

No. L042/2016

December 26, 2016

**Subject: Notification on the Acquisition Transaction
(Additional Investment in Thai Wah Public Company Limited shares)**

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

**Enclosure Information Memorandum on the Acquisition Transaction with respect to the
additional investment in Thai Wah Public Company Limited shares**

Laguna Resorts & Hotels Public Company Limited (the “**Company**”) would like to make a report on the acquisition transaction contemplated on December 23, 2016 in respect of the purchase of additional 11,020,000 ordinary shares (equivalent to 1.25 percent) in Thai Wah Public Company Limited (“**TWPC**”) through the Main Board of the Stock Exchange of Thailand (the “**Stock Exchange**”) (the “**Share Acquisition Transaction**”). Upon completion of the Share Acquisition Transaction, the Company currently holds shares in TWPC in the total amount of 88,347,051 ordinary shares representing 10.03 percent of TWPC’s total issued shares.

This Share Acquisition Transaction is not a connected transaction. However, it is considered as an asset acquisition transaction of a listed company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (collectively, the “**Notifications on Asset Acquisition and Disposal**”) due to the maximum transaction value calculated under the net profit criteria based on the latest reviewed financial statements of third quarter of 2016 of the Company is equivalent to 15.26 percent, which constitutes a Type 2 transaction with the value of 15 percent or higher, but lower than 50 percent. Accordingly, the Company is required to immediately prepare a report and disclose the information memorandum to the Stock Exchange, and deliver the same to the shareholders within the period of 21 days from the date on which the disclosure has been made to the Stock Exchange.

Kindly note that, this Share Acquisition Transaction was made in accordance with the approval resolved at the Company’s Board of Directors’ Meeting No. 2/2016 held on May 11, 2016. However, the Company did not make any report or disclose the resolution of the Board of Directors and the information memorandum of the Share Acquisition Transaction to the Stock Exchange immediately upon receiving approval due to the maximum transaction value calculated at that time based on the reviewed financial statements of first quarter of 2016 ending March 31, 2016, was lower than 15 percent, therefore, it is not considered any type of the asset acquisition transaction under the Notifications on Asset Acquisition and Disposal.

The details of which are set out in the Information Memorandum on the Acquisition Transaction with respect to the additional investment in Thai Wah Public Company Limited shares (Enclosure).

Please be informed accordingly.

Sincerely yours,

(Mr. Kuan Chiet)

Senior Assistant Vice President – Finance & Administration

Information Memorandum on the Acquisition Transaction with respect to the additional investment in Thai Wah Public Company Limited shares

The Meeting of the Board of Directors Meeting of Laguna Resorts & Hotels Public Company Limited (the “**Company**”) No. 2/2016, which was held on May 11, 2016, approved the Company’s additional investment in Thai Wah Public Company Limited (“**TWPC**”) in the amount of 11,020,000 ordinary shares or equivalent to 1.25 percent acquired through the Main Board of the Stock Exchange of Thailand (the “**Stock Exchange**”). (The “**Share Acquisition Transaction**”). Upon completion of the Share Acquisition Transaction, the Company currently holds shares in TWPC in the total amount of 88,347,051 ordinary shares representing 10.03 percent of TWPC’s total issued shares.

The Share Acquisition Transaction in TWPC constitutes the asset acquisition transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (collectively, the “**Notifications on Asset Acquisition and Disposal**”).

The Company, therefore, hereby discloses the information on such Share Acquisition Transaction as follows:

1. Date of the transactions:

The Share Acquisition Transaction was completed on December 23, 2016 which was in accordance with the approval resolved at the Company’s Board of Directors’ Meeting No. 2/2016 held on May 11, 2016.

However, the Company did not make any report or disclose the resolution of the Board of Directors and the information memorandum of the Share Acquisition Transaction to the Stock Exchange immediately upon receiving approval due to the maximum transaction value calculated at that time based on the reviewed financial statements of first quarter of 2016 ending March 31, 2016, was lower than 15 percent, therefore, it is not considered any type of the asset acquisition transaction under the Notifications on Asset Acquisition and Disposal.

2. Related parties and their relationship:

Purchaser: Laguna Resorts & Hotels Public Company Limited (the “**Company**”)

Seller: The Company has acquired shares in TWPC through the Main Board of the Stock Exchange.

Relationship: There is no relationship between the parties.

Prior to the transaction, the Company holds shares in TWPC in the amount of 77,327,051 shares, representing 8.78 percent of TWPC's total issued shares.

3. General features of the transactions:

(1) General Features

The Company has acquired 11,020,000 ordinary shares in TWPC or equivalent to 1.25 percent through the Main Board of the Stock Exchange.

(2) Size of the transaction (based on the latest reviewed financial statements of third quarter of 2016 of the Company)

Calculation Method	Calculation Formula
1. Net Tangible Asset (NTA)	$\frac{\text{NTA of TWPC proportionate to the investment} \times 100}{\text{NTA of LRH}}$ = 0.49%
2. Net Profit	$\frac{\text{Net profits of TWPC proportionate to the investment} \times 100}{\text{Net profits of LRH}}$ = 15.26%
3. Total Value of Consideration	$\frac{\text{Value of Consideration paid for the shares of TWPC}}{\text{Total assets of of LRH}}$ = 0.66%
4. Value of Securities	= Not applicable, as there is no issuance of securities as a consideration for the acquisition of assets

Consequently, the Share Acquisition Transaction has the maximum transaction value calculated based on the net profit criteria will be equivalent to 15.26 percent, this constitutes a Type 2 transaction which is a transaction with the value of 15 percent or higher, but lower than 50 percent. Accordingly, the Company is required to immediately prepare a report and disclose the information memorandum to the Stock Exchange and deliver the notice to the shareholders within the period of 21 days from the date on which the disclosure has been made to the Stock Exchange.

4. Details of assets purchased:

11,020,000 ordinary shares in TWPC or equivalent to 1.25 percent of TWPC's total issued shares, at the average market value of Baht 8.82 per share, acquired through the Main Board of the Stock Exchange. The information and details of TWPC are set out as follows:

- TWPC is a public company, its core business is divided into two main categories: manufacture of tapioca products, and manufacture of vermicelli and noodle products for local and international distribution.
- Address: 21/59, 21/63-64 Thai Wah Tower 1, 20th - 21st Floor, South Sathorn Road, Tungmahamek, Sathorn Bangkok 10120, Thailand
- Telephone: 0-2285-0040
- Par Value: Baht 1 per share
- Authorized Capital: Baht 880,420,930
- Paid-up Capital: Baht 880,420,930
- Board of Directors

1. Mr. Ho KwonPing	Chairman
2. Mr. Ho Ren Hua	Chief Executive Officer & Director
3. Mr. Sretsei Saittagaroon	Managing Director
4. Mr. Umnad Sukprasongphol	Managing Director
5. Mr. Surapon Supratya	Director
6. Mr. Ho KwonCjan	Director
7. Mr. Ariel P Vera	Director
8. Mr. Vudhiphol Suriyabhivadh	Independent Director & Chairman of the Audit and Risk Committee
9. Mr. Jingjai Hanchanlash	Independent Director & Audit and Risk Committee Member
10. Mr. Udom Vichayabhai	Independent Director & Audit and Risk Committee Member
11. Mr. Chanin Archjananun	Independent Director

- Summary of the financial position and operational results of TWPC for the third quarter of 2016 ending September 30, 2016 is as follows:

(Unit : Million Baht)	LRH	TWPC
Total Assets	19,241	5,987
Total Liabilities	7,574	892
Net Tangible Assets (NTA)	10,864	4,247
Net Profits	37	454

Note: For more details, please refer to TWPC's financial statements of third quarter of 2016 posted on the SET's website.

5. Total value of consideration

Baht 127,327,268 comprises of (1) Baht 97,167,393 which is a total consideration paid for the acquisition of 11,020,000 ordinary shares or equivalent to 1.25 percent of TWPC's total issued shares and (2) Baht 30,159,875 from interest expense of the loans.

6. The basis used to determine the value of consideration

The total value of the consideration for the Share Acquisition Transaction is in accordance with the trading price of TWPC's shares in the Stock Exchange.

7. Expected benefits

The Share Acquisition Transaction will result in substantial benefits to the Company and its shareholders:

- TWPC was formed in 2015 from the amalgamation of Thai Wah Food Products Public Company Limited (TWFP) and Thai Wah Starch Public Company Limited (TWS). Following the amalgamation, TWPC is now the leading vermicelli producer in Thailand and its tapioca business has continued to improve over the period. From the synergies created from the amalgamation of the former two companies and its enlarged balance sheet, the Company is confident that TWPC is well positioned for both sustainable growth as well as through expansion overseas should the opportunity arise. Based on this positive outlook, the Company is of the opinion that the TWPC is a solid and sustainable investment opportunity.
- TWPC has been paying attractive dividends which provides the Company with a good source of cash and has good overall Macro exposure to China and ASEAN markets.

8. Sources of funds financed the purchase

Entirely by financing from the financial institution

8.1	Credit facility:	Baht 75 million										
	Type:	Long-term loan										
	Tenor:	7 years										
	Interest Rate:	Year 1 - 2 = MLR -1.5%										
	<i>[currently MLR = 6.275%]</i>	Year 3 - 5 = MLR -1.25%										
		Year 6 - 7 = MLR -0.75%										
	Security:	<ul style="list-style-type: none"> • Mortgage of land, title deed no. 5030 & 43948, and building of Banyan Tree Bangkok • Pledge of 10 million shares of TWPC 										
	Repayment:	<p>The principal shall be repaid in 28 consecutive quarterly installments in accordance with the following repayment schedule.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">- Installment no. 1 - 8 @ Baht 125,000</td> <td style="text-align: right;">(1,000,000)</td> </tr> <tr> <td>- Installment no. 9 - 20 @ Baht 1,250,000</td> <td style="text-align: right;">(15,000,000)</td> </tr> <tr> <td>- Installment no. 21 - 24 @ Baht 6,250,000</td> <td style="text-align: right;">(25,000,000)</td> </tr> <tr> <td>- Installment no. 25 - 28 @ Baht 8,500,000</td> <td style="text-align: right;">(34,000,000)</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">(75,000,000)</td> </tr> </table>	- Installment no. 1 - 8 @ Baht 125,000	(1,000,000)	- Installment no. 9 - 20 @ Baht 1,250,000	(15,000,000)	- Installment no. 21 - 24 @ Baht 6,250,000	(25,000,000)	- Installment no. 25 - 28 @ Baht 8,500,000	(34,000,000)	Total	(75,000,000)
- Installment no. 1 - 8 @ Baht 125,000	(1,000,000)											
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- Installment no. 21 - 24 @ Baht 6,250,000	(25,000,000)											
- Installment no. 25 - 28 @ Baht 8,500,000	(34,000,000)											
Total	(75,000,000)											
	Condition affecting rights of shareholders:	Not pay any dividend or capital contribution to its shareholders except when the Company can service interest and principal repayment to the Bank as normal.										
8.2	Credit facility:	Baht 25 million										
	Type:	Short-term loan										
	Tenor:	Subject to renewal every year										
	Interest Rate:	Money Market Rate (MMR)										
		(Currently MMR = 3.63%)										
	Security:	<ul style="list-style-type: none"> • Mortgage of land, title deed no. 5030 & 43948, and building of Banyan Tree Bangkok 										
	Repayment:	When each promissory note is due.										
	Condition affecting rights of shareholders:	None										

9. Opinion from the Board of Directors concerning the decision to enter into the transactions

The Board of Directors Meeting No. 2/2016 of the Company which was convened on May 11, 2016 unanimously resolved to approve the entering into the Share Acquisition Transaction.

10. Opinion of the Audit and Risk Committee and/or the directors which differs from the opinion of the Board of Directors

None