

7 Legal disputes

(1) Central Administrative Court, Pre-trial case no. 3049/2544 between:

Mr. Deaw Chantawong	“Plaintiff”
Phuket Provincial Land Office	“Defendant”
Bangtao Development Limited	“Co-Defendant”
Laguna Grande Limited	“Co-Defendant”
Laguna (1) Limited	“Co-Defendant”
Laguna (3) Limited	“Co-Defendant”
Laguna Resorts & Hotels Public Company Limited	“Co-Defendant”

Background

On 7th August 2001, the plaintiff brought the case to the Central Administrative Court against the defendant and requested the Court to order the defendant to revoke some land title deeds owned by Bangtao Development Limited, Laguna Grande Limited, Laguna (1) Limited, Laguna (3) Limited, and Laguna Resorts & Hotels Public Company Limited. The plaintiff claimed that some title deeds under the ownership of the said companies have been issued improperly. Since the said companies will be directly bound by the Court judgement they are co-defendants in this case.

The present circumstance

The case now is under the consideration of the Central Administrative Court.

The opinion of the lawyer

Our evidence has been presented, and the Court is deliberating. No further hearings are required.

The executive opinion

This case is one of several where we are protecting our land title rights through the Courts. We are confident that the land titles were properly issued and expect to succeed in this case.

(2) Civil Case of the Provincial Court of Phuket, Pre-trial case No. 6590/2534, 7822-26/2534, Post-trial case No. 17081-84/2542 between:

Laguna (1) Limited and the other five people	“Plaintiff”
Tungkah Harbour Public Co., Ltd.	“1 st Defendant”
Seatran Mining Co., Ltd	“2 nd Defendant”

Background

In 1991 six co-plaintiffs who are subsidiary companies of LRH sued both defendants in the offence of wrongful acts, causing injury to the property. The total capital for the case is Baht 229,446,000. The cause of the action was because between 1989-1991 the beach at Bangtao Bay (Sub-District of Cherngtalay, District of Thalang, Province of Phuket), which is adjacent to Laguna Phuket, was damaged by erosion which encroached onto the plaintiff's land. The Asian Institution of Technology (“AIT”) has researched the matter and found that beach erosion was caused by tin mine dredging in Bangtao Bay too close to the beach. Before the case was brought to Court the cooperation of the defendant had been sought, but without success. Therefore, we have sued the defendants for the Courts to judge the compensation to be paid to the plaintiff and also to prevent further dredging closer than two kilometers to the beach. The defendants have exercised their right to defend themselves in the proceeding trial of this case.

The present circumstances

On 20 December 2005, the Supreme Court judged in favor of the defendants. This judgment is now deemed as final.

The opinion of the lawyer

Losing this case should not significantly affect the Company's ongoing operations.

The executive opinion

Management is confident that losing this case is unlikely to significantly affect the Company's ongoing operations.

(3) Criminal Case of the Provincial Court of Phuket, Pre-trial case no. 3496/2542 between:

Public Prosecutor	"Plaintiff"
Laguna Grande Limited	"Co-Plaintiff"
Mr. Akara Mumin	"1 st Defendant"
Mr. Suwit Chidchiew	"2 nd Defendant"
Mrs. Somporn Panmanee	"3 rd Defendant"

Background

The Company reported to the Cherngtalay subdistrict police station in January 1999 that the defendants had trespassed on its land covered by title deed 5916. The police investigated and found the defendants were trespassing on the said land to conduct their business with a view to taking possession of the land. After investigation, the inquiry officer prepared a prosecution order against the defendants. The case was then passed to the Phuket public prosecutor for action. A prosecution order was then issued against the defendants by the public prosecutor. In late 1999, the Company submitted a request to be a co-plaintiff in this case in hope of obtaining a judgement requiring the defendants to demolish their construction and remove it from the land. On 15th October 2004, the Phuket Provincial Court found in favour of the plaintiffs.

The present circumstances

The defendants have appealed against the judgment of the Court of First Instance to the Appeal Court. Currently, this case is pending at the Appeal Court.

The opinion of the lawyer

We believe that the Company shall prevail in the Appeal Court.

The executive opinion

This case is one of several where we are protecting our land title rights through the Courts. It is routine, and should have no affect on our ongoing operations.

(4) Civil cases against trespassers on land at Sheraton Grande Laguna Phuket

Case no 1716/2541 of Phuket Provincial Court between:

Bangtao Development Limited	“Plaintiff”
Mrs. Bunmee Sithichai	“Defendant”

Case no 1717/2541 of Phuket Provincial Court between:

Bangtao Development Limited	“Plaintiff”
Mrs. Wasana Ar-Mud	“Defendant”

Background

These cases relate to hawkers who have trespassed on the Land NS3 374, which belongs to Bangtao Development Limited. Cases against the defendants were brought to court on 19th November 1998 alleging trespassing on this land. The Court of First Instance and the Appeal Court found in favor of the defendants, reasoning that the Court was not able to find evidence that the defendants had trespassed on the Company’s land, and dismissed the plaintiff’s claim. The plaintiff later appealed against the judgements of the Court of First Instance and the Appeal Court to higher Courts.

The present circumstances

The case no 1716/2541 is pending in the Supreme Court and the case no 1717/2541 is pending at the Appeal Court.

The opinion of the lawyer

Our evidence has been presented, and the Courts are deliberating. No further hearings are required.

The executive opinion

This case is one of several where we are protecting our land title rights through the Courts. It is routine, and should have no affect on our ongoing operations.

(5) Criminal case with charge of encroachment on the state property at Laguna Beach Resort Hotel, black case no 1635/2548 between:

Phuket Public Prosecutor	“Prosecutor”
Laguna Beach Club Limited	“Accused, 1 st ”
Khun Pitak Boonpojjanasoontorn	“Accused, 2 nd ”

Background

On 24 April 2005, the prosecutor brought this case to the Phuket Provincial Court charging the accused as having jointly encroached on the state property which is for the use of the public. If the Company were to lose this case then it would be required to tear down the offending structures of the beachfront bar, the water sports building and a sala. The Court has scheduled the dates of trial for the prosecutor and the accused and the giving of evidence to be completed before the end of February 2006.

The present circumstances

This case is pending in the Court of First Instance.

The opinion of the lawyer

The accused constructed the Laguna Beach Resort Hotel in compliance with the plan that had been approved by all of the respective authorities and before the boundary lines were declared as the state property.

The executive opinion

As all of the licenses and permits required to construct the hotel have been obtained we are confident that we will prevail in this case.