

**Laguna Resorts & Hotels Public Company Limited**  
**Minutes of the 2016 Annual General Meeting**

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**Date and time** : Tuesday, April 26, 2016 at 14:30 hours

**Venue** : Banyan Ballroom, 10<sup>th</sup> floor, Banyan Tree Bangkok hotel, Thai Wah Tower II  
No. 21/100 South Sathorn Road, Tungmahamek Sub-district, Sathorn District,  
Bangkok 10120, Thailand.

Mr. Ho Kwon Ping, Chairman of the Board, presided as the Chairman of the 2016 Annual General Meeting (the “**Meeting**”). Mr. Ho Kwon Ping is also the Chief Executive Officer of the Company.

The Chairman announced that there were 108 shareholders and proxy holders present at the Meeting, holding 104,641,116 shares, equivalent to 62.78 percent of the total paid-up capital of 166,682,701 shares, thus constituting a quorum according to the Company’s Articles of Association. The Chairman then declared the Meeting duly convened.

The Chairman informed the Meeting on the Company’s score in relation to the 2015 AGM assessment conducted by the Thai Investors Association. The Company received a score of 96.00 points out of 100 points for the 2015 AGM assessment. The Company will continue to strive to improve its good corporate governance practices.

For the convenience of all shareholders, the Chairman then invited Dr. Jingjai Hanchanlash (**JH**), Independent Director, Chairman of the Nomination and Remuneration Committee and Member of the Audit and Risk Committee, to introduce the directors the legal advisor and the auditor of the Company who were present at the Meeting and to take the Meeting through each of the agenda items 1 to 7 and any additional agenda items, in Thai.

JH introduced the directors, the legal advisor and the auditor of the Company as follows:

**Directors**

1. Mr. Surapon Supratya Deputy Chairman of the Board
2. Mr. Vudhiphol Suriyabhivadh Independent Director,  
Audit and Risk Committee Chairman and  
Nomination and Remuneration Committee Member

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|-----|---------------------------|--------------------------------------------------------------------------------------------------------------|
| 3.  | Mr. Udom Vichayabhai      | Independent Director,<br>Audit and Risk Committee Member and<br>Nomination and Remuneration Committee Member |
| 4.  | Ms. Srinthorn Ounayakovit | Independent Director                                                                                         |
| 5.  | Mr. Ho KwonCjan           | Director                                                                                                     |
| 6.  | Mr. Ariel P Vera          | Non-Executive Director                                                                                       |
| 7.  | Mr. Eddy See Hock Lye     | Director                                                                                                     |
| 8.  | Mr. Ho Ren Hua            | Director                                                                                                     |
| 9.  | Mr. Shankar Chandran      | Director and Managing Director                                                                               |
| 10. | Mr. Stuart David Reading  | Director                                                                                                     |

#### **Legal Advisor**

Mr. Pakdee Paknara and his team from Weerawong, Chinnavat & Peangpanor Limited who acted as the legal advisor and inspector for registration and vote counting procedures.

#### **Auditor**

Ms. Rosaporn Decharkom from EY Office Limited, the Company's auditor.

Before commencing the agenda proper, JH invited the Company Secretary to advise all shareholders of the voting procedure for the Meeting.

Ms. Nanchalee Kecharananta, Company Secretary, advised all shareholders of the voting procedure for the Meeting as follows:

1. With regard to voting at the shareholders' meeting, section 102 and section 33 of Public Company Act B.E. 2535 stipulates that 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. Shareholders and proxy holders who have been authorized to vote during the Meeting were advised to use the voting slip for the relevant agenda item handed out at the time of registration to vote on that agenda item. Voting was to be done by ticking either the "approve", "disapprove" or "abstain" box and for custodian only – to state the number of votes under each of the selected choices. Finally, all voting slips are to be signed off on the lower part before they are returned to the Company's officer.

3. Proxy holders with the votes cast by their shareholders as specified in the proxy forms submitted to the Company prior to the commencement of the Meeting do not have to vote during the Meeting. Such votes have already been collected and counted by the Company as indicated in the proxy forms received during registration.
4. In addition, all shareholders and proxy holders (except in the case of foreign investors appointing a custodian in Thailand to keep and safeguard their shares) cannot split the number of votes. All votes must be cast as “approve”, “disapprove” or “abstain” in each agenda item.
5. The custodians appointed by foreign investors may cast all the votes or split the number of votes as “approve”, “disapprove” or “abstain” in each agenda item.

With regards to voting for all agenda items, in the case that there is no shareholder and proxy holder who has a vote of disapproval or abstention, the vote shall be considered as the approval of the proposal in accordance with the combined number of votes. If any shareholder and proxy holder has a vote of disapproval or abstention, he/she shall mark his/her voting slip and raise his/her hand and the Company's officer will collect the relevant voting slip.

For the counting of votes, the Company will deduct the number of voting slips with a vote of disapproval and abstention from the total number of votes. The remaining votes shall be considered as votes of approval. Shareholders and proxy holders who vote to approve each agenda item shall keep their voting slips and return them to the Company's officer after the adjournment of the Meeting. In this regard, the voting in this Meeting shall be done openly, not in secret, but all voting slips shall be collected to ensure the transparency of the vote counting.

Any votes made in the following sample manners shall be considered invalid:

- 1) A voting slip that is not signed by the shareholder or proxy holder who cast the vote.
- 2) A voting slip that is filled with more than one mark in the space provided.
- 3) A voting slip that casts a vote expressing conflict of intent.
- 4) A voting slip that is crossed out with no signature affixed.

If a shareholder and proxy holder intends to correct his/her vote in the voting slip, the existing vote shall be crossed out with the shareholder's signature affixed.

According to the Company's Articles of Association, Article 32, a resolution of the shareholders' meeting shall be resolved as follows:

In an ordinary event in respect of the agenda items 1, 3, 4, 5.1 and 6 of the notice calling for this shareholders' meeting, the majority vote of the shareholder who are present the Meeting and cast their votes. In case of an equality of votes, the Chairman of the Meeting shall have an additional vote as a casting vote.

If any shareholder and proxy holder wishes to leave the Meeting before the Meeting is adjourned or not present in the Meeting room during any agenda item, such shareholder and proxy holder can exercise his/her rights by submitting the voting slip to the Company's officer in advance before he/she leaves the Meeting room.

The total number votes of the shareholders cast on each agenda item may not be the same, as there are shareholders and proxy holder entering the meeting room from time to time. Therefore, the number of persons attending the Meeting in each agenda item may change and therefore different.

Before voting on each agenda item, the Chairman shall give the shareholders and proxy holders an opportunity to ask questions and render their opinion concerning such agenda items as the Chairman deems it appropriate. The shareholder and proxy holder who wishes to ask question shall declare his/her name and surname before asking the question or rendering an opinion.

In the case that a shareholder or proxy holder has questions or opinions not regarding the agenda item under discussion, such questions or opinion should be presented under the agenda item arranged for other matters at the end of the Meeting.

JH added that in the interest of good corporate governance in regards to transparency, the Company welcomed minority shareholders to witness the vote counting of each agenda item. However, no shareholder volunteered to observe the vote counting.

JH then proceeded with the Meeting by proposing to the Meeting each of the agenda items as detailed below:

**1. To consider and certify the minutes of the 2015 Annual General Meeting**

JH requested the Meeting to review the minutes of the 2015 Annual General Meeting, a copy of which was sent to all shareholders together with the notice calling for the Meeting. JH also informed the Meeting that the Board had recommended the minutes of the 2015 Annual General Meeting be certified by the shareholders.

JH opened the floor for shareholders to raise questions.

As there were no questions, the Meeting then considered this agenda item and resolved as follows:

**Resolution:** The Meeting certified the minutes of the 2015 Annual General Meeting by a unanimous vote of the shareholders and proxy holders who were present at the Meeting and cast their votes, with details as shown in the following vote counting summary:

Voting Results	Number of Votes*	
• Approved	105,102,720	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	105,102,720	100.00%

• Abstained	0
Total no. of votes of the shareholders who are eligible to vote	105,102,720

**Note:** \* The Company's Articles of Association states that a resolution of the shareholders' meeting in an ordinary matter requires a majority of the votes of the shareholders who are present and cast their votes.

2. **To consider and acknowledge the Company's 2015 business operations report**

JH invited Mr. Shankar Chandran (**SC**), Director and Managing Director, to report the business operations of the Company for the year 2015 to the Meeting.

SC reported to the Meeting as follows:

LRH achieved a positive PATMI of 175 MB in 2015 which is the best PATMI result in the past 5 years. The good PATMI was achieved despite the various adverse events and renovations which took place during the year.

***Hotel Operations***

With the slowdown in the economy of some key markets in 2015, the Company took the opportunity to renovate some aspects of the Banyan Tree Phuket (**BTP**) and Banyan Tree Bangkok (**BTB**) Hotels as follows:

- The renovations of BTP included (1) the interior upgrading of 44 villas of which 32 villas also had new pools installed, (2) Lobby, (3) Water Court restaurant, and (4) Saffron restaurant. Water Court was relocated to a new premises on the lower floor while Saffron moved into the previous location

of Water Court. The old Saffron venue was changed into a meeting room to attract more MICE groups in the future.

- At BTB the award winning Vertigo which is widely known as Bangkok's best roof top alfresco restaurant was refurbished to further enhance its position. Additionally, the Chinese Baiyun restaurant was relocated to a lower floor and redecorated with a modern oriental touch. In the same year, the hotel started the construction of a new restaurant / tapas bar aptly named Vertigo TOO on the 60<sup>th</sup> floor which opened in February 2016.

### ***Property Development Operations***

- Property sales contribution was ahead of last year with recognition of 243 units amounting to Baht 2.2 billion in revenue due largely to the completion and recognition of the new projects – Cassia and Laguna Park. The pipeline at the end of the year was 81 units amounting to Baht 1.2 billion which will be recognized in the coming years barring any cancellations.
- SC also shared with the Meeting some photos of the Cassia Phuket hotel which officially opened on 21 October 2015. The hotel has since received very good responses from the market.
- The Company's most recently launched high-end luxury villas, Banyan Tree Grand Residences (**BTGR**), comprises of 5 bedrooms and a private pool and Jacuzzi. As of the first quarter of 2016, 4 BTGRs have been sold.

### ***Moving forward into 2016***

- Whilst BTB continues to perform well, Angsana Laguna Phuket Hotel (**ANLP**) and BTP with the new marketing initiatives are showing signs of improvement.
- Property sales have been strong in the first quarter and the Company will strive to continue this positive trend for the rest of 2016.
- The Appeal Court's judgment on 19 April 2016 on the Company's legal dispute with Allamanda unit owners is considerably more in the favor of the Company. The Company has been absolved of any wrongful act and the amount of land to be transferred has been significantly reduced.

Details of business operations can be found in the Company's annual report for the year 2015 which was sent to all shareholders together with the notice calling for the Meeting.

JH opened the floor for shareholders to raise questions.

The following are the queries from shareholders and Management's replies:

Mr. Sathaporn Pangnirundr, shareholder

- Expressed goodwill and praised the Company's good operating results for 2015 and also encouraged and provided moral support to the Board and Staff to perform better in the coming years. He also complimented the Management on holding the AGM earlier than last year and also expressed his desire for an even earlier Meeting if possible. However, he commented on Agenda 5.2 Remuneration of the directors, and opined that it should be approved annually by shareholders and not just acknowledged.

Response: JH thanked the Shareholder for his kind comments and also expressed that his view regarding Remuneration of the directors would be discussed during the agenda item later in the meeting.

Mr. Nuttee Niphandwongkorn, proxy holder

- Asked for an explanation for the net loss on the Company's separate financial statement.

Response: Mr. Kuan Chiet (**CH**) explained that LRH is a holding company with limited direct business operations of its own and most businesses are conducted through subsidiaries. The Company does some property development (Dusit Villas and Laguna Village Villas) but in 2015 there were limited sales recognized as compared to the prior year. That said, all remaining units developed by the Company were sold out in 2016. On the other hand, the Company carries a significant amount of fixed costs such as the payroll of senior management, director remuneration and other expenses as a listed company on the SET.

Mr. Rithichai Yibcharoenporn, shareholder

- Enquired about the Company's proportion between income generating and non-income generating assets.

Response: CH responded that the Company's two major sources of revenue are derived from the hotel business and property sales in the proportion of 60 percent and 40 percent respectively. Most

of the non-income generating assets are in the form of undeveloped land amounting to 2,400 rai with a book value of about Bt 1,800 million.

- Asked how to unlock the value of non-income generating asset and the estimate value if the company develops its non-income generating asset.

Response: CH explained that as most of the Company's assets were land, the key technique to unlock value is to do property development. Mr. Stuart David Reading (**SDR**) added that the Company has approximately 1,000 rai of undeveloped land in Phuket. New projects currently being planned in Phuket include Banyan Tree Beach Front Residences (**BTBFR**) (Baht 2,000 million), new phases of Cassia (Baht 2,000 million), and Banyan Tree Grand Residences (**BTGR**) (Baht 1,900 million).

The Chairman added that the Company is presently the single largest developer of holiday homes in Phuket offering a wide spectrum of prices to capture the different market segments. The Company sells properties from Baht 3.5 to 100 million per unit. Cassia currently sells for Baht 5-10 million, Laguna Park for Baht 10-15 million, the Lofts apartments at Laguna Village for Baht 11-25 million, Laguna Residences for Baht 35 million, BTBFR for Baht 60-80 million, and BTGR for Baht 100 million. Additionally, a key differentiating point of the Company is that the projects are either branded hotel residences or if they are not associated to a hotel the Company has a special division to manage the properties for the buyers upon request. Regardless of the price, all property owners have the benefit of investing in Laguna Phuket – a secure and well maintained integrated complex consisting of hotels, retail and recreational amenities which cannot be found elsewhere in Phuket.

In regards to non-income generating assets, the Chairman explained that whilst the Company can provide the book value of the undeveloped land, the true value would be the sales potential of the property projects developed on the land but this would be difficult to estimate as it is based on the maximum Gross Floor Area of each land plot. SDR added that the Company has about 1,000 rai of undeveloped land in Phuket with a book value of Baht 1,600 million however the market value would be higher as current market price is approximately Baht 10 million per rai.

- Enquired about new projects in the pipeline which will help generate income in the future.

Response: SC expressed that in terms of property sales the new BTBFR will be launched around the fourth quarter of 2016, and the Company will also consider to go ahead with the next phase of Laguna Park and Cassia as sales have been encouraging in the first quarter of 2016.



- New strategy to increase profit or the value of hotel brand in the future.

Response: SC responded that the team in Phuket is working very closely with the corporate office and other sales offices around the world to promote Laguna Phuket and to attract discerning high-end Chinese leisure travelers to make up for the downturn in the Russian business. The hotels are also targeting the Indian market for weddings and meeting groups. For example, ANLP has secured meeting business from some well-known companies such as Unicity and Nike. The destination marketing team continues to promote Laguna Phuket as a large integrated complex with hotels and a splendid golf course to attract more MICE business.

Mr. Suvit Laohapolwatana, shareholder:

- Enquired about the occupancy and room rate of Cassia Phuket since its opening in October 2015.

Response: SC responded that Q1 2016 Cassia's average room rate and occupancy is around Baht 3,000 and 65 percent respectively which is quite good for a new hotel. SC added that 40 percent of Cassia's room revenue is distributed to owners while 60 percent is retained by the Company.

- Wanted to know why the hotels do not offer a wide range of room rates like the case of property sales. Gave the example of the Erawan Group offering rooms at Baht 300-500 per night which has attracted a lot of guests and has also helped to increase food & beverage (F&B) revenue.

Response: The Chairman responded that although he was not aware of the recent price promotions of Erawan Group, the Company's management would not be happy to offer its hotel rooms at such low rates. The Company may be able to offer such low rates for a one-off flash sale but generally does not rely on such heavy discount to bring guests to the hotels to increase occupancy. It is crucial to have a balance between occupancy and rates. SC added that the Company continually monitors and manage room rates by tracking on-the-book data (i.e. the bookings made to-date) and also offers a range of room rate on the website, from BAR 1 to 10. SC further added that, based on the recent reports from the hotels, BTP and ANLP are performing well compared to its competitors. Hotels also monitor and flex the rates when needed, for instance, guests can stay at BTP Pool villas for as low as Baht 12,000 during low season.

- Enquired whether the Company's hotels would be able to compete against Starwood and Marriot after their merger and how the Company could minimize the adverse impact, if any.

Response: The Chairman responded that the difference between a resort hotel and other businesses is that guests decide which hotel to go to by considering the location and the resort itself. The Banyan Tree guest would choose BTP because he likes the resort for holidays unlike another traveller who is simply going for a business trip. Therefore the Chairman opined that the merger of the 2 competitor brands would not affect the performance of the Company's hotels. What is affecting the Company and many other hotel companies are the Online Travel Agents (OTAs) such as Booking.com and Agoda.com as they charge commissions as high as 25 percent for each room booking. Unfortunately the brand websites of most hotel companies simply cannot compete with the OTAs in terms of bookings and some hotel groups are taking steps to counter this such as through mergers which would then give them more negotiating power by being bigger.

A shareholder,

- Asked if the Company would give away unsold rooms in Cassia to shareholders as a benefit.

Response: The Chairman expressed that this is a frequently asked question by shareholders in many companies. Whilst companies selling non-perishable consumer goods could distribute their goods as added benefits to shareholders, hotel rooms are slightly more complicated as it is a perishable commodity. Furthermore, it would be difficult to determine the basis of allocation as there are several factors to consider such as number of shares and the length of time for which they have been a shareholder etc. Nevertheless, the Chairman assured the Meeting that the Company would look into the matter and share the findings with shareholders.

- The shareholder opined that, since this question has been raised in prior Meetings, as a gesture to show that the Management is keen on resolving the issue, the Company should provide a solution. The Company should take care of its minority shareholders who are likely to buy more shares in the future. With hotel forecasts the Company should be able to estimate the hotel occupancy in advance and consider providing rooms to shareholders at half the prices to test out the products. Additionally, many listed companies hold a company tour to allow investor/shareholders the opportunity to comment and advice on the Company's product/services.

Response: The Management took note of the suggestion and expressed that the issues will be considered in depth.

Mr. Natthawatana Chaichanasiri, shareholder:

- Wanted to know if the Wedding Chapel contributes to the Company's revenue, if it is a standalone operation, how long it has been in operation, and its objective.

Response: SC expressed that the Wedding Chapel was opened 10 years ago with the purpose to attract the wedding market and it has benefited Laguna Phuket and largely ANLP. SC expressed that there were several weddings held year to date in ANLP and a few more in the pipeline to the end of this year. Most hotels in Phuket do not have a Wedding Chapel which plays to the advantage of the Company hotels.

As there were no further questions, the Meeting then acknowledged the Company's 2015 business operations report.

**3. To consider and approve the Company's audited financial statements for the year ended December 31, 2015 with the auditor's report thereon**

JH invited Mr. Shankar Chandran, Director and Managing Director, to report the financial performance of the Company for the year 2015 to the Meeting.

SC provided the Meeting with an overview of the financial performance as reflected in the Company's audited financial statements as at December 31, 2015, which the auditor had expressed a clean opinion upon, including an overview of the Group's revenue and profit analysis.

SC further informed the Meeting that the Company's audited financial statements for the year ended December 31, 2015 had been reviewed by the Audit and Risk Committee, the Board of Directors, and audited by a certified public accountant. SC referred the Meeting to the "Financial Statements" section of the Annual Report which had been sent to all shareholders, together with the notice calling for the Meeting, and advised that the Board had recommended that this agenda item be proposed for shareholders' approval at this Meeting.

JH opened the floor for shareholders to raise questions.

The following are queries from shareholders and Management's replies.

Mr. Suvit Laohapolwatana, shareholder

- Enquired about the reasons for the capital increase of Laguna Banyan Tree Limited (**LBTL**) and TWR-Holding Limited (**TWRH**).

Response: CH responded that LBTL and TWRH are wholly owned subsidiary companies. Prior to the capital increase the two companies had a loan from their parent company and as a result of which the interest resulted in a tax exposure for the parent company. In 2015, the Company restructured its shareholder loan into share capital so as to save on interest and tax exposure.

- In 2014, the Company received dividend from Laguna Holiday Club Limited (**LHC**) amounting to Baht 16.5 million and Laguna Grande Limited (**LGL**) amounting to Baht 17.6 million. Asked for the reason why there was no dividend from the two subsidiaries in 2015.

Response: CH explained that in 2015 LHC was winding down sales hence sales of memberships were lower and in general LGL also did not fare well. CH further added that these companies are wholly owned subsidiaries whose accounts and cash are consolidated at the parent Company level.

- Asked about the performance of Banyan Tree Gallery (**BTG**) Thailand and Singapore, which are 51 percent owned by the Company and the other 49 percent by the Banyan Tree Holdings Limited, and if they paid any dividends in 2015.

Response: SC explained that the no dividend had been received from BTG as the performance had followed the hotel performances. The market has changed in recent years and BTG is now changing its retail and wholesale marketing strategy to adapt to those changes. The performance has been steady if not particularly great due to branding issues. However, the Management is keen to look for a solution and increase profitability as the galleries are located in and are a part of the Banyan Tree and Angsana hotels.

- Wanted to know the Company's indirect shareholding in Banyan Tree Holdings Limited (**BTH**) via an associate company and whether there was any dividend payment.

Response: CH explained that the Company owns 19.8 percent of Bibace Investments Ltd. which in turn owns about 37 percent of BTH. There has been no change to either of the shareholdings and the Company's indirect shareholding in BTH is approximately 7 percent. Additionally, there has been no dividend payment.

- Enquired about the performance of Banyan Tree Indochina Hospitality Fund and whether the Company received any return on investment.

Response: SC explained that Laguna Langco opened 2.5 years ago in April 2013. Vietnam suffered from the Chinese crisis in 2014 which in turn led to poor hotel performance. Currently the hotels are achieving occupancies of about 35-40 percent for Banyan Tree and 47 percent for Angsana properties. Although the occupancy percentages do not seem as appealing, in context of Vietnam's location, economy and arrivals, the hotels are doing quite well against competitors. 17 units in property sales including Hill Villas and Laguna Parks have been sold so far. Vietnam is still developing and with recent progress the Company is hopeful that the hotel performances will continue to improve. SC further added that Bangkok Airways are to start direct flights, thrice a week, from Bangkok to Danang from May 2016. Danang international arrivals increase approximately 3-4 percent year on year. Although it still early to say how much return the Company will receive from this investment, the Management is quite confident that the investment would prove to be fruitful.

- Enquired if the Company benefited from the amalgamation of Thai Wah Starch Public Company Limited and Thai Wah Food Products Public Company Limited which resulted in the incorporation of Thai Wah Public Company Limited (**TWPC**). Additionally, whether the Company has plans for the TWPC shares in the future.

Response: CH explained that the advice given by the financial advisor of the transaction was the amalgamation would result in a much larger company with higher liquidity of the shares in the market which would then attract institutional investors and therefore positive for the share price. This is now proving to be true as TWPC's share price has recently risen to about Baht 8 per share. Since TWPC shares is a non-core asset of the Company, the Board is considering whether to divest the shares but has yet to reach a firm decision on the matter.

- Referring to Financial Statement note no. 35 - Commitments, the Company's subsidiary has made an agreement to purchase land area of 237 rai in total from a third party. As of now, the Company has already acquired 53 rai and has the right until 2018 to purchase the remaining 184 rai. Wanted to know if the Company would purchase the land now so that the Company can develop on the land or whether there are likely to be changes to the purchase plans for that land if the Company waits until 2018.

Response: SDR responded that the option to acquire the remainder of 184 Rai of land area comprise of 3 parcels that are approximately 60 Rai each. When the Company nears close out of

sales of its first phase of Laguna Park, the Management will look into exercising its option to buy another parcel of land for Laguna Park Phase 2.

Mr. Rithichai Yibcharoenporn, shareholder

- Enquired about the share of loss from Banyan Tree Lijiang amounting to Baht 45 million, if it was due to hotel or property development.

Response: SC explained that majority of the loss is attributed to the hotel business. CH further explained that the Company owns 49 percent of Banyan Tree Lijiang (**BTLJ**). As a hotel the performance is satisfactory and improving but with depreciation and interest payments taken into account the hotel usually suffers a loss. BTLJ opened in 2006 and based on previous income recognition and investments, the Company's net recognition from this investment so far is Baht 100 million. The Company also received about Baht 100 million in dividend from this investment to date. SC explained that the Management is now working closely with the hotel to increase the hotel's profitability.

- Wanted to know if Banyan Tree Lijiang does property development.

Response: SDR responded that when the BTLJ hotel was established a significant number of residences were sold between years 2006-2009. Although in the recent years not a lot of property has been sold, the Company does have land which is available for future development.

- Asked if the Company has plans to expand its property development to other countries.

Response: SDR explained that at this stage the Company has no plans.

Mr. Watshira Tayanaraporn, shareholder

- Referring to Page 113 of the Annual report - Company's Financial Statement, the Company has Profit Before Income Tax amounting to Baht 316 million. Income tax expense amounting to Baht 139 million and non-taxable expenses amounting to Baht 53 million, as mentioned under note no. 31. Questioned why the non-taxable expenses were so high.

Response: CH explained that, in Thailand, the tax is calculated based on individual companies. In 2015 the Company's property development operation made a lot of revenue and profits resulting in high taxes. Additionally, the Company's tax losses are used up or expired resulting in high taxes for

the Company as a whole. Ms. Areewan Sriwichupong (**AS**) added that the Baht 53 million in non-taxable expenses include tax loss expired amounting to Baht 19 million, reversal of cost of land amounting to Baht 25 million due to land sold on long term lease basis, and other adjustments amounting to Baht 10 million.

As there were no more questions, the Meeting considered this agenda item and resolved as follows:

**Resolution:** The Meeting approved the Company's audited financial statements for the year ended December 31, 2015 with the auditor's report thereon by a unanimous vote of the shareholders and proxy holders who were present at the Meeting and cast their votes, with details as shown in the following vote counting summary:

Voting Results	Number of Votes*	
• Approved	105,136,024	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	105,136,024	100.00%

• Abstained	0
Total no. of votes of the shareholders who are eligible to vote	105,136,024

**Note:** \* The Company's Articles of Association states that a resolution of the shareholders' meeting in an ordinary matter requires a majority of the votes of the shareholders who are present and cast their votes.

**4. To consider and approve the payment of dividend**

JH reported to the Meeting that the Company's 2015 consolidated net profit is Baht 175 million. Taking into account the consolidated net profit, the Company's expansion plan and debt repayment obligations, the Board of Directors has agreed to propose to this Meeting to appropriate the retained earnings for the year ended December 31, 2015 as follows:

- a) Dividend payment to shareholders in the amount of Baht 0.36 per share for 166,682,701 shares, totalling Baht 60,005,772.36.
- b) Un-appropriated retained earnings to be carried forward.

No appropriation of the net profit to legal reserve is required since the legal reserve has already reached 10 percent of the registered capital as stipulated by laws.

JH informed the Meeting that the Company will pay dividend to the shareholders whose names appear in the Company's share register book as at May 10, 2016 which would be the date for determining the shareholders who are entitled to the dividend payment (Record Date) fixed by the Board of Directors. The closing date of the Company's share register book for collecting shareholders' names under Section 225 of the Securities and Exchange Act is fixed on May 11, 2016. Dividend payment would be made on May 25, 2016.

The proposed dividend is consistent with the Company's dividend payment policy. The proposed amount to be paid in respect of the year ended December 31, 2015 represents approximately 34 percent of consolidated net profit.

JH opened the floor for shareholders to raise questions.

As there were no questions, the Meeting considered this agenda item and resolved as follows:

**Resolution:** The Meeting approved the appropriation of retained earnings for the year ended December 31, 2015 and dividend payment in the amount of Baht 0.36 per share as details proposed by the Board by a unanimous vote of the shareholders and proxy holders who were present at the Meeting and cast their votes, with details as shown in the following vote counting summary:

Voting Results	Number of Votes*	
• Approved	105,135,724	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	105,135,724	100.00%

• Abstained	0
Total no. of votes of the shareholders who are eligible to vote	105,135,724



**Note:** \* The Company's Articles of Association state that a resolution of the shareholders' meeting in an ordinary matter requires a majority of the votes of the shareholders who are present and cast their votes.

**5. To consider matters relating to directorship of the Company**

**5.1 To approve the election of directors to succeed those who will be retiring on completion of their terms**

JH explained that Article 13 of the Company's Articles of Association stipulated that in voting to elect directors, the votes shall be non-cumulative and the shares of each shareholder shall be counted as one vote for every one share, and that Article 14 of the Company's Articles of Association stipulated that at each Annual General Meeting, one-third of the directors shall retire from office. Retiring directors would be eligible for re-election. The following 4 directors were due to retire at the Meeting.

- |                            |                              |
|----------------------------|------------------------------|
| 1) Mr. Surapon Supratya    | Deputy Chairman of the Board |
| 2) Dr. Jingjai Hanchanlash | Independent Director         |
| 3) Mr. Eddy See Hock Lye   | Director                     |
| 4) Mr. Ho Ren Hua          | Director                     |

The profiles of the 4 retiring directors were shown in Attachment 3 of the notice calling for the Meeting.

JH informed the Meeting that in view of the professional qualifications, knowledge and experiences of the retiring directors, the Board of Directors had agreed to propose to the Meeting to re-elect all 4 retiring directors for another term of directorships as recommended by the Nomination and Remuneration Committee.

JH opened the floor for shareholders to raise questions.

As there were no questions, the Meeting then considered this agenda item and resolved as follows:

**Resolution:** The Meeting approved the re-election of all 4 retiring directors, namely Mr. Surapon Supratya, Dr. Jingjai Hanchanlash, Mr. Eddy See Hock Lye, and Mr. Ho Ren Hua for another term of directorships by a majority vote of the shareholders and proxy holders who were present at the Meeting and cast their votes, with details as shown in the following vote counting summary.

**1) Mr. Surapon Supratya**

Voting Results	Number of Votes*	
• Approved	105,089,474	99.98%
• Disapproved	21,500	0.02%
Total no. of votes cast by shareholders	105,110,974	100.00%

• Abstained	25,250
Total no. of votes of the shareholders who are eligible to vote	105,136,224

**2) Dr. Jingjai Hanchanlash**

Voting Results	Number of Votes*	
• Approved	105,099,473	99.99%
• Disapproved	11,501	0.01%
Total no. of votes cast by shareholders	105,110,974	100.00%

• Abstained	25,250
Total no. of votes of the shareholders who are eligible to vote	105,136,224

**3) Mr. Eddy See Hock Lye**

Voting Results	Number of Votes*	
• Approved	105,110,974	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	105,110,974	100.00%

• Abstained	25,250
Total no. of votes of the shareholders who are eligible to vote	105,136,224

**4) Mr. Ho Ren Hua**

Voting Results	Number of Votes*	
• Approved	105,110,974	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	105,110,974	100.00%

• Abstained	25,250
Total no. of votes of the shareholders who are eligible to vote	105,136,224

**Note:** \* The Company's Articles of Association state that a resolution of the shareholders' meeting in an ordinary matter requires a majority of the votes of the shareholders who are present and cast their votes.

**5.2 To acknowledge the remuneration for the directors of the Board and directors who are members of the Audit and Risk Committee and the Nomination and Remuneration Committee**

JH informed that on April 27, 2015, the Company's 2015 Annual General Meeting approved remuneration for each category of directors of the Board and for each category of committee members of the Audit and Risk Committee and Nomination and Remuneration Committee, which took effect from January 1, 2015 and for each subsequent year, unless or until resolved otherwise by a general meeting of the shareholders of the Company. Details of remuneration approved for each category are shown in the following remunerations 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
Non-Executive Director	169,000	USD 2,000
Executive Director	111,000	-

**Audit and Risk Committee and Nomination and Remuneration Committee**

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

JH reported that the Nomination and Remuneration Committee has reviewed the directors' remuneration stated above and recommended the Board to maintain the fee for each category of directors of the Board and for each category of committee members of the Audit and Risk Committee and Nomination and Remuneration Committee from the preceding year for the remuneration fees of year 2016 with the same amount and format approved by the 2015 AGM.

The Board of Directors agreed to propose in the Annual General Meeting to acknowledge the remuneration for each category of directors of the Board and for each category of committee members of the Audit and Risk Committee and Nomination and Remuneration Committee approved by the 2015 AGM which will continue to be in effect in 2016 and for each subsequent year, unless or until resolved otherwise by a general meeting of the shareholders of the Company as recommended by the Nomination and Remuneration Committee.

JH opened the floor for shareholders to raise questions.

As there were no questions, the Meeting then acknowledged the Directors' remuneration for the year 2016.

**6. To consider and approve the appointment of an auditor and determination of its remuneration for the year 2016**

JH informed the Meeting that as recommended by the Audit and Risk Committee, the Board has agreed to propose to the Meeting to appoint 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 Ms. Pimjai Manitkajohnkit, C.P.A. No. 4521 of EY Office Limited to be the Company's auditor for the year 2016 with total remuneration not exceeding Baht 640,000. The profile of the 4 nominated auditors had been sent to all shareholders as shown in Attachment 6 of the notice calling for the Meeting. Comparative details of auditor's remuneration are set out in the following table.

(Unit : Baht)

	2016	2015
LRH	640,000	670,000
LRH and subsidiaries	8,230,000	7,990,000

JH opened the floor for shareholders to raise questions.

As there were no questions, the Meeting considered this agenda item and resolved as follows:

**Resolution:** The Meeting approved the appointment of an auditor and determination of its remuneration for the year 2016 as per the details proposed by the Board by a unanimous vote of the shareholders and proxy holders who were present at the Meeting and cast their votes, with details as shown in the following vote counting summary:

Voting Results	Number of Votes*	
• Approved	105,109,974	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	105,109,974	100.00%

• Abstained	26,250
Total no. of votes of the shareholders who are eligible to vote	105,136,224

**Note:** \* The Company's Articles of Association states that a resolution of the shareholders' meeting in an ordinary matter requires a majority of the votes of the shareholders who are present and cast their votes.

**7. To consider any other appropriate business, if any**

JH asked the shareholders whether any shareholder would like to propose any other agenda item for the Meeting to consider. However, no agenda item was raised.

JH opened the floor for shareholders to raise questions. The shareholders raised questions and the management made clarification as follows:

Mr. Mongkolchon Siriamorn, proxy holder from Thai Investors Association (TIA)

- Commented that the Company declared its intent to participate in Thailand Private Sector Collective Action Coalition against Corruption (**CAC**) in 2014. Asked when the Company would apply for certification.

Response: JH explained that he himself was the founder and member of the CAC and member of the Company's Audit and Risk Committee. JH confirmed that the Company keeps close monitoring and is seriously taking a strong stand against corruption.

Mr. Suvit Laohapolwatana, shareholder

- The Company should consider giving out discount vouchers or holding lucky draws for a night stay at the Company owned hotels as incentives for shareholders to stay until the adjournment of the AGM. This could encourage more shareholders to attend the AGM and invest further in the Company.

Response: The Chairman assured the Company would study the best practices of other companies and would look into shareholder benefits and revert to the shareholders on the matter in the next Meeting.

Mr. Visarn Chunhavuttiyanon, shareholder

- Requested the Chairman to share an update on the status of the Company's overseas investment such as the Indochina Hospitality Fund and enquired if there is any plan to list the fund.

Response: The Chairman explained that the good news is that the project was completed on time and within budget amounting to a total value of USD 200 million. The Vietnam project is a lot bigger than Laguna Phuket with enough land for 6 hotels, a golf course and property sales. The bad news is that the project opened around the time of the South China Sea problems and the China-Vietnam relationship crisis. Consequently, at the time the Chinese Government put a restriction on Chinese citizens travelling to Vietnam. This resulted in poor performances in the first year of opening; however the business is now improving.

In regards to the listing of the fund, under the fund structure investors have to exit the Fund within a certain period. In the next few years, the Company will exit from the Fund. The Vietnam Stock

Market and economy are presently not strong but are picking up. The poor performance of the investment to-date is due to uncontrollable external factors as explained above, and the Company is hopeful to be able to exit the fund in the next 2-3 years.

Mr. Teerachart Kitroongruangpaisan, proxy holder

- Enquired how the Company plans to improve its Return on Asset (**ROA**) and Return on Equity (**ROE**) ratios as they seem quite weak. Furthermore, the Net Book Value of the Company shares is Baht 68 per share compared to the current share price of Baht 24 per share which is very low.

Response: In order to improve the efficiency ratios, SC clarified that the Company will continue to focus on better hotel occupancies and performances coupled with more property sales. SC added that over the past 3 years the Company has restructured and streamlined head office expenses and headcounts. CH added that the low ROE is the result of non-income generating assets which comprise mainly of undeveloped land. The ROE is expected to increase when the value of the land is unlocked over the next few years through property development as explained earlier. Compared to other companies in the hotel sector, the Company's ROE sits somewhere in the middle. The Chairman explained that under the existing shareholding structure, only 10 percent of the Company's shares are held by minority shareholders whilst 90 percent are held by the top 10 shareholders of the Company. Consequently there is very little liquidity in the market resulting in the low share price.

Mr. Suvit Laohapolwatana, shareholder

In order to increase liquidity the Company should consider a share buy-back scheme since the Company has enough cash. The Company could purchase the shares when the price is low and sell them back to market when the price increases.

Response: The Chairman explained that the Company will have to study and carefully consider the governing rules relating to shares buy-back scheme as in some countries such schemes are not allowed. There is also potential risk that this may result in the Company's top 10 shareholders owning 99 percent of the shares. If the Company went ahead with the buy-back scheme the Company would become a market maker when this is usually the role of brokers.

As there were no further questions or agenda items raised, Dr. Jingjai then handed the Meeting back to the Chairman.

The Chairman thanked all shareholders for attending the Meeting and declared the Meeting adjourned.

The Meeting was closed at 17:12 hours

**Ho KwonPing**

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**(Mr. Ho KwonPing)**  
**Chairman of the Meeting**

**Nanchalee Kecharananta**

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**(Ms. Nanchalee Kecharananta)**  
**Minutes-Taker**