

No. TorHor D007/2006

February 9, 2006

Subject: **No Dividend Payment and the 2006 Annual General Meeting**

To: **President**  
**The Stock Exchange of Thailand**

The Board of Directors' Meeting of Laguna Resorts & Hotels Public Company Limited ("Company") No. 1/2006 held on February 9, 2006 resolved the following significant matters:

1. Agreed to propose the Company's audited balance sheet as at December 31, 2005 and income statement for the year ended December 31, 2005 with the auditor's report thereon for shareholders' approval at the 2006 Annual General Meeting ("AGM").
2. The Tsunami disaster which hit Phuket in December 2004 continued to have an adverse impact on the tourism industry of Phuket and this has caused a significant reduction in the Company's results in 2005. In view of the Company's poor performance, the Board of Directors has therefore agreed to propose in the AGM not to pay dividend for the fiscal year ended 31 December 2005.
3. Agreed to propose in the AGM to re-elect Mr. Ho Kwon Ping, Mr. Satit Rungkasiri, Mr. Udom Vichayabhai, Mr. Ariel P. Vera and Mr. Niyom Tassaneetipagorn who are due to retire as directors of the Company for another term.
4. Due to the poor performance of LRH in 2005, the Board of Directors agreed to propose in the AGM to approve for the 2006 remuneration for directors of the Board, Audit and Risk Committee members and Remuneration Committee members to remain unchanged from the budget approved in 2005.

The annual remuneration for the directors of the Board, Audit and Risk Committee members and Remuneration Committee members is therefore to be approved at a total amount not exceeding Baht 10,900,000 per year for fiscal year 2006 and for each ensuing year, unless or until resolved otherwise by a general meeting of the shareholders of the Company and to authorize the Board of Directors to determine the details and amount of remuneration to be

paid to each director, Audit and Risk Committee member and Remuneration Committee member as the Board of Directors may deem appropriate.

5. Agreed to propose in the AGM to appoint Ernst & Young Office Limited represented by Ms. Rungnapa Lertsuwankul, C.P.A. No. 3516 and/or Mr. Sophon Permsirivallop C.P.A. No. 3182 and/or Ms. Sumalee Reewarabandith, C.P.A. No. 3970 of Ernst & Young Office Limited to be the Company's auditor for the year 2006 at the auditing fee not exceeding Baht 602,000 per year.
6. Agreed to propose in the AGM to increase the objectives of the Company by adding, "Engaging in the business of water supply" as the 42<sup>nd</sup> objective of the Company and to approve the amendment of Clause 3 of the Company's Memorandum of Association to read as, "Clause 3. There are 42 objectives of the Company; the details are as per Form Bor Mor Jor. 002 attached." to reflect the new objective.

The purpose of this new objective is to enable the Company to engage in the business of developing residential properties for sale which entails the provision of water supply to these residential properties that are to be developed.

7. Agreed to recommend the minutes of the 2005 Annual General Meeting for shareholders' certification at the AGM.
8. Approved for the AGM to be held at 1400 hrs. on Wednesday, April 26, 2006 in Jamjuree room on the 11<sup>th</sup> Floor of the Banyan Tree Hotel located at No. 21/100, Thai Wah Tower II, South Sathorn Road, Tungmahamek Sub-district, Sathorn District, Bangkok 10120, Thailand.

Also approved for the Company's share register, for registering the right of shareholders to attend the Company's AGM, to be closed for a period commencing 1200 hrs. on April 5, 2006 to the adjournment of the AGM.

9. Approved the following agenda for the AGM:
  - (1). To consider and certify minutes of the 2005 Annual General Meeting
  - (2). To consider and acknowledge the Company's Annual Report and the Board of Directors' report for the year 2005
  - (3). To consider and approve the Company's audited balance sheet as at December 31, 2005 and income statement for the year ended December 31, 2005 with the auditor's report thereon

- (4). To consider and approve not to pay dividend
- (5). To consider and approve matters relating to directorships of the Company
  - (5.1) Re-election of directors who are due to retire for another term of their directorship
  - (5.2) Remuneration for directors of the Board, Audit and Risk Committee members and Remuneration Committee members
- (6). To consider and approve the appointment of an auditor and its remuneration for the year 2006
- (7). To consider and approve the amendment of Clause 3 of the Company's Memorandum of Association to read as, "Clause 3. There are 42 objectives of the Company; the details are as per Form Bor Mor Jor. 002 attached."
- (8). To transact any other appropriate businesses, if any

With Best Regards

(Mr. Kuan Chiet)  
Director