

PART I
BUSINESS OPERATION

Laguna Resorts & Hotels Public Company Limited (The Company) was founded in 1983. It shortly thereafter acquired a large parcel of land on the site of an abandoned tin mine at Bangtao Bay, Phuket, Thailand which was later developed to become the Laguna Phuket integrated resort complex.

Major businesses of the Company and its subsidiaries (The Group) are hotel business and property development. The subsidiaries also engage in operating a golf club, sales of merchandise, office and resort rental and sales of holiday club memberships.

1. POLICY AND BUSINESS OVERVIEW

1.1 Vision and Mission

Vision

To be the leading international hotel and property developer with full commitment to environmental protection, social responsibility and maximum satisfaction to all stakeholders with an aim to pursue sustainable long-term business value development.

Mission

The Company has a clearly defined corporate mission designed to further its business aims and generate maximum returns for its shareholders. Principal in the Company's mission statement is to include a culture of cooperation between the hotels and business units to ensure a positive experience for each and every hotel guest, holiday club member and property owner in Laguna Phuket, its most significant investment. In order to avoid an over reliance on its operations in Laguna Phuket, the Company continues to diversify its investment portfolio away from Phuket by investing in projects in other parts of Thailand, and within the Southeast Asia region and the People's Republic of China. Paramount in its mission of generating continued growth through expansion, innovation and maximisation of market share, the Company seeks to conduct its operations in an environmentally sensitive manner.

1.2 Milestones

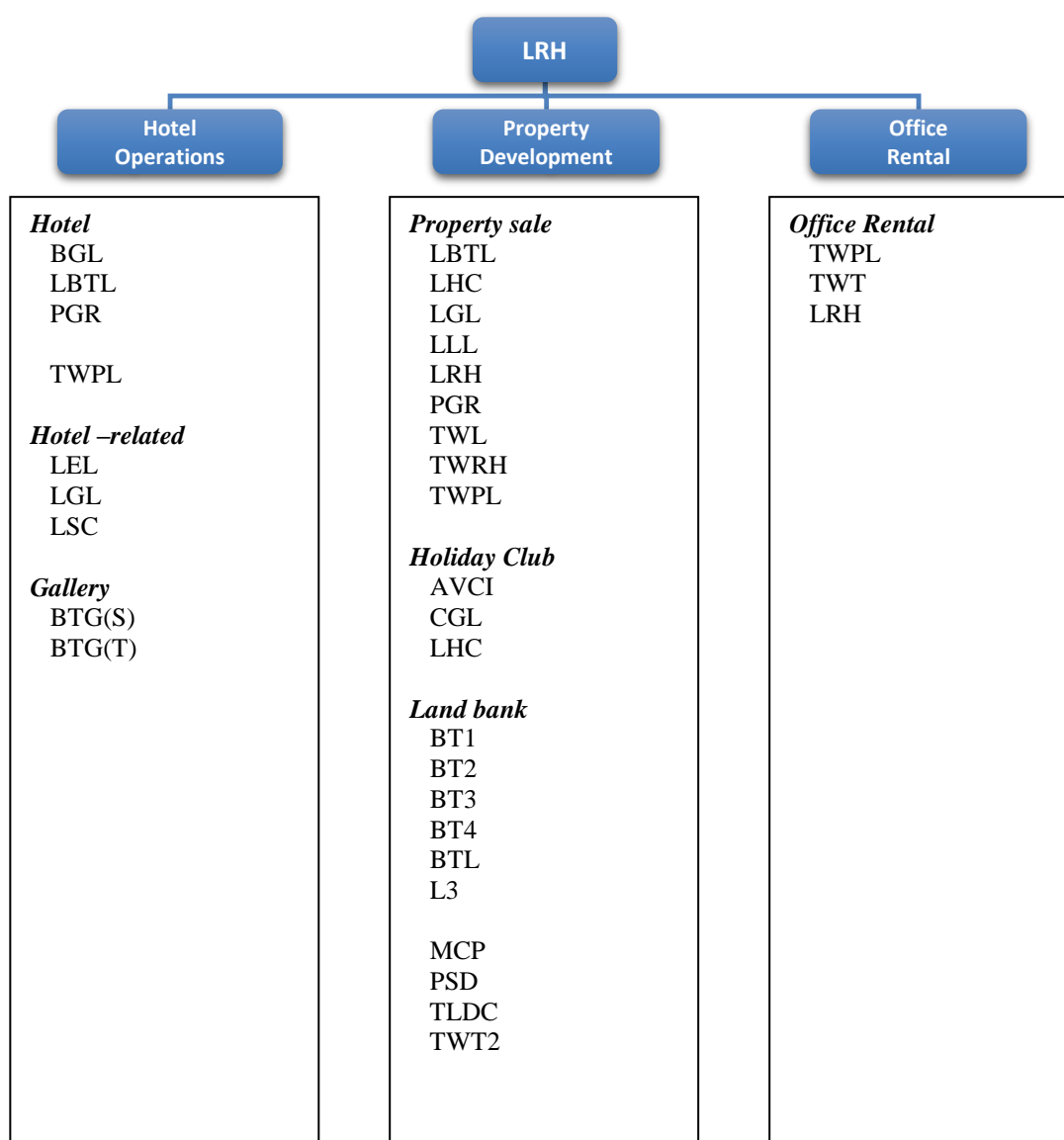
- | | |
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| 1987 | <ul style="list-style-type: none"> • Dusit Thani Laguna Phuket (formerly known as Dusit Laguna Resort) opened. |
| 1991 | <ul style="list-style-type: none"> • Laguna Beach Resort opened. |
| 1992 | <ul style="list-style-type: none"> • Sheraton Grande Laguna Phuket and the Laguna Phuket Golf Club opened. |
| 1993 | <ul style="list-style-type: none"> • The Company listed on Stock Exchange of Thailand. • Property Sales operations commenced with the Allamanda condominium units. |
| 1995 | <ul style="list-style-type: none"> • The resort's flagship hotel, Banyan Tree Phuket's Grand Opening. |
| 1998 | <ul style="list-style-type: none"> • Laguna Holiday Club commenced operations. |
| 2002 | <ul style="list-style-type: none"> • The Group acquired a large parcel of land adjacent to Laguna Phuket for future development opportunities. |
| 2005 | <ul style="list-style-type: none"> • The Group acquired Thai Wah Plaza Limited which owns Banyan Tree Bangkok and commercial offices. |
| 2006 | <ul style="list-style-type: none"> • Banyan Tree Lijiang, People's Republic of China and Laguna Holiday Club Phuket Resort opened. The latter is operated under the Holiday Club Business. |
| 2008 | <ul style="list-style-type: none"> • The Group entered into an agreement to acquire additional land adjacent to Laguna Phuket for future development. |
| 2009 | <ul style="list-style-type: none"> • The Group invested in the Banyan Tree Indochina Hospitality Fund which has developed an integrated resort in Hue, Vietnam. • Outrigger Laguna Phuket Resort & Villas commenced operations in December. |
| 2010 | <ul style="list-style-type: none"> • Divestment of Dusit Thani Laguna Phuket Hotel in October. |
| 2011 | <ul style="list-style-type: none"> • Divestment of Laguna Beach Resort in May. • Closure of the former Sheraton Grande Laguna Phuket for a major renovation and rebranding and reopening as Angsana Laguna Phuket in December. |
| 2013 | <ul style="list-style-type: none"> • Upgrade of Laguna Phuket Golf Club which included the golf course, club house and the introduction of golf carts. |
| 2015 | <ul style="list-style-type: none"> • Reopening of Laguna Phuket Golf Club in January. • Grand opening of Cassia Phuket in October. |
| 2016 | <ul style="list-style-type: none"> • Angsana Vacation Club commenced operations in January. • Rebranding of Outrigger Laguna Phuket Resort & Villas to Angsana Villas Resort Phuket in August. • The Company further invested 1.25 percent in Thai Wah Public Company Limited. |
| 2017 | <ul style="list-style-type: none"> • Divestment of Banyan Tree Lijiang and invested in Banyan Tree China Pte. Ltd. |
| 2018 | <ul style="list-style-type: none"> • Opening of Cassia Phuket phase 2. |
| 2019 | <ul style="list-style-type: none"> • Completed construction of 45 new villas in Banyan Tree Phuket, increasing inventory to 220 villas. • Completed construction of ACES function & events centre at Angsana Laguna Phuket. This is the largest MICE facility in Phuket • Opened Saffron Cruise in Bangkok in November. |

1.3 Corporate Structure

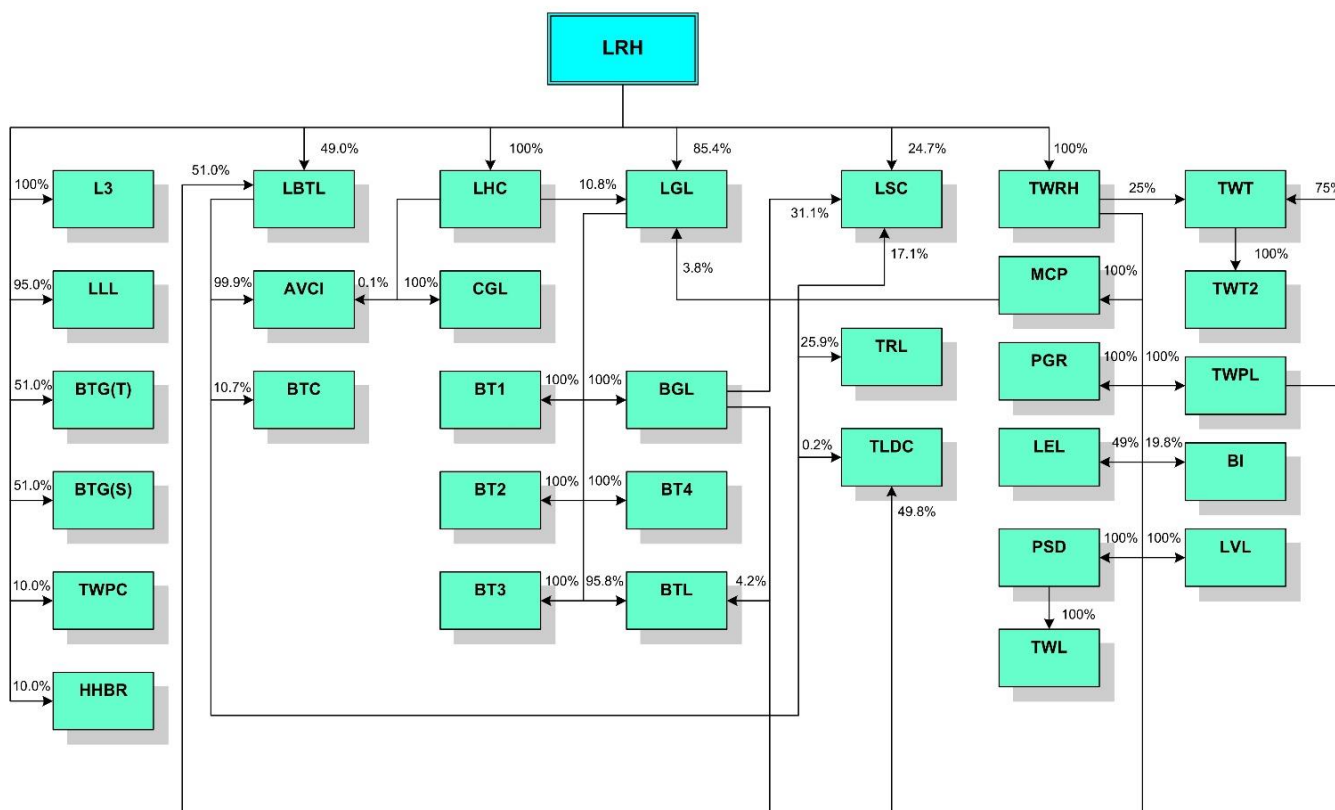
The key businesses of the LRH Group are hotels, property development and office rental. The Group's major business investment largely revolves around the operation and management of the integrated resort of Laguna Phuket, located on the island of Phuket in Thailand, as well as its Banyan Tree hotel and office tower located in Bangkok.

Segment information

The companies engaged in each of the key business segments are set out below.



Corporate Structure as at 31 December 2019



Remark

Full company names of Abbreviations are shown in Attachment 6.

1.4 Business Relationship with Major Shareholder

Banyan Tree Holdings Limited (BTH), a listed company in the Singapore Exchange, is a leading, international hospitality brand that manages and develops premium resorts, hotels and spas. It is a major shareholder indirectly holds 86.3 percent of the total issued and paid-up shares of the Company. BTH is also a major shareholder holding indirectly more than 10 percent of the shares in several subsidiaries and one associate of the Company.

The subsidiaries and associate whose shares are held by BTH engage in hotel and property development as well as souvenir retail in the hotels managed by BTH. With BTH's expertise and experience of international hotel development and management of award-winning hotels under the trademarks of "Banyan Tree", "Angsana", "Cassia" and "Dhawa", the joint investment with BTH will result in the said subsidiaries and associate benefitting from the use of trademarks, reputation and managerial assistance of BTH.

2. NATURE OF THE BUSINESS

The key businesses of the Group are hotel operations, property development operations and office rental. The Group's major business investment largely revolves around the operation and management of the integrated resort of Laguna Phuket, located on the island of Phuket in Thailand, as well as its investments in the Banyan Tree Bangkok.

2.1 Type of Business and Income Structure

2.1.1 Types of Business

Hotel Operations

Hotels

The Group has ownership in 2 hotels in Phuket and 1 hotel in Bangkok all of which are top-tier and luxury properties. Additionally, the Group has ownership interests in 2 branded residences which are operated as hotels and a hotel which is used for the timeshare business in Laguna Phuket. The hotels offer diverse range of accommodations which also include bars and restaurants, swimming pools, fitness centres, meeting rooms and facilities, business centres, etc.

The Group owns majority of the room inventories in those hotels but some are owned by property investors who receive a return on their investment by joining a hotel management scheme and renting their properties to guests while some units are sold as holiday club membership.

Hotel	Location	Opening year	Number of rooms owned by LRH Group (in operation)*	Company (% held by LRH Group)	Operator
Banyan Tree Phuket	Bangtao, Phuket	1995	144 (220)	LBTL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Angsana Laguna Phuket	Bangtao, Phuket	2011	328 (372)	BGL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Banyan Tree Bangkok	Sathorn, Bangkok	2002	305 (327)	TWPL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Angsana Villas Resort Phuket	Bangtao, Phuket	2009	15 (63)	BGL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd.
Cassia Phuket	Bangtao, Phuket	2015	90 (334)	PGR (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Laguna Holiday Club Phuket Resort**	Bangtao, Phuket	2006	77 (77)	LHC (100%)	Banyan Tree Hotels & Resorts (Thailand) Limited

* The number of rooms shown in parenthesis include those owned by the Group which are developed for property sales, and those which have been sold as property sale units or holiday club membership.

** Classified under the Holiday Club Business for accounting purpose.

Hotel – Related Operation

Laguna Phuket is operated under an integrated resort concept, along with many hotel-related facilities which are also provided to support the concept. All of these facilities are owned and operated by the Group.

Hotel – related operation	Opening year	Company (% held by LRH Group)	Type of business / facilities
Laguna Service	1991	LSC (72.9%)	Provides essential services such as laundry, water supply, inter-resort transport, landscaping, common area maintenance, marquee facilities, staff transportation, destination marketing and other centralised services for Laguna Phuket hotels and ancillary operations.
Canal Village	1994	LRH (100%)	A boutique shopping centre centrally located on 10 Rai of land within Laguna Phuket.
Banyan Tree Gallery and Angsana Gallery	1996	BTG (T) (51%), BTG (S) (51%),	A chain of retail outlets specialising in indigenous handicrafts and spa products. There are many outlets worldwide operated and managed under these companies, 4 of which are located within Laguna Phuket.
Angsana Wedding Chapel	2005	BGL (100%)	Thailand's first resort wedding chapel offering comprehensive wedding packages and well positioned to capture the lucrative wedding market.
Laguna Tours	2007	LEL (49%)	Started operations by offering selected third party tours to Laguna Phuket guests. From mid-2008, Laguna Tours established its own operated tours offering speed boat tours and city tours.

Golf Operations

Laguna Golf - Phuket

Laguna Golf Phuket is an 18-hole, par 71 award-winning golf course, set within the world renowned Laguna Phuket Resort. The professionally designed golf course provides the perfect golf experience for players of all abilities. The Laguna Golf Phuket offers annual and 5 & 10 year memberships with exclusive membership privileges.

Laguna Golf - Bintan

Laguna Golf Bintan is an 18-hole, par 72 golf course, set within Laguna Bintan. Originally designed by Greg Norman, the course was leased and upgraded by Laguna Golf in 2016-2017. Local golf memberships are available.

Golf operation	Opening year	Company (% held by LRH Group)	Type of business/ facilities
Laguna Golf - Phuket	1992	LGL (100%)	A resort style 18-hole golf course.
Laguna Golf - Bintan	2016	AVCI (100%)	A resort style 18-hole golf course.

Property Development Operations

Property Sales

Property Sales offers a comprehensive range of hotel managed and private residential properties offering apartments, condominiums, semi-detached and detached homes at all price points for both investment and lifestyle purposes. Hotel residences are typically managed as part of the hotel inventory and owners receive a return on investment from the rental of their properties to hotel guests. Private residences are used either as primary homes or vacation homes and a range of property management services are offered to owners including rentals and maintenance by our after sales service team. The current developments available for sale are the following.

Project	Location	Type	Price (Million Baht)
Angsana Beachfront Residences	Phuket	Apartment	34-50
Angsana Ocean View Residences	Phuket	Apartment	29-43
Banyan Tree Bangkok	Bangkok	Apartment	21-24
Banyan Tree Phuket	Phuket	Grande Residences Double Pool Villa 3-Bed Pool Villa	86-123 63-65 50
Cassia Phuket	Phuket	Serviced Apartment Residential Condominiums	5-13 6-18
Dhawa Phuket	Phuket	Serviced Apartment	5-9
Laguna Park 2	Phuket	Detached Homes Semi-detached Townhome	18-20 13-15
Laguna Village	Phuket	Residence Apartments	36-42 11-29
Skypark	Phuket	Residential Condominiums (New)	3-10

The Group owns significant land both within and adjacent to Laguna Phuket upon which it plans to construct future property developments.

After Sales Property Management Services

A vital differentiation from other property developers, Laguna has a dedicated, multi-lingual after sales services team to provide various property management and estate services to owners who buy properties within Laguna Phuket. The services comprise of rentals (i.e. holiday and long-term rentals) and property maintenance (i.e. pool cleaning, handyman services, landscape maintenance, engineering services and common area management) for non-hotel managed properties. The objective of the after sales service team is to further enhance the ease of property ownership in Laguna Phuket by providing a one stop shop which is unmatched by any other development in Phuket.

Holiday Club Business

In January 2016, Angsana Vacation Club (ANVC) was launched. ANVC is a 25-year point-based membership club which allows its members the use of predominantly Angsana properties and some selected participating Banyan Tree properties. To safe guard the rights and interest of its members, ANVC is incorporated and owned by an independent trustee. The Company is engaged in the sales and marketing of ANVC only.

Upon launch of ANVC, the legacy Laguna Holiday Club business ceased selling new memberships. Existing members of Laguna Holiday Club continue to enjoy all club home resorts and privileges they are entitled to under their membership. In 2017, Laguna Holiday Club was renamed Angsana Vacation Club Heritage and members were offered trade-in programs to upgrade to the more flexible points based membership.

Office Rental

Strategically located on South Sathorn Road, Thai Wah Tower I is a 24-storey granite clad building and is one of the very first office condominium buildings in Bangkok. The entire building has approximately 20,000 sq.m. of usable area of which 15,389 sq.m. is owned by the Group. Through the years the building has maintained its reputation as a premium office building with timely refurbishments.

In 2013, the lobby of the building underwent a renovation to improve its competitiveness against newer office buildings which have opened in the vicinity in recent years.

Overseas Investment in Hotels and Resorts

The Group also has an investment in the Banyan Tree Indochina Hospitality Fund which has developed an integrated resort in Laguna Langco in Vietnam.

Additionally, the Group has other investments overseas through Tropical Resorts Limited (TRL) and Bibace Investments Ltd (BI) which invest in luxury resorts largely throughout the Pacific Rim area.

2.1.2 Developments in 2019

Banyan Tree Bangkok is continually striving to offer impeccable food and beverage options to its guests and in November 2019 opened the new Saffron Dining Cruise in order to give guests a luxurious Saffron dining experience on the water.

Banyan Tree Phuket completed construction of 45 new 1 and 3 Bedroom Pool Villas in a construction period beginning June 2018 and ending in November 2019 and refurbished its Lagoon Deck to cater to move upscale events.

Angsana Laguna Phuket underwent three major construction projects in 2019, these being the ACES convention centre, Angsana Beachfront, and Angsana Oceanview hotels and residences. ACES convention centre was completed in September 2019 and is now the largest convention centre in Phuket. The hotel and residences projects are on-going and due for completion in 2022.

A new property project, namely Skypark, was launched this year as part of the Group's ongoing strategy of unlocking its extensive land bank.

In addition, the Group increased its offsite activities such as establishing dedicated sales development network in China, Russia and India to increase the number of sources of potential property buyers from channel partners along with more regular offsite events to promote our product offerings.

2.1.3 Future Plans

The Group is confident that in the medium to long term there are opportunities to further profitability and expand existing facilities, particularly in light of the ongoing high demand for Phuket and Bangkok in terms of both hotel and residential accommodation.

Going forward the Group will focus on residential property development as its impetus of growth, including sales channel development and online / digital marketing activities in China, India and other key markets to diversify our base and increase awareness to expand our reach to potential buyers with the objective to build up a strong pipeline of property sales to ensure the Group maintains a high level of annual sales for sustainable revenue growth.

Hotels

It is also the Group's policy to have the hotels maintain their reputation as being luxury hotels with timely and periodic renovations and refurbishments of hotel rooms and public areas.

Property Sales

The Group is continuing with the strategy to unlock value from its land bank by developing new property sales projects which cater to both primary and vacation home buyers. As a result of the market dynamics, the strategy to offer affordable properties (sub Baht 10 million) particularly catering to the emerging Asian middle-class with Cassia Phuket, Dhawa Phuket and Skypark Phuket along with mid-range properties (Baht 10-20 million) such as Laguna Park (townhomes and detached homes) in order to keep pricing points attractive. These entry level and mid-range products account for a significant proportion of sales. However, the Group recognizes there is also demand for high-end and luxury branded properties and has therefore has a range of products to cater for this market segment including Angsana Beachfront (launched 2017), Angsana Oceanview (launched 2018), Banyan Tree Grande Residence (launched 2014), Banyan Tree Pool Villas (launched 2018) and Laguna Village Residences phase 8 (launched 2018).

Other Hotel Operations

To further strengthen Laguna Phuket as Asia's finest integrated resort destination, the Group will continue to explore ways to enhance guests' experience by improving and increasing recreational, lifestyle and sporting amenities.

Holiday Club Business

The new “Angsana Vacation Club” looks promising with its product offering being highly competitive and unlike the previous club, it is a points-based membership with the inventory owned by an independent trustee, providing members access to numerous properties within the Banyan Tree Group managed hotels and resorts. The Company is engaged in the sales and marketing of ANVC only.

Golf Business

The recently upgraded golf courses of both Phuket and Bintan offer players of all abilities a unique and challenging experience. The group will continue to strive for the most exquisite golf experience for its golfers.

2.1.4 Income Structure

The percentage of income generated by each individual line of business is detailed as follows:

(Unit: Thousand Baht)

	2019	%	2018	%	2017	%
Revenue from Hotels	3,356,259	55	3,572,747	65	3,657,314	75
Revenue from Property Development	2,568,163	42	1,705,618	31	927,255	19
Revenue from Office Rental	91,183	1	98,667	2	95,119	2
Other Income	142,216	2	101,404	2	177,876	4
Total Revenue	6,157,821	100	5,478,437	100	4,857,564	100

The most significant businesses of the Group are hotels and property development operations for which further details are provided below. Note 40 to the financial statements of the Company for the year ended 31 December 2019, 2018 and 2017 discloses the operating results by business segment in accordance with accounting standards and principles.

Hotel Operations - Overall

	2019	2018	2017
Occupancy (%)			
Angsana Laguna Phuket	66	71	71
Banyan Tree Phuket	62	65	68
Banyan Tree Bangkok	78	80	82
Average - LRH Hotels	69	73	74
Average Room Rate (Baht)			
Angsana Laguna Phuket	4,126	4,468	4,874
Banyan Tree Phuket	13,203	14,754	15,476
Banyan Tree Bangkok	4,740	4,819	4,578
Average - LRH Hotels	6,041	6,377	6,612
Total Revenue (Thousand Baht)			
Angsana Laguna Phuket	685,520	764,597	845,884
Banyan Tree Phuket	843,781	932,531	999,562
Banyan Tree Bangkok	1,005,499	1,078,230	1,071,666
Total LRH Hotels	2,534,801	2,775,358	2,917,112
Gallery Operations	191,111*	189,279*	177,921*
Other Hotel-Related Operations	630,347	608,110	562,281
Total Revenue of Hotel Operations	3,356,259	3,572,747	3,657,314

* The Company's shareholding in Lijiang Banyan Tree Gallery Trading Company Limited was sold in August 2017, and since then it is no longer consolidated in the Company's results.

Hotel Operations - Overall

The total combined hotel revenue in 2019 decreased 6 percent from 2018. The Company's active ownership role in the hotel operation assisted in minimising the revenue shortfall to 2018, stemming from the Phuket hotels, which struggled due to the strong Thai Baht against all of the major markets, coupled with renovations and building projects in both hotels.

Property Development Operations

(Unit: Thousand Baht)

	2019	%	2018 (Restated)	%	2017	%
Revenue:						
Property Sales business*	2,465,257	96	1,557,542	91	754,085	81
Holiday Club business	102,906	4	148,076	9	173,170	19
Total Revenue - Property Development Operations	2,568,163	100	1,705,618	100	927,255	100

* Including other income

Property Sales business

A total of 222 units amounting to Baht 2,440 million in revenue (excluding other income) was recognized in 2019 in accordance with accounting income recognition policies.

Holiday Club Business

In 2019, the Holiday Club business performed below 2018 revenue due to both a lower number of trade-ins than expected, and a lower number of full memberships purchased, despite the Club offering greater flexibility with memberships. The After Sales Services team is well aware of this and will be focussing on sales of ANVC full memberships in 2020, plus trying to convert more Laguna Holiday Club members to ANVC members.

Other Income

(Unit: Thousand Baht)

Other Income	2019	2018	2017
Gain on Revaluation of Investment Property	86,510	50,618	5,215
Interest Income	38,194	31,368	35,650
Rental and Service Fee	14,109	11,685	10,689
Gain from sale of investment	-	-	115,732
Others	3,403	7,733	10,590
Total Other Income	142,216	101,404	177,876

The “gain on revaluation of investment property” relates to the office units for lease at Thai Wah Tower I located in Bangkok and the Canal Village retail development located in Laguna Phuket. A revaluation of these two properties are conducted annually by an independent appraiser.

The “gain from sale of investment” relates to sale of investment in Banyan Tree Gallery Lijiang and Banyan Tree hotel Lijiang, China.

2.1.5 Rights and Constraints in Business

BOI Privileges – None

Other Privileges – None

Constraints in Business – None

2.2 Marketing and Competition

➤ Sales and Marketing Strategy

Hotels

All of the Group’s hotels and business units prepare an annual Sales and Marketing Plan to support and guide how they plan to achieve the budgeted revenues. For the hotels, the plans include statistics showing comparisons to prior year, market segmentation analysis, pricing strategy, promotion and PR plans etc.

The 2019 markets and geographical segmentations in terms of room revenue are set out in the table below:

	Laguna Phuket hotels	Banyan Tree Bangkok
Targeted Markets / Type of Customers	The Wholesale market and leisure markets account for more than 85 percent of room revenue especially during the high season month while MICE business, Group Tour Series and Wedding group contribute to the rest.	The Wholesale market and leisure markets account for 87 percent of total revenue, while business travellers and corporate meeting groups represent the rest.
Geographical Segmentation	<p>Asia 61 percent, mainly from People's Republic of China, South Korea, Hong Kong, Japan, India, Thailand and Singapore.</p> <p>Europe 28 percent, mainly from Russia, United Kingdom, Germany, France, Switzerland, 5 percent from the United States and 4 percent from Australia.</p>	<p>Asia 58 percent, mainly from People's Republic of China, South Korea, Japan, Hong Kong, Taiwan and Singapore.</p> <p>Europe 17 percent, mainly from United Kingdom, Germany and France, 7 percent from the United States and 5 percent from Australia.</p>

The increase in supply of upscale hotels in recent years has increased competition resulting in downward pressure on room rates. The Group believes there is room for continued upward movement of room rates and occupancy levels as demand for Phuket and Bangkok remains strong as a result of:

- Popularity with the existing European markets during high season.
- An increase in the emerging outbound markets from the People's Republic of China throughout the year and Indian weddings.
- An increase in direct flights within the regional markets which significantly assists the demand during low season.

Property Sales

The number of property units sold in 2019 was significantly ahead of 2018 with a large portion due to the Company's latest offering, Skypark Phuket. The Group seeks to maintain strong property sales performance going forward if economic and political stability remains. Areas of focus will include:

- Selling the already completed property sales inventory.
- Penetration into newly emerging regional markets such as the People's Republic of China and Republic of India, while maintaining strong sales to existing markets such as Russia.
- Increased offsite sales activities (sales channel partners and regular events and roadshows) as described above
- Having collaterals in several different languages and increased online / digital marketing.
- Offering a comprehensive range of properties to suit all budgets and maintaining competitively priced products for both investment and/or lifestyle buyer segments.

- Introducing innovative promotions and incentives such as long-term payment plans.
- Continuing to improve our excellent after sales services.

The Group will stay very close to market to ensure that the Group continues its leadership position.

➤ **Market Situation**

- Total tourist arrivals for Thailand was close to static (-0.36 percent) compared to 2018 with growth in both the Chinese market by 2 percent and Indian market by 10 percent being offset by drops in the Malaysian, Korean, Hong Kong, Russian, and European markets. India is now the 4th largest market to Thailand. Continuing from 2017 and 2018, the Tourism Authority of Thailand's (TAT) strategy is to transform the country from a mass market to a more quality leisure destination, stating "TAT has also set clear directions to move the Thai tourism industry out of mass tourism and towards responsible tourism with an emphasis on revenue-generating quality tourists."
- For the Phuket market, in 2019, year-on-year passenger arrivals declined in both Q1 and Q2 by 4 percent and 7 percent respectively largely as a result of China-US trade tensions, and a strong Thai baht against all major currencies (Euro, RMB, GBP, Rubel, USD). Many of the long-haul markets of Australia and European countries were down on 2018. The largest market to Phuket, China, reduced substantially recording an arrivals drop against 2018 of 9 percent. 2019 seemed to be a tale of two differing halves, however, with Q3 and Q4 showing an increase of 3 percent and 8 percent in quarters 3 and 4, respectively. Overall for the year passenger arrivals in 2019 are similar to 2018, due to the second half of the year rebounding.

Tourism in Phuket remains dominated by Chinese and Russian holidaymakers and the two markets made up about 24 percent to 45 percent of the business of Banyan Tree Phuket and Angsana Laguna Phuket respectively in 2019. The Chinese tourists visit almost all year round, are more value conscious and tend to spend less in the hotel but they form a good base business for the hotels. Chinese visitors dropped 10 percent year-on-year and this was also part of the negative affect on our hotels' performance. On the other hand, the Russian tourists tend to visit during the lucrative peak year-end holidays, and are prepared to pay higher room rates and have a higher propensity to spend during their stays in the hotels. Other major markets for the hotels in Phuket include Great Britain, Germany, Hong Kong, South Korea and Japan. The Phuket hotels are yet to fully benefit from the rising Indian market, but with Angsana in particular, the strategy is to target many more Indian weddings due to the ACES convention centre.

- The property sales market continued to be driven by affordable, investment-oriented products that offer rental management program and/or guaranteed returns. Key source markets were from China, Russia, Singapore and Hong Kong.

➤ **Competition**

Hotels

Top Tier Properties - Phuket	Luxury Villa Properties - Phuket	Top Tier Properties - Bangkok
<ul style="list-style-type: none"> • Dusit Thani Laguna Phuket • Outrigger Laguna Phuket Beach Resort • Le Meridien Phuket Beach Resort • JW Marriott Resort & Spa • Hyatt Regency Phuket Resort • Pullman Phuket Arcadia Naithon Beach 	<ul style="list-style-type: none"> • The Amanpuri • Trisara • Six Senses • Anantara 	<ul style="list-style-type: none"> • The Sukhothai Hotel • Conrad Bangkok • Le Meridien Bangkok • Dusit Thani Bangkok • Sofitel So Bangkok

Phuket: The competitive sets of Laguna Phuket are upper-tier hotels and luxury villas. There continues to be development activity with 14 new hotels slated to open in 2020, adding approximately 3,500 keys. In addition, hotels in Phuket continue to face competition from rental properties which offer competitive rates for longer stay visitors, as well as competition from other resort destinations within the region.

Bangkok: The number of newly built hotels in recent years has led to an oversupply in downtown Bangkok. Moreover, the increased supply of new hotels and serviced apartments in Bangkok has resulted in a highly competitive market.

Property

The majority of Laguna Phuket's direct competitors are located along the north-west coast where much of the newer, upper-end properties are located. The less developed east-coast does not have the same quality of infrastructure and lacks good quality beaches. Further, due to the high price of land, there has been an increased number of higher density and more affordable condominium/apartment developments in recent years.

Laguna Phuket has a combination of its brand, location, quality and range of products to set it apart from its competitors. There are many developers targeting buyers in the sub Baht 10 million segment, including large Bangkok based developers such as Sansiri, Supalai and Land & House. However, they are primarily targeting the domestic market and do not compete directly with the resort based product such as ours. Other developments targeting secondary home buyers currently are not as well located or have a strong brand identity.

Although branded developments have continued to enter the market, Laguna Phuket has a lot to offer our property buyers which cannot be matched by other competing projects. These include a long history of developing quality homes in a safe, secure and beautifully landscaped environment supported by a team of well-trained after sales staff offering a myriad of home services. Laguna

Phuket also offers our home owners a wide variety of dining and recreational facilities including an 18-hole golf course right at their doorstep.

➤ **Pricing Strategy**

The hotels in Phuket and Bangkok are operating in a competitive environment and the Group will need to maintain vigilant and be flexible on its room rates to adapt to market changes so as to maximize yield and RevPAR (revenue per available room).

In the property sector, competitive pricing will be required to maintain strong rates of sales. The Group will also continue with the strategy to offer affordable properties (sub Baht 10 million) such as Skypark with units priced from Baht 3 million upwards. Following the success of Laguna Park 1, Laguna Park 2 (mid-range residential property) is offered. These townhomes and villas are typically smaller than previous Laguna Village Residences projects in order to keep price points attractive.

➤ **Three Year Outlook**

The imminent Business outlook lacks visibility given the Covid-19 pandemic crisis which has slowed down the world economy. The Hospitality sector has seen large scale cancellations and a slow-down in booking pace compared to last year. We have started implementing stringent cost-saving practices throughout the organization and placing focus on our secondary and emerging markets so as to minimize the overall financial impact on our business. At this juncture depending on how 2020 levels out will determine our next 3 years, where we are positive when the rebound takes place, we will be best placed with our new inventory and Angsana Convention and Events Centre.

Phuket's major ongoing development plans include expansion of the Phuket International Airport, improvement of road and transport networks and along with other infrastructure improvements. With the ASEAN Economic Community integration now imminent, this is expected to drive demand for both tourism and real estate investment.

Hotel supply in Bangkok is likely to increase by 11,020 hotel keys by 2022 including brands such as Hyatt Regency, Capella and Waldorf Astoria and Langham, which will increase total supply by 23 percent to 59,000 keys; whilst in Phuket 26 new hotels are in the pipeline opening in the next 3 years including Hilton, JW Marriot, Mandarin Oriental, Four Points and Novotel.

The property market has performed stronger in recent years in the entry and mid-price segments, on the back of increased tourism and improved infrastructure (airport expansion, road networks, etc) and relative affordability compared to other countries.

There are potential headwinds with increased global market and geopolitical risks such as U.S.-China trade tensions, stock market volatility, higher interest rates, etc which if exacerbated could weaken investor confidence and softened demand for our properties. However, given the enduring appeal of Phuket and Bangkok, their value proposition, and their standing among global resort markets, it is expected that any downturn will be limited. Historically, political disturbances in Thailand have deferred demand for hospitality and property in Phuket and Bangkok, but not cancelled it. As such, the Company is still confident about the long-term prospects.

2.3 Project Status

The construction and sales progress of projects as of 31 December 2019 is shown in the table below:

Project	Value (Million THB)	Units				% Completion
		Total	Sold	% Sold	Recognized	
<u>Completed Projects:</u>						
Banyan Tree Bangkok	699	24	15	63%	15	100%
Banyan Tree Double Pool Villas	1,897	26	23	88%	23	100%
Banyan Tree Pool Villa	385	8	6	75%	6	100%
Cassia 1	1,424	229	182	79%	182	100%
Cassia 2	746	105	62	59%	61	100%
Cassia 3	1,702	193	184	95%	177	100%
Laguna Park 1 Townhome	1,465	155	155	100%	155	100%
Laguna Park 1 Villa	1,476	96	96	100%	96	100%
Laguna Village Residences 7	349	10	10	100%	10	100%
The Lofts at Laguna Village	254	22	10	45%	10	100%
Subtotal	10,397	868	559	86%	735	100%
<u>Projects Under Construction:</u>						
Dhawa	762	124	39	31%	-	30%
Angsana Beachfront Residence	2,113	54	39	72%	-	25%
Angsan Oceanview	1,090	33	6	18%	-	30%
Banyan Tree Grande Residences	1,995	19	2	11%	2	34% *
Laguna Park 2 Townhome	404	28	13	46%	13	64%
Laguna Park 2 Villa	486	25	14	56%	9	50%
Laguna Village Residences 8	633	16	3	19%	2	35% *
Skypark (New)	2,095	416	197	47%	-	-
Subtotal	9,578	715	313	44%	4	
Total	19,975	1,583	1,056	67%	761	

*Construction, which takes about 1 to 2 years to complete, will start when a sale is made.

3. RISK FACTORS

3.1 Economy and Tourism in Thailand

As most of the Group's revenue is generated from tourism and property sales in Thailand, the Group has exposure to both the world and Thai economies and the tourism industry in Thailand. Any conditions, such as changes in the attractiveness of Thailand as a tourism destination, an economic downturn, acts of terrorism, natural disasters, increased levels of criminal activity, civil unrest or epidemics which affect tourism in Thailand or result in a depression in property values in Phuket, may have an adverse effect on the Group's business, financial condition and performance.

3.2 Political Uncertainty

Thailand's tourism industry has been adversely impacted in recent years from political tensions in Thailand. Such events were internationally publicized and created a negative perception of Thailand as being a safe place to travel for foreign tourists and for investors to invest. Political uncertainty in Thailand also has adverse impact on the tourism sector and investor sentiment.

3.3 Over-Reliance on Some Key Markets

The over reliance on any market carries with it a certain degree of risk as a downturn in that market would adversely impact the performance of the Company if it fails to replace the business in a timely manner. Similar to many hotels in Thailand, Russia and China have become the two largest markets for the Group hotels in recent years. The Company is mindful of this and is actively seeking to develop new and emerging markets (e.g. India) in order to diversify its customer base and to minimise the impact of over-reliance on any single market.

3.4 Interest Rate Fluctuation

The Group's exposure to interest rate risk relates primarily to the deposits with financial institutions, long-term trade accounts receivable and bank overdrafts and loans. Most of the financial assets and liabilities have floating interest rates or fixed interest rates as disclosed in the notes of the financial statements and the interest rate risk is not expected to be significant. The Group does not use derivative financial instruments to hedge such risk.

3.5 Foreign Currency Fluctuation

The exchange rate of the Thai Baht as compared to the currencies of China, US, Russia, UK, and other European markets has the potential to impact the pricing and affordability of products and services of the Group for such market segments.

3.6 Land Title

In recent years, there have been a number of disputes in Thailand relating to property owners having valid title to their properties. Although the Company is confident that it has valid title to all the land upon which it operates or which is for sale by it in Thailand, there can be no assurance that other parties will not challenge the claim of title. Even if such challenges are not successful, they may have a material adverse effect on the property sales business in Thailand if purchasers express concern that the Group is unable to transfer good title to them.

3.7 Thai Labour Laws

Nearly all of the employees are based in Thailand. Labour laws in Thailand are highly protective of employees. Under Thai labour laws, the Group is generally prohibited from discharging employees without compensation absent gross misconduct, neglect, or acts of dishonesty. As such, the Group has limited measures at disposal to reduce headcount in order to increase efficiencies, reduce costs or achieve similar objectives. During crises in recent years such as the global economic crisis, the Group was restricted from dismissing employees and could only institute a voluntary unpaid leave program. The Group has been restricted in the past and expects in the future to be limited to using voluntary separation plans where the Group is required to pay high amounts of severance pay and similar measures under which selected employees may elect to leave the Group in return for lump-sum compensation packages and other benefits.

3.8 Operating Risks Inherent in the Hospitality Industry

The hotels are subject to operating risks inherent in the hospitality industry. These risks include:

- Seasonality of the industry in that the Group is subject to different levels of tourism and business/commercial travel across the year, and thereby the revenues tend to vary within the year.
- Competition from new resorts and hotels both locally and within the region.
- The dependence on travel patterns and destination preferences.
- Changes in regulatory conditions in Thailand.
- Periodic local oversupply of or reduced demand for guest accommodation, which may adversely affect occupancy rates and actual room rates achieved.
- Changes in general, regional and local economic conditions which may affect, among other things, the disposable income of consumers and the traveling public and which may not be offset by increased revenues.
- Regional and local political and social conditions affecting market demand, including crime, civil disorder and terrorism.
- Epidemics affecting the travel and tourism industries.
- Travel advisories cautioning people to defer and/or avoid travel.
- Foreign exchange rate movement.

- Convenience of access to Thailand and in particular the airline capacity into Thailand and Phuket.
- Adverse weather conditions and natural disasters.

3.9 Operating Risks Inherent in the Property Industry

The property sales business is subject to operating risks inherent in the property industry. These risks include:

- Changes in general, regional and local economic and political conditions which may affect, among others, the disposable income of buyers and their confidence in the property market.
- The ability to generate sustainable investment returns which may affect the future demand for properties.
- Foreign exchange rate movements which may affect the pricing and affordability of property for foreign buyers.
- Developing new and innovative product designs which will appeal to buyers.
- Provision of high quality after sales services to retain strong brand loyalty and buyer satisfaction.
- Changes in regulatory conditions in Thailand which may impose restrictions on buyers, future development of land or types of product offerings.
- Rising construction costs which may affect operating margins if selling prices cannot be adjusted accordingly.
- The ability to source and retain quality building contractors who can deliver a quality product on time.

Any of these factors could have an adverse effect on the business and the management monitors each of these closely so that the strategies can be quickly adapted to any changes in the operating environment.

4. OPERATING ASSETS

4.1 Operating assets of the Company and its subsidiaries

(A) As at 31 December 2019, the principal assets of the Company and its subsidiaries that are used in the business operations are as follows:

Company's name	Type of asset	Location	Size	Type of Ownership	Possession Objective	Book Value (Million Baht)			Contingency
						Building	Furniture, fixtures and equipment	Total	
Laguna Banyan Tree Limited	1. Banyan Tree Phuket	Phuket	144 rooms	Owner	Hotel	1,399	408	1,807	None
Bangtao Grande Limited	2. Angsana Laguna Phuket	Phuket	337 rooms	Owner	Hotel	766	261	1,027	(1) Mortgaged for loans totaling 1,822 MB
Thai Wah Plaza Limited	3. Banyan Tree Bangkok	Bangkok	313 rooms	Owner	Hotel	1,225	481	1,706	(2) Mortgaged for loans totaling 1,761 MB
Phuket Resort Development Limited	4. Cassia Phuket	Phuket	309 rooms	Owner	Hotel	206	25	231	(3) Mortgaged for 1,320 MB loan
Laguna Grande Limited	5. Laguna Phuket Golf Club	Phuket	18 holes	Owner	Golf course	44	72	116	(4) Mortgaged for 250 MB loan
Laguna Service Company Limited	6. Laguna Service	Phuket	6 Rai 3 Ngan 54.8 Sqw	Owner	Utilities and resort support services provider	35	57	92	(5) Mortgaged for 90 MB loan
Laguna Excursions Limited	7. Laguna Tours & Travel	Phuket	-	Owner	Provider of tours and related services	2	1	3	None
Subsidiary companies	8. Banyan Tree and Angsana Gallery	Phuket / Bangkok	7 shops	Owner	Retail shops	6	6	12	None
The Company and its subsidiaries	9. Building, furniture, fixtures and equipment	Phuket / Bangkok	-	Owner	For operations	447	118	565	None
						Land			
Subsidiary companies	10. Land	Bangkok	2 Rai 1 Ngan 92 Sqw	Owner	Hotel location	992		992	As per (2)
The Company and its subsidiaries	11. Land	Phuket	906 Rai 2 Ngan 77.91 Sqw	Owner	Laguna Phuket location	6,626		6,626	As per (1),(3), (4) and (5)

Total **13,177**

As a policy, land and building revaluation by independent appraiser will be made every 3 years. The buildings were revalued using the “Replacement Cost Approach” or “Income Approach” and land was revalued using the “Market Approach” by Simon Lim & Partners Co., Ltd. dated 29 November 2019. The appraiser’s names are Miss Navaporn Wongurai – Authorized Valuer No. 012 or Mr. Surasit Phanthanakong – Authorized Valuer No. 013.

(B) As at 31 December 2019, investment properties of the Company and its subsidiaries are as follows:

Company's name	Type of asset	Location	Size	Type of Ownership	Possession Objective	Book Value (Million Baht)			Contingency
						Land awaiting for development/ sales	Building office units and shops for rent	Total	
Laguna Resorts & Hotels Public Company Limited	1. Canal Village Laguna Shopping	Phuket	3,147 Sqm on 25Rai 3 Ngan 46.8Sqw	Owner	Retail shops rental	302	-	302	None
Subsidiary companies	2. Office space in Thai Wah Tower 1	Bangkok	16,113 Sqm	Owner	Office premises for lease	-	889	889	As per (2)
Subsidiary companies	3. Townhome unit	Phuket	431 Sqm	Owner	Residence rental	-	17	17	None
Subsidiary companies	4. Land	Chiang Mai/ Chiang Rai/ Mae Hong Son	1,425 Rai 2 Ngan 87.4 Sqw	Owner	Land awaiting for development/sales	203	-	203	None
Total						505	906	1,411	

As a policy, investment property revaluation by independent appraiser will be made every year. Units in office building, shops for rent and land/land awaiting for development/sales were revalued using the "Market Approach" by Simon Lim & Partners Co., Ltd. dated 28 June 2019, 30 June 2019 and 30 November 2019. The appraiser's names are Miss Navaporn Wongurai – Authorized Valuer No. 012 or Mr. Surasit Phanthanakong – Authorized Valuer No. 013.

Property development projects for sale

As at 31 December 2019, the property development projects for sale of the Company and its subsidiaries are as follows:

Company's name	Project	Project Location	Project area	Type of Ownership	Available units	Book Value (Million Baht)	Completed Project Date	Contingency
Laguna Banyan Tree Limited	1. Banyan Tree Double Pool Villa	Phuket	1,353 Sqm	Owner	3	70	March 2007	(6) Mortgage for 1,027.5 MB loan
PT. AVC Indonesia	2. AVC Indonesia	Indonesia	1,341 Sqm	Owner	11	35	January 2008	None
Laguna Holiday Club Limited	3. Laguna Holiday Club	Phuket / Chiang Mai / Hua Hin / Pattaya	6,590 Sqm	Owner	48	194	November 2008	(7) Mortgage for 265 MB loan
Phuket Grande Resort Limited	4. Cassia Phuket Phase 1	Phuket	2,371 Sqm	Owner	47	153	November 2015	(3) Mortgage for 1,320 MB loan
Phuket Grande Resort Limited	5. Cassia Phuket Phase 2	Phuket	2,137 Sqm	Owner	44	185	May 2018	(3) Mortgage for 1,320 MB loan
Phuket Grande Resort Limited	6. Cassia Phuket Phase 3, 4&5	Phuket	1,192 Sqm	Owner	18	95	October 2019	(3) Mortgage for 1,320 MB loan
Laguna Grande Limited	7. Laguna Park 2 - Townhomes & Villas	Phuket	4,953 Sqm	Owner	14	325	November 2019	None
Laguna Banyan Tree Limited	8. Banyan Tree Grande Residence	Phuket	10,930 Sqm	Owner	17	433	June 2020	(6) Mortgage for 1,027.5 MB loan
TWR-Holdings Limited	9. Laguna Village Residences 8	Phuket	9,394 Sqm	Owner	14	156	August 2020	None
Laguna Grande Limited	10. Dhawa Residence	Phuket	5,217 Sqm	Owner	124	120	September 2020	(8) Mortgage for 298 MB loan
Bangtao Grande Company Limited	11. Angsana Beach Front	Phuket	15,039 Sqm	Owner	54	533	October 2020	(9) Mortgage for 1,400 MB loan
Bangtao Grande Company Limited	12. Angsana Ocean View	Phuket	7,376 Sqm	Owner	33	151	October 2020	(9) Mortgage for 1,400 MB loan
Subsidiary companies	13. Land awaiting for future development	Phuket	923 Rai 2 Ngan 75.64 Sqw	Owner	-	1,407	-	None
Subsidiary companies	14. Other	Phuket	-	Owner	-	281	-	None
Total					427	4,138		

Intangible Assets

The intangible assets of the Company and its subsidiaries comprise goodwill amounting to Baht 57 million from the acquisition of 100 percent of Thai Wah Plaza Limited in 2005 and goodwill amounting to Baht 351 million from the acquisition of 49 percent of Laguna Banyan Tree Limited in 2002.

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination. The excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating units (or group of cash generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.2 Investment policy in subsidiary and associated companies

The Company has a policy of investing in subsidiary and associated companies which possess the same business activity and potential growth prospects. The appropriate return on capital is considered when making the investments. Such investments are made only after due consideration and approval either by the Board of Directors or Management depending on the size of investment as follows:

- Investments more than US\$ 10 million to be approved by the Board.
- Investments between US\$ 5 - 10 million to be jointly approved by the Chief Executive Officer and any 1 director.
- Investments less than US\$ 5 million to be approved by the Chief Executive Officer.

For subsidiary companies, the directors are appointed by the Company based on its controlling ownership interest. The directors are assigned the task of making significant policies, managing and controlling the subsidiary's operation consistent with the Company's policies, thereby ensuring a sufficient return on investment to it as well as the shareholders.

For associated companies, the directors are appointed by the Company based on the percentage of ownership. However, the Company has no significant influence over the management of the associates.

The current intention of management in regards to its investment policy is to pursue any investment opportunities both within and outside Laguna Phuket that provides the shareholders with a sufficient return on investment.

4.3 Asset Revaluation

As a policy, land and building revaluation by independent appraiser will be made every 3 years. The buildings were revalued using the “Replacement Cost Approach” or “Income Approach” and land was revalued using the “Market Approach”. Investment property revaluation by independent appraiser will be made every year. Units in office building, shops for rent and land awaiting for development/ sales were revalued using the “Market Approach”.

The detail of types of asset revaluation, purpose of revaluation, name of appraiser, and the date of revaluation is shown under the section 4.1.

5. LEGAL DISPUTES

As of the date in preparation of this report, legal issues pending in litigation in which the Company or its subsidiaries are parties are minor legal disputes with no materially impact to the Company's business operations.

For those minor legal disputes, please refer to clause 44.1 - 44.4 of the Company's notes to consolidated financial statements.

6. GENERAL INFORMATION AND OTHER MATERIAL INFORMATION

6.1 General Information

6.1.1 The Issuing Company

The Issuing Company	:	Laguna Resorts & Hotels Public Company Limited (the “Company” or “LRH”)
Type of Businesses	:	Major businesses are hotel business and property development. The subsidiaries also engage in operating golf clubs, sales of merchandise, office and resort rental and sales of holiday club memberships.
Corporate Registration Number	:	0107535000371
Registered Capital	:	Baht 2,116,753,580
Issued and Paid-up Capital	:	Baht 1,666,827,010
Head Office	:	Thai Wah Tower I, 7 th , 22 nd and 24 th floor, 21/17B, 21/17C, 21/65, 21/66 and 21/68 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand
Branch	:	390/1 Moo 1, Srisoontorn Road, Cherngtalay, Thalang, Phuket 83110, Thailand
Homepages	:	www.lagunaresorts.com (Corporate Website) www.lagunaphuket.com (Marketing Website)
Telephones	:	Bangkok Head Office 66 (0) 2677 4455 Laguna Phuket Office 66 (0) 7636 2300
Facsimiles	:	Bangkok Head Office 66 (0) 2285 0733 Laguna Phuket Office 66 (0) 7632 4061

6.1.2 Companies in which the Company's Shareholding Exceed 10 percent

The following is a list of companies in which the Company made investments, in the form of shareholding of 10 percent or more of the total number of shares issued as of 31 December 2019.

Company (Abbreviations)	Type of Business	Head Office	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-Up Capital (Baht)	Shareholding Proportion (Direct+Indirect*) (%)	Telephone
AVCI	Holiday club membership and golf club operations	Bintan	USD7,000,000	USD10.00	USD6,599,350	100.00	(62) 770 693 402
BGL	Hotel operations and property development	Phuket	1,546,000,000	100.00	1,546,000,000	100.00	66 (0) 7632 4101-7
BI	Investment holdings	British Virgin Islands	USD50,000	USD0.01	USD10,100	19.80	(65) 6849 5888
BT1	Owens land on which the golf course is situated	Phuket	20,930,000	100.00	20,930,000	100.00	66 (0) 7636 2300
BT2	Owens land on which the golf course is situated	Phuket	19,100,000	100.00	19,100,000	100.00	66 (0) 7636 2300
BT3	Property development	Phuket	7,750,000	100.00	7,750,000	100.00	66 (0) 7636 2300
BT4	Owens land on which the golf course is situated	Phuket	14,550,000	100.00	14,550,000	100.00	66 (0) 7636 2300
BTC	Investment holdings	Singapore	-**	-**	SGD235,435,987	10.69	(65) 6849 5888
BTL	Owens land on which a hotel is situated and property development	Phuket	80,000,000	100.00	80,000,000	100.00	66 (0) 7636 2300

Company (Abbreviations)	Type of Business	Head Office	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-Up Capital (Baht)	Shareholding Proportion (Direct+Indirect*) (%)	Telephone
BTG(S)	Sale of merchandise	Singapore	_**	_**	SGD432,000	51.00	(65) 6849 5888
BTG(T)	Sale of merchandise	Bangkok	7,750,000	100.00	7,750,000	51.00	66 (0) 2677 3100
CGL	Investment holding	Hong Kong	_***	_***	HKD2	100.00	(852) 2598 5234
HHBR	Dormant	Bangkok	10,000,000	10.00	10,000,000	10.00	66 (0) 2454 0037
L3	Owns land on which a hotel is situated	Phuket	100,000	100.00	100,000	100.00	66 (0) 7636 2300
LBTL	Hotel operations, property development and sales and marketing service for holiday club membership	Phuket	1,500,000,000	100.00	1,500,000,000	100.00	66 (0) 7632 4374
LEL	Travel operations	Phuket	8,000,000	100.00	8,000,000	49.00	66 (0) 7636 2300
LGL	Golf club operations and property development	Phuket	1,000,000,000	100.00	1,000,000,000	100.00	66 (0) 7636 2300
LHC	Holiday club membership and property development	Phuket	330,000,000	100.00	330,000,000	100.00	66 (0) 7636 2400
LLL	Property development	Phuket	1,000,000	100.00	1,000,000	95.00	66 (0) 7636 2300

Company (Abbreviations)	Type of Business	Head Office	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-Up Capital (Baht)	Shareholding Proportion (Direct+Indirect*) (%)	Telephone
LSC	Provide utilities and other services to hotels of the Company and subsidiaries	Phuket	90,500,000	100.00	90,500,000	72.90	66 (0) 7630 5639-42
LVL	Dormant	Phuket	6,000,000	100.00	6,000,000	100.00	66 (0) 7633 6900
MCP	Holds land plots for future development	Bangkok	232,300,000	100.00	232,300,000	100.00	66 (0) 2677 4455
PGR	Property development and hotel operations	Phuket	100,000,000	100.00	100,000,000	100.00	66 (0) 7636 2300
PSD	Holds land plots for future development	Bangkok	28,400,000	100.00	28,400,000	100.00	66 (0) 2677 4455
TLDC	Property development	Bangkok	251,000,000	1,000.00	251,000,000	50.00	66 (0) 2677 4455
TRL	Resort investment and development	Hong Kong	****	****	USD21,000,000	25.87	(852) 2869 7333
TWL	Property development	Phuket	214,370,000	100.00	214,370,000	100.00	66 (0) 7636 2300
TWPC	Manufacture and distribution tapioca starch products and starch-related products such as vermicelli, noodles and sago	Bangkok	880,420,930	1.00	880,420,930	10.03	66 (0) 2285 0040

Company (Abbreviations)	Type of Business	Head Office	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-Up Capital (Baht)	Shareholding Proportion (Direct+Indirect*) (%)	Telephone
TWPL	Hotel operations, lease of office building space and property development	Bangkok	2,250,000,000	100.00	2,250,000,000	100.00	66 (0) 2677 4455
TWRH	Investment holding and property development	Bangkok	1,550,000,000	100.00	1,550,000,000	100.00	66 (0) 2677 4455
TWT	Lease of office building space	Bangkok	455,000,000	100.00	455,000,000	100.00	66 (0) 2677 4455
TWT2	Owens land on which a hotel is situated	Bangkok	21,000,000	100.00	21,000,000	100.00	66 (0) 2677 4455

Remark

- * Indirect takes into account only those companies in which the Company has shareholding through a subsidiary(ies) (exceeding 50 percent)
- ** With effect from 30 January 2006, the concepts of authorized / registered capital and par value have been abolished by law in respect of all Singapore companies.
- *** With effect from 3 March 2014, the concepts of authorized / registered capital and par value have been abolished by law in respect of all Hong Kong companies.

- Full Company name as shown in the section of "Abbreviations" in Attachment 6

6.1.3 References

- **Regulator for Issuing Company:**
The Securities and Exchange Commission (SEC)
333/3 Vibhavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, Thailand
Telephone 66 (0) 2033 9999
Facsimile 66 (0) 2033 9660
Email info@sec.or.th Homepage www.sec.or.th
- **Regulator for Listed Company:**
The Stock Exchange of Thailand (SET)
The Stock Exchange of Thailand Building
93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand
Telephone 66 (0) 2009 9000 and 66 (0) 2009 9999
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Email SETContactCenter@set.or.th Homepage www.set.or.th
- **Registrar:**
Thailand Securities Depository Company Limited
The Stock Exchange of Thailand Building,
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Atthaworadej & Associates Company Limited

Srijulsup Tower, 12th Floor
44 Rama I Road, Rong Mueang, Patumwan, Bangkok 10330, Thailand
Telephone 66 (0) 2613 9449

- **Financial Advisor:**

None

- **Financial Institutions:**

Siam Commercial Bank Public Company Limited, Head Office
Siam Commercial Bank Public Company Limited, Thanon Sathon Branch
Siam Commercial Bank Public Company Limited, Phuket Branch
Kasikorn Bank Public Company Limited, Head Office
Kasikorn Bank Public Company Limited, Silom Main Branch
Bangkok Bank Public Company Limited, Head Office
Bangkok Bank Public Company Limited, Silom Branch

6.2 Other Material Information

-None-