



LaGuna
RESORTS & HOTELS

2012 Annual Report

laGuna
PHUKET

25th
Anniversary
LIVE THE LAGUNA LIFESTYLE



Laguna Phuket 25th Anniversary Gala Dinner on 24 August 2012

CONTENTS

MESSAGE FROM THE MANAGEMENT	4
FINANCIAL HIGHLIGHTS AND FINANCIAL RATIOS	7
COMPANY PROFILE	
- Company History	8
- Mission	9
- Vision	9
- Types of Business	12
- Overseas Investment in Hotels and Resorts	15
- Developments in 2012	15
- Future Plans	15
- Awards	17
INCOME STRUCTURE AND FINANCIAL ANALYSIS	
- Income Structure	20
- Explanation and Analysis By Management	23
ECONOMIC TRENDS : TOURISM IN THAILAND AND THE PHUKET MARKET	
- Sales and Marketing	26
- The Phuket Situation	27
- Competition	29
- Pricing Strategy	30
- Three Year Outlook	30
CORPORATE SOCIAL RESPONSIBILITY	31
EVENTS IN 2012	35
BOARD OF DIRECTORS AND MANAGEMENT OF THE COMPANY	
- Board of Directors	42
- Management and Company Secretary of the Company	49
- Details of Positions of Directors and Management	52
- Information on the Directors of Subsidiaries	54
LAGUNA PHUKET MANAGEMENT TEAM	58
CORPORATE AND MANAGEMENT STRUCTURE	
- General Information	62
- Companies in which the Company's Shareholding Exceeds 10 percent	63
- Corporate Structure	65
- Major shareholders	67
- Management Structure	68
- Method of Appointment and Removal of Directors as Included in the Company's Articles of Association	73
REMUNERATION	
- Report of the Nomination and Remuneration Committee	74
- Remuneration Policy	75
- Remuneration and Other Benefits of the Directors during the Year 2012	76
- Directors' and Managements' Remuneration	77
CORPORATE GOVERNANCE	78
SUPERVISION ON THE USE OF INSIDE INFORMATION	91
RISK FACTORS	92
PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS	94
LEGAL DISPUTES	102
REPORT OF THE AUDIT AND RISK COMMITTEE	104
OPINION OF THE BOARD OF DIRECTORS ON THE COMPANY'S INTERNAL CONTROL	106
BOARD OF DIRECTORS' RESPONSIBILITY FOR THE COMPANY'S	107
INDEPENDENT AUDITOR'S REPORT	110
FINANCIAL STATEMENTS	111
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	119
AUDITOR'S REMUNERATION	174
REFERENCES	175
BUSINESS LOCATIONS	176
FACILITIES	177
ABBREVIATIONS	178

MESSAGE FROM THE MANAGEMENT

After experiencing the worst result in its history last year, the Company registered a small profit for year ended 31 December 2012. Although the global economy remained volatile, a relatively more stable environment was experienced in 2012 in Thailand. The Company also proudly celebrated the 25th anniversary of Laguna Phuket during the year, which included announcements on developing its existing land banks to unlock value and enhance the facilities of the resort.

Revenue in the hotel division was 12 percent higher than the prior year. Laguna Phuket successfully played host to Amway China over four weeks during the second quarter, with over 15,000 delegates attending a leadership conference. This will augur well in attracting large group business in the future. Angsana Laguna Phuket ran its first full year of operations, but, performance was dampened by a soft opening period during the critical first quarter. Banyan Tree Phuket's performance was buoyed by the success of the Amway China event, as well as a resort buy-out to host an Indian wedding. Banyan Tree Bangkok saw a much improved performance due to increased demand, with no major events adversely impacting its operations as has been the case in recent years. While demand appears to be returning with improved occupancy levels, room rate pressures continue to exist due to the strength of the Thai Baht and an increased supply of upscale hotels in both Phuket and Bangkok.

With a more stable political environment during 2012, the Property Sales division saw a return in demand for resort homes with 87 properties sold, as compared to 11 in the prior year. This included 63 properties in our latest development "Laguna Shores," which was launched at the end of the year and is targeted at the sub Baht 10 million segment, currently the most active for resort homes buyers. We expect sales for Laguna Shores to continue strongly in 2013. While sales are recognised only after construction is completed, a healthy pipeline is being established for the future. Revenue recognised from our Property division of Baht 893 million was 54 percent higher than the prior year.

The Company continues unabated with extensive initiatives in the area of Corporate Social Responsibility, which is an essential part of the Corporate DNA of Laguna Resorts & Hotels Public Company Limited. As part of our 25th anniversary celebrations, we launched a new initiative, "Fully Booked" to raise funds for a mobile library for school children in rural areas of Phuket. We continued with our established programmes, which include the Laguna Phuket Associates Savings Co-Operative for our staff; the Developing Sustainable Schools Programme to raise funds for schools in need in Phuket and neighbouring provinces; the award-winning Laguna Phuket Kindergarten; and the Laguna Phuket Community English Language Centre, as well as the many events that Laguna Phuket holds on behalf of its staff and the local community, such as the National Children's Day Celebration, the Sea Turtle Release Ceremony and the Loy Krathong Festival.

Although the political environment in Thailand appears to remain stable as we move into 2013, the management team will still remain cautious given the continuing concerns that surround the world economy and in particular Europe, the main market for our hotels over the lucrative high season. As a result, the emphasis of the Company in 2013 will continue to be focused on generating and preserving cash. It is essential that we maintain the strength of our balance sheet and a comfortable level of cash resources, in order that we are well placed to be able to cope with any downturns that may arise.

MESSAGE FROM THE MANAGEMENT

Finally, there is no substitute for a personal tour of the hotels and the residential projects of Laguna Phuket. We have welcomed a number of shareholders to Phuket in 2012 and we hope to do so again in 2013. If your travel plans bring you in this direction, please let us know and we would be delighted to meet you during your trip.



Ho KwonPing
Chief Executive Officer



Surapon Supratya
Deputy Chairman of the Company

Banyan Tree Bangkok

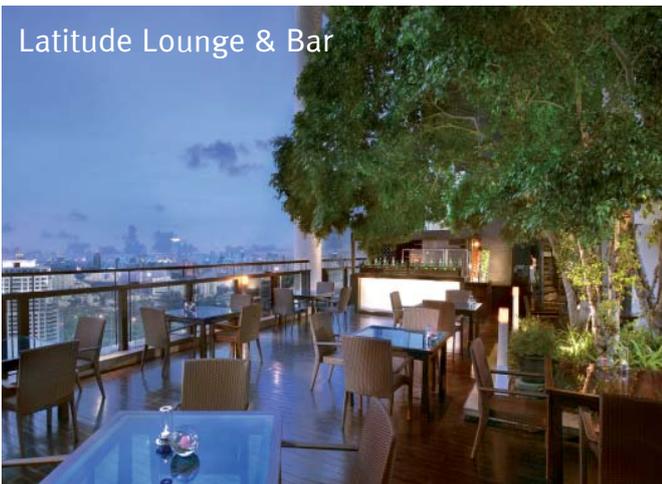
Vertigo



Banyan Ballroom



Latitude Lounge & Bar



Meeting Room



FINANCIAL HIGHLIGHTS AND FINANCIAL RATIOS

Financial Highlights

(Unit : Million Baht)

Information from Consolidated Financial Statements	2012	2011	2010
Total Assets	19,405	19,264	21,897
Total Liabilities	4,730	4,675	4,728
Total Shareholders' Equity	14,674	14,589	17,169
Revenue from Hotel Operations	3,165	2,798	3,097
Revenue from Property Development Operations	893	577	1,063
Total Revenue	4,299	3,598	5,952
Operating Profit	564	401	2,144
Depreciation, Amortisation and Provisions	(290)	(352)	(394)
Finance Cost	(180)	(132)	(132)
Income Tax Expenses	(36)	(102)	(687)
Non - Controlling Interests of the Subsidiaries	(17)	(39)	(50)
Profit (loss) for the year from continuing operations	41	(224)	881
Income after Income Tax Expenses for the year from discontinued operation	-	-	64
Profit (loss) for the year	41	(224)	945

Financial Ratios

Information from Consolidated Financial Statements	2012	2011	2010
Return on Total Revenue (%)	0.96	(6.21)	15.87
Return on Total Equity (%)	0.28	(1.41)	5.64
Return on Total Assets (%)	0.21	(1.09)	4.35
Earnings Per Share (Baht)	0.25	(1.34)	5.67
Dividend Per Share (Baht)	0.125*	-	10.00
Net Asset Value Per Share (Baht)	88.04	87.53	103.00
Weighted Average Number of Ordinary Shares	166,682,701	166,682,701	166,682,701

* At the time of printing this report, a Baht 0.125 per share final dividend had been proposed by the Board of Directors but had not been approved by the Annual General Meeting.

COMPANY PROFILE

Company History

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.

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 opened.
- 1998 Laguna Holiday Club commenced operations.
- 2002 The Company acquired a large parcel of land adjacent to Laguna Phuket for future development opportunities.
- 2005 The Company 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.
- 2008 The Company entered into an agreement to acquire additional land adjacent to Laguna Phuket for future development.
- 2009 The Company invested in the Banyan Tree Indochina Hospitality Fund which is developing 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 to Angsana Laguna Phuket.
- 2012 Laguna Phuket celebrated its 25th anniversary.

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.





XANA Beach Club



COMPANY PROFILE

Types of Business

The key businesses of the Group are hotel operations, property development operations and office rental. The Company'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.

Hotel Operations

Hotels

The Group has ownership in 4 hotels in Phuket and 1 hotel in Bangkok all of which are top-tier and luxury villa properties. 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.

Hotel	Location	Opening year	Number of rooms	Owned by (% held by LRH)	Operator
Angsana Laguna Phuket	Bangtao, Phuket	2011	409	BGL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited.
Banyan Tree Phuket	Bangtao, Phuket	1995	173	LBTL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited.
Laguna Holiday Club Phuket Resort	Bangtao, Phuket	2006	79	LHC (100%)	Owner-operated
Outrigger Laguna Phuket Resort & Villas	Bangtao, Phuket	2009	67	LVL (100%)	Outrigger Hotels (Thailand) Limited.
Banyan Tree Bangkok	Sathorn, Bangkok	2002 (purchased in 2005)	325	TWPL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited.

Hotel – Related Operations

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, except Laguna Phuket Golf Club which is managed by Banyan Tree Hotels & Resorts Pte. Ltd.

Hotel – related operations	Opening year	Owned by (% held by LRH)	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, par-71 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.
Canal Village Laguna Shopping	1994	LRH	A boutique shopping centre with more than 50 leased outlets, 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 14 outlets worldwide operated under these companies, 6 of which are located within Laguna Phuket.
Laguna Wedding Chapel	2005	LRH	Thailand's first resort wedding chapel offering comprehensive wedding packages and well positioned to capture the lucrative wedding market.
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.

COMPANY PROFILE

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	30 - 35
		Townhome	19 - 25
		Apartments, Condominiums	12 - 30
Banyan Tree Phuket	Phuket	Double Pool Villa	56 - 90
		Two-Bedroom Pool Villa	45 - 46
Dusit Thani Pool Villas	Phuket	Two-Bedroom Pool Villa	24 - 25
Banyan Tree Bangkok	Bangkok	Two-Bedroom Apartments	22 - 30

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.

Holiday Club Business

Laguna Holiday Club commenced operations in 1998 selling memberships that entitle participants to annual vacations at the participating member resorts of Laguna Holiday Club Phuket Resort, Best Western Allamanda Laguna Phuket, Angsana Laguna Phuket, Angsana Private Pool Residences, Angsana Resort & Spa Bintan, Chiang Mai Twin Peaks, Boathouse Hua Hin and View Talay Pattaya. Members also have access to over 4,000 resorts in more than 100 countries through reciprocal arrangements with RCI and Interval International. Laguna Holiday Club currently has 2 sales offices/branches located in Laguna Phuket and Bangkok.

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.

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 124 luxurious villas, restaurants, bar, spa complex, gallery shop, gym, treks and tours.

The Group also has an investment in the Banyan Tree Indochina Hospitality Fund which is developing an integrated resort in Laguna Langco in Vietnam.

Otherwise, LRH invests overseas through Tropical Resorts Limited (TRL) and Bibace Investments Ltd (BI) which invest in luxury resorts largely throughout the Pacific Rim area.

Developments in 2012

Laguna Phuket celebrated its 25th anniversary in August.

In the hotels segment, the Laguna Phuket hotels hosted Amway China for its annual incentive conference which comprised more than 15,000 delegates over 4 weeks during the second quarter in April-May.

In the property segment, there was stronger interest with a total of 87 properties being sold for a sales value of Baht 1,199 million. The company also launched a new project called "Laguna Shores" at the end of the year with holiday apartments priced between THB 4-9 million.

Future Plans

The Company is still confident that in the medium to long term that there continues to be opportunity to improve profitability and expand the existing facilities, particularly in light of the ongoing high demand for Phuket and Bangkok in terms of both hotel and residential accommodation.

The Company will also seek to continue to diversify its investment portfolio away from Phuket by identifying investment opportunities within the Southeast Asia region.

Hotels

It is also the Company's policy to have the hotels maintain their reputation as being luxury hotels with timely and periodic renovations and refurbishments of the hotel rooms.

COMPANY PROFILE

Property Sales

Due to the scarcity and high price of prime land in Phuket, most developments now taking place are medium to high density. The Company is seeking to unlock the value in the land banks by developing new projects which cater to both primary and vacation home buyers. A recent example is "Laguna Shores" holiday apartments launched at the end of 2012. Alternatively, it may simply sell off certain land if an acceptable price is achieved.

Laguna Holiday Club

These operations have been scaled back and any expansion plans have been put on hold until the economic environment improves.

Awards

During 2012, the hotels, Banyan Tree Spas and Angsana Spa were recognised for their achievements by receiving the following awards :

Laguna Resorts & Hotels Public Company Limited was voted :

- Best Villa Development Thailand for Banyan Tree Residences
Thailand Property Awards 2012
- Best Villa Development (Phuket) for Banyan Tree Residences
Thailand Property Awards 2012
- Best Condo Development (Phuket) - Highly Commended for the Lofts at Laguna Village
Thailand Property Awards 2012
- Best Villa Development Thailand for Banyan Tree Residences
South East Asia Property Awards 2012
- Best Villa Development South East Asia for Banyan Tree Residences
South East Asia Property Awards 2012

Banyan Tree Phuket was voted :

- Tourism for Tomorrow Awards
Global Tourism for Tomorrow Awards 2012
- Best Outbound Resort
The 2012 Gold List Award of China Tourism
- 500 Best Hotels in the World
Travel and Leisure 2012
- Most Popular Hotel for Chinese Family Outbound Travel
Global Times
- Best Hotel in Phuket
Destin Asian Readers' Choice Awards 2012

Banyan Tree Spa was voted :

- Best of Spa Operator of China (4th consecutive year)
China Hotel Starlight Award 2011
- LOHAS Brand category
LOHAS Awards 2011
- Best Spa Brand (6th consecutive year)
Hurun Best of the Best Awards 2012
- Best Spa Academy of the Year (3rd consecutive year)
Spa China Awards 2012
- Best Spa Operator (8th consecutive year)
TTG Travel Awards 2012
- Best Spa Brand Recommended by Editors
Chinese Beauty and Life Magazine 2012
- Best Luxury Spa Group - Thailand
Global Winner 2012 World Luxury Spa Awards

COMPANY PROFILE

Banyan Tree Spa Academy was voted :

- Best in Spa Training of the year
Asia Spa Awards 2012
- 2012 PATA Gold Award – Education and Training
Pacific Asia Travel Association
- Best Spa Academy of the Year (3rd consecutive year)
Spa China Awards 2012

Banyan Tree Spa Phuket was voted :

- Top 20 Spas in Overseas Hotels – Ranked 4th
Condé Nast Traveller UK – The Reader's Spa Awards 2012
- Best Spa in the World
UK Daily Telegraph ULTRAS Awards
- Top 10 International Spas – Ranked 2nd
Celebrated Living Readers' Choice Platinum List 2012

Angsana Laguna Phuket was voted :

- Hot 25 Conference Hotel
Smart Travel Asia Best in Travel 2012
- Excellent Performance – Most Satisfied Customer in category "Hotel General Impressions"
TUI Nordic Bronze Award
- Certificate of Excellence 2012
Trip Advisor

Laguna Holiday Club Resort was voted :

- Certificate of Excellence 2012
Trip Advisor

Banyan Tree Bangkok was voted :

- 500 Best Hotels in the World
Travel and Leisure 2012
- Asia's Leading City Spa Hotel
World Travel Award 2012
- Best Hotel City Spa in Asia Pacific
Destin Asian Readers' Choice Awards 2012
- World's Leading City Spa Hotel
World Travel Award 2012
- Thailand's Leading Lifestyle Hotel
World Travel Award 2012
- Top 10 Hotels for Value Overall
Travel and Leisure's World Best Awards survey

- Top 10 Hotels for Value Overall in Asia (Ranked 7th)
Travel and Leisure's World Best Awards survey
- Health Promotion Hotel
Smoke Free Hotel Program 2011-2014
- Good Nursery Certification
Ministry of Social Development and Human Security
- Top 15 Hotels in Thailand
Condé Nast Travelers' 2012 Reader's Choice Awards
- Vertigo and Moon Bar - Thailand's Best Restaurant 2012
Thailand Tatler

Banyan Tree Spa Bangkok was voted :

- Top 10 International Spas - Ranked 1st
Celebrated Living Readers' Choice Platinum List 2012
- People's Choice Awards : Amazing Hotel Spa
Thailand Spa and Well-Being Awards 2012

Angsana Spa Laguna Phuket was voted :

- Industry Awards : Innovative Spa Menu
Thailand Spa & Well-Being Awards 2012

INCOME STRUCTURE AND FINANCIAL ANALYSIS

Income Structure

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

(Unit : Thousand Baht)

	2012	%	2011	%	2010	%
Revenue from Hotels	3,164,823	73.6	2,798,296	77.8	3,097,224	52.0
Revenue from Property Development	892,572	20.8	576,750	16.0	1,063,073	17.9
Revenue from Office Rental	92,397	2.1	85,527	2.4	45,460	0.8
Other Income	149,487	3.5	137,448	3.8	1,746,316	29.3
Total Revenue	4,299,279	100.0	3,598,021	100.0	5,952,073	100.0

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 2012 (note 39 and 33 for the year ended 31 December 2011 and 2010 respectively) discloses the operating results by business segment in accordance with accounting standards and principles.

Hotel Operations – Overall	2012	2011	2010
Occupancy (%)			
Laguna Beach Resort	–	79	67
Angsana Laguna Phuket*	61	64	60
Banyan Tree Phuket	69	57	61
Banyan Tree Bangkok	74	58	41
Average - LRH Hotels	68	62	56
Average Room Rate (Baht)			
Laguna Beach Resort	–	4,767	3,825
Angsana Laguna Phuket*	3,752	4,635	4,441
Banyan Tree Phuket	15,745	15,226	15,108
Banyan Tree Bangkok	3,672	3,711	3,919
Average - LRH Hotels	6,272	6,480	5,967
Total Revenue (Thousand Baht)			
Laguna Beach Resort	–	174,340	358,221
Angsana Laguna Phuket*	673,296	488,780	744,915
Banyan Tree Phuket	993,541	790,124	839,469
Banyan Tree Bangkok	804,982	644,502	552,459
Total Revenue of LRH Hotels	2,471,819	2,097,746	2,495,064
Gallery operations	239,781	288,887	234,496
Other hotel-related operations	453,223	411,663	367,664
Total Revenue of Hotel Operations	3,164,823	2,798,296	3,097,224

* Angsana Laguna Phuket is formerly known as Sheraton Grande Laguna Phuket.

Hotel Operations – Overall

Revenue was 13 percent above prior year mainly due to the higher revenue of Angsana Laguna Phuket (closed six months for major renovation in 2011), Banyan Tree Phuket and Banyan Tree Bangkok partially offset by no revenue from Laguna Beach Resort (sold in May 2011).

Laguna Beach Resort

There was no revenue contribution in 2012 due to the sale of the hotel in May 2011. The revenue of 2011 represented four months of operations until it was sold, as compared to a full year of operations for 2010.

Angsana Laguna Phuket

Revenue was 38 percent above prior year due to the closure of the property for six months for a major renovation in 2011. However, the 2012 performance was impacted by the soft opening in the first quarter.

Banyan Tree Phuket

Revenue was 26 percent above prior year mainly due to improved occupancy in particular from some significant group businesses during 2012 which included the Amway China event in April / May.

Banyan Tree Bangkok

Revenue was 25 percent above prior year mainly due to improved occupancy as the later part of 2011 was adversely impacted by major floods engulfed Bangkok and the surrounding areas.

(Unit : Thousand Baht)

Property Development Operations	2012	%	2011	%	2010	%
Property Sales business	742,863	83.2	379,734	65.8	815,433	76.7
Holiday Club business	149,709	16.8	197,016	34.2	247,640	23.3
Total Revenue - Property Development Operations	892,572	100.0	576,750	100.0	1,063,073	100.0

Property Sales Business

Property sales revenue was above prior year as a result of increased sales recognised due to stronger demand from investors. In 2010, property sales revenue was restated on a completion basis (percentage of completion basis had been used in prior years) due to the implementation of the revised Thai accounting standard for revenue recognition.

Holiday Club Business

Holiday club revenue was below prior years due to the change in revenue recognition policy with effect from 1 January 2012 whereby memberships are recognized when a 50 percent down payment has been received (previously 25 percent down payment).

INCOME STRUCTURE AND FINANCIAL ANALYSIS

(Unit : Thousand Baht)

Other Income	2012	2011	2010
Interest Income	34,019	42,889	54,779
Insurance Claim	-	-	56,335
Gain on Sale of Investment	-	45,207	-
Gain on the Sale of Dusit Thani Laguna Phuket	-	-	1,601,371
Gain on revaluation of investment property	81,204	23,804	-
Others	34,264	25,548	33,831
Total Other Income	149,487	137,448	1,746,316

Other income in 2012 mainly comprised a revaluation increase of investment property and interest income.

Other income in 2011 mainly comprised the gain on sale of investment in Laguna Beach Club Limited and interest income.

Other income in 2010 mainly comprised the gain on sale of Dusit Thani Laguna Phuket and the final settlement of the tsunami insurance claim for business interruption of Laguna Phuket hotels.

Explanation and Analysis By Management

For the year ended 31 December 2012, Laguna Resorts & Hotels Public Company Limited recorded a net profit of Baht 41 million as compared to a Baht 224 million loss in the prior year.

Total revenue for the year was Baht 4,299 million, an increase of Baht 701 million as compared to the prior year mainly due to the following:

- Revenue from hotel operations increased by Baht 366 million mainly due to higher revenue of Angsana Laguna Phuket (which was closed for renovation during the second half of last year), Banyan Tree Phuket and Banyan Tree Bangkok.
- Revenue from property development operations increased by Baht 316 million mainly due to the higher recognized sales value of properties sold offset by lower revenue from the sale of holiday club memberships.
- Revenue from office rental operations increased by Baht 7 million mainly due to an increase in tenant occupancy.
- Other income increased by Baht 12 million mainly due to the gain on revaluation of investment property offset by lower interest income of property sales.

Total expenses for the year were Baht 4,020 million, an increase of Baht 297 million as compared to the prior year mainly due to the following:

- Cost of hotel operations increased by Baht 52 million mainly due to increase in revenue of hotel operations.
- Cost of property development operations increased by Baht 202 million mainly due to the increase in property sales recognized during the year.
- Cost of office rental operations increased by Baht 7 million mainly due to an increase in common area costs for renovation of public areas.
- Selling expenses increased by Baht 58 million mainly due to higher sales and marketing expenses of property development operations.
- Administrative expenses decreased by Baht 22 million mainly due to a decrease in management staff costs.

Share of loss from investment in associate amounting to Baht 5 million in 2012 compared to the share of profit amounting to Baht 174 million in 2011 was due to a one-off gain arising from sale of land of Lijiang Banyan Tree Hotel Co., Ltd. in the prior year.

Finance cost increased by Baht 48 million as compared to the last year mainly due to higher loan balances and higher interest rates.

Income tax expenses decreased by Baht 66 million as compared to the last year mainly due to higher income tax from the sale of investments in 2 subsidiaries in the prior year.

Profit attributable to non-controlling interests in subsidiaries decreased by Baht 22 million as compared to the last year mainly due to the sale of shares in 2 subsidiaries in which there was a 50 percent non-controlling interest.

For the reasons stated above, the Company has shown an increase in net profit as compared to a loss in the prior year.





Laguna Shores



ECONOMIC TRENDS

Sales and Marketing

Hotels

All of the Company's hotels and business units are required to provide a Sales and Marketing Plan as part of their budget presentation. These all include a summary of their plans to provide the budgeted levels of income. For the hotels, the plans include statistics showing month-by-month comparisons to prior year and a market segmentation analysis.

The 2013 budgets have been prepared on the basis of stable global economic and local political environment. The target markets, source of reservations and geographical segmentations are set out in the table below:

	Laguna Phuket hotels	Banyan Tree Bangkok
Targeted Markets / Type of Customers	The European leisure markets account for more than 80 percent of total guests during high season while regional leisure markets along with the corporate meeting groups account for the majority of guests during low season.	The leisure markets account for approximately 80 percent of total guests, while business travelers and corporate meeting groups represent the remainder.
Source of Reservations	More than 50 percent are from travel agencies.	More than 60 percent are from direct bookings.
Geographical Segmentation	<p>Asia 46 percent, mainly from People's Republic of China, Hong Kong, Korea, India and Singapore</p> <p>Europe 40 percent, mainly from Russia, United Kingdom, Germany and Switzerland</p> <p>Oceania 5 percent</p>	<p>Asia 57 percent, mainly from Taiwan, Japan, Hong Kong, Singapore, Thailand and People's Republic of China</p> <p>Europe 24 percent, mainly from United Kingdom, Germany and Spain</p> <p>Oceania 9 percent</p>

The increase in supply of upscale hotels in recent years has increased competition and combined with the strength of the Baht has resulted in downward pressure on room rates. The Company believes there is room for continued upward movement of room rates and occupancy levels as demand for Phuket remains strong as a result of:

- Popularity with the existing European markets during high season, particularly Russia.
- An increase in direct flights within the regional markets which significantly assists the demand during low season.
- An increase in the emerging outbound markets from the People's Republic of China and India.
- A return of MICE and corporate business levels with improved local political stability and less global economic volatility

Property Sales

The property sales business has been subdued in recent years, after the onset of the global economic downturn and domestic political uncertainty. However, there has been stronger interest in 2012 and the Company 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 Laguna Shores holiday apartments and developing competitively priced products for both primary and secondary home buyer segments.
- Introducing innovative promotions and incentives such as long-term payment plans.
- Continuing to improve our excellent after sales service offerings.

The Company will stay very close to market forces to ensure that the Company continues its leadership position.

Market Situation & Competition

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 2015. This will include new terminals and an upgraded runway and taxiways. It will raise the airport's capacity to 12.5 million passengers per year.
- Road network improvements include the recently completed upgrade of the Sarasin bridge and the commencement of an underpass near Central Festival which is expected to take two years to complete.
- The five existing marinas have over 1,000 berths.
- 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 are able to accommodate about 1,600 golfers daily.
- 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.



The Lofts at Laguna Village

Competition

Laguna Phuket Hotels

The competitive set of Laguna Phuket are upper-tier hotels and luxury villas. There continues to be development activity, however a number of projects have been put on hold after the onset of global economic downturn. The major competitors include the following.

Top Tier Properties - Phuket	Luxury Villa Properties - Phuket	Top Tier Properties - Bangkok
<ul style="list-style-type: none"> • Le Meridien Phuket Beach Resort • JW Marriott Resort & Spa • Hilton Phuket Arcadia Resort & Spa • The Movenpick Resort & Spa • Sala Phuket Resort and Spa • Evason Phuket & Bon Island • Anantara Phuket Villas • Renaissance Phuket Resort & Spa • The Westin Siray Bay Resort & Spa • Centara Grand Beach Resort Phuket • Pullman Phuket Arcadia (2013) 	<ul style="list-style-type: none"> • The Amanpuri • Trisara • Point Yamu by Como (2013) • The Naka (2013) 	<ul style="list-style-type: none"> • The Sukhothai Bangkok • Conrad Bangkok • Crowne Plaza • Le Meridien Bangkok • Dusit Thani 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

In the property sector, the majority of potential secondary home buyers remain foreigners and require confidence in the ability of developers to deliver a quality product. The main competitors remain very much the same as the prior year with few quality developments entering the market. Otherwise the vast majority of developments are either:

- Smaller and very high end; or
- Lower end developments that do not compete with Laguna Property.

ECONOMIC TRENDS

Pricing Strategy

The hotels in Phuket and Bangkok are in a competitive environment and the Company will need to maintain vigilance as it goes forward to ensure maximum average room rates.

In the property sector, competitive pricing will be required to sell the existing completed inventory. In addition, the Company will look to developing more affordable products such as the Laguna Shores holiday apartments and competitively priced products for both primary and secondary home buyer segments.

Three Year Outlook

The continued investment into luxury hotels and resorts in Phuket and Bangkok signifies the development into a world-class resort destination. Several major international operators are now present or set to debut over the coming years, and the necessary infrastructure is being developed to support these hotels.

In the short-term, adverse global economic conditions and domestic political instability 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.



CORPORATE SOCIAL
RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY



Corporate Social Responsibility (CSR) is a major undertaking at Laguna Phuket. We aim to help disadvantaged populations, endangered animals and generally give back to the local community in a variety of ways.

Developing Sustainable Communities

Laguna Phuket is a community nestled within a community – a network of hotels, properties, restaurants, services and leisure facilities that provides a wealth of jobs and a complete lifestyle for local, regional and international audiences.

In delivering this service, a focus on triple bottom line performance touches all stakeholders in our quest to deliver environmental and social benefits alongside increasing economic performance.

Our integration with local society creates memorable, vibrant experiences for guests and staff whilst synchronously developing relationships, security and a model for sustainable tourism.

Background of Laguna Phuket CSR

Since its establishment in 1984 that began with the rehabilitation of Bangtao Bay, once a tin mine and declared by the United Nations Development Program as: "too environmentally damaged to have any development potential," Laguna Phuket has continued to safeguard its natural environment, cultural heritage, and promote communal prosperity.

While Laguna Phuket has continuously supported associates with fair employment and well-rounded benefits, it has also maintained a commitment to communities through community relations efforts and cultural events. Charitable projects within local communities have been implemented since 1992.

In 2007, the CSR programme was initiated and focuses on social, environmental, and sustainable business development. CSR initiatives are implemented under the following objectives:

Social & Educational Development

Social & Educational Development initiatives aim to build the capacities of local communities and associates through socially beneficial projects, adequate educational support, and access to quality educational services. Youths and community members benefit from a nurturing environment and healthy development. Associates reduce financial burdens, continue to advance professionally, and have a high satisfaction for familial welfare. The following activities were achieved in 2012:

- Awarded education scholarships to 41 underprivileged students in Phuket, ranging from primary school through university level, by Laguna Phuket Foundation for Education.
- Continued to offer free continuing English lessons to 188 children and adults at Laguna Phuket Community English Language Center.
- Held 2nd Laguna Phuket Kids Summer Camp with 41 children of associates between grades 4-7.
- Together with Phuket Lifeguard Club, taught water safety and basic survival skills to 759 students between ages 12 and 15.
- Fundraised approximately Baht 2,028,000 for Laguna Phuket's "Fully Booked!" Mobile Learning Center. The project will be implemented in academic year 2013.
- Organized 4 blood drives and collected approximately 283 units of blood for Wachira Hospital Phuket blood bank.

Environmental Conservation

Environmental Conservation efforts emphasize raising awareness on climate change and human impact on local natural resources. In partnering with local conservation efforts, Laguna Phuket supports various initiatives that ensure sustainable rehabilitation of marine and shoreline resources around Phuket. The following activities were achieved in 2012:

- Planted 2,000 mangrove saplings at Baan Tub-pla in Phang Nga Province.
- Fundraised Baht 183,650 via release of 60 turtles to support ongoing sea turtle conservation efforts by Phuket Marine Biological Center and 3rd Area Naval Command, Royal Thai Navy.
- Renovated roof structure for disabled turtle shelter at Phuket Marine Biological Center. Project co-funded by Laguna Phuket Foundation and Banyan Tree Global Foundation.





Religious and Cultural Preservation

Religious and Cultural Preservation initiatives help to promote and preserve ancient traditions of various origins in local communities. In doing so, Laguna Phuket contributes to uplifting the spiritual well-being of associates, their families, and local community members, to ensure a balance between the influx of western influences brought by tourism and preservation of the local way of life. The following activities were achieved in 2012:

- Organized Buddhist Lent Day parade to Bang Tao Temple; donated lent candle and Baht 42,984 by Laguna Phuket, associates, and community members.
- Donated rice, dry food items, and t-shirts to 3 shrines in Cherngtalay Sub-District, and set up an offering station during the Cherngtalay street procession of the Annual Vegetarian Festival.
- Co-hosted 11th Loy Krathong Festival with Cherngtalay Municipality for community members and guests.
- Supported Bangtao Night Fishing Game, a local fundraising effort for Muslim Education Center, by supporting venue set up, and hosting breakfast and donating t-shirts for competitors.

Associate Benefits and Relations

Associate Benefits and Relations initiatives strive to provide associates with a quality professional and personal life. As a community, Laguna Phuket values the well-being of associates and their families, and believes that holistic concern fosters lasting satisfaction, trust, and positive attitude among associates. The following activities were achieved in 2012:

- Provided free education to 177 students of associates and community members by Laguna Phuket Kindergarten and provided regular computer lessons to students for the first time.
- Provided secure, reliable, profitable, and fair financial services to over 600 members by Laguna Phuket Associates Saving Co-Operative.
- Organized Buddhist and Muslim Blessing Ceremonies for management and associates in celebration of Laguna Phuket 25th Anniversary.

National Children's Day Celebration

A National Children's Day celebration was hosted by Laguna Phuket on 14 January with a series of dance, magic, acrobatic and other performances simultaneously performed on three stages. This annual celebration aims to strengthen relationships with local communities and encourages positive family interaction.



Phuket International Blues Rock Festival

Laguna Phuket hosted the 7th Phuket International Blues Rock Festival on 24-25 February. The festival featured a collection of local bands and international acts, and was headlined by the Grammy Award-winning blues musician and actor Chris Thomas King.



18th Laguna Sea Turtle Release Ceremony

Laguna Phuket raised Baht 183,650 through donations for the release of 60 one-year old green sea turtles nurtured by the Phuket Marine Biological Centre. The release ceremony at Angsana Laguna Phuket beachfront on 8 March, was attended by 500 hotel guests and local residents. Two juvenile sea turtles equipped with satellite tracking devices were among those released. This initiative is part of the resort's on-going support for the Phuket Marine Biological Centre and the 3rd Area Naval Command, Royal Thai Navy.



EVENTS IN 2012



Greening Communities

On 17 May, almost 70 associates volunteered to plant 2,000 mangrove saplings at Baan Tub-Pla in Phang Nga. This was the latest planting of the Laguna Phuket Greening Communities Project, which began in 2007. Since then, more than 14,000 mangrove saplings have been planted around Phuket and Phang Nga as part of this on-going regional effort to revive deteriorated forests.



Laguna Phuket International Marathon

The Laguna Phuket International Marathon on 10 June saw a record field of more than 4,000 runners from 50 countries competing over a variety of course distances. Miss Thailand World 2012 Vanessa "Na Chatra" Muangkod, the event's Charity Ambassador, led the Community Walk to launch Laguna Phuket's "Fully Booked!" CSR project aimed at raising Baht 2 million to operate a mobile library and learning centre for rural school children.



Laguna Phuket's Annual Summer Family Festival

The annual Laguna Phuket Summer Family Festival began on 23 June at Canal Village. The festival ran until 25 August with daily activities at Canal Village and around the resort hotels that included new attractions - Zumba classes and entertainment by clowns and acrobats - alongside Festival favourites such as Quest's Kidz Zone adventure activities, the Kidzsole Flying Trapeze, and Art Adventure classes.

Buddhist Lent Day Parade

On 31 July, 120 Laguna Phuket management and associates paraded to Bang Tao Temple in observation of Buddhist Lent Day, the start of the harvest season. An elaborately carved Lent candle and a donation of Baht 42,984 from Laguna Phuket, associates and community members was offered to the temple. This long-established tradition and community relations effort enforces a strong relationship with community members and continues to raise awareness of cultural preservation among new generations.



Banyan Tree Bangkok's Seedlings Scholarship

Mr. Andrew Langston, Area General Manager of Banyan Tree Bangkok, Samui, Laos and Maldives together with Ms. Nopparat Aumpa, Hotel Manager of Banyan Tree Bangkok and Banyan Tree Bangkok's associates recently presented the scholarships under "The Banyan Tree Bangkok's Seedlings Project" in the amount of Baht 169,000 to 12 students from Duang Pateep Foundation and Mahamek Home for Boys and hosted dinner at Romsai Restaurant, Banyan Tree Bangkok.



Banyan Tree Bangkok 15th Anniversary

Banyan Tree Bangkok celebrated their 15th anniversary with a merit making ceremony. The event was led by Mr. Ho KwonPing, Executive Chairman of Banyan Tree Hotels and Resorts, and attended by hotel executives and associates.



EVENTS IN 2012



Laguna Phuket 25th Anniversary

Laguna Phuket celebrated its 25th Anniversary in style on 24 August with a spectacular Gala Dinner at Angsana Laguna Phuket showcasing the resort's history and future development, which was attended by 300 guests including hospitality industry VIPs, local government officials and long-serving Laguna Phuket management and staff. The evening included a show-stopping performance from legendary Thai singer Nantida Kaewbuasai and concluded at XANA Beach Club with a fireworks display.



On 25 August 250 associates joined executive management and general managers in Buddhist and Muslim Blessing Ceremonies at Latitude Marquee to mark the 25th Anniversary. Afterwards, more than 200 parents of Laguna Phuket Kindergarten students witnessed an unveiling of the late Mr. and Mrs. Ho's portrait and the opening of the Kindergarten's new Computer Laboratory.



Vertical Marathon

Banyan Tree Bangkok successfully raised Money for Charity through the 14th Annual Vertical Marathon with a total number of 503 runners. The event was presided over by the President of the Caring Hearts for Aids Foundation, Ms. Saisom Wongsasulak. Proceeds will be donated to the "HIV Formula Feeding Fund" a Thai Red Cross initiative under the patronage of Her Royal Highness Princess Soamsawali.

Property Awards

Laguna Phuket scooped top honours at the Thailand Property Awards 2012, with Banyan Tree Residences winning both Best Villa Development Thailand and Best Villa Development (Phuket), and The Lofts at Laguna Village Highly Commended in Best Condo Development (Phuket). The Awards were presented to Laguna's Deputy Managing Director Mr. Stuart Reading during a Gala Dinner at the Dusit Thani Bangkok on 13 October.



19th Laguna Phuket Triathlon

A field of almost 700 individual pro and age group athletes representing more than 40 nationalities took part in the 19th "Race of Legends" on 25 November with a 1.8 km. swim, followed by 55 km. bike ride and 12 km. run to launch the week-long Laguna Tri-Fest. Swiss Olympian Ruedi Wild became his country's first ever LPT champion while another Olympian, Radka Vodickova of the Czech Republic, took the women's title.



Banyan Tree Residences' Awards

Banyan Tree Residences Phuket was named Best Villa Development Thailand and Best Villa Development South East Asia at the second annual South East Asia Property Awards 2012, demonstrating its stronghold in the South East Asian luxury villa market. The two awards were presented on 21 November to Mr. Eddy See Hock Lye, Banyan Tree Holdings' Senior Vice President and Chief Financial Officer, during the Awards' lavish Gala Dinner at the Shangri-La Hotel, Singapore.



EVENTS IN 2012



Ironman 70.3 Laguna Phuket

International triathlon legend Chris "Macca" McCormack won the third and final Ironman 70.3 Laguna Phuket on 2 December against a strong pro field among a total of 1,004 athletes representing 55 nationalities who contested the 1.9 km. swim, 90.1 km. bike and 20.1 km. run courses: Melissa Hauschildt successfully defended her 2011 women's title. 2013 will see the first Challenge Laguna Phuket Tri-Fest, a week-long celebration of sport incorporating the iconic Laguna Phuket Triathlon and half distance Challenge Laguna Phuket with a host of sporting and social activities in between.



Laguna Shores Launch

On 11 December Laguna Property announced the launch of Laguna Shores, a unique investment opportunity offering stylish serviced one and two-bedroom holiday apartments at affordable prices, set in the heart of Laguna Phuket complete with the resort's renowned lifestyle benefits. Targeted at a new upwardly mobile, travel savvy generation, Laguna Shores aims to combine the best of contemporary Asian interior design with resort ambience in a picturesque setting.



Banyan Tree Bangkok Sponsors A Treat for the Mahamek Orphans

Ms. Nopparat Aumpa, General Manager of Banyan Tree Bangkok and Banyan Tree Bangkok's associates recently visited and hosted dinner for 150 children at the Mahamek Home for Boys. This activity is part of the Banyan Tree's Corporate Social Responsibility program which holds empowerment of local communities and concern for the environment as cornerstones of its philosophy.





Mr. Ho KwonPing⁽¹⁾
Chairman of the Board (Age 60 Years)

Highest Educational Background and Director Certificate Program

- Honorary Doctorate of Business Administration in Hospitality Management, Johnson & Wales University, USA
- Bachelor of Arts (Economics), University of Singapore (Currently known as National University of Singapore)

Percentage of Shareholding in the Company : None

Family Relation between Management :

Mr. Ho KwonPing's elder brother and Mr. Ho Ren Hua's father

Working Experiences for the Past 5 Years

Present :

- Chairman of the Board and Chief Executive Officer, Laguna Resorts & Hotels Public Company Limited
- Chairman of the Board and Chief Executive Officer, Thai Wah Food Products Public Company Limited
- Executive Chairman and Director, Banyan Tree Holdings Limited
- Chairman of the Board / Director, Certain related companies of Banyan Tree Holdings Limited
- Chairman of the Board / Director, Singapore Management University
- Chairman of the Board / Director, Tropical Resorts Limited
- Chairman of the Board / Director, Tropical Resorts Management Co., Ltd.
- Non-Executive Director, Audit Committee Member, Nomination Committee Member and Remuneration Committee Member, Diageo plc
- Director, Li-Ho Holdings (Private) Limited and certain related companies
- Director, Chang Fung Company Limited
- Director, Bibace Investments Ltd.
- Director, Recourse Investments Ltd. and certain related companies
- Director, Freesia Investments Ltd.
- Director, Sin-Hai Offshore Company Limited
- Director, Mae Samat Land Limited
- Director, Maypole Ltd. and certain related companies
- Director, Platinum Enterprise Limited and certain related companies
- Director, Asia Tapioca Products Company Limited

2006-2012 :

- Director, Tay Ninh Tapioca Company Limited

1988-2011 :

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited

Mr. Surapon Supratya^{(1), (2)}

Director (Age 60 Years)

Highest Educational Background and Director Certificate Program

- Master of Accounting, Thammasat University
- Certified Public Accountant of Thailand
- Director Accreditation Program, Thai Institute of Directors Association

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Director and Deputy Chairman of the Company, Laguna Resorts & Hotels Public Company Limited
- Director, Thai Wah Food Products Public Company Limited
- Director, Asia Tapioca Products Company Limited
- Director, Vietnam Tapioca Company Limited
- Director, Tay Ninh Tapioca Company Limited

2008-2012 :

- Director, Tapioca Development Corporation Limited

1996-2012 :

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited



Mr. Vudhiphol Suriyabhivadh

Independent Director (Age 68 Years)

Highest Educational Background and Director Certificate Program

- Bachelor of Commerce (Accountancy), University of New South Wales, Australia
- Bachelor of Law, Sukhothai Thammathirat University
- Director Certification Program and Audit Committee Program, Thai Institute of Directors Association
- Executive Course, IMD Lausanne, Switzerland

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Independent Director and Audit and Risk Committee Chairman, Laguna Resorts & Hotels Public Company Limited
- Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member, Thai Wah Food Products Public Company Limited
- Independent Director and Audit Committee Chairman, Bangkok Ranch Public Company Limited⁽⁴⁾
- Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member, L.P.N. Development Public Company Limited



Dr. Jingjai Hanchanlash

Independent Director (Age 70 Years)

Highest Educational Background and Director Certificate Program

- Doctorate University de Caen (Mention droit), France
- Director Accreditation Program and Audit Committee Program, Thai Institute of Directors Association

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Chairman, Laguna Resorts & Hotels Public Company Limited
- Independent Director and Audit Committee Member, Thai Wah Food Products Public Company Limited
- Honorary Chairman, Greater Mekong Sub-Region Business Forum
- Chairman of the Executive Board, Rutnin Eye Hospital
- Director, SPIE Oil & Gas Services (Thailand) Limited
- Director, Asian Phytoceuticals Public Company Limited
- Director, Société Commercial Lao Company Limited, Lao People's Democratic Republic
- Director and Member of Executive Board, Thai Chamber of Commerce
- Expert Committee, The Education Council
- Expert Member, King Prajadhipok's Institute
- Advisor, Loxley Public Company Limited
- Secretary General, Development Cooperation Foundation



Mr. Udom Vichayabhai

Independent Director (Age 77 Years)

Highest Educational Background and Director Certificate Program

- Bachelor of Business Administration, Boston University, USA
 - Director Certification Program
 - Director Accreditation Program
 - Role of the Chairman Program
 - Finance for Non-Finance Directors
 - Audit Committee Program
 - Role of the Compensation Committee
- Thai Institute of Directors Association

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member, Laguna Resorts & Hotels Public Company Limited
- Independent Director and Nomination and Remuneration Committee Chairman, Thai Wah Food Products Public Company Limited
- Chairman of the Board, Phuket Fantasea Public Company Limited⁽⁴⁾
- Independent Director, Audit Committee Chairman and Nomination Committee Member, Thai Reinsurance Public Company Limited
- Independent Director, Amcor Flexibles Bangkok Public Company Limited⁽⁴⁾

Dr. Satit Rungkasiri

Independent Director (Age 53 Years)

Highest Educational Background and Director Certificate Program

- Honorary Doctorate (Economics), Mae Jo University
- Honorary Doctorate of Arts (Banking and Finance), Siam University
- MA (ECON), Atlanta University, USA
- Director Accreditation Program and Director Certification Program Thai Institute of Directors Association
- AMP 186 (Advance Management Program), Harvard Business School, USA

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Independent Director and Nomination and Remuneration Committee Member, Laguna Resorts & Hotels Public Company Limited
- Independent Director, Audit Committee Chairman and Nomination and Remuneration Committee Member, Thai Wah Food Products Public Company Limited



Mr. Ho KwonCjan^{(1), (5)}

Director (Age 56 Years)

Highest Educational Background and Director Certificate Program

- Bachelor of Architecture (Hons), National University of Singapore

Percentage of Shareholding in the Company : None

Family Relation between Management :

Mr. Ho KwonPing's younger brother and Mr. Ho Ren Hua's uncle

Working Experiences for the Past 5 Years

Present :

- Director, Laguna Resorts & Hotels Public Company Limited
- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited⁽³⁾
- Director, Thai Wah Food Products Public Company Limited
- Director, Certain related companies of Banyan Tree Holdings Limited
- Director, Asia Tapioca Products Company Limited
- Director, Profit Chain Ltd.
- Director, Lanna Land Development Company Limited
- Director, Mae Malai Doi Resorts Company Limited
- Director, Platinum Enterprise Limited and certain related companies
- Director, Li-Ho Holdings (Private) Limited and certain related companies
- Director, Chang Fung Company Limited
- Director, PT Bintan Hotels
- Director, Bibace Investments Ltd.
- Director, Freesia Investments Ltd.

2005-2011 :

- Managing Director (Design Services), Laguna Resorts & Hotels Public Company Limited



Mr. Ariel P. Vera⁽¹⁾

Director (Age 60 Years)

Highest Educational Background and Director Certificate Program

- Master of Business Administration,
National University of Singapore
- Bachelor of Science in Business Administration,
University of the East, Philippines
- Certified Public Accountant of Philippines

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Director,
Laguna Resorts & Hotels Public Company Limited
and certain related companies⁽³⁾
- Chairman of the Board / Director,
Certain related companies of Banyan Tree Holdings Limited
- Group Managing Director / Director,
Banyan Tree Holdings Limited
- Director,
Tropical Resorts Limited and certain related companies



Mr. Eddy See Hock Lye^{(1), (6)}

Director (Age 48 Years)

Highest Educational Background and Director Certificate Program

- Bachelor of Commerce,
University of Auckland, New Zealand
- Associate Chartered Accountant,
New Zealand Society of Accountants

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Director,
Laguna Resorts & Hotels Public Company Limited
and certain related companies⁽³⁾
- Director,
Certain related companies of Banyan Tree Holdings Limited
- Senior Vice President – Finance,
Banyan Tree Holdings Limited



Mr. Ho Ren Hua⁽¹⁾

Director (Age 30 Years)

Highest Educational Background and Director Certificate Program

- Bachelor of Science in Economics (Honors)
concentrating in Finance and Management,
The Wharton School, University of Pennsylvania, USA

Percentage of Shareholding in the Company : None

Family Relation between Management :

Mr. Ho KwonPing's son and Mr. Ho KwonCjan's nephew

Working Experiences for the Past 5 Years

Present :

- Director, Laguna Resorts & Hotels Public Company Limited
- Director, Thai Wah Food Products Public Company Limited
- Executive Director & Country Head, People's Republic of China,
Banyan Tree Holdings Limited
- Chairman of the Board / Director,
Certain related companies of Banyan Tree Holdings Limited
- Director, Bibace Investments Ltd.
- Director, Maypole Ltd. and certain related companies
- Director, Sin-Hai Offshore Company Limited
- Director, United Insulation Services Pte. Limited



Mr. Shankar Chandran^{(1), (7)}

Director (Age 50 Years)

Highest Educational Background and Director Certificate Program

- Postgraduate Diploma in Management Studies
Kingston University, London, UK
- Higher National Diploma Finance
South West London College, UK
- Associate Chartered Accountant, New Zealand

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Director,
Laguna Resorts & Hotels Public Company Limited
and certain related company⁽³⁾
- Director,
Certain related companies of Banyan Tree Holdings Limited
- Managing Director (Spa Operations),
Banyan Tree Holdings Limited
- Managing Director,
Laguna Lang Co Vietnam



Mr. Stuart Reading⁽¹⁾

Director (Age 45 Years)

Highest Educational Background and Director Certificate Program

- Bachelor of Business Degree in Accounting,
University of Western Sydney, Australia
- Associate Chartered Accountant,
Institute of Chartered Accountants in Australia
- Director Certification Program,
Thai Institute of Directors Association

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Director,
Laguna Resorts & Hotels Public Company Limited
and certain related companies⁽³⁾
- Deputy Managing Director,
Laguna Resorts & Hotels Public Company Limited
- Vice President - Finance,
Laguna Resorts & Hotels Public Company Limited

2008-2009 :

- Senior Assistant Vice President - Finance,
Laguna Resorts & Hotels Public Company Limited

2006-2008 :

- Assistant Vice President - Finance,
Laguna Resorts & Hotels Public Company Limited



Remark

- No directors or management of the Company have any record of committing any illegal action.

(1) Authorized directors as shown in the Company Affidavit

(2) Mr. Surapon Supratya, Deputy Chairman of the Company, retired from the employment of the Company on 31 December 2012. Effective 1 January 2013 Mr. Surapon Supratya is no longer considered management of the Company in accordance with the definition of the Securities and Exchange Commission. However Mr. Surapon Supratya was appointed as Deputy Chairman of the Board in accordance with the resolution of the Board of Directors' Meeting on 22 February 2013.

(3) Details as shown in the section of Position of Directors and Management as at 31 December 2012

(4) Not a listed company in the Stock Exchange of Thailand

(5) Mr. Ho KwonCjan resigned from the position of Managing Director (Design Services) of the Company effective 1 January 2012. However he still remains a Director of the Company.

(6) Mr. Eddy See Hock Lye was appointed as a new Director of the Company to replace Mr. Michael Ramon Ayling who resigned from his directorship of the Company. Mr. Eddy See Hock Lye's directorship took effect from the adjournment of the Board of Directors' Meeting on 9 November 2012 in accordance with the resolution of the Board of Directors' Meeting on the same day.

(7) Mr. Shankar Chandran was appointed as a new Director of the Company to replace the vacant director position arising from the resignation of Mr. Bernold Olaf Schroeder since 31 March 2011. Mr. Shankar Chandran's directorship took effect from the adjournment of the Board of Directors' Meeting on 9 November 2012 in accordance with the resolution of the Board of Directors' Meeting on the same day.

Management and Company Secretary of the Company

Name	Position	Profile	
Management			
Mr. Ho KwonPing	Chief Executive Officer	"Profile as shown in the section of Board of Directors as at 31 December 2012"	
Mr. Surapon Supratya ⁽¹⁾	Deputy Chairman of the Company		
Mr. Stuart Reading ⁽²⁾	Deputy Managing Director		
Mr. Mahmud Ziya Birkan ⁽³⁾	Deputy Managing Director		
Mr. Niyom Tassaneetipagorn ⁽⁴⁾	Senior Assistant Vice President – Corporate Affairs and Community Relations		
Mr. Kuan Chie ⁽⁴⁾	Senior Assistant Vice President – Group Asset Management, Development and Special Projects		"Profile as shown in the following pages"
Mr. Niphon Kitsook ⁽⁴⁾	Senior Assistant Vice President – Resort and Property Development		
Ms. Ho Soo Hooi Cindy ⁽⁴⁾	Senior Assistant Vice President – Group Internal Audit		
Company Secretary			
Ms. Nanchalee Kecharananta ⁽⁵⁾	Assistant Vice President – Corporate Affairs		

Remark

- No directors or management of the Company have any record of committing any illegal action
 - Mr. Ho KwonCjan resigned from the position of Managing Director (Design Services) of the Company effective 1 January 2012. However he still remains a Director of the Company.
 - Mr. Michael Ramon Ayling resigned from the position of Managing Director of the Company effective 1 June 2012 but continued to serve as a Director of the Company until the adjournment of the Board of Directors' Meeting held on 9 November 2012.
- (1) Mr. Surapon Supratya, Deputy Chairman of the Company, retired from the employment of the Company on 31 December 2012. Effective 1 January 2013 Mr. Surapon Supratya is no longer considered management of the Company in accordance with the definition of the Securities and Exchange Commission However Mr. Surapon Supratya was appointed as Deputy Chairman of the Board in accordance with the resolution of the Board of Directors' Meeting on 22 February 2013.
- (2) Effective 7 June 2012 Mr. Stuart Reading who was appointed as Deputy Managing Director is considered management of the Company in accordance with the definition of the Securities and Exchange Commission
- (3) Effective 26 April 2012 Mr. Mahmud Ziya Birkan who was appointed as Deputy Managing Director is considered management of the Company in accordance with the definition of the Securities and Exchange Commission.
- (4) Effective 1 March 2012 all Senior Assistant Vice Presidents are considered management of the Company in accordance with the definition of the Securities and Exchange Commission.
- (5) Ms. Nanchalee Kecharananta was appointed as Company Secretary of the Company effective from 1 June 2012 in accordance with the resolution of the Board of Directors' Meeting on 11 May 2012

Mr. Mahmud Ziya Birkan⁽¹⁾
Deputy Managing Director (Age 56 Years)

Highest Educational Background and Director Certificate Program

- Bachelor of Science in Mine Engineering, Istanbul Technical University, Republic of Turkey

Percentage of Shareholding in the Company : None

Family Relation between Management :

No relation

Working Experiences for the Past 5 Years

Present :

- Deputy Managing Director, Laguna Resorts & Hotels Public Company Limited

2010 – 2012 :

- Area Financial Controller – Macau, Banyan Tree Hotels and Resorts

2008 – 2010 :

- Area Financial Controller – Middle East, Dubai, Banyan Tree Hotels and Resorts

Mr. Niyom Tassaneetipagorn⁽²⁾
Senior Assistant Vice President – Corporate Affairs and Community Relations (Age 54 Years)

Highest Educational Background and Director Certificate Program

- Institute Communal d' Enseignement Technique d' Hotellerie, Liege, Belgium
Major: Hotel Management

- Director Accreditation Program and Director Certification Program, Thai Institute of Directors Association

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited⁽³⁾
- Committee, Phuket Community Foundation
- Educational Committee, Cherngtalay Wittayakom School
- Honorary Advisor to The Standing Committee of the Tourism of The Senate, The Senate
- Senior Assistant Vice President – Corporate Affairs and Community Relations, Laguna Resorts & Hotels Public Company Limited

2001–2008 :

- Director, Laguna Resorts & Hotels Public Company Limited

1999–2008 :

- Assistant Vice President – Corporate Affairs and Community Relations, Laguna Resorts & Hotels Public Company Limited

Mr. Kuan Chiet⁽²⁾
Senior Assistant Vice President – Group Asset Management, Development and Special Projects (Age 46 Years)

Highest Educational Background and Director Certificate Program

- Bachelor of Business Administration, National University of Singapore
- Director Certification Program, Thai Institute of Directors Association

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited⁽³⁾
- Director, Thai Wah Food Products Public Company Limited
- Director Tapioca Development Corporation Limited
- Senior Assistant Vice President – Group Asset Management, Development and Special Projects, Laguna Resorts & Hotels Public Company Limited

2008–2011 :

- Senior Assistant Vice President – Group Asset Management, Laguna Resorts & Hotels Public Company Limited

2006–2008 :

- Assistant Vice President – Group Asset Management, Laguna Resorts & Hotels Public Company Limited

2000–2008 :

- Director, Laguna Resorts & Hotels Public Company Limited

Mr. Niphon Kitisook⁽²⁾
Senior Assistant Vice President – Resort and Property Development (Age 48 Years)

Highest Educational Background and Director Certificate Program

- Master of Architecture, San Francisco Institute of Architecture, USA

Percentage of Shareholding in the Company : 0.01 (9,100 shares)

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Senior Assistant Vice President – Resort and Property Development, Laguna Resorts & Hotels Public Company Limited

2007–2008 :

- Assistant Vice President – Project Management, Laguna Resorts & Hotels Public Company Limited

Ms. Ho Soo Hooi Cindy⁽²⁾
Senior Assistant Vice President – Group Internal Audit (Age 48 Years)

Highest Educational Background and Director Certificate Program

- Bachelor of Commerce (Accounting), Australian National University
- Certified Public Accountant of Singapore
- Certified Public Accountant of Australia

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Senior Assistant Vice President – Group Internal Audit, Laguna Resorts & Hotels Public Company Limited
- Senior Assistant Vice President – Group Internal Audit, Banyan Tree Holdings Limited

2008-2010 :

- Assistant Vice President – Group Internal Audit, Laguna Resorts & Hotels Public Company Limited

2006-2010 :

- Assistant Vice President – Group Internal Audit, Banyan Tree Holdings Limited

Ms. Nanchalee Kecharananta⁽⁴⁾
Company Secretary and Assistant Vice President – Corporate Affairs (Age 46 Years)

Highest Educational Background and Director Certificate Program

- Master of Development Administration, Western Michigan University, USA
- Director Accreditation Program,
- Company Secretary Program,
- Effective Minutes Taking Program, Thai Institute of Directors Association

Percentage of Shareholding in the Company : None

Family Relation between Management : No relation

Working Experiences for the Past 5 Years

Present :

- Company Secretary and Assistant Vice President, Corporate Affairs, Laguna Resorts & Hotels Public Company Limited

2008-2012 :

- Senior Vice President, Corporate Secretariat Office, TISCO Financial Group Public Company Limited

2005-2008 :

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited

2000-2008 :

- Senior Corporate Affairs Manager, Laguna Resorts & Hotels Public Company Limited

1998-2008 :

- Director, Laguna Resorts & Hotels Public Company Limited

1998-2008 :

- Company Secretary, Laguna Resorts & Hotels Public Company Limited and Thai Wah Food Products Public Company Limited

Remark

- No directors or management of the Company have any record of committing any illegal action

(1) Effective 26 April 2012 Mr. Mahmud Ziya Birkan who was appointed as Deputy Managing Director is considered management of the Company in accordance with the definition of the Securities and Exchange Commission.

(2) Effective 1 March 2012 all Senior Assistant Vice Presidents are considered management of the Company in accordance with the definition of the Securities and Exchange Commission.

(3) Details as shown in the section of "Information on the Directors of Subsidiaries as at 31 December 2012"

(4) Ms. Nanchalee Kecharananta was appointed as Company Secretary of the Company effective from 1 June 2012 in accordance with the resolution of the Board of Directors' Meeting on 11 May 2012

DETAILS OF POSITIONS OF DIRECTORS AND MANAGEMENT AS AT 31 DECEMBER 2012

Name List	LRH	Subsidiaries													
		AVCI	BGL	BT1	BT2	BT3	BT4	BTD	BTG(S)	BTG(T)	CGL	L3	LBTG	LBTL	
Mr. Ho KwonPing	BoDC, CEO, M	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Surapon Supratya ⁽¹⁾	/, DC, M	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Vudhiphol Suriyabhivadh	ID, ARCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Jingjai Hanchanlash	ID, ARC, NRCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Udom Vichayabhai	ID, ARC, NRC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Satit Rungkasiri	ID, NRC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Ho KwonCjan ⁽²⁾	/	-	/	/	/	/	/	/	-	/	-	/	-	/	/
Mr. Ariel P. Vera	/	-	-	-	-	-	-	-	-	-	/	-	/	-	-
Mr. Eddy See Hock Lye ⁽³⁾	/	PC	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Ho Ren Hua	/	-	-	-	-	-	-	-	-	-	-	-	-	BoDC	-
Mr. Shankar Chandran ⁽⁴⁾	/	-	-	-	-	-	-	-	-	/	-	-	-	-	-
Mr. Stuart Reading ⁽⁵⁾	/, DMD, M	PD	/	/	/	/	/	/	/	/	/	/	/	-	/
Mr. Mahmud Ziya Birkan ⁽⁶⁾	DMD, M	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Niyom Tassaneetipagorn ⁽⁷⁾	M	-	/	/	/	/	/	/	-	/	-	/	-	/	/
Mr. Kuan Chief ⁽⁷⁾	M	-	/	/	/	/	/	/	-	/	-	/	-	/	/
Mr. Niphon Kitsook ⁽⁷⁾	M	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Ho Soo Hooi Cindy ⁽⁷⁾	M	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Remark

BoDC = Board of Directors Chairman

ID = Independent Director

CEO = Chief Executive Officer

DC = Deputy Chairman of the Company

DMD = Deputy Managing Director

PD = President Director

PC = President Commissioner

ARCC = Audit and Risk Committee Chairman

ARC = Audit and Risk Committee Member

NRCC = Nomination and Remuneration Committee Chairman

NRC = Nomination and Remuneration Committee Member

/ = Director

- = None,

M = Management according to the definition of the Securities and Exchange Commission

- Mr. Michael Ramon Ayling resigned from the position of Managing Director of the Company effective 1 June 2012 but continued to serve as a Director of the Company until the adjournment of the Board of Directors' of the Company held on 9 November 2012.

(1) Mr. Surapon Supratya, Deputy Chairman of the Company, retired from the employment of the Company on 31 December 2012. Effective 1 January 2013 Mr. Surapon Supratya is no longer considered management of the Company in accordance with the definition of the Securities and Exchange Commission. However, Mr. Surapon Supratya was appointed as Deputy Chairman of the Board in accordance with the resolution of the Board of Directors' Meeting on 22 February 2013.

(2) Mr. Ho KwonCjan resigned from the position of Managing Director (Design Services) of the Company effective 1 January 2012. However he still remains a Director of the Company.

(3) Mr. Eddy See Hock Lye was appointed as a new Director of the Company to replace Mr. Michael Ramon Ayling who resigned from his directorship of the Company. Mr. Eddy See Hock Lye's directorship took effect from the adjournment of the Board of Directors' Meeting on 9 November 2012 in accordance with the resolution of the Board of Directors' Meeting on the same day.

(4) Mr. Shankar Chandran was appointed as a new Director of the Company to replace the vacant director position arising from the resignation of Mr. Bernold Olaf Schroeder since 31 May 2011. Mr. Shankar Chandran's directorship took effect from the adjournment of the Board of Directors' Meeting on 9 November 2012 in accordance with the resolution of the Board of Directors' Meeting on the same day.

(5) Effective 7 June 2012 Mr. Stuart Reading who was appointed as Deputy Managing Director is considered management of the Company in accordance with the definition of the Securities and Exchange Commission.

(6) Effective 26 April 2012 Mr. Mahmud Ziya Birkan who was appointed as Deputy Managing Director is considered management of the Company in accordance with the definition of the Securities and Exchange Commission.

(7) Effective 1 March 2012 all Senior Assistant Vice Presidents are considered management of the Company in accordance with the definition of the Securities and Exchange Commission.

Subsidiaries																Associated Companies		Related Companies		
LCL	LEL	LGL	LHC	LLL	LSC	LVL	MCP	PKRD	PSD	TLDC	TWDC	TWPL	TWRH	TWT	TWT2	LBTH	TRL	BI	HHBR	USC
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	BoDC	/	-	-
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INFORMATION ON THE DIRECTORS OF SUBSIDIARIES AS AT 31 DECEMBER 2012

Name List		Subsidiaries											
		AVCI	BGL	BT1	BT2	BT3	BT4	BTD	BTG(S)	BTG(T)	CGL	L3	LBTG
Mr. Ho	KwonCjan	-	/	/	/	/	/	/	-	/	-	/	-
Mr. Ariel	P. Vera	-	-	-	-	-	-	-	-	-	/	-	/
Mr. Kuan	Chiet	-	/	/	/	/	/	/	-	/	-	/	-
Mr. Niyom	Tassaneetipagorn	-	/	/	/	/	/	/	-	/	-	/	-
Mr. Stuart	Reading	PD	/	/	/	/	/	/	/	/	/	/	-
Ms. Areewan	Umpompaiboon	/	/	/	/	/	/	/	-	/	/	/	-
Mr. Shankar	Chandran	-	-	-	-	-	-	-	-	/	-	-	-
Ms. Claire	Chiang See Nghoh	-	-	-	-	-	-	-	/	/	-	-	-
Mr. Phitak	Boonpojanasontorn	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Ho	Ren Hua	-	-	-	-	-	-	-	-	-	-	-	BoDC
Mr. Eddy	See Hock Lye	PC	/	/	/	/	/	/	/	/	/	/	/
Mr. Passapong	Nantarak	-	/	/	/	/	/	/	-	-	-	/	-
Mr. Gerardus	J.L.M. Van Paassen	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Amnuay	Navachotechaiyakul	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Ussawin	Mouensoi	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Boon	Yongsakul	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Sriya	Yongsakul	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Kanruethai	Roongruang	-	-	-	-	-	-	-	-	/	-	-	-
Ms. Pihanthana	Charinkan	-	-	-	-	-	-	-	-	/	-	-	-
Mr. Paul	Chong - Kim Seng	-	-	-	-	-	-	-	/	-	-	-	-

Remark

BoDC = Board of Directors Chairman

PC = President Commissioner

PD = President Director

/ = Director

- = None

*Full Company name as shown in the section of ""Abbreviations""

Subsidiaries

LBTL	LCL	LEL	LGL	LHC	LLL	LSC	LVL	MCP	PKRD	PSD	TLDC	TWDC	TWPL	TWRH	TWT	TWT2
/	-	-	/	-	-	/	-	/	/	/	-	/	/	/	/	/
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Dusit Thani Pool Villa





20

389/20

LAGUNA PHUKET MANAGEMENT TEAM AS AT 31 DECEMBER 2012

1. Shankar Chandran, Director,
Laguna Resorts & Hotels Public Company Limited
2. Eddy See Hock Lye, Director,
Laguna Resorts & Hotels Public Company Limited
3. Mahmud Ziya Birkan, Deputy Managing Director,
Laguna Resorts & Hotels Public Company Limited
4. Stuart Reading, Deputy Managing Director and Vice President - Finance,
Laguna Resorts & Hotels Public Company Limited
5. Niyom Tassaneetipagorn, Senior Assistant Vice President - Corporate Affairs and Community Relations,
Laguna Resorts & Hotels Public Company Limited
6. Sriram Kailasam, General Manager,
Banyan Tree Phuket
7. Jerry John, General Manager,
Angsana Laguna Phuket
8. Peter Komposch, General Manager,
Dusit Thani Laguna Phuket
9. Christoph W. Berger, General Manager,
Outrigger Laguna Phuket Beach Resort
10. Christopher Adams, General Manager,
Outrigger Laguna Phuket Resort and Villas
11. Robert De Graaff, General Manager,
Best Western Allamanda Laguna Phuket
12. Gerardus J.L.M. Van Paassen, Assistant Vice President,
Laguna Holiday Club Limited / Banyan Tree Residences & Laguna Property / Laguna Grande Limited
13. Loh Hai Thong, Senior Assistant Vice President - Services,
Laguna Service Company Limited
14. Niphon Kitisook, Senior Assistant Vice President - Resort & Property Development,
Laguna Resorts & Hotels Public Company Limited
15. Passapong Nantarak, Assistant Vice President - Legal,
Laguna Resorts & Hotels Public Company Limited
16. Debra F. Dionysius, Assistant Vice President - Destination Marketing,
Laguna Resorts & Hotels Public Company Limited
17. Nitra Trup-udom, Director of Human Resources,
Laguna Resorts & Hotels Public Company Limited
18. Suthasinee Rukmit, Director of Community Relations,
Laguna Resorts & Hotels Public Company Limited
19. Passaraporn Kaotan, Director of Operations - Canal Village and Estate Services,
Laguna Grande Limited
20. Mark S. Breit, Regional Director of Recreation and Leisure - Phuket, Bintan, Lang Co,
Laguna Excursions Limited
21. Bubpha Prateep Na Talang, Senior Manager - Rental Pool Owner Services,
Laguna Grande Limited







Angsana Laguna Phuket



CORPORATE AND MANAGEMENT STRUCTURE

General Information

Head Office

Laguna Resorts & Hotels Public Company Limited
Thai Wah Tower I, 6th and 22nd floor
21/11, 21/12B, 21/13, 21/65 and 21/66
South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand
Telephone 66 (0) 2677 4455 Facsimile 66 (0) 2285 0733

Branches

Branch 1

390 Srisoontorn Road, Cherngtalay, Thalang, Phuket 83110, Thailand

Branch 2

390/1 Moo 1, Srisoontorn Road, Cherngtalay, Thalang, Phuket 83110, Thailand

Branch 3

390/62 Moo 1, Srisoontorn Road, Cherngtalay, Thalang, Phuket 83110, Thailand

Branch 4

57 Moo 4, Srisoontorn Road, Cherngtalay, Thalang, Phuket 83110, Thailand

Homepages

www.lagunaresorts.com (Corporate Website) and www.lagunaphuket.com (Marketing Website)

Corporate Registration number

0107535000371 (Former: Bor Mor Jor 70)

Type of Major Businesses

Hotel Business and Property Development

Registered Capital

Baht 2,116,753,580

Issued and Paid-up Capital

Baht 1,666,827,010

No. and Type of Shares Issued and Par Value

166,682,701 ordinary shares
at the par value of Baht 10 per share

Foreign Limit

Not exceeding 49 percent of total issued and paid-up shares of the Company

Percentage Allowed For Thai Trust Fund Management Company Limited

Not exceeding 20 percent of the total issued and paid-up shares of the Company

The Dividend Policy

is structured into 2 components as follows:

- 1) A fixed component amounting to one-third of the consolidated net profit for the year attributable to the shareholders; and
- 2) A variable component subject to the Board of Directors' discretion on the availability of cash after taking into account major capital expenditure and debt repayment obligations in the following year.

Total Employees

110 employees (Only employees employed by Laguna Resorts & Hotels Public Company Limited as of 31 December 2012)

Companies in which the Company's Shareholding Exceeds 10 percent

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
CGL	Investment holdings	Hong Kong	HKD10,000	HKD1.00	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	Operating a golf club 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

* 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. Full Company name as shown in the section of "Abbreviations"

CORPORATE AND MANAGEMENT STRUCTURE

Companies in which the Company's Shareholding Exceeds 10 percent (continued)

Company (Abbreviations)	Type of Business	Head Office	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-Up Capital (Baht)	Shareholding Proportion (Direct+Indirect*) (%)	Telephone	Facsimile
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
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 and 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	41,400,000	100.00	41,400,000	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	USD50,500,000	USD1.00	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
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
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
USC	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

* 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. Full Company name as shown in the section of "Abbreviations"



Laguna Shores

Major shareholders as at 28 December 2012[#]

No.	Shareholders	No. of Shares Held	Total Shareholdings	%
1.	Banyan Tree Holdings Limited Group of Companies (1) Banyan Tree Holdings Limited (2) Banyan Tree Resorts & Spas (Thailand) Company Limited* (3) Maybank Kim Eng Securities Pte Ltd**	74,632,342 15,737,807 1,052,762	91,422,911	54.8
2.	Thai NVDR Company Limited		26,294,780	15.8
3.	Thai Trust Fund Management Company Limited***		23,469,665	14.1
4.	Universal Starch Public Company Limited		3,480,200	2.1
5.	Goldman Sachs International		3,000,500	1.8
6.	Mr. Suvit Laopholwattana		2,606,400	1.6
7.	East Fourteen Limited – Dimensional EMER MKTS VALUE FD		1,342,400	0.8
8.	Dusit Thani Public Company Limited		1,250,000	0.8
9.	Bansuanmark Company Limited		1,107,500	0.7
10.	The Viriyah Insurance Public Company Limited Other Minority Shareholders		1,103,725 11,604,620	0.6 6.9
	Total		166,682,701	100.0

Remark

= As at the last share register book closing date. Updated shareholder information prior to the 2013 Annual General Meeting can be accessed through www.lagunaresorts.com, the Company's corporate website.

* = A company which is under the control of Banyan Tree Holdings Limited.

** = Holds the Company shares for and on behalf of Banyan Tree Corporate Pte. Ltd. (formerly known as Hotels Support Services Pte. Ltd. which was also formerly known as Banyan Tree Hotels & Resorts Pte. Ltd.), a wholly-owned subsidiary of Banyan Tree Holdings Limited.

*** = Banyan Tree Holdings Limited holds 18,175,265 units in Thai Trust Fund Management Company Limited.

CORPORATE AND MANAGEMENT STRUCTURE

Management

Management Structure as at 31 December 2012

Structure of the Board of Directors and its Sub-Committees

Board of Directors

The Board of Directors of the Company comprises 12 Directors, four of whom are Independent Directors representing one-third of total Board members as follows:

Name	Position
Mr. Ho KwonPing	Chairman
Mr. Surapon Supratya*	Director
Mr. Vudhiphol Suriyabhivadh	Independent Director**
Dr. Jingjai Hanchanlash	Independent Director**
Mr. Udom Vichayabhai	Independent Director**
Dr. Satit Rungkasiri	Independent Director**
Mr. Ho KwonCjan***	Director
Mr. Ariel P. Vera	Director
Mr. Eddy See Hock Lye****	Director
Mr. Ho Ren Hua	Director
Mr. Shankar Chandran*****	Director
Mr. Stuart Reading	Director

- Mr. Michael Ramon Ayling resigned from the position of Managing Director of the Company effective 1 June 2012 but continued to serve as a Director of the Company until the adjournment of the Board of Directors' Meeting held on 9 November 2012.

* Mr. Surapon Supratya, Deputy Chairman of the Company, retired from the employment of the Company on 31 December 2012. Effective 1 January 2013 Mr. Surapon Supratya is no longer considered management of the Company in accordance with the definition of the Securities and Exchange Commission. However, Mr. Surapon Supratya was appointed as Deputy Chairman of the Board in accordance with the resolution of the Board of Directors' Meeting on 22 February 2013.

** The definition of "Independent Director" is disclosed under the section of "Corporate Governance".

*** Mr. Ho KwonCjan resigned from the position of Managing Director (Design Services) of the Company effective 1 January 2012. However, he still remains a director of the Company.

**** Mr. Eddy See Hock Lye was appointed as a new Director of the Company to replace Mr. Michael Ramon Ayling who resigned from his directorship of the Company. Mr. Eddy See Hock Lye's directorship took effect from the adjournment of the Board of Directors' Meeting on 9 November 2012 in accordance with the resolution of the Board of Directors' Meeting on the same day.

***** Mr. Shankar Chandran was appointed as a new Director of the Company to replace the vacant director position arising from the resignation of Mr. Bernold Olaf Schroeder since May 31, 2011. Mr. Shankar Chandran's directorship took effect from the adjournment of the Board of Directors' Meeting on 9 November 2012 in accordance with the resolution of the Board of Directors' Meeting on the same day.

Duties and Responsibilities of the Company's Board of Directors

The Board's primary functions are to set the Company's policy and overall strategy for the Group and to provide effective oversight of the management of the Group's business and affairs. Apart from its statutory duties, the responsibilities of the Board include:

1. Formulating and approving broad policies, strategies and financial objectives of the Group;
2. Reviewing the financial performance and taking responsibility for the financial statements of the Group;
3. Monitoring and approving the Group's key operational initiatives, annual budget, major investment and funding decisions;

4. Ensuring that the adequacy of internal controls and risk management of the Group is regularly reviewed and evaluated;
5. Approving the nominations of Board of Directors and appointments to the various Board committees;
6. Assuming responsibility for corporate governance; and
7. Approving the Charter of the Audit and Risk Committee and Nomination and Remuneration Committee so as to clearly state the scope of its duties and responsibilities.

These functions are either carried out directly by the Board or through Sub-Committees established by the Board, principally the Audit and Risk Committee and Nomination and Remuneration Committee. The delegation of authority by the Board to Sub-Committees enables the Board to achieve operational efficiency by empowering these Sub-Committees to decide on matters within certain limits of authority and yet maintain control over major policies and decisions.

The Term of Office

The term of office of a director of the Board shall be 3 years. A director of the Board who vacates his/her office by rotation may be re-appointed.

Audit and Risk Committee

Name		Position
Mr. Vudhiphol	Suriyabhivadh	Chairman
Dr. Jingjai	Hanchanlash	Member
Mr. Udom	Vichayabhai	Member

The Audit and Risk Committee comprises 3 Independent Directors of the Company as follows:

Mr. Vudhiphol Suriyabhivadh, the Chairman of the Audit and Risk Committee, has adequate expertise and experience to review the creditability of the financial reports. He gains his experience in reviewing the financial reports of some listed companies in the Stock Exchange of Thailand.

Duties and Responsibilities of the Audit and Risk Committee

1. To seek to ensure that the financial reports of the Company are accurate and sufficient;
2. To seek to ensure that the Company has appropriate and effective internal controls and internal audit systems as well as to determine the independence of the internal audit unit, and to approve the appointment, transfer and termination of employment of the chief of the internal audit unit;
3. To consider, select, nominate an independent person to be the external auditor of the Company and propose fees for such person, as well as to attend a non-management meeting with the external auditor at least once a year;
4. To be responsible for the resolution of disagreements between management and the external auditor regarding financial reporting;
5. To seek to ensure that the Company has complied with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws related to the business of the Company;

CORPORATE AND MANAGEMENT STRUCTURE

6. To seek to ensure that the connected transactions or transactions that may lead to conflicts of interests are in compliance with the laws and the Stock Exchange of Thailand's regulations, and are reasonable and for the highest benefit of the Company;
7. To review or discuss, as and when appropriate, policies regarding risk assessment and risk management and the steps management has taken to monitor and control such exposures;
8. To seek to oversee and ensure a continuous process for managing risk and to report on all areas of concern to the Board;
9. To review and assess the adequacy of the Charter of Audit and Risk Committee annually and recommend modification to the Board as needed;
10. To prepare a report of the Audit and Risk Committee to be disclosed in the annual report of the Company, which must be signed by the Chairman of the Audit and Risk Committee; comprising at least the following information:
 - a. an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - b. an opinion on the adequacy of the Company's internal control system,
 - c. an opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws related to the business of the Company,
 - d. an opinion on the suitability of an auditor,
 - e. an opinion on the transactions that may lead to conflicts of interests,
 - f. the number of the Audit and Risk Committee meetings, and the attendance of such meetings by each committee member,
 - g. an opinion or overview comment received by the Audit and Risk committee from its performance of duties in accordance with the charter, and
 - h. other transactions which, according to the Audit and Risk committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board;
11. In performing the duty of the Audit and Risk Committee, if there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results:
 - a. a transaction which causes a conflict of interest;
 - b. any fraud, irregularity, or material defect in an internal control system; or
 - c. an infringement of the law on securities and exchange, the Stock Exchange of Thailand's regulations, or any law related to the business of the Company.

The Audit and Risk Committee shall report such transaction or act to the Board for rectification within the period of time that the Audit and Risk Committee thinks fit. If the Board or management fails to make a rectification within such period of time, any Audit and Risk Committee member may report on such transaction or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand;
12. To investigate and report the preliminary result to the Office of the Securities and Exchange Commission and the external auditor within 30 days upon receipt of the fact from the external auditor in relation to any suspicious circumstance that the director, manager or any person responsible for the operation of the Company commits an offence under the law on Securities and Exchange; and
13. To perform any other acts authorized by the Board of Directors of the Company with the approval of the Audit and Risk Committee.

In order that the duties and responsibilities of the Audit and Risk Committee can be fulfilled, the Audit and Risk Committee shall have the power to investigate related persons and matters within the scope of the authority and duty of the Audit and Risk Committee and, with the approval of the Board of Directors, shall have the power to employ or ask a specialist to provide advice and opinions as deemed appropriate by the Audit and Risk Committee.

The Term of Office

The term of office of a member of the Audit and Risk Committee shall be 2 years. A member of the Audit and Risk Committee who vacates his/her office by rotation may be re-appointed.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises 3 Independent Directors of the Company as follows:

Name		Position
Dr. Jingjai	Hanchanlash	Chairman
Mr. Udom	Vichayabhai	Member
Dr. Satit	Rungkasiri	Member

Duties and Responsibilities of the Nomination and Remuneration Committee

1. To propose guidelines and make broad recommendations for the annual salary increment and bonus policies for the Company;
2. To review and award the bonus, salary increment and incentives of the Company Chairman and his relatives who are employees of the Company;
3. To review and approve the expenses claims of the Company Chairman;
4. To review and if necessary, propose changes to the remuneration of the Company's directors serving on the Board of Directors, Audit and Risk Committee and Nomination and Remuneration Committee;
5. To review and if necessary, propose changes or additions to senior management welfare, benefits, (such as employee stock options and other employee welfare allowances, subsidies and schemes), salary increment and bonus policies. The emoluments of individual employees shall be determined by the management of the Company;
6. To establish criteria for Board membership;
7. To formulate a standard and transparent process for the selection of directors;
8. To propose and/or evaluate directorial candidates and Board committee members for consideration by the Board when there is a vacancy;
9. To assess independent directors to identify if the independence of any is compromised and if new independent directors are required under the Board's policy;
10. To inform the Board of the names of directors and Board committee members who are retiring by rotation and make recommendations to the Board as to whether the Board should support the re-nomination of those retiring directors and committee members;
11. To review the Committee Charter at least once a year and recommend modifications to the Board of Directors as needed; and
12. To report to the Board of Directors on the Committee's activities and findings.

To assist the Nomination and Remuneration Committee in achieving its objectives, the Nomination and Remuneration Committee shall have the discretion to appoint appropriate third party consultants to review existing employee related policies, propose new employee benefit and welfare programs and/or undertake other HR related research and studies.

CORPORATE AND MANAGEMENT STRUCTURE

The Term of Office

The term of office of a member of the Nomination and Remuneration Committee shall be 2 years. A member of the Nomination and Remuneration Committee who vacates his/her office by rotation may be re-appointed.

Structure of Management

Management

Name	Position
Mr. Ho KwonPing	Chief Executive Officer
Mr. Surapon Supratya*	Deputy Chairman of the Company
Mr. Stuart Reading**	Deputy Managing Director
Mr. Mahmud Ziya Birkan***	Deputy Managing Director
Mr. Niyom Tassaneetipagorn****	Senior Assistant Vice President Corporate Affairs and Community Relations
Mr. Kuan Chiet*****	Senior Assistant Vice President Group Asset Management, Development and Special Projects
Mr. Nippon Kitisook*****	Senior Assistant Vice President - Resort and Property Development
Ms. Ho Soo Hooi Cindy*****	Senior Assistant Vice President - Group Internal Audit

Remark

- Mr. Ho KwonCjan resigned from the position of Managing Director (Design Services) of the Company effective 1 January 2012. However, he still remains a Director of the Company.
- Mr. Michael Ramon Ayling resigned from the position of Managing Director of the Company effective 1 June 2012 but continued to serve as a Director of the Company until the adjournment of the Board of Directors' Meeting held on 9 November 2012.
- * Mr. Surapon Supratya, Deputy Chairman of the Company, retired from the employment of the Company on 31 December 2012. Effective 1 January 2013 Mr. Surapon Supratya is no longer considered management of the Company in accordance with the definition of the Securities and Exchange Commission. However, Mr. Surapon Supratya was appointed as Deputy Chairman of the Board in accordance with the resolution of the Board of Directors' Meeting on 22 February 2013.
- ** Effective 7 June 2012 Mr. Stuart Reading who was appointed as Deputy Managing Director is considered management of the Company in accordance with the definition of the Securities and Exchange Commission.
- *** Effective 26 April 2012 Mr. Mahmud Ziya Birkan who was appointed as Deputy Managing Director is considered management of the Company in accordance with the definition of the Securities and Exchange Commission.
- **** Effective 1 March 2012 all Senior Assistant Vice Presidents are considered management of the Company in accordance with the definition of the Securities and Exchange Commission.

Method of Appointment and Removal of Directors as Included in the Company's Articles of Association

Appointment of Directors

- (a) The number of the Board of Directors shall not be less than 5 directors and at least half of the total directors shall reside in Thailand.
- (b) Directors shall be elected in a shareholders' meeting in accordance with following rules and procedures:
- In voting to elect directors, the votes shall be non-cumulative.
 - In voting, the shares of each shareholder shall be counted as one vote for every share.
- (c) If any vacancy occurs in the Board of Directors other than by rotation, the Board of Directors shall elect another person who is qualified and has not been prohibited by Section 68 of the Public Limited Company Act. B.E. 2535 to be a director for the next directors' meeting, except when the period of office for the vacating director is less than 2 months, it is then not necessary to appoint any new director. The appointed person shall stay in office for the remaining period of the vacating director.

The resolution of the Board of Directors for the above paragraph shall not be less than three-fourths of the remaining number of directors.

In the event where there are director positions vacant and the numbers of remaining directors are unable to form a quorum, the remaining directors shall transact on behalf of the Board of Directors only to arrange for a shareholders' meeting to appoint new directors for the vacant positions.

The shareholders' meeting to appoint new directors to fill the vacant positions shall be made within 1 month from the date they became vacant.

Removal of Directors

- (a) At each Annual General Meeting, one-third of the directors shall retire from office, or if their number is not a multiple of 3, then the number nearest to one-third shall retire from office.

Directors due to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has been longest in the office shall retire.

A retiring director shall be eligible for the re-election.

- (b) Apart from retiring by rotation, a director position shall also be vacated upon:-
- Death
 - Resignation
 - Lack of qualification or subject to any prohibition under Articles 68 of the Public Limited Company Act B.E. 2535
 - Removal by a resolution of a shareholders' meeting
 - Removal by a court order
- (c) A director may be removed by a resolution of the shareholders' meeting passed by a vote of not less than three-fourths of the number of the shareholders who attend the meeting and are entitled to vote and the shares which voted shall not be less than half of the total shares of the shareholders who attended the meeting and are entitled to vote thereon.

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of Laguna Resorts & Hotels Public Company Limited comprises three independent directors and has the following objectives:

1. To formulate and align HR policies and programs for senior management to business goals and market practices;
2. To attract and retain the right people for senior management positions in the Company;
3. To ensure that the Company's senior management remuneration and benefit package remain competitive with the industry's benchmark;
4. To advise the Board on matters relating to the composition of the Board and its committees so that the Board is able to adequately discharge its responsibilities and duties; and
5. To resolve and/or advise on any employee's remuneration which have conflict-of-interest issues.

In the pursuit of its objectives, the NRC is empowered to perform the following functions:

1. To propose guidelines and make broad recommendations for the annual salary increment and bonus policies for the Company;
2. To review and award the bonus, salary increment and incentives of the Company Chairman and his relatives who are employees of the Company;
3. To review and approve the expense claims of the Company Chairman;
4. To review and if necessary, propose changes to the remuneration of the Company's directors serving on the Board of Directors, Audit and Risk Committee and Nomination and Remuneration Committee;
5. To review and if necessary, propose changes or additions to senior management welfare, benefits (such as employee stock options and other employee welfare allowances, subsidies and schemes), salary increment and bonus policies. The emolument of individual employees shall be determined by the management of the Company;
6. To establish criteria for Board membership;
7. To formulate a standard and transparent process for the selection of directors;
8. To propose and/or evaluate directorial candidates and Board committee members for consideration by the Board when there is a vacancy;
9. To assess independent directors to identify if the independence of any is compromised and if new independent directors are required under the Board's policy;
10. To inform the Board of the names of directors and Board committee members who are retiring by rotation and make recommendations to the Board as to whether the Board should support the re-nomination of those retiring directors and committee members;
11. To review the Committee charter at least once a year and recommend modifications to the Board of Directors as needed; and
12. To report to the Board of Directors on the Committee's activities and findings.

The NRC met thrice in 2012 to deliberate and decide on the level of annual bonus and salary increment for the Company's employees. Additionally, the NRC considered and made recommendations to the Board regarding the nomination of new directorial candidates for vacant positions on the board, and remuneration for the directors and sub-committee members.



Dr. Jingjai Hanchanlash
Nomination and Remuneration Committee Chairman
11 January 2013

Remuneration Policy

Employees' Remuneration

The Group's remuneration policy is built on a transparent appraisal system and formulated to drive performance of its employees, who are its most important asset. The objective of the Group's remuneration policy is to attract, motivate, reward and retain quality staff. The typical compensation package for employees comprises basic salary, variable performance bonus, allowances, as well as benefits. In determining the composition of the package, the nature of the role performed and market practice are taken into consideration. To ensure that its remuneration package is competitive with the industry's benchmark, the Group periodically reviews its base salary ranges and benefits package with comparative groups in the hospitality sector.

The remuneration for the Group's senior management and senior executives aims to motivate them to achieve the Group's annual and long-term goals to ensure that they are aligned with shareholders' interests. Performance-related elements therefore form a part of senior management and senior executives' total remuneration.

The Group's approach to rewarding employees not only helps to attract, retain and motivate talented employees but also fosters a performance-oriented culture across the organization that will help attain the Group's financial objectives.

Directors' Remuneration

The fees for Independent Directors, Non-Executive Directors and Executive Directors reflect the scope and extent of a director's responsibilities and obligations. They are measured against industry benchmarks and are competitive. Directors' fees are subject to shareholders' approval at the Annual General Meeting. In addition to directors' fees, Independent Directors and Non-Executive Directors also receive compensation in kind in terms of goods and services provided at hotels operated by the Group.

Remuneration paid to directors of the Board and management in 2012 is disclosed in the Company's 2012 annual report and Form 56-1 under the section "Directors' and Managements' Remuneration".

REMUNERATION

Remuneration and Other Benefits of the Directors during the Year 2012

Name	Position	Remuneration/Other Benefits (Baht/Year)		
		The Board	Audit and Risk Committee	Nomination and Remuneration Committee
Mr. Ho KwonPing	Chairman of the Board and Chief Executive Officer	936,000 / -	- / -	- / -
Mr. Surapon Supratya ⁽²⁾	Director and Deputy Chairman of the Company	408,000 / -	- / -	- / -
Mr. Vudhiphol Suriyabhivadh	Independent Director and Chairman of the Audit and Risk Committee	624,000 / 58,000 ⁽¹⁾	312,000 / -	- / -
Dr. Jingjai Hanchanlash	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Chairman	624,000 / 58,000 ⁽¹⁾	160,000 / -	234,000 / -
Mr. Udom Vichayabhai	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member	624,000 / 58,000 ⁽¹⁾	160,000 / -	120,000 / -
Dr. Safit Rungkasiri	Independent Director and Nomination and Remuneration Committee Member	624,000 / 58,000 ⁽¹⁾	- / -	120,000 / -
Mr. Michael Ramon Ayling ⁽³⁾	Director	516,000 / -	- / -	- / -
Mr. Ho KwonCjan ⁽⁴⁾	Director	408,000 / -	- / -	- / -
Mr. Ariel P. Vera	Director	408,000 / -	- / -	- / -
Mr. Eddy See Hock Lye ⁽⁵⁾	Director	- / -	- / -	- / -
Mr. Ho Ren Hua	Director	408,000 / -	- / -	- / -
Mr. Shankar Chandran ⁽⁶⁾	Director	- / -	- / -	- / -
Mr. Stuart Reading	Director and Deputy Managing Director	408,000 / -	- / -	- / -

Remark

(1) Spa and Gallery Voucher

(2) Mr. Surapon Supratya, Deputy Chairman of the Company, retired from the employment of the Company on 31 December 2012. Effective 1 January 2013 Mr. Surapon Supratya is no longer considered management of the Company in accordance with the definition of the Securities and Exchange Commission. However Mr. Surapon Supratya was appointed as Deputy Chairman of the Board in accordance with the resolution of the Board of Directors' Meeting on 22 February 2013.

(3) Mr. Michael Ramon Ayling resigned from the position of Managing Director of the Company effective 1 June 2012 but continued to serve as a Director of the Company until the adjournment of the Board of Directors' Meeting held on 9 November 2012.

(4) Mr. Ho KwonCjan resigned from the position of Managing Director (Design Services) of the Company effective 1 January 2012. However he still remains a Director of the Company.

(5) Mr. Eddy See Hock Lye was appointed as a new Director of the Company to replace Mr. Michael Ramon Ayling who resigned from his directorship of the Company. Mr. Eddy See Hock Lye's directorship took effect from the adjournment of the Board of Directors' Meeting on 9 November 2012 in accordance with the resolution of the Board of Directors' Meeting on the same day.

(6) Mr. Shankar Chandran was appointed as a new Director of the Company to replace the vacant director position arising from the resignation of Mr. Bernold Olaf Schroeder since 31 March 2011. Mr. Shankar Chandran's directorship took effect from the adjournment of the Board of Directors' Meeting on 9 November 2012 in accordance with the resolution of the Board of Directors' Meeting on the same day.

Directors' and Managements' Remuneration

Monetary Remuneration

(a) Directors

Monetary remuneration for the Directors and Sub-Committee Members in 2012 was in the total amount of Baht 7,326,000.

Details as shown in the section "Remuneration and Other Benefits of the Directors during the Year 2012".

(b) Management

Monetary remuneration for 8 management in 2012 was in the total amount of Baht 67,669,866 consisting of salaries, bonus, car allowance, housing allowance, social security payment, provident fund payment, tax paid by the Company, laptop allowance, children education subsidy, medical expenses, etc.

Non-Monetary Remunerations

(a) Directors

Benefits in the form of spa and gallery vouchers for the Independent Directors in 2012 were in the total amount of Baht 232,000.

Details as shown in the section "Remuneration and Other Benefits of the Directors during the Year 2012".

(b) Management

Employee benefits such as personal accident and health insurance and complimentary vouchers, etc., for 8 management in 2012 were in the total amount of Baht 3,188,428.

The Company is committed to maintaining high standards of corporate governance within the Company in order to protect and enhance long-term shareholder value. The Company has adopted and continuously developed a set of good corporate governance practices and policies which are modeled on principles advocated by The Stock Exchange of Thailand ("SET") as per the details set out in the following sections.

1. Rights of Shareholders

The Company recognizes the importance of shareholders' rights. In 2012, the Company's Annual General Meeting was held on 27 April 2012. The Company conducted the meeting and fully complied with all relevant laws and regulations in respect of shareholders' rights in the following manner.

- 1.1 All shareholders have the same basis and rights in the casting of votes at meetings and the receipt of dividends when declared by the Company. These are calculated based on their respective shareholding in the Company.
- 1.2 At every shareholders' meeting, shareholders are given the right to approve important matters such as election of directors (shareholders can elect directors individually), directors' remuneration, appointment of auditors and dividend payment, etc.
- 1.3 The Company has invited the shareholders to propose 2012 Annual General Meeting (AGM) agenda items in advance of the AGM through the channels of the SET and the Company's website (www.lagunaresorts.com). However, none have been proposed by the shareholders.
- 1.4 The Company does not invite the minority shareholders to nominate their own candidates to be appointed as the Company's directors ahead of the meeting. This is because the Company already gives all shareholders an opportunity to nominate their own candidates (who meet the requirements under the Plc Act) and to vote for candidates at the shareholders' meeting.
- 1.5 The Company has assigned Thailand Securities Depository Company Limited, which is the Company's share registrar, to distribute a package containing the notice and agenda of the meeting to the shareholders at least 10 days prior to the meeting. The meeting documents include the facts and rationales and opinions of the Board as well as other information relating to the agenda items such as information on the persons nominated for election as directors, auditors' profiles, the part of the Company's Articles of Association that relates to the shareholders' meeting, map to the venue of the shareholders' meeting convenient for attendance, proxy forms, documents and evidence of entitlement to attend the meeting, etc. This is to enable the shareholders to prepare themselves for the meeting. In addition, the notice of the shareholders' meeting will be advertised in the press and all information contained in the meeting documents will also be posted on the Company's website (www.lagunaresorts.com) at least 1 month prior to the meeting. Moreover, shareholders are always invited to register at least 1 hour before the meeting begins.
- 1.6 Before the start of every shareholders' meeting, the Company Secretary will explain the voting methodology to shareholders. A team of legal counsels from a leading international law firm is invited to verify the registration procedure before the Chairman of the meeting announces to the shareholders, the number of shareholders and proxy holders present at the meeting and the number of shares held by them. The legal counsels also verify the vote counting procedure in respect of each agenda item before the votes are announced as resolution of the shareholders' meeting. Shareholders may verify the detailed results of the vote of each agenda item at the end

of each meeting. The same results and a summary of questions from shareholders will also be included in the minutes of the meeting which are accurately and completely documented in all material aspects and will be sent to all shareholders for their review prior to the following meeting. The minutes of the 2012 Annual General Meeting were posted on the Company's website (www.lagunaresorts.com) within 14 days after the meeting was held.

- 1.7 The Company's policy in conducting shareholders' meetings is not only to meet all legal requirements but to also provide a platform and opportunity for shareholders to communicate their views and ask the directors and the management questions regarding matters affecting the Company. The Chairman allocates sufficient time for the meeting and conducts the meeting in an appropriate and transparent manner. During the meeting, shareholders are allowed to give comments and ask questions before the resolution on each agenda item is summarized. In addition, to facilitate shareholders in protecting their rights, shareholders who have any questions that require the Company's clarification during the meeting may send their questions in advance at "ir@lagunaresorts.com" or fax them to 66 (0) 2285 0733.
- 1.8 Apart from the external auditor who will attend the Annual General Meeting, the Chairman of the Board, the Chairman of the Audit and Risk Committee and the Chairman of the Nomination and Remuneration Committee, and all of the Company's directors will also endeavour as far as reasonably practicable to be present at the shareholders' meeting in order to assist the Board in addressing queries raised by the shareholders. The Company also invites its legal counsels from a leading international law firm to attend the meeting in case a legal question requiring clarification arises during the meeting. Furthermore, the Company provides a professional translator to be present at the meeting to assist shareholders and the Board to communicate more effectively in English and Thai. At the previous 2012 Annual General Meeting, the Chairman of the Board, the Chairman of the Audit and Risk Committee, the Chairman of the Nomination and Remuneration Committee, and other directors were present at the Meeting. Details of their names are stated in the minutes of the 2012 Annual General Meeting.
- 1.9 Any shareholders who arrive at the meeting after the meeting has begun are still entitled to vote on the agenda items that are still under consideration and have not been voted upon.
- 1.10 News and information relating to the Company is disseminated through the Company's website (www.lagunaresorts.com), which includes information such as the resolutions of the Company's Board of Directors on important matters, resolutions of the shareholders' meetings, financial information, information which may affect the Company's share price, Annual Report, etc.
- 1.11 According to the assessment carried out by the Thai Investors Association, which assessed the quality of the 2012 Annual General Meeting, the Company was rated excellent.

2. Equal Treatment of Shareholders

The Company recognizes its duty to ensure equal treatment of shareholders by complying with all relevant laws and regulations as follows:

- 2.1 For shareholders who are unable to attend a meeting in person, the Company provides opportunity for such shareholders to appoint another person as proxy to attend the meeting on their behalf by using proxy form B sent by the Company. Proxy form B is one of the forms prescribed by the

Ministry of Commerce which allow shareholders to make voting directions. Moreover, the Company provides opportunity for shareholders to appoint the Company's independent director as proxy to undertake proxy voting on behalf of shareholders who are unable to attend the meeting. The name of the independent director is provided in the proxy forms, together with the profile of that independent director who has been given proxy to vote on behalf of shareholders who are unable to attend the meeting, all of which are attached as part of the meeting documents.

- 2.2 The Company ensures that directors and management are aware of their duty to report a change in their holding of the Company's securities to the SEC within 3 business days in accordance with the Securities and Exchange Act. The securities holding report is also included in the agenda of the Board meeting for the Board's acknowledgment once every 3 months.
- 2.3 Any director or management who has an interest in, or is related to, any transaction between the Company and an interested or related person will not participate in the decision making process involving such transaction. The Company has disclosed and strictly followed the procedures on such transaction in accordance with the regulations of the SET and notification of the Capital Market Supervisory Board.
- 2.4 The Company has formulated a Code of Business Conduct to provide guidelines for the Board, senior management and employees of all levels to comply with. The Statement includes the prohibition on the improper use of insider information for personal benefit or to benefit others. Additionally, the Board approved the policy on dealing in securities of the Company which prohibits the dealing in the Company's shares while in possession of unpublished confidential and price-sensitive information during the "Embargo Period." Details are further described under the heading "Supervision on the Use of Inside Information" in the Form 56-1 and in the Company's Annual Report. There is no violation of the policy found during 2012.

3. Role of Stakeholders

In its pursuit for sustainable growth and financial returns for its shareholders, the Company strives to become a role model corporate citizen. It respects the rights of all its stakeholders and conducts its operations fairly and strictly in compliance with all laws, rules and regulations.

Shareholders:

The Board of Directors is committed to perform its duties honestly, transparently and diligently in the best interest of all its shareholders, to preserve and enhance long-term shareholder value. All important information which may have an impact on the Company's share price and/or shareholders decisions are fully disclosed in a timely manner.

Employees:

Being in the hospitality industry, the Company believes that its people are its greatest asset. The Company has taken steps to ensure that all labour laws are complied with and all employees are treated fairly without discrimination or favoritism. The Company offers competitive pay packages and welfare benefits such as meal allowance, laundry allowance, complimentary vouchers and health & personal accident insurance to all its employees with continually upgraded programs. Additionally, the Company provides its employees a safe, hygienic and conducive working environment, air-conditioned buses and a

provident fund. Furthermore, the Company not only encourages its employees to attend training related to their line of responsibility to enhance their knowledge and skills but also selects talented employees to attend the Management Development Program annually in order to develop them in accordance with the succession plan. The Company's operations are not involved in human rights violations.

The Company's Board of Directors approved the Whistle Blowing Policy and communicated this throughout the organization. The policy has provided guidance and a confidential procedure to the Company's employees who feel they need to raise an issue concerning a major wrongdoing, irregularity or impropriety within the Company. As far as the Company's Board of Directors is aware, there have been no claims or allegations under such policies up until the present.

Customers:

The Company aims to provide its guests a safe and unforgettable experience at its hotels and resorts. Safety of its guests is one of the Company's top priorities and in this regard a safety committee has been formed at each property with the objective of improving the safety of our guests.

Competitors:

The Company believes that competition is the essence of a free and open market and therefore avoids any actions which may prevent, obstruct or discourage potential competitors from entering the markets in which the Company operates in. The Company takes the view that healthy competition encourages product and service innovations in the market place which would increase market standards and ultimately benefit consumers and society at large. The Company will neither engage in any fraudulent act to violate or obtain competitors' trade secrets nor in any infringement of intellectual property or copyright including anti-corruption and anti-bribery, which has been stipulated in the Code of Corporate Conduct approved by the Company's Board of Directors, for the benefit of the Company's business.

Society & Environment:

The Company aims to be a socially responsible company and has continued to safeguard its natural environment, cultural heritage, and promote communal prosperity by establishing the Corporate Social Responsibility (CSR) Committee named "Laguna Phuket Social Committee" to contribute towards environmental conservation programs and to develop sustainable communities by initiating various CSR programs which focus on social and educational development, environmental conservation, religious and cultural preservation, associate benefits and relations, details as shown under the heading "CSR" in Form 56-1 and in the Company's Annual Report as well as in the Company's website (www.lagunaresorts.com).

Green Leaf Awards received by the individual hotels reflect recognition of Laguna Phuket's commitment to conserve the environment. The Company encourages and supports the staff to use resources efficiently. Day-to-day operations at the resort apply the Three Rs of green management: Reduce, Re-use and Recycle. Each hotel has a staff education program to teach the importance of caring for the environment, and consumption of energy and water is closely monitored through the extensive checklists to be completed by the staff. No raw sewerage is discharged into the sea from the resort complex. After being treated, sewerage and wastewater are directed into a sophisticated recycling system. The resulting water is used to irrigate the gardens, details as shown under the heading of "CSR/Environmental Policy" in the Company's website (www.lagunaresorts.com).

Suppliers:

The Company strives to forge long-term business relationships with its suppliers and therefore has the policy to always give a fair profit to its suppliers and to respect payment terms and conditions. In addition, in selecting its suppliers, the Company applies the same selection criteria specified in the Company's Standard Operating Procedures which have been distributed and communicated throughout the organization in order to understand and to strictly adhere to the procedures accordingly.

Creditors:

The Company considers creditors as important business partners and therefore aims to fulfill all its obligations to its creditors. In 2012, no creditors challenged that the Company had failed to comply with any obligations.

4. Information Disclosure and Transparency

The Company's emphasis on the disclosure of accurate and complete information in a transparent and timely manner as shown by the following.

- 4.1 Each of the directors and executives of the Company has filed with the Company a report covering his interest or his related person's interest in relation to management of the Company or its subsidiaries in accordance with the criteria and procedures as specified in the notification of the Capital Market Supervisory Board, and has updated and filed with the Company within 30 days should there be any change in the report. The report is also included in the agenda of the Board meeting for the Board's acknowledgment once every 3 months.
- 4.2 In the previous year, the Company disclosed all general and financial information as well as information which may affect the price of the Company's securities correctly, completely, transparently and on a timely manner, in accordance with the rules and regulations of the SEC and the SET. All information is communicated to investors, shareholders and relevant sectors through the channels of the SET and the Company's website (www.lagunaresorts.com).
- 4.3 Individual investors, shareholders, stock analysts and state agencies may contact the Company through the Company Secretary at telephone number 66 (0) 2677 4455 or at "ir@lagunaresorts.com".
- 4.4 The Company's financial statements contain accurate and complete information and are prepared in accordance with generally accepted accounting standards. In addition, they are audited/reviewed by auditors from a well-known auditing firm (currently Ernst & Young Office Limited) and are approved by the Company's Audit and Risk Committee and Board before being disclosed through the SET. The information relating to the "Board of Directors' Responsibility for the Company's Financial Statements" is available in the Company's Annual Report. In 2012, the Company's quarterly and annual financial statements were certified unconditionally from the auditor.
- 4.5 The Company wishes to refer the following matters to the disclosure made in other places:
 - The name of directors and the scope of the powers, duties and responsibilities of the Board and other committees are detailed under the heading "Management Structure" in the Form 56-1 and in the Company's Annual Report.

- The professional experience of the directors and members of other committees is detailed in Attachment 1 to Form 56-1 and under the heading "Board of Directors & Management and Company Secretary" in the Company's Annual Report.
- The number of Board meetings held and the number of Board meetings attended by each director in 2012 are detailed in clause 5 hereof: "Board Responsibility."
- The performance of the Audit and Risk Committee in the past year is detailed in Attachment 3 to Form 56-1, and under the heading "Report of the Audit and Risk Committee" in the Company's Annual Report.
- The performance of the Nomination and Remuneration Committee in the past year is detailed in Attachment 4 to Form 56-1, or under the heading "Report of the Nomination and Remuneration Committee" in the Company's Annual Report.
- The remuneration for directors and management is detailed under the heading "Directors' and Management's Remuneration" in Form 56-1 and in the Company's Annual Report.

4.6 In 2012, the Company made full disclosure of information within the time frame specified in the regulations of the SET and the SEC. In addition, neither the SET nor the SEC challenged that the Company had failed to comply with any disclosure requirement.

5. Board Responsibility

5.1 Board Structure

5.1.1 Members of the Board and Terms of Directorship

The Company's Board of Directors currently comprises 12 members, 4 of whom are Independent Directors namely Mr. Vudhiphol Suriyabhivadh, Mr. Udom Vichayabhai, Dr. Jingjai Hanchanlash and Dr. Satit Rungkasiri representing one-third of the total Board members. The Board comprises business leaders and professionals with financial, accounting, legal and business management backgrounds.

The Company's policy to fix the term of office of directors is under Article 14 of the Company's Articles of Association which stipulated that at each annual general meeting, one-third of directors shall retire from office and that the director who has been longest in the office shall retire. Therefore, the term of office of a director of the Board shall be 3 years. Retiring directors would be eligible for re-election.

5.1.2 Definition of "Independent Director"

"Independent Directors" means the persons who have all the necessary qualifications and independence in accordance with and equivalent to the criteria set by the Capital Market Supervisory Board. At present, the said regulation prescribes that the qualifications of an Independent Director are as follows:

CORPORATE GOVERNANCE

- (a) holding shares not exceeding 1 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
- (b) neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than 2 years prior to the date of appointment;
- (c) not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary;
- (d) not having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder, non-independent director or executive of any person having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than 2 years prior to the date of appointment.

The term "business relationship" in the aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or his counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Captical Market Supervisory Board governing rules on connected transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- (e) neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than 2 years from the date of appointment;
- (f) neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years from the date of appointment;

- (g) not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder;
- (h) not operating any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding 1 percent of the total number of voting rights of any other company operating a business which has the same nature as and is in significant competition with the business of the Company or subsidiary;
- (i) not having any characteristics which make him incapable of expressing independent opinions with regard to the Company's business affairs.

After having been appointed as independent director with qualifications complying with the criteria under (a) to (i) of paragraph one, the independent director may be assigned by the board of directors to take part in the business decision of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest on the condition that such decision must be a collective one.

5.1.3 Nomination of Directors

Each candidate for a Company directorship must have the qualifications prescribed by the SET, the SEC and the Public Limited Companies Act, and must be nominated by the Nomination and Remuneration Committee. Additional details are described under the heading "Method of Appointment and Removal of Directors as included in the Company's Articles of Association".

5.1.4 Aggregation or Separation of Positions – Chairman of the Board and Chief Executive Officer

Currently, Mr. Ho KwonPing is the Chairman of the Board and the Chief Executive Officer of the Company. He is closely associated with the Group's success. The Board is of the view that the current structure is appropriate and adequate given that Mr. Ho KwonPing has been able to effectively and competently execute the responsibilities of both the Chairman of the Board and Chief Executive Officer positions.

5.2 Sub-Committees

The Board approved the establishment of two sub-committees comprising all Independent Directors to assist the Board to screen details in order to achieve operational efficiency. Additionally, in order to perform their duties transparently and independently, the Chairman of the Board is neither a Chairman nor a member of both committees as follows:

5.2.1 Audit and Risk Committee

The Audit and Risk Committee comprises three independent directors, one of whom has adequate expertise and experience to review the creditability of the financial reports by reviewing the financial reports of some listed companies in the Stock Exchange of Thailand. The members and the scope of duties and responsibilities of the Audit and Risk Committee have been disclosed under the heading "Management Structure" in Form 56-1 and in the Company's Annual Report.

5.2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises three independent directors, thus forming a strong and independent element which will enable decisions on nomination and remuneration to be made independently. Members and the scope of duties and responsibilities of the Nomination and Remuneration Committee have been disclosed under the heading "Management Structure" in Form 56-1 and in the Company's Annual Report.

5.3 Role, Duty and Responsibility of the Board

5.3.1 Corporate Governance Policy

The Company is committed to maintaining high standards of good corporate governance within the Company. The Company has adopted and continuously developed a set of good corporate governance practices and policies which are modeled on the 2006 principles of good corporate governance for listed companies advocated by the SET. The Company has also adopted and continues to apply the Code of Business Conduct approved by the Board of Directors and communicated throughout the organization. The Standard Operating Procedures have also been documented and applied by the Company. In addition, new internal rules and regulations with an aim to continuously improve the good corporate governance of the Company are approved and announced from time to time.

5.3.2 Code of Corporate Conduct

The Board of Directors has approved the Code of Corporate Conduct to set the frame for its officers, executive directors, associates and agents to act in business matters solely for the benefit of the Company and not enter into any business or other transactions which cause or appear to cause a conflict of interest between him/her and a hotel within the group, the Company/subsidiary, owning company or any other related parties. The Code of Corporate Conduct was distributed and communicated to all relevant persons in order to understand and to strictly adhere to the Code accordingly. The Code was drafted based on the highest level of business ethics and law compliance.

During 2012, the Company's Board of Directors was not aware of any claim or allegation that the Company's Code of Corporate Conduct was disobeyed.

5.3.3 Leadership and Vision

The Board's primary functions are to set vision, mission, corporate policy and overall strategy for the Company and to provide effective oversight of the management of the Company's business and affairs.

The delegation of authority by the Board to the management is clear. All major investments require approval as follows:

- Investments more than USD 10 million to be approved by the Board.
- Investments between USD 5 million to USD 10 million to be jointly approved by the Chief Executive Officer and any one of the directors.

- Investments less than USD 5 million to be approved by the Chief Executive Officer.

The approval to enter into a significant transaction by the Company's Board of Directors and/or shareholders' meeting as well as all information disclosure must comply with rules and regulations of the Stock Exchange of Thailand and/or the Capital Market Supervisory Board.

Duties and responsibilities of the Board have been disclosed under the heading "Management Structure" in Form 56-1 and the Company's annual report.

5.3.4 Conflict of Interest

Transactions between the Company and its related parties which may give rise to a conflict of interest are scrutinized by the Audit and Risk Committee and if necessary, the approval to enter into such transactions is sought from the Board of Directors and/or shareholders. Any director or management who has an interest in, or is related to, such transaction will not participate in the decision-making process.

Such transactions are made on terms and pricing that has been negotiated on an arm's length basis. In the event that the price is unavailable, the Company will then rely on the report of an independent appraiser appointed by the Company to value important related party transactions to arrive at a pricing which is fair to both the Company and the related party.

All related party transactions are disclosed clearly and accurately. Details are further described under the heading "Connected Transactions" in Form 56-1 and under the heading "Persons with Mutual Interest and Connected Transactions" in the Company's Annual Report.

5.3.5 Internal Audit and Control

The Company realizes the significance of effective system of control, such as Standard Operating Procedures, particularly in management and operations.

Hence, the duties and responsibilities of the employees and the management are clearly defined. The Company has put in place policies to safeguard the Company's assets and duties between the operators and the appraisal which are clearly separated for effective checks and balances. Furthermore, the Company has also implemented internal audit of the financial and information technology systems.

Internal Audit

Internal audit is an independent function within the Company which reports directly to the Audit and Risk Committee on audit matters and to the Managing Director on administrative matters. Internal audits are performed to assist the Board and Management in the discharge of their corporate governance responsibilities and to improve and promote effective and efficient business processes within the Group. The internal auditor plans its internal audit schedules annually in consultation with, but independent of, Management and its plans are submitted to and approved by the Audit and Risk Committee. The Audit and Risk Committee reviews the activities of the internal auditors on a quarterly basis to ensure it is adequately resourced; and has appropriate standing within the Company to perform its role effectively.

Enterprise Risk Management

Starting from 2005 the Company appointed an external consultant to assist management in implementing a Risk Management framework for the business of the Company. The Risk Management framework covers all aspects of the Company's operations to enable significant business risks within the Group's current business environment to be identified, assessed, monitored, managed and evaluated. As part of the on-going risk management process, the Company's Group Risk Committee annually conducts a risk assessment, evaluation and treatment; considers the adoption of adequate and cost-effective system of internal controls to mitigate significant business risks; and provides for significant risks to be managed through regular reviews by the Company's Group Risk Committee and the Audit and Risk Committee. The Audit and Risk Committee has reviewed the Group's risk management processes and procedures and is satisfied that there are adequate internal controls in place to manage the significant risks identified.

5.3.6 Meetings of the Board and Committees

1. The Board

The Company conducts regular scheduled Board meetings at least 4 times a year on quarterly bases which are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. In 2012, the Company conducted 4 Board meetings and the attendance of all directors is shown below.

Name		Number of Attendances
Mr. Ho	KwonPing	4
Mr. Surapon	Supratya	3
Mr. Vudhiphol	Suriyabhivadh	4
Mr. Udom	Vichayabhai	4
Dr. Jingjai	Hanchanlash	4
Dr. Satit	Rungkasiri	3
Mr. Michael	Ramon Ayling*	4
Mr. Ho	KwonCjan	3
Mr. Ariel	P. Vera	4
Mr. Eddy	See Hock Lye	- **
Mr. Ho	Ren Hua	4
Mr. Shankar	Chandran	- ***
Mr. Stuart	Reading	4

* Mr. Michael Ramon Ayling resigned from the position of Managing Director of the Company effective 1 June 2012 but continued to serve as a Director of the Company until the adjournment of the Board of Directors' Meeting held on 9 November 2012.

** Mr. Eddy See Hock Lye was appointed as a new Director of the Company to replace Mr. Michael Ramon Ayling who resigned from his directorship of the Company. Mr. Eddy See Hock Lye's directorship took effect from the adjournment of the Board of Directors' Meeting on 9 November 2012 in accordance with the resolution of the Board of Directors' Meeting on the same day.

*** Mr. Shankar Chandran was appointed as a new Director of the Company to replace the vacant director position arising from the resignation of Mr. Bernold Olaf Schroeder since 31 March 2011. Mr. Shankar Chandran's directorship took effect from the adjournment of the Board of Directors' Meeting on 9 November 2012 in accordance with the resolution of the Board of Directors' Meeting on the same day.

The Board is of the view that the contribution of each director should not be focused only on his or her attendance at Board and/or Committee meetings. A director's contribution may also extend beyond the confines of the formal environment of Board meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Company.

2. Audit and Risk Committee

The Company conducts regular scheduled Audit and Risk Committee meetings on a quarterly basis at least 4 times a year, prior to the Board meeting, which are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. In 2012, the Company conducted 4 Audit and Risk Committee meetings. Each of the Audit and Risk Committee members attended all the meetings as follows:

Name		Number of Attendances
Mr. Vudhiphol	Suriyabhivadh	4
Mr. Udom	Vichayabhai	4
Dr. Jingjai	Hanchanlash	4

In addition, in 2012, the Audit and Risk Committee attended 1 non-management meeting with the external auditor to deliberate accounting approaches and audit plans.

3. Nomination and Remuneration Committee

The Company conducts regular scheduled Nomination and Remuneration Committee meetings, prior to the Board meeting, at least once a year. The meetings are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. In 2012, the Company conducted 3 Nomination and Remuneration Committee meetings. Each of the Nomination and Remuneration Committee members attended the meetings as follows:

Name		Number of Attendances
Dr. Jingjai	Hanchanlash	3
Mr. Udom	Vichayabhai	3
Dr. Satit	Rungkasiri	2

5.3.7 Board of Directors' Report

1. Financial Report

The Board of Directors is accountable to its shareholders for the Company's financial statements as well as the financial information as shown in the Annual Report. The Board of Directors is satisfied that the Company's financial statements are prudently prepared in accordance with generally accepted accounting principles and are independently reviewed by the external auditors every quarter with a full audit performed at each year-end. Additionally, the Audit and Risk Committee has been tasked to independently review the Company's financial report and internal control practices directly with the auditors. All pertinent information relating to the financial statements is clearly and completely disclosed in the accompanying notes.

Details are described under the heading "Internal Control" in Form 56-1 and under the heading "Opinion of the Board of Directors on the Company's Internal Control" and the "Board of Directors' Responsibility for the Company's Financial Statements" in the Company's Annual Report.

2. Minutes of Meetings

The minutes of the meetings of the Board and other committees are accurately and completely recorded in all material aspects addressed at each meeting, including the questions, opinions and clarifications. The Company has a safe and secure filing system in place to keep the minutes of meetings and other supporting documents.

5.3.8 Development of Directors and Management

The Company's directors, management and employees are constantly encouraged to develop their skills by attending various seminars and training courses organized by various organizations, e.g. the Thai Institute of Directors Association, the SET and the SEC, etc. Seminars and training courses are periodically forwarded to them. Furthermore, relevant information is regularly provided to the directors so that they are kept abreast of latest developments thus enabling them to make informed decisions. Details of the training previously undertaken by each director are set out in Attachment 1 to Form 56-1 and under the heading "Board of Directors & Management and Company Secretary of the Company" in the Company's Annual Report.

SUPERVISION ON THE USE OF INSIDE INFORMATION

In order to prevent the misuse of confidential and price-sensitive corporate information, the Board of Directors of the Company approved the policy on dealing in securities of the Company which prohibits any directors, management and employees, regardless of rank, from disclosing such confidential and price-sensitive corporate information for personal gain or for any other reason not in the Company's interest or dealing in the Company's securities while in possession of unpublished confidential and price-sensitive information during the "embargo period" which is defined as 2 weeks before and up to the date of announcement of results for each of the first three quarters of the Company's financial year, and 1 month before and up to the date of announcement of the full-year financial results. The policy and reminder of the embargo period have been communicated to directors, management and employees on an annual and quarterly basis to strictly comply with this policy. Confidential and price-sensitive information is also restricted to only directors, management and those officers who have a direct responsibility over such matters. Any violation of this policy shall be subject to disciplinary actions under the working regulation. Additionally, the Company monitors the trading of the Company's securities by its directors, and senior management who are required to report to the Board of Directors on a quarterly basis on the holding of the Company's securities and in accordance with the rules of the Securities and Exchange Commission.

RISK FACTORS

Economy and Tourism in Thailand

As most of the Company's revenue is generated from tourism and property sales in Thailand, the Company 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 Company's business, financial condition and performance.

The global financial crisis and the prolonged Thai political turmoil in recent years revealed the Company's vulnerability and confirmed the Company's concerns that it has too much exposure in Phuket and Thailand. The Company continually seeks new markets in order to limit reliance on a single or few markets.

Political Uncertainty

Thailand's tourism industry has been adversely impacted in recent years from ongoing political tensions. 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 may adversely impact the tourism sector and investor sentiment.

Interest Rate Fluctuation

The Company'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 Company does not use derivative financial instruments to hedge such risk.

Foreign Currency Fluctuation

The exchange rate of the Thai Baht as compared to the currencies in the US, UK and European markets has the potential to impact the pricing and affordability of products and services of the Company for such market segments.

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 Company is unable to transfer good title to them.

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 Company is generally prohibited from discharging employees without compensation absent gross misconduct, neglect, or acts of dishonesty. As such, the Company 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 Company

was restricted from dismissing employees and could only institute a voluntary unpaid leave program. The Company has been restricted in the past and expects in the future to be limited to using voluntary separation plans where the Company is required to pay high amounts of severance pay and similar measures under which selected employees may elect to leave the Company in return for lump-sum compensation packages and other benefits.

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 Company 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.

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.

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

Persons with Mutual Interest and Connected Transactions

Transactions between the Company and its subsidiaries with related parties including the amounts paid and received, and the terms of the transactions are included in note 9 to the financial statements. Such transactions are disclosed and grouped by type of transaction.

Additional information relating to the significant transactions which are greater than Baht 1 million are the name of the persons with mutual interest and the necessity and reasonableness of the transactions. This is disclosed as follows:

TRANSACTIONS BETWEEN THE GROUP (THE COMPANY AND ITS SUBSIDIARIES) AND RELATED PARTIES IN YEAR 2012

(Unit : Million Baht)

	Payee	Payer	Transactions in 2012	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity / Reasonableness
Transactions with associate		LBTH	9	BTH	B	APV, HRH	Convenience of guest's payment
		LBTH	2	BTH	B	KCH	Convenience of payment
		LGL	2	BTH	B	KCH	
		LBTH	1	BTH	B	APV, HRH	Convenience of payment
Transactions with related companies		TWPL	1	BTRS(T)	C	KCH	Convenience of guest's payment
		BTRS(T)	18	BTRS(T)	C	KCH	Convenience of guest's payment to promote Laguna Phuket resort integration
		LBTL	54	BTRS(T)	C	KCH	
		LHC	1	BTRS(T)	C	-	
		LVL	2	BTRS(T)	C	-	
		TWPL	23	BTRS(T)	C	KCH	Convenience of guest's payment
		BTCO(S)	BGL	13	BTH	B	ESHL
Management fees expenses		BGL	9	BTH	B	ESHL	Architectural and interior design service fees for renovation of Angsana Laguna Phuket
		BGL	9	BTH	B	ESHL	Technical service for pre-construction and pre-opening of Angsana Laguna Phuket
		BGL	7	BTH	B	ESHL	Expertise in managing hotels - Management fees are in line with industry standards.
		BGL	19	BTRS(T)	C	KCH	
		BGL	23	BTRS(T)	C	ESHL	

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

TRANSACTIONS BETWEEN THE GROUP (THE COMPANY AND ITS SUBSIDIARIES) AND RELATED PARTIES IN YEAR 2012 (continued)

(Unit : Million Baht)

Payee	Payer	Transactions in 2012	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity / Reasonableness	
Management fees expenses	BTGO(S)	1	BTH	A, B	ESHL	For the use of "Banyan Tree" and "Angsana" trademarks and all proprietary rights associated with them	
	BTGO(S)	3	BTH	A, B	ESHL		
	BTGO(S)	10	BTH	B	ESHL	For the use of "Banyan Tree" trademark and all proprietary rights associated with it	
	BTHR	10	BTH	B	ESHL		
	BTRS(T)	41	BTRS(T)	C	KCH	Expertise in managing hotels – Management fees are in line with industry standards.	
	BTHR(T)	34	BTRS(T)	C	ESHL		
	BTGO(S)	TWPL	5	BTH	B	ESHL	For the use of "Banyan Tree" trademark and all proprietary rights associated with it
	BTHR	TWPL	19	BTH	B	ESHL	
	BTRS(T)	TWPL	27	BTRS(T)	C	KCH	Expertise in managing hotels – Management fees are in line with industry standards.
	BTHR(T)	TWPL	28	BTRS(T)	C	ESHL	
	BTRS(T)	LGL	2	BTRS(T)	C	KCH	Expertise in managing golf courses – Management fees are in line with industry standards.
	BTHR	LGL	1	BTH	B	ESHL	
	BTS	BTGO(S)	1	BTH	A, B	CKSP, ESHL	Vouchers to use spa service at the Banyan Tree Spa and Angsana Spa provided to management as a benefit.
	BTS	LBTL	1	BTH	B	ESHL	
Sale of gallery vouchers	BTS	LRH	BTH	A	CKSP, ESHL		
	BTGO(S)	BTGO(S)	BTH	A, B	ESHL	Vouchers to buy goods from the Banyan Tree Gallery and Angsana Gallery provided to management as a benefit.	
	BTGO(S)	BTS	BTH	A, B	CKSP, ESHL		
	BTGO(S)	KR	TRL	C	CKSP		
	BTGO(T)	BTRS(T)	1	BTRS(T)	C	CSH, KCH, KR	
	BTGO(S)	BTGO(S)	3	BTH	A, B	ESHL	Purchase of goods for their sales & marketing gifts
	BTGO(T)	HVRS	1	BTH	A, B	-	Purchase of guest supplies for the hotel
	BTGO(T)	BTRS(T)	2	BTRS(T)	C	CSH, KCH, KR	Purchase of supplies for the spa operation and outlets
	BTGO(T)	BTS	3	BTH	A, B	CSH, ESHL	Purchase of guest supplies for the hotel
	BTGO(T)	HSD	2	BTH	A, B	CSH, ESHL	
Sale of goods	BTGO(T)	MA	BTH	A, B	ESHL		
	BTGO(T)	MBPL	BTH	A, B	ESHL		
	BTGO(T)	PTMB	BTH	A, B	-		
	BTGO(T)	PTMB	BTH	A, B	-		

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

TRANSACTIONS BETWEEN THE GROUP (THE COMPANY AND ITS SUBSIDIARIES) AND RELATED PARTIES IN YEAR 2012 (continued)

(Unit : Million Baht)

Payee	Payer	Transactions in 2012	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity / Reasonableness		
Sale of goods	BTG(T)	9	TRL	C	KCH	Purchase of guest supplies for the hotel		
	BTG(T)	7	BTH	A, B	ESHL			
	LBTG	4	BTH	B	ESHL, HRH			
	AVCI	1	TRL	C	-			
Reimbursement receipts	BGL	2	BTRS(T)	C	KCH	Convenience of payment		
	BTG(S)	6	BTH	A, B	ESHL			
	BTG(S)	2	BTH	A, B	CKSP, ESHL			
	LBTL	1	BTH	B	ESHL			
	LBTL	3	BTH	B	ESHL			
	LBTL	10	BTRS(T)	C	KCH			
	LGL	8	BTH	B	ESHL			
	LGL	2	BTH	B	ESHL			
	LHC	2	BTH	B	-			
	LRH	2	BTH	A	APV			
	TWPL	1	BTH	B	ESHL			
	TWPL	6	BTRS(T)	C	KCH			
	Reimbursement payments	BTH	3	BTH	A		APV, KPH	Convenience of payment
		BTHR	6	BTH	B		ESHL	
		BTCO(S)	4	BTH	A, B		ESHL	
		BTCO(S)	4	BTH	A		APV, ESHL, KPH	
BTCO(S)		1	BTH	B	ESHL			
BTCO(S)		1	BTH	B	ESHL			
BTHR		1	BTH	B	ESHL			
BTI		2	BTH	B	ESHL			
BTRS(T)		3	BTRS(T)	C	CSH, KCH, KR			
BTRS(T)		2	BTRS(T)	C	KCH			
BTHR(T)		7	BTRS(T)	C	ESHL			
BTRS(T)		12	BTRS(T)	C	KCH			

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

TRANSACTIONS BETWEEN THE GROUP (THE COMPANY AND ITS SUBSIDIARIES) AND RELATED PARTIES IN YEAR 2012 (continued)

(Unit : Million Baht)

	Payee	Payer	Transactions in 2012	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity / Reasonableness
Reimbursement payments	BTHR(T)	LBTL	8	BTRS(T)	C	ESHL	Convenience of payment
	BTRS(T)	TWPL	3	BTRS(T)	C	KCH	
	BTHR(T)	TWPL	3	BTRS(T)	C	ESHL	
	PTBH	AVCI	5	TRL	C	-	
	WLH	LBTG	6	BTH	B	ESHL, HRH	
	BGL	BTRS(T)	2	BTRS(T)	C	KCH	
Rent and service income	LBTL	BTRS(T)	15	BTRS(T)	C	KCH	Banyan Tree Spa and Angsana Spa are recognised spa brand names which enhance image of hotel and help in their marketing.
	TWPL	BTRS(T)	11	BTRS(T)	C	KCH	
	TWPL	TDC	3	-	-	CH	
	TWPL	TWFP	7	-	-	CH, KCH	
Rental return on hotel units	CGL	PTBH	4	TRL	C	-	Rental of the corporate head office - The building is well located and has good amenities. Purchase of units to set up a Holiday Club operation in the Angsana Resort & Spa Bintan. A very good rental return is being received from the hotel prior to the units being required for the operation.
	LSC	BTRS(T)	8	BTRS(T)	C	KCH	
Resort service income	BTRS(T)	BGL	1	BTRS(T)	C	KCH	Centralization of facilities and services to each operation in Laguna Phuket
	BTRS(T)	LBTL	2	BTRS(T)	C	KCH	
	BTRS(T)	LRH	7	BTRS(T)	C	CSH, KCH	
	BTRS(T)	TWPL	1	BTRS(T)	C	KCH	
Transactions with management and directors	LRH	KPH	2	KPH	Chairman of the Board	-	Interest charges on financial assistance provided to employees for acquisition of a property developed by the Company or its subsidiaries
	TWPL	KPH	1	KPH	Chairman of the Board of Parent Company (LRH)	-	

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

TRANSACTIONS WITHIN THE GROUP AND A COMPANY WHICH IS OWNED BY PERSONS WITH A MUTUAL OF INTEREST MORE THAN 10 PERCENT IN YEAR 2012

(Unit : Million Baht)

	Payee	Payer	Transactions in 2012	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
Interfer resort charges	BTG(T)	BGL	2	BTH	A, B	AU, CH, ESHL, KCH, NT, SDR	Convenience of guest's payment to promote Laguna Phuket resort integration
	BTG(T)	LBTL	10	BTH	A, B	AU, CH, ESHL, KCH, NT, SDR	
	BTG(T)	LGL	6	BTH	A, B	AU, CH, ESHL, KCH, NT, SDR	
Purchase of gallery vouchers	BTG(T)	TWPL	3	BTH	A, B	AU, CH, ESHL, KCH, NT, SDR	Convenience of guest's payment
	BTG(T)	LRH	1	BTH	A	CSH, ESHL, KCH, SDR	
	BTG(S)	BTG(T)	1	BTH	A, B	CSN, ESHL, SDR	
Purchase of goods	BTG(T)	BGL	14	BTH	A, B	AU, CH, ESHL, KCH, NT, SDR	Purchase of guests supplies for the hotel
	BTG(T)	BTG(S)	4	BTH	A, B	CSN, ESHL, SDR	
	BTG(T)	LBTG	5	BTH	A, B	ESH	Purchase of guests supplies for the hotel
	BTG(T)	LBTL	11	BTH	A, B	AU, CH, ESHL, KCH, NT, SDR	
	BTG(T)	TWPL	11	BTH	A, B	AU, CH, ESHL, KCH, NT, SDR	Purchase of guests supplies for the hotel
	BTG(S)	BTG(T)	7	BTH	A, B	CSN, ESHL, SDR	
	BTG(T)	BTG(S)	1	BTH	A, B	CSN, ESHL, SDR	Convenience of payment
	LBTG	BTG(T)	5	BTH	A, B	ESH	
	LBTL	BTG(T)	1	BTH	A, B	AU, CH, ESHL, KCH, NT, SDR	
	TWPL	BTG(T)	1	BTH	A, B	AU, CH, ESHL, KCH, NT, SDR	

TRANSACTIONS WITHIN THE GROUP AND A COMPANY WHICH IS OWNED BY PERSONS WITH A MUTUAL OF INTEREST MORE THAN 10 PERCENT IN YEAR 2012 (continued)

(Unit : Million Baht)

	Payee	Payer	Transactions in 2012	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
Rent and service	LBTL	BTG(T)	2	BTH	A, B	AU, CH, ESHL, KCH, NT, SDR	Providing the hotel facility of a high class retail outlet
	TWPL	BTG(T)	4	BTH	A, B	AU, CH, ESHL, KCH, NT, SDR	

Remark

A : Major shareholder

B : Major shareholder of Parent Company (LRH)

C : The company in which the major shareholder of LRH is its major shareholder

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

Abbreviations		Initials	
AVCI	PT. AVC Indonesia	APV	Mr. Ariel P Vera
BGL	Bangtao Grande Limited	AU	Ms. Areewan Umpornpaiboon
BMSD	Banyan Tree MX S.A. De C.V.	CH	Mr. Kuan Chiet
BTCO(S)	Banyan Tree Corporate Pte. Ltd (previously named Banyan Tree Hotels & Resorts Pte. Ltd., BTHR)	CKSP	Mr. Paul Chong – Kim Seng
BTG(S)	Banyan Tree Gallery (Singapore) Pte Ltd.	CSH	Mr. Shankar Chandran
BTG(T)	Banyan Tree Gallery (Thailand) Limited	CSN	Ms. Chiang See Ngoh Claire
BTH	Banyan Tree Holdings Limited	ESHL	Mr. Eddy See Hock Lye
BTHR	Banyan Tree Hotels & Resorts Pte. Ltd.	HRH	Mr. Ho Ren Hua
BTHR(T)	Banyan Tree Hotels & Resorts (Thailand) Limited	KCH	Mr. Ho KwonCjan
BTI	Banyan Tree Investment Pte. Ltd.	KPH	Mr. Ho KwonPing
BTID	Banyan Tree Indochina Pte. Ltd.	KR	Ms. Kanruethai Roongruang
BTRS(T)	Banyan Tree Resorts & Spas (Thailand) Company Limited	NT	Mr. Niyom Tassaneetipagorn
BTS	Banyan Tree Spas Pte. Ltd.	SDR	Mr. Stuart David Reading
CGL	Cheer Golden Limited		
CML	Club Management Limited		
HSD	Heritage Spas Dubai LLC		
HVRS	Hill View Resorts (Seychelles) Limited (previously named Banyan Tree Resorts (Seychelles) Limited, BTRS)		
KR	Kingley Realty Limited		
LBTG	Lijiang Banyan Tree Gallery Trading Company Limited		
LBTH	Lijiang Banyan Tree Hotel Co., Ltd.		
LBTL	Laguna Banyan Tree Limited		
LGL	Laguna Grande Limited		
LHC	Laguna Holiday Club Limited		
LRH	Laguna Resorts & Hotels Public Company Limited		
LSC	Laguna Service Company Limited		
LVL	Laguna Village Limited		
MA	Maldives Angsana Pvt Ltd.		
MBPL	Maldives Bay Pvt Ltd.		
PTBH	PT Bintan Hotels		
PTMB	PT Management Banyan Tree Resorts & Spas		
TDC	Tapioca Development Corporation Limited		
TRL	Tropical Resorts Limited		
TWFP	Thai Wah Food Products Public Company Limited		
TWPL	Thai Wah Plaza Limited		
VM	Vabbinvest Maldives Pvt. Ltd.		
WLH	Wanyue Leisure Health (Shanghai) Co., Ltd.		

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

Reference for Valuation Price / Rental Fee Compared to 3rd Parties

Transaction Type	Justification for Transactions
Retail Rental	<ul style="list-style-type: none"> - Rental rate set on a square metre basis is in line with market rate. - The majority of the rental of Banyan Tree Gallery, Spa and restaurants are contracted on a percentage of revenue basis and have been separately negotiated with the management of each hotel operation. - Spa contracts being negotiated with other unrelated hotel operators are also structured on a percentage of revenue basis i.e. this is the general rental policy applied by the Banyan Tree Group.
Office Rental	<ul style="list-style-type: none"> - Rental rate is in line with market rate. Generally in the upper range if compared to the same type of building in a similar location. - Terms and conditions in the agreement are similar to other customers and the market. - Service fee has been separated from rental for tax reasons.
Land Rental	<ul style="list-style-type: none"> - Land lease rates are very different in the market depending on the location and type of land. - Net present value calculation of rent charged has been compared to valuations as performed by an independent property valuer.

Procedures for approving related party transactions

It is the Group's policy to ensure that there is no conflict of interest when related party transactions are executed. All existing related party transactions are communicated by each of the operations on a quarterly basis and reviewed by management. New proposed related party transactions are identified by and/or communicated to higher level management and the transactions are approved by either senior management, directors or the shareholders in accordance with the requirements of the SET and SEC. All new significant related party transactions are presented to the Audit and Risk Committee for opinion which includes demonstrating that the transaction is on commercial terms and on an arm's length basis. Once recommended by the Audit and Risk Committee the transaction will be proposed to the Board of Directors or the Board of Directors and shareholders for approval. Interested directors do not take part in approving the transaction.

Future policy or tendency of related party transactions

It is the intention of the Company to minimise the incidence of related party transactions wherever practicable. However given the nature of the Group structure and the Groups' business it is not possible to cease many of the current transactions. As a result, the Group's future policy is geared towards ensuring that all current and future transactions are necessary and are on commercial terms and on arm's length basis.

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.

The Present Circumstances

This case is currently pending at the Phuket Provincial Court of First Instance.

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.

REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of Laguna Resorts & Hotels Public Company Limited comprises three independent directors and is empowered to:-

- review the Company's financial reports, internal control and internal audit systems, connected transactions and compliance with all relevant regulations and laws;
- recommend special audit plans to the internal auditor;
- advise management on matters related to the principles of good corporate governance;
- recommend the appointment of the Company's external auditors and their remuneration;
- review or discuss policies regarding risk assessment and risk management and the steps management has taken to monitor and control such exposures; and
- seek to oversee and ensure a continuous process for managing risk.

During 2012 the Audit and Risk Committee convened 4 meetings, with the Company's external auditors and internal auditors including the management to review compliance with accounting standard requirements and internal controls prior to approving the quarterly reports and the annual financial statements. These meetings also included discussions with the Company's internal audit team to review and advise on its findings and to follow up on matters arising from the schedule of work that the Audit and Risk Committee had approved the internal auditor to undertake during 2012, thereby ensuring that this work was both sufficient and effective. Apart from this, the Audit and Risk Committee attended one non-management meeting with the external auditor to deliberate accounting approaches and audit plans.

Each of the Audit and Risk Committee members attended all meetings convened in 2012.

With regard to risk management, the Audit and Risk Committee reviewed the risk registers of the Company's major business units with the Company's Group Risk Committee. During the review, the Audit and Risk Committee advised on mitigation measures for identified risks and checked that the risk management policies and work undertaken by the Company's Group Risk Committee continues to be adequate and effective.

The Audit and Risk Committee is satisfied that the Group's internal controls are sufficient and effective both to support its operations and to enable the external auditors to express an opinion on the financial statements that they present fairly in all material respects the financial position and results of the Group's operations. Where internal control weaknesses have been detected during the course of the Audit and Risk Committee's reviews these have not been considered material and in all cases management has been alerted and has taken appropriate corrective action.

The Audit and Risk Committee is of the opinion that risk management is now well understood and practiced throughout the Group and that systems are generally in place to ensure an ongoing process of risk management.

The Audit and Risk Committee is satisfied that the Company has performed in compliance with the SEC/SET rules and regulations and the laws related to the business of the Company and that the Company has supported and continuously developed its good corporate governance principles.

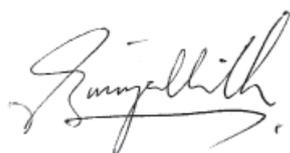
Despite the complexity of the Group's structure which primarily arises from the integration of several resorts at Laguna Phuket, the Audit and Risk Committee is satisfied that all connected transactions that

REPORT OF THE AUDIT AND RISK COMMITTEE

were reviewed by it and arose in 2012 were fair and reasonable and had been entered into on an arms-length basis applying the principles of an open market transaction between willing parties.

The interests of all shareholders remain the principal objective of the Audit and Risk Committee. The Company's operating results and financial reports are therefore reviewed for transparency and completeness. In this regard the Audit and Risk Committee has been able to satisfactorily resolve all matters arising within the terms of its Charter with both the management and the external and internal auditors.

The Audit and Risk Committee has recommended the Board to appoint Mr. Sophon Permsirivallop, Certified Public Accountant No. 3182 and/or Ms. Rungnapa Lertsuwankul, Certified Public Accountant No. 3516 and/or Ms. Pimjai Manitkajohnkit, Certified Public Accountant No. 4521 and/or Ms. Rosaporn Decharkom, Certified Public Accountant No. 5659 of Ernst & Young Office Limited to be the Company's auditors for the fiscal year 2013 with a recommended audit fee of Baht 670,000.-.



Mr. Vudhiphol Suriyabhivadh
Audit and Risk Committee Chairman
14 February 2013

OPINION OF THE BOARD OF DIRECTORS ON THE COMPANY'S INTERNAL CONTROL

Based upon the reports of work carried out by the external auditors, the Board of Directors is of the opinion that the Company's internal accounting controls are adequate and have enabled the external auditors to opine that the financial statements for the year ended 2012 are presented fairly. The Board has also taken note of and accepted the Audit and Risk Committee's report on the internal control system and therefore concludes that there are no material weaknesses in the Company's internal control system.



Mr. Ho KwonPing
Chairman of the Board

BOARD OF DIRECTORS' RESPONSIBILITY FOR THE COMPANY'S FINANCIAL STATEMENTS

The Board of Directors is responsible for the Company's financial statements including the notes to the financial statements.

In its review of the financial statements, the Board of Directors has relied upon the reports and work performed by the Company's external auditors, Ernst & Young Office Limited, and the Company's Audit and Risk Committee which has carried out extensive discussions with management of the Company. The Board has also satisfied itself that there is no material weaknesses in the Company's internal accounting controls, internal control system and standard operating procedures.

The Board of Directors is therefore able to conclude that the financial statements for the year ended 2012 have been prudently prepared in accordance with generally accepted accounting principles to give a correct and complete presentation, in all material aspects, the financial position of the Company and its subsidiaries.



Mr. Ho KwonPing
Chairman of the Board



Laguna Residence

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Laguna Resorts & Hotels Public Company Limited

I have audited the accompanying consolidated financial statements of Laguna Resorts & Hotels Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Laguna Resorts & Hotels Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

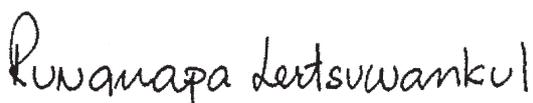
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Laguna Resorts & Hotels Public Company Limited and its subsidiaries and of Laguna Resorts & Hotels Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Rungnapa Lertsuwankul
Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited
Bangkok: 22 February 2013

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

(Unit : Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2012	31 December 2011	1 January 2011	31 December 2012	31 December 2011	1 January 2011
Assets							
Current assets							
Cash and cash equivalents	6	571,864,369	478,996,835	2,021,393,771	53,398,241	26,153,457	1,397,248,738
Trade and other receivables	8	523,115,792	479,336,444	641,629,346	183,353,889	187,413,647	116,386,001
Inventories	10	133,423,556	144,839,992	145,427,225	104,634	224,390	986,539
Property development cost	11	2,387,510,437	2,631,454,014	2,772,304,981	245,342,887	276,087,447	328,668,769
Other current assets	12	192,237,232	195,934,056	139,849,393	30,969,734	16,031,714	16,853,368
Total current assets		3,808,151,386	3,930,561,341	5,720,604,716	513,169,385	505,910,655	1,860,143,415
Non-current assets							
Restricted deposits at financial institution	7	-	-	2,020,000	-	-	-
Fixed deposit		2,000,000	-	-	2,000,000	-	-
Long-term trade accounts receivable	13	160,078,416	173,031,673	230,877,122	24,890,227	34,859,249	43,316,309
Investments in subsidiaries	14	-	-	-	3,479,025,077	3,408,568,104	3,492,207,114
Investments in associates	15	516,305,462	534,049,159	335,560,311	-	-	-
Other long-term investments	16	544,332,731	318,949,756	279,979,891	-	-	-
Long-term loans to subsidiaries	9	-	-	-	1,690,900,629	1,828,350,629	2,234,690,629
Long-term loans to employees	9	2,093,256	2,819,177	15,739,513	162,966	1,720,852	7,390,496
Investment properties	17	1,076,544,000	800,340,000	777,640,383	169,914,661	81,577,940	82,682,691
Property, plant and equipment	18	12,819,404,762	13,026,583,106	14,074,899,390	174,392,630	256,444,342	264,314,701
Goodwill	14	381,304,038	381,304,038	385,491,758	-	-	-
Leasehold rights	19	24,765,903	26,666,372	27,935,166	-	-	-
Other non-current assets		69,944,080	70,193,196	46,087,415	3,057,237	3,132,194	3,167,490
Total non-current assets		15,596,772,648	15,333,936,477	16,176,230,949	5,544,343,427	5,614,653,310	6,127,769,430
Total assets		19,404,924,034	19,264,497,818	21,896,835,665	6,057,512,812	6,120,563,965	7,987,912,845

The accompanying notes are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

(Unit : Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2012	31 December 2011	1 January 2011	31 December 2012	31 December 2011	1 January 2011
Liabilities and shareholders' equity							
Current liabilities							
Short-term loans from financial institutions	20	-	710,000,000	-	-	410,000,000	-
Trade and other payables	21	690,934,721	712,363,410	843,519,534	60,900,673	133,217,288	159,856,362
Current portion of long-term loans from financial institutions	23	422,950,743	356,523,000	570,210,665	70,000,000	70,000,000	70,000,000
Income tax payable		12,530,804	44,431,474	613,236,462	-	-	452,970,713
Advance received from customers		356,003,785	377,740,304	418,454,322	23,262,951	142,796,414	74,803,195
Other current liabilities	22	129,056,513	139,752,814	141,305,800	5,807,590	8,985,575	6,737,273
Total current liabilities		1,611,476,566	2,340,811,002	2,586,726,783	159,971,214	764,999,277	764,367,543
Non-current liabilities							
Long-term loans from subsidiary	9	-	-	-	669,650,000	11,200,000	798,940,000
Long-term loans from financial institutions - net of current portion	23	2,974,325,820	2,134,280,743	1,965,233,743	175,000,000	245,000,000	315,000,000
Provision for long-term employee benefits	24	53,462,110	120,857,009	94,668,327	9,884,414	33,596,649	27,737,282
Other non-current liabilities		91,163,057	79,455,379	81,544,070	11,809,524	11,488,566	13,721,625
Total non-current liabilities		3,118,950,987	2,334,593,131	2,141,446,140	866,343,938	301,285,215	1,155,398,907
Total liabilities		4,730,427,553	4,675,404,133	4,728,172,923	1,026,315,152	1,066,284,492	1,919,766,450
Shareholders' equity							
Share capital							
Registered							
211,675,358 ordinary shares of Baht 10 each		2,116,753,580	2,116,753,580	2,116,753,580	2,116,753,580	2,116,753,580	2,116,753,580
Issued and fully paid-up							
166,682,701 ordinary shares of Baht 10 each		1,666,827,010	1,666,827,010	1,666,827,010	1,666,827,010	1,666,827,010	1,666,827,010
Share premium		2,062,460,582	2,062,460,582	2,062,460,582	2,062,460,582	2,062,460,582	2,062,460,582
Capital reserve	25	568,130,588	568,130,588	634,698,720	-	-	-
Retained earnings							
Appropriated - statutory reserve	27	211,675,358	211,675,358	211,675,358	211,675,358	211,675,358	211,675,358
Unappropriated		3,544,789,796	3,447,854,085	4,911,153,264	908,253,138	939,533,860	1,953,400,782
Other components of shareholders' equity		6,347,884,790	6,349,401,985	6,672,974,079	181,981,572	173,782,663	173,782,663
Equity attributable to owner of the Company		14,401,768,124	14,306,349,608	16,159,789,013	5,031,197,660	5,054,279,473	6,068,146,395
Equity attributable to non-controlling interests of the subsidiaries		272,728,357	282,744,077	1,008,873,729	-	-	-
Total shareholders' equity		14,674,496,481	14,589,093,685	17,168,662,742	5,031,197,660	5,054,279,473	6,068,146,395
Total liabilities and shareholders' equity		19,404,924,034	19,264,497,818	21,896,835,665	6,057,512,812	6,120,563,965	7,987,912,845

The accompanying notes are an integral part of the financial statements.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenue					
Revenue from hotel operations		3,164,823,205	2,798,295,765	34,478,700	30,266,913
Revenue from property development operations		892,571,753	576,749,819	73,323,397	96,401,119
Revenue from office rental operations		92,397,575	85,527,031	42,770,398	30,017,626
Other income	28	149,486,910	137,448,398	168,189,520	942,210,107
Total revenue		4,299,279,443	3,598,021,013	318,762,015	1,098,895,765
Expenses					
Cost of hotel operations		1,545,115,209	1,493,318,952	8,129,556	13,636,005
Cost of property development operations		427,179,985	225,125,486	38,151,898	53,623,340
Cost of office rental operations		39,252,860	32,529,154	6,981,229	6,388,423
Selling expenses		399,269,560	340,765,429	11,117,136	18,043,420
Administrative expenses		1,608,713,527	1,631,154,584	257,174,571	301,566,701
Total expenses		4,019,531,141	3,722,893,605	321,554,390	393,257,889
Profit (loss) before share of profit (loss) from investment in associate, finance cost and income tax expenses		279,748,302	(124,872,592)	(2,792,375)	705,637,876
Share of profit (loss) from investment in associate	15	(5,427,759)	174,334,694	-	-
Profit (loss) before finance cost and income tax expenses		274,320,543	49,462,102	(2,792,375)	705,637,876
Finance cost		(179,887,551)	(132,157,254)	(40,082,794)	(52,368,433)
Profit (loss) before income tax expenses		94,432,992	(82,695,152)	(42,875,169)	653,269,443
Income tax expenses	30	(35,875,065)	(101,965,084)	-	(309,515)
Profit (loss) for the year		58,557,927	(184,660,236)	(42,875,169)	652,959,928
Profit (loss) attributable to:					
Equity holders of the Company		41,392,679	(223,574,781)	(42,875,169)	652,959,928
Non-controlling interests of the subsidiaries		17,165,248	38,914,545		
		58,557,927	(184,660,236)		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	31	0.25	(1.34)	(0.26)	3.92

The accompanying notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit (loss) for the year	58,557,927	(184,660,236)	(42,875,169)	652,959,928
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	(6,493,232)	45,455,573	-	-
Actuarial gain of post-employment benefits	46,064,509	831,347	11,594,447	-
Other comprehensive income for the year	39,571,277	46,286,920	11,594,447	-
Total comprehensive income for the year	98,129,204	(138,373,316)	(31,280,722)	652,959,928
Total comprehensive income attributable to:				
Equity holders of the Company	80,626,317	(179,965,635)	(31,280,722)	652,959,928
Non-controlling interests of the subsidiaries	17,502,887	41,592,319		
	98,129,204	(138,373,316)		

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

(Unit : Baht)

	Consolidated financial statements												
	Equity attributable to the owners of the Company						Other components of shareholders' equity				Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Capital reserve	Retained earnings		Total other components of shareholders' equity	Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Other comprehensive income	Total other components of shareholders' equity			
				Appropriated - statutory reserve	Unappropriated								
Balance as at 1 January 2011	1,666,827,010	2,062,460,582	634,698,720	211,675,358	4,911,153,264	60,208,815	6,612,765,264	6,672,974,079	6,672,974,079	16,159,789,013	1,008,873,729	17,168,662,742	
Sale of investments in subsidiaries	-	-	(66,568,132)	-	426,271,105	-	(359,702,973)	(359,702,973)	(359,702,973)	-	(664,763,347)	(664,763,347)	
Amortisation of revaluation surplus on assets	-	-	-	-	-	-	(6,646,920)	(6,646,920)	(6,646,920)	(6,646,920)	(452,180)	(7,099,100)	
Dividend paid (Note 33)	-	-	-	-	(1,666,826,850)	-	-	-	-	(1,666,826,850)	-	(1,666,826,850)	
Dividend paid to non - controlling interests of the subsidiaries	-	-	-	-	-	42,777,799	-	42,777,799	42,777,799	(179,965,635)	(102,506,444)	(102,506,444)	
Total comprehensive income for the year	-	-	-	-	(222,743,434)	102,986,614	6,246,415,371	6,349,401,985	6,349,401,985	14,306,349,608	282,744,077	14,589,093,685	
Balance as at 31 December 2011	1,666,827,010	2,062,460,582	568,130,588	211,675,358	3,447,854,085	102,986,614	6,246,415,371	6,349,401,985	6,349,401,985	14,306,349,608	282,744,077	14,589,093,685	
Balance as at 1 January 2012	1,666,827,010	2,062,460,582	568,130,588	211,675,358	3,447,854,085	102,986,614	6,246,415,371	6,349,401,985	6,349,401,985	14,306,349,608	282,744,077	14,589,093,685	
Addition of revaluation surplus on assets	-	-	-	-	-	-	21,000,000	21,000,000	21,000,000	21,000,000	-	21,000,000	
Reversal of revaluation surplus on disposal of assets	-	-	-	-	9,478,523	-	(9,478,523)	(9,478,523)	(9,478,523)	-	-	-	
Dividend paid to non - controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(27,499,015)	(27,499,015)	
Amortisation of revaluation surplus on assets	-	-	-	-	-	-	(6,207,801)	(6,207,801)	(6,207,801)	(6,207,801)	(19,592)	(6,227,393)	
Total comprehensive income for the year	-	-	-	-	87,457,188	(6,830,871)	-	(6,830,871)	(6,830,871)	80,626,317	17,502,887	98,129,204	
Balance as at 31 December 2012	1,666,827,010	2,062,460,582	568,130,588	211,675,358	3,544,789,796	96,155,743	6,251,729,047	6,347,884,790	6,347,884,790	14,401,768,124	272,728,357	14,674,496,481	

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

(Unit : Baht)

	Separate financial statements						Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity -revaluation surplus on assets	Total shareholders' equity	
			Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2011	1,666,827,010	2,062,460,582	211,675,358	1,953,400,782	173,782,663	6,068,146,395	
Dividend paid (Note 33)	-	-	-	(1,666,826,850)	-	(1,666,826,850)	
Total comprehensive income for the year	-	-	-	652,959,928	-	652,959,928	
Balance as at 31 December 2011	1,666,827,010	2,062,460,582	211,675,358	939,533,860	173,782,663	5,054,279,473	
Balance as at 1 January 2012	1,666,827,010	2,062,460,582	211,675,358	939,533,860	173,782,663	5,054,279,473	
Addition of revaluation surplus on assets	-	-	-	-	8,198,909	8,198,909	
Total comprehensive income for the year	-	-	-	(31,280,722)	-	(31,280,722)	
Balance as at 31 December 2012	1,666,827,010	2,062,460,582	211,675,358	908,253,138	181,981,572	5,031,197,660	

The accompanying notes are an integral part of the financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit (loss) before income tax expenses	94,432,992	(82,695,152)	(42,875,169)	653,269,443
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	285,981,700	317,777,483	8,086,075	9,040,760
Amortisation of leasehold rights	2,591,415	2,534,970	-	-
Allowance for doubtful accounts (reversal)	3,244,158	(4,834,801)	(180,213)	164,536
Reduction of inventory to net realisable value (reversal)	(793,732)	135,157	-	-
Share of loss (profit) from investment in associate	5,427,759	(174,334,694)	-	-
Gain on sales of investments	-	(45,207,102)	-	(34,489,911)
Loss (gain) on change in fair value of investment properties	(81,204,000)	(22,699,617)	(12,204,000)	1,104,752
Allowance for diminution in value of other investment	-	-	-	6,466,044
Loss (gain) on sales of property, plant and equipment	(1,501,034)	1,359,121	(263,779)	508,800
Write off property, plant and equipment	1,836,084	3,304,368	1,606,371	1,240,000
Write off other current assets	4,935,561	12,146,069	-	-
Provision for long-term employee benefits (reversal)	(2,097,457)	36,575,538	(975,288)	6,814,967
Interest income	(34,019,414)	(42,888,804)	(120,327,540)	(139,753,580)
Interest expenses	179,887,551	132,157,254	40,082,794	52,368,433
Profit (loss) from operating activities before changes in operating assets and liabilities	458,721,583	133,329,790	(127,050,749)	556,734,244
Operating assets (increase) decrease				
Trade and other receivables	(46,760,095)	152,722,403	33,612,696	(45,861,083)
Inventories	12,210,168	(4,534,414)	119,756	762,149
Property development cost	346,714,421	140,850,967	37,256,439	52,581,322
Other current assets	11,322,808	(52,136,338)	(9,917,957)	4,031,288
Long-term trade accounts receivable	12,953,257	57,845,448	9,969,022	8,457,061
Other non-current assets	249,116	(24,248,983)	74,957	35,296
Operating liabilities increase (decrease)				
Trade and other payables	(20,816,220)	(69,959,293)	(73,469,792)	(25,106,663)
Advance received from customers	(21,736,519)	(40,714,018)	(119,533,463)	67,993,219
Other current liabilities	(10,696,302)	(1,552,984)	(3,178,854)	2,248,300
Provision for long-term employee benefits	(19,232,933)	-	(11,142,500)	-
Other non-current liabilities	11,707,678	(12,475,546)	320,958	(3,188,659)
Cash flows from (used in) operating activities	734,636,962	279,127,032	(262,939,487)	618,686,474
Cash received for interest income	33,756,002	44,745,618	90,954,813	114,422,481
Cash paid for interest expenses	(180,500,019)	(130,896,417)	(38,929,616)	(53,340,174)
Cash paid for income tax	(80,337,279)	(653,760,139)	(5,020,063)	(456,489,862)
Net cash flows from (used in) operating activities	507,555,666	(460,783,906)	(215,934,353)	223,278,919

The accompanying notes are an integral part of the financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Decrease in restricted deposits at financial institution	-	2,020,000	-	-
Increase in fixed deposit	(2,000,000)	-	(2,000,000)	-
Cash received from sale of investments in subsidiaries	-	710,096,465	-	119,489,911
Cash paid for purchase of investments in subsidiaries	-	-	(70,456,973)	(1,360,990)
Decrease in cash and cash equivalents of subsidiary at the disposal date	-	(64,258,403)	-	-
Cash paid for purchase of other long-term investment	(225,382,975)	(38,970,865)	-	(6,466,044)
Dividend received from investment in associate	-	17,181,689	-	-
Cash received from long-term loans to subsidiaries	-	-	1,090,200,000	2,040,990,000
Cash paid for long-term loans to subsidiaries	-	-	(952,750,000)	(1,634,650,000)
Decrease in long-term loans to employees	725,921	12,920,336	1,557,886	5,669,644
Cash received from sales of property, plant and equipment	2,191,109	2,875,710	902	54,633
Cash paid for acquisition of property, plant and equipment	(363,823,915)	(621,280,291)	(1,822,678)	(3,534,504)
Net cash flow from (used in) investing activities	(588,289,860)	20,584,641	64,729,137	520,192,650
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institution	(710,000,000)	710,000,000	(410,000,000)	410,000,000
Draw down of long-term loans from subsidiaries	-	-	955,450,000	563,650,000
Repayment of long-term loans from subsidiaries	-	-	(297,000,000)	(1,351,390,000)
Draw down of long-term loans from financial institutions	1,285,308,500	562,020,000	-	-
Repayment of long-term loans from financial institutions	(378,835,680)	(606,660,665)	(70,000,000)	(70,000,000)
Payment of dividends	(27,499,015)	(1,769,332,294)	-	(1,666,826,850)
Net cash flows from (used in) financing activities	168,973,805	(1,103,972,959)	178,450,000	(2,114,566,850)
Net exchange differences on translation of financial statements in foreign currency	4,627,923	1,775,288	-	-
Net increase (decrease) in cash and cash equivalents	92,867,534	(1,542,396,936)	27,244,784	(1,371,095,281)
Cash and cash equivalents at beginning of year	478,996,835	2,021,393,771	26,153,457	1,397,248,738
Cash and cash equivalents at end of year	571,864,369	478,996,835	53,398,241	26,153,457
Supplemental cash flows information				
Non-cash items				
Transferred property, plant and equipment to investment properties	195,000,000	618,340,383	76,132,721	20,144,752
Addition of revaluation surplus on assets	21,000,000	-	8,198,909	-
Amortisation of revaluation surplus on assets	6,227,392	7,099,100	-	-
Reversal of revaluation surplus on assets for sale of investments	-	426,271,105	-	-
Increase (decrease) in exchange differences on translation of financial statements in foreign currency of associate	(12,315,938)	41,335,844	-	-
Utilise allowance for doubtful accounts	504,018	4,015,092	51,360	1,640,490
Reversal of revaluation surplus on disposal of assets	9,478,523	-	-	-
Actuarial gain of post-employment benefits	46,064,509	831,347	11,594,447	-

The accompanying notes are an integral part of the financial statements.

1. General information

Laguna Resorts & Hotels Public Company Limited ("the Company", "LRH") is a public company incorporated and domiciled in Thailand. Its major shareholder is Banyan Tree Holdings Limited, which was incorporated in Singapore.

The Company and its subsidiaries are principally engaged in the hotel business and property development. There are three hotels in Laguna Phuket, namely Angsana Laguna Phuket, Banyan Tree Phuket and Outrigger Laguna Phuket Resort and Villas, located in Phuket province and one hotel, the Banyan Tree Bangkok, located in Bangkok. The subsidiaries are also engaged in operating a golf club (Laguna Phuket Golf Club), sales of merchandise (Banyan Tree Gallery), office and shops rental and sale of holiday club memberships.

The Company and some of its subsidiaries' registered address is 21/11, 21/12B, 21/13, 21/65 and 21/66 Thai Wah Tower I, 6th and 22nd Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

(a) The consolidated financial statements include the financial statements of Laguna Resorts & Hotels Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012	2011
			%	%
Subsidiaries directly held by the Company				
Banyan Tree Gallery (Singapore) Pte. Limited	Sale of merchandise	Singapore	51.0	51.0
Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	51.0	51.0
Laguna Banyan Tree Limited ⁽¹⁾	Hotel operations and property development	Thailand	100.0	100.0
Laguna Holiday Club Limited	Holiday club membership and property development	Thailand	100.0	100.0
Laguna Grande Limited	Operating a golf club and property development	Thailand	100.0	100.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012	2011
			%	%
Laguna Lakes Limited	Property development	Thailand	94.9	94.9
Laguna (3) Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
Laguna Service Company Limited ⁽²⁾	Provide utilities and other services to hotels of the Company and subsidiaries	Thailand	72.9	72.9
TWR - Holdings Limited	Investment holding and property development	Thailand	100.0	100.0
Subsidiaries held through TWR - Holdings Limited				
Laguna Excursions Limited	Travel operations	Thailand	49.0	49.0
Laguna Village Limited	Hotel operations	Thailand	100.0	100.0
Mae Chan Property Company Limited	Holds land plots for future development	Thailand	100.0	100.0
Pai Samart Development Company Limited	Holds land plots for future development	Thailand	100.0	100.0
Phuket Resort Development Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
PT AVC Indonesia	Holiday club membership	Indonesia	100.0	100.0
Talang Development Company Limited	Property development	Thailand	50.0	50.0
Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	100.0	100.0
Thai Wah Tower Company Limited	Lease of office building space	Thailand	100.0	100.0
Thai Wah Tower (2) Company Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
Twin Waters Development Company Limited	Property development	Thailand	100.0	100.0
Subsidiaries held through Laguna Grande Limited				
Bangtao (1) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao (2) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao (3) Limited	Owns land on which a hotel staff dormitory is situated	Thailand	100.0	100.0
Bangtao (4) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao Development Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
Bangtao Grande Limited	Hotel operations	Thailand	100.0	100.0
Laguna Central Limited	Dormant	Thailand	85.0	85.0
Subsidiary held through Banyan Tree Gallery (Singapore) Pte. Limited				
Lijiang Banyan Tree Gallery Trading Co., Ltd	Sale of merchandise	The People's Republic of China	51.0	51.0
Subsidiary held through Laguna Holiday Club Limited				
Cheer Golden Limited	Investment holding	Hong Kong	100.0	100.0

(1) Laguna Banyan Tree Limited is held 49% by the Company and 51% through TWR - Holdings Limited.

(2) Laguna Services Company Limited is held by the Company and 2 subsidiaries.

A subsidiary has a 49% shareholding in Laguna Excursions Limited. However, the subsidiary has recognised its share of the income of this subsidiary at 100% after deducting the cumulative preferential annual dividend of 15% of the par value of the preference shares, in accordance with the income sharing percentage in the Articles of Association.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

In February 2011, the Company and TWR-Holdings Limited, a subsidiary, sold Laguna Beach Club Limited ("LBC"), in which the Company and its subsidiary had a 60% shareholding, comprising 1,200,000 shares, to Laguna Phuket Club Limited, as discussed in the Note 14 to the financial statements. Upon completion of the transaction on 10 May 2011, LBC and Laguna (1) Limited, a wholly-owned subsidiary of LBC, were no longer the subsidiaries of the Company.

As at 10 May 2011, the net asset value of LBC and Laguna (1) Limited were as follows:

(Unit : Thousand Baht)

Assets	
Cash and bank deposits	64,258
Trade accounts receivable	12,470
Inventories	4,987
Amount due to related parties	1,807
Other current assets	5,027
Total current assets	88,549
Non-current assets	
Property, plant and equipment	1,337,699
Other assets	24,667
Total non-current assets	1,362,366
Total assets	1,450,915
Liabilities	
Trade accounts payable	14,047
Advance from related parties	6,545
Income tax payable	38,132
Other current liabilities	42,202
Total liabilities	100,926
Total net assets	1,349,989
Less: Non-controlling interests of the subsidiaries	(674,995)
Total net assets - the Company and a subsidiary portion	674,994
Selling price - net*	710,093
Less: Investment of the Company and a subsidiary portion - net	(238,615)
Transferred revaluation surplus on assets to retained earnings	(426,271)
Gain on sale of subsidiaries	45,207

* Selling price - net is selling price less price adjustment and related expenses.

- (b) Subsidiaries are fully consolidated being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- (d) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

(e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

(f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines. The effect of the adoption to the financial statements of the Company and its subsidiaries will be to decrease profit for the year 2012 by Baht 36 million (0.21 Baht per share), decrease other comprehensive income for the year 2012 by Baht 9 million (0.06 Baht per share) and decrease brought-forward retained earnings of the year 2012 by Baht 1,563 million (separate financial statements: decrease loss for the year 2012 by Baht 6 million (0.03 Baht per share), decrease other comprehensive income for the year 2012 by Baht 2 million (0.01 Baht per share) and decrease brought-forward retained earnings of the year 2012 by Baht 47 million).

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	Effective date
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013
Accounting Standard Interpretation:	
SIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of these standards and believes that Accounting Treatment Guidance for Transfers of Financial Assets, SIC 29, TFRIC 4 and TFRIC 12 are not relevant to the business of the Company. Management is still evaluating the first-year impact to the financial statements of the adoption of TFRIC 13 and has yet to reach a conclusion.

4. Significant accounting policies

4.1 Revenue recognition

(a) Revenue from hotel operations

- Revenue from hotel operations mainly comprises room sales, food and beverage sales and revenue from auxiliary activities. Sales are the invoiced value, excluding value added tax, of goods supplied and services rendered after deducting discounts.
- Revenue from sales of merchandise (Gallery operation) is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value-added tax, of goods supplied after deducting discounts.

(b) Revenue from property development operations

- Revenue from the real estate sales
Revenue from sales of real estate is recognised when significant risks and rewards of ownership are transferred to the buyer, and the Company and its subsidiaries retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold. In addition, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and its subsidiaries and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Where properties are sold to non-Thais, the land is sold under a long-term lease agreement comprising an initial term of thirty years with an option to extend for two or three successive periods of thirty years each, without any additional consideration to be paid in addition to the sum of the rental paid for the initial lease term. These long-term

lease agreements also contain a further option that provides if Thai law permits non-Thais to own land on a freehold basis, the lessor shall consent to sell the land to the lessee in return for a token payment. Consequently, long-term leases are recognised as sales of land for accounting purposes in accordance with the principle of applying substance over form.

- Revenue from sales of furniture

Revenue from sales of furniture is recognised when furniture is completely and satisfactorily installed.

- Revenue from sale of holiday club memberships

Revenue from the sale of holiday club memberships is wholly recognised when a legally binding contract has been signed and at least fifty percent of the contract price has been received.

(c) Revenue from rental and services

Rental income is recognised over the lease period. Service revenue is recognised when services have been rendered taking into account the stage of completion.

(d) Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

(e) Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cost of land and houses sold

In determining the cost of land and houses sold, the anticipated total development cost (after recognising the cost incurred to date) are attributed to units already sold and then recognised as cost in profit or loss.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.5 Property development cost

Property development cost is valued at the lower of cost and net realisable value. Cost comprises cost of land, design fee, infrastructure, construction and related interest.

4.6 Inventories

Inventories are valued at the lower of cost and net realisable value, cost being determined on either the first-in, first-out or the weighted average basis.

4.7 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.8 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.9 Property, plant and equipment

Land is stated at its revalued amount. Buildings and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any). Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. As a policy, the revaluation will be performed every three years. If within that period, there are factors which may cause significant changes in the value of assets, the revaluation will be performed in that year to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of the revaluation of the Company's and subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised as equity under the

heading of "Revaluation surplus on assets". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.

- When an asset's carrying amount is decreased as a result of a revaluation of the Company's and subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on assets" in respect of the same assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised. Revaluation surplus of disposed assets has been directly transferred to retained earnings.

4.10 Depreciation

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amounts on the straight-line basis over the following estimated useful lives:

Buildings and improvements	10 - 50 years
Furniture, fixtures and equipment	5 - 15 years
Operating and office equipment	3 - 10 years
Golf course	5 - 10 years
Motor vehicles	5 years

The depreciation is dealt with in the financial statements as follows:

- Depreciation attributed to the original cost portion is included in determining income.
- Depreciation attributed to the surplus portion is deducted against revaluation surplus in shareholders' equity.

No depreciation is provided on land and construction in process.

4.11 Leasehold rights and amortisation

Leasehold rights of hotel units are stated at cost less accumulated amortisation and any impairment losses (if any). Amortisation of leasehold rights is calculated by reference to their cost on a straight-line basis over 20 years.

The amortisation is included in determining income.

4.12 Goodwill

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 unit (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.

4.13 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.14 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However in cases where property, plant and equipment was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's

recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide other long-term employee benefits, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income and other long-term benefits are recognised immediately in profit or loss.

The defined benefits liability and other long-term benefit liabilities comprise the present value of the defined benefit obligation less unrecognised actuarial gains or losses.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

4.17 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic

benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

4.19 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Impairment of equity investments

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

Investment properties

The Company and its subsidiaries present investment properties at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent

appraiser valued the investment properties using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 17 to the financial statements.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

The Company and its subsidiaries measure land and buildings at revalued amounts. Such amounts are determined by independent valuer using the Fair Market Approach for land, the Depreciated Replacement Cost Approach for buildings. Such valuation is based on certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that the recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenue and expenses relating to the assets subject to review.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The Company's and subsidiaries' management has used judgment to assess the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Cash and cash equivalents

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Cash	6,667	5,487	194	191
Bank deposits	565,197	473,510	53,204	25,962
Total	571,864	478,997	53,398	26,153

As at 31 December 2012, bank deposits in saving accounts and fixed deposits carried interest rates between 0.625 % and 0.75% per annum (2011: between 0.25% and 0.75% per annum).

7. Restricted deposits at financial institution

These represent deposits pledged with a financial institution as security for bank guarantee facilities of a subsidiary.

8. Trade and other receivables

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2012	31 December 2011	1 January 2011	31 December 2012	31 December 2011	1 January 2011
Trade accounts receivable						
Trade accounts receivable - hotel operations	286,227	216,974	292,076	3,386	2,720	8,227
Less: Allowance for doubtful accounts	(12,740)	(6,566)	(14,299)	(51)	(103)	(1,759)
Trade accounts receivable - hotel operations, net	273,487	210,408	277,777	3,335	2,617	6,468
Trade accounts receivable - sales of property						
- Installments due	2,439	9,875	18,538	-	4,551	8,868
- Unbilled receivable (not yet due)	-	-	9,831	-	-	4,000
Current portion of long-term trade accounts receivable (Note 13)	90,680	64,989	75,616	25,584	14,935	18,845
Total	93,119	74,864	103,985	25,584	19,486	31,713
Less: Allowance for doubtful accounts	-	(3,433)	(5,228)	-	(180)	-
Trade accounts receivable - sales of property, net	93,119	71,431	98,757	25,584	19,306	31,713
Trade accounts receivable - sales of holiday club memberships						
- Installments due	11,565	19,275	32,398	-	-	-
Current portion of long-term trade accounts receivable (Note 13)	32,961	65,920	97,624	-	-	-
Total	44,526	85,195	130,022	-	-	-
Less: Allowance for doubtful accounts	(2,600)	(2,600)	(2,600)	-	-	-
Trade accounts receivable - sales of holiday club memberships, net	41,926	82,595	127,422	-	-	-
Trade accounts receivable - net	408,532	364,434	503,956	28,919	21,923	38,181
Other receivables						
Amounts due from related parties (Note 9)	64,075	48,729	73,225	121,659	125,020	67,707
Other receivables	8,439	26,803	17,016	4,530	3,296	7,839
Forward exchange contract	-	-	16,127	-	-	-
Insurance claim receivable	88	223	26,655	-	-	-
Accrued other income	3,557	4,750	2,391	2,503	2,960	1,987
Interest receivable	666	403	2,259	550	221	672
Accrued rental	37,759	33,994	-	25,193	33,994	-
Total other receivables	114,584	114,902	137,673	154,435	165,491	78,205
Trade and other receivables, net	523,116	479,336	641,629	183,354	187,414	116,386

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

The balances of trade accounts receivable - hotel operations as at 31 December 2012, 2011 and 1 January 2011, aged on the basis of invoice dates, are summarised below.

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2012	31 December 2011	1 January 2011	31 December 2012	31 December 2011	1 January 2011
Age of receivables						
Not yet due	131,079	110,064	115,505	1,304	1,060	2,587
Past due						
Up to 30 days	101,983	48,742	105,625	1,234	1,177	2,453
31 - 60 days	18,448	6,624	27,860	585	306	684
61 - 90 days	5,698	16,256	7,576	123	3	574
91 - 120 days	6,690	10,743	10,979	89	71	97
Over 120 days	22,329	24,545	24,531	51	103	1,832
Total	286,227	216,974	292,076	3,386	2,720	8,227
Less: Allowance for doubtful debts	(12,740)	(6,566)	(14,299)	(51)	(103)	(1,759)
Trade accounts receivable - hotel operations, net	273,487	210,408	277,777	3,335	2,617	6,468

The balances of installments due of trade accounts receivable - sales of property as at 31 December 2012, 2011 and 1 January 2011, aged on the basis of due dates, are summarised below.

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2012	31 December 2011	1 January 2011	31 December 2012	31 December 2011	1 January 2011
Age of receivables						
Not yet due	2,439	-	-	-	-	-
Past due						
Up to 30 days	-	5,370	8,937	-	4,371	8,134
31 - 60 days	-	543	1,193	-	-	481
61 - 90 days	-	312	1,221	-	-	247
91 - 120 days	-	217	524	-	-	-
Over 120 days	-	3,433	6,663	-	180	6
Total	2,439	9,875	18,538	-	4,551	8,868
Less: Allowance for doubtful debts	-	(3,433)	(5,228)	-	(180)	-
Trade accounts receivable - sales of property - installment due, net	2,439	6,442	13,310	-	4,371	8,868

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

The balances of installments due of trade accounts receivable – holiday club memberships as at 31 December 2012, 2011 and 1 January 2011, aged on the basis of due dates, are summarised below.

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2012	31 December 2011	1 January 2011	31 December 2012	31 December 2011	1 January 2011
Age of receivables						
Past due						
Up to 30 days	4,970	9,208	17,938	-	-	-
31 – 60 days	659	2,001	1,842	-	-	-
61 – 90 days	417	1,077	1,499	-	-	-
91 – 120 days	444	652	1,169	-	-	-
Over 120 days	5,075	6,337	9,950	-	-	-
Total	11,565	19,275	32,398	-	-	-
Less: Allowance for doubtful debts	(2,600)	(2,600)	(2,600)	-	-	-
Trade accounts receivable – sales of holiday club members – installment due, net	8,965	16,675	29,798	-	-	-

9. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and agreed basis between the Company, its subsidiaries and those related parties.

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2012	2011	2012	2011	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Inter resort payments	-	-	3	2	(1) agreed basis
Estate service expenses	-	-	3	2	(2) at market price
Guarantee fee income	-	-	1	1	(3) agreed basis
Guarantee fee expenses	-	-	6	6	(3) agreed basis
Interest income	-	-	110	122	(5) agreement
Interest expenses	-	-	12	25	(5) agreement
Management fee income	-	-	2	2	(7) agreement
Purchase of gallery vouchers	-	-	1	2	(8) agreed basis
Reimbursement receipts	-	-	33	58	(11) agreed basis
Reimbursement payments	-	-	26	21	(11) agreed basis
Rental and service income	-	-	12	11	(12)(i), (iii) agreement
Rental and service expenses	-	-	14	16	(12)(iv), (v) agreement
Resort service expenses	-	-	10	10	(14) agreed basis
Dividend received	-	-	30	747	As declared

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2012	2011	2012	2011	
Transactions with associate					
Inter resort receipts	9	3	-	-	(1) agreed basis
Reimbursement receipts	5	5	-	3	(11) agreed basis
Reimbursement payments	1	1	-	-	(11) agreed basis
Rental and service expenses	1	1	-	-	(12)(i) agreement
Transactions with related companies					
Credit card commission receipts	1	1	-	-	(1) agreed basis
Inter resort payments	98	91	-	-	(1) agreed basis
Management fee income	2	1	1	1	(7), (17) agreement
Management fee expenses	261	164	-	-	(6), (15), (16) agreement
Purchase of spa vouchers	6	7	2	2	(8) agreed basis
Reimbursement receipts	56	57	4	5	(11) agreed basis
Reimbursement payments	74	86	6	7	(11) agreed basis
Rental and service income	39	45	-	-	(12)(i), (ii), (iv), (vi), (vii) agreement
Rental and service expenses	1	-	-	-	(12)(ix) agreement
Rental return on hotel units	4	4	-	-	(13) agreement
Resort service income	8	8	-	-	(14) agreed basis
Sale of gallery vouchers	8	10	-	-	(8) agreed basis
Sale of goods	48	67	-	-	(9) agreed basis
Spa service expenses	1	-	-	-	(18) agreed basis
Training charges	13	10	7	3	(10) agreed basis
Dividend paid	28	-	-	-	As declared
Transactions with management and directors					
Interest income	3	3	2	2	(4) agreement
Rental expense	-	1	-	-	(12)(viii) agreement

The nature, pricing policy and agreements relating to the above transactions are summarised as follows:

- (1) These charges relate to goods and services that are consumed by customers in one part of Laguna Phuket but are billed centrally to the customer at the hotel at which the customer is staying. Such charges relate to meals at restaurants, golf fees, treatments at the spa and goods purchased at shops in the resort. On receiving the funds centrally from the customer, the hotel reimburses the company in which the goods and services are consumed. Actual receipts are paid and handling charges are not charged with the exception of credit card whereby commission is charged ranging from 2% to 4% of the revenue and are based on the commissions charged by the credit card companies. Such inter resort charges are also incurred at the Banyan Tree Bangkok and Banyan Tree Lijiang primarily for treatments at the spa and goods purchased at the shops.

- (2) Estate maintenance and service charges by Laguna Grande Limited in respect of providing services such as pool cleaning service, gardening service, etc to residential projects in Laguna Phuket which charges are at market price.
- (3) Guarantee fee among group companies for permitting their assets to be pledged as collateral for other related companies' bank loans by charging on 1% of proportion of value of pledged assets to total loan facilities.
- (4) Financial assistance provided to employees for acquisition of a property developed by the Company or its subsidiaries. A staff advance of 10% of selling price of a property is funded by the employee's employer and is repayable by the employee over a period of 5 years with monthly repayments consisting of both interest and principal. A loan by the developer equal to 80% of selling price is to be settled in full with the property developer within 5 years of the property completion. Both advance and loan are subject to interest at the group's cost of funds plus 0.5% per annum.
- (5) Loans to subsidiaries and between group companies are unsecured and are denominated in Thai Baht. The Baht loans carry interest at a rate equal to the lenders' borrowing costs per annum (based upon commercial bank's interest rates) plus a margin of 1.1%. The loans are repayable on demand, however it is expected that those loans would not be called for repayment in the short-term. Therefore such loans are recorded as non-current assets/liabilities in the statements of financial position.
- (6) The terms of the operating agreements are disclosed in Note 34 to the financial statements and consist of a royalty agreement, hotel management agreement and technical assistance agreement. The payment terms of the contracts are as follows:

Royalty fee paid for the use of "Banyan Tree" and "Angsana" trademarks and all other proprietary rights associated with it.

- (i) Banyan Tree Phuket (Laguna Banyan Tree Limited) pays a royalty fee of 2% of total revenue.
- (ii) Banyan Tree Bangkok (Thai Wah Plaza Limited) and Angsana Laguna Phuket (Bangtao Grande Limited) pay a royalty fee of 3% of total revenue.
- (iii) Banyan Tree Gallery (Thailand) Limited and Banyan Tree Gallery (Singapore) Pte. Ltd. pay a royalty fee of 1% of total revenue.

Hotel management and technical assistance fees.

- (iv) The Technical Assistance Agreement of the Banyan Tree Phuket pays a technical fee of 7.5% of gross operating profit.
- (v) The Technical Assistance Agreement to conduct the golf business pays a basic technical fee of 3% of total revenue and an incentive fee of 10% of gross operating profit.
- (vi) The Hotel Management Agreement of the Banyan Tree Bangkok and the Angsana Laguna Phuket pay a hotel management fee of 10% of gross operating profit.

(vii) In addition, pursuant to the hotel management and technical assistance agreements, expenses relating to the sharing of group marketing costs such as promotional campaigns and adverts, sales staff salaries, central reservations and international sales offices incurred by the Banyan Tree and/or Angsana corporate head office shall be charged as follows:

- Group marketing services shared on a group basis are based on 1.75% of actual hotel revenues plus a share of operating cost of Regional Marketing offices.
- Reservation service fees are 1% of room revenue plus USD 12 per booking sourced through third party channels.

All management fees are consistent with industry practice and the sharing of group marketing costs incurred by Banyan Tree Phuket, Banyan Tree Bangkok and Angsana Laguna Phuket are the reimbursement of costs benefiting each of the hotels. As a result, these transactions are on normal commercial terms and conditions.

- (7) The Company provides project management services, the contracted fee is set at a rate of 5% of the actual or budgeted costs of the project.
- (8) Purchase of Banyan Tree Spa and Banyan Tree Gallery vouchers for distribution to management to provide an additional benefit scheme. The vouchers are issued yearly to qualifying executives and are valid only within the year of issue. The voucher is priced at the face value of the voucher.
- (9) These transactions relate to:
- (i) Sale of goods from Banyan Tree Gallery (Thailand) Limited to related companies is priced at a 15% to 60% discount to the retail price depending on the volume purchased.
 - (ii) Sale of guest and spa supplies of high volume purchases from companies which operate galleries to related companies is priced at cost plus 35% to 55% margin.
- (10) Training charges by Banyan Tree Resorts & Spas (Thailand) Company Limited in respect of providing centralised training facilities and courses for staff. The training costs are allocated to each operation based on actual cost.
- (11) Costs are often incurred within the group which is reimbursed by the company to which the expense relates. Actual costs are reimbursed with no handling costs applied.
- (12) Rental paid for premises and land. The rental periods are not over three years, except some transactions as stated in 12(i).
- (i) Rental and service fee is on the basis of 5% to 10% of sales revenue which is dependent on criteria such as the location, budgeted sales, term of the lease, size of area leased and type of operation.

Payee	Payer	Rental Period	Expiry Date
BGL	BTRS(T)	30 years	November 2041
LBTL	BTRS(T)	10 years	December 2015

BGL : Bangtao Grande Limited
 BTRS(T) : Banyan Tree Resorts & Spas (Thailand) Company Limited
 LBTL : Laguna Banyan Tree Limited

- (ii) Rental and service income for space in Banyan Tree Phuket for Banyan Tree Spa office and store are Baht 1,105 per square metre per month.
- (iii) Rental of space and service in Canal Village. The charges include rental and related service fees which are at market rate.
- (iv) Rental and service income earned by Thai Wah Plaza Limited for renting the office space at Thai Wah Tower I and II. The charges include rental and related service fees which are at market rate.
- (v) Rental of land and lagoon on which hotel and hotel - related operations are located are Baht 113,908 and Baht 11,391 per rai per annum respectively.
- (vi) Service income from rental of Banyan Tree Management Academy is at Baht 125,000 per month.
- (vii) Rental of land on which Spa premises are located is on the basis of Baht 0.7 million per annum.
- (viii) Rental of property used as a model display home of the Laguna Property Sales division in 2011 was at Baht 70,000 per month.
- (ix) Rental and service fee for Banyan Tree Gallery (Singapore)'s office, monthly rental is SGD 34.56 per square metre.
- (13) This relates to a Management Agreement to manage the hotel units of Cheer Golden Limited in the Angsana Resort & Spa on Bintan Island, Indonesia under which Cheer Golden Limited receives a return of 15% per annum on the investment of the leasehold rights.
- (14) Resort service charged to the operations relates to revenue of Laguna Service Company Limited which provides centralised services to each operation in the group located at Laguna Phuket at the following rates:
- | | |
|---|--|
| - Water supply | : at the determined price and actual usage |
| - Laundry charge | : at the price based on cost plus a certain margin |
| - Common area services,
transportation charges | : based on actual cost |
| - Staff buses | : at the price based on cost plus a certain margin |
| - Marketing fee | : at the rate of 1% of each operations' actual revenue |
| - Community service | : based on actual cost |
- (15) This relates to architectural and interior design services. The fees are based on construction cost at progressive rates depending on the type of constructions and services provided. The fees are consistent with industry practice. As a result, these transactions are on normal commercial terms and conditions.
- (16) This related to technical service for pre-construction and pre-opening of Angsana Laguna Phuket at USD 0.5 million.

(17) The Company charges a management fee to Banyan Tree Resorts & Spas (Thailand) Company Limited for providing administration services of information technology and human resources. The monthly fee is Baht 55,000 (2011: Baht 65,000 also included maid service and an additional Baht 300 per person for internet services).

(18) This relates to the purchase of spa vouchers by Laguna Holiday Club Limited from Banyan Tree Resorts & Spas (Thailand) Company Limited, for using as a marketing tool, which is priced at a 20% to 40% discount to the Spa price list.

The Company has contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of its subsidiaries as follows:

(Unit : Million Baht)

	31 December 2012	31 December 2011
Overdrafts and bank guarantee facilities	106	106

Subsidiaries have contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of the Company and other subsidiaries as follows:

(Unit : Million Baht)

	31 December 2012	31 December 2011
Short-term loan facilities	170	170
Overdrafts and bank guarantee facilities	10	10

As at 31 December 2012, 2011 and 1 January 2011, the balances of the accounts between the Company and those related companies are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2012	31 December 2011	1 January 2011	31 December 2012	31 December 2011	1 January 2011
Amounts due from related parties						
Subsidiaries	-	-	-	116,830	114,432	62,624
Associated companies	9,601	4,457	9,108	2,613	-	-
Related companies (related by common shareholders)	54,474	44,272	64,117	2,216	10,588	5,083
Total amounts due from related parties (Note 8)	64,075	48,729	73,225	121,659	125,020	67,707
Amounts due to related parties						
Subsidiaries	-	-	-	10,439	5,850	8,899
Associated companies	58	109	-	-	-	-
Related companies (related by common shareholders)	109,402	75,946	92,183	5,328	4,914	23,577
Total amounts due to related parties (Note 21)	109,460	76,055	92,183	15,767	10,764	32,476

Loans to subsidiaries and employees and long-term loans from subsidiaries

As at 31 December 2012 and 2011, the balance of loans between the Company, employees and those related companies and the movement are as follows:

Long-term loans to subsidiaries

(Unit : Thousand Baht)

	Separate financial statements			
	31 December 2011	Addition	Repayment	31 December 2012
Laguna Banyan Tree Limited	900,300	487,000	(402,200)	985,100
Laguna Holiday Club Limited	185,380	28,500	(159,500)	54,380
Laguna Lakes Limited	441,001	-	-	441,001
TWR-Holdings Limited	301,670	406,450	(497,700)	210,420
Laguna Grande Limited	-	30,800	(30,800)	-
Total	1,828,351	952,750	(1,090,200)	1,690,901

Long-term loans to employees

(Unit : Thousand Baht)

Employees of the companies	Consolidated financial statements			
	31 December 2011	Addition	Repayment	31 December 2012
Laguna Resorts & Hotels Public Company Limited	1,720	484	(2,041)	163
Bangtao Grande Limited	-	725	(460)	265
Laguna Grande Limited	1,099	-	(646)	453
Laguna Holiday Club Limited	-	242	(193)	49
Banyan Tree Gallery (Thailand) Limited	-	327	(160)	167
Thai Wah Plaza Limited	-	1,798	(802)	996
Total	2,819	3,576	(4,302)	2,093

(Unit : Thousand Baht)

Employees of the companies	Separate financial statements			
	31 December 2011	Addition	Repayment	31 December 2012
Laguna Resorts & Hotels Public Company Limited	1,720	484	(2,041)	163

Long-term loans to employees related to loans for property purchased under the Group's employee financing scheme and loans for flood relief. The loans for property purchased under the Group's employee financing scheme are charged with interest at the rate of the Group's cost of funds plus a margin of 0.5%. The loans are repayable within 5 years commencing from the date on which the loan is drawn down. The loans for flood relief are for repairing employees houses which were damaged in the 2011 Bangkok flood. These loans are interest free and repayable within 4 months to 2 years.

Long-term loans from subsidiary

(Unit : Thousand Baht)

	Separate financial statements			
	31 December 2011	Addition	Repayment	31 December 2012
Laguna Grande Limited	11,200	953,450	(295,000)	669,650
Laguna (3) Limited	-	2,000	(2,000)	-
Total	11,200	955,450	(297,000)	669,650

Directors and management's benefits

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term employee benefits	94,280	93,999	74,822	75,190
Post-employment benefits	1,469	1,422	782	768
Other long-term employee benefits	27	1	(1)	21
Total	95,776	95,422	75,603	75,979

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 35 b) to the financial statements.

10. Inventories

(Unit : Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Food and beverage	20,386	25,187	-	-	20,386	25,187
Finished goods and supplies	116,441	122,957	(3,404)	(3,304)	113,037	119,653
Total	136,827	148,144	(3,404)	(3,304)	133,423	144,840

(Unit : Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Food and beverage	21	55	-	-	21	55
Finished goods and supplies	157	169	(73)	-	84	169
Total	178	224	(73)	-	105	224

11. Property development cost

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Property for sale under holiday club memberships	459,117	473,504	-	-
Completed buildings	969,408	1,006,688	233,256	269,807
Land	719,800	699,583	3,292	3,997
Leasehold land	44,041	44,041	-	-
Property under construction	286,562	499,056	8,795	2,283
	2,478,928	2,722,872	245,343	276,087
Less: Allowance for diminution in market value of property under construction	(91,418)	(91,418)	-	-
Property development cost - net	2,387,510	2,631,454	245,343	276,087

Subsidiaries have mortgaged property development cost amounting to Baht 369 million (2011: Baht 328 million) as collateral against its credit facilities received from financial institutions.

12. Other current assets

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2012	31 December 2011	1 January 2011	31 December 2012	31 December 2011	1 January 2011
Value added tax	62,864	60,663	28,149	16,390	5,574	4,145
Prepaid expenses and withholding tax deducted at source	84,774	72,053	58,025	9,084	6,803	2,695
Advances to suppliers and staffs	27,732	60,120	45,295	2,289	3,655	9,016
Income tax and VAT refundable	16,867	3,098	8,380	3,207	-	997
Total	192,237	195,934	139,849	30,970	16,032	16,853

13. Long-term trade accounts receivable

Long-term trade accounts receivable consist of:

13.1 Installments receivable from property sales which bear interest at a rate of 7.0% - 12.0%, MLR plus 0.5%-1.0% and the group's cost of funds plus 0.5% per annum and installments are repaid over a period of 3 to 15 years.

13.2 Installments receivable from sales of holiday club memberships which bear interest at a rate of 7.5% to 9.0% per annum and installments are repaid over a period of 2 to 5 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Long-term trade accounts receivable are due as follows:

(Unit : Thousand Baht)

	Consolidated financial statements	
	31 December 2012	31 December 2011
Current portion of long-term trade accounts receivable	123,641	130,909
Long-term trade accounts receivable	160,078	173,032
Total	283,719	303,941
Sales of property		
Within 1 year (Note 8)	90,680	64,989
Over 1 year to 5 years	142,545	108,535
Over 5 years	5,010	19,933
Long-term trade accounts receivable - sales of property	238,235	193,457
Sales of holiday club memberships		
Within 1 year (Note 8)	32,961	65,920
Over 1 year to 5 years	12,523	44,564
Long-term trade accounts receivable - sales of holiday club memberships	45,484	110,484
Total	283,719	303,941

(Unit : Thousand Baht)

	Separate financial statements	
	31 December 2012	31 December 2011
Current portion of long - term trade accounts receivable	25,584	14,935
Long-term trade accounts receivable	24,890	34,859
Total	50,474	49,794
Sales of property		
Within 1 year (Note 8)	25,584	14,935
Over 1 year to 5 years	22,442	30,934
Over 5 years	2,448	3,925
Long-term trade accounts receivable - sales of property	50,474	49,794

14. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries held by the Company								
Banyan Tree Gallery (Singapore) Pte Limited	SGD0.43 Million	SGD0.43 Million	51	51	4.0	4.0	19.3	-
Banyan Tree Gallery (Thailand) Limited	7.8	7.8	51	51	4.0	4.0	10.3	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Laguna Banyan Tree Limited ⁽¹⁾	500.0	500.0	100	100	835.1	835.1	-	-
Laguna Beach Club Limited ⁽²⁾	-	-	-	-	-	-	-	17.1
Laguna Holiday Club Limited	330.0	330.0	100	100	330.0	330.0	-	-
Laguna Grande Limited	1,000.0	1,000.0	100	100	984.8	914.4	-	417.6
Laguna Lakes Limited	1.0	1.0	95	95	0.9	0.9	-	-
Laguna Service Company Limited ⁽³⁾	90.5	90.5	72.9	72.9	22.4	22.4	-	-
Laguna (3) Limited	0.1	0.1	100	100	47.8	47.8	-	-
TWR - Holdings Limited	1,250.0	1,250.0	100	100	1,250.0	1,250.0	-	312.5
Subsidiaries held through								
TWR - Holdings Limited								
Laguna Excursions Limited	8.0	8.0	49	49	-	-	-	-
Laguna Village Limited	6.0	6.0	100	100	-	-	-	-
Mae Chan Property Company Limited	232.3	232.3	100	100	-	-	-	-
Pai Samart Development								
Company Limited	28.4	28.4	100	100	-	-	-	-
Phuket Resort Development Limited	41.4	41.4	100	100	-	-	-	-
PT AVC Indonesia	USD 0.9	USD 0.7	100	100	-	-	-	-
	Million	Million						
Talang Development Company Limited	251.0	251.0	50	50	-	-	-	-
Thai Wah Plaza Limited	2,250.0	2,250.0	100	100	-	-	-	-
Thai Wah Tower Company Limited	455.0	455.0	100	100	-	-	-	-
Thai Wah Tower (2) Company Limited	21.0	21.0	100	100	-	-	-	-
Twin Waters Development								
Company Limited	214.4	214.4	100	100	-	-	-	-
Subsidiaries held through Laguna								
Grande Limited								
Bangtao (1) Limited	20.9	20.9	100	100	-	-	-	-
Bangtao (2) Limited	19.1	19.1	100	100	-	-	-	-
Bangtao (3) Limited	7.8	7.8	100	100	-	-	-	-
Bangtao (4) Limited	14.6	14.6	100	100	-	-	-	-
Bangtao Development Limited	80.0	80.0	100	100	-	-	-	-
Bangtao Grande Limited	1,546.0	1,546.0	100	100	-	-	-	-
Laguna Central Limited	1.0	1.0	85	85	-	-	-	-
Subsidiary held through Banyan Tree								
Gallery (Singapore) Pte Limited								
Lijiang Banyan Tree Gallery Trading Company Limited	USD 75	USD 75	51	51	-	-	-	-
	Thousands	Thousands						
Subsidiary held through Laguna								
Holiday Club Limited								
Cheer Golden Limited	-	-	100	100	-	-	-	-
Total investments in subsidiaries					3,479.0	3,408.6	29.6	747.2

(1) Laguna Banyan Tree Limited is held 49% by the Company and 51% through TWR - Holdings Limited

(2) Laguna Beach Club Limited is held 10% by the Company and 50% through TWR - Holdings Limited until 10 May 2011

(3) Laguna Services Company Limited is held by the Company and 2 subsidiaries

A subsidiary has a 49% shareholding in Laguna Excursions Limited. However, the subsidiary has recognised its share of the income of this subsidiary at 100% after deducting the cumulative preferential annual dividend of 15% of the par value of the preference shares, in accordance with the income sharing percentage in the Articles of Association.

Significant transactions regarding the investments in subsidiary companies during 2011 to 2012 are as follows:

- (a) On 10 May 2011, the Company and TWR-Holding Company Limited, a subsidiary, sold Laguna Beach Club Limited ("LBC") to Laguna Phuket Club Limited for a total consideration of Baht 724 million. The Company and its subsidiary recorded gains on the sale amounting to Baht 45 million in the consolidated income statements and Baht 34 million in the separate income statements. The net asset values of LBC and Laguna (1) Limited as at 10 May 2011 are discussed in Note 2 to the financial statements.
- (b) On 14 July 2011, the Company purchased an additional 4 ordinary shares of Laguna (3) Limited from its subsidiaries at the net book value of Baht 1 million. However, such transaction does not affect the shareholding proportion in the consolidation financial statements.
- (c) On 27 January 2012, a subsidiary in Indonesia approved an increase of the paid up capital by USD 150,000 from USD 700,000 to USD 850,000 divided into 85,000 ordinary shares with par value of USD 10 per share.

On 17 April 2012, the Minister of Law and Human Rights of The Republic of Indonesia accepted the paid up capital from USD 700,000 to USD 850,000 following with the registered capital of USD 2,335,000.

- (d) On 24 December 2012, the Company purchased an additional 76,667 ordinary shares of Laguna Grande Limited from its subsidiary at the net book value of Baht 70 million. However, such transaction does not affect the shareholding proportion in the consolidation financial statements.

- (e) Goodwill

(Unit : Thousand Baht)

	Consolidated financial statements	
	31 December 2012	31 December 2011
Goodwill from purchase of shares in subsidiaries:		
Thai Wah Plaza Limited	30,376	30,376
Laguna Banyan Tree Limited	350,928	350,928
Total	381,304	381,304

15. Investments in associates

15.1 Details of associates:

(Unit : Thousand Baht)

Company's name	Consolidated financial statements							
	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
			%	%				
Lijiang Banyan Tree Hotel Co., Ltd.	Hotel operations and property development	The People's Republic of China	49	49	348,414	348,414	516,305	534,049
Tropical Resorts Ltd.	Holding company	Hong Kong	26	26	17,673	17,673	-	-
Less: Allowance for impairment of investment					(17,673)	(17,673)	-	-
Total investments in associates - net					348,414	348,414	516,305	534,049

Lijiang Banyan Tree Hotel Co., Ltd., held by Laguna Banyan Tree Limited, was incorporated in the People's Republic of China and is engaged in the hotel business and property development.

Tropical Resorts Ltd., held by TWR - Holdings Limited and Laguna Banyan Tree Limited, was incorporated in Hong Kong and is engaged in investment holdings. On 28 April 2011, Laguna Banyan Tree Limited purchased all ordinary shares of Tropical Resorts Ltd. owned by TWR-Holdings Limited at the net book value of Baht 62 million. However, such transaction did not affect the shareholding proportion in the consolidated financial statements.

15.2 Share of profit (loss)

During the years, the subsidiaries have recognised their share of profit (loss) from investment in associate in the consolidated financial statements as follows:

(Unit : Thousand Baht)

Company's name	Consolidated financial statements	
	Share of profit (loss) from investment in associate during the year	
	2012	2011
Lijiang Banyan Tree Hotel Co., Ltd.	(5,428)	174,335

15.3 Summarised financial information of associates

Financial information of the associates is summarised below.

(Unit : Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenue for the year ended		Profit (loss) for the year ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Lijiang Banyan Tree Hotel Co., Ltd.	USD18.4 million	USD18.4 million	2,127	2,279	1,080	1,195	522	880	(11)	335
Tropical Resorts Ltd.	USD21.0 million	USD21.0 million	1,724	1,746	1,879	1,932	521	533	(211)	(210)

The value of investments in associates, accounted for under the equity method was calculated based on unaudited financial statements of the companies prepared by their management.

15.4 The subsidiaries recognised its share of losses from the investments in Tropical Resorts Ltd. until the value of the investments approached zero. Subsequent losses incurred by those associates have not been recognised in the subsidiaries' accounts since the subsidiaries have no obligations, whether legal or constructive, to make any payments on behalf of the associates.

16. Other long-term investments

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Investment in available-for-sale security				
Universal Starch Public Company Limited	50,830	50,830	30,316	30,316
Less: Allowance for impairment of investment	(50,830)	(50,830)	(30,316)	(30,316)
Total investment in available-for-sale security - net	-	-	-	-
Investments in other companies				
Bibace Investments Ltd	188,425	188,425	-	-
Banyan Tree Indochina Hospitality Fund, L.P.	355,908	130,525	-	-
Total investments in other companies	544,333	318,950	-	-
Total other long-term investments - net	544,333	318,950	-	-

On 28 April 2011, the Company purchased an additional 4,825,406 ordinary shares of Universal Starch Public Company Limited from TWR-Holdings Limited, a subsidiary at the net book value of Baht 6 million. The shareholding proportion of the Company in Universal Starch Public Company Limited is 16.27% of its issued and paid-up ordinary shares. However, such transaction did not affect the share holding proportion in the consolidated financial statements.

17. Investment properties

(Unit : Thousand Baht)

	Consolidated financial statements					
	31 December 2012			31 December 2011		
	Land awaiting for development / sales	Units in office building and shops for rent	Total	Land awaiting for development / sales	Units in office building and shops for rent	Total
Balance at beginning of year	159,300	641,040	800,340	159,300	618,340	777,640
Transfer from property, plant and equipment	195,000	-	195,000	-	-	-
Net gain from a fair value adjustment	-	81,204	81,204	-	22,700	22,700
Balance at end of year	354,300	722,244	1,076,544	159,300	641,040	800,340

(Unit : Thousand Baht)

	Separate financial statements					
	31 December 2012			31 December 2011		
	Land awaiting for development / sales	Units in office building and shops for rent	Total	Land awaiting for development / sales	Units in office building and shops for rent	Total
Balance at beginning of year	62,538	19,040	81,578	62,538	20,145	82,683
Transfer from property, plant and equipment	76,133	-	76,133	-	-	-
Net gain(loss) from a fair value adjustment	-	12,204	12,204	-	(1,105)	(1,105)
Balance at end of year	138,671	31,244	169,915	62,538	19,040	81,578

The fair value of the investment properties has been determined based on valuations performed by an accredited independent valuer, using the basis as follows:

- Land awaiting development / sales was revalued using the Fair Market Approach.
- Units in office building and shops for rent were revalued using the Income Value Approach, changed from using the Depreciated Replacement Cost and Residual Value Approach in 2011 since the management believed that this would be more appropriate under the current financial and economic conditions. This change has resulted in an increase of Baht 27 million in profit for the year 2012 in the consolidated income statements (Separate financial statements: Baht 12 million).

The main assumptions used in the valuation are yield rate, long-term vacancy rate and long-term growth in real rental rates.

In 2012, the Company and its subsidiaries transferred land to investment properties amounting to Baht 195 million because the management plans to develop investment properties.

At 31 December 2012, the subsidiaries have pledged investment properties amounting to approximately Baht 691 million as collateral against credit facilities received from financial institutions.

18. Property, plant and equipment
Consolidated financial statements
Assets carried at cost

(Unit : Thousand Baht)

	Land and land improvement	Building	Furniture, fixtures and equipment	Operating and office equipment	Total hotel assets	Building and staff dormitory	Golf course	External work	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
At cost												
As at 1 January 2011	2,048,715	4,696,319	3,594,636	227,159	10,566,829	200,338	284,069	38,633	508,424	187,986	77,440	11,863,719
Additions	-	75,941	79,069	26,221	181,231	942	75	450	11,506	8,873	418,203	621,280
Disposal of Laguna Beach Resort	(519,791)	(617,947)	(404,984)	(66,354)	(1,609,076)	-	-	-	-	(1,452)	(110)	(1,610,638)
Disposals and write off	(1,240)	-	(35,696)	(5,309)	(42,245)	(618)	-	-	(7,213)	(3,810)	(1,905)	(55,791)
Transfers in/out	-	2,995	14,782	1,745	19,522	39	-	445	993	5,368	(26,367)	-
Adjustments	-	63	68	230	361	-	-	-	1,529	(34)	(561)	1,295
As at 31 December 2011	1,527,684	4,157,371	3,247,875	183,692	9,116,622	200,701	284,144	39,528	515,239	196,931	466,700	10,819,865
Additions	-	8,168	23,104	21,144	52,416	1,148	792	4,240	14,757	13,416	277,055	363,824
Disposals and write off	-	-	(7,304)	(658)	(7,962)	(2,156)	-	(406)	(13,773)	(8,779)	(202)	(33,278)
Transfers in/out	17,875	409,344	171,667	39,411	638,297	-	13,300	7,159	4,142	3,122	(666,020)	-
Transfer to property development cost	(403)	(73,709)	(13,917)	-	(88,029)	-	-	-	-	-	(6,512)	(94,541)
Transfer to investment properties	(10,028)	-	-	-	(10,028)	-	-	-	-	-	-	(10,028)
Adjustments	-	20	(13,104)	12,731	(353)	-	-	-	1,005	36	(48)	640
As at 31 December 2012	1,535,128	4,501,194	3,408,321	256,320	9,700,963	199,693	298,236	50,521	521,370	204,726	70,973	11,046,482
Accumulated depreciation												
As at 1 January 2011	(284)	(1,236,271)	(2,909,401)	(150,011)	(4,295,967)	(54,744)	(283,871)	(12,093)	(386,892)	(141,283)	-	(5,174,850)
Depreciation charged for the year	(85)	(89,414)	(141,048)	(22,094)	(252,641)	(5,545)	(133)	(2,515)	(34,303)	(22,640)	-	(317,777)
Disposal of Laguna Beach Resort	-	219,292	352,656	54,260	626,208	-	-	-	-	1,131	-	627,339
Disposals and write off	-	-	33,175	5,007	38,182	168	-	-	6,482	3,420	-	48,252
Adjustments	-	-	(14)	(36)	(50)	(51)	-	-	(678)	-	-	(779)
As at 31 December 2011	(369)	(1,106,393)	(2,664,632)	(112,874)	(3,884,268)	(60,172)	(284,004)	(14,608)	(415,391)	(159,372)	-	(4,817,815)
Depreciation charged for the year	(65)	(94,026)	(101,165)	(32,823)	(228,079)	(5,333)	(1,210)	(2,943)	(29,193)	(19,224)	-	(285,982)
Disposals and write-off	-	-	7,039	548	7,587	760	-	202	13,451	8,752	-	30,752
Transfer to property development cost	-	8,728	13,917	-	22,645	-	-	-	-	-	-	22,645
Adjustments	-	-	2,042	(1,521)	521	(26)	-	-	(531)	(100)	-	(136)
As at 31 December 2012	(434)	(1,191,691)	(2,742,799)	(146,670)	(4,081,594)	(64,771)	(285,214)	(17,349)	(431,664)	(169,944)	-	(5,050,536)

Consolidated financial statements (continued)
 Assets carried at cost

(Unit : Thousand Baht)

	Land and land improvement	Building	Furniture, fixtures and equipment	Operating and office equipment	Total hotel assets	Building and staff dormitory	Golf course	External work	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
Allowance for impairment loss												
As at 1 January 2011	-	-	-	-	-	(12,309)	-	(5,193)	(102)	-	-	(17,604)
As at 31 December 2011	-	-	-	-	-	(12,309)	-	(5,193)	(102)	-	-	(17,604)
As at 31 December 2012	-	-	-	-	-	(12,309)	-	(5,193)	(102)	-	-	(17,604)
Net book value - At cost												
As at 1 January 2011	2,048,431	3,460,048	685,235	77,148	6,270,862	133,285	198	21,347	121,430	46,703	77,440	6,671,265
As at 31 December 2011	1,527,315	3,050,978	583,243	70,818	5,232,354	128,220	140	19,727	99,746	37,559	466,700	5,984,446
As at 31 December 2012	1,534,694	3,309,503	665,522	109,650	5,619,369	122,613	13,022	27,979	89,604	34,782	70,973	5,978,342

Consolidated financial statements (continued)
Assets carried at revalued amount

(Unit : Thousand Baht)

	Land and land improvement	Building	Furniture, fixtures and equipment	Operating and office equipment	Total hotel assets	Building and staff dormitory	Golf course	External work	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
Revaluation portion												
As at 1 January 2011	7,359,985	145,003	-	-	7,504,988	4,295	-	-	-	-	-	7,509,283
Reversal of revaluation surplus for disposal of Laguna Beach Resort	(330,175)	(68,816)	-	-	(398,991)	-	-	-	-	-	-	(398,991)
As at 31 December 2011	7,029,810	76,187	-	-	7,105,997	4,295	-	-	-	-	-	7,110,292
Additions	21,000	-	-	-	21,000	-	-	-	-	-	-	21,000
Transfer to property development cost	(21,396)	-	-	-	(21,396)	-	-	-	-	-	-	(21,396)
Transfer to investment properties	(184,972)	-	-	-	(184,972)	-	-	-	-	-	-	(184,972)
Reversal revaluation surplus on land	(9,479)	-	-	-	(9,479)	-	-	-	-	-	-	(9,479)
As at 31 December 2012	6,834,963	76,187	-	-	6,911,150	4,295	-	-	-	-	-	6,915,445
Accumulated depreciation												
As at 1 January 2011	-	(104,074)	-	-	(104,074)	(1,575)	-	-	-	-	-	(105,649)
Depreciation of revaluation surplus on assets	-	(5,361)	-	-	(5,361)	(89)	-	-	-	-	-	(5,450)
Reversal of revaluation surplus for disposal of Laguna Beach Resort	-	44,593	-	-	44,593	-	-	-	-	-	-	44,593
Adjustment	-	(1,649)	-	-	(1,649)	-	-	-	-	-	-	(1,649)
As at 31 December 2011	-	(66,491)	-	-	(66,491)	(1,664)	-	-	-	-	-	(68,155)
Depreciation of revaluation surplus on assets	-	(6,138)	-	-	(6,138)	(89)	-	-	-	-	-	(6,227)
As at 31 December 2012	-	(72,629)	-	-	(72,629)	(1,753)	-	-	-	-	-	(74,382)
Net book value - revaluation portion												
As at 1 January 2011	7,359,985	40,929	-	-	7,400,914	2,720	-	-	-	-	-	7,403,634
As at 31 December 2011	7,029,810	9,696	-	-	7,039,506	2,631	-	-	-	-	-	7,042,137
As at 31 December 2012	6,834,963	3,558	-	-	6,838,521	2,542	-	-	-	-	-	6,841,063

Consolidated financial statements (continued)
 Assets carried at revalued amount

(Unit : Thousand Baht)

	Land and land improvement	Building	Furniture, fixtures and equipment	Operating and office equipment	Total hotel assets	Building and staff dormitory	Golf course	External work	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
Property, plant and equipment - net												
As at 1 January 2011	9,408,416	3,500,977	685,235	77,148	13,671,776	136,005	198	21,347	121,430	46,703	77,440	14,074,899
As at 31 December 2011	8,557,125	3,060,674	583,243	70,818	12,271,860	130,851	140	19,727	99,746	37,559	466,700	13,026,583
As at 31 December 2012	8,369,657	3,313,061	665,522	109,650	12,457,890	125,155	13,022	27,979	89,604	34,782	70,973	12,819,405

Depreciation for the year

2011	317,777
2012	285,982

Separate financial statements
Assets carried at cost

(Unit : Thousand Baht)

	Land and land improvement	Building	Furniture, fixtures and equipment	Operating and office equipment	Total hotel assets	Building and staff dormitory	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
At cost										
As at 1 January 2011	21,416	-	2,147	624	24,187	72,207	67,366	7,640	9,878	181,278
Additions	-	-	-	-	-	407	2,151	-	977	3,535
Disposal and write off	(1,240)	-	-	-	(1,240)	(591)	(762)	-	-	(2,593)
Adjustments	-	-	-	-	-	-	-	-	(561)	(561)
As at 31 December 2011	20,176	-	2,147	624	22,947	72,023	68,755	7,640	10,294	181,659
Additions	-	-	-	-	-	132	1,554	-	137	1,823
Transfer to property development cost	-	-	-	-	-	-	-	-	(6,512)	(6,512)
Transfer to investment properties	(8,617)	-	-	-	(8,617)	-	-	-	-	(8,617)
Disposal and write off	-	-	-	-	-	(2,156)	(5,138)	-	(202)	(7,496)
As at 31 December 2012	11,559	-	2,147	624	14,330	69,999	65,171	7,640	3,717	160,857
Accumulated depreciation										
As at 1 January 2011	-	-	(903)	(301)	(1,204)	(27,559)	(48,943)	(5,684)	-	(83,390)
Depreciation charged for the year	-	-	(429)	(123)	(552)	(2,404)	(5,246)	(839)	-	(9,041)
Disposal and write off	-	-	-	-	-	160	629	-	-	789
As at 31 December 2011	-	-	(1,332)	(424)	(1,756)	(29,803)	(53,560)	(6,523)	-	(91,642)
Depreciation charged for the year	-	-	(429)	(90)	(519)	(2,295)	(4,510)	(762)	-	(8,086)
Disposal and write off	-	-	-	-	-	760	5,393	-	-	6,153
As at 31 December 2012	-	-	(1,761)	(514)	(2,275)	(31,338)	(52,677)	(7,285)	-	(93,575)
Allowance for impairment loss										
As at 1 January 2011	-	-	-	-	-	(7,356)	-	-	-	(7,356)
As at 31 December 2011	-	-	-	-	-	(7,356)	-	-	-	(7,356)
As at 31 December 2012	-	-	-	-	-	(7,356)	-	-	-	(7,356)

Separate financial statements (continued)
 Assets carried at cost

(Unit : Thousand Baht)

	Land and land improvement	Building	Furniture, fixtures and equipment	Operating and office equipment	Total hotel assets	Building and staff dormitory	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
Net book value - At cost										
As at 1 January 2011	21,416	-	1,244	323	22,983	37,292	18,423	1,956	9,878	90,532
As at 31 December 2011	20,176	-	815	200	21,191	34,864	15,195	1,117	10,294	82,661
As at 31 December 2012	11,559	-	386	110	12,055	31,305	12,494	355	3,717	59,926

Separate financial statements (continued)
 Assets carried at revalued amount

(Unit : Thousand Baht)

	Land and land improvement	Building	Furniture, fixtures and equipment	Operating and office equipment	Total hotel assets	Building and staff dormitory	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
Revaluation portion										
As at 1 January 2011	173,783	-	-	-	173,783	-	-	-	-	173,783
As at 31 December 2011	173,783	-	-	-	173,783	-	-	-	-	173,783
Additions	8,199	-	-	-	8,199	-	-	-	-	8,199
Transfer to investment properties	(67,516)	-	-	-	(67,516)	-	-	-	-	(67,516)
As at 31 December 2012	114,466	-	-	-	114,466	-	-	-	-	114,466
Accumulated depreciation										
As at 1 January 2011	-	-	-	-	-	-	-	-	-	-
As at 31 December 2011	-	-	-	-	-	-	-	-	-	-
As at 31 December 2012	-	-	-	-	-	-	-	-	-	-
Net book value - revaluation portion										
As at 1 January 2011	173,783	-	-	-	173,783	-	-	-	-	173,783
As at 31 December 2011	173,783	-	-	-	173,783	-	-	-	-	173,783
As at 31 December 2012	114,466	-	-	-	114,466	-	-	-	-	114,466
Property, plant and equipment - net										
As at 1 January 2011	195,199	-	1,244	323	196,766	37,292	18,423	1,956	9,878	264,315
As at 31 December 2011	193,959	-	815	200	194,974	34,864	15,195	1,117	10,294	256,444
As at 31 December 2012	126,025	-	386	110	126,521	31,305	12,494	355	3,717	174,392
Depreciation for the year										
2011										9,041
2012										8,086

The Company and subsidiaries arranged for an independent professional valuer to reappraise the value of certain assets in the report dated 30 November 2010 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the Fair Market Approach.
- Hotel buildings and other buildings were revalued using the Depreciated Replacement Cost Approach.

In April 2011, the Federation of Accounting Professions issued Notification No. 18/2554 allowing entities to use the exemption of accounting for revalued property, plant and equipment (in accordance with the Notification No. 25/2549 regarding Accounting for the revalued assets) continuously until the reporting period beginning before 1 January 2016. It allowed the entities to still calculate depreciation to be charged to profit or loss, for the assets which previously applied the exemption, based on the historical costs of the assets instead of on the revalued amounts. The Company has decided to continue using the exemption in accordance with the notification. However, had the depreciation charge been calculated based on the revalued amounts, profit for the year and earnings per share would have been changed to the following:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit (loss) attributable to equity holders of the Company (Million Baht)	35	(230)	(43)	653
Basic earnings (loss) per share (Baht per share)	0.21	(1.38)	(0.26)	3.92

As at 31 December 2012, certain buildings and equipment of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation, of those assets amounted to Baht 2,458 million (2011: Baht 2,309 million). (Separate financial statements: Baht 27 million, 2011: Baht 24 million).

The subsidiaries have mortgaged land and hotel buildings at fair value of Baht 8,122 million (2011: Baht 7,873 million) as collateral against credit facilities received from financial institutions.

19. Leasehold rights

(Unit : Thousand Baht)

	Hotel units
Cost	
As at 31 December 2011	48,534
Exchange rate adjustment 2012	691
As at 31 December 2012	49,225
Accumulated amortisation	
As at 31 December 2011	(21,868)
Amortisation of 2012	(2,591)
As at 31 December 2012	(24,459)
Net book value	
As at 31 December 2011	26,666
As at 31 December 2012	24,766

(Unit : Thousand Baht)

	Hotel units
Cost	
As at 1 January 2011	47,268
Exchange rate adjustment 2011	1,266
As at 31 December 2011	48,534
Accumulated amortisation	
As at 1 January 2011	(19,333)
Amortisation of 2011	(2,535)
As at 31 December 2011	(21,868)
Net book value	
As at 1 January 2011	27,935
As at 31 December 2011	26,666

Leasehold rights of hotel units are amortised over the term of the lease of 20 years from July 2002 to June 2022.

20. Short-term loans from financial institutions

(Unit : Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		31 December 2012	31 December 2011	31 December 2012	31 December 2011
Short-term loans from financial institutions	4.35%-5.26%	-	710,000	-	410,000
Total		-	710,000	-	410,000

These short-term loans from financial institutions are secured by the mortgage of plots of land and hotel buildings of the Company and subsidiaries, as described in Note 18 to the financial statements and by the guarantee provided by subsidiaries.

21. Trade and other payables

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2012	31 December 2011	1 January 2011	31 December 2012	31 December 2011	1 January 2011
Trade accounts payable	185,759	222,478	284,669	5,701	7,301	43,186
Amounts due to related parties (Note 9)	109,460	76,055	92,183	15,767	10,764	32,476
Accrued expenses	224,535	213,474	256,536	24,570	41,906	57,743
Other payables	52,986	114,528	60,439	566	58,008	2,962
Construction payables	17,584	16,534	41,882	4,481	6,866	11,492
Service charge payable to hotel staff	38,575	22,118	35,004	-	-	-
Accrued rental to villa owners	62,036	47,176	72,807	9,816	8,372	11,997
Total	690,935	712,363	843,520	60,901	133,217	159,856

22. Other current liabilities

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2012	31 December 2011	1 January 2011	31 December 2012	31 December 2011	1 January 2011
Value added tax payable	47,762	47,052	55,524	1,790	4,024	1,784
Unearned income	61,580	61,349	61,919	-	-	-
Other tax payable	16,809	31,352	23,863	3,868	4,962	4,953
Short-term provision	2,906	-	-	150	-	-
Total	129,057	139,753	141,306	5,808	8,986	6,737

23. Long - term loans from financial institutions

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Secured	3,397,277	2,490,804	245,000	315,000
Long-term loans are repayable as follows:				
Within 1 year	422,951	356,523	70,000	70,000
Over 1 year to 5 years	2,165,547	1,540,731	175,000	245,000
Over 5 years	808,779	593,550	-	-
	2,974,326	2,134,281	175,000	245,000
Total	3,397,277	2,490,804	245,000	315,000

Long-term loans consist of the following:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
The Company				
(1) Baht loan from a bank, with a facility of Baht 420 million repayable quarterly from July 2010 to April 2016, at an interest rate as follows:				
2009 onwards : MLR less 1%, 1.5% and 1.75% per annum	245,000	315,000	245,000	315,000
Subsidiaries				
(2) Baht loan from a bank, with a facility of Baht 1,004 million, repayable quarterly from December 2005 to December 2013, at an interest rate as follows:				
2011 : MLR less 0.5% per annum				
2012 onwards : MLR less 1.5% per annum	146,951	298,474	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
(3) Baht loan from a bank, with a facility of Baht 100 million, repayable quarterly from July 2008 to April 2014, at an interest rate as follows: 2011: MLR less 0.5% per annum 2012 onwards : MLR less 1.5% per annum	65,000	75,000	-	-
(4) Baht loan from a bank, with a facility of Baht 1,000 million ^(a) repayable quarterly from October 2009 to April 2019, at an interest rate as follows: 2011 : MLR per annum, MLR less 0.5% and 1% per annum 2012 onwards : MLR less 0.5%, 1% and 1.5% per annum	883,800	886,800	-	-
(5) Baht loan from a bank, with a facility of Baht 145 million repayable quarterly from August 2010 to May 2016, at an interest rate as follows: 2011: MLR per annum, MLR less 0.5% and 1% per annum 2012 onwards : MLR less 1% and 1.5% per annum	137,500	140,500	-	-
(6) Baht loan from a bank, with a facility of Baht 219 million repayable quarterly from August 2009 to August 2012, at an interest rate as follows: 2009 onwards : MLR less 0.5%, 1% and 1.5% per annum	-	89,000	-	-
(7) Baht loan from a bank, with a facility of Baht 700 million ^(a) repayable quarterly from April 2012 to April 2016, at an interest rate as follows: 2010 onwards : MLR less 1% and 1.25% per annum	503,687	556,000	-	-
(8) Baht loan from a bank, with a facility of Baht 900 million ^(a) repayable quarterly from June 2014 to March 2024, at an interest rate as follows: 2011 onwards : MLR less 1% and 1.25% per annum	257,729	10	-	-
(9) Baht loan from a bank, with a facility of Baht 520 million repayable quarterly from June 2014 to March 2018, at an interest rate as follows: 2011 onwards : MLR less 1% and 1.5% per annum	357,610	130,010	-	-
(10) Baht loan from a bank, with a facility of Baht 800 million repayable quarterly from March 2013 to December 2022, at an interest rate as follows: 2012 onwards : MLR less 1% and 1.5% per annum	800,000	10	-	-
Total long-term loans from institutions	3,397,277	2,490,804	245,000	315,000

MLR : Minimum Lending Rate

(a) : Also subject to mandatory prepayment in inverse order of maturity upon the ownership transfer of property sales units.

The loans are secured by mortgage of plots of land and all hotel buildings of its subsidiaries, as described in Note 18 to the financial statements. The loan in (9) above is guaranteed by a subsidiary.

The loan agreements contain covenants as specified in the agreements that, among other things, require the Company and its subsidiaries to maintain certain debt to equity and debt service coverage ratios according to the agreements.

As at 31 December 2012, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 855 million (2011: Baht 2,090 million).

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement and other employee benefits plan, was as follows:

(Unit : Thousand Baht)

	Consolidated financial statements					
	31 December 2012			31 December 2011		
	Severance payments	Other benefits plans	Total	Severance payments	Other benefits plans	Total
Defined benefit obligation at beginning of year	72,200	48,657	120,857	66,187	28,481	94,668
Current service cost	7,285	7,272	14,557	10,192	3,037	13,229
Interest cost	3,510	2,371	5,881	3,073	1,215	4,288
Benefits paid during the year	(11,453)	(7,779)	(19,232)	(6,421)	(3,965)	(10,386)
Actuarial (gain) loss	(46,065)	(28,827)	(74,892)	(831)	19,889	19,058
Past service costs	-	6,291	6,291	-	-	-
Defined benefit obligation at end of year	25,477	27,985	53,462	72,200	48,657	120,857

(Unit : Thousand Baht)

	Separate financial statements					
	31 December 2012			31 December 2011		
	Severance payments	Other benefits plans	Total	Severance payments	Other benefits plans	Total
Defined benefit obligation at beginning of year	25,208	8,389	33,597	22,334	5,403	27,737
Current service cost	1,908	509	2,417	1,868	477	2,345
Interest cost	920	166	1,086	1,006	191	1,197
Benefits paid during the year	(10,250)	(893)	(11,143)	-	(955)	(955)
Actuarial (gain) loss	(11,594)	(4,479)	(16,073)	-	3,273	3,273
Defined benefit obligation at end of year	6,192	3,692	9,884	25,208	8,389	33,597

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Long-term employee benefit expenses included in the profit or loss were as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service cost	14,557	13,229	2,417	2,345
Interest cost	5,881	4,288	1,086	1,197
Actuarial (gain) loss recognised during the year	(28,827)	19,889	(4,479)	3,273
Past service costs recognised during the year	6,291	-	-	-
Total expense recognised in profit or loss	(2,098)	37,406	(976)	6,815
Line items under which such expenses are included in profit or loss				
Cost of sales	1,150	29,587	(388)	297
Selling and administrative expenses	(3,248)	7,819	(588)	6,518

Total actuarial gains and losses recognised in the other comprehensive income of the Company and its subsidiaries as at 31 December 2012 amounted to Baht 46 million (2011: Baht 0.8 million) (Separate financial statements: Baht 12 million and 2011: None).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2012 (% per annum)	2011 (% per annum)	2012 (% per annum)	2011 (% per annum)
Discount rate	3.75%	4.0%	3.75%	4.0%
Future salary increase rate (depending on age)	3.0%	3.0%	3.0%	3.0%
Staff turnover rate	10.4% - 30.4%	2.6% - 29.4%	10.4% - 30.4%	2.6% - 29.4%

Amounts of defined benefit obligation for the current and previous two periods are as follows:

(Unit : Thousand Baht)

	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2012	53,462	9,884	6,291	-
Year 2011	120,857	33,597	-	-
Year 2010	94,668	27,737	-	-

25. Capital reserve

The capital reserve relates to the accounting of assets in subsidiaries at their fair values as at the acquisition date and cannot be used for dividend payments.

26. Revaluation surplus

This represents surplus arising from revaluation of property, plant and equipment.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Balance - beginning of the year	6,246,415	6,783,031	173,783	173,783
Addition of revaluation surplus on assets	21,000	-	8,199	-
Less : Amortisation of revaluation surplus on assets	(6,208)	(6,647)	-	-
Reversal of revaluation surplus for assets transferred to investment properties	-	(170,266)	-	-
Reversal of revaluation surplus for sales of investment in subsidiaries	-	(359,703)	-	-
Reversal of revaluation surplus on disposal of assets	(9,478)	-	-	-
Balance - end of year	6,251,729	6,246,415	181,982	173,783

The revaluation surplus can neither be offset against a deficit nor used for dividend payment.

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

28. Other income

Other income is as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Interest income	34,019	42,889	120,328	139,754
Dividend income	-	-	29,554	747,198
Gain on change in fair value of investment properties	81,204	23,804	12,204	-
Gain on sale of investment	-	45,207	-	34,490
Other	34,264	25,548	6,104	20,768
Total	149,487	137,448	168,190	942,210

29. Expenses by nature

Significant expenses by nature are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Salaries, wages and other employee benefits	1,118,558	1,151,960	137,616	173,144
Depreciation	285,982	317,777	8,086	9,041
Rental expenses from operating lease agreements	223,302	206,421	35,321	52,522
Repairs and maintenance	152,024	145,854	2,826	2,408
Water and electricity	207,655	179,171	5,132	4,579
Legal and professional fees	38,481	44,227	-	44
Management, incentive fee and royalty fees	150,623	117,073	-	-
Commission	100,137	66,500	1,046	4,021
Sales and marketing expenses	215,117	220,701	7,247	9,900
Food and beverage cost	296,716	250,232	-	-
Payment of construction during the year	80,466	84,275	895	1,042
Change in property development cost	243,944	140,851	30,745	52,581

30. Income tax

Income tax expenses for the year 2012 and 2011 of the Company and its subsidiaries have been calculated at the rates of 23% and 30%, respectively, on net profit before income tax after adding back certain provision and expenses which are not deductible for tax computation purposes.

31. Basic earnings per share

Basic earnings per share is calculated by dividing the profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

32. Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Contributions are made to the fund by both employees and the Company and its subsidiaries and will be paid to employees upon termination in accordance with the rules of the Company and its subsidiaries' provident fund.

During the years, the Company and its subsidiaries contributed to provident funds as follows:

(Unit : Million Baht)

	Fund Manager		Company's contribution in	
	Hotel staff	Office staff	2012	2011
Laguna Resorts & Hotels Public Company Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	4.2	5.1
Laguna Grande Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	1.3	1.5
Bangtao Grande Limited	SCB Asset Management Company Limited	-	2.7	2.3
Laguna Beach Club Limited	Bangkok Bank Plc.	Bangkok Bank Plc.	-	0.8
Laguna Banyan Tree Limited	MFC Asset Management Plc.	MFC Asset management Plc.	5.5	4.8
Banyan Tree Gallery (Singapore) Pte Ltd	-	Central Provident Fund Board	1.3	2.6
Laguna Service Company Limited	-	MFC Asset Management Plc.	2.8	2.5
Laguna Holiday Club Limited	-	MFC Asset Management Plc.	1.7	1.2
Thai Wah Plaza Limited	TISCO Assets Management Company Limited	MFC Asset Management Plc.	3.8	3.7

33. Dividends

Dividends declared in 2011 consisted of:

	Approved by	Total dividend	Dividend per share
		Million Baht	Baht
Dividend on 2010 retained earnings	General Meeting of the shareholders on 27 April 2011	1,666.83	10.00

34. Commitments

Capital commitment

As at 31 December 2012, the Company and its subsidiaries have capital commitments as follows:

- (a) A subsidiary has commitments in respect of constructing new and renovating existing hotel properties amounting to Baht 9 million (2011: Baht 2 million).
- (b) The Company and its subsidiaries have commitments that relate to projects to develop properties for sale amounting to approximately Baht 2 million (2011: Baht 11 million).
- (c) A subsidiary entered into an Agreement to Purchase and Sale of Land, having a total land area of 237 rai 1 ngarn 39.6 square wah, with a third party. The subsidiary will periodically acquire the land in accordance with terms and conditions as set forth in the aforesaid Agreement. The subsidiary initially acquired the land, having a total area of 53 rai 2 ngarn 3.4 square wah. The subsidiary holds the right to acquire the remaining land, having a total area of 183 rai

3 ngarn 36.2 square wah, by 1 July 2018. The subsidiary paid the deposit of Baht 65 million and the purchase price of the remaining land shall be increased at rate of 5% on every anniversary date following the date that the Agreement to Purchase and Sale of Land was executed.

Operating agreements

As at 31 December 2012 and 2011, the subsidiaries have operating agreements as follows:

- (a) The subsidiaries have entered into operating agreements with certain companies whereby these companies are to operate the subsidiaries' hotels and golf businesses. In consideration of such services, the subsidiaries are committed to pay remuneration at the rates, terms and basis specified in the agreements. These agreements are summarised as follows:

Company	Business unit	Operator	Contract period	Fees
Bangtao Grande Limited	Angsana Laguna Phuket	Banyan Tree Corporate Pte. Limited (Formerly known as Banyan Tree Hotels & Resorts Pte. Limited)	1.07.2011 - 30.06.2012	- Royalty fee : 3% of total revenue
		Banyan Tree Hotels & Resorts Pte. Limited	1.07.2012 - 30.11.2031	- Royalty fee: 3% of total revenue
		Banyan Tree Resorts & Spas (Thailand) Company Limited	1.07.2011 - 30.06.2012	- Management fee: 10% of gross operating profit
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.07.2012 - 30.11.2031	- Management fee: 10% of gross operating profit
Laguna Grande Limited	Laguna Phuket Golf Club	Banyan Tree Resorts & Spas (Thailand) Company Limited	1.01.2009 - 30.06.2012	- Basic technical fee : 3% of total revenue - Incentive fee : 10% of gross operating profit
		Banyan Tree Hotels & Resorts Pte. Limited	1.07.2012 - 31.12.2014 (a)	- Basic technical fee : 3% of total revenue - Incentive fee : 10% of gross operating profit
Laguna Banyan Tree Limited	Banyan Tree Phuket	Banyan Tree Corporate Pte. Limited (Formerly known as Banyan Tree Hotels & Resorts Pte. Limited)	1.01.2009 - 30.06.2012	- Royalty fee : 2% of total revenue
		Banyan Tree Hotels & Resorts Pte. Limited	1.07.2012 - 31.12.2015 (a)	- Royalty fee : 2% of total revenue
		Banyan Tree Resorts & Spas (Thailand) Company Limited	1.01.2009 - 30.06.2012	- Technical fee : 7.5% of gross operating profit
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.07.2012 - 31.12.2015 (a)	- Technical fee : 7.5% of gross operating profit

Company	Business unit	Operator	Contract period	Fees
Thai Wah Plaza Limited	Banyan Tree Bangkok	Banyan Tree Corporate Pte. Limited (Formerly known as Banyan Tree Hotels & Resorts Pte. Limited)	1.01.2009 – 30.06.2012	- Royalty fee : 3% of total revenue
		Banyan Tree Hotels & Resorts Pte. Limited	1.07.2012 – 31.12.2021 (b)	- Royalty fee: 3% of total revenue
		Banyan Tree Resorts & Spas (Thailand) Company Limited	1.01.2009 – 30.06.2012	- Management fee: 10% of gross operating profit
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.07.2012 – 31.12.2021 (b)	- Management fee: 10% of gross operating profit
Laguna Village Limited	Outrigger Laguna Phuket Resort and Villas	Outrigger Hotels (Thailand) Limited	29.05.2009 – 31.12.2019 (c)	- Basic management fee : 2% of total revenue for the first fiscal year, 2.5% of total revenue for the second fiscal year and 3% of total revenue for the remain fiscal years - Incentive fee : 7% of gross operating profit

(a) Operator has option to extend for 1 additional period of 10 years

(b) Operator has option to extend for 1 additional period of 20 years.

(c) Operator has option to extend for 2 additional periods of 10 years.

(b) The Company and its subsidiaries have commitments in respect of cash rewards options for villa rental scheme agreements. The terms of the agreements are generally 6 years.

As at 31 December 2012 and 2011, future minimum payments required under these agreements were as follows.

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Payable within:				
In up to 1 year	135	171	28	46
In over 1 and up to 5 years	228	325	22	77
In over 5 years	5	4	-	-

During the year 2012, the Company and its subsidiaries recognised rental expenses of Baht 156 million (Separate financial statements: Baht 28 million, 2011: Baht 179 million, Separate financial statements: Baht 46 million).

Investment commitment

A subsidiary entered into the Limited Partnership Agreement in respect of Banyan Tree Indochina Hospitality Fund, L.P. ("the Fund"), an exempted limited partnership formed under the laws of the Cayman Islands. The fund is managed by Banyan Tree Indochina (GP) Company Limited and focuses mainly on hotel and resort investments in Vietnam, Cambodia and Laos. Based on the fund size of USD 283 million at closing date on 30 June 2009, the capital commitment of USD 16 million would be approximately 5.65% of the fund. The injection of funds is expected to be over in 2013. As at 31 December 2012 and 2011, the subsidiary has made capital contribution of USD 11 million and USD 4 million, respectively, to the Fund.

Servitude over land

As at 31 December 2012, some subsidiaries have land servitudes of approximately 7 rai in Phuket province, which are presented under property development cost and property, plant and equipment.

35. Guarantees

- a) As at 31 December 2012, there were bank guarantees amounting to Baht 46 million (Separate financial statements: Baht 2 million) issued to various parties on behalf of the Company and its subsidiaries, mainly provided for the usage of electricity, other utilities and telecommunication channels (2011: Baht 45 million, Separate financial statements: Baht 2 million).
- b) As at 31 December 2012 and 2011, the Company has the provision of a guarantee for a loan obtained by Lijiang Banyan Tree Hotel Co., Ltd. (LBTH) by issuing the letter of indemnity to its parent company, Banyan Tree Holdings Limited. The provision of the guarantee is to secure the loan of LBTH in proportion to the equity interest of 49.04 % of the Company in LBTH (through Laguna Banyan Tree Limited).

36. Segment information

The Company and its subsidiaries' business operations involve three principal segments: (1) hotel operations (2) office rental and (3) property development business. These operations are mainly carried on in Thailand. Below is the consolidated financial information of the Company and its subsidiaries by segment.

(Unit : Million Baht)

	For the year ended 31 December 2012							
	Hotel Business	Gallery Operations	Others	Total Hotel Operations	Office Rental	Property Development	Elimination of inter-segment revenues	Consolidation
Revenue from external customers	2,702	240	223	3,165	92	893	-	4,150
Intersegment revenues	179	54	(1)	232	31	9	(272)	-
Total revenues	2,881	294	222	3,397	123	902	(272)	4,150
Segment profit	1,406	33	181	1,620	53	465	-	2,138
Other income								150
Unallocated expenses :								
Selling expenses								(399)
Administrative expenses								(1,609)
Share of loss from investments in associate								(5)
Finance cost								(180)
Income tax expenses								(36)
Profit for the year								59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(Unit : Million Baht)

	For the year ended 31 December 2011							
	Hotel Business	Gallery Operations	Others	Total Hotel Operations	Office Rental	Property Development	Elimination of inter-segment revenues	Consolidation
Revenue from external customers	2,297	289	213	2,799	85	577	-	3,461
Intersegment revenues	165	53	-	218	20	8	(246)	-
Total revenues	2,462	342	213	3,017	105	585	(246)	3,461
Segment profit	1,110	309	(114)	1,305	53	352	-	1,710
Other income								137
Unallocated expenses :								
Selling expenses								(341)
Administrative expenses								(1,631)
Share of profit from investments in associate								174
Finance cost								(132)
Income tax expenses								(102)
Loss for the year								(185)

(Unit : Million Baht)

	As at 31 December 2012							
	Hotel Business	Gallery Operations	Others	Total Hotel Operations	Office Rental	Property Development	Elimination of inter-segment revenues	Consolidation
Property, plant and equipment	11,568	15	1,215	12,798	2	19	-	12,819
Total assets	13,991	262	1,297	15,550	968	2,887	-	19,405

(Unit : Million Baht)

	As at 31 December 2011							
	Hotel Business	Gallery Operations	Others	Total Hotel Operations	Office Rental	Property Development	Elimination of inter-segment revenues	Consolidation
Property, plant and equipment	11,747	15	1,246	13,008	1	18	-	13,027
Total assets	13,841	317	1,344	15,502	637	3,125	-	19,264

Transfer prices between business segments are as set out in Note 9 to the financial statements.

37. Financial instruments

37.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables and payables, loans, investments, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable from the hotel, space rental, and property development businesses. However, due to the large number and diversity of the entities comprising the Company and its subsidiaries' customer base, the Company and its subsidiaries do not anticipate material losses from debt collection.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to their deposits with financial institutions, long-term trade accounts receivable and bank overdrafts and loans. However, since most of the Company and its subsidiaries' financial assets and liabilities have floating interest rates or fixed interest rates which are close to the market interest rates, the interest rate risk is expected to be minimal. The Company and its subsidiaries do not use derivative financial instruments to hedge such risk (the detail of long-term loans are set out in Note 23 to the financial statements).

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit : Million Baht)

	Consolidated financial statements					
	As at 31 December 2012					
	Fixed interest rates		Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
Within 1 year	Over 1 year to 5 years					
Financial assets						
Cash equivalents (excluding cash)	-	-	572	-	572	0.625%-0.75%
Trade and other accounts receivable	86	-	38	399	523	4.78%-12%
Fixed deposit	-	2	-	-	2	3%
Long-term trade accounts receivable	-	61	99	-	160	4.78%-12%
Long-term loans to employees	-	-	2	-	2	5.92%
Financial liabilities						
Trade and other accounts payable	-	-	-	691	691	-
Long-term loans from financial institutions	-	-	3,397	-	3,397	5.50%-5.75%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(Unit : Million Baht)

	Separate financial statements					
	As at 31 December 2012					
	Fixed interest rates		Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
Within 1 year	Over 1 year to 5 years					
Financial assets						
Cash equivalents (excluding cash)	-	-	53	-	53	0.625%-0.75%
Trade and other accounts receivable	5	-	20	158	183	4.78%-12%
Fixed deposit	-	2	-	-	2	3%
Long-term trade accounts receivable	-	6	19	-	25	4.78%-12%
Long-term loans to subsidiaries	-	-	1,691	-	1,691	7.46%
Financial liabilities						
Trade and other accounts payable	-	-	-	61	61	-
Long-term loans from subsidiaries	-	-	670	-	670	6.68%
Long-term loans from financial institutions	-	-	245	-	245	5.50%

(Unit : Million Baht)

	Consolidated financial statements					
	As at 31 December 2011					
	Fixed interest rates		Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
Within 1 year	Over 1 year to 5 years					
Financial assets						
Cash equivalents (excluding cash)	1	-	478	-	479	0.75%-2.35%
Trade and other accounts receivable	102	-	29	348	479	4.78%-12%
Long-term trade accounts receivable	-	70	103	-	173	4.78%-12%
Long-term loans to employees	-	-	3	-	3	6.08%
Financial liabilities						
Short-term loans from financial institutions	710	-	-	-	710	4.55%-5.24%
Trade and other accounts payable	-	-	-	712	712	-
Long-term loans from financial institutions	-	-	2,491	-	2,491	5.75%-6.25%

(Unit : Million Baht)

	Separate financial statements					
	As at 31 December 2011					
	Fixed interest rates		Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
Within 1 year	Over 1 year to 5 years					
Financial assets						
Cash equivalents (excluding cash)	-	-	26	-	26	0.75%-2.35%
Trade and other accounts receivable	7	-	8	172	187	4.78%-12%
Long-term trade accounts receivable	-	8	27	-	35	4.78%-12%
Long-term loans to subsidiaries	-	-	1,828	-	1,828	6.24%
Long-term loans to employees	-	-	2	-	2	6.08%
Financial liabilities						
Short-term loans from financial institutions	410	-	-	-	410	4.35%-5.24%
Trade and other accounts payable	-	-	-	133	133	-
Long-term loans from subsidiaries	-	-	11	-	11	5.36%
Long-term loans from financial institutions	-	-	315	-	315	5.75%

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. In addition to those transactional exposures, the Company is also exposed to the effect of foreign exchange movements on its investment in foreign subsidiaries and associates, which currently are not hedged by any derivative financial instrument.

The balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Separate financial statements				Average exchange rate as at 31 December	
	Financial assets as at 31 December		Financial liabilities as at 31 December		Financial assets as at 31 December		Financial liabilities as at 31 December			
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	3	1	-	-	1	-	-	-	30.5824	31.6422

37.2 Fair value of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

38. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at 31 December 2012, the Group's debt-to-equity ratio was 0.32:1 (2011: 0.32:1) and the Company's was 0.20:1 (2011: 0.21:1).

39. Litigation

- a) A case was brought to the Southern Bangkok Civil Court on 3 July 2008 in which the Company is one of the defendants. Upon the plaint, the 6 plaintiffs in total claimed that they are the creditors of one of the Company's shareholders. They asserted that in arranging the Extraordinary General Meeting of Shareholders No. 1/2007 and approving the capital increase by the shareholders where some shareholders did not subscribe for newly issued shares were actions jointly undertaken by the shareholders and the Company to commit a tort against the plaintiffs. Thus, they demanded the Company to pay the damages of Baht 539 million to them with interest of 7.5% per annum and the costs of the legal proceedings.

On 22 December 2011, the plaintiffs filed a petition for withdrawal of this case from the Company and other defendants.

On 31 May 2012, the Court granted the petition for withdrawal. This case is deemed as final.

- b) A 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 during 1991 to 1995. The plaintiffs claim the Sale and Purchase Agreement called for common 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 result, the plaintiffs claim 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 nine plots of the land totaling 10 rais 3 ngans 97.1 square wah which has net book value as at 31 December 2012 amounting to Baht 111 million to Allamanda 1 Juristic Person, as the 10th plaintiff, or to be jointly liable for the compensation of Baht 132 million in case the transfer of land cannot be made. The plaintiffs also requested for additional compensation in the amount of Baht 56 million for unlawful use of the land which is supposed to be common property of Allamanda 1 Condominium. The total amount of claim is Baht 188 million with interest at the rate of 7.5% per annum from the date the claim was lodged until the defendants have made full payment. The plaintiffs also claimed that the former and current directors, totaling ten, 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.

LRH's affiliated companies and individual directors have lodged their statement of defense and believe that the plaintiff's claims are invalid and therefore no provision has been made in the accounts.

The plaintiffs filed a petition with the Court seeking the Court's interim injunction of which the defendants shall not dispose and amend the status of nine plots of land in dispute with land registry office during the trial. On 20 January 2012, the Court granted the interim injunction.

This case is currently pending at the Phuket Provincial Court of First Instance.

40. Event after the reporting period

At the Board of Directors' meeting of the Company held on 22 February 2013, the Board of Directors agreed to propose in the 2013 Annual General Meeting to appropriate the retained earnings as dividend payment to shareholders in the amount of Baht 0.125 per share, totaling Baht 20.84 million. Such dividend payment is subjected to final approval at the 2013 Annual General Meeting.

41. Reclassification

Certain amounts in the statements of financial position as at 31 December 2011 and 1 January 2011 and the income statement for the year ended 31 December 2011, have been reclassified to conform to the current year's classification but with no effect to previously reported profit (loss) or shareholders' equity. The reclassifications are as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2011			
	As reclassified	As previously reported	As reclassified	As previously reported
Statement of financial position				
Trade and other receivables	479,337	493,826	187,414	66,048
Amounts due from related parties	-	48,729	-	125,020
Other current assets	195,934	132,716	16,032	12,378
Trade and other payables	712,363	1,045,401	133,217	270,211
Amounts due to related parties	-	76,055	-	10,764
Advance received from customers	377,740	-	142,796	-
Other current liabilities	139,753	108,400	8,986	4,023

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 1 January 2011			
	As reclassified	As brought forward	As reclassified	As brought forward
Statement of financial position				
Trade and other receivables	641,629	622,079	116,386	58,692
Amounts due from related parties	-	73,225	-	67,707
Other current assets	139,849	86,174	16,853	6,840
Trade and other payables	843,520	1,193,654	159,856	207,136
Amounts due to related parties	-	92,183	-	32,476
Advance received from customers	418,454	-	74,803	-
Other current liabilities	141,306	117,443	6,737	1,784

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2011			
	As reclassified	As previously reported	As reclassified	As previously reported
Income statements				
Revenue from hotel operations	2,798,296	2,828,313	30,267	60,285
Revenue from office rental operations	85,527	55,510	30,018	-
Cost of hotel operations	1,493,319	1,204,396	13,636	20,024
Cost of office rental operations	32,529	29,423	6,388	-
Administrative expenses	1,631,155	1,605,406	301,567	292,526
Depreciation	-	317,777	-	9,041

42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2013.

AUDITOR'S REMUNERATION (FOR THE FISCAL YEAR ENDED 31 DECEMBER 2012)

Audit fees

The Company and subsidiaries paid audit fees for the fiscal year to an audit firm which amounted to Baht 8,370,000 and subsidiaries paid audit fees to another audit firm which amounted to Baht 792,974. This amount does not include the audit fees paid by associated companies.

Non-audit fees

The subsidiaries paid non-audit fees for agreed upon procedures and other consultant fees for the fiscal year to other audit firms which amounted to Baht 743,134. There is no outstanding commitment to pay any fees in the future for uncompleted engagements relating to the year 2012.

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Homepage www.sec.or.th

**Regulator for Listed Company:
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The Stock Exchange of Thailand Building
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**Auditor:
Ernst & Young Office Limited by**

Ms. Rungnapa Lertsuwankul,
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Ms. Sumalee Reewarabandith,
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-None-

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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

BUSINESS LOCATIONS

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ABBREVIATIONS

Abbreviation	Company Name in Full
AVCI	PT. AVC Indonesia
BGL	Bangtao Grande Limited
BI	Bibace Investments Ltd
BT1	Bangtao (1) Limited
BT2	Bangtao (2) Limited
BT3	Bangtao (3) Limited
BT4	Bangtao (4) Limited
BTD	Bangtao Development Limited
BTG(S)	Banyan Tree Gallery (Singapore) Pte Ltd
BTG(T)	Banyan Tree Gallery (Thailand) Limited
CGL	Cheer Golden Limited
HHBR	Hua Hin Beach Resorts Company Limited
L3	Laguna (3) Limited
LBTG	Lijiang Banyan Tree Gallery Trading Company Limited
LBTH	Lijiang Banyan Tree Hotel Co., Ltd.
LBTL	Laguna Banyan Tree Limited
LCL	Laguna Central Limited
LEL	Laguna Excursions Limited
LGL	Laguna Grande Limited
LHC	Laguna Holiday Club Limited
LLL	Laguna Lakes Limited
LRH	Laguna Resorts & Hotels Public Company Limited
LSC	Laguna Service Company Limited
LVL	Laguna Village Limited
MCP	Mae Chan Property Company Limited
PKRD	Phuket Resort Development Limited
PSD	Pai Samart Development Company Limited
TLDC	Talang Development Company Limited
TRL	Tropical Resorts Limited
TWDC	Twin Waters Development Company Limited
TWPL	Thai Wah Plaza Limited
TWRH	TWR-Holdings Limited
TWT	Thai Wah Tower Company Limited
TWT2	Thai Wah Tower (2) Company Limited
USC	Universal Starch Public Company Limited



LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED