

Laguna Resorts & Hotels Public Company Limited
Minutes of the Extraordinary General Meeting No. 1/2010

Date and time : Thursday, October 7, 2010 at 13:30 hours

Venue : Banyan Ballroom, 10th floor, Banyan Tree Bangkok hotel, Thai Wah Tower II
No. 21/100 South Sathorn Road, Tungmahamek Sub-district, Sathorn District,
Bangkok 10120, Thailand.

Mr. Ho KwonPing, Chairman of the Board, presided as the Chairman of the Extraordinary General Meeting No. 1/2010 (the "**Meeting**"). Mr. Ho KwonPing is also Chief Executive Officer of the Company.

The Chairman announced that there were 78 shareholders and proxy holders present at the Meeting, holding 98,086,433 shares, equivalent to 58.85 percent of the total paid-up capital of 166,682,701 shares, thus constituting a quorum according to the Company's Articles of Association. The Chairman then declared the Meeting duly convened.

For the convenience of all shareholders, the Chairman then invited Mr. Surapon Supratya, Director and Deputy Chairman, to introduce the directors of the Company, the legal advisor, and the independent financial advisor who were present at the Meeting, and to take the Meeting through each of agenda items 1 to 3 and any additional agenda items, in Thai.

Mr. Surapon introduced the directors of the Company, the legal advisor and the independent financial advisor as follows:

Directors

1. Mr. Vudhiphol Suriyabhivadh Independent Director and
Audit and Risk Committee Chairman
2. Dr. Jingjai Hanchanlash Independent Director,
Nomination and Remuneration Committee Chairman and
Audit and Risk Committee Member
3. Mr. Michael Ramon Ayling Director and Managing Director
4. Mr. Ariel P. Vera Director

-
5. Mr. Bernold Olaf Schroeder Director
 6. Mr. Stuart David Reading Director and Vice President-Finance

Legal Advisor

Mr. Sarayut Jitprasertngam and his team from Allen & Overy (Thailand) Co., Ltd. who acted as the legal advisor and inspector for registration and vote counting procedures.

Independent Financial Advisor

Mr. Pachara Netsuwan from Capital Advantage Co., Ltd., who had provided an opinion on the proposed divestment of Dusit Thani Laguna Phuket.

Before commencing the agenda proper, Mr. Surapon invited the Company Secretary to advise all shareholders of the voting procedure for the Meeting.

Ms. Sirivan Skulkerevathana, Company Secretary, advised all shareholders of the voting procedure for the Meeting as follows:

1. With regard to voting at the shareholders' meeting, section 102 and section 33 of Public Company Act B.E. 2535 stipulates that shareholders shall have votes equal to the number of shares held by each of them, which means one share is entitled to one vote.
2. Shareholders and proxy holders who have been authorized to vote during the Meeting, are to use the voting slip for the relevant agenda item handed out at the time of registration to vote on the agenda item. Shareholders and proxy holders are requested to complete the voting slip by ticking one of the voting boxes (i.e. "approve", "disapprove", or "abstain"), and for custodians only - to state the number of votes under each of the selected choices. Shareholders and proxy holders are to then sign on the lower part of the voting slip and immediately return the same to the Company's officer.
3. Proxy holders with the votes cast by their shareholders as specified in the proxy forms submitted to the Company prior to the commencement of the Meeting do not have to vote during the Meeting. Such votes have already been collected and counted by the Company as indicated in the proxy forms received during registration.

4. In addition, all shareholders and proxy holders (except in the case of foreign investors appointing a custodian in Thailand to keep and safeguard their shares) cannot split the number of votes. All votes must be cast as “approve”, “disapprove”, or “abstain” in each agenda item. Votes will not be counted if the voting slip is incomplete or void (e.g. no signature on the voting slip).
5. The custodians appointed by foreign investors may cast all the votes or split the number of votes as “approve”, “disapprove”, or “abstain” in each agenda item. Votes will not be counted if the voting slip is incomplete or void (e.g. no signature on the voting slip, and/or the number of votes cast exceeds the voting right).

In counting the votes, the Company will count the votes based on the voting slips returned to the Company’s officers. If any shareholder does not return their voting slip, it will be deemed that such shareholder does not wish to consider and vote on that agenda item and the votes of such shareholder will not be counted as part of that resolution.

Mr. Surapon then proceeded with the Meeting by proposing to the Meeting each of the agenda items as detailed below:

1. To consider and certify the minutes of the 2010 Annual General Meeting

Mr. Surapon requested the Meeting to review the minutes of the 2010 Annual General Meeting, a copy of which had been sent to all shareholders together with the notice calling for the Meeting. He also informed the Meeting that the Board had recommended that the minutes of the 2010 Annual General Meeting be certified by the shareholders.

Mr. Surapon opened the floor for shareholders to raise questions. However, no questions were raised.

As there were no questions, the Meeting then considered this agenda item and resolved as follows:

Resolution: The Meeting certified the minutes of the 2010 Annual General Meeting by a majority vote of the shareholders and proxy holders who were present at the Meeting and cast their votes, with details as shown in the following vote counting summary:

Voting Results	Number of Votes*	
• Approved	101,588,088	100.00%
• Disapproved	266	0.00%
Total no. of votes cast by shareholders	101,588,354	100.00%

• Abstained	12,100
Total no. of votes of the shareholders who are eligible to vote	101,600,454

Note: * The Company's Articles of Association state that a resolution of the shareholders' meeting in an ordinary matter requires a majority of the votes of the shareholders who are present and cast their votes.

2. To consider and approve the divestment of Dusit Thani Laguna Phuket

Mr. Surapon briefed the Meeting on the aspects of the transaction as follows:

1. Overview of the transaction

Details of the assets to be disposed

Mr. Surapon advised that the transaction is the disposal of the hotel asset known as the Dusit Thani Laguna Phuket. The transaction is not a disposal of shares in the company that owns the asset which is Laguna Resorts & Hotels Public Company Limited.

The asset comprises the hotel buildings of 226 rooms, land upon which the hotel buildings and facilities are situated of approximately 33 rai, the plant & machinery, furniture, fixtures & equipment, and inventory owned by the Company and its wholly-owned subsidiaries located at the hotel for operations, all of which fall within the dark boundary line of the attached map.

Mr. Surapon added that land such as the undeveloped land on the beachfront on either side of the hotel property and the land next to the main entrance known as the pitch and putt was not included in the transaction. Similarly, the villas situated adjacent to the main hotel known as the Dusit Thani Pool Villas ("**Dusit Villas**") were not included in the transaction.

The book value of the assets being disposed of is Baht 963 million. This comprises the original cost of the assets plus revaluation, which for the land is on a fair market value basis, and for the buildings and equipment on a depreciated-replacement-cost basis.

Buyer and Selling Price

The buyer of the assets is Dusit Thani Public Company Limited which is the present operator of the hotel. The agreed selling price for the assets is Baht 2,620 million, which is inclusive of value added tax.

Payment Terms

- A 10 percent deposit of Baht 262 million is to be paid within 5 days of signing the Asset Purchase Agreement. These funds have already been received by the Company.
- The second payment of Baht 2,332 million representing 89 percent of the total selling price is payable within 5 working days of shareholder approval to proceed with the transaction, that is October 11, 2010.
- The final payment of Baht 26 million representing 1 percent of the total selling price is payable upon completion of the transfer of registration and ownership of the land and buildings at the Land Department which shall not be later than December 30, 2010.

Conditions Precedent

Mr. Surapon advised that there were several conditions precedent for the transaction to proceed as follows:

- The transaction requires the approval of shareholders of both the Company and Dusit Thani Public Company Limited.
- Servitudes must be registered in favour of the Company's undeveloped land at the beachfront and near the main entrance in order to enable access for any future development. In addition, servitudes must be registered to enable access by the Dusit Villa owners from the hotel car park to their villas and also from their villas to the hotel facilities as Dusit Villas are still considered to be an integral part of the overall resort. These servitudes have been agreed to already.

- The buyer must enter into various supplementary agreements which are necessary to preserve the overall concept and continuing operations of the Laguna Phuket integrated resort such as continuing to utilize the centralized facilities and services currently provided by Laguna Service Company such as laundry, transport, common area landscaping in the integrated resort, inter-resort charging and destination marketing campaigns. In addition, the buyer will be a party to a Laguna Phuket charter which governs how the integrated resort will continue to operate via the participation of the various hotels and other business units located within Laguna Phuket. Further, the buyer is required to enter into a license agreement governing the use of the Laguna brand name. The buyer has also agreed to enter into a shared facilities agreement with the Company for the shared use of plant & equipment, and facilities situated upon the hotel land by the Dusit Villas. The buyer has also agreed to continue to utilize the group's licensed tour operator, Laguna Excursions, to sell various tours to the hotels guests.

2. Rationale for the transaction

Mr. Surapon reported that the global financial crisis which started in 2008 and the ensuing global recession had severely impacted the tourism and hotel industry in Thailand as a whole and that the Company's hotels and other tourism related businesses in Laguna Phuket were not spared. The global financial meltdown was exacerbated by the prolonged political turmoil in Thailand which had deterred tourists who could afford the luxury of travel during the recession from selecting Thailand as their holiday destination.

These unfortunate events in the last two years had exposed the Company's vulnerability and confirmed concerns that the Company had too much exposure in Phuket and Thailand. The Company's present operations in Phuket form the majority of the Company's income. In 2009, the Company's combined revenues generated by its operations in Phuket amounted to almost 82 percent of the Company's overall revenue. In terms of the Company's total hotel revenue, just over 82 percent is attributed to hotels located in Phuket.

As a result, the Company decided to accelerate its plan to reduce its investment portfolio in Phuket and after much deliberation had come to the conclusion that disposing of Dusit Thani Laguna Phuket would contribute to that plan. The Company considered that a window of opportunity presently existed to proceed with this transaction as there was the strong possibility of continuing economic and political turmoil.

The selling price achieved by the Company is considered to be exceptionally good.

- The price per room key of Baht 11.6 million is at the top end of the range when comparing with other recent hotel transactions in the region.
- An independent valuation firm, Knight Frank Chartered (Thailand) Company Limited (“**Knight Frank**”), which had been commissioned by the Company to undertake a valuation of the asset, prescribed a value of Baht 2,377 million. The selling price achieved is Baht 243 million or 10 percent higher than the Knight Frank valuation.
- Further, the yield at 6.9 percent (i.e. the estimated annual income as a percentage of the total selling price) is the lowest of all recent transactions.

3. Expected benefits of the transaction

There are several expected benefits of the transaction as follows:

- It unlocks the value of the Company’s 23 year investment in the hotel. As the oldest hotel asset of the Company, there is little opportunity to make major changes to the structure of the hotel which may be required as a result of changing consumer preferences for larger more luxurious type product. As the oldest hotel, the cost of repairs and maintenance is expected to increase.
- With the proceeds of an estimated Baht 1,800 – 1,900 million, the Company will have the financial means to explore investment opportunities overseas and/or repay bank loans and/or pay dividends to shareholders.
- As the selling price is higher than the book value of the assets to be disposed of, the Company will immediately realize a gain from the sale.
- The transaction will reduce the Company’s exposure in Phuket.

4. Potential use of the proceeds from the transaction

- As indicated earlier, with the net proceeds of an estimated Baht 1,800 – 1,900 million, the Company will have the financial means to explore investment opportunities overseas and/or repay bank loans and/or pay dividends to shareholders.

- The Company has yet to identify any specific overseas investment opportunities. However, it will establish minimum criteria for any potential investment such as projected internal rate of return as well as contemplate any risk mitigation associated with any investment.
- In the interim period, the Company will repay its loans to reduce its interest expense which is likely to result in annualized savings of up to Baht 90 million.
- The Board of directors will also consider whether to utilize all or part of the proceeds to pay a dividend which would provide a direct benefit to shareholders.

5. Opinion of the Company's board of directors with regard to the transaction.

The board of directors of the Company held meetings on August 10, 2010, August 26, 2010, and September 24, 2010 and passed a resolution to approve the transaction.

The board of directors recommends that the shareholders approve the transaction for the reasons set out in the rationale and expected benefits to the Company.

6. Opinion of the independent financial advisor with regard to the transaction.

For significant transactions such as this which require shareholders approval, the Stock Exchange of Thailand ("**SET**") require that an independent financial advisor is appointed to prepare a report and opinion on the transaction for shareholders.

The report of the independent financial advisor is contained in the notice of the extraordinary general meeting sent to shareholders and in summary it concludes that the transaction is reasonable and benefits the Company as well as the shareholders for the following reasons:

- It will reduce the Company's investment portfolio and reliance on operations in Phuket.
- The Company will have higher liquidity from the net proceeds.
- The Company will realize a profit from the sale.
- The Company will have an opportunity to use the proceeds for new investment opportunities and/or repay loans and/or pay dividends to shareholders.
- The selling price is higher than the valuations determined by the independent financial advisor.

7. Approval of the transaction

The transaction is considered to be a disposition of assets in accordance with the notification of the Capital Market Supervisory Board No. Thor Jor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets, which refers to the notification of the board of the SET, re: "Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004".

The transaction is classified as a "Transaction Type 1" and the sale of a certain part of the Company's business to a third party under Article 32 (2) (a) of the Company's Articles of Association and therefore requires the approval in a shareholders' meeting with not less than three quarters of total voting right of shareholders who attend the meeting and are eligible to vote, excluding the votes of interested shareholders.

Dusit Thani Public Company Limited which is an interested shareholder of the Company holding 1,250,000 shares representing 0.75 percent of the total issued and paid up shares of the Company, is not eligible to vote for the agenda.

Other details of the transaction could be found in the notice calling for the Meeting and its amendment forwarded to the shareholders prior to the Meeting.

Mr. Surapon opened the floor for shareholders to raise questions. The shareholders asked questions. The questions and answers can be summarized as follows:

- Dusit Villas which were developed by the Company at the Dusit Thani Laguna Phuket were not included in the transaction. Dusit Villas, a property sales project, were sold to individual owners by way of selling the villas with long term lease of land where the villas were located. Dusit Villas were managed by Dusit Thani Public Company Limited, the present operator of the Dusit Thani Laguna Phuket, as an integral part of the overall resort.
- The Company would have to return the down payment to Dusit Thani Public Company Limited if the transaction were not approved at the shareholders' meeting.

-
- Capital Advantage Company Limited, an independent financial advisor, applied 4 approaches in evaluating the reasonableness of the value of the disposed assets, namely: book value approach, adjusted book value approach, price to earnings ratio approach, and discounted cash flow approach. After consideration of the pros and cons of each approach, the independent financial advisor selected the discounted cash flow approach, details as shown in page 36 of the report of opinion of the independent financial advisor (Attachment 3 of the notice calling for the Meeting).
 - The significant difference in the value of disposed assets under the book value approach (Baht 963 million) and under the adjusted book value approach (Baht 2,377 million) was due to the differences between the two approaches in determining the value of the assets:
 - The book value approach was based on the original cost of the assets plus revaluation which for the land was on a fair market value basis and for the buildings and equipment was on a depreciated-replacement-cost basis.
 - The adjusted book value approach was based on the appraisal value provided by Knight Frank Chartered (Thailand) Company Limited, an independent valuation firm approved by the Thai Valuers Association and the Valuers Association of Thailand, by using the income approach basis for the valuation.

Details as shown in page 25-27 of the report of opinion of the independent financial advisor (Attachment 3 of the notice calling for the Meeting).

- According to accounting standards, revaluation had to be performed every 3 years. The most recent revaluations had been performed in 2007 in respect of the land, and, in respect of the hotel buildings, in 2009 pursuant to the new accounting guidance which required assets to be valued on a depreciated-replacement-cost basis (resulting in the significant devaluation of assets last year) instead of on an income-approach basis which the Company had used in the previous valuation in 2007.
- The transaction would be recorded in the Company's books of account in the fourth quarter of 2010 providing that the transaction was approved at the shareholders' meeting. The net profit before tax would be approximately Baht 2.3 billion while the net proceeds would be approximately Baht 1.9 billion after deducting the corporate income tax and selling expenses of the transaction.

-
- The value of the disposed assets represented approximately 6 percent of the total value of the Company's assets.
 - The total professional fees payable to the independent financial advisor to provide an opinion on the transaction were approximately Baht 650,000.
 - The Company considered that a window of opportunity presently existed to proceed with the divestment of Dusit Thani Laguna Phuket as there was a strong possibility of continuing economic and political turmoil. Apart from this, the selling price that would be achieved by the Company was considered to be exceptionally good, so the Company believed it would be wise to sell Dusit Thani Laguna Phuket to take the advantage of the timing. There was no fixed timing and/or fixed number for the Company to further reduce its exposure in Phuket. All would depend on the investment climate in Thailand and the existence of a window of opportunity.
 - The average operating profit contributed by Dusit Thani Laguna Phuket was approximately Baht 120 – 130 million per year. The maximum operating profit contributed by Dusit Thani Laguna Phuket was approximately Baht 130 – 135 million.
 - The Company's vacant land available for further development in Phuket was approximately 1,000 rais.
 - The Company had decided to keep the golf course not only because of its important contribution to the facilities of the Laguna Phuket integrated resort but also because the Company was planning to re-design the golf course in order to release more land surrounding the golf course for property development, thereby maximizing the value of the assets.
 - The Company's share-price-to-book-value was 0.6 times. This was based on the share price of Baht 55 per share and the book value of Baht 94 per share. Dusit Thani Laguna Phuket's selling price (Baht 2,620 million) to book value (Baht 963 million) was 2.7 times which is considered exceptionally good comparing to the above share-price-to-book-value. The Company considered that the book value of the Company understated the Company's true value as a result of the adoption of new accounting guidance which required assets to be valued on a depreciated-replacement-cost basis which had resulted in the significant devaluation of assets last year.

- The Company had not specified the exact amount of the net proceeds to be used for investment overseas and/or repay bank loans and/or pay dividend at the moment as the Company required additional information for decision making apart from a strong possibility of continuing economic and political turmoil. As the resolution at the shareholders' meeting for the transaction was still unknown and there was a cost associated with gathering the additional information, such as: professional fees to conduct a study on potential overseas investments, the Company would start looking for overseas investment opportunities once the shareholders' meeting had approved the transaction. If there were no investment opportunities which met the investment criteria, the Company would decide whether to pay dividend to the shareholders or to repay bank loans, or both. In the interim period, the Company would utilize the net proceeds to repay loans which could be redrawn and was likely to resulting in annualized interest savings of up to approximately Baht 90 million.

As there were no further questions, the Meeting considered this agenda item and resolved as follows:

Resolution: The Meeting approved the divestment of Dusit Thani Laguna Phuket which consists of land, buildings, plant & machinery, furniture, fixtures & equipment, and inventory owned by the Company and its wholly-owned subsidiaries, to Dusit Thani Public Company Limited at the total consideration of Baht 2,620,000,000 (Thai Baht Two Billion Six Hundred and Twenty Million) which is inclusive of value added tax, by not less than three quarters of the total number of the votes of the shareholders who are present and are eligible to vote, excluding the votes by interested shareholders as follows:

Voting Results	Number of Votes	
• Approved	99,604,414	99.25%
• Disapproved	111,266	0.11%
• Abstained	644,976	0.64%
Total no. of votes of the shareholders who are eligible to vote*	100,360,656	100.00%

• Total no. of votes of interested shareholders	1,250,000	
Total no. of votes of the shareholders	101,610,656	

* excluding the votes by interested shareholders

3. To consider any other appropriate business, if any

Mr. Surapon asked the shareholders whether any shareholder would like to propose any other agenda item for the Meeting to consider. However, no agenda item was raised.

Mr. Surapon opened the floor for shareholders to raise questions. The shareholders asked questions. The questions and answers can be summarized as follows:

- In relation to the legal cases no. 16.2, 16.5, and 16.6 as shown in page 28, 30 and 31 of the information memorandum re: disposition of assets (Attachment 2 of the notice calling for the Meeting), the Company believed that the Company would prevail in those legal cases. However, if the Company lost such legal cases, the financial consequences associated with the loss would be insignificant.

As there were no further questions or agenda items to be raised, Mr. Surapon then handed the Meeting back to the Chairman.

The Chairman thanked all shareholders for attending the Meeting and declared the Meeting adjourned.

The Meeting was closed at 15:17 hours

Ho KwonPing
(Mr. Ho KwonPing)
Chairman of the Meeting

Sirivan Skulkerevathana
(Ms. Sirivan Skulkerevathana)
Minutes-Taker