

PART I
BUSINESS OPERATION

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.

1. POLICY AND BUSINESS OVERVIEW

1.1 Mission and Vision

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

1.2 Milestones

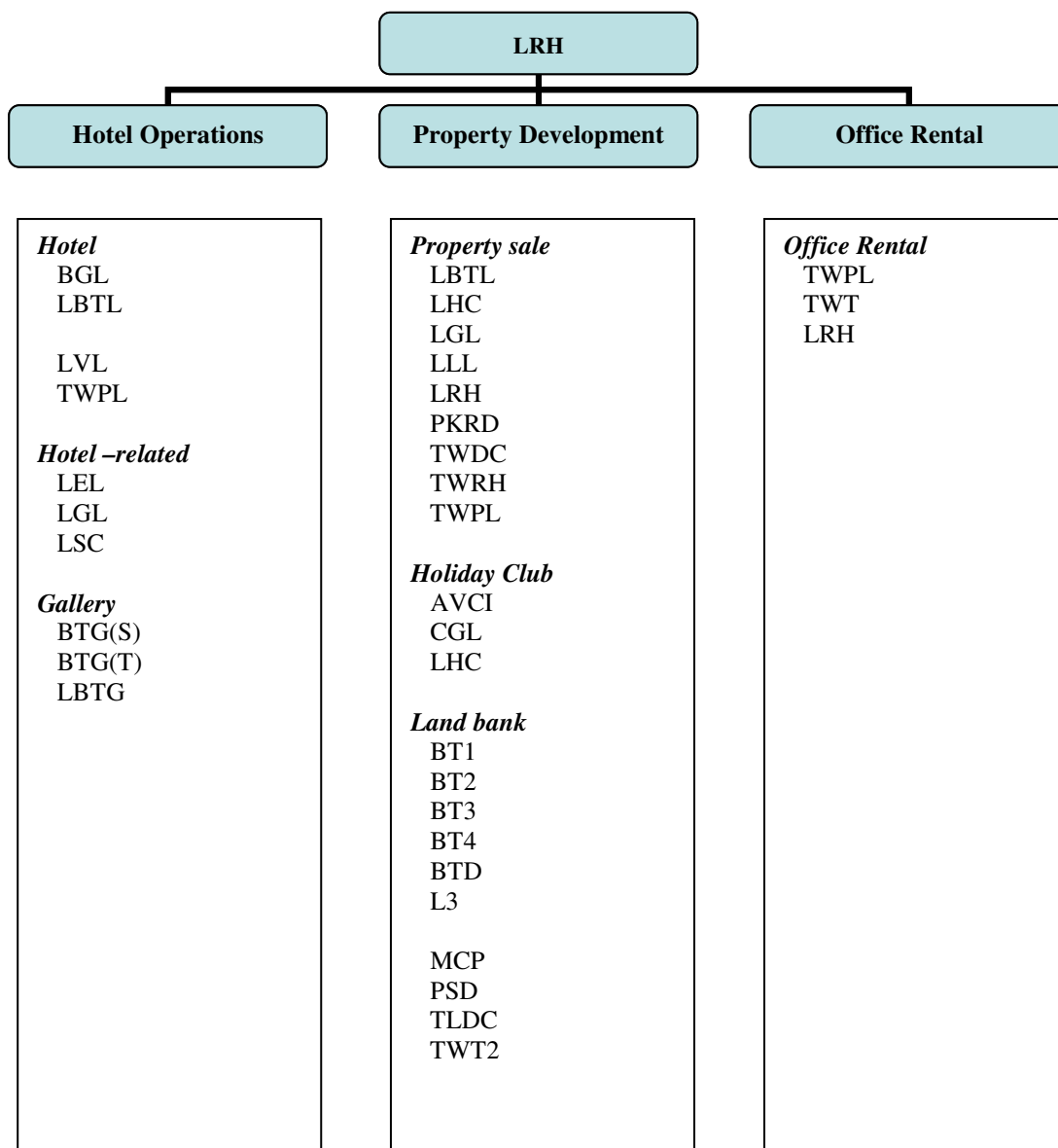
1987	Dusit Thani Laguna Phuket (formerly known as Dusit Laguna Resort) opened.
1991	Laguna Beach Resort opened.
1992	Sheraton Grande Laguna Phuket and the Laguna Phuket Golf Club opened.
1993	The Company listed on Stock Exchange of Thailand. Property Sales operations commenced with the Allamanda condominium units.
1995	The resort's flagship hotel, Banyan Tree Phuket's Grand Opening.
1998	Laguna Holiday Club commenced operations.
2002	The Group acquired a large parcel of land adjacent to Laguna Phuket for future development opportunities.
2005	The Group 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.

1.3 Corporate Structure

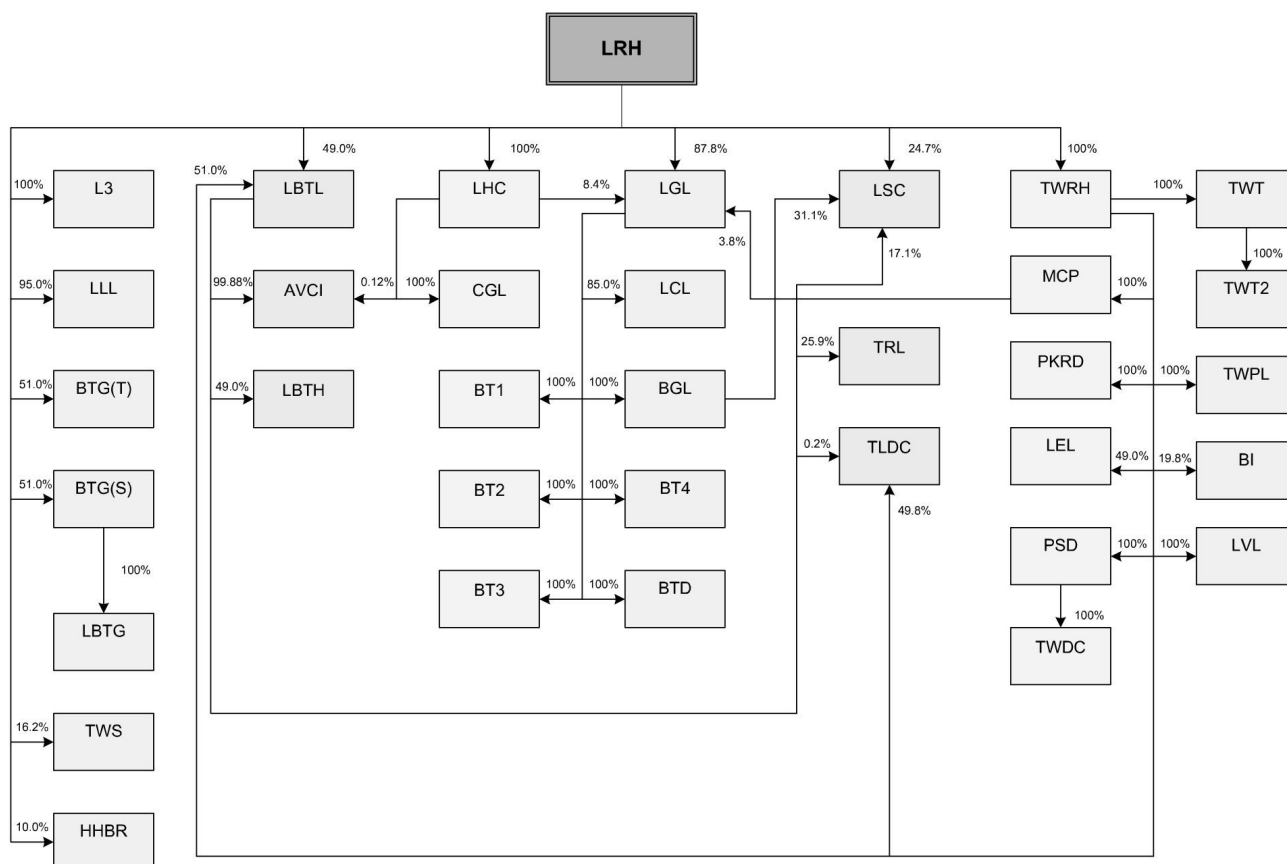
The key businesses of the LRH Group are hotels, property development and office rental. The Group's major business investment largely revolves around the operation and management of the integrated resort of Laguna Phuket, located on the island of Phuket in Thailand, as well as its Banyan Tree hotel and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

Segment information

The companies engaged in each of the key business segments are set out below.



Corporate Structure as at 31 December 2014



Remark

Full company names of Abbreviations are shown in Attachment 6

1.4 Business Relationship with Major Shareholder

Banyan Tree Holdings Limited (BTH) is a listed company in the Singapore Exchange operating as a leading manager and developer of premium resorts, hotels and spas in the Asia-Pacific. 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" and "Cassia", 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.

2. NATURE OF THE 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.

2.1 Type of Business and Income Structure

2.1.1 Types of Business

Hotel Operations

Hotels

The Group has ownership in 3 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	324 (402)	BGL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Banyan Tree Phuket	Bangtao, Phuket	1995	109 (173)	LBTL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Outrigger Laguna Phuket Resort & Villas	Bangtao, Phuket	2009	14 (47)	LVL (100%)	Outrigger Hotels (Thailand) Limited
Laguna Holiday Club Phuket Resort**	Bangtao, Phuket	2006	79 (79)	LHC (100%)	Owner-operated
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 include 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 Operation

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.
Canal Village Laguna Shopping	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.

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 Villas Apartments	37 - 38 12 11 - 29
Cassia	Phuket	Apartment	5 - 10
Laguna Park	Phuket	Detached Homes Townhome	14 - 16 9 - 11
Banyan Tree Phuket	Phuket	Grande Residences Double Pool Villa Two-Bedroom Pool Villa	101 - 110 42 - 46 35
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. Members also have access to over 6,000 resorts in more than 100 countries through reciprocal affiliated arrangements with RCI and Interval International. Laguna Holiday Club currently has a sales office located in Laguna Phuket.

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.

2.1.2 Developments in 2014

In December 2014 the Group completed a full upgrade of Laguna Phuket Golf Club which included the rebuild and layout redesign of the 18-hole golf course and the refurbishment of the club house. This investment greatly enhances the standard of the golf course making it the newest and the best resort course in Phuket. As part of the upgrade, golf cart pathways were constructed to accommodate golf carts for players on an optional basis.

In the property segment, the strong interest in the Group's residential developments continued from 2013 and in 2014 the Group achieved a total sale of 124 properties amounting to a sales value of Baht 1,615 million. The Group also launched a new project called "Banyan Tree Grande Residences" which is a luxurious villa development located at Banyan Tree Phuket catering to discerning investors looking for the most prestigious address in Phuket.

2.1.3 Future Plan

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. The villas / rooms in Banyan Tree Phuket and Banyan Tree Bangkok are slated to undergo an upgrade during the low season months in 2015.

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 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 within Laguna Phuket. With the completion of the Laguna Phuket Golf Course rebuild at the end of 2014, which reopened to much acclaim in January 2015, the Group will look at more family oriented offerings such as unique retail and dining experiences.

2.1.4 Income Structure

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

(Unit: Thousand Baht)

	2014	%	2013	%	2012	%
Revenue from Hotels	3,039,991	76	3,428,458	79	3,164,823	74
Revenue from Property Development	815,205	20	744,417	17	892,572	21
Revenue from Office Rental	90,369	2	88,543	2	92,397	2
Other Income	70,861	2	91,017	2	149,487	3
Total Revenue	4,016,426	100	4,352,435	100	4,299,279	100

The most significant lines of business of the Group are hotels and property development operations for which further details are provided below. Note 36 to the financial statements of the Company for the year ended 31 December 2014 (note 38 and 36 for the year ended 31 December 2013 and 2012 respectively) discloses the operating results by business segment in accordance with accounting standards and principles.

Hotel Operations – Overall

	2014	2013	2012
Occupancy (%)			
Angsana Laguna Phuket	64	73	56
Banyan Tree Phuket	60	68	69
Banyan Tree Bangkok	59	80	74
Average – LRH Hotels	61	75	65

	2014	2013	2012
Average Room Rate (Baht)			
Angsana Laguna Phuket	4,983	4,861	4,614
Banyan Tree Phuket	16,094	15,926	15,745
Banyan Tree Bangkok	4,132	3,792	3,672
Average – LRH Hotels	6,778	6,372	6,488
Total Revenue (Thousand Baht)			
Angsana Laguna Phuket	790,614	894,736	673,296
Banyan Tree Phuket	880,586	962,145	993,541
Banyan Tree Bangkok	754,534	889,732	804,982
Total LRH Hotels	2,425,734	2,746,613	2,471,819
Gallery operations	222,754	236,948	239,781
Other hotel-related operations	391,503	444,897	453,223
Total Revenue of Hotel Operations	3,039,991	3,428,458	3,164,823

Hotel Operations -Overall

The total combined hotel revenue in 2014 fell short of 2013 by 12 percent and this is largely attributed to the adverse impact of the Thai political crisis in the first half of the year under review. 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. As these political problems took place in and around Bangkok, Banyan Tree Bangkok's performance was more affected than the two properties in Phuket although many countries issued travel advisories cautioning people to defer and/or avoid travel to Thailand which impacted the overall Thai hospitality industry.

The Russian business, which has become a major income contributor for many Phuket hotels including Banyan Tree Phuket and Angsana Laguna Phuket in recent years, fared poorly in the critical year-end peak season in 2014 as the Russian economy hit a snag causing a significant devaluation of the ruble. This further impeded the performance of the two hotels in Phuket.

Most of 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. Despite the less than desirable performance in the last 2 months of the year, Banyan Tree Bangkok achieved its best ever results.

In the year 2012 Banyan Tree Phuket benefitted from several large group businesses including the Amway China event and Indian weddings which helped its overall performance. Although Angsana Phuket also had its share of group business the hotel's performance was held back by a poor first quarter due to the soft opening of the property after the renovation and rebranding in the prior year. Banyan Tree Bangkok also posted strong results by taking advantage of the surge in tourist arrivals from mainland China.

Property Development Operations

(Unit: Thousand Baht)

	2014	%	2013	%	2012	%
Property Sales business	626,151	77	515,893	69	742,863	83
Holiday Club business	189,054	23	228,524	31	149,709	17
Total Revenue - Property Development Operations	815,205	100	744,417	100	892,572	100

Property Sales business

Although a total of 124 properties amounting to Baht 1,615 million in revenue were sold in 2014, only the revenue of 30 units could be recognized based on accounting income recognition policies as the construction of the other 94 units were not completed. The revenue of the 94 units will be recognized as they get completed in 2015-2016. 19 units and 26 units were recognized in 2013 and 2012 respectively.

Holiday Club Business

In 2014 Holiday Club did not perform as well as the prior year. As Holiday Club rely heavily on hotel guests for their source of prospective customers, the decline in the hotel business in 2014 due to reasons explained earlier had an adverse impact on their business. Additionally, the closure of the Bangkok sales branch in the prior year further reduced Holiday Club's business in the year under review.

Other Income

(Unit: Thousand Baht)

	2014	2013	2012
Gain on revaluation of investment property	4,122	24,091	81,204
Interest Income	20,217	25,242	34,019
Dividend income	25,551	12,775	-
Rental and service fee	12,954	11,209	10,598
Others	8,017	17,700	23,666
Total Other Income	70,861	91,017	149,487

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 Starch Public Company Limited.

2.1.5 Rights and Constraints in Business

BOI Privileges – None

Other Privileges – None

Constraints in Business – None

2.2 Marketing and Competition

- **Sales and Marketing Strategy**

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 2014 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 74 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 40 percent, mainly from People's Republic of China, Hong Kong, Korea, Japan and Singapore</p> <p>Europe 47 percent, mainly from Russia, United Kingdom, Germany, Switzerland and France</p> <p>Oceania 4 percent</p>	<p>Asia 51 percent, mainly from People's Republic of China, Japan, Taiwan, Korea, and Hong Kong</p> <p>Europe 32 percent, mainly from United Kingdom, Germany and France</p> <p>Oceania 7 percent</p>

The increase in supply of upscale hotels in recent years has increased competition and combined with the strength of the Thai Baht has resulted 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.
- A return of MICE and corporate business levels with improved local political stability and less global economic volatility, except Russian economic.

Property Sales

The property sales business has improved in 2013-2014 and the Group is hopeful this will continue 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.

• **Market Situation**

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 Airports of Thailand (AOT), the national airport operator, has recently commenced expansion of the Phuket International Airport which is expected to be completed 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. Continued from 2013, sales volume increased due to the implementation of a new strategy to offer more affordable vacation homes (sub Baht 10 million), with the launch of Cassia, an apartment development to be managed by a new Banyan Tree brand with units priced from Baht 4 million. In addition, Laguna Park (a residential gated community adjacent to the resort) was also launched comprising townhomes (from Baht 7-11 million) and detached homes (from Baht 12-16 million) being typically smaller than the previous Laguna Village projects in order to keep pricing points attractive.

- **Three Year Outlook**

The continued investment into luxury hotels and resorts in Phuket and Bangkok signifies the development into a 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.

2.3 Project Status

For the new projects launched recently, the construction will be started after deposit received from customers. The projects are grouped in projects under construction. The construction and sales progress of residential projects as of 31 December 2014 is shown in the table below:

Project	Value (Million THB)	Units				% Completion
		Total	Sold	% Sold	Recognized	
<u>Completed Projects:</u>						
Laguna Village Villas	435	36	35	97%	35	100%
The Lofts at Laguna Village	306	22	8	36%	8	100%
Dusit Thani Pool Villas	971	28	22	79%	22	100%
Banyan Tree Phuket Double Pool Villas	1,668	22	17	77%	17	100%
Banyan Tree Bangkok	719	24	15	63%	15	100%
Subtotal		132	97	73%	97	
<u>Projects Under Construction:</u>						
Cassia 1	1,450	229	161	70%	-	31%
Cassia 2	669	105	17	16%	-	-
Laguna Park Townhome	1,418	155	70	45%	12	27%
Laguna Park Villa	1,385	96	47	49%	2	27%
Laguna Village Residences 7	350	10	5	50%	1	*
Banyan Tree Grande Residences	1,995	19	1	5%	-	*
Subtotal		614	301	49%	15	
Total		746	398	53%	112	

* Construction will start when sale and purchase is made; the construction will take 1-2 years.

3. RISK FACTORS

3.1 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.

3.2 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.

3.3 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 20 percent of hotel income of Laguna Phuket hotels, however the Russian market is not a key business of hotel in Bangkok. The Russian financial crisis in late 2014 resulted in fewer Russian tourists travelling to Phuket during the critical high season and this affected the Group's hotels in Phuket. In view of this the Group will seek for alternative markets so as to achieve a balanced customer base.

3.4 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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.

3.9 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.

4. OPERATING ASSETS

4.1 Operating assets of the Company and its subsidiaries

(A) As at 31 December 2014, the principal assets of the Company and its subsidiaries that are used in the business operations are as follows:

Company's name	Type of asset	Location	Size	Type of Ownership	Possession Objective	Book Value (Million Baht)			Contingency
						Building	Furniture, fixtures and equipment	Total	
Laguna Banyan Tree Limited	1. Banyan Tree Phuket	Phuket	104 rooms	Owner	Hotel	1,025	224	1,249	None
Bangtao Grande Limited	2. Angsana Laguna Phuket	Phuket	324 rooms	Owner	Hotel	844	263	1,107	(1) Mutually mortgage of 2,300 MB
Laguna Village Limited	3. Outrigger Laguna Phuket Resort & Villas	Phuket	-	Owner	Hotel	-	13	13	None
Thai Wah Plaza Limited	4. Banyan Tree Bangkok	Bangkok	295 rooms	Owner	Hotel	1,206	243	1,449	(2) Mutually mortgage of 2,645 MB
Laguna Grande Limited	5. Laguna Phuket Golf Club	Phuket	18 hole	Owner	Golf course	39	149	188	(3) Mortgage of 150 MB
Laguna Service Company Limited	6. Laguna Service	Phuket	6 Rai 3 Ngan 54.8 Sqw	Owner	Utilities and resort support services provider	33	69	102	(4) Mortgage of 60 MB
Laguna Excursions Limited	7. Laguna Tours & Travel	Phuket	-	Owner	Provider of tours and related services	2	6	8	None
Subsidiary companies	8. Banyan Tree and Angsana Gallery	Phuket / Bangkok / Singapore/Laos/ China	9 shops 2 shops	Owner	Retail shops	9	6	15	None
The Company and its subsidiaries	9. Building, furniture, fixtures and equipment	Phuket / Bangkok	-	Owner	For operations	135	77	212	None
						Land			
Subsidiary companies	10. Land	Bangkok	2 Rai 1 Ngan 92 Sqw	Owner	Hotel	744		744	As per (2)
The Company and its subsidiaries	11. Land	Phuket	928 Rai 1 Ngan 61.6 Sqw	Owner	Laguna Phuket	5,158		5,158	As per (1),(3) and (4)

Total **10,245**

As a policy, land and building revaluation by independent appraiser will be made every 3 years. The buildings were revalued using the “Replacement Cost Approach” and land was revalued using the “Market Approach” by Simon Lim & Partners Co., Ltd. dated 24 December 2013. The appraiser’s names are Miss Navaporn Wongurai – Authorized Valuer No. 012 or Mr. Surasit Phanthanakong – Authorized Valuer No. 013 or Mr. Pipat Suriyasupapong – Authorized Valuer No. 014.

(B) As at 31 December 2014, investment properties of the Company and its subsidiaries are as follows:

Company's name	Type of asset	Location	Size	Type of Ownership	Possession Objective	Book Value (Million Baht)			Contingency
						Land/ Land awaiting for development/sales	Building office units and shops for rent	Total	
Laguna Resorts & Hotels Pcl.	1. Canal Village Laguna Shopping	Phuket	3,147 Sqm on 25 Rai 3 Ngan 88.75 Sqw	Owner	Retail shops rental	218	39	257	None
Subsidiary companies	2. Office space in Thai Wah Tower 1	Bangkok	15,389 Sqm	Owner	Office premises for lease	-	696	696	As per (2)
Subsidiary companies	3. Land	Chiang Mai/Chiang Rai/ Mae Hong Son	1,424 Rai 0 Ngan 70.7 Sqw	Owner	Land awaiting for development/sales	159	-	159	None
Total						377	735	1,112	

As a policy, investment property revaluation by independent appraiser will be made every year. Units in office building and shops for rent were revalued using the "Income Approach" and land /land awaiting for development/sales was revalued using the "Market Approach" by Simon Lim & Partners Co., Ltd. dated 13 November 2014 and 11 December 2014 respectively. The appraiser's names are Miss Navaporn Wongurai – Authorized Valuer No. 012 or Mr. Surasit Phanthanakong – Authorized Valuer No. 013.

Property development projects for sale

As at 31 December 2014, the property development projects for sale of the Company and its subsidiaries are as follows:

Company's name	Project	Project Location	Project area	Type of Ownership	Available units	Book Value (Million Baht)	Completed Project Date	Contingency
Laguna Banyan Tree Limited.	1. Banyan Tree Double Pool Villa	Phuket	2,255 Sqm	Owner	5	118	March 2007	(6) Mortgage of 700 MB
PT. AVC Indonesia	2. AVC Indonesia	Indonesia	1,341 Sqm	Owner	12	41	January 2008	None
Laguna Resorts & Hotels Pcl.	3. Dusit Residences 1	Phuket	1,752 Sqm	Owner	6	65	July 2008	None
Laguna Holiday Club Limited	4. Laguna Holiday Club	Phuket / Chiang Mai / Hua Hin / Pattaya	19,084 Sqm	Owner	149	393	November 2008	(7) Mortgage of 30 MB
Thai Wah Plaza Limited	5. Banyan Tree Residences Bangkok	Bangkok	1,152 Sqm	Owner	9	98	December 2008	As per (2)
Thai Wah Plaza Limited	6. Laguna Village Residences 6	Phuket	2,397 Sqm	Owner	2	27	August 2010	None
Laguna Grande Limited	7. The Lofts	Phuket	2,729 Sqm	Owner	14	161	July 2011	(5) Mortgage of 910 MB
TWR-Holdings Limited	8. Laguna Village Residences 7	Phuket	6,710 Sqm	Owner	10	44	July 2015	None
Phuket Resort Development Limited	9. Cassia	Phuket	16,870 Sqm	Owner	334	439	August 2015	None
Twin Waters Development Company Limited and Laguna Lakes Limited	10. Laguna Park Townhomes & Villas	Phuket	46,527 Sqm	Owner	251	750	November 2015	None
Subsidiary companies	11. Land awaiting for future development	Phuket	984 Rai 2 Ngan 11.11 Sqw	Owner	-	1,416	-	None
Subsidiary companies	12. Other	Phuket	-	Owner	-	337	-	None
Total					790	3,889		

Intangible Assets

The intangible assets of the Company and its subsidiaries comprise of goodwill amounting to Baht 57 million from the acquisition of 100 percent of Thai Wah Plaza Limited in 2005 and goodwill amounting to Baht 351 million from the acquisition of 49 percent of Laguna Banyan Tree Limited in 2002.

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 units (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.

4.2 Investment policy in subsidiary and associated companies

The Company has a policy of investing in subsidiary and associated companies which possess the same business activity and potential growth prospects. The appropriate return on capital is considered when making the investments. Such investments are made only after due consideration and approval either by the Board of Directors or Management depending on the size of investment as follows:

- Investments more than US\$ 10 million to be approved by the Board.
- Investments between US\$ 5 - 10 million to be jointly approved by the Chief Executive Officer and any 1 director.
- Investments less than US\$ 5 million to be approved by the Chief Executive Officer.

For subsidiary companies, the directors are appointed by the Company based on its controlling ownership interest. The directors are assigned the task of making significant policies, managing and controlling the subsidiary's operation consistent with the Company's policies, thereby ensuring a sufficient return on investment to it as well as the shareholders.

For associated companies, the directors are appointed by the Company based on the percentage of ownership. However, the Company has no significant influence over the management of the associates.

The current intention of management in regards to its investment policy is to pursue any investment opportunities both within and outside Laguna Phuket that provides the shareholders with a sufficient return on investment.

4.3 Asset Revaluation

As a policy, land and building revaluation by independent appraiser will be made every 3 years. The buildings were revalued using the “Replacement Cost Approach” and land was revalued using the “Market Approach”. Investment property revaluation by independent appraiser will be made every year. Units in office building and shops for rent were revalued using the “Income Approach” and land awaiting for development/ sales was revalued using the “Market Approach” .

The detail of types of asset revaluation, purpose of revaluation, name of appraiser, and the date of revaluation is shown under the section 4.1.

5. 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,	“Defendants”
Bangtao (1) Limited, Bangtao (2) Limited, and 10 individual directors	

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 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.

6. GENERAL INFORMATION AND OTHER MATERIAL INFORMATION

6.1 General Information

6.1.1 The Issuing Company

The Issuing Company	:	Laguna Resorts & Hotels Public Company Limited (the “Company” or “LRH”)
Type of Businesses	:	Major businesses 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.
Corporate Registration Number	:	0107535000371 (Former: Bor Mor Jor 70)
Registered Capital	:	Baht 2,116,753,580
Issued and Paid-up Capital	:	Baht 1,666,827,010
Head Office	:	Thai Wah Tower I, 7 th , 22 nd and 24 th floor, 21/17B, 21/17C, 21/65, 21/66 and 21/68 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand
Branches		<p>Branch 1</p> <p>390/1 Moo 1, Srisoontorn Road, Cherngtalay, Thalang, Phuket 83110, Thailand</p> <p>Branch 2 (No longer branch of the Company since 12 September 2014)</p> <p>390/62 Moo 1, Srisoontorn Road, Cherngtalay, Thalang, Phuket 83110, Thailand</p>
Homepages	:	www.lagunaresorts.com (Corporate Website) www.lagunaphuket.com (Marketing Website)
Telephones	:	<p>Bangkok Head Office 66 (0) 2677 4455</p> <p>Laguna Phuket Office 66 (0) 7636 2300</p>
Facsimiles	:	<p>Bangkok Head Office 66 (0) 2285 0733</p> <p>Laguna Phuket Office 66 (0) 7632 4061</p>

6.1.2 Companies in which the Company's shareholding exceed 10 percent

The following is a list of companies in which the Company made investments, in the form of shareholding of 10 percent or more of the total number of shares issued as of 31 December 2014.

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
BTD	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

Company (Abbreviations)	Type of Business	Head Office	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-Up Capital (Baht)	Shareholding Proportion (Direct+Indirect*) (%)	Telephone	Facsimile
CGL	Investment holding	Hong Kong	_***	_***	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	500,000,000	100.00	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

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

Company (Abbreviations)	Type of Business	Head Office	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-Up Capital (Baht)	Shareholding Proportion (Direct+Indirect*) (%)	Telephone	Facsimile
TWRH	Investment holding and property development	Bangkok	1,250,000,000	100.00	1,250,000,000	100.00	66 (0) 2677 4455	66 (0) 2285 0733
TWS	Manufacture and distribution of tapioca products	Bangkok	787,500,000	10.00	785,360,380	16.27	66 (0) 2285 0040	66 (0) 2285 0270-1
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" in Attachment 6

6.1.3 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
 62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand
 Telephone 66 (0) 2229 2000 and 66 (0) 2229 2222
 Facsimile 66 (0) 2359 1008-11
 Email SETCallCenter@set.or.th Homepage www.set.or.th
- **Registrar:**
Thailand Securities Depository Company Limited
 The Stock Exchange of Thailand Building,
 62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand
 Telephone 66 (0) 2229 2888 and 66 (0) 2229 2800
 Facsimile 66 (0) 2359 1259
 Email TSDCallCenter@set.or.th Homepage www.tsd.co.th
- **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
 Ms. Pimjai Manitkajohnkit, CPA No. 4521

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DLA Piper (Thailand) Limited

Empire Tower, 47th Floor, Unit 4707,
195 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120, Thailand
Telephone 66 (0) 2686 8500
Facsimile 66 (0) 2670 0131

HNP Counsellors Limited

Q. House Convent Building, 11th Floor, Unit 11 A/B,
38 Convent Road, Silom, Bangrak, Bangkok 10500, Thailand
Telephone 66 (0) 2632 1800
Facsimile 66 (0) 2632 1700

Jakkrapong Law Office Company Limited

195 Soi Sannibattesaban, Rachadapisek Road,
Chandrakasem, Jatujak, Bangkok 10900, Thailand
Telephone 66 (0) 2930 0123
Facsimile 66 (0) 2513 6011

- **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

6.2 Other Material Information

-None-