

March 25, 2011

**Subject : Notice Calling for the 2011 Annual General Meeting**

**Attention : Shareholders**  
**Laguna Resorts & Hotels Public Company Limited**

- Attachments**
1. **Copy of the Minutes of the Extraordinary General Meeting No. 1/2010**
  2. **The 2010 Annual Report and the Company's Financial Statements for the Year Ended December 31, 2010**
  3. **Information of Nominated Directors to be Elected**
    - 3.1 **Non-Independent Directors' Profile**
    - 3.2 **Independent Directors' Profile**
  4. **Definition of the Company's Independent Directors**
  5. **Duties and Responsibilities of the Company's Sub-Committees**
  6. **Auditor's Profile**
  7. **Proxy Forms**
  8. **Profiles of Independent Directors who are Appointed as Proxies for Shareholders who are unable to Attend the Meeting**
  9. **Documents Verifying Eligibility to Attend the Meeting**
  10. **The Company's Articles of Association relating to Shareholders' Meeting**
  11. **Map to the Banyan Tree Bangkok Hotel**

Notice is hereby given that the 2011 Annual General Meeting ("**AGM**") of Laguna Resorts & Hotels Public Company Limited ("**Company**") will be convened as follows:

**Date and time : Wednesday, April 27, 2011 at 14:30 hrs.**

**Venue : Banyan Ballroom, 10<sup>th</sup> floor, Banyan Tree Bangkok hotel, Thai Wah Tower II, 21/100 South Sathorn Road, Tungmahamek Sub-district, Sathorn District, Bangkok 10120 , Thailand.**

The agenda for the AGM is as follows:

**1. To consider and certify the minutes of the Extraordinary General Meeting No. 1/2010**

**FACTS AND RATIONALE:** The Company's Extraordinary General Meeting No. 1/2010 was held on Thursday, October 7, 2010 and the minutes of that meeting are set out in Attachment 1. The minutes have been correctly and accurately recorded.

**OPINION OF THE BOARD:** To propose in the AGM to certify the minutes of the Extraordinary General Meeting No. 1/2010.

**2. To consider and acknowledge the business operations of the Company for the year 2010**

**FACTS AND RATIONALE:** To report to shareholders for acknowledgement, the business operations of the Company for the year 2010, details of which are provided in the Annual Report as shown in Attachment 2.

**OPINION OF THE BOARD:** To propose in the AGM to acknowledge the business operations of the Company for the year 2010.

**3. To consider and approve the Company's audited balance sheet as at December 31, 2010 and income statement for the year ended December 31, 2010 with the auditor's report thereon**

**FACTS AND RATIONALE:** Clause 36 of the Company's Articles of Association stipulates that the audited balance sheet and income statement as at the end of the fiscal year of the Company shall be prepared and submitted to the annual general meeting for approval. The Company's audited balance sheet as at December 31, 2010 and income statement for the year ended December 31, 2010, which have been reviewed by the Audit and Risk Committee and the Board of Directors, are in the "Financial Statements" section of the Annual Report (page No. 168 - 222) as shown in Attachment 2 and can be summarized as follows:

*Consolidated balance sheet and income statement of the Company and its subsidiaries*

Total Assets	22,043	Million Baht
Total Liabilities	4,494	Million Baht
Total Revenues	6,237	Million Baht
Net Profit	1,414	Million Baht
Earnings per Share	8.48	Baht/Share

*Balance sheet and income statement of the Company*

Total Assets	8,101	Million Baht
Total Liabilities	1,820	Million Baht
Total Revenues	2,106	Million Baht
Net Profit	1,185	Million Baht
Earnings per Share	7.11	Baht/Share

**OPINION OF THE BOARD:** To propose in the AGM to approve the Company's audited balance sheet as at December 31, 2010 and income statement for the year ended December 31, 2010 with the auditor's report thereon.

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

**FACTS AND RATIONALE:** The Company reported a consolidated net profit of Baht 1,414 million as shown in the income statement for the year ended December 31, 2010, which has been audited by the auditor.

The Company's 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.



However, clause 39 of the Company's Articles of Association stipulates that the Company shall allocate not less than 5 percent of the Company's annual net profit less the accumulated losses brought forward (if any) to a reserve fund until this fund attains an amount not less than 10 percent of the registered capital.

**OPINION OF THE BOARD:** Taking into account the consolidated net profit, the Company's expansion plan and debt repayment obligations, the Board of Directors agreed to propose in the AGM to appropriate the retained earnings for the year ended December 31, 2010 as follows:

- a) Legal reserve amounting to Baht 44,992,657.00 in order for the legal reserve to reach an amount of not less than 10 percent of the registered capital of the Company.
- b) Dividend payment to shareholders in the amount of Baht 7.50 per share for 166,682,701 shares, totaling Baht 1,250,120,257.50.
- c) Un-appropriated retained earnings to be carried forward.

The Company will pay the dividend to the shareholders whose names appear in the Company's share register book as at May 9, 2011 which is the date for determination of shareholders who are entitled to the dividend payment (Record Date) fixed by the Board of Directors. The closing date of the Company's share register book for collecting shareholders' names under Section 225 of the Securities and Exchange Act is fixed on May 10, 2011. Dividend payment will be made on May 26, 2011.

The proposed dividend is consistent with the Company's dividend payment policy. The proposed amount to be paid in respect of the year ended December 31, 2010 represents approximately 88 percent of consolidated net profit. Comparative details are set out in the table below.

Details of Dividend Payment	2010	2009
1) Consolidated net profit (Million Baht)	1,414	133
2) Number of shares issued and paid-up (Million Shares)	167	167
3) Dividend payment		
• Interim dividend (Baht/Share)	-	-
• Annual dividend (Baht/Share)	7.50	2.20
4) Total dividend payment (Million Baht)	1,250	367
5) Percentage compared to consolidated net profit	88%	276%

**5. To consider and approve matters relating to directorships of the Company**

**5.1 Election of new directors to succeed those who will be retiring on completion of their terms**

**FACTS AND RATIONALE:** Clause 14 of the Company's Articles of Association stipulates that at each annual general meeting, one-third of the directors shall retire from office. Retiring directors are eligible for re-election. The following 4 directors are due to retire at the AGM:

- |                                |   |
|--------------------------------|---|
| 1) Mr. Ho Kwon Cjan            | Director and<br>Managing Director (Design Services)           |
| 2) Mr. Vudhiphol Suriyabhivadh | Independent Director and<br>Audit and Risk Committee Chairman |
| 3) Mr. Bernold O. Schroeder    | Director  |
| 4) Mr. Stuart D. Reading       | Director and Vice President-Finance                           |

The process for nominating directors is made through a Nomination and Remuneration Committee which considers qualifications, i.e. appropriateness, competency, experience, knowledge, and proficiency in various professional fields as well as past contribution and performance, before recommending that the Board of Directors nominate the directors for shareholders' approval.

In view of their experience, knowledge and past contribution, the Nomination and Remuneration Committee recommended that the Board of Directors nominate all of the 4 retiring directors for another term of directorships.

**OPINION OF THE BOARD:** To propose in the AGM to re-elect all 4 retiring directors, namely Mr. Ho Kwon Cjan, Mr. Vudhiphol Suriyabhivadh, Mr. Bernold O. Schroeder and Mr. Stuart D. Reading for another term of directorships as recommended by the Nomination and Remuneration Committee. The profiles of the 4 retiring directors are shown in [Attachment 3](#).

The definition of the Company's independent directors is shown in [Attachment 4](#).



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

**FACTS AND RATIONALE:** Clauses 28 and 32 of the Company's Articles of Association stipulate that any payment of remuneration to directors must be approved by the shareholders' meeting with a vote of at least two-thirds of the total number of votes of shareholders who are present and eligible to vote.

Based on the resolution of the Company's 2010 Annual General Meeting held on April 27, 2010, the approved directors' remuneration budget amounts to a total not exceeding Baht 9.6 million per year. The approved budget includes remuneration for all directors of the Board and all directors who are members of the Audit and Risk Committee and the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has reviewed the approved directors' remuneration, taking into account industry norms and the responsibilities of each directorship position. Based on its review, the Nomination and Remuneration Committee recommended an increase in the directors' remuneration budget by Baht 300,000 from a total amount not exceeding Baht 9.6 million per year to a total amount not exceeding Baht 9.9 million per year, representing an increase of approximately 3 percent. The proposed remuneration budget includes remuneration for all directors of the Board and all directors who serve on the Audit and Risk Committee and the Nomination and Remuneration Committee.

**OPINION OF THE BOARD:** To propose in the AGM to approve an increase in directors' remuneration budget by Baht 300,000 or approximately 3 percent to a total amount not exceeding Baht 9.9 million per year with effect from January 1, 2011 and for each ensuing year, unless or until resolved otherwise by a general meeting of the shareholders of the Company and the authorization to the Board of Directors, at its own discretion, to determine the details and amount of remuneration to be paid to each director of the Board and each director who is a member of the Audit and Risk Committee and/or the Nomination and Remuneration Committee as the Board of Directors may deem appropriate, as recommended by the Nomination and Remuneration Committee.

The above proposed remuneration budget includes remuneration for all directors of the Board and all directors who serve on the Audit and Risk Committee and the Nomination and Remuneration Committee.

The scopes of duties and responsibilities of the Audit and Risk Committee and Nomination and Remuneration Committee are as shown in Attachment 5 and details of remuneration paid to each director in 2010 is in the “Remuneration and Other Benefits of the Directors during the Year 2010” section of the Annual Report (page No. 72) as shown in Attachment 2.

**6. To consider and approve the appointment of an auditor and determination of its remuneration for the year 2011**

**FACTS AND RATIONALE:** Section 120 of the Public Limited Companies Act B.E. 2535 stipulates that the appointment of an auditor and determination of its remuneration be approved at every annual general meeting. The selection of the auditor and determination of its remuneration have been reviewed by the Audit and Risk Committee and the Board of Directors.

The Audit and Risk Committee has recommended the appointment of Ms. Rungnapa Lertsuwankul, C.P.A. No. 3516 and/or Ms. Sumalee Reewarabandith, C.P.A. No. 3970 and/or Ms. Gingkarn Atsawarangsalit, C.P.A. No. 4496 of Ernst & Young Office Limited to be the Company's auditor for the year 2011 with total remuneration not exceeding Baht 670,000 which is approximately 22 percent less than the approved remuneration for the year 2010 (an amount not exceeding Baht 860,000). The reduction in the total remuneration is due to reduction in scope of audit given that the Dusit Thani Laguna Phuket hotel was disposed of in 2010. Only the audit fee is included in the remuneration for the Company's auditor.

To date, Ernst & Young Office Limited has performed its duty well and the Audit and Risk Committee and the Board of Directors are satisfied with its performance. In addition, none of the 3 nominated auditors has a relationship or any interest in / with the Company / Company's subsidiaries / management / major shareholders or other connected persons to the former mentioned persons. In the financial year ended December 31, 2010, the Company and its subsidiaries did not pay any non-audit fees to the audit firm which acted as the Company's auditor, or to other persons or businesses related to the 3 nominated auditors. For the benefit of all shareholders, the profiles of the 3 nominated auditors are included in Attachment 6 of this Notice and details of the remuneration paid to Ernst & Young Office Limited in 2010 is in the “Auditors' Remuneration” section of the Annual Report (page No. 223) as shown in Attachment 2.



Ms. Rungnapa Lertsuwankul was the Company's auditor for 4 years in 2005 and from 2008 to 2010 and Ms. Sumalee Reewarabandith was the Company's auditor for 3 years from 2008 to 2010 and Ms. Gingkarn Atsawarangsalit has never been the Company's auditor. In compliance with the Office of Securities and Exchange Commission's notification, the auditor may be re-appointed for not more than 5 consecutive financial years and the Company may re-appoint a former auditor after that auditor has not been the Company's auditor for at least 2 consecutive financial years.

Ernst & Young Office Limited is also the audit firm of most of the Company's subsidiaries/ associates.

**OPINION OF THE BOARD:** To propose in the AGM to appoint Ms. Rungnapa Lertsuwankul, C.P.A. No. 3516 and/or Ms. Sumalee Reewarabandith, C.P.A. No. 3970 and/or Ms. Gingkarn Atsawarangsalit, C.P.A. No. 4496 of Ernst & Young Office Limited to be the Company's auditor for the year 2011 with total remuneration not exceeding Baht 670,000.

**7. To consider and approve amendment to Clause 27 of the Company's Articles of Association**

**FACTS AND RATIONALE:** Clause 27 of the Company's Articles of Association stipulates that "A meeting of the Board of Directors shall be held at least every three months at the province where the head office or branch office is located or at any province nearby". The proposed amendment to Clause 27 of the Company's Articles of Association is intended to provide flexibility in setting the venue for meetings of the Board of Directors.

**OPINION OF THE BOARD:** To propose in the AGM to amend Clause 27 of the Company's Articles of Association to be read as follows:

"Clause 27      A meeting of the Board of Directors shall be held at least every three months at the province where the head office or branch office is located or at any province nearby or at any place as the Chairman deems appropriate."



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

All shareholders are invited to attend the AGM at the date, time and venue mentioned above. Registration of attendance at the AGM will start at 13:30 hrs. To attend the AGM, on the AGM day, all shareholders and proxies must bring all documents verifying eligibility to attend the AGM and vote as stipulated in Attachment 9.

A shareholder may appoint a proxy to attend the Meeting and vote on his/her behalf by completing and signing, including affixing a duty stamp to, Proxy Form B. However, if you are a foreign shareholder who appoints a custodian in Thailand to keep and safeguard your shares, you can choose to use either Proxy Form B or Proxy Form C. Both Proxy Forms B and C are attached as Attachment 7. If a shareholder wishes to give a proxy to an independent director, that shareholder may appoint **Dr. Jingjai Hanchanlash** or **Mr. Vudhiphol Suriyabhivadh**, the Company's independent director, as a proxy. Their profiles are shown in Attachment 8. The Proxy Form, together with all documents, is to be presented to the Company Secretary before the AGM begins or to be sent to the Company Secretary by mail at the Company's address.

The Company has fixed the record date on which the shareholders are entitled to attend the AGM on March 9, 2011 and fixed the share register book closing date on which the shareholder list as specified under Section 225 of the Securities and Exchange Act shall be compiled on March 10, 2011.

The Company will conduct the AGM in accordance with the details in Attachment 10. To ensure that shareholders' rights are preserved, it is advised that any queries requiring clarification by the Company at the AGM be sent in advance either by email to [ir@lagunaresorts.com](mailto:ir@lagunaresorts.com) or by fax to number 662-285-0733.

Yours sincerely,

By the order of the Board of Directors,



**(Mr. Surapon Supratya)**  
**Deputy Chairman**