

August 27, 2010

**Subject : Notice Calling for the Extraordinary General Meeting No. 1/2010**

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

- Attachments**
1. **Copy of the Minutes of the 2010 Annual General Meeting**
  2. **Information Memorandum Re: Disposition of Assets**
  3. **Report of Opinion of the Independent Financial Advisor**
  4. **Valuation Report of Asset by the Independent Valuers**
  5. **Proxy Forms**
  6. **Profiles of Independent Directors who are Appointed as Proxies for Shareholders who are unable to Attend the Meeting**
  7. **Documents Verifying Eligibility to Attend the Meeting**
  8. **The Company's Articles of Association relating to Shareholders' Meeting**
  9. **Map to the Banyan Tree Bangkok Hotel**

Notice is hereby given that the Extraordinary General Meeting No. 1/2010 ("EGM") of Laguna Resorts & Hotels Public Company Limited ("Company") will be convened as follows:

**Date and time** : Thursday, October 7, 2010 at 13:30 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 EGM is as follows:

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

**FACTS AND RATIONALE:** The Company's 2010 Annual General Meeting was held on Tuesday, April 27, 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 EGM to certify the minutes of the 2010 Annual General Meeting.

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

**FACTS AND RATIONALE:** 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% of the Company's overall revenue. In terms of the Company's hotel revenue, just over 82% is attributed to hotels located in Phuket.

The global financial crisis which started in 2008 and the ensuing global recession severely impacted the tourism and hotel industry in Thailand as a whole and the Company's hotels and other tourism related businesses in Laguna Phuket were not spared. The global financial meltdown was exacerbated by the prolonged Thai political turmoil which 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 revealed the Company's vulnerability and confirmed the Company's concerns that it has too much exposure in Phuket and in Thailand. As a result, the Company has decided to accelerate its plans to reduce its investment portfolio in Phuket and after much deliberation came to the conclusion of disposing Dusit Thani Laguna Phuket comprising of land, buildings, plant and machinery, furniture, fixtures and equipment and inventory owned by the Company and its wholly-owned subsidiaries ("**Disposition**"). The Disposition will enable the Company to reduce its exposure in Phuket and therefore reduce its country risks.

The Disposition was done by way of a closed bid tender of the assets. Jones Lang LaSalle (Thailand) Limited was appointed as the exclusive property advisor and marketing agent for the Disposition. Dusit Thani Public Company Limited, which is the successful bidder,

offered the highest price of Baht 2,620,000,000 (Thai Baht Two Billion Six Hundred and Twenty Million) in the tender. Dusit Thani Public Company Limited is not a connected person to the Company.

The Company planned to use the net proceeds from the Disposition ("**Proceeds**") to invest in a hotel or hotel-related project overseas, repay bank loans, and/or pay dividends to its shareholders. The Board of Directors shall have the discretion to examine and ascertain the appropriateness of each of the aforementioned uses and the amount of the Proceeds to be allocated, if any, to each of them.

As the total consideration is higher than the book value of the assets to be disposed, the Company will immediately realize a gain from the Disposition and at the same time reduce the Company's exposure in Phuket.

With the Proceeds, the Company will have the financial means to explore investment opportunities overseas, repay bank loans and/or pay dividends to shareholders. If the Company is able to make a successful investment overseas, this would enable the Company to achieve a more diversified investment portfolio and reduce any adverse impact to its income when there are problems in the Thai tourism industry. In the event that the Company decides to repay some of its bank loans, the Company would be able to reduce its interest expense and preserve its borrowing ability for future investment opportunities. Shareholders of the Company would potentially benefit from a dividend payment should this be declared by the Company.

The shareholders may consider details of the Disposition, as proposed and as shown in Attachment 2 and in the report of the opinion of Capital Advantage Company Limited which is an independent financial advisor approved by the Securities and Exchange Commission as shown in Attachment 3.

**OPINION OF THE BOARD:** To propose in the EGM to approve the divestment of Dusit Thani Laguna Phuket which consists of land, buildings, plant and machinery, furniture, fixtures and equipment and inventory owned by the Company and its wholly-owned subsidiaries to Dusit Thani Public Company Limited, the successful bidder under the closed bid tender, for total consideration of Baht 2,620,000,000 (Thai Baht Two Billion Six Hundred and Twenty Million).

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

All shareholders are invited to attend the EGM at the date, time and venue mentioned above. Registration of attendance at the EGM will start at 12:30 hrs. To attend the EGM, on the EGM day, all shareholders and proxies must bring all documents verifying eligibility to attend the EGM and vote as stipulated in Attachment 7.

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 5. If a shareholder wishes to give a proxy to an independent director, that shareholder may appoint **Dr. Jingjai Hanchanlash** or **Mr. Vudhiphol Suriabhivadh**, each one of the Company's independent directors, as a proxy. Their profiles are shown in Attachment 6. The Proxy Form, together with all documents, is to be presented to the Company Secretary before the EGM 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 EGM on August 25, 2010 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 August 26, 2010.

The Company will conduct the EGM in accordance with the details in Attachment 8. To ensure that shareholders' rights are preserved, it is advised that any queries requiring clarification by the Company at the EGM 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**