

**Laguna Resorts & Hotels Public Company Limited**  
**Minutes of the 2017 Annual General Meeting**

---

**Date and time** : Thursday, April 20, 2017 at 14:30 hours

**Venue** : Banyan Ballroom, 10<sup>th</sup> 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 Kwon Ping, Chairman of the Board, presided as the Chairman of the 2017 Annual General Meeting (the “**Meeting**”). Mr. Ho Kwon Ping is also the Chief Executive Officer of the Company.

The Chairman announced that there were 137 shareholders and proxy holders present at the Meeting, holding 110,033,913 shares, equivalent to 66.01 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.

The Chairman informed the Meeting on the Company’s score in relation to the 2016 AGM assessment conducted by the Thai Investors Association. The Company received a score of 96.00 points out of 100 points for the 2016 AGM assessment. The Company will continue to strive to improve its good corporate governance practices.

For the convenience of all shareholders, the Chairman then invited Dr. Jingjai Hanchanlash (**JH**), Independent Director, Chairman of the Nomination and Remuneration Committee and Member of the Audit and Risk Committee, to introduce the directors the legal advisor and the auditor of the Company who were present at the Meeting and to take the Meeting through each of the agenda items 1 to 7 and any additional agenda items, in Thai.

JH introduced the directors, the legal advisor and the auditor of the Company as follows:

**Directors**

1. Mr. Vudhiphol Suriyabhivadh                      Independent Director,  
Audit and Risk Committee Chairman and  
Nomination and Remuneration Committee Member
  
2. Ms. Srinthorn Ounayakovit                      Independent Director

- 
3. Mr. Thongchai Ananthothai Independent Director,  
Audit and Risk Committee Member and  
Nomination and Remuneration Committee Member
  4. Mr. Ho KwonCjan Director
  5. Mr. Ariel P Vera Non-Executive Director
  6. Mr. Eddy See Hock Lye Director
  7. Mr. Ho Ren Hua Director
  8. Mr. Shankar Chandran Director and Managing Director
  9. Mr. Stuart David Reading Director

**Director Absent:**

1. Mr. Surapon Supratya Non-Executive Director

**Legal Advisor**

Ms. Patcharaporn Pootranon and her team from Weerawong, Chinnavat & Partners Limited acted as the legal advisor and inspector for registration and vote counting procedures.

**Auditor**

Ms. Rossaporn Decharkom from EY Office Limited, representative of Mr. Sophon Permsirivallop, the Company's auditor.

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

Ms. Nanchalee Kecharananta, 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 were advised to use the voting slip for the relevant agenda item handed out at the time of registration to vote on that agenda item. Voting was to be done by ticking either the "approve", "disapprove" or "abstain" box and for custodian only – to state the number of votes under each of the selected choices. Finally, all voting slips are to be signed off on the lower part before they are returned 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.
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.

With regards to voting for all agenda items, in the case that there is no shareholder and proxy holder who has a vote of disapproval or abstention, the vote shall be considered as the approval of the proposal in accordance with the combined number of votes. If any shareholder and proxy holder has a vote of disapproval or abstention, he/she shall mark his/her voting slip and raise his/her hand and the Company's officer will collect the relevant voting slip.

For the counting of votes, the Company will deduct the number of voting slips with a vote of disapproval and abstention from the total number of votes. The remaining votes shall be considered as votes of approval. Shareholders and proxy holders who vote to approve each agenda item shall keep their voting slips and return them to the Company's officer after the adjournment of the Meeting. In this regard, the voting in this Meeting shall be done openly, not in secret, but all voting slips shall be collected to ensure the transparency of the vote counting.

Any votes made in the following sample manners shall be considered invalid:

- 1) A voting slip that is not signed by the shareholder or proxy holder who cast the vote.
- 2) A voting slip that is filled with more than one mark in the space provided.
- 3) A voting slip that casts a vote expressing conflict of intent.
- 4) A voting slip that is crossed out with no signature affixed.

---

If a shareholder and proxy holder intends to correct his/her vote in the voting slip, the existing vote shall be crossed out with the shareholder's signature affixed.

According to the Company's Articles of Association, Article 32, a resolution of the shareholders' meeting shall be resolved as follows:

In an ordinary event in respect of the agenda items 1, 3, 4, 5.1 and 6 of the notice calling for this shareholders' meeting, the majority vote of the shareholder who are present the Meeting and cast their votes. In case of an equality of votes, the Chairman of the Meeting shall have an additional vote as a casting vote.

In the case of the consideration and approval of any remuneration for the directors in respect of the agenda item 5.2, the two-thirds of the votes of the shareholders who are present the meeting and are eligible to vote.

If any shareholder and proxy holder wishes to leave the Meeting before the Meeting is adjourned or not present in the Meeting room during any agenda item, such shareholder and proxy holder can exercise his/her rights by submitting the voting slip to the Company's officer in advance before he/she leaves the Meeting room.

The total number votes of the shareholders cast on each agenda item may not be the same, as there are shareholders and proxy holder entering the meeting room from time to time. Therefore, the number of persons attending the Meeting in each agenda item may change and therefore different.

Before voting on each agenda item, the Chairman shall give the shareholders and proxy holders an opportunity to ask questions and render their opinion concerning such agenda items as the Chairman deems it appropriate. The shareholder and proxy holder who wishes to ask question shall declare his/her name and surname before asking the question or rendering an opinion.

In the case that a shareholder or proxy holder has questions or opinions not regarding the agenda item under discussion, such questions or opinion should be presented under the agenda item arranged for other matters at the end of the Meeting.

JH added that in the interest of good corporate governance in regards to transparency, the Company welcomed minority shareholders to witness the vote counting of each agenda item. However, no shareholder volunteered to observe the vote counting.

JH 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 2016 Annual General Meeting**

JH requested the Meeting to review the minutes of the 2016 Annual General Meeting, a copy of which was sent to all shareholders together with the notice calling for the Meeting. JH also informed the Meeting that the Board had recommended the minutes of the 2016 Annual General Meeting be certified by the shareholders.

JH opened the floor for shareholders to raise questions.

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

**Resolution:** The Meeting certified the minutes of the 2016 Annual General Meeting by a unanimous 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:

<b>Voting Results</b>	<b>Number of Votes*</b>	
• Approved	110,096,914	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	110,096,914	100.00%

• Abstained	0
Total no. of votes of the shareholders who are eligible to vote	110,096,914

**Note:** \* The Company's Articles of Association states 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 acknowledge the Company's 2016 business operations report**

JH invited Mr. Shankar Chandran (**SC**), Director and Managing Director, to report the business operations of the Company for the year 2016 to the Meeting.

SC reported to the Meeting as follows:

## The Company's 2016 Business Operations

LRH achieved an EBITDA of Baht 1,050 million in 2016 vs. 2015 Baht 820 million and this is broadly attributed to a stronger performance by the Company hotels in 2016 and the gain on fair value adjustment of investment with the change of investment status in Thai Wah Public Company Limited (**TWPC**) from other long-term investment to investment in associates. Property sales contribution was below prior year as 2015 was the initial year of Cassia and Laguna Park recognition.

### Hotel Operations

- Hotel Performance: All 3 Company hotels performed well in 2016; Banyan Tree Bangkok (**BTB**) achieved its best-ever revenue performance in 2016.
- Vertigo Too, BTB: The outlet was launched in February, 2016 to add more value to the hotels' existing food & beverage offerings and is performing well.
- Rebranding of Villas and Resort: Angsana Villa Resort Phuket was introduced as part of the Angsana family from August 1, 2016. It was rebranded from the former Outrigger Laguna Phuket Resort and Villas.

### Property Development Operations

- Property Sales performance: 2016 contribution was below prior year due to revenue recognition timing; however the number of units sold increased by 28 percent as compared to last year.
- Angsana Beachfront Residences (**ANBFR**): The product was launched in December 2016 and features luxury apartments in 3-storey buildings. Each unit has a terrace with a private pool and lagoon/beach frontage. The project is located at a prime location adjacent to Angsana Laguna Phuket Hotel (ANLP) and all beachfront blocks were sold out within first 2 months. Company is now in process of selling the lagoon facing units.

### Laguna Golf

In 2016 the Company tied up with Sir Nick Faldo as Laguna's Golf Ambassador and recently launched its Golf Academy in November 2016. Laguna Golf Phuket continues to add value to the integrated resort through several upcoming events and acts a strong support for property sales.

## 2017 Outlook

- Hotels: Company will continue to push hotels for better performance in 2017 by managing rates, occupancies and marketing distribution.
- Property sales: Sales performance has been strong for the first quarter of 2017 and the Company endeavors to continue this positive trend to build the revenue pipeline.
- Laguna Phuket 30<sup>th</sup> Anniversary celebrations: LRH is celebrating Laguna Phuket's 30<sup>th</sup> anniversary throughout the year and the grand celebrations started with Laguna Phuket's first food and music festival in March 3-5, 2016 with several VIP guest attendees including the Minister of Tourism & Sports Ms. Kobkarn Wattanavrangkul.

Details of business operations can be found in the Company's annual report for the year 2016 which was sent to all shareholders together with the notice calling for the Meeting.

JH opened the floor for shareholders to raise questions.

The following are the queries from shareholders and Management's replies:

Mr. Tinnapob Wanprasupsook, shareholder

- Asked for the reason behind the Baht 1 billion drop in 2016 property sales revenue as compared to 2015.

Response: SC explained that the actual sales of property in 2016 was greater than 2015 however the recognition was lower due to accounting standards that allow recognition of sales only upon construction completion and handover of the units. Mr. Ho KwonPing (**KP**) added that property sales will inevitably have swings in revenue recognitions due to the timing gap between sale of a unit and its subsequent recognition after completion of construction, handover of the units and collection of payment. For instance, units that are sold in 2017 first quarter were double of that sold in same time prior year, a significant part of which was ANBFR, however, the income gains from the sale would only be witnessed in 2018/2019 upon the completion of construction, handover of the units and collection of payment.

- Asked what the other income amounting to Baht 461 million comprised of and whether it was a one-off gain.

Response: SC explained that the profits is largely be attributed to the one-off gain from TWPC amounting of Baht 345 million. LRH's shareholding in TWPC increased from 8.78 percent to 10.03 percent.

- Asked whether the LRH hotels occupancy of 72 percent was considered satisfactory as per industry norm.

Response: KP explained that for a resort hotel a 72 percent occupancy is very good due to the seasonality factor i.e. in the course of the year occupancies would be quite low during off-season. For city hotels such as BTB, a 70 percent occupancy would be low whilst a 80 percent occupancy would be optimal taking seasonality into account.

Mr. Suvit Laohapolwatana, shareholder

- Referring to Page 8 of the minutes of the previous Meeting asked why the beachfront residences were rebranded from Banyan Tree to be Angsana and why the price point was reduced from the initial indication of Baht 60-80 million to Baht 40 million. Does this reflect the need to adjust prices downwards to sell more units?

Response: Mr. Stuart Reading (**SDR**) explained that the decision to rebrand was made as the project was adjacent to the Angsana resort. The prices discussed in the previous meeting were only indicative for a larger Banyan Tree branded unit as the brand could command a more premium price. However branding the project as Banyan Tree was not ideal as Banyan Tree Phuket (**BTP**) was far away to the project and the distance would make it more difficult to service as a branded resort. Price per sqm for ANBFR is approx. Baht 150,000.

- Asked about the investment in Laguna Golf Bintan which LRH owned through PT AVC Indonesia. The respective investment amount, the lease amount, the profit and the operating results in the last 6 months.

Response: SC explained that Laguna Golf Bintan was taken under a lease agreement of 5 percent of revenue by the Company. The Management's decision to invest in Bintan was due to Laguna's vision to grow its golf brand and take advantage of the possible synergies. Laguna Golf Phuket had



been performing well post renovations and the Management could see synergies of the golf operations with property sales in other parts of the world.

- Asked why the Company decided to stop selling Laguna Holiday Club (**LHC**) and start selling Angsana Vacation Club (**ANVC**)? The key differences between the two clubs and benefits?

Response: SC explained that LHC ceased sales in January 2016 as it was outdated as compared to the competition in the market. The Company moved to ANVC which is a points-based club as opposed to LHC which was allocating weeks of a year to its members. A points-based vacation ownership is typically what the market is doing currently including brands such as Marriot and Starwood. The points-based system offers much more flexibility allowing a member to use his/her points as and when he/she can. Moreover, the ANVC extends the privilege to its members to use predominantly Angsana properties and some selected participating Banyan Tree properties.

- Referring to Page 19 of the 2016 Annual Report, expressed that the revenue from the holiday club business was Baht 215 million or 6 percent of the total revenue from property development operations. Asked what the respective expenses were for such a business and how the profit was calculated.

Response: Mr. Kuan Chiet (**CH**), Vice President – Finance & Administration, explained that the net profit margin before tax and after deducting cost of sales and marketing expenses is typically about 15 percent on a normalized basis.

- Referring to Page 13 of the minutes of the previous Meeting, whereby it was mentioned that TWPC shares were a non-core business to the firm and the Board was considering to divest the shares, asked why the management changed decision to buy more rather than sell its TWPC shares.

Response: CH explained that at the previous Meeting the Company was still deliberating whether to continue to hold its TWPC shares. However, during the course of 2016 TWPC performed very well after the amalgamation and achieved a record profit which motivated the Management to invest further into the firm. Moreover, the additional investment of 1.25 percent in TWPC increased the Company's shareholding to 10.03 percent and this together with the appointment of the Company's Managing Director to the Board of TWPC has enabled the Company to equity account for TWPC's profits (or losses, if any) in the future.

- Referring to the separate financial statements, a net profit of Baht 378 million on Company level and of Baht 652 million on consolidated level was achieved for year 2016. The profit was a result of the adjustment on fair value of investment in TWPC and was not actual profit. If TWPC shares were now sold would it then increase realized net profit for consolidated financial statements to over Baht 600 million.

Response: CH explained that prior to further investment in TWPC, the Company was holding 8.8 percent shares in TWPC however now the Company shareholding in TWPC is 10.03 percent making TWPC an associated company. This allows the Company to mark investment cost in TWPC at Baht 4.9 per share to the market price of Baht 8.8 per share and record the difference as the profit in 2016.

Ms. Areewan Sriwichupong (**AS**) added that the profit was already recorded in year 2016 under the current market price. In the future if the TWPC shares were sold, only the difference between the current market price and the prevailing market price at the time would be recorded as a profit.

- Referring to the Company's investment in overseas projects such as Banyan Tree Lijiang which still suffer a loss from the depreciation and interest payments, asked when the loss situation would end and the Company be able to receive dividends from such investments.

Response: KP explained that Banyan Tree Lijiang (**BTLJ**) would be injected into a new company called Banyan Tree China (**BTC**) along with all other China assets owned by Banyan Tree Holdings Limited (**BTH**) in Singapore. The largest property developer in China called Vanke with a market capitalization of approximately USD 36 billion would then buy 50 percent of Banyan Tree China. Effectively Vanke will be buying 50 percent of BTLJ at market valuation. Both BTH and LRH would continue to hold 50 percent of their respective original shareholding in BTLJ through BTC.

KP shared with the Meeting on the investment in Laguna LangCo, Vietnam. LRH had co-invested in the project with BTH a few years ago. At present the 2 hotels and golf course are in operations and the Company has applied for a Casino License that has now been approved in principle by the Vietnamese Government. A big fund in Vietnam capitalized at USD 500 million, which is 75 percent owned by a foreign fund called Warburg Pincus and 25 percent owned by the Vietnamese company called VinaCapital, is negotiating to buy a part of Laguna LangCo. It may be too early to confirm whether LRH and BTH would sell the project for cash or go for an IPO if Warburg Pincus brings in new money to touch-up the resorts with an operating casino. In principle LRH and BTH will do so equally so as to avoid conflict of interest.

KP further explained that the Company is still awaiting a formal revaluation of the project and the proposal has yet to be discussed with the Board formally. It would be difficult to share further details relating to the sale as the information has not been made public as per the requirements of the Singapore Stock Exchange. However, it was the Chairman's desire to give shareholders an idea of the latest developments with the group.

Mr. Wacharapong Hunsreesagul, shareholder

- Asked for a confirmation that the profit gain on fair value adjustment of TWPC shares, which was previously not recorded in the income statement, would now be recorded as a recurring income.

Response: CH explained that a one-off gain amounting to Baht 345 million was achieved from TWPC in 2016. However, going forward the Company would equity account for TWPC's profits (and losses, if any) each year based on the Company's shareholding.

As there were no further questions, the Meeting then acknowledged the Company's 2016 business operations report.

**3. To consider and approve the Company's audited financial statements for the year ended December 31, 2016 with the auditor's report thereon**

JH reported the financial performance of the Company for the year 2016 to the Meeting.

JH provided the Meeting with an overview of the financial performance as reflected in the Company's audited financial statements as at December 31, 2016, which the auditor had expressed a clean opinion upon, including an overview of the Group's revenue and profit analysis.

JH further informed the Meeting that the Company's audited financial statements for the year ended December 31, 2016 had been reviewed by the Audit and Risk Committee, the Board of Directors, and audited by a certified public accountant. JH referred the Meeting to the "Financial Statements" section of the Annual Report which had been sent to all shareholders, together with the notice calling for the Meeting, and advised that the Board had recommended that this agenda item be proposed for shareholders' approval at this Meeting.

JH opened the floor for shareholders to raise questions.

The following are queries from shareholders and Management's replies.

Mr. Rithichai Yibcharoenporn, shareholder

- Shared his opinion that a Company's accounting record should reflect its true financial position and asked what criteria was used to record profit Baht 345 million from TWPC shares and whether the amount reflects the true equity of TWPC. As per his own calculation the profit valuation should be Baht 777 million. Whether there was a possibility to reverse the Baht 777 million?

Response: Ms. Rosaporn Decharkom, representative from the Company's auditor, explained that as LRH increased its shareholding in TWPC from previous 8 percent to the current 10 percent the Company has now changed its status of investment in TWPC from other long-term investment to investment in associates. The profit was a result of the Company's reversal of unrealized gain on investment securities available-for-sale. The amount could not be reversed unless TWPC shares were sold.

AS added that the transaction with TWPC was the first of its kind and did not involve equity accounting. The Company was to commence equity accounting from 1 January 2017 at 10.03 percent shareholding. The amount calculated by the shareholder of Baht 777 million was based on the equity accounting which was not comparable.

Mr. Wacharapong Hunsreesagul, shareholder

- Commented that assets in the balance sheet such as Property, Plant and Equipment (**PP&E**) were regularly revalued; however revaluation was not performed for the investment in Property Development Cost (**PDC**). Keeping these assets hidden and valued at cost affects the Company's Return on Asset (**ROA**) ratio. For instance, the Company's land bank in Phuket of over 900 rai was valued at cost of Baht 1,000 million however the actual market value of the land would be much more given that each rai of land was valued at approx. Baht 10 million per rai and was not reflected on the Company's annual report.

Response: AS explained that, as per the accounting standard, PDC must be recorded at cost in the financial statements.

SDR added that the potential development value of the 900 rai of land bank based on the maximum building area could be up to Baht 150,000 million. Additionally, if the land held by the Company for property development was classified as investment property (**IP**) and had to be revalued it would impact future property development profitability as the value of the land would be higher than the original cost of the land.

Ms. Rosaporn Decharkom explained that as per accounting standards PDC, current assets, and inventory must be recorded at cost.

KP acknowledged the shareholder's view that the Company's large valuable land bank was not captured at market value in the financial statement; however explained that as per the accounting standards the Company cannot revalue land classified as PDC. Additionally, such revaluation would increase the land cost and impact the gain on development.

- Suggested an independent financial advisor review and support the land value.

Response: KP expressed that the Company would consider the shareholder's suggestion.

Mr. Suvit Laohapolwatana, shareholder,

- Asked whether agency commissions and sales and marketing expenses paid for property sales were reversible in case of issues with ownership transfer.

Response: KP explained that as per the accounting standards all sales and marketing expenses including costs of brochures and agent commissions need to be paid upfront whilst revenue recognition on the unit sold would only be upon completion and handover. This unavoidable mismatch between expense and revenue recognition was a key reason for the constant volatility in property sales contribution year on year.

SDR added that commission on sales was not paid until 20 percent down payment on units was received which helped the Company cover sales and marketing costs in case there were issues in the future on ownership transfer.

- Asked whether the Company had its own sales team or used an agent and whether BTH earned any technical fees or any other income from sales made by the Company.

Response: SDR explained that the Company had both its own sales team and external agents.

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

**Resolution:** The Meeting approved the Company's audited financial statements for the year ended December 31, 2016 with the auditor's report thereon by a unanimous 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	110,163,391	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	110,163,391	100.00%

• Abstained	0
Total no. of votes of the shareholders who are eligible to vote	110,163,391

**Note:** \* The Company's Articles of Association states 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.

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

JH informed the Meeting that on August 10, 2016 the Board of Directors' Meeting No. 3/2016 resolved to approve the interim dividend payment to shareholders in the amount of Baht 0.12 per share, totaling Baht 20,001,924.12. Such dividend payment had been made on September 9, 2016. The un-appropriated retained earnings have been carried forward.

JH reported to the Meeting that the Company's 2016 consolidated net profit is Baht 378 million. Taking into account the interim dividend of Baht 0.12 per share paid in September 2016, the consolidated net profit, the Board of Directors agreed to propose in the AGM to appropriate the retained earnings for the year ended December 31, 2016 as follows:

- a) Annual dividend payment to shareholders in the amount of Baht 0.26 per share for 166,682,701 shares, totaling Baht 43,337,502.26.
- b) Un-appropriated retained earnings to be carried forward.

No appropriation of the net profit to legal reserve is required since the legal reserve has already reached 10 percent of the registered capital as stipulated by laws.

JH informed the Meeting that the Company will pay the dividend to the shareholders whose names appear in the Company's share register book as at May 2, 2017 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 3, 2017. Dividend payment will be made on May 19, 2017.

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, 2016 represents approximately 17 percent of consolidated net profit.

JH opened the floor for shareholders to raise questions.

The following are query from shareholder and Management's replies.

Mr. Prasert Tishyathikom, shareholder,

- Shared his opinion that he agrees with the Company's dividend policy and its predictability and managed growth. However, given the Company's current dividend at Baht 0.38 per share as opposed to prior year Baht 0.36 per share the growth seemed minimal. As per the consolidate financials, 2016 profit was better than the prior year with profit per share of Baht 2.28 but the dividend payment was Baht 0.38 per share amounting to only a one-sixth pay-out ratio. Additionally, although a business had several factors which come into play, the shareholders are certain the Company can be more profitable in the coming years given that it has survived through volatile market and political situations. Therefore, requested to reset the base dividend amount to be at a higher price such as Baht 0.70 per share.

Response: KP thanked the shareholder for his contribution and for acknowledging the volatility that the hospitality business entailed. The Management decision to undertake the new dividend policy was to offer better predictability to its shareholders and offer consistent dividend increase. The percentage of increase in the dividend amount would vary based on whether the year was good or bad for the Company. In regards to resetting the dividend amount to a higher base value, KP expressed that the Management would deliberate and then raise the matter to the Board for discussion.

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

**Resolution:** The Meeting approved the appropriation of retained earnings for the year ended December 31, 2016 and annual dividend payment in the amount of Baht 0.26 per share as details proposed by the Board by a unanimous 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	110,163,141	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	110,163,141	100.00%

• Abstained	250
Total no. of votes of the shareholders who are eligible to vote	110,163,391

**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.

## **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**

JH explained that Article 13 of the Company's Articles of Association stipulated that in voting to elect directors, the votes shall be non-cumulative and the shares of each shareholder shall be counted as one vote for every one share, and that Article 14 of the Company's Articles of Association stipulated that at each Annual General Meeting, one-third of the directors shall retire from office. Retiring directors would be eligible for re-election. The following 4 directors were due to retire at the Meeting.



- 1) Mr. Vudhiphol Suriyabhivadh Independent Director
- 2) Mr. Ho KwonCjan Director
- 3) Mr. Shankar Chandran Director
- 4) Mr. Stuart David Reading Director

The profiles of the 4 retiring directors were shown in Attachment 3 of the notice calling for the Meeting.

JH informed the Meeting that in view of the professional qualifications, knowledge and experiences of the retiring directors, the Board of Directors had agreed to propose to the Meeting to re-elect all 4 retiring directors for another term of directorships as recommended by the Nomination and Remuneration Committee.

JH opened the floor for shareholders to raise questions.

The following are queries from shareholders and Management's replies.

Mr. Proktana Saengnin, proxy holder from Thai Investors Association (TIA),

- Asked about the prominent qualifications of the nominated independent directors who had been serving the Company for over 9 years and their alignment with the Company strategy.

Response: KP expressed that the Company is keenly aware of the importance of Independent Directors and that the long tenure for which they serve should not make them lose their independence. Additionally, whilst the Company valued its long serving directors, it was also constantly renewing its Board with new Independent Directors and more gender diversity i.e. the Company not only has Independent Directors such as Mr. Vudhiphol Suriyabhivadh who had a long history with the Company but also new Independent Directors such as Ms. Srinthorn Ounayakovit and Mr. Thongchai Ananthothai who bring new vision to the Company. KP emphasized that the new independent directors were not from friend-networks but rather sourced through independent executive search companies that specialize in finding independent director who are highly qualified.

- Asked whether a maximum duration was specified for which an independent director could serve the Company and suggested the retiring independent directors present themselves to the shareholders.

Response: KP expressed that shareholders were welcome to meet Independent Directors after the Meeting however it would not be ideal for them to make a presentation of themselves to the shareholders as it was not normal practice. JH added that the Curriculum Vitae of the directors in the Annual Report would help shareholders gain more information about each of the directors as well.

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

**Resolution:** The Meeting approved the re-election of all 4 retiring directors, namely Mr. Vudhiphol Suriyabhivadh, Mr. Ho KwonCjan, Mr. Shankar Chandran, and Mr. Stuart David Reading for another term of directorships 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.

**1) Mr. Vudhiphol Suriyabhivadh**

Voting Results	Number of Votes*	
• Approved	110,162,941	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	110,162,941	100.00%

• Abstained	450
Total no. of votes of the shareholders who are eligible to vote	110,163,391

**2) Mr. Ho KwonCjan**

Voting Results	Number of Votes*	
• Approved	110,162,941	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	110,162,941	100.00%

• Abstained	450
Total no. of votes of the shareholders who are eligible to vote	110,163,391

**3) Mr. Shankar Chandran**

Voting Results	Number of Votes*	
• Approved	110,162,941	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	110,162,941	100.00%

• Abstained	450
Total no. of votes of the shareholders who are eligible to vote	110,163,391

**4) Mr. Stuart David Reading**

Voting Results	Number of Votes*	
• Approved	110,162,941	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	110,162,941	100.00%

• Abstained	450
Total no. of votes of the shareholders who are eligible to vote	110,163,391

**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.

**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**

JH informed that the remuneration fees of year 2016 for each category of directors of the Board and for each category of committee members of the Audit and Risk Committee (**ARC**) and Nomination and Remuneration Committee (**NRC**) remained at the same amount and format approved by the 2015 Annual General Meeting and will continue to be in effect for each subsequent year, unless or until resolved otherwise by a general meeting of the shareholders of the Company.

JH reported that the Nomination and Remuneration Committee has reviewed the 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 of approximately 1 percent in fee for each category of directors of the Board and for each category of committee members of the Audit and Risk Committee and Nomination and Remuneration Committee from the preceding year. The proposed fees are rounded up to the nearest thousand Baht. Details of remuneration approved for each category are shown in the following remunerations table.

#### Board of Directors

Position	Remuneration / Meeting / Person (Baht)		Spa & Gallery Vouchers / Year / Person	
	2017	2016	2017	2016
Chairman of the Board	256,000	253,000	-	-
Independent Director	171,000	169,000	USD2,000 (Approximately Baht 70,000)	
Non-Executive Director	171,000	169,000	USD2,000 (Approximately Baht 70,000)	
Director	112,000	111,000	-	-

#### Audit and Risk Committee and Nomination and Remuneration Committee

Position	Remuneration / Meeting / Person (Baht)	
	2017	2016
Chairman	85,000	84,000
Member	44,000	43,000

The Board of Directors agreed to propose in the 2017 AGM to approve approximately 1 percent increase in fee for each category of directors of the Board and for each category of committee members of the Audit and Risk Committee and Nomination and Remuneration Committee from the preceding year as recommended by the Nomination and Remuneration Committee. If the proposed remuneration is approved, it will take effect from January 1, 2017 and for each subsequent year, unless or until resolved otherwise by a general meeting of the shareholders of the Company.

If the Meeting does not approve the proposed fees of remuneration for 2017, the remuneration fees of year 2016 shall continue to apply.

JH opened the floor for shareholders to raise questions.

The following are queries from shareholders and Management's replies.

Mr. Sumed Wattanarungsun, shareholder

- Asked whether the director remunerations were per meeting and whether directors received salaries independent to the mentioned remunerations. Also, requested for salary amounts paid to the respective directors.

Response: KP explained that the executive directors received monthly salaries and separate director fees mainly because the responsibility and personal liabilities of a director were considerably beyond that of a normal Company employee.

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

**Resolution:** The Meeting approved, by not less than two-thirds of the total number of the votes of the shareholders who are present and are eligible to vote, an increase of approximately 1 percent in fee for each category of directors of the Board and for each category of committee members of the Audit and Risk Committee and Nomination and Remuneration Committee from the preceding year as details proposed by the Board with effect from January 1, 2017 and for each subsequent year, unless or until resolved otherwise by a general meeting of the shareholders of the Company, with details as shown in the following vote counting summary:

<b>Voting Results</b>	<b>Number of Votes*</b>	
• Approved	110,163,141	99.9998%
• Disapproved	-	0.00%
• Abstained	250	0.0002%
Total no. of votes of the shareholders who are eligible to vote	110,163,391	100.00%

**Note:** \* The Company's Articles of Association state that a resolution of the shareholders' meeting to determine any remuneration for the directors requires not less than two-thirds of the votes of the shareholders who are present and are eligible to vote.

**6. To consider and approve the appointment of an auditor and determination of its remuneration for the year 2017**

JH informed the Meeting that as recommended by the Audit and Risk Committee, the Board has agreed to propose to the Meeting to appoint Mr. Sophon Permsirivallop, C.P.A. No. 3182 and/or Ms. Rungnapa Lertsuwankul, C.P.A. No. 3516 and/or Ms. Rosaporn Decharkom C.P.A. No. 5659 and/or Ms. Pimjai Manitkajohnkit, C.P.A. No. 4521 and/or Ms. Sumana Punpongsanon CPA No. 5872 of EY Office Limited to be the Company's auditor for the year 2017 with total remuneration not exceeding Baht 760,000. The profile of the 5 nominated auditors had been sent to all shareholders as shown in Attachment 6 of the notice calling for the Meeting. Comparative details of auditor's remuneration are set out in the following table.

(Unit : Baht)

	2017	2016
LRH	760,000	640,000
LRH and subsidiaries	8,595,000	8,230,000

JH opened the floor for shareholders to raise questions.

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

**Resolution:** The Meeting approved the appointment of an auditor and determination of its remuneration for the year 2017 as per the details proposed by the Board by a unanimous 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	110,163,141	100.00%
• Disapproved	0	0.00%
Total no. of votes cast by shareholders	110,163,141	100.00%

• Abstained	250
Total no. of votes of the shareholders who are eligible to vote	110,163,391

**Note:** \* The Company's Articles of Association states 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.

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

JH 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.

JH opened the floor for shareholders to raise questions. The shareholders raised questions and the management made clarification as follows:

Mr. Sumed Wattanarungsun, shareholder.

- Referring to the minutes of the previous Meeting, asked whether the Company had made a decision on whether to give away vouchers or its unsold hotels rooms to shareholders as a benefit.

Response: KP shared that the Company does have an update for the shareholders on this matter however, in line with good corporate governance, the update would be shared after the meeting is adjourned as it is not a formal resolution to be approved by the shareholders.

Mr. Rithichai Yibcharoenporn, shareholder,

- Shared that he had been to the Company's property development sites and asked how the Company scouts for profitable projects and makes a decision on where a certain project should be built i.e. whether methods such as feng shui were taken into consideration

Response: KP explained that the selection of a land plot and respective project was based on practical factors such as land size, location and views as opposed to feng shui.

- Asked about the new projects in pipeline which will help generate income in the future.

Response: KP explained that the Company has a good land bank in Laguna Phuket and has plans to actively develop several more projects. The aim is to have a range of products in Laguna Phuket, ranging from the very affordable Baht 3-5 million apartments to Baht 100 million villas for the most expensive products such as the Grand Residences.

- Referring to the growing world economy with the increasing oil prices, return of the Russian market, and respective increase in tourism, shared that the potential customer base for the Company is likely to grow further. Asked whether the Company anticipated its hotel Revenue per Available Room (RevPAR) to grow further in the upcoming year and the Management's outlook on the future of the tourism and hospitality sector.

Response: KP shared that the International Monetary Fund (IMF) and World Bank had expressed that the world economy was clearly improving as opposed to the 2008 Global Financial Crisis. Tourism recovery has been witnessed in Thailand and the Company is hopeful of performing better and thinks the business will be good; however, given the unpredictable market in Thailand as seen from previous political turmoil or floods, the Management is always careful to recognize that good times are not forever and will be careful not to over-build.

JH added that there will be Global Summit Travel and Tourism on April 26-27, 2017 and suggested interested shareholders join the event to gain some more useful information.

Mr. Visarn Chunhavuttiyanon, shareholder

- Asked about the business partnership between BTH and Accor /Vanke and whether there would any benefits for the Company.

Response: KP explained that strictly speaking the strategic partnerships of BTH were not related to the Company however shared that BTH now has a strategic partnership with AccorHotels which is one of the large hotel chains in the world. The agreement entails Accor finding suitable projects for BTH branded hotels i.e. Banyan Tree, Angsana, Cassia and Dhawa, and then co-developing them with BTH after which the hotels daily operations would be managed by AccorHotels however the brand would be managed by BTH and the revenues would be shared. AccorHotels has a Business Development team of about 250 people around the world and KP expressed his delight that such a large group decided to partner with Banyan Tree. The impact on Laguna however would only be positive in the sense of the BTH branded hotels i.e. Banyan Tree Phuket and Bangkok especially.

Vanke Co., Ltd, as explained earlier, is China's largest property sales developer and would be buying 50 percent of our BTH China owned assets and help BTH to do many more projects in China and other parts of the world.



- Asked about the Company's indirect shareholding percentage in Banyan Tree Holdings Limited (**BTH**) via Bibace Investments Limited (**BI**)

Response: CH explained that the Company owns 19.8 percent of BI which in turn owns about 34 percent of BTH in Singapore. KP added that the Company has indirect shareholding in BTH of about 7 percent through Bibace.

Mr. Wacharapong Hunsreesagul, shareholder,

- Asked whether the loss on the Tropical Resorts Limited (**TRL**) investment in Indonesia has been recovered; recorded at Baht "nil" in the financial statement.

Response: CH explained that TRL is now fully provided and any further losses made will not impact the Company. TRL main entity is the hotel business i.e. Banyan Tree Bintan and Laguna Bintan which are improving and continue to grow.

- Asked about the business concept of the Cassia Phuket project. Whether it entailed owner-revenue sharing and the respective Internal Rate of Return (**IRR**) and profit ratio.

Response: SDR explained that the profit margin made by the property sale was approx. 30-35 percent. As for the unit which were yet to be sold the Company could benefit from them to generate recurring income.

KP added that the Cassia project in Phuket has been selling well and whilst it is a property sales project it operates as a hotel.

- Referring to Form 56-1, asked about the report of unsold inventory which had been completed for several years asked whether the Company aims to keep or sell the unsold inventory.

Response: KP explained that the projects such as Laguna Park in Phuket is a landed residence and townhouse project and to hold the unit back would not help generate better results, hence the Company is pushing for the sales of these units.

As there were no further questions or agenda items raised, Dr. Jingjai 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 17:30 hours

**Ho KwonPing**  

---

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

**Nanchalee Kecharananta**  

---

**(Ms. Nanchalee Kecharananta)**  
**Minutes-Taker**