

March 22, 2013

**Subject** : **Notice Calling for the 2013 Annual General Meeting**

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

- Attachments**
1. **Minutes of the 2012 Annual General Meeting**
  2. **The 2012 Annual Report and the Company's audited Financial Statements for the Year Ended December 31, 2012 (CD-ROM)**
  3. **Information of Nominated Directors to be Re-elected**
    - 3.1 **Non-Independent Directors' Profile**
    - 3.2 **Independent Director's 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**
  12. **Annual Report Requisition Form**

Notice is hereby given that the 2013 Annual General Meeting ("**AGM**") of Laguna Resorts & Hotels Public Company Limited ("**Company**") will be convened as follows:

**Date and time** : Thursday, April 25, 2013 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 2012 Annual General Meeting**

**FACTS AND RATIONALE:** The Company's 2012 Annual General Meeting was held on Friday, April 27, 2012 and the minutes of the 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 2012 Annual General Meeting.

**2. To consider and acknowledge the Company's 2012 business operations report**

**FACTS AND RATIONALE:** To report to shareholders for acknowledgement, the Company's 2012 business operations, details of which are provided in the Annual Report as shown in Attachment 2.

**OPINION OF THE BOARD:** To propose to the AGM to acknowledge the Company's business operations report.

**3. To consider and approve the Company's audited financial statements for the year ended December 31, 2012 with the auditor's report thereon**

**FACTS AND RATIONALE:** Clause 36 of the Company's Articles of Association stipulates that the audited financial statements 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 financial statements for the year ended December 31, 2012, 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. 110-173) as shown in Attachment 2 and can be summarized as follows:

(Unit : Million Baht)

	<b>Consolidated Financial Statements</b>	<b>Separate Financial Statements</b>
Total Assets	19,405	6,058
Total Liabilities	4,730	1,026
Total Revenues	4,299	319
Net Profit / (Loss)	41	(43)
Profit / (Loss) per Share (Baht)	0.25	(0.26)

**OPINION OF THE BOARD:** To propose in the AGM to approve the Company's audited financial statements for the year ended December 31, 2012 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 41.39 million as shown in the income statement for the year ended December 31, 2012, 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, 2012 as follows:

- a) Dividend payment to shareholders in the amount of Baht 0.125 per share for 166,682,701 shares, totaling Baht 20,835,338.
- b) 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 7, 2013 which is the date for determining the 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 8, 2013. Dividend payment will be made on May 23, 2013.

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, 2012 represents approximately 50 percent of consolidated net profit. Comparative details are set out in the table below.

<b>Details of Dividend Payment</b>	<b>2012</b>	<b>2011</b>
1) Consolidated net profit / (Loss) (Million Baht)	41.39	(223.57)
2) Number of shares issued and paid-up (Million Shares)	167	167
3) Dividend payment		
• Interim dividend (Baht/Share)	-	-
• Annual dividend (Baht/Share)	0.125	-
4) Total dividend payment (Million Baht)	20.84	-
5) Percentage compared to consolidated net profit	50%	-

## 5. To consider and approve matters relating to directorship of the Company

### 5.1 Election of 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. Surapon Supratya Deputy Chairman of the Board
- 2) Dr. Jingjai Hanchanlash Independent Director,  
Audit and Risk Committee Member and  
Nomination and Remuneration Committee Chairman
- 3) Mr. Ho Ren Hua Director
- 4) Mr. Eddy See Hock Lye Director

The process for nominating directors is made through the 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 directors for shareholders' approval.

In view of the experience, knowledge and past contribution of the 4 retiring directors, 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. Surapon Supratya, Dr. Jingjai Hanchanlash, Mr. Ho Ren Hua and Mr. Eddy See Hock Lye 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/or 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 proposal at the Company's 2012 Annual General Meeting held on April 27, 2012, directors' remuneration for the year 2012 has not changed from the budget approved at the 2011 Annual General Meeting.

The remuneration for all directors of the Board and all directors who serve on the Audit and Risk Committee (ARC) and/or the Nomination and Remuneration Committee (NRC) therefore remained at a total amount not exceeding Baht 9.9 million per year with effect from January 1, 2012 and for each subsequent year, unless or until resolved otherwise by a general meeting of the shareholders of the Company and the Board of Directors was authorized, 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 as the Board of Directors may deem appropriate, as approved at the 2011 Annual General Meeting.

The NRC has reviewed the directors' remuneration stated above, taking into account industry norms and the responsibilities of each directorship position. Based on its review, the NRC recommends an increase of approximately 3 percent in fees for each category of directors of the Board and for each category of committee members of the

ARC and NRC from the preceding year which was determined by the Board based on the remuneration budget of year 2012 which remain unchanged from the budget approved in 2011. In addition, the NRC made a recommendation on the fee for the new position of Deputy Chairman of the Board.

In the interest of improving the Company's good corporate governance practices, the NRC also agreed to propose a change in the format in which the Director remuneration budget is submitted to shareholders for approval. Instead of seeking approval for an annual budget with the authority given to the Board of Directors to determine the details, the remuneration of each category of directors and the remuneration of each category of members of the ARC and NRC will be presented to the shareholders' meeting for approval. Details of the proposed remuneration and the new budget format are as follows:

#### Board of Directors

Position	Remuneration / Meeting / Person (Baht)		Spa & Gallery Vouchers / Year / Person	
	2013	2012**	2013	2012
Chairman of the Board	241,000	234,000	-	-
Deputy Chairman of the Board*	200,000	-	-	-
Independent Director	161,000	156,000	USD2,000 (Approximately THB 60,000)	
Non-Executive Director	161,000	156,000	USD2,000 (Approximately THB 60,000)	
Executive Director	105,000	102,000	-	-

\* New position approved at the Board of Directors' Meeting on February 22, 2013

#### Audit and Risk Committee

Position	Remuneration / Meeting / Person (Baht)	
	2013	2012**
Chairman	80,000	78,000
Member	41,000	40,000

**Nomination and Remuneration Committee**

Position	Remuneration / Meeting / Person (Baht)	
	2013	2012**
Chairman	80,000	78,000
Member	41,000	40,000

\*\* Remuneration determined by the Board based on the remuneration budget approved at the Company's 2011 Annual General Meeting which remained unchanged in 2012.

If the proposed remuneration is approved, it will be effective from January 1, 2013 and for each subsequent year, unless or until resolved otherwise by a general meeting of the shareholders of the Company. If the general meeting does not approve the proposed rates of remuneration for 2013, the remuneration budget of year 2012 which remain unchanged from the budget approved in 2011 shall continue to apply.

**OPINION OF THE BOARD:** To propose in the AGM to approve the remuneration for the directors of the Board and directors who are members of the Audit and Risk Committee and/or Nomination and Remuneration Committee as recommended by the NRC as outlined above.

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 2012 is in the "Remuneration and Other Benefits of the Directors during the Year 2012" section of the Annual Report (page No. 76) as shown in Attachment 2.

**6. To consider and approve the appointment of an auditor and determination of its remuneration for the year 2013**

**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 Mr. Sophon Permsirivallop, C.P.A. No. 3182 and/or Ms. Rungnapa Lertsuwankul, C.P.A. No. 3516 and/or Ms. Pimjai Manitkajohnkit, CPA No. 4521 and/or Ms. Rosaporn Decharkom, CPA No. 5659 of Ernst & Young Office Limited to be the Company's auditor for the year

2013 with total remuneration not exceeding Baht 670,000 which is the same amount as approved for the year 2011 and 2012. 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 4 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, 2012, 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 4 nominated auditors. For the benefit of all shareholders, the profiles of the 4 nominated auditors are included in Attachment 6 of this Notice, and the details of the remuneration paid to Ernst & Young Office Limited in 2012 is in the "Auditor's Remuneration" section of the Annual Report (page No. 174) as shown in Attachment 2.

Mr. Sophon Permsirivallop was the Company's auditor during 2006-2010, Ms. Rungnapa Lertsuwankul was the Company's auditor during 2011-2012, Ms. Pimjai Manitkajohnkit and Ms. Rosaporn Decharkom have 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 Mr. Sophon Permsirivallop, C.P.A. No. 3182 and/or Ms. Rungnapa Lertsuwankul, C.P.A. No. 3516 and/or Ms. Pimjai Manitkajohnkit, CPA No. 4521 and/or Ms. Rosaporn Decharkom, CPA No. 5659 of Ernst & Young Office Limited to be the Company's auditor for the year 2013 with total remuneration not exceeding Baht 670,000.

**7. 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. For foreign shareholders who have appointed a custodian in Thailand to keep and safeguard their shares 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, are 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 12, 2013 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 13, 2013.

The Annual Report of the Company for the year 2012 as per the Attachment No. 2 is made in the form of CD-ROM, which has been sent to the shareholders together with the notice of this meeting. Shareholders who would like to receive a printed copy of the 2012 Annual Report, are requested to fill in the Annual Report Requisition Form as per the Attachment 12 and send it to the Company Secretary via fax at the facsimile number 66 (0) 2285 0733 or call telephone number 66 (0) 2677 4455 Ext. 295.

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 66 (0) 2285 0733.

Yours sincerely,

By the order of the Board of Directors,



**(Mr. Stuart Reading)**  
**Deputy Managing Director**