to enter during the annual Phuket Vegetarian Festival.

Loy Krathong

For the community Loy Krathong festival, Laguna Phuket has hosted an event jointly with Cherngtalay Municipality for 14 years. Our annual Loy Krathong festival brings people together on full moon night of 25 November 2015. The event was held at Canal Village filled with lively entertainment. We provided cultural entertainment and fun-filled activities to nearly 5,000 community members and tourists to relax around and enjoy. Then in the honorable ways of traditions and peaceful observances we pay respect to the water goddess Pra Mae Khongkha and the water spirits.

2. Social Equity

Our social equity initiatives aim to build the capacities of local communities and associates through socially beneficial projects whereby community members and associates can benefit from our support for their personal betterment as well as professional advancement.

Seedlings - Social Enterprise Restaurant

Seedlings is the first restaurant launched by Laguna Lang Co under Banyan Tree's group-wide mentorship programme with the aim to provide training and job opportunities for disadvantaged local youths, giving them the necessary life skills to forge successful careers in hospitality. Seedlings serves as a launching platform for local youth development in collaboration with non-governmental and non-profit organisations, providing invaluable vocational skills and experience.

Seedlings Phuket restaurant is located in the heart of Laguna Phuket, situated at Laguna Holiday Club Resort, open daily from 06.30 a.m. to 10.00 p.m. for all day dining, serving Phuket, Asian and Western dishes.

Laguna Phuket Associate Saving Co-Operative

Laguna Phuket Social Committee successfully established the Laguna Phuket Associate Saving Co-Operative in January 2010 with the objective of providing secure, reliable, profitable, and fair financial services to members. As "shareholders," members are entitled to such benefits as annual dividends, low interest loans, and high interest savings schemes. To-date, Baht 40 million share volume with 995 members.

Laguna Phuket Children's Day

Laguna Phuket organised the 23rd Children's Day event on 10 January 2015 which was participated by more than 5,000 people from the local communities and guests of Laguna Phuket hotels. Our children's day activities aim to encourage and inspire children to become active, informed and concerned citizens of the next generation, and to help them recognize the importance of their role in the society.

3. Educational Empowerment

Educational empowerment initiatives aim to build the capacities of local communities and associates through our programmes that empower people of all ages in order to help people pursue a life-long learning journey, and realize their potential.

At Laguna Phuket, we seek to fulfil our stakeholders' needs in order to match guidance and knowledge to their own interests and sources of inspiration. We believe that there is no greater empowerment than the will and feverish desire to learn something new every day.

Laguna Phuket Kindergarten

Originally established in 1992 as a Child Care Centre. The centre is widely acknowledged as one of the best in Thailand and at the end of 2008 was formally established as Laguna Phuket Kindergarten under the guidance of the Ministry of Education.



Today, the greatly-expanded programme caters to 171 children aged between three to six, with 11 certified teachers creating fun and educational daily activities. To-date, 2,935 students have enrolled and 762 students have graduated from Laguna Phuket Kindergarten.

Laguna Phuket Community Learning Centre (CLC)

Laguna Phuket Community Learning Centre (CLC) was established in March 2007 from Phuket Tsunami Recovery Funds (PTRF) to develop long-term assistance for those affected by the 2004 Tsunami, it was originally set up as community English language centre providing free English courses to community members, with the generous support of Cherngtalay Sub-District Administrative Office.

On 22 December 2014, the newly refurbished centre was relaunched as the Community Learning Centre in recognition of the 10th Tsunami commemoration and has become a community hub where people can develop their general life skills, and further their knowledge in Chinese, and performing arts in addition to English courses. To-date, nearly 8,000 learners have participated in our programmes.

Fully Booked! Mobile Learning Centre (MLC)

Fully Booked! Mobile Learning Centre project aims to re-introduce reading, the basis of self-empowerment. The Mobile Learning Centre was launched in April 2014 with the objective to provide a 2-in-1 service as a library and a classroom to increase the rate and quality of literacy among pilot schools in Phuket and neighbouring provinces.

Our programme start-up was funded by Baht 2.2 million fundraised from Laguna Phuket sports events and another Baht 2.2 million matching fund from Banyan Tree Global Foundation. MLC visits schools 4 days per week, benefiting over 2,000 students and 130 teachers in Phuket and Pang-Nga.

4. Health & Sports Promotion

Laguna Phuket is dedicated to helping people achieve a sensible work-life balance. We encourage people to work hard, and we promote play and leisure. We believe that leisure is the most fun when it exercises the mind and body, so our health and sports promotion events focus on meaningful sporting activities, such as Survival Swim and Red Cross Blood Donation.

Red Cross Blood Donation

Laguna Phuket is one of Thailand's prominent corporate blood donors to the Thai Red Cross Blood Donation Programme. Since 2003, we have donated 1,512,900 cc of blood and 3,362 associates have participated in our Blood Drive programme.

Survival Swim

Survival Swim teaches children how to survive in water, either a swimming pool or in the ocean. How can children in a seaside community not know how to swim? Yet many do not. Laguna Phuket is committed to seeing that no children are scared of water but do have a healthy respect of the ocean and even for play in and around swimming pools. We make sure they have a chance to save themselves if they find themselves in trouble in the sea. We provide free swim training lessons to primary school students in Phuket.

The funding support of Baht 1.2 million was raised from Laguna Phuket sports and community events in 2011. To-date, 2,285 students have been trained since 2011.

5. Environmental Preservation

Our Environmental Conservation initiatives emphasize raising awareness of climate change and human impact on local natural resources. In partnering with local conservation efforts, Laguna Phuket supports various initiatives that ensure sustainable rehabilitation of marine and shoreline resources around Phuket Island and nearby provinces.

EarthCheck

EarthCheck is the environmental certification programme that Laguna Phuket is registered as a precincts with the key objective to monitor our environmental practices to achieve sustainability outcomes in our business operations by providing a framework for environmental and social sustainability.

Laguna Phuket has received EarthCheck's Bronze Status in September 2014 and has been awarded Silver Status in April 2015. The annual audit of 2015 took place during 9 - 13 November.



EARTHCHECK
SILVER CERTIFIED
2015



Mangrove Tree Planting

Since 2007, Laguna Phuket has worked in collaboration with Phuket Mangrove Station. In 2015, we have planted 2,000 mangrove saplings. To-date over 22,500 mangrove saplings were planted in southern provinces of Thailand. 800 associates have participated with this project and 380 community members have joined us.

Sea Turtle Conservation

Laguna Phuket has supported sea turtle conservation programmes in Phuket province since 1994. Our efforts focus on raising funds and awareness in support of the Phuket Marine Biological Centre and 3rd Area Naval Command, Royal Thai Navy, whose ongoing conservation and rehabilitation programmes include studies of nesting behaviour, tracking and analysis of turtle migration via microchips and satellite tracking devices attached to released turtles.

80 turtles were released in 2015 with the help of 500 participants. To-date, 1,970 turtles have been released and 3,500 people have participated in this programme since 1994.



National Children's Day Celebration

The Annual National Children's Day Celebration was hosted by Laguna Phuket on 10 January 2015 at Laguna Grove. The event featured "Laguna Phuket Kids Got Talent" competition, Thai Comedic Stage Show "Jam-Ourd Naman", stage performances and a mini-concert by famous Thai Pop Band "ETC". This annual celebration aims to strengthen relationships with our local communities and cultivated positive family interaction.

Laguna Phuket Golf Club's Grand Reopening

The Grand Reopening event was held on 11 January 2015, and attended by more than 120 specially invited guests, international golf media and executives of the Tourism Authority of Thailand. Billed as offering a "new look, new experience, Laguna Phuket Golf Club has been hailed as a superb example of a modern, environmentally friendly design in an idyllic setting.



Laguna Market on First

In February 2015, Laguna Phuket launched "Laguna Market on First" to establish a venue for local vendors as well as offer the resort's guests, the local Thai, and the expat communities a place to shop for Phuket's goods. The Market offers a wide variety of food and drinks, clothing and fashion items, home décor, arts and crafts, pets, plants, services, stage performances and much more.



Laguna Phuket's EarthCheck Silver Certification

EarthCheck is the environmental certification program that Laguna Phuket is registered as a precincts with the key objective to monitor our environmental practices to achieve sustainability outcomes in our business operations by providing a framework for environmental and social sustainability. Laguna Phuket was awarded Silver Status as the first precincts in Asia, on 2 April 2015.

Banyan Tree Bangkok is graciously granted an audience by HRH Princess Maha Chakri Sirindhorn

Banyan Tree Bangkok Management was granted an audience by HRH Princess Maha Chakri Sirindhorn at the Chitralada Palace to present a cheque of Baht 200,000 to support the Chalerm Prakiat 48 Pansa School in Lumpoon Province



The 10th Laguna Phuket International Marathon

The 10th Laguna Phuket International Marathon in June saw a record field of more than 5,700 runners representing 43 countries from all ages and abilities competing a variety of course distances in a fun, family-friendly atmosphere of the integrated resort Laguna Phuket and the Thalang communities in Phuket.



The 1st Laguna Phuket Junior Golf Tournament

On 21 June 2015, a total of 67 junior golfers participated in the very first Laguna Phuket Junior Golf Tournament - partnered with British International School, Phuket (BISP). Competing in an 18-holes individual format, young players from 6 - 18 years old enjoyed the challenge of the magnificent new Laguna Phuket Golf Club.

Social Enterprise Restaurant Seedlings Phuket's Opening

In July 2015, Laguna Phuket opens "Seedlings Phuket" the resort's very first social enterprise restaurant at Laguna Holiday Club Phuket Resort, 9 months after the launch of the initiative that provided training and job opportunities for marginalized local youths. Seedlings Phuket's opening marks a significant success of the initiative, comprising 18 months of food and beverage skills training and restaurant career mentorship programme, which targeted to realise the resort's very first social enterprise restaurant.



Laguna Phuket presents Bodyslam Charity Concert 2015

On 22 August 2015, Laguna Phuket saw 5,000 fans and concert goers crowded the sold-out "Laguna Phuket presents Bodyslam Concert 2015" at Laguna Grove, the resort's outdoor large-scale event venue and home of its annual international sporting events. Part of the ticket sales goes to refurbishing a locker room and installing proper storage cabinets, lockers and shelves much needed for students' dormitory at Phuket Punyanukul School.





Maroon 5 visits Laguna Phuket Golf Club

Taking a break at Laguna Phuket during their current world tour in Asia and Australia, Maroon 5 played two rounds of golf at the Laguna Phuket Golf Club on 11 and 12 September 2015.

Banyan Tree Spa conferred the Travel Hall of Fame Honorary Title at the 26th Annual TTG Travel Awards 2015

Banyan Tree Spa has been inducted into the coveted Travel Hall of Fame after clinching the Best Spa Operator title for 10 consecutive years at the annual Travel Trade Gazette (TTG) Travel Awards. Ms. Kanruethai Roongruang receiving the award on behalf of the Banyan Tree Spa Group at the awards' Gala Dinner event held in Bangkok on 1 October 2015.



Cassia Phuket's Opening

On 20 October 2015, Laguna Phuket has welcomed more than 300 guests and members of the press to "Cassia Unveilings", the opening event of its 7th hotel "Cassia Phuket" which is the world's first property of Banyan Tree's newest and third hotel brand Cassia. The hotel welcomed its very first guest on Wednesday 21 October 2015.



The 17th Vertical Marathon at Banyan Tree Bangkok

Banyan Tree Bangkok successfully raised Money for Charity through the 17th Annual Vertical Marathon with a total number of 800 runners. The event was presided over by the President of the Caring Hearts for Aids Foundation, Ms. Saisom Wongsasulak. Proceeds will be donated to the "HIV Formula Feeding Fund" a Thai Red Cross initiative under the patronage of Her Royal Highness Princess Soamsawali.

Exclusive Laguna Golf Weekend with Sir Nick Faldo

Staying on vacation at the DoublePool Villas by Banyan Tree, Sir Nick spent time to play and practice at the award-winning Laguna Phuket Golf Club and discover the Group's newest third brand Cassia – an exciting new contemporary hotel residence concept inspired by a millennial lifestyle. A huge advocate for junior golf development through his famed "Faldo Series tournaments", Sir Nick conducted an exclusive Golf Clinic for around 50 keen golfers, including local juniors and invited club members. The weekend took place in November 2015.



The 22nd Laguna Phuket Triathlon

A field of over 1,300 individual pro and age group athletes representing 44 nationalities, 66 relay teams and 6K Fun Runners crowded Asia's premier destination resort "Laguna Phuket" from the Race Finish at the resort's beachfront to the Transition Area at Laguna Grove outdoor event venue to take part in the 22nd "Race Legends" comprising 1.8 km. swim, 55 km. bike ride and 12 km. run on 23 November and launched the week-long Challenge Laguna Phuket Tri-Fest.



AMCHAM CSR Excellence (ACE) Recognition Award

Laguna Resorts & Hotels Public Company Limited has been awarded AMCHAM CSR Excellence (ACE) Recognition Award by the American Chamber of Commerce in Thailand (AMCHAM) in acknowledgement of Laguna's Education Empowerment initiatives. For nearly 30 years, Laguna has shown commitment in providing people of all ages with greater opportunities for education and employment. Key initiatives include "Laguna Phuket Kindergarten", "Community Learning Centre", "Fully Booked! Mobile Learning Centre", and "Seedlings Social Enterprise Restaurant". The award was presented by U.S. Ambassador to Thailand, Mr. Glyn T. Davies on 24 November.

Banyan Tree Phuket Relaunch Event

On 27 November 2015, Banyan Tree Phuket opened the house to welcome friends and business partners after 21 long years of continuing world class service to Phuket hotel industry. At the party, Mr. Sriram Kailasam, Area General Manager of Banyan Tree Phuket welcomes guests and invited the staffs who have been with the resort since 1994 to join this celebration of success. The event was attended by about 120 VIP guests' from government officials/business clients/media partners.



The 3rd Challenge Laguna Phuket

On 29 November 2015, a field of over 600 individual pro and age group athletes representing 41 nationalities and 29 relay teams crowded Asia's premier destination resort "Laguna Phuket" from the Race Finish at the resort's beachfront to the Transition Area at Laguna Grove outdoor event venue to participate in the race that comprises 1.9 km. swim, 90 km. bike and 21 km. run.

Board of Directors as at 31 December 2015

Mr. Ho KwonPing⁽¹⁾

Chairman of the Board

(Age 63 Years)

Date of First Appointment as Director:

4 July 1986



Highest Educational Background and Director Certificate Program:

- Honorary Doctorate of Business Administration in Hospitality Management, Johnson & Wales University, USA
- Honorary Doctorate of Business Administration, The Hong Kong Polytechnic University, Hong Kong
- Bachelor of Arts (Economics), University of Singapore

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management:

Mr. Ho KwonCjan's elder brother and Mr. Ho Ren Hua's father

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Chairman of the Board and Chief Executive Officer, Laguna Resorts & Hotels Public Company Limited
- Chairman of the Board, Thai Wah Public Company Limited*
- Director and Executive Chairman, Banyan Tree Holdings Limited
- Non-Executive Director, Audit Committee Member, Nomination Committee Member and Remuneration Committee Member, Diageo plc

2000-2015

- Chief Executive Officer, Thai Wah Food Products Public Company Limited

1997-2015

- Chairman of the Board, Thai Wah Food Products Public Company Limited

In Non-Listed Companies

Present

- Chairman of the Board / Director, Certain related companies of Banyan Tree Holdings Limited
- Chairman of the Board of Trustees, Singapore Management University
- Chairman of the Board / Director, Tropical Resorts Limited
- Chairman of the Board / Director, Tropical Resorts Management Co., Ltd.
- Chairman, School of Hotel and Tourism Management of the Hong Kong Polytechnic University - School Advisory Committee

- Director, Li-Ho Holdings (Private) Limited and certain related companies
- Director, RHYC Pte. Ltd.
- Director, Chang Fung Company Limited
- Director, Bibace Investments Ltd. and certain related companies
- Director, Recourse Investments Ltd. and certain related companies
- Director, Freesia Investments Ltd
- Director, Sin-Hai Offshore Company Limited
- Director, Mae Samat Land Limited
- Director, Maypole Ltd. and certain related companies
- Director, Platinum Enterprise Limited and certain related companies
- Director, Asia Tapioca Products Company Limited
- 2006-2012**
- Director, Tay Ninh Tapioca Joint Stock Company
- 1988-2011**
- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited

Mr. Surapon Supratya⁽¹⁾**Deputy Chairman of the Board**

(Age 63 Years)

Date of First Appointment as Director:

22 March 1996

**Highest Educational Background and Director Certificate Program:**

- Master of Accounting, Thammasat University
- Certified Public Accountant of Thailand
- Director Accreditation Program (2009), Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation**Working Experiences for the Past 5 Years:****In Listed Companies****Present**

- Deputy Chairman of the Board, Laguna Resorts & Hotels Public Company Limited
- Director, Thai Wah Public Company Limited*

1996-2015

- Director, Thai Wah Food Products Public Company Limited

2007-2012

- Deputy Chairman of the Company, Laguna Resorts & Hotels Public Company Limited

1996-2012

- Director, Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies**Present**

- Director, Asia Tapioca Products Company Limited
- Director, Vietnam Tapioca Company Limited
- Director, Tay Ninh Tapioca Joint Stock Company

2008-2012

- Director, Tapioca Development Corporation Limited

1996-2012

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited

Mr. Vudhiphol Suriyabhivadh**Independent Director**

(Age 71 Years)

Date of First Appointment as Director:

7 May 2003

**Highest Educational Background and Director Certificate Program:**

- Bachelor of Commerce (Accountancy), University of New South Wales, Australia
- Bachelor of Law, Sukhothai Thammathirat University
- Director Certification Program (2003) and Audit Committee Program (2005), Thai Institute of Directors Association
- Executive Course, IMD Lausanne, Switzerland

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation**Working Experiences for the Past 5 Years:****In Listed Companies****Present**

- Independent Director, Audit and Risk Committee Chairman and Nomination and Remuneration Committee Member, Laguna Resorts & Hotels Public Company Limited
- Independent Director, Audit and Risk Committee Chairman and Nomination and Remuneration Committee Member, Thai Wah Public Company Limited*
- Independent Director, Audit Committee Chairman and Nomination, Remuneration and Good Corporate Governance Committee Chairman, L.P.N. Development Public Company Limited
- Independent Director and Audit Committee Chairman, Bangkok Ranch Public Company Limited

2003-2015

- Nomination and Remuneration Committee Member, Thai Wah Food Products Public Company Limited

1999-2015

- Audit and Risk Committee Member, Thai Wah Food Products Public Company Limited

1996-2015

- Independent Director, Thai Wah Food Products Public Company Limited

2010-2014

- Audit Committee Member, L.P.N. Development Public Company Limited

2008-2014

- Nomination, Remuneration and Good Corporate Governance Committee Member, L.P.N. Development Public Company Limited

Dr. Jingjai Hanchanlash**Independent Director**

(Age 73 Years)

Date of First Appointment as Director:

15 May 2001

**Highest Educational Background and Director Certificate Program:**

- Doctorate University de Caen (Mention droit), France
- Certificate in Project Analysis Training, University of Connecticut, USA
- Certificate in Mid Career Management Training, University of Western Ontario, Canada
- Director Accreditation Program (2003) and
- Audit Committee Program (2007), Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation**Working Experiences for the Past 5 Years:****In Listed Companies****Present**

- Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Chairman, Laguna Resorts & Hotels Public Company Limited
- Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Chairman, Thai Wah Public Company Limited*
- Vice Chairman, Muang Thai Insurance Public Company Limited
- Director, Loxley Public Company Limited
- Director, Asian Phytoceuticals Public Company Limited

2013-2015

- Nomination and Remuneration Committee Member, Thai Wah Food Products Public Company Limited

2000-2015

- Independent Director and Audit and Risk Committee Member, Thai Wah Food Products Public Company Limited

In Non-Listed Companies**Present**

- Honorary Chairman, Greater Mekong Sub-Region Business Forum
- Chairman of the Executive Board, Rutnin-Gimbel Excimer Laser Eye Centre
- Vice Chairman, Thai Chamber of Commerce
- Director, SPIE Oil & Gas Services (Thailand) Limited
- Director, Hamilcar Company Limited
- Board Member, King Prajadhipok's Institute

Mr. Udom Vichayabhai**Independent Director**

(Age 80 Years)

Date of First Appointment as Director:

28 December 1992

**Highest Educational Background and Director Certificate Program:**

- Bachelor of Business Administration, Boston University, USA
- Role of the Chairman Program (2001),
- Director Accreditation Program (2003),
- Director Certification Program (2004),
- Finance for Non-Finance Directors (2004),
- Audit Committee Program (2005), and
- Role of the Compensation Committee (2008), Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation**Working Experiences for the Past 5 Years:****In Listed Companies****Present**

- Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member, Laguna Resorts & Hotels Public Company Limited
- Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member, Thai Wah Public Company Limited*

2013-2015

- Audit and Risk Committee Chairman, Thai Wah Food Products Public Company Limited

2008-2015

- Nomination and Remuneration Committee Chairman Thai Wah Food Products Public Company Limited

2003-2015

- Independent Director, Thai Wah Food Products Public Company Limited

1993-2014

- Independent Director, Audit Committee Chairman and Nomination Committee Member, Thai Reinsurance Public Company Limited

In Non-Listed Companies

- Chairman, Phuket Fantasea Public Company Limited
- Chairman, Carnival Magic Company Limited
- Independent Director, Amcor Flexibles Bangkok Public Company Limited

Ms. Srinthorn Ounayakovit**Independent Director**

(Age 45 Years)

Date of First Appointment as Director:

9 March 2015

**Highest Educational Background and Director Certificate Program:**

- Bachelor of Arts - Economics, Smith College, USA
- Certified Public Accountant of Thailand
- Director Accreditation Program (2015), Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation**Working Experiences for the Past 5 Years:****In Listed Companies****Present**

- Independent Director, Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies**1999-2013**

- Chief Executive Officer, Burda (Thailand) Company Limited

Mr. Ho KwonCjan⁽¹⁾**Director**

(Age 59 Years)

Date of First Appointment as Director:

27 February 1995

**Highest Educational Background and Director Certificate Program:**

- Bachelor of Architecture (Hons), National University of Singapore

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management:

Mr. Ho KwonPing's younger brother and Mr. Ho Ren Hua's uncle

Working Experiences for the Past 5 Years:**In Listed Companies****Present**

- Director, Laguna Resorts & Hotels Public Company Limited
- Director, Thai Wah Public Company Limited*

1997-2015

- Director, Thai Wah Food Products Public Company Limited

2005-2011

- Managing Director (Design Services), Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies**Present**

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited⁽²⁾
- Director, Certain related companies of Banyan Tree Holdings Limited
- Director, Asia Tapioca Products Company Limited
- Director, Profit Chain Ltd.
- Director, Lanna Land Development Company Limited
- Director, Mae Malai Doi Resorts Company Limited
- Director, Platinum Enterprise Limited and certain related companies
- Director, Li-Ho Holdings (Private) Limited and certain related companies
- Director, Chang Fung Company Limited
- Director, PT Bintan Hotels
- Director, Bibace Investments Ltd
- Director, Freesia Investments Ltd
- Director, Vail Enterprises Group Corp.

Mr. Ariel P. Vera**Non – Executive Director**

(Age 63 Years)

Date of First Appointment as Director:

13 May 1997

**Highest Educational Background and Director Certificate Program:**

- Master of Business Administration, National University of Singapore
- Certified Public Accountant of Philippines

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation**Working Experiences for the Past 5 Years:****In Listed Companies****Present**

- Non-Executive Director, Laguna Resorts & Hotels Public Company Limited
- Director, Thai Wah Public Company Limited*
- Non-Independent and Non-Executive Director, Banyan Tree Holdings Limited

2013-2015

- Director, Thai Wah Starch Public Company Limited
- Director, Thai Wah Food Products Public Company Limited

1997-2013

- Director, Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies**Present**

- Director, ICD (HK) Limited

1994-2014

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited

1995-2014

- Chairman of the Board / Director, Certain related companies of Banyan Tree Holdings Limited

Mr. Eddy See Hock Lye⁽¹⁾**Director**

(Age 51 Years)

Date of First Appointment as Director:

21 November 2012

**Highest Educational Background and Director Certificate Program:**

- Bachelor of Commerce, University of Auckland, New Zealand
- Associate Chartered Accountant, New Zealand Society of Accountants (Currently known as New Zealand Institute of Chartered Accountants)

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation**Working Experiences for the Past 5 Years:****In Listed Companies****Present**

- Director, Laguna Resorts & Hotels Public Company Limited
- Chief Financial Officer, Banyan Tree Holdings Limited

In Non-Listed Companies**Present**

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited⁽²⁾
- Director, Certain related companies of Banyan Tree Holdings Limited
- Director, Tropical Resorts Limited and certain related companies
- Director, Tropical Resorts Management Co. Ltd. and certain related companies
- Director, Singapore-Bintan Resort Holdings Pte Ltd
- Director, Donvale Limited
- Director, Debenham Limited
- Director, Hotel Management Ltd
- Director, Private Collection (S) Pte. Ltd.

Mr. Ho Ren Hua⁽¹⁾**Director**

(Age 33 Years)

Date of First Appointment as Director:

9 November 2011

**Highest Educational Background and Director Certificate Program:**

- Bachelor of Science in Economics (Honors) majoring in Finance and Management, The Wharton School, University of Pennsylvania, USA

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management:

Mr. Ho KwonPing's son and Mr. Ho KwonCjan's nephew

Working Experiences for the Past 5 Years:**In Listed Companies****Present**

- Director, Laguna Resorts & Hotels Public Company Limited
- Director and Chief Executive Officer, Thai Wah Public Company Limited*

2015

- Director and Chief Executive Officer, Thai Wah Starch Public Company Limited

2011-2015

- Director, Thai Wah Food Products Public Company Limited

In Non-Listed Companies**Present**

- Chairman of the Board / Director, Certain related companies of Banyan Tree Holdings Limited
- Director, Bibace Investments Ltd
- Director, Casita Holdings Ltd.
- Director, Dawina Investments Ltd.
- Director, ICD (HK) Limited
- Director, Maypole Ltd. and certain related companies
- Director, Sin-Hai Offshore Company Limited
- Director, Tapioca Development Corporation Limited
- Director, United Insulation Services Pte. Ltd.

Mr. Shankar Chandran⁽¹⁾**Director**

(Age 53 Years)

Date of First Appointment as Director:

21 November 2012

**Highest Educational Background and Director Certificate Program:**

- Postgraduate Diploma in Management Studies, Kingston University, London, UK
- Higher National Diploma Finance South West London College, UK
- Associate Chartered Accountant, New Zealand Society of Accountants (Currently known as New Zealand Institute of Chartered Accountants)

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation**Working Experiences for the Past 5 Years:****In Listed Companies****Present**

- Director and Managing Director, Laguna Resorts & Hotels Public Company Limited
- Managing Director (Spa Operations), Banyan Tree Holdings Limited

In Non-Listed Companies**Present**

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited⁽²⁾
- Director, Certain related companies of Banyan Tree Holdings Limited
- Director, Banyan Tree Hotels & Resorts (Thailand) Limited
- Managing Director**, Laguna Lang Co Vietnam

Mr. Stuart David Reading⁽¹⁾**Director**

(Age 48 Years)

Date of First Appointment as Director:

10 August 2006

**Highest Educational Background and Director Certificate Program**

- Bachelor of Business Degree in Accounting, University of Western Sydney, Australia
- Associate Chartered Accountant, Institute of Chartered Accountants in Australia
- Director Certification Program (2010), Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation**Working Experiences for the Past 5 Years:****In Listed Companies****Present**

- Director, Laguna Resorts & Hotels Public Company Limited

2013

- Deputy Managing Director, Laguna Resorts & Hotels Public Company Limited

2009-2012

- Vice President – Finance, Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies**Present**

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited⁽²⁾
- Vice President – Property Development, Laguna Banyan Tree Limited

Remark:

- No directors or management of the Company have any record of committing any illegal action.
- Disclosure on "Percentage of Shareholding in the Company" is in accordance with section 59 of the Securities and Exchange Act B.E. 2535.
- * Thai Wah Public Company Limited was formed by the amalgamation of Thai Wah Starch Public Company Limited and Thai Wah Food Products Public Company Limited on 1 October 2015.
- ** Effective from 18 January 2016 Mr. Shankar Chandran is no longer holding the position of Managing Director of Laguna Lang Co Vietnam.

⁽¹⁾ Authorized directors as shown in the Company Affidavit⁽²⁾ Details as shown in the section of "Position of Directors and Management as at 31 December 2015"

Management, Head of the Group Internal Audit and Company Secretary of the Company

Name	Position	Profile	
Management*			
Mr. Ho KwonPing	Chief Executive Officer	Profile as shown in the section of Board of Directors as at 31 December 2015	
Mr. Shankar Chandran	Managing Director		
Mr. Kuan Chiet	Senior Assistant Vice President – Finance & Administration	Profile as shown in the following pages	
Mr. Yew How David Seet	Senior Assistant Vice President – Resort Operations		
Ms. Piploy Pluemarom	Assistant Vice President – Group Human Resources		
Mr. Passapong Nantarak	Assistant Vice President – Legal		
Ms. Areewan Sriwichupong	Assistant Vice President – Finance		
Head of Group Internal Audit			
Mr. Ho Ming Wai	Assistant Vice President – Group Internal Audit		
Company Secretary			
Ms. Nanchalee Kecharananta	Company Secretary and Assistant Vice President – Corporate Affairs		

Remark:

- No directors or management of the Company have any record of committing any illegal action.
- Mr. Niyom Tassaneetipagorn, Senior Assistant Vice President – Corporate Affairs and Community Relations, resigned from the Company effective from 1 February 2015.
- * Effective 1 February 2015, all positions from Assistant Vice President and above are considered management of the Company in accordance with the definition of the Securities and Exchange Commission.

Mr. Kuan Chiet

Senior Assistant Vice President -
Finance & Administration

(Age 49 Years)

**Highest Educational Background and
Director Certificate Program:**

- Bachelor of Business Administration,
National University of Singapore
- Director Certification Program (2002),
Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Senior Assistant Vice President - Finance & Administration
Laguna Resorts & Hotels Public Company Limited

2000-2015

- Director, Thai Wah Food Products Public Company Limited

2012-2013

- Senior Assistant Vice President - Group Asset
Management, Development and Special Projects,
Laguna Resorts & Hotels Public Company Limited

2008-2011

- Senior Assistant Vice President -
Group Asset Management,
Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

Present

- Director, Certain related companies of
Laguna Resorts & Hotels Public Company Limited⁽¹⁾

2008-2015

- Director, Tapioca Development Corporation Limited

Mr. Yew How David Seet

Senior Assistant Vice President -
Resort Operations

(Age 61 Years)

**Highest Educational Background and
Director Certificate Program:**

- Certificate in Hotel Management,
SHATEC Institutes, Singapore

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Senior Assistant Vice President - Resort Operations,
Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

Present

- Director,
Banyan Tree Resorts & Spas (Thailand) Company Limited

2012 - 2013

- Senior Assistant Vice President & Deputy Managing Director,
Laguna Vietnam Company Limited

2000 - 2012

- Senior Assistant Vice President & Executive Director,
Banyan Tree Resorts & Spas (Thailand) Company Limited

Ms. Piploy Pluemarom

Assistant Vice President – Group Human Resources
(Age 57 Years)

**Highest Educational Background and
Director Certificate Program:**

- Master of Public Administration,
Chulalongkorn University

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Assistant Vice President – Group Human Resources,
Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

Present

- Director,
Certain related company of
Laguna Resorts & Hotels Public Company Limited⁽¹⁾

Mr. Passapong Nantarak

Assistant Vice President – Legal
(Age 45 Years)

**Highest Educational Background and
Director Certificate Program:**

- Bachelor of Laws,
Thammasat University
- Business Law Diploma,
Thammasat University
- Director Certification Program (2013),
Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present :

- Assistant Vice President – Legal,
Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

Present

- Director, Certain related companies of
Laguna Resorts & Hotels Public Company Limited⁽¹⁾

Ms. Areewan Sriwichupong

Assistant Vice President – Finance
(Age 43 Years)

**Highest Educational Background and
Director Certificate Program:**

- Bachelor of Business Administration,
Sukhothai Thammathirat Open University
- Director Certification Program (2014),
Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Assistant Vice President – Finance,
Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

Present

- Director, Certain related companies of
Laguna Resorts & Hotels Public Company Limited⁽¹⁾

Mr. Ho Ming Wai

Assistant Vice President - Group Internal Audit

(Age 38 Years)

Highest Educational Background and**Director Certificate Program:**

- Bachelor of Accountancy (Hons),
Nanyang Technological University, Singapore

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation**Working Experiences for the Past 5 Years:****In Listed Companies****Present**

- Assistant Vice President - Group Internal Audit,
Laguna Resorts & Hotels Public Company Limited
- Assistant Vice President - Group Internal Audit,
Banyan Tree Holdings Limited

2012-2014

- Senior Manager of Internal Audit, Keppel Land Limited

2009-2012

- Director of Internal Audit, Pan Pacific Hotels Group

In Non-Listed Companies

None

Ms. Nanchalee Kecharananta

Company Secretary and

Assistant Vice President - Corporate Affairs

(Age 49 Years)

Highest Educational Background and**Director Certificate Program:**

- Master of Development Administration,
Western Michigan University, USA
- Director Accreditation Program (2003),
- Company Secretary Program (2002), and
- Effective Minutes Taking Program (2006),
Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation**Working Experiences for the Past 5 Years:****In Listed Companies****Present :**

- Company Secretary and
Assistant Vice President - Corporate Affairs,
Laguna Resorts & Hotels Public Company Limited

2008-2012

- Senior Vice President, Corporate Secretariat Office
TISCO Financial Group Public Company Limited

In Non-Listed Companies

None

Remark:

- Disclosure on "Percentage of Shareholding in the Company" is in accordance with section 59 of the Securities and Exchange Act B.E. 2535.

⁽¹⁾ Details as shown in the section of "Information on the Directors of Subsidiaries as at 31 December 2015"



Angsana
Laguna Phuket



Loy Krathong Bar



Meetings - Lotus Room



Baan Talay

Details of Positions of Directors and Management as at 31 December 2015

No.	Name list		LRH	Subsidiaries													
				AVCI	BGL	BT1	BT2	BT3	BT4	BTD	BTG(S)	BTG(T)	CGL	L3	LBTG	LBTL	
1	Mr. Ho	KwonPing	BoDC, CEO, M	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Mr. Surapon	Supratya	DC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Mr. Vudhiphol	Suriyabhivadh	ID, ARCC, NRC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Dr. Jingjai	Hanchanlash	ID, ARC, NRCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Mr. Udom	Vichayabhai	ID, ARC, NRC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Ms. Srinthorn	Ounayakovit	ID	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Mr. Ho	KwonCjan	/	-	/	/	/	/	/	/	/	-	/	-	/	-	/
8	Mr. Ariel	P. Vera	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Mr. Eddy	See Hock Lye	/	PC	/	/	/	/	/	/	/	/	/	/	/	/	/
10	Mr. Ho	Ren Hua	/	-	-	-	-	-	-	-	-	-	-	-	-	BoDC	-
11	Mr. Shankar	Chandran	/, MD, M	-	/	/	/	/	/	/	/	-	/	/	/	-	/
12	Mr. Stuart	David Reading	/	PD	/	/	/	/	/	/	/	/	/	-	/	-	/
13	Mr. Kuan	Chiet	M	/	/	/	/	/	/	/	/	-	/	/	/	-	/
14	Mr. Yew How	David Seet	M	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Ms. Piploy	Pluemarom	M	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Mr. Passapong	Nantarak	M	-	/	/	/	/	/	/	/	-	/	-	/	-	/
17	Ms. Areewan	Sriwichupong	M	-	/	/	/	/	/	/	/	-	/	/	/	-	/
18	Mr. Ho	Ming Wai	M	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Ms. Nanchalee	Kecharananta	M	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Remark:

BoDC = Board of Directors Chairman

DC = Deputy Chairman of the Board

MD = Managing Director

PC = President Commissioner

ARC = Audit and Risk Committee Member

NRC = Nomination and Remuneration Committee Member

- = None

CEO = Chief Executive Officer

ID = Independent Director

PD = President Director

ARCC = Audit and Risk Committee Chairman

NRCC = Nomination and Remuneration Committee Chairman

/ = Director

M = Management according to the definition of the Securities and Exchange Commission

Full Company name as shown in the section of "Abbreviations"

Subsidiaries															Associated Companies		Related Companies		
LCL	LEL	LGL	LHC	LLL	LSC	LVL	MCP	PKRD	PSD	TLDC	TWDC	TWPL	TWRH	TWT	TWT2	LBTH	TRL	BI	HHBR
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	BoDC	/	-
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Information on the Directors of Subsidiaries as at 31 December 2015

Name list		Subsidiaries											
		AVCI	BGL	BT1	BT2	BT3	BT4	BTD	BTG(S)	BTG(T)	CGL	L3	LBTG
Mr. Ho	KwonCjan	-	/	/	/	/	/	/	-	/	-	/	-
Mr. Kuan	Chiet	/	/	/	/	/	/	/	-	/	/	/	-
Mr. Stuart	David Reading	PD	/	/	/	/	/	/	/	/	-	/	-
Ms. Areewan	Sriwichupong	-	/	/	/	/	/	/	-	/	/	/	-
Mr. Shankar	Chandran	-	/	/	/	/	/	/	-	/	/	/	-
Ms. Claire	Chiang See Ngoh	-	-	-	-	-	-	-	/	/	-	-	-
Mr. Phitak	Boonpojanasoonorn	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Ho	Ren Hua	-	-	-	-	-	-	-	-	-	-	-	BoDC
Mr. Eddy	See Hock Lye	PC	/	/	/	/	/	/	/	/	/	/	/
Mr. Passapong	Nantarak	-	/	/	/	/	/	/	-	/	-	/	-
Mr. Ussawin	Mouensoi	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Boon	Yongsakul	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Sriya	Yongsakul	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Kanruethai	Roongruang	-	-	-	-	-	-	-	-	/	-	-	-
Ms. Pilanthana	Charinkan	-	-	-	-	-	-	-	-	/	-	-	-
Ms. Piploy	Pluemarom	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Pravit	Anankusri	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Djunaidi	Maskur	/	-	-	-	-	-	-	-	-	-	-	-

Remark:

BoDC = Board of Directors Chairman

PC = President Commissioner

PD = President Director

/ = Director

- = None

Full Company name as shown in the section of "Abbreviations"

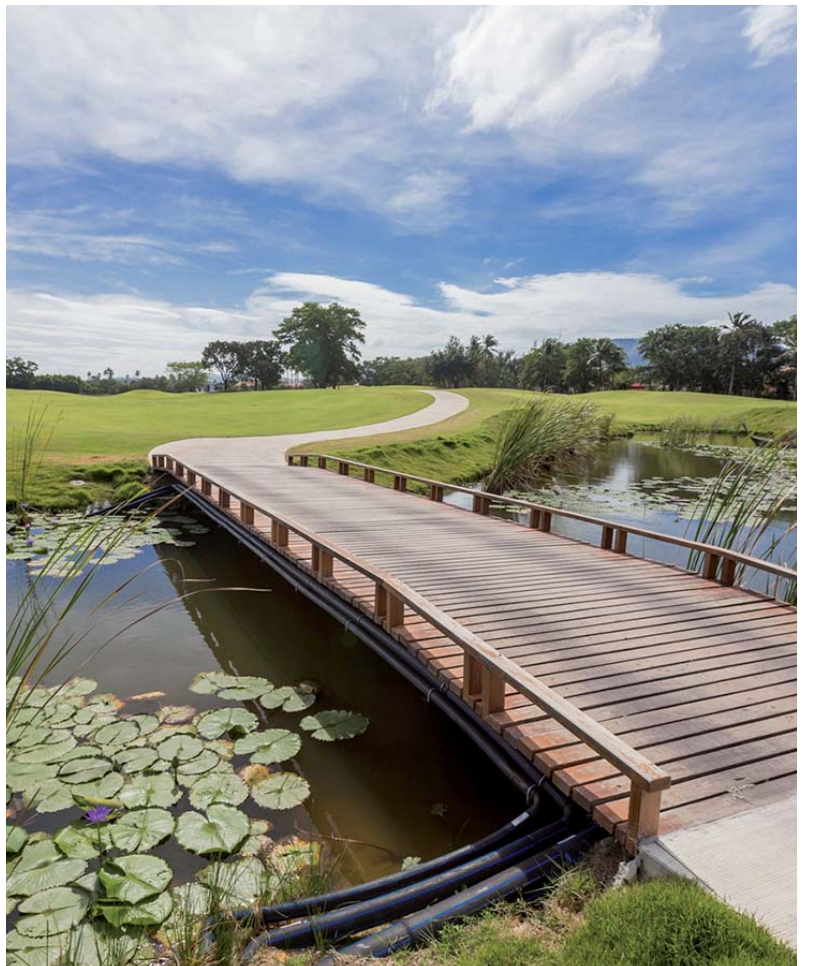
Subsidiaries																
LBTL	LCL	LEL	LGL	LHC	LLL	LSC	LVL	MCP	PKRD	PSD	TLDC	TWDC	TWPL	TWRH	TWT	TWT2
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- 1 **Teerawut Totarat**, Director of Tours & Travel,
Lagna Excursions Limited
- 2 **Roy Lau**, Assistant Vice President - Property Sales,
Laguna Banyan Tree Limited
- 3 **Anthony Loh**, Senior Assistant Vice President - Services,
Laguna Service Company Limited
- 4 **David Seet Yew How**, Senior Assistant Vice President - Resort Operations,
Laguna Resorts & Hotels Public Company Limited
- 5 **Stuart David Reading**, Vice President - Property Development,
Laguna Banyan Tree Limited
- 6 **Shankar Chandran**, Senior Vice President /Managing Director,
Laguna Resorts & Hotels Public Company Limited
- 7 **Kuan Chiet**, Senior Assistant Vice President - Finance and Administration,
Laguna Resorts & Hotels Public Company Limited
- 8 **Passapong Nantarak**, Assistant Vice President - Legal,
Laguna Resorts & Hotels Public Company Limited
- 9 **Itthipat Chirasathit**, Hotel Manager,
Laguna Holiday Club Phuket Resort
- 10 **Sarawut Chantarasuwan**, Project Director,
Phuket Resort Development Limited
- 11 **Porntip Kankheaw**, Director of Corporate Information Technology,
Laguna Resorts & Hotels Public Company Limited
- 12 **Piploy Pluemarom**, Assistant Vice President - Group Human Resources,
Laguna Resorts & Hotels Public Company Limited
- 13 **Bubpha Prateep Na Thalang**, Senior Manager - Rental Pool Owner Services,
Laguna Banyan Tree Limited
- 14 **Brain Connelly**, General Manager,
Angsana Laguna Phuket
- 15 **Sriram Kailasam**, Area General Manager - Phuket,
Banyan Tree Phuket
- 16 **Paul Anthony Wilson**, Director of Golf,
Laguna Grande Limited
- 17 **Marc Landgraf**, General Manager,
Outrigger Laguna Phuket Resort and Villas
- 18 **Ilias Vamvakas**, General Manager,
Cassia Phuket
- 19 **Passaraporn Kaotan**, Director of Operations,
Laguna Grande Limited
- 20 **Prapa Hemmin**, Director of Sales - MICE & Corporate Events,
Laguna Service Company Limited
- 21 **Prae Sunantaraks**, Director of Cummunity Relations,
Laguna Resorts & Hotels Public Company Limited



Laguna Phuket
Golf Club



General Information

Head Office

Laguna Resorts & Hotels Public Company Limited
 Thai Wah Tower I, 7th, 22nd and 24th floor
 21/17B, 21/17C, 21/65, 21/66 and 21/68
 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand
 Telephone 66 (0) 2677 4455 | Facsimile 66 (0) 2285 0733

Branch

390/1 Moo 1, Srisoontorn Road, Cherngtalay, Thalang, Phuket 83110, Thailand

Homepages

www.lagunaresorts.com (Corporate Website) | www.lagunaphuket.com (Marketing Website)

Corporate Registration number

0107535000371 (Former: Bor Mor Jor 70)

Type of Major Businesses

Hotel Business and Property Development

Registered Capital

Baht 2,116,753,580

Issued and Paid-up Capital

Baht 1,666,827,010

No. and Type of Shares Issued and Par Value

166,682,701 ordinary shares at the par value of Baht 10 per share

Foreign Limit

Not exceeding 49 percent of total issued and paid-up shares of the Company

Percentage Allowed For Thai Trust Fund Management Company Limited

Not exceeding 20 percent of the total issued and paid-up shares of the Company

Dividend Policy of the Company

The Company's dividend policy seeks to maximize shareholder value and encourage shareholder loyalty with predictable annual growth in dividend payout which is not impacted by profit volatility. With that objective, the Company's Dividend Policy is based on the principles of stability, predictability and managed growth, outlined as follows:

- **Stability** Unless the Company suffers a substantial net loss, it will pay a dividend each year so that shareholders are not negatively affected by annual profit volatility.
- **Predictability** Shareholders will be able to better anticipate the appropriate level of dividends to expect each year and therefore may be better able to manage their portfolio investment strategy.
- **Managed growth** The Company will strive to increase and smooth out the dividends year-on-year within a broad band but the specific rate will be dependent on the Company's actual profit performance, cash and cash flow projections

Dividend Policy of the Subsidiaries

In respect of dividend payment policy by the subsidiaries, such subsidiaries will pay dividends from their net profits. There is no specific dividend policy and dividend payment is subject to many factors such as their financial condition and results of operations, liquidity, business expansion and factors related to the operation of their business.

Total Employees

70 employees (Only employees employed by Laguna Resorts & Hotels Public Company Limited as of 31 December 2015)

Companies in which the Company's Shareholding Exceeds 10 percent

Company (Abbreviations)	Type of Business	Head Office	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-Up Capital (Baht)	Shareholding Proportion (Direct+Indirect*) (%)	Telephone	Facsimile
AVCI	Holiday club membership	Bintan	USD2,335,000	USD10.00	USD850,000	100.00	(62) 770 693 402	(62) 770 693 402
BGL	Hotel operations	Phuket	1,546,000,000	100.00	1,546,000,000	100.00	66 (0) 7632 4101-7	66 (0) 7627 1808
BI	Investment holdings	British Virgin Islands	USD50,000	USD0.01	USD10,100	19.80	(65) 6849 5888	(65) 6849 5713
BT1	Property development	Phuket	20,930,000	100.00	20,930,000	100.00	66 (0) 7636 2300	66 (0) 7636 2301-2
BT2	Property development	Phuket	19,100,000	100.00	19,100,000	100.00	66 (0) 7636 2300	66 (0) 7636 2301-2
BT3	Property development	Phuket	7,750,000	100.00	7,750,000	100.00	66 (0) 7636 2300	66 (0) 7636 2301-2
BT4	Property development	Phuket	14,550,000	100.00	14,550,000	100.00	66 (0) 7636 2300	66 (0) 7636 2301-2
BDT	Property development	Phuket	80,000,000	100.00	80,000,000	100.00	66 (0) 7636 2300	66 (0) 7636 2301-2
BTG(S)	Sale of merchandise	Singapore	---	---	SGD432,000	51.00	(65) 6849 5888	(65) 6462 0186
BTG(T)	Sale of merchandise	Bangkok	7,750,000	100.00	7,750,000	51.00	66 (0) 2677 3100	66 (0) 2677 3200
CGL	Investment holding	Hong Kong	HKD10,000	HKD1.00	HKD2	100.00	(852) 2598 5234	(852) 2598 7500
HHBR	Dormant	Bangkok	10,000,000	10.00	10,000,000	10.00	66 (0) 2454 0037	66 (0) 2454 1097
L3	Property development	Phuket	100,000	100.00	100,000	100.00	66 (0) 7636 2300	66 (0) 7636 2301-2
LBTG	Trading and retailing of consumer goods in resorts	Yunnan	USD75,000	-	USD75,000	51.00	(86) 888 533 1111	(86) 888 533 2222
LBTH	Hotel operations and property development	Yunnan	USD18,400,000	-	USD18,400,000	49.04	(86) 888 533 1111	(86) 888 533 2222
LBTL	Hotel operations and property development	Phuket	1,500,000,000	100.00	1,500,000,000	100.00	66 (0) 7632 4374	66 (0) 7632 4375
LCL	Dormant	Bangkok	1,000,000	100.00	1,000,000	85.00	66 (0) 2677 4455	66 (0) 2285 0733
LEL	Travel operations	Phuket	8,000,000	100.00	8,000,000	49.00	66 (0) 7636 2300	66 (0) 7636 2370
LGL	Golf club operations and property development	Phuket	1,000,000,000	100.00	1,000,000,000	100.00	66 (0) 7636 2300	66 (0) 7636 2301-2
LHC	Holiday club membership and property development	Phuket	330,000,000	100.00	330,000,000	100.00	66 (0) 7636 2400	66 (0) 7636 2401

Companies in which the Company's Shareholding Exceeds 10 percent (con't)

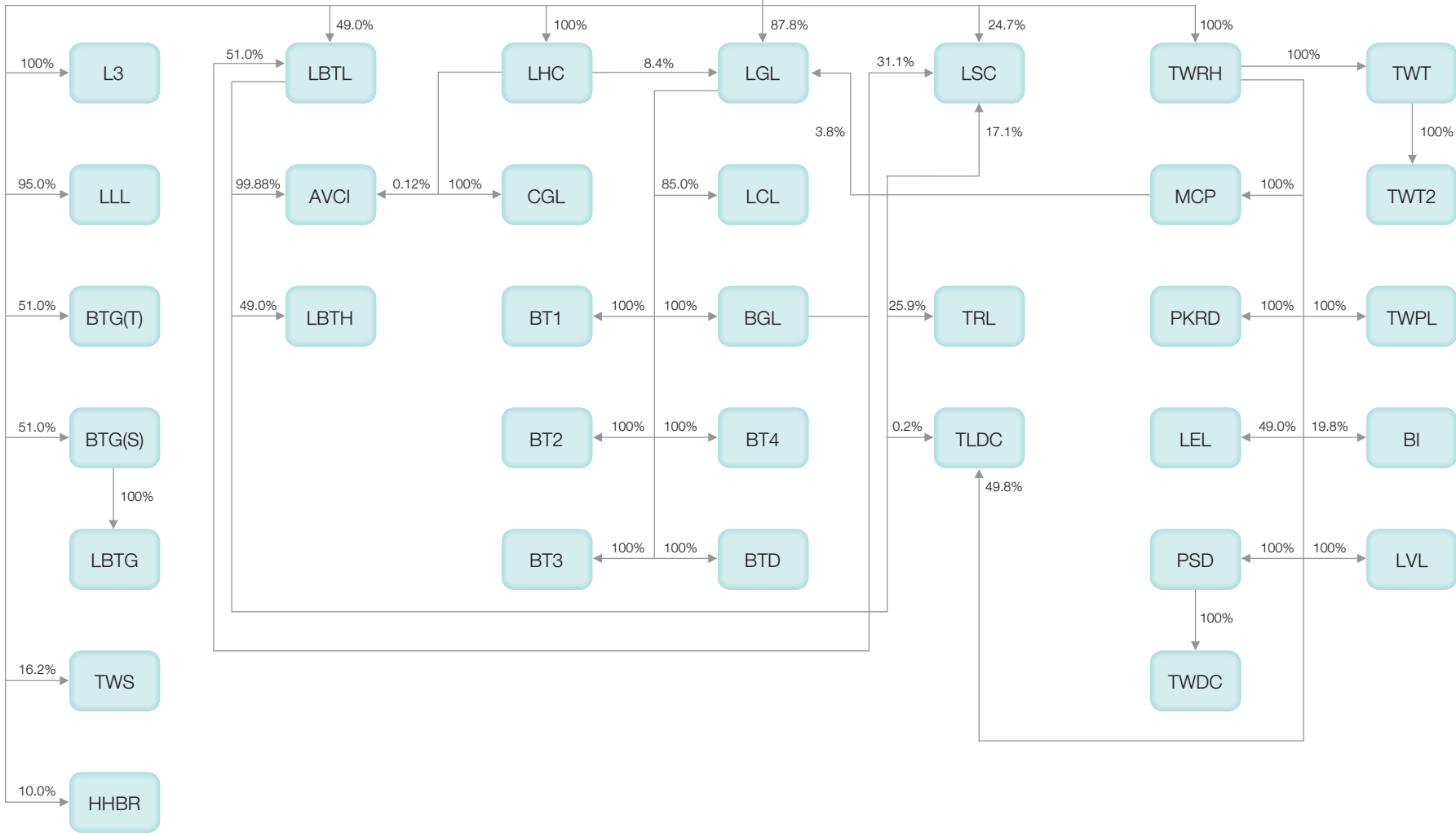
Company (Abbreviations)	Type of Business	Head Office	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-Up Capital (Baht)	Shareholding Proportion (Direct+Indirect*) (%)	Telephone	Facsimile
LLL	Property development	Phuket	1,000,000	100.00	1,000,000	95.00	66 (0) 7636 2300	66 (0) 7636 2301-2
LSC	Provide utilities and other services to hotels of the subsidiaries	Phuket	90,500,000	100.00	90,500,000	72.90	66 (0) 7630 5639-42	66 (0) 7630 5643
LVL	Hotel operations	Phuket	6,000,000	100.00	6,000,000	100.00	66 (0) 7633 6900	66 (0) 7633 6970
MCP	Property development	Bangkok	232,300,000	100.00	232,300,000	100.00	66 (0) 2677 4455	66 (0) 2285 0733
PKRD	Property development	Phuket	100,000,000	100.00	100,000,000	100.00	66 (0) 7636 2300	66 (0) 7636 2301-2
PSD	Property development	Bangkok	28,400,000	100.00	28,400,000	100.00	66 (0) 2677 4455	66 (0) 2285 0733
TLDC	Property development	Bangkok	251,000,000	1,000.00	251,000,000	50.00	66 (0) 2677 4455	66 (0) 2285 0733
TRL	Resort investment and development	Hong Kong	-***	-***	USD21,000,000	25.87	(852) 2525 8854	(852) 2845 2754
TWDC	Property development	Phuket	214,370,000	100.00	214,370,000	100.00	66 (0) 7636 2300	66 (0) 7636 2301-2
TWPL	Hotel operations, lease of office building space and property development	Bangkok	2,250,000,000	100.00	2,250,000,000	100.00	66 (0) 2677 4455	66 (0) 2285 0733
TWRH	Investment holding and property development	Bangkok	1,550,000,000	100.00	1,550,000,000	100.00	66 (0) 2677 4455	66 (0) 2285 0733
TWT	Lease of office building space	Bangkok	455,000,000	100.00	455,000,000	100.00	66 (0) 2677 4455	66 (0) 2285 0733
TWT2	Property development	Bangkok	21,000,000	100.00	21,000,000	100.00	66 (0) 2677 4455	66 (0) 2285 0733

Remark:

- * Taking into account only on companies in which the Company has shareholding through a subsidiary(ies) (exceeding 50 percent)
- ** With effect from 30 January 2006, the concepts of authorized/registered capital and par value have been abolished by law in respect of all Singapore companies.
- *** With effect from 3 March 2014, the concepts of authorized / registered capital and par value have been abolished by law in respect of all Hong Kong companies.
- Full Company name as shown in the section of "Abbreviations"

Corporate Structure as at 31 December 2015

Laguna Resorts & Hotels Public Company Limited



Remark : Full company names as shown in the Section of "Abbreviations"

Major Shareholders as at 30 December 2015[#]

No.	Shareholders	No. of Shares Held	Total Shareholdings	%
1	Banyan Tree Holdings Limited Group of Companies (1) Banyan Tree Holdings Limited (2) Banyan Tree Resorts & Spas (Thailand) Company Limited* (3) Maybank Kim Eng Securities Pte Ltd**	74,632,342 15,737,807 1,052,762	91,422,911	54.8
2	Thai Trust Fund Management Company Limited***		23,469,665	14.1
3	Thai NVDR Company Limited		19,119,396	11.5
4	Mr. Suvit Laohapholwattana		3,587,700	2.2
5	Thai Wah Public Company Limited		3,480,200	2.1
6	Goldman Sachs International		3,000,500	1.8
7	Mr. Wachira Thayanaraporn		1,790,900	1.1
8	Dusit Thani Public Company Limited		1,250,000	0.7
9	The Viriyah Insurance Public Company Limited		1,103,725	0.7
10	State Street Bank Europe Limited Other Minority Shareholders		1,073,802 17,383,902	0.6 10.4
	Total		166,682,701	100.0

Remarks:

= As at the last share register book closing date. Updated shareholder information prior to the 2016 Annual General Meeting can be accessed through www.lagunaresorts.com, the Company's corporate website.

* = A company which is under the control of Banyan Tree Holdings Limited.

** = Holds the Company shares for and on behalf of Banyan Tree Corporate Pte. Ltd., a wholly-owned subsidiary of Banyan Tree Holdings Limited.

*** = Banyan Tree Holdings Limited holds 18,175,265 units in Thai Trust Fund Management Company Limited.

Management Structure

The Board structure is comprised of the main board and 2 committees: (1) Board of Directors, (2) Audit and Risk Committee, and (3) Nomination and Remuneration Committee.

Board of Directors

The Board of Directors of the Company comprises 12 Directors, 4 of whom are Independent Directors representing one-third of total Board members as follows:

Name	Position	Number of Meeting Attendance during 2015 / Total
Mr. Ho KwonPing	Chairman of the Board	4/4
Mr. Surapon Supratya	Deputy Chairman of the Board	3/4
Mr. Vudhiphol Suriyabhivadh	Independent Director*	4/4
	Audit and Risk Committee Chairman	
	Nomination and Remuneration Committee Member	
Dr. Jingjai Hanchanlash	Independent Director*	4/4
	Nomination and Remuneration Committee Chairman	
	Audit and Risk Committee Member	
Mr. Udom Vichayabhai	Independent Director*	4/4
	Audit and Risk Committee Member	
	Nomination and Remuneration Committee Member	
Ms. Srinthorn Ounayakovit	Independent Director*	3/4 ¹
Mr. Ho KwonCjan	Director	3/4
Mr. Ariel P. Vera	Non-Executive Director	4/4
Mr. Eddy See Hock Lye	Director	3/4
Mr. Ho Ren Hua	Director	3/4
Mr. Shankar Chandran	Director	4/4
Mr. Stuart David Reading	Director	4/4

* The definition of "Independent Director" is disclosed under the section of "Corporate Governance".

¹ Ms. Srinthorn Ounayakovit was appointed as new Independent Director, replacing Dr. Satit Rungkasiri who resigned since 10 July 2013, in accordance with the resolution of the Board of Directors' Meeting on 24 February 2015.

Authorized Signatory

The Company's authorized signatories are "Two directors from the following seven directors namely Mr. Ho KwonPing, Mr. Surapon Supratya, Mr. Ho KwonCjan, Mr. Stuart David Reading, Mr. Ho Ren Hua, Mr. Eddy See Hock Lye and Mr. Shankar Chandran can jointly sign with the seal of the Company affixed".

Duties and Responsibilities of the Company's Board of Directors

The Board's primary functions are to set the Company's policy and overall strategy for the Group and to provide effective oversight on the management of the Group's business and affairs. Apart from its statutory duties, the responsibilities of the Board include:

1. Formulating and approving broad policies, strategies and financial objectives of the Group;
2. Reviewing the financial performance and taking responsibility for the financial statements of the Group;
3. Monitoring and approving the Group's key operational initiatives, annual budget, major investment and funding decisions;
4. Ensuring that the adequacy of internal controls and risk management of the Group is regularly reviewed and evaluated;
5. Approving the nominations of Board of Directors and appointments to the various Board committees;
6. Assuming responsibility for corporate governance; and
7. Approving the Charter of the Audit and Risk Committee and Nomination and Remuneration Committee so as to clearly state the scope of its duties and responsibilities.

These functions are either carried out directly by the Board or through Sub-Committees established by the Board, principally the Audit and Risk Committee and Nomination and Remuneration Committee. The delegation of authority by the Board to Sub-Committees enables the Board to achieve operational efficiency by empowering these Sub-Committees to decide on matters within certain limits of authority and yet maintain control over major policies and decisions.

The Term of Office

The term of office of a director of the Board shall be 3 years. A director of the Board who vacates his/her office by rotation may be re-appointed.

Audit and Risk Committee

The Audit and Risk Committee comprises 3 Independent Directors of the Company as follows:

Name		Position
Mr. Vudhiphol	Suriyabhivadh	Chairman
Dr. Jingjai	Hanchanlash	Member
Mr. Udom	Vichayabhai	Member

Mr. Vudhiphol Suriyabhivadh, the Chairman of the Audit and Risk Committee, has adequate expertise and experience to review financial reports. Mr. Vudhiphol's formal education as a trained accountant and his former employment as the Financial Director of East Asiatic (Thailand) Public Company Limited have gave him ample experience in reviewing the creditability of the financial reports.

Duties and Responsibilities of the Audit and Risk Committee

1. To seek to ensure that the financial reports of the Company are accurate and sufficient;
2. To seek to ensure that the Company has appropriate and effective internal control and internal audit systems as well as to determine the independence of the internal audit unit, and to approve the appointment, transfer and termination of employment of the chief of the internal audit unit;
3. To consider, select, nominate an independent person to be the external auditor of the Company and propose fees for such person, as well as to attend a non-management meeting with the external auditor at least once a year;
4. To be responsible for the resolution of disagreements between management and the external auditor regarding financial reporting;
5. To seek to ensure that the Company has complied with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws related to the business of the Company;
6. To seek to ensure that the connected transactions or transactions that may lead to conflicts of interests are in compliance with the laws and the Stock Exchange of Thailand's regulations, and are reasonable and for the highest benefit of the Company;
7. To review or discuss, as and when appropriate, policies regarding risk assessment and risk management and the steps management has taken to monitor and control such exposures;
8. To seek to oversee and ensure a continuous process for managing risk and to report on all areas of concern to the Board;
9. To review and assess the adequacy of the Charter of Audit and Risk Committee annually and recommend modification to the Board as needed;
10. To prepare a report of the Audit and Risk Committee to be disclosed in the annual report of the Company, which must be signed by the Chairman of the Audit and Risk Committee; comprising at least the following information:
 - a. an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - b. an opinion on the adequacy of the Company's internal control system,
 - c. an opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws related to the business of the Company,
 - d. an opinion on the suitability of an auditor,
 - e. an opinion on the transactions that may lead to conflicts of interests,
 - f. the number of the Audit and Risk Committee meetings, and the attendance of such meetings by each committee member,
 - g. an opinion or overview comment received by the Audit and Risk committee from its performance of duties in accordance with the charter, and
 - h. other transactions which, according to the Audit and Risk committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board;
11. In performing the duty of the Audit and Risk Committee, if there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results:
 - a. a transaction which causes a conflict of interest;
 - b. any fraud, irregularity, or material defect in an internal control system; or
 - c. an infringement of the law on securities and exchange, the Stock Exchange of Thailand's regulations, or any law related to the business of the Company.

The Audit and Risk Committee shall report such transaction or act to the Board for rectification within the period of time that the Audit and Risk Committee thinks fit. If the Board or management fails to make a rectification within such period of time, any Audit and Risk Committee member may report on such transaction or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand;

12. To investigate and report the preliminary result to the Office of the Securities and Exchange Commission and the external auditor within 30 days upon receipt of the fact from the external auditor in relation to any suspicious circumstance that the director, manager or any person responsible for the operation of the Company commits an offence under the law on Securities and Exchange; and
13. To perform any other acts authorized by the Board of Directors of the Company with the approval of the Audit and Risk Committee.

In order that the duties and responsibilities of the Audit and Risk Committee can be fulfilled, the Audit and Risk Committee shall have the power to investigate related persons and matters within the scope of the authority and duty of the Audit and Risk Committee and, with the approval of the Board of Directors, shall have the power to employ or ask a specialist to provide advice and opinions as deemed appropriate by the Audit and Risk Committee.

The Term of Office

The term of office of a member of the Audit and Risk Committee shall be 2 years. A member of the Audit and Risk Committee who vacates his/her office by rotation may be re-appointed.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises 3 Independent Directors of the Company as follows:

Name		Position
Dr. Jingjai	Hanchanlash	Chairman
Mr. Udom	Vichayabhai	Member
Mr. Vudhiphol	Suriyabhivadh	Member

Duties and Responsibilities of the Nomination and Remuneration Committee

1. To propose guidelines and make broad recommendations for the annual salary increment and bonus policies for the Company;
2. To review and award the bonus, salary increment and incentives of the Company Chairman and his relatives who are employees of the Company;
3. To review and approve the expenses claims of the Company Chairman;
4. To review and if necessary, propose changes to the remuneration of the Company's directors serving on the Board of Directors, Audit and Risk Committee and Nomination and Remuneration Committee;

5. To review and if necessary, propose changes or additions to senior management welfare, benefits, (such as employee stock options and other employee welfare allowances, subsidies and schemes), salary increment and bonus policies. The emoluments of individual employees shall be determined by the management of the Company;
6. To establish criteria for Board membership;
7. To formulate a standard and transparent process for the selection of directors;
8. To propose and/or evaluate directorial candidates and Board committee members for consideration by the Board when there is a vacancy;
9. To assess independent directors to identify if the independence of any is compromised and if new independent directors are required under the Board's policy;
10. To inform the Board of the names of directors and Board committee members who are retiring by rotation and make recommendations to the Board as to whether the Board should support the renomination of those retiring directors and committee members;
11. To review the Committee Charter at least once a year and recommend modifications to the Board of Directors as needed; and
12. To report to the Board of Directors on the Committee's activities and findings.

To assist the Nomination and Remuneration Committee in achieving its objectives, the Nomination and Remuneration Committee shall have the discretion to appoint appropriate third party consultants to review existing employee related policies, propose new employee benefit and welfare programs and/or undertake other HR related research and studies.

The Term of Office

The term of office of a member of the Nomination and Remuneration Committee shall be 2 years. A member of the Nomination and Remuneration Committee who vacates his/her office by rotation may be re-appointed.

Management*

Management of the Company comprised of the following members:

Name		Position
Mr. Ho	KwonPing	Chief Executive Officer
Mr. Shankar	Chandran	Managing Director
Mr. Kuan	Chiet	Senior Assistant Vice President – Finance & Administration
Mr. Yew	How David Seet	Senior Assistant Vice President – Resort Operations
Mr. Ho	Ming Wai	Assistant Vice President – Group Internal Audit
Ms. Piploy	Pluemarom	Assistant Vice President – Group Human Resources
Mr. Passapong	Nantarak	Assistant Vice President – Legal
Ms. Areewan	Sriwichupong	Assistant Vice President – Finance
Ms. Nanchalee	Kecharananta	Assistant Vice President – Corporate Affairs

Remarks:

- Mr. Niyom Tassaneetipagorn, Senior Assistant Vice President – Corporate Affairs and Community Relations, resigned from the Company effective from 1 February 2015
- * Effective from 1 February 2015 all positions from Assistant Vice President and above are considered management of the Company in accordance with the definition of the Securities and Exchange Commission

Head of Group Internal Audit

Mr. Ho Ming Wai, Assistant Vice President – Group Internal Audit, was appointed as Head of Group Internal Audit in accordance with the resolution of the Audit and Risk Committee's Meeting on 6 August 2014.

Mr. Ho Ming Wai graduated from Nanyang Technological University of Singapore with a second class upper degree in Accountancy and a minor in Business Law. He has 14 years of Internal Audit and Finance experiences of which 6 years were in the hospitality and property development industries. The Company views that based on his experiences and knowledge, he meets the qualifications to head the internal audit function.

Company Secretary

Ms. Nanchalee Kecharananta was appointed as the Company Secretary of the Company effective from 1 June 2012 in accordance with the resolution of the Board of Directors' Meeting on 11 May 2012. The Company Secretary is responsible for preparing and maintaining register of directors, notice and minutes of the Board of Directors' meeting, annual report, notice and minutes of shareholders meeting, maintaining directors and management's report on interests, and performing other duties as required by the Capital Market Supervisory Board and as assigned by the Board of Directors of the Company.

Method of Appointment and Removal of Directors as included in the Company's Articles of Association

Appointment of Directors

- a. The number of the Board of Directors shall not be less than 5 directors and at least half of the total directors shall reside in Thailand.
- b. Directors shall be elected in a shareholders' meeting in accordance with following rules and procedures:
 - In voting to elect directors, the votes shall be non-cumulative.
 - In voting, the shares of each shareholder shall be counted as one vote for every share.
- c. If any vacancy occurs in the Board of Directors other than by rotation, the Board of Directors shall elect another person who is qualified and has not been prohibited by Section 68 of the Public Limited Company Act. B.E. 2535 to be a director for the next directors' meeting, except when the period of office for the vacating director is less than 2 months, it is then not necessary to appoint any new director. The appointed person shall stay in office for the remaining period of the vacating director.

The resolution of the Board of Directors for the above paragraph shall not be less than three-fourths of the remaining number of directors.

In the event where there are director positions vacant and the numbers of remaining directors are unable to form a quorum, the remaining directors shall transact on behalf of the Board of Directors only to arrange for a shareholders' meeting to appoint new directors for the vacant positions. The shareholders' meeting to appoint new directors to fill the vacant positions shall be made within 1 month from the date they became vacant.

Removal of Directors

- a. At each Annual General Meeting, one-third of the directors shall retire from office, or if their number is not a multiple of 3, then the number nearest to one-third shall retire from office.

Directors due to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has been longest in the office shall retire.

A retiring director shall be eligible for the re-election.

- b. Apart from retiring by rotation, a director position shall also be vacated upon:-
 - Death
 - Resignation
 - Lack of qualification or subject to any prohibition under Articles 68 of the Public Limited Company Act B.E. 2535
 - Removal by a resolution of a shareholders' meeting
 - Removal by a court order
- c. A director may be removed by a resolution of the shareholders' meeting passed by a vote of not less than three-fourths of the number of the shareholders who attend the meeting and are entitled to vote and the shares which voted shall not be less than half of the total shares of the shareholders who attended the meeting and are entitled to vote thereon.

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of Laguna Resorts & Hotels Public Company Limited comprises 3 independent directors and has the following objectives:

1. To formulate and align HR policies and programs for senior management to business goals and market practices;
2. To attract and retain the right people for senior management positions in the Company;
3. To ensure that the Company's senior management remuneration and benefit package remain competitive with the industry's benchmark;
4. To advise the Board on matters relating to the composition of the Board and its committees so that the Board is able to adequately discharge its responsibilities and duties; and
5. To resolve and/or advise on any employee's remuneration which have conflict-of-interest issues.

In the pursuit of its objectives, the NRC is empowered to perform the following functions:

1. To propose guidelines and make broad recommendations for the annual salary increment and bonus policies for the Company;
2. To review and award the bonus, salary increment and incentives of the Company Chairman and his relatives who are employees of the Company;
3. To review and approve the expense claims of the Company Chairman;
4. To review and if necessary, propose changes to the remuneration of the Company's directors serving on the Board of Directors, Audit and Risk Committee and Nomination and Remuneration Committee;
5. To review and if necessary, propose changes or additions to senior management welfare, benefits (such as employee stock options and other employee welfare allowances, subsidies and schemes), salary increment and bonus policies. The emolument of individual employees shall be determined by the management of the Company;
6. To establish criteria for Board membership;
7. To formulate a standard and transparent process for the selection of directors;
8. To propose and/or evaluate directorial candidates and Board committee members for consideration by the Board when there is a vacancy;
9. To assess independent directors to identify if the independence of any is compromised and if new independent directors are required under the Board's policy;
10. To inform the Board of the names of directors and Board committee members who are retiring by rotation and make recommendations to the Board as to whether the Board should support the re-nomination of those retiring directors and committee members;
11. To review the Committee charter at least once a year and recommend modifications to the Board of Directors as needed; and
12. To report to the Board of Directors on the Committee's activities and findings.

The NRC met thrice in 2015 to review the NRC Charter and Nomination and Remuneration Policy, to consider the nomination and recommendation on the appointment of appropriate candidate to fill the vacant position of the Independent Director and to consider and make recommendations to the Board regarding the re-nomination of those retiring directors by rotation and the remuneration for the directors and sub-committee members. Additionally, the NRC reviewed the expenses claims by the Chairman of the Company and approved the amount of annual bonus and salary increment policy for the Company's employees.



Dr. Jingjai Hanchanlash

Nomination and Remuneration Committee Chairman

13 January 2016

Remuneration Policy

Employees' Remuneration

The Group's remuneration policy is built on a transparent appraisal system and formulated to drive performance of its employees, who are its most important asset.

The objective of the Group's remuneration policy is to attract, motivate, reward and retain quality staff. The typical compensation package for employees comprises basic salary, variable performance bonus, allowances, as well as benefits. In determining the composition of the package, the nature of the role performed and market practice are taken into consideration. To ensure that its remuneration package is competitive with the industry's benchmark, the Group periodically reviews its base salary ranges and benefits package with comparative groups in the hospitality sector.

The remuneration for the Group's senior management and senior executives aims to motivate them to achieve the Group's annual and long-term goals to ensure that they are aligned with shareholders' interests. Performance-related elements therefore form a part of senior management and senior executives' total remuneration.

The Group's approach to rewarding employees not only helps to attract, retain and motivate talented employees but also fosters a performance-oriented culture across the organization that will help attain the Group's financial objectives.

Directors' Remuneration

The fees for Independent Directors, Non-Executive Directors and Executive Directors reflect the scope and extent of a director's responsibilities and obligations. They are measured against industry benchmarks and are competitive. Directors' fees are subject to shareholders' approval at the Annual General Meeting. In addition to directors' fees, Independent Directors also receive compensation in kind in terms of goods and services provided at hotels operated by the Group.

Details of the remuneration paid to directors of the Board and management in 2015 are disclosed in the Company's 2015 annual report and Form 56-1 under the section "Directors' and Management's Remuneration".

Remuneration and Other Benefits of the Directors during the Year 2015

Name	Position	Remuneration/Other Benefits (Baht/Year)		
		The Board	Audit and Risk Committee	Nomination and Remuneration Committee
Mr. Ho KwonPing	Chairman of the Board and Chief Executive Officer	1,012,000 / -	- / -	- / -
Mr. Surapon Supratya	Deputy Chairman of the Board	840,000 / -	- / -	- / -
Mr. Vudhiphol Suriyabhivadh	Independent Director, Audit and Risk Committee Chairman and Nomination and Remuneration Committee Member	740,000 / 64,000 ¹	336,000 / -	129,000 / -
Dr. Jingjai Hanchanlash	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Chairman	740,000 / 64,000 ¹	172,000 / -	252,000 / -
Mr. Udom Vichayabhai	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member	740,000 / 64,000 ¹	172,000 / -	129,000 / -
Ms. Srinthorn Ounayakovit	Independent Director	571,000 ² / 64,000 ¹	- / -	- / -
Mr. Ho KwonCjan	Director	444,000 / -	- / -	- / -
Mr. Ariel P. Vera	Non-Executive Director	676,000 / - ³	- / -	- / -
Mr. Eddy See Hock Lye	Director	444,000 / -	- / -	- / -
Mr. Ho Ren Hua	Director	444,000 / -	- / -	- / -
Mr. Shankar Chandran	Director and Managing Director	444,000 / -	- / -	- / -
Mr. Stuart David Reading	Director	444,000 / -	- / -	- / -

Remarks:

¹ Spa and Gallery Voucher amounting to USD 2,000 (approximately Baht 64,000)

² Ms. Srinthorn Ounayakovit was appointed as new Independent Director, replacing Dr. Satit Rungkasiri who resigned since 10 July 2013, in accordance with the resolution of the Board of Directors' Meeting on 24 February 2015.

³ Mr. Ariel P. Vera, Non-Executive Director, does not take spa and gallery vouchers.

Directors and Management's Remuneration

Monetary Remuneration

(a) Directors

The 2015 Annual General Meeting of the Company approved the remuneration for each category of directors of the Board and for each category of committee members of the Audit and Risk Committee (ARC) and Nomination and Remuneration Committee (NRC) effective 1 January 2015 and for each subsequent year, unless or until resolved otherwise by a general meeting of the shareholders of the Company. Details of the remuneration are shown in the following table.

Board of Directors

Position	Remuneration / Meeting / Person (Baht)	Spa & Gallery Vouchers / Year / Person
Chairman of the Board	253,000	-
Deputy Chairman of the Board	210,000	-
Independent Director	169,000	USD 2,000 (Approximately Baht 64,000)
Non-Executive Director	169,000	USD 2,000 (Approximately Baht 64,000)
Executive Director	111,000	-

Audit and Risk Committee and Nomination and Remuneration Committee

Position	Remuneration / Meeting / Person (Baht)
Chairman	84,000
Member	43,000

Monetary remuneration for the Directors and Sub-Committee Members in 2015 was in the total amount of Baht 8,729,000. Directors of LRH are not paid director fees by any of LRH's subsidiary companies.

Details as shown in the section "Remuneration and Other Benefits of the Directors during the Year 2015".

(b) Management

Monetary remuneration for the top 10 management in 2015 amounted to Baht 47,828,407 consisting of salaries, bonus, car allowance, housing allowance, social security payment, provident fund payment, tax paid by the Company, children education subsidy, medical expenses, etc.

Non-Monetary Remunerations

(a) Directors

Benefits in the form of spa and gallery vouchers for the Independent Directors in 2015 were in the total amount of Baht 256,000

Details as shown in the section "Remuneration and Other Benefits of the Directors during the Year 2015".

(b) Management

Employee benefits such as personal accident and health insurance and complimentary vouchers, etc., for the top 10 management in 2015 were in the total amount of Baht 3,018,888

Corporate Governance Policy

The Company is committed to maintaining high standards of good corporate governance within the organization to protect and enhance long-term shareholder value. The Company has adopted and is continuously developing a set of good corporate governance practices and policies which are modeled on principles advocated by the SET as per the details set out in the following sections. Additionally, the Company has put in place a Code of Corporate Conduct approved by the Board of Directors and Standard Operating Procedures which have been communicated throughout the organization for all employees of the Company to strictly follow in the course of performing their duties. As and when required, new internal rules and regulations are introduced to ensure there are no gaps in the policies.

1. Rights of Shareholders

The Company recognizes the importance of shareholders' rights. In the Company's Annual General Meeting held on 27 April 2015 the Company conducted the meeting in full compliance with all relevant laws and regulations in respect of shareholders' rights in the following manner.

- 1.1 All shareholders have the same basis and rights in the casting of votes at the meetings and the receipt of dividends when declared by the Company. These are calculated based on their respective shareholding in the Company.
- 1.2 At every shareholders' meeting, shareholders are given the right to approve important matters such as election of directors (shareholders can elect directors individually), directors' remuneration, appointment of auditors and dividend payment, etc.

Furthermore, any shareholders who arrive at the meeting after the meeting has begun are still entitled to vote on the agenda items that are still under consideration and have not been voted upon.

- 1.3 The Company has a policy to facilitate and encourage all groups of shareholders including institutional shareholders to attend the Company's Annual General Meeting such as giving an opportunity to every shareholder to propose agenda or send questions related to the Company's business in advance, distributing a package containing the notice and meeting documents in English to foreign shareholders, selecting meeting venue that is convenient for attendance, etc.
- 1.4 The Company invites shareholders to propose agenda items in advance of the AGM through the SET and the Company's website (www.lagunaresorts.com). However, none have been proposed by the shareholders.
- 1.5 The Company does not invite the minority shareholders to nominate their own candidates to be appointed as the Company's directors ahead of the meeting. This is because the Company already gives all shareholders an opportunity to nominate their own candidates (who meet the requirements under the Plc Act) and to vote for candidates at the shareholders' meeting.
- 1.6 Through the Thailand Securities Depository Company Limited, the Company's share registrar, the Company sends out package containing the notice and agenda of the meeting to the shareholders at least 21 days prior to the meeting. The meeting documents include the facts and rationales and opinions of the Board as well as other information relating to the agenda items such as information on the persons nominated for election as directors,

auditors' profiles, the part of the Company's Articles of Association that relates to the shareholders' meeting, map showing the venue of the shareholders' meeting, proxy forms, documents and evidence of entitlement to attend the meeting, etc. This is to enable the shareholders to prepare themselves for the meeting. In addition, the notice of the shareholders' meeting is advertised in the newspaper and all information contained in the meeting documents will also be posted on the Company's website (www.lagunaresorts.com) at least 30 days prior to the meeting. Moreover, shareholders are always invited to register at least 1 hour before the meeting begins.

For convenience, transparency and accuracy of the registration and vote counting at the shareholders' meeting, a barcode system has been utilized.

- 1.7 At every shareholders' meeting, all agenda items are clearly identified and particularized, objectives, and rationale and opinions of the Board are also presented in the meeting for consideration of the shareholders. The Chairman will conduct the meeting according to the sequence of the agenda and will not add any additional agenda items which are not indicated in advance in the notice unless there is a proposal to consider other matters other than those specified in the notice, in accordance with the law, from shareholders holding not less than one-third of the total number of shares issued.

No additional agenda item proposed to the 2015 Annual General Meeting other than those specified in the notice.

- 1.8 Before the start of every shareholders' meeting, the Company Secretary will explain the voting methodology to shareholders. In the interest of good corporate governance in regard to transparency, minority shareholders are also invited to witness vote counting of each agenda item. A team of legal counsels from a leading international law firm is appointed to verify the registration procedure before the Chairman of the meeting announces to the shareholders, the number of shareholders and proxy holders present at the meeting and the number of shares held by them. The legal counsels also verify the vote counting procedure in respect of each agenda item before the votes are announced as resolution of the shareholders' meeting. Shareholders may verify the detailed results of the vote of each agenda item at the end of each meeting. The same results and a summary of questions from shareholders will also be included in the minutes of the meeting which are accurately and completely documented in all material aspects and will be sent to all shareholders for their review prior to the following meeting. The minutes of the 2015 Annual General Meeting is posted on the Company's website (www.lagunaresorts.com) within 14 days after the meeting was held.

- 1.9 The Company's policy in conducting shareholders' meetings is not only to meet all legal requirements but to also provide a platform and opportunity for shareholders to communicate their views and ask the directors and management questions regarding matters affecting the Company. The Chairman allocates sufficient time for the meeting and conducts the meeting in an appropriate and transparent manner. During the meeting, shareholders are allowed to give comments and ask questions before the resolution on each agenda item. In addition, shareholders who have any questions that require the Company's clarification during the meeting may send their questions in advance at "ir@lagunaresorts.com" or fax them to 66 (0) 2285 0733.

- 1.10 Apart from the external auditor who will attend the Annual General Meeting, the Chairman of the Board, the Chairman of the Audit and Risk Committee and the Chairman of the Nomination and Remuneration Committee, and all of the Company's directors will endeavour to be present at the shareholders' meeting in order to assist the Board in addressing queries raised by the shareholders. The Company also invites its legal counsels from a leading international

law firm to attend the meeting in case there are any legal questions which requires clarification during the meeting. Furthermore, the Company provides a professional translator to be present at the meeting to assist shareholders and the Board to communicate more effectively in English and Thai. At the 2015 Annual General Meeting, the Chairman of the Board, the Chairman of the Audit and Risk Committee, the Chairman of the Nomination and Remuneration Committee, and other directors were present at the Meeting. Details of their names are stated in the minutes of the 2015 Annual General Meeting.

- 1.11 The Company gives an opportunity for shareholders to freely communicate with each other without creating any barriers and also provides convenient access to relevant news and information via the Company's website (www.lagunaresorts.com) for shareholders to receive adequate important information such as the resolutions of the Company's Board of Directors on important matters, resolutions of the shareholders' meetings, financial information, information which may affect the Company's share price, Annual Report, etc.
- 1.12 The Company received a score of 96 points out of 100 points for the 2015 AGM assessment conducted by the Thai Investors Association. The Company will continue to strive to improve its good corporate governance practices.

2. Equal Treatment of Shareholders

The Company treats all shareholders fairly despite different shareholding proportions and voting power due to their shares. In recognition of its duty to ensure equal treatment of shareholders, the Company complied with all relevant laws and regulations as follows:

- 2.1 The Company has only one class of shares, the ordinary shares. Shareholders shall have votes equal to the number of shares held by each of them, which means one share is entitled to one vote.
- 2.2 For shareholders who are unable to attend a meeting in person, the Company provides opportunity for such shareholders to appoint another person as proxy to attend the meeting on their behalf by using a proxy form B sent by the Company. The Proxy form B is one of the forms prescribed by the Ministry of Commerce which allow shareholders to make voting directions. Moreover, the Company provides opportunity for shareholders to appoint the Company's independent director as proxy to undertake proxy voting on behalf of shareholders who are unable to attend the meeting. The name of the independent director is provided in the proxy forms, together with the profile of that independent director who has been given proxy to vote on behalf of shareholders who are unable to attend the meeting, all of which are attached as part of the meeting documents.
- 2.3 The Company ensures that directors and management are aware of their duty to report a change in their holding of the Company's securities to the SEC within 3 business days in accordance with the Securities and Exchange Act. The securities holding report is also included in the agenda of the Board meeting for the Board's acknowledgment once every 3 months.
- 2.4 Any director or management who has an interest in, or is related to, any transaction between the Company and an interested or related person will not participate in the decision making process involving such transaction. The Company has disclosed the details and reasonableness of transaction to shareholders prior to dealing with any transaction in case such transaction requires the approval from shareholders and strictly follows the procedures on

such transaction in accordance with the notification of the Capital Market Supervisory Board. The details of all connected transactions are disclosed under the heading "Related Party Transactions" in Form 56-1 and under the heading "Persons with Mutual Interest and Connected Transactions" in the Company's Annual Report.

During 2015, there is no report of non-compliance with the notification of the Capital Market Supervisory Board on connected transactions.

- 2.5 The Company has formulated a Code of Corporate Conduct to provide guidelines for the Board, senior management and employees of all levels to comply with. The Statement includes the prohibition on the improper use of insider information for personal benefit or to benefit others. Additionally, the Board approved a policy on dealing in securities of the Company which prohibits the dealing in the Company's shares while in possession of unpublished confidential and price-sensitive information during the "Embargo Period." Details are further described under the heading "Supervision on the Use of Inside Information" in the Form 56-1 and in the Company's Annual Report. There is no violation of the policy found during the past year.
- 2.6 Apart from the credit term payment given under the normal course of business, the Company has no policy on providing financial assistance to any non-subsidiary companies except those whose loans or guarantees are in accordance with the proportion of shareholding in a joint venture agreement. In the prior year, the Company did not provide the financial assistance to any non-subsidiary companies.

3. Role of Stakeholders

In its pursuit for sustainable growth and financial returns for its shareholders, the Company strives to become a role model corporate citizen. It respects the rights of all its stakeholders and conducts its operations fairly and strictly in compliance with all laws, rules and regulations.

Shareholders:

The Board of Directors is committed to perform its duties honestly, transparently and diligently in the best interest of all its shareholders, to preserve and enhance long-term shareholder value. All important information which may have an impact on the Company's share price and/or shareholders decisions are fully disclosed in a timely manner.

Employees:

Being in the hospitality industry, the Company believes that its people are its greatest asset. The Company has taken steps to ensure that all labour laws are complied with and all employees are treated fairly without discrimination or favoritism. The Company offers competitive pay packages and welfare benefits such as meal allowance, laundry allowance, complimentary vouchers and health & personal accident insurance to all its employees with continually upgraded programs. Additionally, the Company provides its employees a safe, hygienic and conducive working environment, air-conditioned buses and provident fund. Furthermore, the Company not only encourages its employees to attend training related to their line of responsibility to enhance their knowledge and skills but also selects talented employees to join Human Resource Development programs annually such as the Talent Development Program in order to develop their capabilities

and raise their self-potential through training to improve their skills in many areas and to groom them for performing in key and challenging positions in the future, and the Management Development Program in order to develop employees in accordance with the succession plan. The Company's operations are not in violation of any principles of human rights.

Customers:

The Company aims to provide its guests a safe and unforgettable experience at its hotels and resorts. Safety of its guests is one of the Company's top priorities and in this regard a safety committee has been formed at each property with the objective of improving the safety of our guests.

Competitors:

The Company believes that competition is the essence of a free and open market and therefore avoids any actions which may prevent, obstruct or discourage potential competitors from entering the markets in which the Company operates in. The Company takes the view that healthy competition encourages product and service innovations in the market place which would increase market standards and ultimately benefit consumers and society at large. The Company will neither engage in any fraudulent act to violate or obtain competitors' trade secrets nor in any infringement of intellectual property or copyright including corruption and bribery, which has been stipulated in the Code of Corporate Conduct approved by the Company's Board of Directors, for the benefit of the Company's business.

Society & Environment:

The Company aims to be a socially responsible company and has continued to safeguard its natural environment, cultural heritage, and promote communal prosperity by establishing the Corporate Social Responsibility (CSR) Committee named "Laguna Phuket Social Committee". This committee strives to contribute towards environmental conservation programs and to develop sustainable communities by initiating various CSR programs which focus on social and educational development, environmental conservation, religious and cultural preservation, associate benefits and relations, details as shown under the heading "CSR" in Form 56-1 and in the Company's Annual Report as well as in the Company's website (www.lagunaresorts.com).

Green Leaf Awards received by the individual hotels reflect recognition of Laguna Phuket's commitment to conserve the environment. In property development, the Environmental Impact Assessment (EIA) has been carried out to evaluate the likely environmental impacts of the Company's development projects, taking into account inter-related socio-economic, cultural and human-health impacts, both beneficial and adverse including proposed measures for shaping projects to suit the local environment and reducing any potential impact. The Company encourages and supports the staff to use resources efficiently. Day-to-day operations at the resort apply the "Three Rs" of green management: Reduce, Re-use and Recycle. Each hotel has a staff education program to teach the importance of caring for the environment, and consumption of energy and water is closely monitored through the extensive checklists to be completed by the staff. No raw sewerage is discharged into the sea from the resort complex. After being treated, sewerage and wastewater are directed into a sophisticated recycling system. The resulting water is used to irrigate the gardens, details as shown under the heading of "CSR/Environmental Policy" in the Company's website (www.lagunaresorts.com).

Suppliers:

The Company strives to forge long-term business relationships with its suppliers and therefore has the policy to always give a fair profit to its suppliers and to respect payment terms and conditions. In addition, the Company has a policy in selecting its suppliers fairly and transparently, competitive quotations from at least 3 suppliers are required according to the criteria specified in the Company's Standard Operating Procedures which have been distributed and communicated throughout the organization in order to understand and to strictly adhere to the procedures accordingly.

Creditors:

The Company considers creditors as important business partners and therefore aims to fulfill all its obligations to its creditors. In the previous year, no creditors challenged that the Company had failed to comply with any obligations.

There is no violation of laws and regulations regarding to labour, employment, consumer protection, commercial competition and environmental found in the previous year.

Policy and Practice Relating to the Control and Prevention of Corruption Involvement

The Company has established Code of Corporate Conduct and Standard Operating Procedure for directors, management, employees and associated parties to strictly follow in order to prevent corruption, fraud including commercial bribery and to ensure all decisions and business operations that may be at risk of fraud and corruption are attentively considered and practiced.

The Company has put in place a risk management system suitable to the Company's business nature and implemented risk assessment procedure, which included internal compliance and control program to monitor and prevent possible risks including corrupt practices. As part of the on-going risk management process, the Company's Group Risk Committee in collaboration with Group Internal Audit regularly conduct a risk monitoring, assessment, evaluation and propose a control program to prevent and mitigate possible risk and report findings to the Audit and Risk Committee. The Audit and Risk Committee is responsible for overseeing and reviewing strategic and operational risk management including risk assessment and control procedures as well as seeking to ensure that the Company has a continuous process for managing risk, appropriate and effective internal control and internal audit systems.

Failure to comply with the Code of Corporate Conduct may result in strict disciplinary action including termination of employment and referral to relevant external regulatory authorities in accordance with any applicable laws and regulations.

Seeing the long-term benefits to operate business ethically with integrity, and to implement business principles to encounter corruption, the Company has declared an intent to fight corruption by declaration of intent with Thailand Private Sector Collective Action Coalition Against Corruption.

There is no report of wrongful conduct involving fraud and corruption during the past year.

Policy on Whistle Blowing and Complaints

The Company recognizes the importance of compliance with good corporate governance and adheres to the high standards of conduct and responsibility for all stakeholders. The Whistle Blowing Policy has been established and approved by the Board of Directors and communicated throughout the organization. The policy emphasizes to encourage and enable associates and third parties to raise any serious concerns on wrongdoing, irregularity or impropriety within the Group. The Head of Group Internal Audit was appointed as the Receiving Officer or a channel for stakeholders to communicate critical corporate issues with the Company, any concerns can be raised either in writing via "*ethics@lrh.co.th*" or directly by hotline number 66 (0) 2285 0112. The Receiving Officer will ensure that the report from the whistle blowers will be professionally and independently addressed, assessed and investigated. Additionally the Whistle Blowing Evaluation Team, comprising of members of Audit and Risk Committee and Head of Group Internal Audit, was set up to evaluate the reports from whistle blowers, assess and review the nature of the complaints, and set the direction of the investigation, where necessary. An appropriate timeframe to consider the complaints is set and the protection of the genuine whistle blowers from any unfair treatment will be observed. If, at the conclusion of an investigation, the Company determines that a violation has occurred or the allegations are substantiated, effective remedial action commensurate with the severity of the offence will be taken. Results and conclusions of the investigation shall be reported to the Board of Directors. There have been no complaints or allegations during the past year.

Policy on Environmental and Social Sustainability

The Company is committed to strive towards achieving environmental and social sustainability. With the participation in EarthCheck program, which is widely regarded as the world's leading sustainable environmental benchmarking and certification program used by the travel and tourism industry, the Company is committed to continually improve its environmental and social sustainability performance by implementing an environmental management system, identifying environmental risks, recording and monitoring any impact to meet the standard of EarthCheck and will comply with all relevant legislation and regulations, and strive to achieve international best practice. In 2015, the Company was certified to environmental standards and achieved EarthCheck Silver Certification.

The Company has constantly provided an environmental training session for employees to raise awareness about environmental sustainability. A risk assessment on potential environmental impacts resulting from the Company's business operation have been conducted and an environmental approach have been established and communicated throughout the organization by posting on intranet and bulletin board so that all employees understand the policy and contribute to environmental sustainability.

Policy on Preventing Violation of Intellectual Property or Copyright

The Company has established a policy and practice not to support any violation of intellectual property or copyright, which has been stipulated in the Code of Corporate Conduct such as using a licensed computer program or program authorized by the copyright owner and restricting computer program installation by authorized person only. The use of computers and information technology will be monitored periodically by the Group Internal Auditor. There is no violation of intellectual property or copyright found in the past year.

Policy on Respecting Human Rights

The Company gives importance to respecting human rights by conducting business in compliance with laws and human rights which are the basic rights ensuring that all human beings are born free and equal in dignity and rights without discrimination against race, nationality, color, gender, religion, age, language, personal status, social value, education or political opinion.

The Company provides equal opportunity to all employees in working under the rules, regulations, notifications and orders of the Company. The Company treats the employees' personal information confidential and shall neither send or distribute such information to irrelevant person nor disclose personal information without the consent of the owner. The Company also supports and respects the protection of human rights e.g. by not conducting or concerning in any violation of human rights such as forced labor, unfair dismissal and the use of child labor. No complaints on the unfair treatment to employees in the past year.

4. Information Disclosure and Transparency

The Company's emphasis on the disclosure of accurate and complete information in a transparent and timely manner as shown by the following.

- 4.1 Each of the directors and executives of the Company has filed with the Company a report covering his interest or his related person's interest in relation to management of the Company or its subsidiaries in accordance with the criteria and procedures as specified in the notification of the Capital Market Supervisory Board, and has updated and filed with the Company within 30 days should there be any change in the report. The report is also included in the agenda of the Board meeting for the Board's acknowledgment once every 3 months.
- 4.2 In the previous year, the Company disclosed all general and financial information as well as information which may affect the price of the Company's securities correctly, completely, transparently and on a timely manner, in accordance with the rules and regulations of the SEC and the SET. All information is communicated to investors, shareholders and relevant sectors through the channels of the SET and the Company's website (www.lagunaresorts.com).
- 4.3 Individual investors, shareholders, stock analysts and state agencies may contact the Company through the Company Secretary at telephone number 66 (0) 2677 4455 or at "ir@lagunaresorts.com".
- 4.4 The Company's financial statements contain accurate and complete information and are prepared in accordance with generally accepted accounting standards. In addition, they are audited / reviewed by auditors from a well-known auditing firm approved by the Securities and Exchange Commission (currently EY Office Limited) and are approved by the Company's Audit and Risk Committee and Board before being disclosed through the SET. The information relating to the "Board of Directors' Responsibility for the Company's Financial Statements" is available in the Company's Annual Report. In 2015, the Company's quarterly and annual financial statements were unconditionally certified by the auditor.

4.5 The Company wishes to refer the following matters to the disclosure made in other places:

- The name of directors and the scope of the powers, duties and responsibilities of the Board and other committees are detailed under the heading "Management Structure" in the Form 56-1 and in the Company's Annual Report.
- The professional experience of the directors, members of other committees, Head of Group Internal Audit and Company Secretary is detailed in Attachment 1 to Form 56-1 and under the heading "Board of Directors Management, Head of Group Internal Audit and Company Secretary of the Company" in the Company's Annual Report.
- The number of Board meetings held and the number of Board meetings attended by each director in 2015 are detailed in clause 5 under "Board Responsibility" hereof.
- The performance of the Audit and Risk Committee in the past year is detailed in Attachment 4 to Form 56-1, and under the heading "Report of the Audit and Risk Committee" in the Company's Annual Report.
- The performance of the Nomination and Remuneration Committee in the past year is detailed in Attachment 5 to Form 56-1, or under the heading "Report of the Nomination and Remuneration Committee" in the Company's Annual Report.
- The remuneration for directors and management is detailed under the heading "Directors' and Management's Remuneration" in Form 56-1 and in the Company's Annual Report.

4.6 In 2015, the Company made full disclosure of information within the time frame specified in the regulations of the SET and the SEC. In addition, neither the SET nor the SEC challenged that the Company had failed to comply with any disclosure requirement.

5. Board Responsibility

5.1 Board Structure

5.1.1 Members of the Board and Terms of Directorship

The Company's Board of Directors currently comprises 12 members, 4 of whom are Independent Directors namely Mr. Vudhiphol Suriyabhivadh, Mr. Udom Vichayabhai, Dr. Jingjai Hanchanlash and Ms. Srinthorn, representing one-third of the total Board members.

The Board member are selected on the basis of, among other things, knowledge, experience, skill, diversity of expertise, integrity, abilities to make independent analytical inquiries, and their understanding of the Company's business. Currently the Board comprises business leaders and professionals with financial, accounting, legal, business management and sales & marketing backgrounds.

Directors and senior management of the Company have never been an employee or partner of the current external auditor in the past 2 years.

All independent directors of the Company are independent of management and major/substantial shareholders and meet the Company's definition of Independent Director which also in line with the qualification of Audit Committee in accordance with the notification of the Capital Market Supervisory Board.

The Company's directors are the persons with knowledge, competence, honesty, have ethical business practices and sufficient time to devote themselves to serve the Company. There are no independent directors of the Company who serve on more than five boards of listed companies and no executive directors who serve on more than two boards of listed companies outside of the Group.

The Company's policy to fix the term of office of directors is under Article 14 of the Company's Articles of Association which stipulates that at each annual general meeting, one-third of directors shall retire from office and that the director who has been longest in the office shall retire. Therefore, the term of office of a director of the Board shall be 3 years. Retiring directors would be eligible for re-election.

5.1.2 Definition of "Independent Director"

"Independent Directors" means the persons who have all the necessary qualifications and independence which meet the criteria set by the Capital Market Supervisory Board. At present, the said criteria prescribes that the qualifications of an Independent Director are as follows:

- (a) holding shares not exceeding 1 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
- (b) neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than 2 years prior to the date of appointment;
- (c) not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary;
- (d) not having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder, non-independent director or executive of any person having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than 2 years prior to the date of appointment.

The term 'business relationship' in the aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or his counterparty

being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- (e) neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than 2 years from the date of appointment;
- (f) neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years from the date of appointment;
- (g) not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder;
- (h) not operating any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding 1 percent of the total number of voting rights of any other company operating a business which has the same nature as and is in significant competition with the business of the Company or subsidiary;
- (i) not having any characteristics which make him incapable of expressing independent opinions with regard to the Company's business affairs.

After having been appointed as independent director with qualifications complying with the criteria under (a) to (i) of paragraph one, the independent director may be assigned by the board of directors to take part in the business decision of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest on the condition that such decision must be a collective one.

5.1.3 Nomination and Appointment of Directors

The nomination for the Company directorship including an independent director will be based on the suggestion among directors or searching from professional director pool e.g. the Thai Institute of Directors Association (IOD) where a candidate had undergone the directors certification programs. The nomination is considered from the board diversity, competence, knowledge, working experience, expertise from variety of professions, necessary skills which are lacking among the existing Board of Directors, to be of any gender and to have the qualifications prescribed by the SET, the SEC, the Capital Market Supervisory Board and

the Public Limited Companies Act. The Nomination and Remuneration Committee will consider and recommend qualified candidates to the Board of Directors and/or the Annual General Shareholder Meeting for approval in each case. Details of director appointment are described under the heading "Method of Appointment and Removal of Directors as included in the Company's Articles of Association".

5.1.4 Roles of the Chairman of the Board

The key roles of the Chairman of the Board are: to ensure that Board meetings are conducted effectively and matters that are essential to the Company's operations and/or performances are placed on the meeting agenda, particularly matter related to corporate strategy; to allocate sufficient time for management to present clear and timely information; to allow board members to express their opinions and ask questions; and to ensure that board resolutions are clear and the minutes are accurate. The Chairman of the Board also presides over the shareholders' meeting. In making decision, the Chairman has a deciding or casting vote in the event of tie votes.

5.1.5 Aggregation or Separation of Positions – Chairman of the Board and Chief Executive Officer

Currently, Mr. Ho KwonPing is the Chairman of the Board and the Chief Executive Officer of the Company. He is closely associated with the Group's success. The Board is of the view that the current structure is appropriate and adequate given that Mr. Ho KwonPing has been able to effectively and competently execute the responsibilities of both the Chairman of the Board and Chief Executive Officer positions.

5.2 Sub-Committees

The Board approved the establishment of two sub-committees comprising all Independent Directors to assist the Board to screen details in order to achieve operational efficiency. Additionally, in order to perform their duties transparently and independently, the Chairman of the Board is neither a Chairman nor a member of both committees as follows:

5.2.1 Audit and Risk Committee

The Audit and Risk Committee comprises three independent directors, one of whom has adequate expertise and experience to review the creditability of the financial reports by reviewing the financial reports of some listed companies in the Stock Exchange of Thailand. The members and the scope of duties and responsibilities of the Audit and Risk Committee have been disclosed under the heading "Management Structure" in Form 56-1 and in the Company's Annual Report.

5.2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises three independent directors, thus forming a strong and independent element which will enable decisions on nomination and remuneration to be made independently. Members and the scope of duties and responsibilities of the Nomination and Remuneration Committee have been disclosed under the heading "Management Structure" in Form 56-1 and in the Company's Annual Report.

5.3 Role, Duty and Responsibility of the Board

5.3.1 Corporate Governance Policy

The Company is committed to maintaining high standards of good corporate governance within the Company. The Company has adopted and is continuously developing a set of good corporate governance practices and policies which are modeled on the 2006 principles of good corporate governance for listed companies advocated by the SET. The Company has also adopted and continues to apply the Code of Corporate Conduct approved by the Board of Directors and communicated throughout the organization. The Standard Operating Procedures have also been documented and applied by the Company. In addition, new internal rules and regulations with an aim to continuously improve the good corporate governance of the Company are approved and announced from time to time.

In the past year, there was no director resigned due to the issue of corporate governance of the Company and no conduct causing a negative reputation of the Company due to the failure of the Board of Director's supervisory performance.

5.3.2 Code of Corporate Conduct

The Board of Directors has approved the Code of Corporate Conduct to set the framework for its officers, executive directors, associates and agents to act in business matters solely for the benefit of the Company and not enter into any business or other transactions which cause or appear to cause a conflict of interest between him / her and a hotel within the group, the Company / subsidiary, owning company or any other related parties. The Code of Corporate Conduct was distributed and communicated to all relevant persons in order to understand and to strictly adhere to the Code accordingly. The Code was drafted based on the highest level of business ethics and law compliance.

During 2015, the Company's Board of Directors was not aware of any claim or allegation that the Company's Code of Corporate Conduct was disobeyed.

5.3.3 Leadership and Vision

The Board's primary functions are to set and annually review vision, mission, corporate policy and overall strategy for the Company and to provide effective oversight of the management of the Company's business and affairs.

The delegation of authority by the Board to the management is clear. All major investments require approval as follows:

- Investments more than USD 10 million to be approved by the Board.
- Investments between USD 5 million to USD 10 million to be jointly approved by the Chief Executive Officer and any one of the directors.
- Investments less than USD 5 million to be approved by the Chief Executive Officer.

The approval to enter into a significant transaction by the Company's Board of Directors and/or shareholders' meeting as well as all information disclosure must comply with rules and regulations of the Stock Exchange of Thailand and/or the Capital Market Supervisory Board.

Duties and responsibilities of the Board have been disclosed under the heading "Management Structure" in Form 56-1 and the Company's annual report.

5.3.4 Conflict of Interest

Transactions between the Company and its related parties which may give rise to a conflict of interest are scrutinized by the Audit and Risk Committee and if necessary, the approval to enter into such transactions is sought from the Board of Directors and/or shareholders. Any director or management who has an interest in, or is related to, such transaction will not participate in the decision-making process.

Such transactions are made on terms and pricing that has been negotiated on an arm's length basis. In the event that the price is unavailable, the Company will then rely on the report of an independent appraiser appointed by the Company to value important related party transactions to arrive at a pricing which is fair to both the Company and the related party.

All related party transactions are disclosed clearly and accurately. Details are further described under the heading "Related Party Transactions" in Form 56-1 and under the heading "Persons with Mutual Interest and Connected Transactions" in the Company's Annual Report.

5.3.5 Internal Audit and Control

The Company realizes the significance of effective system of control, such as Standard Operating Procedures, particularly in management and operations. Hence, the duties and responsibilities of the employees and the management are clearly defined. The Company has put in place policies to safeguard the Company's assets and duties between the operators and the appraisal which are clearly separated for effective checks and balances. Furthermore, the Company has also implemented internal audit of the financial and information technology systems.

Internal Audit

Internal audit is an independent function within the Company which reports directly to the Audit and Risk Committee on audit matters and to the Managing Director on administrative matters. Internal audits are performed to assist the Board and Management in the discharge of their corporate governance responsibilities and to improve and promote effective and efficient business processes within the Group. The internal auditor plans its internal audit schedules annually in consultation with, but independent of, Management and its plans are submitted to and approved by the Audit and Risk Committee. The Audit and Risk Committee reviews the activities of the internal auditors on a quarterly basis to ensure it is adequately resourced; and has appropriate standing within the Company to perform its role effectively.

Enterprise Risk Management

In 2005 the Company appointed an external consultant to assist management in implementing a Risk Management framework for the business of the Company. The Risk Management framework covers all aspects of the Company's operations to enable significant business risks within the Group's current business environment to be identified, assessed, monitored, managed and evaluated. As part of the on-going risk management process, the Company's Group Risk Committee annually conducts a risk assessment, evaluation and treatment; considers the adoption of adequate and cost-effective system of internal controls to mitigate significant business risks; and provides for significant risks to be managed through regular reviews by the Company's Group Risk Committee and the Audit and Risk Committee. The Audit and Risk Committee has reviewed the Group's risk management processes and procedures and is satisfied that there are adequate internal controls in place to manage the significant risks identified.

5.3.6 Meetings of the Board and Committees

1. The Board

The Company conducts Board meetings at least 4 times a year on a quarterly basis which are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. The meeting documents shall be sent out to the directors in advance at least 5 days prior to the meeting date. Additional meetings are convened as and when circumstances warrant. In 2015, the Company conducted 4 Board meetings and the attendance of all directors is shown below.

Name		Number of Attendances
Mr. Ho	KwonPing	4
Mr. Surapon	Supratya	3
Mr. Vudhiphol	Suriyabhivadh	4
Dr. Jingjai	Hanchanlash	4
Mr. Udom	Vichayabhai	4
Ms. Srinthorn	Ounayakovit	3 ¹
Mr. Ho	KwonCjan	3
Mr. Ariel	P. Vera	4
Mr. Eddy	See Hock Lye	3
Mr. Ho	Ren Hua	3
Mr. Shankar	Chandran	4
Mr. Stuart	David Reading	4

¹ Ms. Srinthorn Ounayakovit was appointed as new Independent Director, replacing Dr. Satit Rungkasiri who resigned since 10 July 2013, in accordance with the resolution of the Board of Directors' Meeting on 24 February 2015.

The Board is of the view that the contribution of each director should not be focused only on his or her attendance at Board and/or Committee meetings. A director's contribution may also extend beyond the confines of the formal environment of Board meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Company.

2. Audit and Risk Committee

The Company conducts regular scheduled Audit and Risk Committee meetings on a quarterly basis at least 4 times a year, prior to the Board meeting, which are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. In 2015, the Company conducted 4 Audit and Risk Committee meetings. Each of the Audit and Risk Committee members attended all the meetings as follows:

Name		Number of Attendances
Mr. Vudhiphol	Suriyabhivadh	4
Mr. Udom	Vichayabhai	4
Dr. Jingjai	Hanchanlash	4

In addition, in 2015, the Audit and Risk Committee attended 1 non-management meeting with the external auditor to deliberate accounting approaches and audit plans.

3. Nomination and Remuneration Committee

The Company conducts Nomination and Remuneration Committee at least 2 times a year. The meetings are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. In 2015, the Company conducted 3 Nomination and Remuneration Committee meetings. Each of the Nomination and Remuneration Committee members attended the meetings as follows:

Name		Number of Attendances
Dr. Jingjai	Hanchanlash	3
Mr. Udom	Vichayabhai	3
Mr. Vudhiphol	Suriyabhivadh	3

5.3.7 The Non-Management Meeting

The Company encourages non-executive directors to hold meetings with the external auditor as necessary without the presence of executive directors and management attendance to review and discuss freely on any business issues that are of interest. In 2015, there was one non-management meeting held in November.

5.3.8 Board of Directors' Report

1. Financial Report

The Board of Directors is accountable to its shareholders for the Company's financial statements as well as the financial information as shown in the Annual Report. The Board of Directors is satisfied that the Company's financial statements are prudently prepared in accordance with generally accepted accounting principles and are independently reviewed by the external auditors every quarter with a full audit performed at each year-end. Additionally, the Audit and Risk Committee has been tasked to independently review the Company's financial report and internal control practices directly with the auditors. All pertinent information relating to the financial statements is clearly and completely disclosed in the accompanying notes.

Details are described under the heading "Internal Control and Risk Management" in Form 56-1 and under the heading "Opinion of the Board of Directors on the Company's Internal Control" and the "Board of Directors' Responsibility for the Company's Financial Statements" in the Company's Annual Report.

2. Minutes of Meetings

The minutes of the meetings of the Board and other committees are accurately and completely recorded in all material aspects addressed at each meeting, including the questions, opinions and clarifications. The Company has a safe and secure filing system in place to keep the minutes of meetings and other supporting documents.

5.3.9 Development of Directors and Management

The Company's directors, management and employees are constantly encouraged to develop their skills by attending various seminars and training courses organized by various organizations, e.g. the Thai Institute of Directors Association, the SET and the SEC, etc. Seminars and training courses are periodically forwarded to them. Furthermore, relevant information is regularly provided to the directors so that they are kept abreast of latest developments thus enabling them to make informed decisions. In 2015, Mr. Vudhiphol Suriyabhivadh, an Independent Director, attended the seminar "The challenge of the Audit Committee and the role of reviewing financial and non-financial information" held by the SEC and Ms. Srinthorn Ounayakovit, an Independent Director, attended the "Director Accreditation Program (DAP)" held by the Thai Institute of Directors Association.

Details of the training previously undertaken by each director are set out in Attachment 1 to Form 56-1 and under the heading "Board of Directors, Management, Head of Group Internal Audit and Company Secretary of the Company" in the Company's Annual Report.

5.3.10 Orientation for New Director

The Company recognizes the importance of supporting new directors in performing their duties. The Company has provided the information on its business and other information related to the operations of the Company to new directors such as an annual report and relevant laws and regulations so that they are adequately informed of the rules and regulations and business of the Company prior to performing their duties.

Supervision on the Use of Inside Information

In order to prevent the misuse of confidential and price-sensitive corporate information, the Board of Directors of the Company approved the policy on dealing in securities of the Company which prohibits any directors, management and employees, regardless of rank, from disclosing or using such confidential and price-sensitive corporate information. Employees are prohibited to trade in the Company's shares for personal gain or for any other reason not in the Company's interest or dealing in the Company's securities while in possession of unpublished confidential and price-sensitive information during the "embargo period" which is defined as 2 weeks before and up to the date of announcement of results for each of the first three quarters of the Company's financial year, and 1 month before and up to the date of announcement of the full-year financial results. The policy and reminder of the embargo period is communicated to directors, management and employees on an annual and quarterly basis to strictly comply with this policy. Confidential and price-sensitive information is also restricted to only directors, management and those officers who have a direct responsibility over such matters. Any violation of this policy shall be subject to disciplinary actions under the working regulation. Additionally, the Company monitors the trading of the Company's securities by its directors, and senior management who are required to report to the Board of Directors on a quarterly basis on the holding of the Company's securities and in accordance with the rules of the Securities and Exchange Commission.

Risk Factors

Economy and Tourism in Thailand

As most of the Group's revenue is generated from tourism and property sales in Thailand, the Group has exposure to both the world and Thai economies and the tourism industry in Thailand. Any conditions, such as changes in the attractiveness of Thailand as a tourism destination, an economic downturn, acts of terrorism, natural disasters, increased levels of criminal activity, civil unrest or epidemics which affect tourism in Thailand or result in a depression in property values in Phuket, may have an adverse effect on the Group's business, financial condition and performance.

The global financial crisis and the prolonged Thai political turmoil in recent years revealed the Group's vulnerability and confirmed the Group's concerns that it has too much exposure in Phuket and Thailand. The Group continually seeks new markets in order to limit reliance on a single or few markets.

Political Uncertainty

Thailand's tourism industry has been adversely impacted in recent years from ongoing political tensions in Thailand. Such events were internationally publicized and created a negative perception of Thailand as being a safe place to travel for foreign tourists and for investors to invest. Political uncertainty in Thailand adversely impact the tourism sector and investor sentiment.

Over-reliance on some key markets

Like many hotels in Thailand, Russia and China have become the 2 single largest markets for the Group's hotels in recent years. The over reliance on any market carries with it a certain degree of risk as a downturn in that market would adversely impact the performance of the hotel if it fails to replace the business in a timely manner. The Russian market contributed around 17 percent of hotel income of Laguna Phuket hotels, however the Russian market is not a key business of hotel in Bangkok. In 2015, a significant devaluation of the ruble consequently impeded the performance of the two hotels in Phuket. Anyway, China become the key business in 2015 which contribute about 21 percent of hotel income of Laguna Phuket hotels and 26 percent of hotel income of Bangkok. In view of this the Group will seek for alternative markets so as to achieve a balanced customer base.

Interest Rate Fluctuation

The Group's exposure to interest rate risk relates primarily to the deposits with financial institutions, long-term trade accounts receivable and bank overdrafts and loans. Most of the financial assets and liabilities have floating interest rates or fixed interest rates as disclosed in the notes of the financial statements and the interest rate risk is not expected to be significant. The Group does not use derivative financial instruments to hedge such risk.

Foreign Currency Fluctuation

The exchange rate of the Thai Baht as compared to the currencies of China, US, Russia, UK, and other European markets has the potential to impact the pricing and affordability of products and services of the Group for such market segments.

Land Title

In recent years, there have been a number of disputes in Thailand relating to property owners having valid title to their properties. Although the Company is confident that it has valid title to all the land upon which it operates or which is for sale by it in Thailand, there can be no assurance that other parties will not challenge the claim of title. Even if such challenges are not successful, they may have a material adverse effect on the property sales business in Thailand if purchasers express concern that the Group is unable to transfer good title to them.

Thai Labour Laws

Nearly all of the employees are based in Thailand. Labour laws in Thailand are highly protective of employees. Under Thai labour laws, the Group is generally prohibited from discharging employees without compensation absent gross misconduct, neglect, or acts of dishonesty. As such, the Group has limited measures at disposal to reduce headcount in order to increase efficiencies, reduce costs or achieve similar objectives. During crises in recent years such as the global economic crisis, the Group was restricted from dismissing employees and could only institute a voluntary unpaid leave program. The Group has been restricted in the past and expects in the future to be limited to using voluntary separation plans where the Group is required to pay high amounts of severance pay and similar measures under which selected employees may elect to leave the Group in return for lump-sum compensation packages and other benefits.

Operating Risks Inherent in the Hospitality Industry

The hotels are subject to operating risks inherent in the hospitality industry. These risks include:

- Seasonality of the industry in that the Group is subject to different levels of tourism and business/commercial travel across the year, and thereby the revenues tend to vary within the year.
- Competition from new resorts and hotels both locally and within the region.
- The dependence on travel patterns and destination preferences.
- Changes in regulatory conditions in Thailand.
- Periodic local oversupply of or reduced demand for guest accommodation, which may adversely affect occupancy rates and actual room rates achieved.
- Changes in general, regional and local economic conditions which may affect, among other things, the disposable income of consumers and the traveling public and which may not be offset by increased revenues.
- Regional and local political and social conditions affecting market demand, including crime, civil disorder and terrorism.
- Epidemics affecting the travel and tourism industries.
- Travel advisories cautioning people to defer and/or avoid travel.
- Foreign exchange rate movement.
- Convenience of access to Thailand and in particular the airline capacity into Thailand and Phuket.
- Adverse weather conditions and natural disasters.

Operating Risks Inherent in the Property Industry

The property sales business is subject to operating risks inherent in the property industry. These risks include:

- Changes in general, regional and local economic and political conditions which may affect, among other things, the disposable income of buyers and their confidence in the property market.
- The difficulty in obtaining local bank financing by foreign buyers which may affect the future demand for properties.
- The ability to generate sustainable investment returns which may affect the future demand for properties.
- Foreign exchange rate movements which may affect the pricing and affordability of property for foreign buyers.
- Developing new and innovative product designs which will appeal to buyers.
- Provision of high quality after sales services to retain strong brand loyalty and buyer satisfaction.
- Changes in regulatory conditions in Thailand which may impose restrictions on buyers, future development of land or types of product offerings.
- Rising construction costs which may affect operating margins if selling prices cannot be adjusted accordingly.
- The ability to source and retain quality building contractors who can deliver a quality product on time.

Any of these factors could have an adverse effect on the business and management monitor each of these closely so that the strategies can be quickly adapted to any changes in the operating environment.

Persons with Mutual Interest and Connected Transactions

Transactions between the Company and its subsidiaries with related parties including the amounts paid and received, and the terms of the transactions are included in note 9 to the financial statements. Such transactions are disclosed and grouped by type of transaction.

Additional information relating to the significant transactions which are greater than Baht 1 million are the name of the persons with mutual interest and the necessity and reasonableness of the transactions. This is disclosed as follows:

Transactions between the Group (The Company and its Subsidiaries) and Related Parties in Year 2015

(Unit: Million Baht)

	Payee	Payer	Transactions in 2015	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
Transactions with associate							
Inter resort receipts	LBTG	LBTH	3	BTH	B	ESHL, HRH	Convenience of guest's payment
Reimbursement payments	LBTH	LBTG	3	BTH	B	ESHL, HRH	Convenience of payment
Rental and service expenses	LBTH	LBTG	1	BTH	B	ESHL, HRH	Providing the hotel facility of a high class retail outlet
Sale of goods	LBTG	LBTH	4	BTH	B	ESHL, HRH	Purchase of guests supplies for the hotel
Transactions with related companies							
Credit card commission receipts	TWPL	BTRS(T)	1	BTRS(T)	C	CSH, ESHL, KCH	Convenience of guest's payment
Inter resort payments	BTRS(T)	BGL	16	BTRS(T)	C	CSH, ESHL, KCH	Convenience of guest's payment to promote Laguna Phuket resort integration
	BTRS(T)	LBTL	41	BTRS(T)	C	CSH, ESHL, KCH	
	BTRS(T)	LHC	1	BTRS(T)	C	CSH	
	BTRS(T)	LVL	1	BTRS(T)	C	CSH, ESHL	
	BTRS(T)	PKRD	1	BTRS(T)	C	CSH, ESHL, KCH	
	BTRS(T)	TWPL	18	BTRS(T)	C	CSH, ESHL, KCH	Convenience of guest's payment
Management fee income	LRH	BTRS(T)	1	BTRS(T)	C	CSH, ESHL, KCH	Technical Assistant for providing management services for Information Technology, Human Resource, and maid services.
Management fees expenses	ADPL	LRH	3	BTH	A	ESHL	Architectural and Interior Design Services for construction.
	ADPL	TWDC	2	BTH	B	ESHL	Architectural and Interior Design Services for construction of Laguna Park Townhomes and Detached Homes.
	BTCO(S)	BTG(T)	2	BTH	A, B	ESHL	For the use of "Banyan Tree" and "Angsana" trademarks and all proprietary rights associated with them
	BTHR	BGL	23	BTH	B	ESHL	For the use of "Angsana" trademark and all proprietary rights associated with it
	BTHR	LBTL	16	BTH	B	ESHL	For the use of "Banyan Tree" trademark and all proprietary rights associated with it
	BTHR	TWPL	29	BTH	B	ESHL	For the use of "Banyan Tree" trademark and all proprietary rights associated with it

Transactions between the Group (The Company and its Subsidiaries) and Related Parties in Year 2015

(Unit: Million Baht)

	Payee	Payer	Transactions in 2015	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
Management fees expenses	BTHR(T)	BGL	19	BTRS(T)	C	CSH, ESHL	Expertise in managing hotels - Management fees are in line with industry standards.
	BTHR(T)	LBTL	25	BTRS(T)	C	CSH, ESHL	
	BTHR(T)	TWPL	41	BTRS(T)	C	CSH, ESHL	
	BTMG	BGL	23	BTH	B	ESHL	Centralised marketing to promote "Angsana" brand.
	BTMG	LBTL	23	BTH	B	ESHL	Centralised marketing to promote "Banyan Tree" brand.
	BTMG	TWPL	29	BTH	B	ESHL	
	GPS	PKRD	28	BTH	C	ESHL	Expertise in managing "Cassia Phuket" project.
Purchase of spa and gallery vouchers	BTS	LBTL	1	BTH	B	CSH, ESHL	Vouchers to use spa service at the Banyan Tree Spa and Angsana Spa or to buy goods from the Banyan Tree Gallery and Angsana Gallery provided to management as a benefit
	BTS	LRH	2	BTH	A	CSH, ESHL	
	BTS	TWPL	1	BTH	B	CSH, ESHL	
Sale of goods	BTG(S)	BTCO(S)	1	BTH	A, B	ESHL	Purchase of goods for their sales & marketing gifts
	BTG(T)	HVRS	5	BTH	A, B	ESHL	Purchase of guest supplies for the hotel
	BTG(T)	BTRS(T)	1	BTRS(T)	C	CSH, ESHL, KCH, KR	Purchase of supplies for the spa operation and outlets
	BTG(T)	BTS	4	BTH	A, B	CSH, ESHL	Purchase of guest supplies for the hotel
	BTG(T)	MA	2	BTH	A, B	ESHL	
	BTG(T)	LVCL	4	-	-	CH, ESHL	
	BTG(T)	MBPL	6	BTH	A, B	ESHL	
	BTG(T)	PTMB	1	BTH	A, B	ESHL	
	BTG(T)	PTBH	13	TRL	C	KCH	
	BTG(T)	VM	2	BTH	A, B	ESHL	
	LBTG	WLH	1	BTH	B	ESHL, HRH	Purchase of supplies for the spa operation and outlets
Reimbursement receipts	AVCI	PTBH	2	TRL	C	-	Convenience of payment
	BTG(S)	BTCO(S)	1	BTH	A, B	ESHL	
	BTG(S)	BTS	5	BTH	A, B	ESHL	
	BTG(T)	BTRS(T)	1	BTRS(T)	C	CSH, ESHL, KCH, KR	
	BTG(T)	BTS	7	BTH	A, B	CSH, ESHL	
	LBTL	BTHR(T)	1	BTRS(T)	C	CSH, ESHL	
	LBTL	BTI	1	BTH	B	ESHL	
	LBTL	BTRS(T)	8	BTRS(T)	C	CSH, ESHL, KCH	
LGL	LVCL	5	BTH	B	CSH, ESHL		

Transactions between the Group (The Company and its Subsidiaries) and Related Parties in Year 2015

(Unit: Million Baht)

	Payee	Payer	Transactions in 2015	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
Reimbursement receipts	LRH	BTH	2	BTH	A	APV, KPH	Convenience of payment
	TWPL	BTHR(T)	17	BTRS(T)	C	CSH, ESHL	
	TWPL	BTMG	3	BTRS(T)	C	ESHL	
	TWPL	BTRS(T)	6	BTRS(T)	C	CSH, ESHL, KCH	
	TWPL	BTHR	1	BTH	B	ESHL	
Reimbursement payments	ADPL	PKRD	22	BTH	B	ESHL	Convenience of payment
	ADPL	BTD	6	BTH	B	ESHL	
	ADPL	LBTL	4	BTH	B	ESHL	
	ADPL	TWPL	6	BTH	B	ESHL	
	ADPL	LGL	1	BTH	B	ESHL	
	BTH	LRH	1	BTH	A	APV, KPH	
	BTCO(S)	BTG(S)	1	BTH	A, B	ESHL	
	BTCO(S)	LRH	1	BTH	A	ESHL	
	BTHR	LBTL	1	BTH	B	ESHL	
	BTHR	BGL	2	BTH	B	ESHL	
	BTHR	TWPL	1	BTH	B	ESHL	
	BTHR	PKRD	1	BTH	B	ESHL	
	BTHR(T)	BGL	1	BTRS(T)	C	CSH, ESHL	
	BTHR(T)	LBTL	2	BTRS(T)	C	CSH, ESHL	
	BTRL	PKRD	2	BTH	B	ESHL	
	BTRS(T)	BTG(T)	4	BTRS(T)	C	CSH, ESHL, KCH, KR	
	BTRS(T)	LRH	1	BTRS(T)	B, C	CSH, ESHL, KCH	
	BTRS(T)	PKRD	3	BTRS(T)	C	CSH, ESHL, KCH	
	BTS	LRH	6	BTH	C	CSH, ESHL	
	BTRS(T)	LBTL	4	BTRS(T)	C	CSH, ESHL, KCH	
	GPS	PKRD	1	BTH	C	ESHL	
	GPS	AVCI	2	BTH	C	ESHL	
	PTBH	AVCI	5	TRL	C	-	
	WLH	LBTG	5	BTH	C	ESHL, HRH	

Transactions between the Group (The Company and its Subsidiaries) and Related Parties in Year 2015

(Unit: Million Baht)

	Payee	Payer	Transactions in 2015	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
Rent and service income	BGL	BTRS(T)	3	BTRS(T)	C	CSH, ESHL, KCH	Angsana Spa is a recognised spa brand name which enhances image of hotel and helps in its marketing.
	LBTL	BTRS(T)	14	BTRS(T)	C	CSH, ESHL, KCH	Banyan Tree Spa is a recognised spa brand name which enhances image of hotel and helps in its marketing.
	TWPL	BTRS(T)	9	BTRS(T)	C	CSH, ESHL, KCH	
	TWPL	TDC	2	-	-	CH	Rental of the corporate head office - The building is well located and has good amenities.
	TWPL	TWFP	5	-	-	KCH	
Rent and service expense	BTI	BTG(S)	1	BTH	A, B	ESHL	Rental of the office - The building is well located and has good amenities.
Rental return on hotel units	CGL	PTBH	4	TRL	C	-	Purchase of units to set up a Holiday Club operation in the Angsana Resort & Spa Bintan. A very good rental return is being received from the hotel prior to the units being required for the operation.
Resort service income	LSC	BTRS(T)	8	BTRS(T)	C	CSH, ESHL, KCH	Centralization of facilities and services to each operation in Laguna Phuket
Spa service expenses	BTRS(T)	LHC	1	BTRS(T)	C	CSH	Purchase of gallery vouchers for using as a marketing tool
Training charges	BTHR(T)	BGL	3	BTRS(T)	C	CSH, ESHL	Centralized training for Laguna Phuket staff of all operations and allocated based on actual cost
	BTHR(T)	LBTL	3	BTRS(T)	C	CSH, ESHL	
	BTHR(T)	TWPL	2	BTRS(T)	C	CSH, ESHL	

Transactions within the Group and a Company which is Owned by Persons with a Mutual of Interest more than 10 percent in Year 2015

(Unit: Million Baht)

	Payee	Payer	Transactions in 2015	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
Inter resort charges	BTG(T)	BGL	1	BTH	A, B	AS, CH, CSH, ESHL, KCH, PN, SDR	Convenience of guest's payment to promote Laguna Phuket resort integration
	BTG(T)	LBTL	7	BTH	A, B	AS, CH, CSH, ESHL, KCH, PN, SDR	
	BTG(T)	LGL	4	BTH	A, B	AS, CH, CSH, ESHL, KCH, PN, SDR	
	BTG(T)	TWPL	2	BTH	A, B	AS, CH, CSH, ESHL, KCH, PN, SDR	Convenience of guest's payment
Purchase of gallery vouchers	BTG(T)	LHC	1	BTH	A, B	CSH, CH, PN, SDR	Purchase of gallery vouchers for using as a marketing tool.
Purchase of goods	BTG(T)	BTG(S)	1	BTH	A, B	CSN, ESHL, SDR	Central purchasing to facilitate bulk purchasing for competitive pricing
	BTG(T)	LBTG	3	BTH	A, B	ESH	
	BTG(T)	BGL	5	BTH	A, B	AS, CH, CSH, ESHL, KCH, PN, SDR	Purchase of guests supplies for the hotel
	BTG(T)	LBTL	10	BTH	A, B	AS, CH, CSH, ESHL, KCH, PN, SDR	
	BTG(T)	PKRD	1	BTH	A, B	AS, CH, CSH, ESHL, KCH, PN, SDR	
	BTG(T)	TWPL	12	BTH	A, B	AS, CH, CSH, ESHL, KCH, PN, SDR,	
Reimbursement of costs	BTG(S)	BTG(T)	2	BTH	A, B	CSN, ESHL, SDR	Convenience of payment
	LBTL	BTG(T)	1	BTH	A, B	AS, CH, CSH, ESHL, KCH, PN, SDR	
	TWPL	BTG(T)	1	BTH	A, B	AS, CH, CSH, ESHL, KCH, PN, SDR	
Rent and service	LBTL	BTG(T)	2	BTH	A, B	AS, CH, CSH, ESHL, KCH, PN, SDR	Providing the hotel facility of a high class retail outlet
	TWPL	BTG(T)	3	BTH	A, B	AS, CH, CSH, ESHL, KCH, PN, SDR	

Remarks:

A Major shareholder

B Major shareholder of parent company (LRH)

C The company in which the major shareholder of LRH is its major shareholder

Abbreviations

ADPL	Architrave Design & Planning Services Pte. Ltd.	LBTH	Lijiang Banyan Tree Hotel Company Limited
AVCI	PT. AVC Indonesia	LBTL	Laguna Banyan Tree Limited
BGL	Bangtao Grande Limited	LGL	Laguna Grande Limited
BTCO(S)	Banyan Tree Corporate Pte. Ltd	LHC	Laguna Holiday Club Limited
BTD	Bangtao Development Limited	LRH	Laguna Resorts & Hotels Public Company Limited
BTG(S)	Banyan Tree Gallery (Singapore) Pte Ltd.	LSC	Laguna Service Company Limited
BTG(T)	Banyan Tree Gallery (Thailand) Limited	LVCL	Laguna (Vietnam) Company Limited
BTH	Banyan Tree Holdings Limited	LVL	Laguna Village Limited
BTHR	Banyan Tree Hotels & Resorts Pte. Ltd.	MBPL	Maldives Bay Pvt Ltd.
BTHR(T)	Banyan Tree Hotels & Resorts (Thailand) Limited	PKRD	Phuket Resort Development Limited
BTI	Banyan Tree Investment Pte. Ltd.	PTBH	PT Bintan Hotels
BTMG	Banyan Tree Marketing Group Pte. Ltd.	PTMB	PT Management Banyan Tree Resorts & Spas
BTRL	Banyan Tree Resorts Limited	TDC	Tapioca Development Corporation Limited
BTRS(T)	Banyan Tree Resorts & Spas (Thailand) Company Limited	TRL	Tropical Resorts Limited
BTS	Banyan Tree Spas Pte. Ltd.	TWDC	Twin Water Development Company Limited
CGL	Cheer Golden Limited	TWFP	Thai Wah Food Products Public Company Limited
GPS	GPS Development Services Pte. Ltd.	TWPL	Thai Wah Plaza Limited
HVRS	Hill View Resorts (Seychelles) Limited	VM	Vabbinvest Maldives Pvt. Ltd.
LBTG	Lijiang Banyan Tree Gallery Trading Company Limited	WLH	Wanyue Leisure Health (Shanghai) Co., Ltd.

Initials

APV	Mr. Ariel P Vera	HRH	Mr. Ho Ren Hua
AS	Ms. Areewan Sriwichupong	KCH	Mr. Ho KwonCjan
CH	Mr. Kuan Chiet	KPH	Mr. Ho KwonPing
CSH	Mr. Shankar Chandran	KR	Ms. Kanruethai Roongruang
CSN	Ms. Chiang See Ngoh Claire	PN	Mr. Passapong Nantarak
ESHL	Mr. Eddy See Hock Lye	SDR	Mr. Stuart David Reading

Reference for Valuation Price / Rental Fee Compared to 3rd Parties

Transaction Type	Justification for Transactions
Retail Rental	<ul style="list-style-type: none"> - Rental rate set on a square metre basis is in line with market rate. - The majority of the rental of Banyan Tree Gallery, Spa and restaurants are contracted on a percentage of revenue basis and have been separately negotiated with the management of each hotel operation. - Spa contracts being negotiated with other unrelated hotel operators are also structured on a percentage of revenue basis i.e. this is the general rental policy applied by the Banyan Tree Group.
Office Rental	<ul style="list-style-type: none"> - Rental rate is in line with market rate. Generally, in the upper range if compared to the same type of building in a similar location. - Terms and conditions in the agreement are similar to other customers and the market. - Service fee has been separated from rental for tax reasons.
Land Rental	<ul style="list-style-type: none"> - Land lease rates are very different in the market depending on the location and type of land. - Net present value calculation of rent charged has been compared to valuations as performed by an independent property valuer.

Procedures for approving related party transactions

It is the Group's policy to ensure that there is no conflict of interest when related party transactions are executed. All existing related party transactions are communicated by each of the operations on a quarterly basis and reviewed by management. New proposed related party transactions are identified by and/or communicated to higher level management and the transactions are approved by either senior management, directors or the shareholders in accordance with the requirements of the SET and SEC. All new significant related party transactions are presented to the Audit and Risk Committee for opinion which includes demonstrating that the transaction is on commercial terms and on an arm's length basis. Once recommended by the Audit and Risk Committee the transaction will be proposed to the Board of Directors or the Board of Directors and shareholders for approval. Interested directors do not take part in approving the transaction.

Future policy or tendency of related party transactions

It is the intention of the Company to minimise the incidence of related party transactions wherever practicable. However given the nature of the Group structure and the Groups' business it is not possible to cease many of the current transactions. As a result, the Group's future policy is geared towards ensuring that all current and future transactions are necessary and are on commercial terms and on arm's length basis.

Legal Dispute

Breach of the Condominium Sale and Purchase Agreement, principal and agent, wrongful act and claim of damages

Black case No. 2290/2552 between:

Allamanda 1 Condominium Juristic Person and 9 Unit Owners	"Plaintiffs"
Laguna Grande Limited, Bangtao Development Limited, Bangtao (1) Limited, Bangtao (2) Limited, and 10 individual directors	"Defendants"

Background

This case was brought to the Phuket Provincial Court on 8 October 2009, in which 4 of LRH's affiliated companies and 10 individual directors are the defendants. The plaintiffs referred in the plaint that they purchased units in Allamanda 1 Condominium from Laguna Grande Limited during 1991-1995. The plaintiffs claimed the Sale and Purchase Agreement called for an area of approximately 20 Rai. On registration of Allamanda 1 Condominium, Allamanda 1 Condominium was registered with only 9 Rai 2 Ngan 9 Square Wah. As a result, the plaintiffs claimed the defendants have breached the Sale and Purchase Agreement. Therefore, the plaintiffs requested the defendants to completely deliver the common area as specified by the Agreement by transfer of the land totaling 10 Rai 3 Ngan 97.1 Square Wah to Allamanda 1 Condominium Juristic Person, as the 10th plaintiff, or to be jointly liable for the compensation of Baht 131,913,000 in case the transfer of land cannot be made. The plaintiffs also requested for additional compensation in the amount of Baht 55,685,895 for unlawful use of the land which is supposed to be common property of Allamanda 1 Condominium. Total amount of claim is Baht 187,598,895 with interest at the rate of 7.5 percent per annum from the date of the claim is lodged until the defendants have made full payment. The plaintiffs also claimed that the former and current directors of those subsidiaries as the 5th to 14th defendants were the representatives of the subsidiaries being the 1st to 4th defendants, and therefore must also be jointly liable with those subsidiaries. On 5 April 2011, the plaintiffs filed a petition with the Court seeking the Court's interim injunction of which the defendants shall not dispose or amend the status of nine plots of land in dispute with the land registry office during the trial. On 20 January 2012, the Court granted the interim injunction for the plaintiffs and ordered the defendants not to dispose or amend the status of nine plots of land in dispute.

Both parties have completed the taking of evidences and hearing of witnesses. The Court initially set the hearing of judgment on 7 February 2014 but on the day the Court postponed the hearing to 28 March 2014. On 28 March 2014, the Phuket Provincial Court postponed the hearing for judgment to 30 May 2014. On 30 May 2014, the Phuket Provincial Court postponed the hearing for judgment to 27 June 2014.

On 27 June 2014, the Phuket Provincial Court ordered the defendants (1) to transfer the nine plots of land totaling 10 Rai 3 Ngan 97.1 Square Wah to the plaintiffs or compensate in the amount of Baht 131,913,000 with interest at the rate of 7.5 percent per annum from the date the claim was lodged until payment has been made in full, (2) to pay Baht 5,890,956 for unlawful usage of the two plots of land no. 7257 and 7264 with interest at the rate of 7.5 percent per annum from the date the claim was lodged until payment is made in full, (3) to pay Baht 16,000.79 per day for unlawful usage of those two land pieces from the date the claim was lodged until the transfer of aforementioned land has been completed, and (4) to pay a further Baht 500,000 for legal fees to the plaintiffs. On 17 July 2014, the defendants filed the request for extension of submitting the appeal and the Court granted the extension to 27 August 2014. On 21 August 2014, the defendants filed

the second request for extension of submitting the appeal and the Court granted the extension to 27 November 2014. On 19 November 2014, the defendants filed the third request for extension of submitting the appeal and the Court granted the extension to 27 January 2015.

On 23 January 2015, the defendants lodged an appeal on the judgment at the Court of First Instance and the Court ordered the acceptance of the appeal of the defendants. The plaintiffs filed the 1st, 2nd, 3rd and 4th requests for extension of submitting the reply to an appeal and the Court granted the extension to 9 April 2015, 8 May 2015, 7 June 2015 and 6 July 2015 respectively. On 26 June 2015, the plaintiffs have submitted the answer statement to the Company's appeal and the petition of objection for stay of execution upon the judgment. The Court set a hearing on 15 October 2015 to read out the Appeal Court order in relation to the plaintiffs objection for the defendants stay of execution. In hearing on 15 October 2015, the Appeal Court ordered the Company to place a deposit for the money compensations, amounting to Baht 36,000,000 that the Court of First Instance has awarded the plaintiffs. The Court set a further hearing on 18 December 2015 to consider the particulars of the deposit. The Company intended to pledge land title deeds of the land in Chiang Rai owned by its subsidiary company as security for the deposit. In hearing on 18 December 2015, the Court has granted the defendants placement of the land in Chiang Rai as the deposit.

The Company had already transferred two plots of the disputed land to the plaintiff on 19 August 2014 and 27 May 2015 respectively in order to stop the increase of daily interest payments, amounting to Baht 30,115,853.68 as of the transfer date of the two plots of the land, upon the verdict of the Phuket Provincial Court.

The Court sets hearing date for the Appeal Court Judgment on 19 April 2016.

The Present Circumstances

This case is currently pending at the Appeal Court.

Opinion of the Lawyer

The lawyer considers that the Company did not breach the Sale and Purchase Agreement nor commit a wrongful act against the prosecutors as accused.

The Management Opinion

As per the opinion of the lawyer above.

Report of the Audit and Risk Committee

The Audit and Risk Committee of Laguna Resorts & Hotels Public Company Limited comprises 3 independent directors and is empowered to:-

- review the Company's financial reports, internal control and internal audit systems, connected transactions and compliance with all relevant regulations and laws;
- recommend special audit plans to the internal auditor;
- advise management on matters related to the principles of good corporate governance;
- recommend the appointment of the Company's external auditors and their remuneration;
- review or discuss policies regarding risk assessment and risk management and the steps management has taken to monitor and control such exposures; and
- seek to oversee and ensure a continuous process for managing risk.

During 2015 the Audit and Risk Committee convened 4 meetings, with the Company's external auditors and internal auditors including the Management to review compliance with accounting standard requirements and internal controls prior to approving the quarterly reports and the annual financial statements. These meetings also included discussions with the Company's internal audit team to review and advise on its findings and to follow up on matters arising from the schedule of work that the Audit and Risk Committee had approved the internal auditor to undertake during 2015, thereby ensuring that this work was both sufficient and effective. Apart from this, the Audit and Risk Committee attended one non-management meeting with the external auditor to deliberate accounting approaches and audit plans.

Each of the Audit and Risk Committee members attended all meetings convened in 2015.

With regard to risk management, the Audit and Risk Committee reviewed the risk registers of the Company's major business units with the Company's Group Risk Committee. During the review, the Audit and Risk Committee advised on mitigation measures for identified risks and checked that the risk management policies and work undertaken by the Company's Group Risk Committee continues to be adequate and effective.

The Audit and Risk Committee is satisfied that the Group's internal controls are sufficient and effective both to support its operations and to enable the external auditors to express an opinion on the financial statements that they present fairly in all material respects the financial position and results of the Group's operations. Where internal control weaknesses have been detected during the course of the Audit and Risk Committee's reviews these have not been considered material and in all cases management has been alerted and has taken appropriate corrective action.

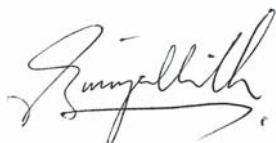
The Audit and Risk Committee is of the opinion that risk management is now well understood and practiced throughout the Group and that systems are generally in place to ensure an ongoing process of risk management.

The Audit and Risk Committee is satisfied that the Company has performed in compliance with the SEC/SET rules and regulations and the laws related to the business of the Company and that the Company has supported and continuously developed its good corporate governance principles. As a pledge of the Company's ongoing commitment to operate its business ethically and to avoid any corrupt practices, the Audit and Risk Committee recommended the Company to join the Thailand Private Sector Collective Action Coalition Against Corruption which the Company has done since 2014.

Despite the complexity of the Group's structure which primarily arises from the integration of several resorts at Laguna Phuket, the Audit and Risk Committee is satisfied that all connected transactions that were reviewed by it and arose in 2015 were fair and reasonable and had been entered into on an arms-length basis applying the principles of an open market transaction between willing parties.

The interests of all shareholders remain the principal objective of the Audit and Risk Committee. The Company's operating results and financial reports are therefore reviewed for transparency and completeness. In this regard the Audit and Risk Committee has been able to satisfactorily resolve all matters arising within the terms of its Charter with both the management and the external and internal auditors.

The Audit and Risk Committee has recommended the Board to appoint Mr. Sophon Permsirivallop, Certified Public Accountant No. 3182 and/or Ms. Rungnapa Lertsuwankul, Certified Public Accountant No. 3516 and/or Ms. Rosaporn Decharkom, Certified Public Accountant No. 5659 and/or Ms. Pimjai Manitkajohnkit, Certified Public Accountant No. 4521 of EY Office Limited to be the Company's auditors for the fiscal year 2016 with a recommended audit fee of Baht 640,000.



Mr. Vudhiphol Suriyabhivadh

Audit and Risk Committee Chairman

17 February 2016

Opinion on the Audit and Risk Committee on the Company's Internal Control

The Audit and Risk Committee met four times in 2015 to perform its tasks as per the charter and amongst other activities, it reviewed the work of both the Company's internal and external auditors. These reviews were based upon a structured schedule of works which the Audit and Risk Committee approved annually in advance and also takes in additional reviews when it is deemed appropriate.

Throughout the year 2015, Risk Management was implemented across the Laguna Resorts & Hotels Public Company Limited group. In this regard, controls that mitigate risks to an acceptable level identified in the risk registers were seriously reviewed; additionally the process documentation review of internal controls have also been conducted to ensure that the Company has sufficient procedures and controls.

Based upon these reviews, the Audit and Risk Committee is satisfied that the Group's internal controls are sufficient both to support its operations and to enable the external auditors to express an opinion on the Company's financial statements presented fairly in all material respects, the financial position and the results of its operations.



Mr. Vudhiphol Suriyabhivadh
Audit and Risk Committee Chairman

Opinion of the Board of Directors on the Company's Internal Control

Based upon the reports of work carried out by the external auditors, the Board of Directors is of the opinion that the Company's internal accounting controls are adequate and have enabled the external auditors to opine that the financial statements for the year ended 2015 are presented fairly. The Board has also taken note of and accepted the Audit and Risk Committee's report on the internal control system and therefore concludes that there are no material weaknesses in the Company's internal control system.



Mr. Ho KwonPing
Chairman of the Board

Board of Directors' Responsibility for the Company's Financial Statements

The Board of Directors is responsible for the Company's financial statements including the notes to the financial statements.

In its review of the financial statements, the Board of Directors has relied upon the reports and work performed by the Company's external auditors, EY Office Limited, and the Company's Audit and Risk Committee which has carried out extensive discussions with management of the Company. The Board has also satisfied itself that there are no material weaknesses in the Company's internal accounting controls, internal control system and standard operating procedures.

The Board of Directors is therefore able to conclude that the financial statements for the year ended 2015 have been prudently prepared in accordance with generally accepted accounting principles to give a correct and complete presentation, in all material aspects, the financial position of the Company and its subsidiaries.



Mr. Ho KwonPing
Chairman of the Board

FINANCIAL REPORTS



To the Shareholders of Laguna Resorts & Hotels Public Company Limited

I have audited the accompanying consolidated financial statements of Laguna Resorts & Hotels Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Laguna Resorts & Hotels Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Laguna Resorts & Hotels Public Company Limited and its subsidiaries and of Laguna Resorts & Hotels Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Rosaporn Decharkom

Certified Public Accountant (Thailand) No. 5659

EY Office Limited

Bangkok: 23 February 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	6	859,881,278	444,633,200	25,640,769	17,675,124
Current investment - short-term fixed deposit		10,719,374	10,587,991	-	-
Short-term restricted deposit at financial institution	7	75,930,055	-	-	-
Trade and other receivables	8	635,439,326	549,723,270	169,471,964	203,899,461
Inventories	10	129,484,970	107,779,102	-	-
Property development cost	11	3,787,142,311	3,888,709,119	185,502,070	193,267,064
Other current assets	12	200,791,227	178,918,303	25,906,002	23,537,678
Total current assets		5,699,388,541	5,180,350,985	406,520,805	438,379,327
Non-current assets					
Long-term restricted deposit at financial institution	7	41,189	41,189	-	-
Long-term fixed deposit		2,178,200	2,000,000	2,178,200	2,000,000
Long-term trade accounts receivable	13	457,995,364	165,044,275	-	-
Investments in subsidiaries	14	-	-	4,269,025,777	3,479,025,077
Investments in associates	15	383,086,601	409,464,982	-	-
Other long-term investments	16	1,132,188,540	1,008,789,883	525,823,948	402,425,290
Long-term loans to subsidiaries	9	-	-	1,142,800,630	2,257,020,629
Investment properties	17	1,120,761,173	1,112,275,932	198,210,268	181,225,030
Property, plant and equipment	18	10,687,451,126	10,244,887,848	48,930,762	49,796,176
Deferred tax assets	31	113,538,768	95,533,870	-	-
Goodwill	14	407,903,881	407,903,881	-	-
Leasehold rights	19	17,279,331	19,448,550	-	-
Other non-current assets		69,459,076	68,356,883	1,352,152	1,334,653
Total non-current assets		14,391,883,249	13,533,747,293	6,188,321,737	6,372,826,855
Total assets		20,091,271,790	18,714,098,278	6,594,842,542	6,811,206,182

The accompanying notes are an integral part of the financial statements.

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans					
from financial institutions	20	554,803,557	710,000,000	260,000,000	360,000,000
Trade and other payables	21	959,252,849	687,573,357	34,892,882	24,925,616
Current portion of long-term loans from financial institutions	23	469,750,000	657,750,000	35,000,000	70,000,000
Income tax payable		62,547,936	23,787,114	-	-
Advance received from customers		546,545,142	1,017,212,164	404,695	715,596
Other current liabilities	22	140,483,145	122,059,676	4,492,303	9,959,271
Total current liabilities		2,733,382,629	3,218,382,311	334,789,880	465,600,483
Non-current liabilities					
Long-term loans from subsidiaries	9	-	-	648,280,000	765,850,000
Long-term loans from financial institutions - net of current portion	23	2,819,388,750	1,819,575,819	-	35,000,000
Unsecured debenture	24	493,846,200	-	-	-
Provision for long-term employee benefits	25	63,605,646	52,622,004	15,352,976	10,021,710
Long-term provision - provision for legal case	41	40,132,680	39,337,103	-	-
Deferred tax liabilities	31	2,166,335,216	2,091,589,988	208,255,229	196,846,463
Other non-current liabilities		99,409,011	84,959,992	5,695,424	5,881,045
Total non-current liabilities		5,682,717,503	4,088,084,906	877,583,629	1,013,599,218
Total liabilities		8,416,100,132	7,306,467,217	1,212,373,509	1,479,199,701
Shareholders' equity					
Share capital					
Registered					
211,675,358 ordinary shares of Baht 10 each		2,116,753,580	2,116,753,580	2,116,753,580	2,116,753,580
Issued and fully paid-up					
166,682,701 ordinary shares of Baht 10 each		1,666,827,010	1,666,827,010	1,666,827,010	1,666,827,010
Share premium		2,062,460,582	2,062,460,582	2,062,460,582	2,062,460,582
Capital reserve	26	568,130,588	568,130,588	-	-
Retained earnings					
Appropriated - statutory reserve					
Unappropriated	28	211,675,358	211,675,358	211,675,358	211,675,358
Unappropriated		2,642,748,247	2,482,805,944	908,789,814	957,046,188
Other components of shareholders' equity		4,239,617,362	4,134,100,817	532,716,269	433,997,343
Equity attributable to owner of the Company		11,391,459,147	11,126,000,299	5,382,469,033	5,332,006,481
Equity attributable to non-controlling interests of the subsidiaries		283,712,511	281,630,762	-	-
Total shareholders' equity		11,675,171,658	11,407,631,061	5,382,469,033	5,332,006,481
Total liabilities and shareholders' equity		20,091,271,790	18,714,098,278	6,594,842,542	6,811,206,182

The accompanying notes are an integral part of the financial statements.

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenue					
Revenue from hotel operations		3,108,617,130	3,085,124,627	33,655,545	45,133,741
Revenue from property development operations		2,348,479,352	803,905,339	13,147,291	88,222,033
Revenue from office rental operations		86,427,410	90,368,736	31,673,108	39,607,701
Other income	29	114,705,625	70,860,919	132,428,362	245,119,692
Total revenue		5,658,229,517	4,050,259,621	210,904,306	418,083,167
Expenses					
Cost of hotel operations		1,790,560,358	1,782,286,125	26,411,793	33,834,066
Cost of property development operations		1,504,468,651	424,589,152	7,782,287	52,694,785
Cost of office rental operations		44,257,387	45,333,910	7,107,548	7,195,467
Selling expenses		348,248,688	384,458,845	1,499,823	6,943,772
Administrative expenses		1,443,662,475	1,274,812,178	169,794,424	156,077,666
Reversal of loss on impairment of investment	16	-	(89,338,720)	-	-
Total expenses		5,131,197,559	3,822,141,490	212,595,875	256,745,756
Profit (loss) before share of loss from investment in associate, finance cost and income tax expenses		527,031,958	228,118,131	(1,691,569)	161,337,411
Share of loss from investment in associate	15	(45,041,156)	(36,189,121)	-	-
Profit (loss) before finance cost and income tax expenses		481,990,802	191,929,010	(1,691,569)	161,337,411
Finance cost		(166,147,594)	(162,075,264)	(32,566,209)	(61,765,911)
Profit (loss) before income tax expenses		315,843,208	29,853,746	(34,257,778)	99,571,500
Income tax expenses	31	(139,409,887)	(8,630,849)	11,984,074	(12,057,596)
Profit (loss) for the year		176,433,321	21,222,897	(22,273,704)	87,513,904
Profit (loss) attributable to:					
Equity holders of the Company		175,262,057	18,140,298	(22,273,704)	87,513,904
Non-controlling interests of the subsidiaries		1,171,264	3,082,599		
		176,433,321	21,222,897		
Basic earnings per share	32				
Profit (loss) attributable to equity holders of the Company		1.05	0.11	(0.13)	0.53

The accompanying notes are an integral part of the financial statements.

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit (loss) for the year		176,433,321	21,222,897	(22,273,704)	87,513,904
Other comprehensive income (loss):					
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		21,208,238	(13,160,094)	-	-
Unrealised gain on available-for-sales security, net of income tax	16	98,718,926	54,239,019	98,718,926	125,709,995
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods, net of income tax		119,927,164	41,078,925	98,718,926	125,709,995
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss of post-employment benefits, net of income tax	25	(7,984,789)	-	(5,147,571)	-
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods, net of income tax		(7,984,789)	-	(5,147,571)	-
Other comprehensive income (loss) for the year		111,942,375	41,078,925	93,571,355	125,709,995
Total comprehensive income (loss) for the year		288,375,696	62,301,822	71,297,651	213,223,899
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		286,293,947	60,447,873	71,297,651	213,223,899
Non-controlling interests of the subsidiaries		2,081,749	1,853,949		
		288,375,696	62,301,822		

The accompanying notes are an integral part of the financial statements.

Consolidated financial statements												
	Equity attributable to the owners of the Company											Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Capital reserve	Retained earnings		Other components of shareholders' equity				Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income			Total other components of shareholders' equity			
						Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Unrealised gain on available for sales security				
Balance as at 1 January 2014	1,666,827,010	2,062,460,582	568,130,588	211,675,358	2,521,328,953	156,575,450	3,935,217,792	-	4,091,793,242	11,122,215,733	279,776,813	11,401,992,546
Profit for the year	-	-	-	-	18,140,298	-	-	-	-	18,140,298	3,082,599	21,222,897
Other comprehensive income (loss) for the year	-	-	-	-	-	(11,931,444)	-	54,239,019	42,307,575	42,307,575	(1,228,650)	41,078,924
Total comprehensive income (loss) for the year	-	-	-	-	18,140,298	(11,931,444)	-	54,239,019	42,307,575	60,447,873	1,853,949	62,301,822
Dividend paid (Note 34)	-	-	-	-	(56,663,307)	-	-	-	-	(56,663,307)	-	(56,663,307)
Balance as at 31 December 2014	1,666,827,010	2,062,460,582	568,130,588	211,675,358	2,482,805,944	144,644,006	3,935,217,792	54,239,019	4,134,100,817	11,126,000,299	281,630,762	11,407,631,061
Balance as at 1 January 2015	1,666,827,010	2,062,460,582	568,130,588	211,675,358	2,482,805,944	144,644,006	3,935,217,792	54,239,019	4,134,100,817	11,126,000,299	281,630,762	11,407,631,061
Profit for the year	-	-	-	-	175,262,057	-	-	-	-	175,262,057	1,171,264	176,433,321
Other comprehensive income (loss) for the year	-	-	-	-	(7,984,789)	20,297,753	-	98,718,926	119,016,679	111,031,890	910,485	111,942,375
Total comprehensive income (loss) for the year	-	-	-	-	167,277,268	20,297,753	-	98,718,926	119,016,679	286,293,947	2,081,749	288,375,696
Dividend paid (Note 34)	-	-	-	-	(20,835,099)	-	-	-	-	(20,835,099)	-	(20,835,099)
Reversal of revaluation surplus on disposal of assets (Note 27)	-	-	-	-	13,500,134	-	(13,500,134)	-	(13,500,134)	-	-	-
Balance as at 31 December 2015	1,666,827,010	2,062,460,582	568,130,588	211,675,358	2,642,748,247	164,941,759	3,921,717,658	152,957,945	4,239,617,362	11,391,459,147	283,712,511	11,675,171,658

The accompanying notes are an integral part of the financial statements.

(Unit: Baht)

	Separate financial statements							
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity			Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Revaluation surplus on assets	Unrealised gain on available for sales security	Total other components of shareholders' equity	
Balance as at 1 January 2014	1,666,827,010	2,062,460,582	211,675,358	926,195,591	136,985,947	171,301,401	308,287,348	5,175,445,889
Profit for the year	-	-	-	87,513,904	-	-	-	87,513,904
Other comprehensive income (loss) for the year	-	-	-	-	-	125,709,995	125,709,995	125,709,995
Total comprehensive income (loss) for the year	-	-	-	87,513,904	-	125,709,995	125,709,995	213,223,899
Dividend paid (Note 34)	-	-	-	(56,663,307)	-	-	-	(56,663,307)
Balance as at 31 December 2014	1,666,827,010	2,062,460,582	211,675,358	957,046,188	136,985,947	297,011,396	433,997,343	5,332,006,481
Balance as at 1 January 2015	1,666,827,010	2,062,460,582	211,675,358	957,046,188	136,985,947	297,011,396	433,997,343	5,332,006,481
Loss for the year	-	-	-	(22,273,704)	-	-	-	(22,273,704)
Other comprehensive income (loss) for the year	-	-	-	(5,147,571)	-	98,718,926	98,718,926	93,571,355
Total comprehensive income (loss) for the year	-	-	-	(27,421,275)	-	98,718,926	98,718,926	71,297,651
Dividend paid (Note 34)	-	-	-	(20,835,099)	-	-	-	(20,835,099)
Balance as at 31 December 2015	1,666,827,010	2,062,460,582	211,675,358	908,789,814	136,985,947	395,730,322	532,716,269	5,382,469,033

The accompanying notes are an integral part of the financial statements.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit (loss) before income tax expenses	315,843,208	29,853,746	(34,257,778)	99,571,500
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	313,576,026	292,261,157	4,560,302	4,568,610
Amortisation of leasehold rights	2,594,320	2,658,272	-	-
Allowance for doubtful accounts (reversal)	23,558,243	(832,712)	1,428,649	-
Reduction of inventory to net realisable value (reversal)	210,757	(1,725,309)	-	-
Share of loss from investment in associate	45,041,156	36,189,121	-	-
Loss (gain) on change in fair value of investment properties	3,033,372	(4,121,543)	(7,570,000)	(12,153,016)
Gain on sales of property, plant and equipment	(535,089)	(416,273)	(4,776)	(25,049)
Write off property, plant and equipment	1,112,211	781,018	-	1,030
Dividend income from investment in subsidiaries	-	-	-	(34,053,990)
Dividend income from other long-term investment	(25,550,812)	(25,550,812)	(25,550,812)	(25,550,812)
Provision for long-term employee benefits (reversal)	10,637,944	7,601,379	779,260	(1,378,493)
Forfeited money from property unit	(13,494,141)	-	-	-
Reversal of loss on impairment of investment	-	(89,338,720)	-	-
Provision for loss on compensation claim	1,479,197	39,337,103	-	-
Interest income	(21,151,268)	(20,216,554)	(61,235,312)	(138,506,337)
Interest expenses	166,147,594	162,075,264	32,566,209	61,765,911
Profit (loss) from operating activities before changes in operating assets and liabilities	822,502,718	428,555,137	(89,284,258)	(45,760,646)
Operating assets (increase) decrease				
Trade and other receivables	(111,741,198)	30,057,360	25,732,619	3,128,367
Inventories	(21,916,625)	17,078,633	-	-
Property development cost	(172,576,561)	(503,773,109)	7,764,994	51,787,372
Other current assets	(9,219,618)	49,082,812	3,213,218	9,664,504
Long-term trade accounts receivable	(292,951,089)	(20,601,716)	-	14,063,349
Other non-current assets	(1,102,193)	1,082,744	(17,499)	1,632,794
Operating liabilities increase (decrease)				
Trade and other payables	268,770,494	81,015,432	10,542,641	(26,776,476)
Advance received from customers	(470,667,022)	502,798,927	(310,901)	452,090
Other current liabilities	18,436,649	2,921,249	(5,466,968)	2,471,473
Provision for long-term employee benefits	(9,635,288)	(9,380,107)	(1,882,458)	(268,708)
Other non-current liabilities	13,949,019	(12,668,527)	(185,621)	(2,007,684)
Cash flows from operating activities	33,849,286	566,168,835	(49,894,233)	8,386,435
Cash received for interest income	21,242,023	20,278,312	68,501,540	137,188,655
Cash paid for interest expenses	(175,635,543)	(162,679,517)	(33,141,584)	(61,287,717)
Cash paid for income tax	(79,039,914)	(53,519,831)	(5,581,542)	(6,277,642)
Net cash flows from (used in) operating activities	(199,584,148)	370,247,799	(20,115,819)	78,009,731

The accompanying notes are an integral part of the financial statements.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Increase in short-term restricted deposit at financial institution	(75,930,055)	-	-	-
Increase in current investment - short-term fixed deposit	(131,383)	(163,126)	-	-
Increase in long-term fixed deposit	(178,200)	-	(178,200)	-
Cash paid for purchase of investment in subsidiaries	-	-	(790,000,700)	-
Dividend received from investments in subsidiaries	-	-	-	34,053,990
Dividend received from other long-term investment	25,550,812	25,550,812	25,550,812	25,550,812
Cash received from long-term loans to subsidiaries	-	-	3,108,820,000	1,663,400,000
Cash paid for long-term loans to subsidiaries	-	-	(1,994,600,000)	(1,972,420,000)
Decrease in long-term loans to employees	-	183,034	-	23,325
Cash paid for acquisition of investment properties	(11,518,613)	-	(9,415,238)	-
Cash received from sales of property, plant and equipment	931,044	904,433	4,804	4,418,133
Cash paid for acquisition of property, plant and equipment	(455,176,363)	(310,708,625)	(3,694,915)	(7,880,511)
Net cash flows from (used in) investing activities	(516,452,758)	(284,233,472)	336,486,563	(252,854,251)
Cash flows from financing activities				
Increase (decrease) in bank overdraft and short-term loans from financial institutions	(155,196,443)	540,000,000	(100,000,000)	210,000,000
Proceed from debenture issuance	500,000,000	-	-	-
Payment of transaction costs related to debenture issuance	(6,153,800)	-	-	-
Draw down of long-term loans from subsidiaries	-	-	1,169,880,000	935,200,000
Repayment of long-term loans from subsidiaries	-	-	(1,287,450,000)	(843,200,000)
Draw down of long-term loans from financial institutions	1,454,000,000	-	-	-
Repayment of long-term loans from financial institutions	(642,187,070)	(493,000,000)	(70,000,000)	(70,000,000)
Payment of dividends	(20,835,099)	(56,663,307)	(20,835,099)	(56,663,307)
Net cash flows from (used in) financing activities	1,129,627,588	(9,663,307)	(308,405,099)	175,336,693
Net exchange differences on translation of financial statements in foreign currency	1,657,396	(2,546,118)	-	-
Net increase in cash and cash equivalents	415,248,078	73,804,902	7,965,645	492,173
Cash and cash equivalents at beginning of year	444,633,200	370,828,298	17,675,124	17,182,951
Cash and cash equivalents at end of year	859,881,278	444,633,200	25,640,769	17,675,124
Supplemental cash flows information				
Non-cash items				
Transferred of property, plant and equipment to investment properties	-	7,445,134	-	-
Transferred property development cost to property, plant and equipment	302,010,647	29,878,241	-	-
Reversal of revaluation surplus on disposal of assets	13,500,134	-	-	-
Increase (decrease) in exchange differences on translation of financial statements in foreign currency of associate	18,662,774	(10,914,072)	-	-
Actuarial loss of post-employment benefits	9,980,986	-	6,434,464	-

The accompanying notes are an integral part of the financial statements.

Notes to consolidated financial statements For the year ended 31 December 2015

1. General information

Laguna Resorts & Hotels Public Company Limited ("the Company", "LRH") is a public company incorporated and domiciled in Thailand. Its major shareholder is Banyan Tree Holdings Limited, which was incorporated in Singapore.

The Company and its subsidiaries are principally engaged in the hotel business and property development. There are three hotels in Laguna Phuket, namely Angsana Laguna Phuket, Banyan Tree Phuket and Outrigger Laguna Phuket Resort and Villas, located in Phuket province and one hotel, the Banyan Tree Bangkok, located in Bangkok. The subsidiaries are also engaged in operating a golf club (Laguna Phuket Golf Club), sales of merchandise (Banyan Tree Gallery), office and shops rental and sale of holiday club memberships. Cassia Phuket, new hotel located in Phuket province, starts in October 2015.

The registered office of the Company is at 21/17B, 21/17C, 21/65, 21/66 and 21/68 Thai Wah Tower 1, 7th, 22nd and 24th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

(a) The consolidated financial statements include the financial statements of Laguna Resorts & Hotels Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015 %	2014 %
Subsidiaries directly held by the Company				
Banyan Tree Gallery (Singapore) Pte. Limited	Sale of merchandise	Singapore	51.0	51.0
Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	51.0	51.0
Laguna Banyan Tree Limited ⁽¹⁾	Hotel operations and property development	Thailand	100.0	100.0
Laguna Holiday Club Limited	Holiday club membership and property development	Thailand	100.0	100.0
Laguna Grande Limited	Operating a golf club and property development	Thailand	100.0	100.0

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015 %	2014 %
Subsidiaries directly held by the Company (con't)				
Laguna Lakes Limited	Property development	Thailand	95.0	95.0
Laguna (3) Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
Laguna Service Company Limited ⁽²⁾	Provide utilities and other services to hotels of the Company and subsidiaries	Thailand	72.9	72.9
TWR - Holdings Limited	Investment holding and property development	Thailand	100.0	100.0
Subsidiaries held through TWR - Holdings Limited				
Laguna Excursions Limited	Travel operations	Thailand	49.0	49.0
Laguna Village Limited	Hotel operations	Thailand	100.0	100.0
Mae Chan Property Company Limited	Holds land plots for future development	Thailand	100.0	100.0
Pai Smart Development Company Limited	Holds land plots for future development	Thailand	100.0	100.0
Phuket Resort Development Limited	Property development and hotel operations	Thailand	100.0	100.0
PT AVC Indonesia	Holiday club membership	Indonesia	100.0	100.0
Talang Development Company Limited	Property development	Thailand	50.0	50.0
Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	100.0	100.0
Thai Wah Tower Company Limited	Lease of office building space	Thailand	100.0	100.0
Thai Wah Tower (2) Company Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
Twin Waters Development Company Limited	Property development	Thailand	100.0	100.0
Subsidiaries held through Laguna Grande Limited				
Bangtao (1) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao (2) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao (3) Limited	Owns land on which a hotel staff dormitory is situated	Thailand	100.0	100.0
Bangtao (4) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao Development Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
Bangtao Grande Limited	Hotel operations	Thailand	100.0	100.0
Laguna Central Limited	Dormant	Thailand	85.0	85.0
Subsidiary held through Banyan Tree Gallery (Singapore) Pte. Limited				
Lijiang Banyan Tree Gallery Trading Company Limited	Sale of merchandise	The People's Republic of China	51.0	51.0
Subsidiary held through Laguna Holiday Club Limited				
Cheer Golden Limited	Investment holding	Hong Kong	100.0	100.0

⁽¹⁾ Laguna Banyan Tree Limited is held 49 percent by the Company and 51 percent through Bangtao Grande Limited (2014: Laguna Banyan Tree Limited is held 49 percent by the Company and 51 percent through TWR - Holdings Limited). On 6 February 2015, TWR - Holdings Limited entered into the share sale agreement to sell all ordinary shares in Laguna Banyan Tree Limited (51 percent shareholding) to Bangtao Grande Limited.

⁽²⁾ Laguna Services Company Limited is held by the Company and 2 subsidiaries.

A subsidiary has a 49 percent shareholding in Laguna Excursions Limited. However, the subsidiary has recognised its share of the income of this subsidiary at 100 percent after deducting the cumulative preferential annual dividend of 15 percent of the par value of the preference shares, in accordance with the income sharing percentage in the Articles of Association.

- (b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- (e) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- (f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- (g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses of post-employment benefits immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses of post-employment benefits immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

(a) Revenue from hotel operations

- Revenue from hotel operations mainly comprises room sales, food and beverage sales and revenue from auxiliary activities. Sales are the invoiced value, excluding value added tax, of goods supplied and services rendered after deducting discounts.
- Revenue from sales of merchandise (Gallery operation) is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts.

(b) Revenue from property development operations

- Revenue from the real estate sales

Revenue from sales of real estate is recognised when significant risks and rewards of ownership are transferred to the buyer, and the Company and its subsidiaries retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold. In addition, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and its subsidiaries and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Where properties are sold to non-Thais, the land is sold under a long-term lease agreement comprising an initial term of thirty years with an option to extend for two or three successive periods of thirty years each, without any additional consideration to be paid in addition to the sum of the rental paid for the initial lease term. These long-term lease agreements also contain a further option that provides if Thai law permits non-Thais to own land on a freehold basis, the lessor shall consent to sell the land to the lessee in return for a token payment. Consequently, long-term leases are recognised as sales of land for accounting purposes in accordance with the principle of applying substance over form.

- Revenue from sales of furniture

Revenue from sales of furniture is recognised when furniture is completely and satisfactorily installed.

- Revenue from sale of holiday club memberships

Revenue from the sale of holiday club memberships is wholly recognised when a legally binding contract has been signed and at least fifty percent of the contract price has been received.

(c) Revenue from rental and services

Rental income is recognised over the lease period. Service revenue is recognised when services have been rendered taking into account the stage of completion.

(d) Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

(e) Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cost of property development

In determining the cost of property development sold, the anticipated total development cost (after recognising the cost incurred to date) are attributed to units already sold and then recognised as cost in profit or loss.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.5 Property development cost

Property development cost is valued at the lower of cost and net realisable value. Cost comprises cost of land, design fee, infrastructure, construction and related interest.

4.6 Inventories

Inventories are valued at the lower of cost and net realisable value, cost being determined on either the first-in, first-out or the weighted average basis.

4.7 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.8 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.9 Property, plant and equipment/Depreciation

Land is stated at its revalued amount. Buildings and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. As a policy, the revaluation will be performed every three years. If within that period, there are factors which may cause significant changes in the value of assets, the revaluation will be performed in that year to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of the revaluation of the Company's and subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus on assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's and subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on assets" in respect of the same assets.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amounts on the straight-line basis over the following estimated useful lives:

Buildings and improvements	10 - 50	years
Machinery and equipment	5 - 15	years
Furniture, fixtures and motor vehicles	5	years
Operating and office equipment	3 - 5	years
Golf course, land improvement and external work	5 - 10	years

Depreciation is included in determining earnings.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised. The revaluation surplus presented in other components of shareholders' equity has been directly transferred to retained earnings on retirement or disposal of the assets.

4.10 Leasehold rights and amortisation

Leasehold rights of hotel units are stated at cost less accumulated amortisation and any impairment losses (if any). Amortisation of leasehold rights is calculated by reference to their cost on a straight-line basis over 20 years.

The amortisation is included in determining income.

4.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Capitalisation rates are calculated based on the weighted average of the interest expenses incurring during the year on loans for development of projects.

4.12 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.13 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in profit or loss.

4.14 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.15 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.16 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items on each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.17 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However, in cases where property, plant and equipment was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would

have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.18 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide other long-term employee benefits, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

4.19 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.20 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of equity investments

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Investment properties

The Company and its subsidiaries present investment properties at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment properties using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 17.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

The Company and its subsidiaries measure land and buildings at revalued amounts. Such amounts are determined by independent valuer using the Market Approach for land, the Replacement Cost Approach for buildings. The valuation involves certain assumptions and estimates as described in Note 18.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that the recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant

management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The Company's and subsidiaries' management has used judgement to assess of the results of the litigation and recorded contingent liabilities under "Long-term provision - provision for legal case" as at the end of reporting period.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	7,831	5,360	143	180
Bank deposits	852,050	439,273	25,498	17,495
Total	859,881	444,633	25,641	17,675

As at 31 December 2015, bank deposits in saving accounts and fixed deposits carried interest rates between 0.375 percent and 0.85 percent per annum (2014: between 0.375 percent and 1.25 percent per annum).

7. Short-term and long-term restricted deposits at financial institution

The short-term restricted deposit is reserved for payments of loan principal and interest as per the bank loan agreement only.

The long-term restricted deposit pledged with a financial institution as security for bank guarantee facilities of a subsidiary.

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts receivable				
Trade accounts receivable - hotel operations	302,851	292,729	6,172	5,127
Less: Allowance for doubtful accounts	(37,578)	(10,822)	(1,429)	-
Trade accounts receivable - hotel operations, net	265,273	281,907	4,743	5,127
Trade accounts receivable - sales of property				
- Installments due	81,076	13,014	3,760	-
Current portion of long-term trade accounts receivable (Note 13)	161,122	84,262	-	4,857
Trade accounts receivable - sales of property, net	242,198	97,276	3,760	4,857

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts receivable - sales of holiday club memberships				
- Installments due	10,323	8,917	-	-
Current portion of long-term trade accounts receivable (Note 13)	13,716	22,022	-	-
Total	24,039	30,939	-	-
Less: Allowance for doubtful accounts	-	(2,600)	-	-
Trade accounts receivable - sales of holiday club memberships, net	24,039	28,339	-	-
Trade accounts receivable - net	531,510	407,522	8,503	9,984
Other receivables				
Amounts due from related parties (Note 9)	45,930	58,089	144,124	151,037
Other receivables	33,582	20,312	3,904	639
Insurance claim receivable	8,071	14,616	-	-
Accrued other income	3,603	7,174	233	229
Interest receivable	41	132	6	132
Accrued rental	12,702	41,878	12,702	1,878
Total other receivables	103,929	142,201	160,969	193,915
Trade and other receivables, net	635,439	549,723	169,472	203,899

The balances of trade accounts receivable - hotel operations as at 31 December 2015 and 2014, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Age of receivables				
Not yet due	121,415	122,287	329	2,251
Past due				
Up to 30 days	75,418	87,028	486	794
31 - 60 days	14,646	20,821	440	642
61 - 90 days	5,473	4,212	413	490
91 - 120 days	7,691	5,788	4,504	950
Over 120 days	78,208	52,593	-	-
Total	302,851	292,729	6,172	5,127
Less: Allowance for doubtful debts	(37,578)	(10,822)	(1,429)	-
Trade accounts receivable - hotel operations, net	265,273	281,907	4,743	5,127

The balances of installments due of trade accounts receivable - sales of property as at 31 December 2015 and 2014, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Age of receivables				
Not yet due	65,088	10,336	3,760	-
Past due				
Up to 30 days	6,277	2,678	-	-
31 - 60 days	5,310	-	-	-
61 - 90 days	3,122	-	-	-
91 - 120 days	515	-	-	-
Over 120 days	764	-	-	-
Trade accounts receivable - sales of property - installment due, net	81,076	13,014	3,760	-

The balances of installments due of trade accounts receivable - holiday club memberships as at 31 December 2015 and 2014, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Age of receivables				
Past due				
Up to 30 days	2,915	2,624	-	-
31 - 60 days	780	458	-	-
61 - 90 days	550	465	-	-
91 - 120 days	300	340	-	-
Over 120 days	5,778	5,030	-	-
Total	10,323	8,917	-	-
Less: Allowance for doubtful debts	-	(2,600)	-	-
Trade accounts receivable - sales of holiday club membership - installment due, net	10,323	6,317	-	-

9. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2015	2014	2015	2014	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Estate service expenses	-	-	1	2	(18) at market price
Guarantee fee income	-	-	1	1	(3) agreed basis
Guarantee fee expenses	-	-	5	3	(3) agreed basis
Interest income	-	-	61	137	(5) agreement
Interest expenses	-	-	14	45	(5) agreement
Management fee income	-	-	33	27	(4), (7) agreement
Reimbursement receipts	-	-	20	22	(11) agreed basis
Reimbursement payments	-	-	11	17	(11) agreed basis
Rental and service income	-	-	10	12	(12)(i), (iii) agreement
Rental and service expenses	-	-	6	6	(12)(iv), (v) agreement
Resort service expenses	-	-	8	8	(14) agreed basis
Sale of assets	-	-	-	4	At net book value
Dividend received	-	-	-	34	As declared
Transactions with associated companies					
Inter resort receipts	3	2	-	-	(1) agreed basis
Reimbursement receipts	-	4	-	-	(11) agreed basis
Reimbursement payments	3	1	-	-	(11) agreed basis
Rental and service expenses	1	1	-	-	(12)(i) agreement
Sale of goods	4	3	-	-	(9) agreed basis
Transactions with related companies					
Credit card commission receipts	1	1	-	-	(1) agreed basis
Inter resort payments	78	79	-	-	(1) agreed basis
Management fee income	1	4	1	1	(16), (17) agreement
Management fee expenses	264	253	3	-	(6), (15) agreement
Purchase of spa and gallery vouchers	8	7	2	2	(2), (8) agreed basis
Sale of gallery vouchers	1	1	-	-	(2), (8) agreed basis
Sale of goods	40	39	-	-	(9) agreed basis
Reimbursement receipts	71	91	3	3	(11) agreed basis
Reimbursement payments	86	43	11	8	(11) agreed basis
Rental and service income	34	34	-	-	(12)(i), (ii), (iv), (vi), (vii) agreement
Rental and service expenses	1	1	-	-	(12)(viii) agreement
Rental return on hotel units	4	4	-	-	(13) agreement
Resort service income	8	8	-	-	(14) agreed basis
Spa service expenses	1	1	-	-	(2) agreed basis
Training charges	11	9	-	-	(10) agreed basis

The nature, pricing policy and agreements relating to the above transactions are summarised below:

- (1) These charges relate to goods and services that are consumed by customers in one part of Laguna Phuket but are billed centrally to the customer at the hotel in which the customer is staying. Such charges relate to meals at restaurants, golf fees, treatments at the spa and goods purchased at shops in the resort.

On receiving the funds centrally from the customer, the hotel reimburses the company in which the goods and services are consumed. Actual receipts are paid and credit card commission is charged ranging from 2 percent to 5 percent of the revenue based on the commission rate charged by the credit card companies. Such inter resort charges are also incurred at the Banyan Tree Bangkok and Banyan Tree Lijiang primarily for treatments at the spa and goods purchased at the shops.

- (2) This relates to sale of spa and gallery vouchers by companies which operate Banyan Tree Spas and Banyan Tree Gallery to related companies for using as a marketing tool. The Spa vouchers are priced at a 20 percent to 60 percent discount to the Spa price list. The Gallery vouchers are priced at 20 percent to 40 percent discount to the face value of the voucher.
- (3) Guarantee fee among group companies for permitting their assets to be pledged as collateral for other related companies' bank loans by charging on 1 percent of proportion of value of pledged assets to total loan facilities.
- (4) The Company charges a management fee to its subsidiaries for providing centralised duties and services for each operation in the group. The monthly fixed rate is charged dependent on the department serviced, except the internal audit service is charged by the working hours and project management service is charged as Note (7).
- (5) Loans to subsidiaries and between group companies are unsecured and are denominated in Thai Baht. The loans carry interest at a rate equal to the lenders' borrowing costs per annum (based upon commercial bank's interest rates) plus a margin of 1.1 percent. The loans are repayable on demand, however it is expected that those loans would not be called for repayment in the short-term. Therefore such loans are recorded as non-current assets/liabilities in the statements of financial position.
- (6) The terms of the operating agreements are disclosed in Note 35 and consist of a royalty agreement, hotel management agreement and technical assistance agreement. The payment terms of the contracts are as follows:

Royalty fee paid for the use of "Banyan Tree", "Angsana", and "Cassia" trademarks and all other proprietary rights associated with it.

- (i) Banyan Tree Phuket (Laguna Banyan Tree Limited) and Cassia Phuket (Phuket Resort Development Limited) pay a royalty fee of 2 percent of total revenue.
- (ii) Banyan Tree Bangkok (Thai Wah Plaza Limited) and Angsana Laguna Phuket (Bangtao Grande Limited) pay a royalty fee of 3 percent of total revenue.
- (iii) Banyan Tree Gallery (Thailand) Limited and Banyan Tree Gallery (Singapore) Pte. Ltd. pay a royalty fee of 1 percent of total revenue.

Hotel management and technical assistance fees.

- (iv) The Technical Assistance Agreement of the Banyan Tree Phuket and Cassia Phuket pay a technical fee of 7.5 percent of gross operating profit.
- (v) The Hotel Management Agreement of the Banyan Tree Bangkok and the Angsana Laguna Phuket pays a hotel management fee of 10 percent of gross operating profit.
- (vi) In addition, pursuant to the hotel management and technical assistance agreements, expenses relating to the sharing of group marketing costs such as promotional campaigns and adverts, sales staff salaries, central reservations and international sales offices incurred by the Banyan Tree and/or Angsana corporate head office shall be charged as follows:
 - Group marketing services shared on a group basis are based on 3 percent of total actual hotel revenue (2014: 1.75 percent of actual hotel revenues plus a share of operating cost of Regional Marketing offices).
 - Reservation service fees are 1 percent of room revenue plus USD 12 per booking sourced through third party channels.

All management fees are consistent with industry practice and the sharing of group marketing costs incurred by Banyan Tree Phuket, Banyan Tree Bangkok, Angsana Laguna Phuket and Cassia Phuket are the reimbursement of costs benefiting each of the hotels. As a result, these transactions are on normal commercial terms and conditions.

- (7) The Company provides project management services, the contracted fee is set at a rate of 5 percent of the actual or budgeted costs of the project.
- (8) Purchase of Banyan Tree Spa and Banyan Tree Gallery vouchers for distribution to management to provide an additional benefit scheme. The vouchers are issued yearly to qualifying executives and are valid only within the year of issue. The voucher is priced at the face value of the voucher.
- (9) These transactions relate to:
 - (i) Sale of goods from Banyan Tree Gallery (Thailand) Limited to related companies is priced at a 20 percent to 35 percent discount to the retail price depending on the volume purchased.
 - (ii) Sale of guest and spa supplies of high volume purchases from companies which operate galleries to related companies is priced at cost plus up to 35 percent margin.
- (10) Training charges by Banyan Tree Hotels & Resorts (Thailand) Limited in respect of providing centralised training facilities and courses for staff. The training costs are allocated to each operation based on actual cost.
- (11) Costs are often incurred within the group which is reimbursed by the company to which the expense relates. Actual costs are reimbursed.
- (12) Rental paid for premises and land. The rental periods are not over three years, except some transactions as stated in (12)(i).
 - (i) Rental and service fee is on the basis of 5 percent to 10 percent of sales revenue which is dependent on criteria such as the location, budgeted sales, term of the lease, size of area leased and type of operation.

Payer	Payee	Rental Period	Expire Date
BGL	BTRS(T)	30 years	November 2041
LBTL	BTRS(T)	10 years	December 2015

BGL : Bangtao Grande Limited

BTRS(T) : Banyan Tree Resorts & Spas (Thailand) Company Limited

LBTL : Laguna Banyan Tree Limited

- (ii) Rental and service income for space in Banyan Tree Phuket for Banyan Tree Spa office and store is at Baht 1,138 per square metre per month.
- (iii) Rental of space and service in Canal Village. The charges include rental and related service fees which are at market rate.
- (iv) Rental and service income earned by Thai Wah Plaza Limited for renting the office space at Thai Wah Tower I and Banyan Tree Bangkok. The charges include rental and related service fees which are at market rate.
- (v) Rental of land and lagoon on which hotel and hotel-related operations are located are at Baht 117,325 and Baht 11,733 per rai per annum respectively.
- (vi) Service income from rental of Banyan Tree Management Academy is at Baht 128,750 per month.
- (vii) Rental of land on which Spa premises are located is on the basis of Baht 0.7 million per annum.
- (viii) Rental and service fee for Banyan Tree Gallery (Singapore)'s office, monthly rental is SGD 4 per square feet (2014: SGD 41.98 per square metre).
- (13) This relates to a Management Agreement to manage the hotel units of Cheer Golden Limited in the Angsana Resort & Spa on Bintan Island, Indonesia under which Cheer Golden Limited receives a return of 15 percent per annum on the investment of the leasehold rights.
- (14) Resort service charged to the operations relates to revenue of Laguna Service Company Limited which provides centralised services to each operation in the group located at Laguna Phuket at the following rates:
- Water supply : at the determined price and actual usage
 - Laundry charge : at the price based on cost plus a certain margin
 - Common area services, transportation charges : based on actual cost
 - Staff buses : at the price based on cost plus a certain margin
 - Marketing fee : at the rate of 0.75 percent of the operations' actual revenue
 - Community service : based on actual cost
 - Other services : at the determined price and actual usage
- (15) This relates to architectural and interior design services which the fees are based on construction cost at progressive rates which depend on type of services and type of constructions. The fees are consistent with industry practice. As a result, these transactions are on normal commercial terms and conditions.

(16) The Technical Assistance Agreement of Laguna Excursions Limited is providing management services and granting the use of leading brand for the recreation department of Banyan Tree Bintan and Angsana Bintan hotels. The technical service fees include a technical services fee at rate of 12.5 percent of recreation revenue, an incentive fee at the rate of 31 percent of earnings before interest, tax, depreciation and amortisation, and a royalty fee at the rate of 5 percent of revenue. The agreement was terminated in December 2014.

(17) The Company charges a management fee to Banyan Tree Resorts & Spas (Thailand) Company Limited for providing administration services of information technology and human resources. The monthly fee is Baht 55,000.

(18) Estate maintenance and service charges by Laguna Grande Limited in respect of providing services such as pool cleaning service, gardening service, etc. to residential projects in Laguna Phuket which are charged at market price.

The Company has contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of its subsidiaries as follows:

(Unit: Million Baht)

	2015	2014
Overdrafts and bank guarantee facilities	106	106

Subsidiaries have contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of the Company and other subsidiaries as follows:

(Unit: Million Baht)

	2015	2014
Short-term loan facilities	170	170
Long-term loan facilities	900	-
Overdrafts and bank guarantee facilities	30	10

As at 31 December 2015 and 2014, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Amounts due from related parties				
Subsidiaries	-	-	143,553	149,739
Associated companies	3,001	5,020	-	-
Related companies (related by common shareholders)	42,929	53,069	571	1,298
Total amounts due from related parties (Note 8)	45,930	58,089	144,124	151,037
Amounts due to related parties				
Subsidiaries	-	-	5,700	7,940
Associated companies	302	-	-	-
Related companies (related by common shareholders)	162,292	72,542	5,060	8
Total amounts due to related parties (Note 21)	162,594	72,542	10,760	7,948

Long-term loans to subsidiaries and long-term loans from subsidiaries

As at 31 December 2015 and 2014, the balance of loans between the Company and those related companies and the movement are as follows:

Long-term loans to subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2015	Additional	Repayment	31 December 2015
Laguna Banyan Tree Limited	1,133,100	782,000	(1,275,000)	640,100
Laguna Holiday Club Limited	-	1,000	(1,000)	-
Laguna Lakes Limited	430,501	13,500	(66,700)	377,301
Laguna Grande Limited	-	394,600	(269,200)	125,400
TWR-Holdings Limited	693,420	803,500	(1,496,920)	-
Total	2,257,021	1,994,600	(3,108,820)	1,142,801

Long-term loans from subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2015	Additional	Repayment	31 December 2015
Banyan Tree Gallery (Thailand) Limited	-	30,000	(30,000)	-
Laguna Grande Limited	746,950	220,000	(966,950)	-
Laguna Holiday Club Limited	14,000	46,000	(59,600)	400
Laguna (3) Limited	4,900	2,000	(200)	6,700
TWR-Holdings Limited	-	871,880	(230,700)	641,180
Total	765,850	1,169,880	(1,287,450)	648,280

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term employee benefits	106,832	83,476	57,344	38,037
Post-employment benefits	2,543	2,293	1,398	1,052
Other long-term employee benefits	95	38	13	16
Total	109,470	85,807	58,755	39,105

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 36 (b).

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2015	2014	2015	2014	2015	2014
Food and beverage	25,616	25,110	-	-	25,616	25,110
Finished goods and supplies	104,117	82,835	(248)	(166)	103,869	82,669
Total	129,733	107,945	(248)	(166)	129,485	107,779

11. Property development cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	Property for sale under holiday club memberships	418,914	433,640	-
Completed buildings	702,359	564,535	64,749	72,371
Land	1,753,237	1,858,078	111,958	112,101
Leasehold land	3,000	44,041	-	-
Property under construction	909,632	988,415	8,795	8,795
Total	3,787,142	3,888,709	185,502	193,267

Subsidiaries have mortgaged property development cost amounting to Baht 1,300 million (2014: Baht 878 million) as collateral against its credit facilities received from financial institutions.

The property development cost has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 12 million were capitalised for the year ended 31 December 2015 (2014: Nil). The weighted average rate of 5.41 percent has been used to determine the amount of borrowing costs eligible for capitalisation.

12. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Value added tax	47,158	42,279	801	4,586
Prepaid expenses and withholding tax deducted at source	65,416	65,454	6,286	7,102
Advances to suppliers and staff	54,011	39,179	1,307	614
Income tax and VAT refundable	34,206	32,006	17,512	11,236
Total	200,791	178,918	25,906	23,538

13. Long-term trade accounts receivable

Long-term trade accounts receivable consist of:

13.1 Installments receivable from property sales which bear interest at a rate of 5.0 percent - 12.0 percent and MLR plus 0.5 percent per annum and installments are repaid over a period of 3 to 10 years.

13.2 Installments receivable from sales of holiday club memberships which bear interest at a rate of 7.5 percent - 9.0 percent per annum and installments are repaid over a period of 2 to 5 years.

Long-term trade accounts receivable are due as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2015	2014
Current portion of long-term trade accounts receivable	174,838	106,284
Long-term trade accounts receivable	457,995	165,044
Total	632,833	271,328
Sales of property		
Within 1 year (Note 8)	161,122	84,262
Over 1 year to 5 years	454,644	158,152
Over 5 years	1,169	1,551
Long-term trade accounts receivable - sales of property	616,935	243,965
Sales of holiday club memberships		
Within 1 year (Note 8)	13,716	22,022
Over 1 year to 5 years	2,182	5,341
Long-term trade accounts receivable - sales of holiday club memberships	15,898	27,363
Total	632,833	271,328

(Unit: Thousand Baht)

	Separate financial statements	
	2015	2014
Current portion of long-term trade accounts receivable	-	4,857
Long-term trade accounts receivable	-	-
Total	-	4,857
Sales of property		
Within 1 year (Note 8)	-	4,857
Long-term trade accounts receivable - sales of property	-	4,857

14. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2015	2014	2015	2014	2015	2014	2015	2014
	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries held by the Company								
Banyan Tree Gallery (Singapore) Pte Limited	SGD 0.43 Million	SGD 0.43 Million	51.0	51.0	4.0	4.0	-	-
Banyan Tree Gallery (Thailand) Limited	7.8	7.8	51.0	51.0	4.0	4.0	-	-
Laguna Banyan Tree Limited ⁽¹⁾	1,500.0	500.0	100.0	100.0	1,325.1	835.1	-	-
Laguna Holiday Club Limited	330.0	330.0	100.0	100.0	330.0	330.0	-	16.5
Laguna Grande Limited	1,000.0	1,000.0	100.0	100.0	984.8	984.8	-	17.6
Laguna Lakes Limited	1.0	1.0	95.0	95.0	0.9	0.9	-	-
Laguna Service Company Limited ⁽²⁾	90.5	90.5	72.9	72.9	22.4	22.4	-	-
Laguna (3) Limited	0.1	0.1	100.0	100.0	47.8	47.8	-	-
TWR - Holdings Limited	1,550.0	1,250.0	100.0	100.0	1,550.0	1,250.0	-	-
Subsidiaries held through TWR - Holdings Limited								
Laguna Excursions Limited	8.0	8.0	49.0	49.0	-	-	-	-
Laguna Village Limited	6.0	6.0	100.0	100.0	-	-	-	-
Mae Chan Property Company Limited	232.3	232.3	100.0	100.0	-	-	-	-
Pai Samart Development Company Limited	28.4	28.4	100.0	100.0	-	-	-	-
Phuket Resort Development Limited	100.0	100.0	100.0	100.0	-	-	-	-
PT AVC Indonesia	USD 0.9 Million	USD 0.9 Million	100.0	100.0	-	-	-	-
Talang Development Company Limited	251.0	251.0	50.0	50.0	-	-	-	-
Thai Wah Plaza Limited	2,250.0	2,250.0	100.0	100.0	-	-	-	-
Thai Wah Tower Company Limited	455.0	455.0	100.0	100.0	-	-	-	-
Thai Wah Tower (2) Company Limited	21.0	21.0	100.0	100.0	-	-	-	-
Twin Waters Development Company Limited	214.4	214.4	100.0	100.0	-	-	-	-
Subsidiaries held through Laguna Grande Limited								
Bangtao (1) Limited	20.9	20.9	100.0	100.0	-	-	-	-
Bangtao (2) Limited	19.1	19.1	100.0	100.0	-	-	-	-
Bangtao (3) Limited	7.8	7.8	100.0	100.0	-	-	-	-
Bangtao (4) Limited	14.6	14.6	100.0	100.0	-	-	-	-
Bangtao Development Limited	80.0	80.0	100.0	100.0	-	-	-	-
Bangtao Grande Limited	1,546.0	1,546.0	100.0	100.0	-	-	-	-
Laguna Central Limited	1.0	1.0	85.0	85.0	-	-	-	-

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2015	2014	2015	2014	2015	2014	2015	2014
	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary held through Banyan Tree Gallery (Singapore) Pte Limited								
Lijiang Banyan Tree Gallery Trading Company Limited	USD 75 Thousands	USD 75 Thousands	51.0	51.0	-	-	-	-
Subsidiary held through Laguna Holiday Club Limited								
Cheer Golden Limited	-	-	100.0	100.0	-	-	-	-
Total investments in subsidiaries					4,269.0	3,479.0	-	34.1

⁽¹⁾ Laguna Banyan Tree Limited is held 49 percent by the Company and 51 percent through Bangtao Grande Limited (2014: Laguna Banyan Tree Limited is held 49 percent by the Company and 51 percent through TWR - Holdings Limited). On 6 February 2015, TWR - Holdings Limited entered into the share sale agreement to sell all ordinary shares in Laguna Banyan Tree Limited (51 percent shareholding) to Bangtao Grande Limited.

⁽²⁾ Laguna Services Company Limited is held by the Company and 2 subsidiaries.

A subsidiary has a 49 percent shareholding in Laguna Excursions Limited. However, the subsidiary has recognised its share of the income of this subsidiary at 100 percent after deducting the cumulative preferential annual dividend of 15 percent of the par value of the preference shares, in accordance with the income sharing percentage in the Articles of Association.

On 3 March 2015, the Extraordinary General Meeting of Laguna Banyan Tree Limited's shareholders No.1/2015 passed a resolution approving to increase the registered share capital of such company from Baht 500,000,000 to Baht 1,500,000,000, through the issue of 10,000,000 new ordinary shares with a par value of Baht 100 each, a total of Baht 1,000,000,000. The Company and a subsidiary subscribed and paid for newly issued ordinary shares on 10 March 2015.

On 3 March 2015, the Extraordinary General Meeting of TWR - Holdings Limited's shareholders No.1/2015 passed a resolution approving to increase the registered share capital of such company from Baht 1,250,000,000 to Baht 1,550,000,000, through the issue of 3,000,000 new ordinary shares with a par value of Baht 100 each, a total of Baht 300,000,000. The Company subscribed and paid for newly issued ordinary shares on 10 March 2015.

The Company has goodwill from purchase of shares in subsidiaries as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2015	2014
Thai Wah Plaza Limited	56,976	56,976
Laguna Banyan Tree Limited	350,928	350,928
Total	407,904	407,904

15. Investments in associates

15.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2015 %	2014 %	2015	2014	2015	2014
Lijiang Banyan Tree Hotel Company Limited	Hotel operations and property development	The People's Republic of China	49	49	348,414	348,414	383,087	409,465
Tropical Resorts Limited	Holding company	Hong Kong	26	26	17,673	17,673	-	-
Less: Allowance for impairment of investment					(17,673)	(17,673)	-	-
Total investments in associates - net					348,414	348,414	383,087	409,465

Lijiang Banyan Tree Hotel Company Limited, held by Laguna Banyan Tree Limited, was incorporated in the People's Republic of China and is engaged in the hotel business and property development.

Tropical Resorts Limited, held by Laguna Banyan Tree Limited, was incorporated in Hong Kong and is engaged in investment holding

15.2 Share of comprehensive income (loss)

During the years, the subsidiary has recognised their share of comprehensive income (loss) from investment in associate company in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of loss from investment in associate during the years		Share of other comprehensive income (loss) from investment in associate during the years	
	2015	2014	2015	2014
Lijiang Banyan Tree Hotel Company Limited	(45,041)	(36,189)	18,663	(10,914)

15.3 Summarised financial information of material associate

Summarised information about financial position

(Unit: Million Baht)

	Lijiang Banyan Tree Hotel Company Limited	
	2015	2014
Current assets	260	489
Non-current assets	1,518	1,461
Current liabilities	(712)	(632)
Non-current liabilities	(284)	(484)
Net assets	782	834
Shareholding percentage (%)	49	49
Share of net assets/carrying amounts of associates based on equity method	383	409

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	Lijiang Banyan Tree Hotel Company Limited	
	2015	2014
Revenue	323	382
Loss	(92)	(73)
Other comprehensive income (loss)	38	(22)
Total comprehensive income (loss)	(54)	(95)

15.4 Summarised financial information of other associate

(Unit: Million Baht)

	For the year ended 31 December	
	Tropical Resorts Limited	
	2015	2014
Loss	(148)	(201)
Other comprehensive income (loss)	(310)	11
Total comprehensive income (loss)	(458)	(190)

The value of investments in associates, accounted for under the equity method was calculated based on unaudited financial statements of the companies prepared by their management.

15.5 Investment in associates with capital deficit

The subsidiary recognised share of losses from investment in Tropical Resorts Limited, until the value of the investments approached zero. Subsequent losses incurred by those associates have not been recognised in the subsidiary's accounts since the subsidiary has no obligations, whether legal or constructive, to make any payments on behalf of those associates. The amount of such unrecognised share of losses is set out below.

(Unit: Million Baht)

Company's name	Unrecognised share of losses			
	Share of losses during the years		Cumulative share of losses up to 31 December	
	2015	2014	2015	2014
Tropical Resorts Limited	(38)	(52)	(190)	(72)

16. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Investment in available-for-sale security				
Thai Wah Public Company Limited (2014: Thai Wah Starch Public Company Limited)	334,627	334,627	31,161	31,161
Unrealised gain on available-for-sale security	191,197	67,798	494,663	371,264
Total investment in available-for-sale security - net	525,824	402,425	525,824	402,425
Investments in other companies				
Bibace Investments Ltd.	188,425	188,425	-	-
Banyan Tree Indochina Hospitality Fund, L.P.	417,940	417,940	-	-
Total investments in other companies	606,365	606,365	-	-
Total other long-term investments - net	1,132,189	1,008,790	525,824	402,425

During the year 2014, the Company has reversed allowance for impairment of investment in Thai Wah Starch Public Company Limited in consolidated financial statements amounting to Baht 89 million (Separate financial statements: Nil).

As at 31 December 2014, the Company held 12,775,406 shares, or a 16.27 percent shareholding, in Thai Wah Starch Public Company Limited ("TWS").

On 1 October 2015, Thai Wah Public Company Limited ("TWPC") was formed by the amalgamation of Thai Wah Starch Public Company Limited ("TWS") and Thai Wah Food Products Public Company Limited ("TWFP"). TWPC's shares were allocated to the shareholders of TWS at a rate of 6.05280574 shares of TWPC for 1 existing share of TWS and as a result the Company holds 77,327,051 shares, or a 8.78 percent shareholding, in Thai Wah Public Company Limited ("TWPC").

17. Investment properties

(Unit: Thousand Baht)

Consolidated financial statements							
	2015				2014		
	Land awaiting for development / sales	Units in office building and shops for rent	Construction in progress	Total	Land awaiting for development / sales	Units in office building and shops for rent	Total
Balance at beginning of year	376,896	735,380	-	1,112,276	358,075	742,560	1,100,635
Addition	-	1,524	9,994	11,518	74	7,445	7,519
Net gain (loss) from a fair value adjustment	-	(3,033)	-	(3,033)	18,747	(14,625)	4,122
Balance at end of year	376,896	733,871	9,994	1,120,761	376,896	735,380	1,112,276

(Unit: Thousand Baht)

Separate financial statements							
	2015				2014		
	Land awaiting for development / sales	Units in office building and shops for rent	Construction in progress	Total	Land awaiting for development / sales	Units in office building and shops for rent	Total
Balance at beginning of year	141,745	39,480	-	181,225	135,138	33,860	168,998
Addition	-	-	9,415	9,415	74	-	74
Net gain from a fair value adjustment	-	7,570	-	7,570	6,533	5,620	12,153
Balance at end of year	141,745	47,050	9,415	198,210	141,745	39,480	181,225

The fair value of the investment properties has been determined based on valuation performed by an accredited independent valuer, using the basis as follows:

- Land awaiting development / sales was revalued using the Market Approach.
- Units in office building and shops for rent were revalued using the Income Approach.

Key assumptions used in the valuation are summarised below:

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Discount rate (%)	11 – 13	13	Decrease in fair value
Average rental rate per square metre per month (Baht)	580 and 1,066	1,066	Increase in fair value
Price per rai (Thousand Baht)	85 – 11,500	147 – 7,637	Increase in fair value

As at 31 December 2015, the subsidiaries have pledged investment properties amounting to approximately Baht 653 million (2014: Baht 696 million) as collateral against credit facilities received from financial institutions and as security deposit for the litigation in Note 41.

18. Property, plant and equipment

Consolidated financial statements

Assets carried at cost

(Unit: Thousand Baht)

	Land and land improvement	Building and improvement	Golf course	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
At cost										
As at 1 January 2014	1,471,012	4,488,381	298,236	1,411,554	949,738	354,630	55,180	172,897	88,692	9,290,320
Additions	-	21,136	-	35,637	23,730	48,825	-	6,495	174,886	310,709
Disposals and write off	-	(22)	-	(5,054)	(18,818)	(7,456)	-	(3,315)	-	(34,665)
Transfers in/out	-	9,154	-	38,040	286	1,567	-	771	(49,818)	-
Transfer from property development cost	-	28,981	-	-	897	-	-	-	-	29,878
Adjustments	-	(864)	-	-	(1,280)	(199)	-	(44)	(7,445)	(9,832)
As at 31 December 2014	1,471,012	4,546,766	298,236	1,480,177	954,553	397,367	55,180	176,804	206,315	9,586,410
Additions	-	6,084	-	41,579	24,405	53,548	807	2,896	326,544	455,863
Disposals and write off	-	(1,096)	-	(263)	(22,603)	(16,383)	-	(871)	-	(41,216)
Transfers in/out	-	45,925	109,151	24,000	11,731	2,701	2,532	1,314	(197,354)	-
Transfer from property development cost	41,291	252,472	-	-	-	-	-	-	-	293,763
Adjustments	(184)	(3,186)	-	27	184	118	-	(13)	3,124	70
As at 31 December 2015	1,512,119	4,846,965	407,387	1,545,520	968,270	437,351	58,519	180,130	338,629	10,294,890
Accumulated depreciation										
As at 1 January 2014	(571)	(1,172,731)	(287,968)	(871,833)	(795,645)	(246,902)	(23,122)	(140,318)	-	(3,539,090)
Depreciation charged for the year	-	(111,200)	(2,754)	(70,237)	(54,320)	(39,156)	(8,157)	(10,153)	-	(295,977)
Disposals and write-off	-	-	-	4,976	17,918	7,390	-	3,111	-	33,395
Adjustments	-	63	-	-	574	(102)	-	53	-	588
As at 31 December 2014	(571)	(1,283,868)	(290,722)	(937,094)	(831,473)	(278,770)	(31,279)	(147,307)	-	(3,801,084)
Depreciation charged for the year	-	(119,078)	(14,924)	(75,087)	(50,346)	(38,303)	(5,110)	(10,444)	-	(313,292)
Disposals and write-off	-	143	-	257	22,421	16,017	-	871	-	39,709
Adjustments	-	(19)	-	(26)	(123)	(118)	-	(12)	-	(298)
As at 31 December 2015	(571)	(1,402,822)	(305,646)	(1,011,950)	(859,521)	(301,174)	(36,389)	(156,892)	-	(4,074,965)

Consolidated financial statements (continued)

Assets carried at cost

(Unit: Thousand Baht)

	Land and land improvement	Building and improvement	Golf course	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
Allowance for impairment loss										
As at 1 January 2014	-	(12,256)	-	(102)	-	-	(5,193)	-	-	(17,551)
Reversal	-	935	-	102	-	-	3,895	-	-	4,932
As at 31 December 2014	-	(11,321)	-	-	-	-	(1,298)	-	-	(12,619)
Adjustments	-	284	-	-	-	-	649	-	-	933
As at 31 December 2015	-	(11,037)	-	-	-	-	(649)	-	-	(11,686)
Net book value - At cost										
As at 1 January 2014	1,470,441	3,303,394	10,268	539,619	154,093	107,728	26,865	32,579	88,692	5,733,679
As at 31 December 2014	1,470,441	3,251,577	7,514	543,083	123,080	118,597	22,603	29,497	206,315	5,772,707
As at 31 December 2015	1,511,548	3,433,106	101,741	533,570	108,749	136,177	21,481	23,238	338,629	6,208,239

Consolidated financial statements (continued)

Assets carried at revalued amount

(Unit: Thousand Baht)

	Land and land improvement	Building and improvement	Golf course	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
Revaluation portion										
As at 1 January 2014	4,431,383	58,228	-	-	-	-	-	-	-	4,489,611
As at 31 December 2014	4,431,383	58,228	-	-	-	-	-	-	-	4,489,611
Transfer from property development cost	8,248	-	-	-	-	-	-	-	-	8,248
As at 31 December 2015	4,439,631	58,228	-	-	-	-	-	-	-	4,497,859
Accumulated depreciation										
As at 1 January 2014	-	(16,214)	-	-	-	-	-	-	-	(16,214)
Depreciation of revaluation surplus on assets	-	(1,216)	-	-	-	-	-	-	-	(1,216)
As at 31 December 2014	-	(17,430)	-	-	-	-	-	-	-	(17,430)
Depreciation of revaluation surplus on assets	-	(1,217)	-	-	-	-	-	-	-	(1,217)
As at 31 December 2015	-	(18,647)	-	-	-	-	-	-	-	(18,647)
Net book value - revaluation portion										
As at 1 January 2014	4,431,383	42,014	-	-	-	-	-	-	-	4,473,397
As at 31 December 2014	4,431,383	40,798	-	-	-	-	-	-	-	4,472,181
As at 31 December 2015	4,439,631	39,581	-	-	-	-	-	-	-	4,479,212
Property, plant and equipment - net										
As at 1 January 2014	5,901,824	3,345,408	10,268	539,619	154,093	107,728	26,865	32,579	88,692	10,207,076
As at 31 December 2014	5,901,824	3,292,375	7,514	543,083	123,080	118,597	22,603	29,497	206,315	10,244,888
As at 31 December 2015	5,951,179	3,472,687	101,741	533,570	108,749	136,177	21,481	23,238	338,629	10,687,451
Depreciation for the year										
2014										292,261
2015										313,576

Separate financial statements

Assets carried at cost

(Unit: Thousand Baht)

	Land and land improvement	Building	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
At cost									
As at 1 January 2014	189	56,602	10,915	11,864	21,986	1,369	7,640	6,796	117,361
Additions	-	188	202	268	1,566	-	-	5,657	7,881
Disposal and write off	-	-	(8,005)	(469)	(650)	-	-	-	(9,124)
Adjustment	-	-	12,453	-	-	-	-	(12,453)	-
As at 31 December 2014	189	56,790	15,565	11,663	22,902	1,369	7,640	-	116,118
Additions	-	512	543	997	1,522	51	70	-	3,695
Disposal and write off	-	-	-	-	(401)	-	-	-	(401)
As at 31 December 2015	189	57,302	16,108	12,660	24,023	1,420	7,710	-	119,412
Accumulated depreciation									
As at 1 January 2014	-	(26,039)	(4,773)	(10,653)	(20,142)	(1,178)	(7,357)	-	(70,142)
Depreciation charged for the year	-	(1,743)	(1,096)	(390)	(1,136)	(83)	(67)	-	(4,515)
Disposal and write off	-	-	3,638	443	649	-	-	-	4,730
As at 31 December 2014	-	(27,782)	(2,231)	(10,600)	(20,629)	(1,261)	(7,424)	-	(69,927)
Depreciation charged for the year	-	(1,746)	(1,068)	(397)	(1,162)	(64)	(69)	-	(4,506)
Disposal and write off	-	-	-	-	401	-	-	-	401
As at 31 December 2015	-	(29,528)	(3,299)	(10,997)	(21,390)	(1,325)	(7,493)	-	(74,032)
Net book value - At cost									
As at 1 January 2014	189	30,563	6,142	1,211	1,844	191	283	6,796	47,219
As at 31 December 2014	189	29,008	13,334	1,063	2,273	108	216	-	46,191
As at 31 December 2015	189	27,774	12,809	1,663	2,633	95	217	-	45,380

Separate financial statements (continued)

Assets carried at revalued amount

(Unit: Thousand Baht)

	Land and land improvement	Building	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
Revaluation portion									
As at 1 January 2014	1,586	3,657	-	-	-	-	-	-	5,243
As at 31 December 2014	1,586	3,657	-	-	-	-	-	-	5,243
As at 31 December 2015	1,586	3,657	-	-	-	-	-	-	5,243
Accumulated depreciation									
As at 1 January 2014	-	(1,584)	-	-	-	-	-	-	(1,584)
Depreciation of revaluation surplus on assets	-	(54)	-	-	-	-	-	-	(54)
As at 31 December 2014	-	(1,638)	-	-	-	-	-	-	(1,638)
Depreciation of revaluation surplus on assets	-	(54)	-	-	-	-	-	-	(54)
As at 31 December 2015	-	(1,692)	-	-	-	-	-	-	(1,692)
Net book value - revaluation portion									
As at 1 January 2014	1,586	2,073	-	-	-	-	-	-	3,659
As at 31 December 2014	1,586	2,019	-	-	-	-	-	-	3,605
As at 31 December 2015	1,586	1,965	-	-	-	-	-	-	3,551
Property, plant and equipment - net									
As at 1 January 2014	1,775	32,636	6,142	1,211	1,844	191	283	6,796	50,878
As at 31 December 2014	1,775	31,027	13,334	1,063	2,273	108	216	-	49,796
As at 31 December 2015	1,775	29,739	12,809	1,663	2,633	95	217	-	48,931
Depreciation for the year									
2014									4,569
2015									4,560

The Company and subsidiaries arranged for an independent professional valuer to re-appraise the value of certain assets in the report dated 24 December 2013 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the Market Approach.
- Buildings were revalued using the Replacement Cost Approach.

Key assumptions used in the valuation are summarised below:

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Building - Price per square metre (Baht)	1,000 - 65,000	1,000 - 15,000	Increase in fair value
Land - Price per rai (Million Baht)	1.5 - 300	1.5 - 33	Increase in fair value

As at 31 December 2015, certain buildings and equipment of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation, of those assets amounted to Baht 1,872 million (2014: Baht 1,818 million) (Separate financial statements: Baht 37 million, 2014: Baht 20 million).

The subsidiaries have mortgaged land and buildings at fair value of Baht 5,523 million (2014: Baht 5,570 million) as collateral against credit facilities received from financial institutions.

19. Leasehold rights

(Unit: Thousand Baht)

	Hotel units
Cost	
As at 1 January 2015	49,124
Exchange rate adjustment	2,714
As at 31 December 2015	51,838
Accumulated amortisation	
As at 1 January 2015	(29,675)
Amortisation for the year	(2,594)
Exchange rate adjustment	(2,290)
As at 31 December 2015	(34,559)
Net book value	
As at 1 January 2015	19,449
As at 31 December 2015	17,279
Cost	
As at 1 January 2014	49,930
Exchange rate adjustment	(806)
As at 31 December 2014	49,124
Accumulated amortisation	
As at 1 January 2014	(27,017)
Amortisation for the year	(2,658)
As at 31 December 2014	(29,675)
Net book value	
As at 1 January 2014	22,913
As at 31 December 2014	19,449

Leasehold rights of hotel units are amortised over the term of the lease of 20 years from July 2002 to June 2022.

20. Bank overdraft and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Bank overdraft and short-term loans from financial institutions	3.65 - 7.37 (2014: 3.60 - 4.10)	554,804	710,000	260,000	360,000
Total		554,804	710,000	260,000	360,000

These bank overdraft and short-term loans from financial institutions are secured by the mortgage of plots of land and buildings of the Company and its subsidiaries, as described in Note 18 and by the guarantee provided by subsidiaries.

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts payable	412,166	291,738	5,703	2,014
Amounts due to related parties (Note 9)	162,594	72,542	10,760	7,948
Accrued expenses	152,078	155,125	10,924	5,938
Other payables	130,671	78,270	1,876	637
Service charge payable to hotel staff	32,150	31,718	-	-
Accrued rental to villa owners	69,594	58,180	5,630	8,389
Total	959,253	687,573	34,893	24,926

22. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Value added tax payable	52,821	49,383	2,854	4,042
Unearned income	43,006	47,194	-	-
Other tax payable	40,888	17,120	1,488	2,244
Short-term provision	3,768	8,363	150	3,673
Total	140,483	122,060	4,492	9,959

23. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Secured	3,289,139	2,477,326	35,000	105,000
Long-term loans are repayable as follows:				
Within 1 year	469,750	657,750	35,000	70,000
Over 1 year to 5 years	1,965,860	1,579,576	-	35,000
Over 5 years	853,529	240,000	-	-
	2,819,389	1,819,576	-	35,000
Total	3,289,139	2,477,326	35,000	105,000

Long-term loans consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
The Company				
(1) Baht loan from a bank, with a facility of Baht 420 million repayable quarterly from July 2010 to April 2016, at an interest rate as follows: 2012 onwards: MLR less 1 percent and 1.5 percent per annum	35,000	105,000	35,000	105,000
Subsidiaries				
(2) Baht loan from a bank, with a facility of Baht 1,000 million ^(a) repayable quarterly from October 2009 to July 2022, at an interest rate as follows: 2012 –2017: MLR less 1 percent and 1.5 percent per annum 2018 onwards: MLR less 0.5 percent, and 0.75 percent per annum	813,050	853,550	-	-
(3) Baht loan from a bank, with a facility of Baht 145 million repayable quarterly from August 2010 to May 2016, at an interest rate as follows: 2012 onwards: MLR less 1 percent and 1.5 percent per annum	62,500	131,500	-	-
(4) Baht loan from a bank, with a facility of Baht 700 million ^(a) repayable quarterly from April 2012 to October 2015, at an interest rate as follows: 2012 onwards: MLR less 1 percent and 1.25 percent per annum	-	191,187	-	-
(5) Baht loan from a bank, with a facility of Baht 800 million repayable quarterly from March 2013 to December 2022, at an interest rate as follows: 2012 onwards: MLR less 1 percent and 1.5 percent per annum	560,000	640,000	-	-
(6) Baht loan from a bank, with a facility of Baht 298 million ^(a) repayable quarterly from June 2014 to March 2022, at an interest rate as follows: 2012 onwards: MLR less 1 percent and 1.25 percent per annum	194,729	232,479	-	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Subsidiaries (Cont.)				
(7) Baht loan from a bank, with a facility of Baht 520 million repayable quarterly from June 2014 to June 2017, at an interest rate as follows: 2012 onwards: MLR less 1 percent and 1.5 percent per annum	193,610	323,610	-	-
(8) Baht loan from a bank, with a facility of Baht 175 million, repayable quarterly from January 2017 to October 2023, at an interest rate as follows: 2015 onwards: MLR less 1 percent, 1.25 percent and 1.5 percent per annum	175,000	-	-	-
(9) Baht loan from a bank, with a facility of Baht 100 million, repayable quarterly from December 2016 to September 2022, at an interest rate as follows: 2015 onwards: MLR less 1 percent, 1.25 percent and 1.5 percent per annum	100,000	-	-	-
(10) Baht loan from a bank, with a facility of Baht 600 million ^(a) repayable quarterly from April 2017 to January 2022, at an interest rate as follows: 2015 onwards: MLR less 0.75 percent and 1.25 percent per annum	548,000	-	-	-
(11) Baht loan from a bank, with a facility of Baht 900 million ^(a) repayable quarterly from August 2018 to August 2022, at an interest rate as follows: 2015 onwards: MLR less 0.75 percent, 1.25 percent and 1.5 percent per annum	607,250	-	-	-
Total long-term loans from financial institutions	3,289,139	2,477,326	35,000	105,000

MLR: Minimum Lending Rate

(a) Also subject to mandatory prepayment in inverse order of maturity upon the ownership transfer of property sales units.

The loans are secured by mortgage of plots of land and buildings of its subsidiaries, as described in Note 11, 17 and Note 18. The loans in (7) and (11) above are guaranteed by subsidiaries.

The loan agreements contain several covenants which, among other things, require the Company and its subsidiaries to maintain debt to equity ratios and debt service coverage ratios at the rate prescribed in the agreements.

As at 31 December 2015, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 771 million (2014: Nil).

24. Unsecured debenture

On 13 November 2015, the Meeting of the subsidiary's Board of Directors passed resolution to approve the issuance and offering Baht 500 million of name-registered, unsubordinated and unsecured debenture without a debenture holders' representative as following details. The debenture was issued and offered in December 2015.

(Unit: Thousand Baht)

Debenture	Interest rate	Terms	Due date	Consolidate financial statements	
				2015	2014
Debenture No. 1/2015	5.15% p.a.	3 years	24 December 2018	500,000	-
Total debenture, at face value				500,000	-
Less: Unamortised portion of deferred transaction costs				(6,154)	-
Total debenture				493,846	-

Under rights and responsibilities of debenture issuer, the Company has to comply with certain covenants and restrictions including maintenance of a debt to equity ratio of consolidated financial statements at the rate prescribed in the prospectus.

25. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and other employee benefits plan, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	2015			2014		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
Balance at beginning of year	24,705	27,917	52,622	26,570	27,831	54,401
Current service cost	3,103	2,937	6,040	2,671	2,880	5,551
Interest cost	1,081	983	2,064	1,065	985	2,050
Benefits paid during the year	(4,920)	(4,715)	(9,635)	(5,601)	(3,779)	(9,380)
Actuarial (gain) loss arising from						
Demographic assumptions changes	(5,167)	16,266	11,099	-	-	-
Financial assumptions changes	773	(8,202)	(7,429)	-	-	-
Experience adjustments	14,375	(5,530)	8,845	-	-	-
Balance at end of year	33,950	29,656	63,606	24,705	27,917	52,622

(Unit: Thousand Baht)

	Separate financial statements					
	2015			2014		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
Balance at beginning of year	7,088	2,934	10,022	8,349	3,320	11,669
Current service cost	414	187	601	397	179	576
Interest cost	261	98	359	266	108	374
Benefits paid during the year	(1,142)	(741)	(1,883)	(93)	(175)	(268)
Actuarial (gain) loss arising from						
Demographic assumptions changes	(3,331)	(1,162)	(4,493)	-	-	-
Financial assumptions changes	498	586	1,084	-	-	-
Experience adjustments	9,268	395	9,663	-	-	-
Transfer	-	-	-	(1,831)	(498)	(2,329)
Balance at end of year	13,056	2,297	15,353	7,088	2,934	10,022

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current service cost	6,040	5,551	601	576
Interest cost	2,064	2,050	359	374
Actuarial (gain) loss of other long-term benefits recognised during the year	2,534	-	(181)	-
Total expenses recognised in profit or loss	10,638	7,601	779	950
Line items in profit or loss under which such expenses are included				
Cost of sales	9,863	6,333	(39)	32
Selling and administrative expenses	775	1,268	818	918

As at 31 December 2015, cumulative actuarial gains (net of actuarial losses) of post-employment benefits, which were recognised in other comprehensive income of the Company and its subsidiaries, amounted to Baht 19 million (2014: Baht 27 million) (Separate financial statements: Baht 1 million and 2014: Baht 6 million).

The Company and its subsidiaries expect to pay Baht 23 million of long-term employee benefits during the next year (Separate financial statements: Baht 11 million) (2014: Baht 11 million, separate financial statements: Baht 3 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 10 years (Separate financial statements: 10 years) (2014: 10 years, separate financial statements: 10 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate (% per annum)	2.75	4.25	2.75	4.25
Salary increase rate (% per annum)	3.00	3.00	3.00	3.00
Gold price (Baht)	19,000	20,000	19,000	20,000

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 0.50%)	(0.9)	1.5	(0.1)	0.1
Salary increase rate (+/-1.00%)	2.1	(1.4)	0.3	(0.3)
Gold Price (+/- 1,000 Baht)	0.9	(0.4)	0.1	(0.1)

26. Capital reserve

The capital reserve relates to the accounting of assets in subsidiaries at their fair values as at the acquisition date and cannot be used for dividend payments.

27. Revaluation surplus

This represents surplus arising from revaluation of property, plant and equipment.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Balance - beginning of year	3,935,218	3,935,218	136,986	136,986
Reversal of revaluation surplus on disposal of assets	(13,500)	-	-	-
Balance - end of year	3,921,718	3,935,218	136,986	136,986

The revaluation surplus can neither be offset against a deficit nor used for dividend payment.

28. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

29. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Interest income	21,151	20,217	61,235	138,506
Dividend income	25,551	25,551	25,551	59,605
Insurance claim	39,372	-	-	-
Gain on change in fair value of investment properties	-	4,122	7,570	12,153
Management fee income	-	-	36,558	28,110
Other	28,632	20,971	1,514	6,746
Total	114,706	70,861	132,428	245,120

30. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Salaries, wages and other employee benefits	1,062,172	997,186	129,633	107,715
Depreciation	313,576	292,261	4,560	4,569
Rental expenses from operating lease agreements	208,176	239,153	29,856	37,540
Repairs and maintenance	204,919	163,063	2,978	1,920
Water and electricity	204,612	211,384	5,624	5,905
Management, incentive fee and royalty fees	148,366	147,710	-	-
Commission	127,735	142,696	-	-
Sales and marketing expenses	232,597	212,161	1,120	5,240
Food and beverage cost	311,848	295,000	-	-
Increase in land and construction during the year	1,402,902	898,484	17	908
Change in property development cost	101,567	(473,895)	7,765	51,787

31. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax:				
Current income tax charge	93,681	40,563	-	-
Adjustment in respect of income tax of previous year	3,610	316	-	-
Write off prepaid withholding tax	7,857	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	34,262	(32,248)	(11,984)	12,058
Income tax expense reported in the income statement	139,410	8,631	(11,984)	12,058

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax relating to actuarial loss of post-employment benefits	1,996	-	1,287	-
Deferred tax relating to unrealised gain on available-for-sale security	(24,680)	(13,560)	(24,680)	(31,427)
	(22,684)	(13,560)	(23,393)	(31,427)

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit (loss) before income tax	315,843	29,854	(34,258)	99,572
Applicable tax rate	0%-25%	0%-25%	20%	20%
Accounting profit before tax multiplied by income tax rate	61,273	5,861	(6,852)	19,914
Adjustment in respect of income tax of previous year	11,467	317	-	-
Effects of:				
Reversal of loss on impairment of investment	-	(17,867)	-	-
Dividend income	(5,110)	(5,110)	(5,110)	(11,921)
Unused tax losses	18,353	14,367	-	-
Non-taxable expenses	53,427	11,063	(22)	4,065
Total	66,670	2,453	(5,132)	(7,856)
Income tax expense reported in the income statement	139,410	8,631	(11,984)	12,058

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	Statements of financial position	
	2015	2014
Deferred tax assets (liabilities)		
Unutilised tax losses	209,450	189,581
Provision for long-term employee benefits	12,721	10,524
Intercompany charges to property development cost and property, plant and equipment	18,486	23,470
Other items of deferred tax assets	4,753	11,986
Revaluation surplus on assets	(1,367,289)	(1,373,859)
Temporary differences arising from revenue and cost recognition	(736,361)	(653,515)
Gain on change in fair value of investment properties	(156,517)	(156,788)
Unrealised gain on available-for-sales security	(38,039)	(13,560)
Other items of deferred tax liabilities	-	(33,895)
Net deferred tax liabilities	(2,052,796)	(1,996,056)
Reflected in the statements of financial position as follows:		
Deferred tax assets	113,539	95,534
Deferred tax liabilities	(2,166,335)	(2,091,590)
Deferred tax liabilities, net	(2,052,796)	(1,996,056)

(Unit: Thousand Baht)

	Separate financial statements	
	Statements of financial position	
	2015	2014
Deferred tax assets (liabilities)		
Unutilised tax losses	27,193	15,869
Provision for long-term employee benefits	3,071	2,004
Other items of deferred tax assets	575	935
Revaluation surplus on assets	(20,722)	(20,732)
Temporary differences arising from revenue recognition	(92,626)	(95,545)
Gain on change in fair value of investment properties	(26,813)	(25,124)
Unrealised gain on available-for-sales security	(98,933)	(74,253)
Net deferred tax liabilities	(208,255)	(196,846)

As at 31 December 2015, the subsidiaries have unused tax losses totaling Baht 190 million (2014: Baht 166 million), on which deferred tax assets have not been recognised on these amounts as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

Details of expiry date of unused tax loss are summarised as below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
31 December 2015	-	33,405	-	-
31 December 2016	27,090	27,090	-	-
31 December 2017	22,673	22,673	-	-
31 December 2018	34,079	34,079	-	-
31 December 2019	48,627	48,627	-	-
31 December 2020	57,579	-	-	-
	190,048	165,874	-	-

32. Basic earnings per share

Basic earnings per share is calculated by dividing the profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	175,262	18,140	(22,274)	87,514
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings per share (Baht/share)	1.05	0.11	(0.13)	0.53

33. Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Contributions are made to the fund by both employees and the Company and its subsidiaries and will be paid to employees upon termination in accordance with the fund rules of the Company and its subsidiaries' provident fund.

During the years, the contributions were recognized as expenses as following details:

(Unit: Million Baht)

	Fund Manager		Separate financial statements	
	Hotel staff	Office staff	2015	2014
Laguna Resorts & Hotels Public Company Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	2.7	2.4
Laguna Grande Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	1.1	1.1
Bangtao Grande Limited	SCB Asset Management Company Limited	-	3.6	3.7
Laguna Banyan Tree Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	6.1	6.6
Banyan Tree Gallery (Thailand) Limited	-	MFC Asset Management Plc.	0.8	0.8
Banyan Tree Gallery (Singapore) Pte Ltd.	-	Central Provident Fund Board	0.6	0.6
Laguna Service Company Limited	-	MFC Asset Management Plc.	2.2	2.1
Laguna Holiday Club Limited	-	MFC Asset Management Plc.	1.1	0.9
Thai Wah Plaza Limited	TISCO Assets Management Company Limited	MFC Asset Management Plc.	3.6	4.0
Laguna Village Limited	MFC Asset Management Plc.	-	0.9	1.0
Laguna Excursions Limited	-	MFC Asset Management Plc.	0.5	0.5
Phuket Resort Development Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	1.0	0.5

34. Dividends

Dividends declared in 2015 and 2014 consisted of:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Dividends on 2014 retained earnings	Annual General Meeting of the shareholders on 27 April 2015	20.84	0.125
Dividends on 2013 retained earnings	Annual General Meeting of the shareholders on 22 April 2014	56.66	0.34

35. Commitments

Capital commitment

As at 31 December 2015, the Company and its subsidiaries have capital commitments as follows:

- A subsidiary has commitments in respect of constructing new and renovating existing hotel properties amounting to Baht 10 million (2014: Baht 12 million).
- The Company and its subsidiaries have commitments that relate to projects to develop properties for sale amounting to approximately Baht 262 million (2014: Baht 911 million).
- A subsidiary entered into an Agreement to Purchase and Sale of Land, having a total land area of 237 rai 1 ngan 39.6 square wah, with a third party. The subsidiary will periodically acquire the land in accordance with terms and

conditions as set forth in the aforesaid Agreement. The subsidiary initially acquired the land, having a total area of 53 rai 2 ngan 3.4 square wah. The subsidiary holds the right to acquire the remaining land, having a total area of 183 rai 3 ngan 36.2 square wah, by 1 July 2018. The subsidiary paid the deposit of Baht 65 million and the purchase price of the remaining land shall be increased at rate of 5 percent on every anniversary date following the date that the Agreement to Purchase and Sale of Land was executed.

Operating agreements

As at 31 December 2015 and 2014, the subsidiaries have operating agreements as follows:

- (a) The subsidiaries have entered into operating agreements with certain companies whereby these companies are to operate the subsidiaries' hotels and golf businesses. In consideration of such services, the subsidiaries are committed to pay remuneration at the rates, terms and basis specified in the agreements. These agreements are summarised below:

Company	Business unit	Operator	Contract period	Fees
Bangtao Grande Limited	Angsana Laguna Phuket	Banyan Tree Hotels & Resorts Pte. Ltd.	1.7.2012 – 30.11.2031	- Royalty fee: 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 – 30.11.2031	- Management fee: 10% of gross operating profit
Laguna Banyan Tree Limited	Banyan Tree Phuket	Banyan Tree Hotels & Resorts Pte. Ltd.	1.1.2016 – 31.12.2025 (a)	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.1.2016 – 31.12.2025 (a)	- Technical fee: 7.5% of gross operating profit
Thai Wah Plaza Limited	Banyan Tree Bangkok	Banyan Tree Hotels & Resorts Pte. Ltd.	1.7.2012 – 31.12.2021 (b)	- Royalty fee: 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 – 31.12.2021 (b)	- Management fee: 10% of gross operating profit
Laguna Village Limited	Outrigger Laguna Phuket Resort and Villas	Outrigger Hotels (Thailand) Limited	29.5.2009 – 31.12.2019 (c)	- Basic management fee: 2% of total revenue for the first fiscal year, 2.5% of total revenue for the second fiscal year and 3% of total revenue for the remain fiscal years - Incentive fee: 7% of gross operating profit
Phuket Resort Development Limited	Cassia Phuket	Banyan Tree Hotels & Resorts Pte. Ltd.	20.10.2015 – 19.10.2040 (d)	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	20.10.2015 – 19.10.2040 (d)	- Management fee : 7.5% of gross operating profit

(a) Operator has option to extend for 1 additional period of 10 years.

(b) Operator has option to extend for 1 additional period of 20 years.

(c) Operator has option to extend for 2 additional periods of 10 years.

(d) Either party may extend the contract period for another 20 years with indefinite number of extension.

- (b) The Company and its subsidiaries have commitments in respect of cash rewards options for villa rental scheme agreements. The terms of the agreements are generally 6 years.

As at 31 December 2015 and 2014, future minimum payments required under these agreements were as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Payable within:				
In up to 1 year	45	97	3	5
In over 1 and up to 5 years	71	166	6	8
In over 5 years	-	8	-	-

During the year 2015, the Company and its subsidiaries recognised rental expenses of Baht 88 million (2014: Baht 116 million) (Separate financial statements: Baht 8 million and 2014: Baht 24 million).

Servitude over land

As at 31 December 2015, some subsidiaries have land servitudes of approximately 10 rai (2014: 7 rai) in Phuket province, which are presented under property development cost and property, plant and equipment.

36. Guarantees

- a) As at 31 December 2015, there were bank guarantees amounting to Baht 47 million (Separate financial statements: Baht 2 million) issued to various parties on behalf of the Company and its subsidiaries, mainly provided for the usage of electricity, other utilities and telecommunication channels (2014: Baht 46 million, Separate financial statements: Baht 2 million).
- b) As at 31 December 2015 and 2014, the Company has the provision of a guarantee for a loan obtained by Lijiang Banyan Tree Hotel Company Limited (LBTH) by issuing the letter of indemnity to its parent company, Banyan Tree Holdings Limited. The provision of the guarantee is to secure the loan of LBTH in proportion to the equity interest of 49.04 percent of the Company in LBTH (through Laguna Banyan Tree Limited).

37. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have the reportable segments as follows:

- Hotel business segment relates to hotel and restaurant operations including other relating businesses such as golf club and sales of merchandise.

- Property development segment relates to property sales and sale of holiday club memberships.
- Office rental segment relates to rental and service from lands and buildings which managements manage for lease.
- Head office segment relates to expenses incurred by corporate office and is not allocated to other operating segments.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014, respectively.

Intersegment revenues are eliminated on consolidation.

(Unit: Million Baht)

For the year ended 31 December 2015					
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	3,297	2,351	106	-	5,754
Intersegment revenues	(188)	(3)	(20)	-	(211)
Revenue from to external customers	3,109	2,348	86	-	5,543
Results:					
Segment results	(26)	578	25	(165)	412
Unallocated income					94
Profit from operations and other income					506
Interest income	1	19	1	-	21
Finance cost	(97)	(54)	-	(15)	(166)
Share of loss from investment in associate	(42)	(3)	-	-	(45)
Profit before income tax expenses					316
Income tax expenses	(7)	(127)	(5)	(1)	(140)
Profit for the year					176
Other segment information					
Depreciation of property, plant and equipment	301	8	1	4	314
Amortisation of leasehold rights	-	3	-	-	3

(Unit: Million Baht)

For the year ended 31 December 2015					
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	3,268	812	113	-	4,193
Intersegment revenues	(183)	(8)	(23)	-	(214)
Revenue from to external customers	3,085	804	90	-	3,979
Results:					
Segment results	120	103	29	(94)	158
Unallocated income					50
Profit from operations and other income					208
Interest income	1	19	-	-	20
Finance cost	(93)	(48)	-	(21)	(162)
Share of loss from investment in associate	(34)	(2)	-	-	(36)
Profit before income tax expenses					30
Income tax expenses	(16)	(8)	(5)	20	(9)
Profit for the year					21
Other segment information					
Depreciation of property, plant and equipment	281	6	1	4	292
Amortisation of leasehold rights	-	3	-	-	3
Reversal of loss on impairment of investment	-	-	-	89	89

Revenue from external customers is based on locations of the customers.

(Unit: Million Baht)

	2015	2014
Revenue from external customers		
Thailand	5,478	3,899
Others	65	80
Total	5,543	3,979
Non-current assets other than financial instruments and deferred tax assets		
Thailand	12,253	11,822
Others	50	31
Total	12,303	11,853

For the years 2015 and 2014, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

38. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments - equity instruments	526	-	-	526
Property, plant and equipment - land and building	-	-	9,424	9,424
Investment property	-	-	1,121	1,121
Liabilities for which fair value are disclosed				
Unsecured debenture	-	444	-	444

(Unit: Million Baht)

Separate financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments - equity instruments	526	-	-	526
Property, plant and equipment - land and building	-	-	32	32
Investment property	-	-	198	198

39. Financial instruments

39.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables and payables, loans, investments, short-term and long-term loans and debenture. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable from the hotel, space rental, and property development businesses. However, due to the large number and diversity of the entities comprising the Company and its subsidiaries' customer base, the Company and its subsidiaries do not anticipate material losses from debt collection.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to their deposits with financial institutions, long-term trade accounts receivable, bank overdrafts, loans and debenture. Most of the Company and its subsidiaries' financial assets and liabilities have floating interest rates or fixed interest rates which are close to

the market interest rates. The Company and its subsidiaries do not use derivative financial instruments to hedge such risk (the detail of long-term loans are set out in Note 23).

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2015						
	Fixed interest rates		Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
	Within 1 year	Over 1 year to 5 years				
Financial assets						
Cash equivalents (excluding cash)	-	-	852	-	852	0.375 - 0.85
Current investments	11	-	-	-	11	1.10
Short-term restricted deposits	76	-	-	-	76	1.15
Trade and other receivables	222	-	19	394	635	3 - 12
Long-term fixed deposit	-	2	-	-	2	1.40
Long-term trade accounts receivable	-	417	41	-	458	5 - 12
Financial liabilities						
Trade and other payables	-	-	-	959	959	-
Bank overdraft and short-term loans from financial institution	-	-	555	-	555	3.65 - 7.37
Unsecured debenture	-	494	-	-	494	5.15
Long-term loans from financial institutions	-	-	3,289	-	3,289	5.025 - 5.525

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2015						
	Fixed interest rates		Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
	Within 1 year	Over 1 year to 5 years				
Financial assets						
Cash equivalents (excluding cash)	-	-	25	-	25	0.375
Trade and other receivables	4	-	-	165	169	3
Long-term fixed deposit	-	2	-	-	2	1.40
Long-term loans to subsidiaries	-	-	1,143	-	1,143	6.17
Financial liabilities						
Trade and other payables	-	-	-	35	35	-
Long-term loans from subsidiaries	-	-	648	-	648	2.25 - 6.80
Short-term loans from financial institution	-	-	260	-	260	3.65
Long-term loans from financial institutions	-	-	35	-	35	5.525

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2014					
	Fixed interest rates		Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
Within 1 year	Over 1 year to 5 years					
Financial assets						
Cash equivalents (excluding cash)	-	-	439	-	439	0.375 - 1.25
Current investments	10	-	-	-	10	1.40
Trade and other receivables	90	-	16	444	550	3 - 12
Long-term fixed deposit	-	2	-	-	2	3
Long-term trade accounts receivable	-	112	53	-	165	3-9
Financial liabilities						
Trade and other payables	-	-	-	688	688	-
Short-term loans from financial institution	-	-	710	-	710	3.60 - 4.10
Long-term loans from financial institutions	-	-	2,477	-	2,477	3.6 - 5.75

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2014					
	Fixed interest rates		Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
Within 1 year	Over 1 year to 5 years					
Financial assets						
Cash equivalents (excluding cash)	-	-	17	-	17	0.375
Trade and other receivables	5	-	-	199	204	3
Long-term fixed deposit	-	2	-	-	2	3
Long-term loans to subsidiaries	-	-	2,257	-	2,257	6.35
Financial liabilities						
Trade and other payables	-	-	-	25	25	3.55
Long-term loans from subsidiaries	-	-	766	-	766	2.60 - 5.99
Short-term loans from financial institution	-	-	360	-	360	3.60 - 4.10
Long-term loans from financial institutions	-	-	105	-	105	5.75

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. In addition to those transactional exposures, the Company is also exposed to the effect of foreign exchange movements on its investment in foreign subsidiaries and associates, which currently are not hedged by any derivative financial instrument.

The balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Separate financial statements				Average exchange rate as at 31 December	
	Financial assets as at 31 December		Financial liabilities as at 31 December		Financial assets as at 31 December		Financial liabilities as at 31 December			
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	3	4	1	-	-	-	-	-	36.0417	32.9186

39.2 Fair value of financial instruments

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash at banks, accounts receivable and accounts payable, their carrying amounts in the statement of financial position approximate their fair value.
- For equity securities, their fair value is generally derived from quoted market prices.
- For fixed rate debenture, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- For short-term and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.

The fair values of the Company and its subsidiaries' financial instruments are estimated to approximately the amounts presented in the statements of financial position, except for the following:

(Unit: Million Baht)

	Consolidated financial statements			
	Carrying amount		Fair value	
	2015	2014	2015	2014
Financial liabilities				
Unsecured debenture	494	-	444	-

40. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at 31 December 2015, the Group's debt-to-equity ratio was 0.72:1 (2014: 0.64:1) and the Company's was 0.23:1 (2014: 0.28:1).

41. Litigation

A case was brought to the Phuket Provincial Court on 8 October 2009, in which 4 of LRH's affiliated companies and 10 individual directors are the defendants. The plaintiffs referred in the plaint that they purchased units in Allamanda 1 Condominium during 1991 to 1995. The plaintiffs claim the Sale and Purchase Agreement called for common area of approximately 20 rai. On registration of Allamanda 1 Condominium, Allamanda 1 Condominium was registered with only 9 rai 2 ngan 9 square wah. As result, the plaintiffs claim that defendants have breached the Sale and Purchase Agreement. Therefore, the plaintiffs requested the defendants to completely deliver the common area as specified by the Agreement by transfer of the land totaling 10 rai 3 ngan 97.1 square wah to Allamanda 1 Juristic Person, as the 10th plaintiff, or to be jointly liable for the compensation of Baht 132 million in case the transfer of land cannot be made. The plaintiffs also requested for additional compensation in the amount of Baht 56 million for unlawful use of the land which is supposed to be common property of Allamanda 1 Condominium. The total amount of claim is Baht 188 million with interest at the rate of 7.5 percent per annum from the date the claim was lodged until the defendants have made full payment. The plaintiffs also claimed that the former and current directors, totaling ten, of those subsidiaries as the 5th to 14th defendants were the representatives of the subsidiaries being the 1st to 4th defendants, therefore, must also be jointly liable with those subsidiaries.

The plaintiffs filed a petition with the Court seeking the Court's interim injunction of which the defendants shall not dispose and amend the status of nine plots of land in dispute with land registry office during the trial. On 20 January 2012, the Court granted the interim injunction.

On 27 June 2014, the Phuket Provincial Court has ordered the defendants (1) to transfer the nine plots of land totaling 10 rai 3 ngan 97.1 square wah to the plaintiffs (2) to pay Baht 5,890,956 for unlawful usage of the two plots of land with interest at the rate of 7.5 percent per annum from the following day after the claim was lodged until payment is made in full (3) to pay Baht 16,000.79 per day from the following day after the claim was lodged until the transfer of aforementioned land has been completed, and (4) to pay a further Baht 500,000 as legal fees to the plaintiffs. On 23 January 2015, the subsidiaries lodged an appeal on the judgement at the Court of First Instance. On 15 October 2015, the Appeal Court ordered the defendants to place a deposit, amounting to Baht 36 million for the monetary compensations that the Court of First Instance has awarded the plaintiffs. On 18 December 2015, the Court has granted the Company's placement of land in Chiang Rai as security for the deposit.

As at 31 December 2015, subsidiaries have set aside a provision of Baht 40.1 million for liabilities arising as a result of this case (2014: Baht 39.3 million).

42. Event after the reporting period

On 23 February 2016, the meeting of the Company's Board of Directors passed the resolution to propose Annual General Meeting of the Company's shareholders for approval the payment of a dividend from the retained earnings as at 31 December 2015 to the Company's shareholders of Baht 0.36 per share.

43. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2014 have been reclassified to conform to the current year's classification but with no effect to previously reported profit (loss) or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2014			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Income statements				
Revenue from hotel operations	3,085,125	3,039,991	45,134	-
Revenue from property development operations	803,905	815,205	88,222	99,522
Cost of hotel operations	1,782,286	1,748,452	33,834	-

44. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2016.

Auditor's Remuneration

Audit fees

The Company and subsidiaries paid audit fees for the fiscal year to an audit firm which amounted to Baht 7,290,000 and subsidiaries paid audit fees to other audit firms which amounted to Baht 985,523. This amount does not include the audit fees paid by associated companies.

Non-audit fees

There is no non-audit fees for agreed upon procedures of net sales and other consultant fees for the fiscal year paid to other audit firms by the Company and subsidiaries. There is no outstanding commitment to pay any fees in the future for uncompleted engagements relating to the year 2015.

References

Regulator for Issuing Company:

The Securities and Exchange Commission (SEC)
 333/3 Viphavadi Rangsit Road,
 Chomphon, Chatuchak, Bangkok 10900, Thailand
 Telephone 66 (0) 2695 9999
 Facsimile 66 (0) 2695 9660
 Email info@sec.or.th
 Homepage www.sec.or.th

Regulator for Listed Company:

The Stock Exchange of Thailand (SET)
 The Stock Exchange of Thailand Building
 93 Ratchadapisek Road, Dindaeng,
 Bangkok 10400, Thailand
 Telephone 66 (0) 2009 9000 and 66 (0) 2009 9999
 Facsimile 66 (0) 2009 9991
 Email SETContactCenter@set.or.th
 Homepage www.set.or.th

Registrar:

Thailand Securities Depository Company Limited
 The Stock Exchange of Thailand Building,
 93 Ratchadapisek Road, Dindaeng,
 Bangkok 10400, Thailand
 Telephone 66 (0) 2009 9000
 Facsimile 66 (0) 2009 9991
 Email SETContactCenter@set.or.th
 Homepage www.set.or.th/tsd

Auditor:

EY Office Limited by
 Mr. Sophon Permsirivallop, C.P.A. No. 3182 and/or
 Ms. Rungnapa Lertsuwankul, C.P.A. No. 3516 and/or
 Ms. Rosaporn Decharkom, C.P.A. No. 5659 and/or
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Financial Advisor:

-None-

Financial Institutions:

Siam Commercial Bank Public Company Limited, Head Office
 Siam Commercial Bank Public Company Limited,
 Thanon Sathon Branch
 Siam Commercial Bank Public Company Limited, Phuket Branch
 Kasikorn Bank Public Company Limited, Head Office
 Kasikorn Bank Public Company Limited, Silom Main Branch
 Bangkok Bank Public Company Limited, Head Office
 Bangkok Bank Public Company Limited, Silom Branch

Other Material Information

-None-

Business Locations

Laguna Resorts & Hotels Public Company Limited

Head Office

Thai Wah Tower I, 7th, 22nd and 24th floor,
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Abbreviations	Company Name in Full
AVCI	PT. AVC Indonesia
BGL	Bangtao Grande Limited
BI	Bibace Investments Ltd
BT1	Bangtao (1) Limited
BT2	Bangtao (2) Limited
BT3	Bangtao (3) Limited
BT4	Bangtao (4) Limited
BTD	Bangtao Development Limited
BTG(S)	Banyan Tree Gallery (Singapore) Pte Ltd
BTG(T)	Banyan Tree Gallery (Thailand) Limited
CGL	Cheer Golden Limited
HHBR	Hua Hin Beach Resorts Company Limited
L3	Laguna (3) Limited
LBTG	Lijiang Banyan Tree Gallery Trading Company Limited
LBTH	Lijiang Banyan Tree Hotel Company Limited
LBTL	Laguna Banyan Tree Limited
LCL	Laguna Central Limited
LEL	Laguna Excursions Limited
LGL	Laguna Grande Limited
LHC	Laguna Holiday Club Limited
LLL	Laguna Lakes Limited
LRH	Laguna Resorts & Hotels Public Company Limited
LSC	Laguna Service Company Limited
LVL	Laguna Village Limited
MCP	Mae Chan Property Company Limited
PKRD	Phuket Resort Development Limited
PSD	Pai Samart Development Company Limited
TLDC	Talang Development Company Limited
TRL	Tropical Resorts Limited
TWDC	Twin Waters Development Company Limited
TWPL	Thai Wah Plaza Limited
TWRH	TWR-Holdings Limited
TWT	Thai Wah Tower Company Limited
TWT2	Thai Wah Tower (2) Company Limited



LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED