

	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	30 June	31	30 June	31
	2006	December 2005	2006	December 2005
Property for sale under time-share membership	180,167	12,496	-	-
Completed buildings	-	47,162	-	-
Land	4,350	5,678	-	-
Property under construction	266,030	244,601	4,082	-
	450,547	309,937	4,082	-
Less: Allowance for diminution in market value of property under construction	(91,418)	(91,418)	-	-
Property development cost – net	<u>359,129</u>	<u>218,519</u>	<u>4,082</u>	<u>-</u>

(UNAUDITED BUT REVIEWED)

## 6. LONG-TERM TRADE ACCOUNTS RECEIVABLE

Long-term trade accounts receivable consists of:

- 6.1 Secured financing provided to customers of property sales which are mainly denominated in United States Dollars and bear interest at a rate of 5% per annum over the Singapore Inter Bank Offered Rate (SIBOR). The loan periods vary from 5 to 15 years.
- 6.2 Installments receivable from property sales which bear interest at a rate of 9%, 9.75% and 12% per annum and installments are repaid over a period of 3 to 5 years.

Long-term trade accounts receivable are repayable as follows:

(Unit:

Thousand Baht)

	CONSOLIDATED	
	30 June 2006	31 December 2005
Within one year (Note 3)	<u>13,399</u>	<u>25,982</u>
Between 2 - 4 years	28,608	35,232
Between 5 years and after	<u>3,080</u>	-
Long-term trade accounts receivable	<u>31,688</u>	<u>35,232</u>
Total	<u>45,087</u>	<u>61,214</u>

(UNAUDITED BUT REVIEWED)

## 7. INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR UNDER THE EQUITY METHOD

THE COMPANY ONLY								
	Paid-up share capital		Percentage of holding		Investment at cost method		Investment at equity method	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2006	2005	2006	2005	2006	2005	2006	2005
	Million	Million	%	%	Million	Million	Thousand	Thousand
	Baht	Baht			Baht	Baht	Baht	Baht
TWR – Holdings Ltd.	1,250.0	1,250.0	100	100	1,250.0	1,250.0	1,173,716	1,172,900
<b><u>Subsidiaries held through TWR – Holdings Ltd.</u></b>								
Pai Samart Development Co., Ltd.	28.4	28.4	100	100	-	-	(37,851)	(39,039)
Mae Chan Property Co., Ltd.	232.3	232.3	100	100	-	-	356,912	357,379
Phuket Resort Development Ltd.	41.4	41.4	100	100	-	-	192,489	191,866
Laguna Banyan Tree Ltd.#	500.0	500.0	100	100	835.1	835.1	647,071	546,685
Laguna Beach Club Ltd.##	200.0	200.0	60	60	85.0	85.0	404,811	387,245
Laguna (1) Ltd.	15.0	15.0	60	60	-	-	108,318	107,863
PT AVC Indonesia	USD 0.7	USD 0.7	100	100	-	-	(12,650)	(2,182)
Talang Development Co., Ltd.	Million 251.0	Million 251.0	50	50	-	-	3,212	3,230
Lijiang Banyan Tree Hotel Co., Ltd.	USD 14.9	USD 10.9	70	70	-	-	(50,322)	(1,001)
Twin Waters Development Co., Ltd.	Million 214.4	Million 214.4	100	100	-	-	291,859	290,439
Thai Wah Plaza Ltd.	1,500.0	1,500.0	100	100	-	-	23,346	(118,526)
Thai Wah Tower Co., Ltd.	455.0	455.0	100	100	-	-	(3,171)	(2,800)
Thai Wah Tower (2) Co., Ltd.	21.0	21.0	100	100	-	-	2,450	1,540
Laguna Excursions Ltd.	5.0	5.0	49	49	-	-	(47)	(35)
Laguna Grande Ltd.	1,000.0	1,000.0	100	100	914.4	914.4	2,628,396	2,493,014
<b><u>Subsidiaries held through Laguna Grande Ltd.</u></b>								
Bangtao (1) Ltd.	20.9	20.9	100	100	-	-	71,780	71,385
Bangtao (2) Ltd.	19.1	19.1	100	100	-	-	100,107	99,908
Bangtao (3) Ltd.	7.8	7.8	100	100	-	-	45,975	45,718

Bangtao (4) Ltd.	14.6	14.6	100	100	-	-	152,288	152,033
Bangtao Development Ltd.	80.0	80.0	100	100	-	-	1,115,912	1,097,893
Laguna Central Ltd.	1.0	1.0	100	100	-	-	(120)	(111)
Bangtao Grande Ltd.	1,546.0	1,546.0	100	100	-	-	758,571	699,802
<b><u>Other subsidiaries</u></b>								
Laguna Service Co.,Ltd.*	90.5	90.5	86.5	86.5	22.4	22.4	35,028	29,748
Banyan Tree Galle (Thailand) Ltd.	7.8	7.8	51	51	4.0	4.0	56,126	53,179
Wenco -- Thai Ltd. ###	1.0	1.0	100	100	0.5	0.5	1,747	1,691
Laguna Holiday Club Ltd.	330.0	330.0	100	100	330.0	330.0	680,069	614,814
Banyan Tree Gallery (Singapore) Pte Ltd.	SGD 0.43	SGD 0.43	51	51	4.0	4.0	31,995	28,800
Laguna (3) Ltd.	0.1	0.1	100	100	46.4	46.4	145,102	144,389
Cheer Golden Ltd.	-	-	100	100	-	-	(15,061)	(8,426)
<b>Total investments subsidiaries</b>					<u>3,491.8</u>	<u>3,491.8</u>	<u>8,194,234</u>	<u>7,704,643</u>

(# Laguna Banyan Tree Ltd. is held 49% by the Company and 51% through TWR – Holdings Ltd.)

(## Laguna Beach Club Ltd. is held 10% by the Company and 50% through TWR – Holdings Ltd.)

(### Wenco-Thai Ltd. is held 51% by the Company and 49% through TWR-Holdings Ltd.)

(\* Laguna Services Co., Ltd. is held by the Company and 3 subsidiaries)

(UNAUDITED BUT REVIEWED)

The Company has a 60 percent shareholding in Laguna Beach Club Ltd. However, the Company has recognized its share of the profits of this subsidiary at 50 percent in accordance with the profit sharing percentage in the Articles of Association.

The Company has a 49 percent shareholding in Laguna Excursions Ltd. However, the Company has recognized its share of the profits of this subsidiary at 100 percent in accordance with the profit sharing percentage in the Articles of Association.

On 5 January 2006, Laguna Banyan Tree Ltd., a subsidiary, injected additional paid up share to Lijiang Banyan Tree Hotel Co., Ltd. amounting to US dollars 2.8 million, which was in proportion to its 70 percent interest in that company.

As at 30 June 2006 and 31 December 2005, the 2,450,000 ordinary shares of Laguna Banyan Tree Ltd. have been pledged with a bank to secure a long-term loan of the Company.

As at 30 June 2006 and 31 December 2005, the 10,188,203 ordinary shares of Thai Wah Plaza Ltd. have been pledged with a bank to secure a long-term loan of the Company.

## 8. PROVISION FOR LOSS ON INVESTMENT IN ASSOCIATED COMPANY

(Unit: Thousand Baht)

CONSOLIDATED								
Paid-up share capital		Percentage of Holding		Investment at cost method		Investment at equity method		
30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005	
Million Baht	Million Baht	%	%					
Ownrep Project Service Pte Ltd.	34.5	34.5	50	50	18,109	18,109	-	-

Ownrep Project Services Pte Ltd. was incorporated in Singapore and engages in project consulting services. It has now ceased its operations.

(UNAUDITED BUT REVIEWED)

## 9. OTHER LONG-TERM INVESTMENTS

	CONSOLIDATED		(Unit: Thousand Baht) THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
<b>Investment in available-for-sale securities</b>				
Thai Wah Plc.	50,830	29,500	23,850	23,850
Addition	-	21,330	-	-
Unrealised loss on investment	(28,856)	(28,856)	(10,176)	(10,176)
Investment, at market price	<u>21,974</u>	<u>21,974</u>	<u>13,674</u>	<u>13,674</u>
<b>Investments in other companies</b>				
Hua Hin Beach Resorts Co., Ltd.	1,000	1,000	1,000	1,000
Less: Allowance for diminution in value	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>
	-	-	-	-
TRL Investment Ltd.	188,425	188,425	-	-
Tropical Resorts Ltd	1	1	-	-
Total investments in other companies	<u>188,426</u>	<u>188,426</u>	<u>-</u>	<u>-</u>
<b>Total other long-term investments</b>	<u>210,400</u>	<u>210,400</u>	<u>13,674</u>	<u>13,674</u>

## 10. PROPERTY, PLANT AND EQUIPMENT / LAND AWAITING DEVELOPMENT

### Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated	The Company Only
<b>At cost / revaluation value</b>		
Balance as at 31 December 2005	14,260,585	1,561,624
Acquisitions	815,603	24,998
Transfers out	(261,151)	-
Disposals	(7,685)	(239)
Adjustments	(120)	(63)
Balance as at 30 June 2006	<u>14,807,232</u>	<u>1,586,320</u>

**Accumulated depreciation**

Balance as at 31 December 2005	(4,775,230)	(771,281)
Depreciation charged for the period	(190,653)	(18,849)
Amortise revaluation surplus	(21,812)	(5,090)
Disposals	6,063	-
Adjustments	49	(8)
Balance as at 30 June 2006	<u>(4,981,583)</u>	<u>(795,228)</u>
<b>Net book value</b>		
Balance as at 31 December 2005	<u>9,485,355</u>	<u>790,343</u>
Balance as at 30 June 2006	<u>9,825,649</u>	<u>791,092</u>



(UNAUDITED BUT REVIEWED)

Acquisitions during the period mainly comprise construction in progress for the expansion of existing resort facilities in the Banyan Tree Phuket and the Sheraton Grande Laguna and the new Banyan Tree Lijiang facility in China.

Transfers out during the period mainly comprise a number of Banyan Tree Phuket Pool Villas which are being sold to property investors.

The hotel properties and land were reappraised by a professional independent appraisal company in its report dated 1 November 2004. The revaluation was conducted using the “Replacement Cost” basis for hotel properties and a “Fair Market Value” basis for land.

As at 30 June 2006 and 31 December 2005, a land area of approximately 1,024 Rai, at the fair value of Baht 3,168 million, and hotel buildings, fixtures and equipment have been mortgaged to secure bank overdrafts, short-term loan and long-term loan facilities, and forward exchange contracts of the Company and its subsidiaries.

**Land awaiting development**

Land awaiting development in Phuket, Chiang Rai and Mae Hong Sorn provinces was revalued on a “Fair Market Value” basis by a professional independent appraisal company in its report dated 1 November 2004.

As at 30 June 2006 and 31 December 2005, land awaiting development in Phuket province of approximately 45 Rai, at a fair value of Baht 164 million has been mortgaged to secure bank overdrafts, short-term loan and long-term loan facilities of the Company.

**11. OTHER CURRENT LIABILITIES**

		(Unit: Thousand Baht)			
		<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
		30 June	31 December	30 June	31 December
		2006	2005	2006	2005
Accrued expenses		199,046	246,794	37,349	40,874
Advance receipts from customers		118,548	241,867	2,442	11,601
Other accounts payable		215,465	139,888	4,201	3,587
Service charge payable to hotel staff		16,403	27,131	4,538	5,637
Value added tax payable		40,678	40,693	5,583	5,192
Accrued rental to villa owners		34,566	16,741	-	-
Forward exchange contract			10,996	-	2,243
Unearned income		-	15,744	-	-
		<u>640,450</u>	<u>749,659</u>	<u>54,113</u>	<u>69,134</u>

(UNAUDITED BUT REVIEWED)

**12. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS**

(Unit: Thousand Baht)

	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Secured	<u>3,025,333</u>	<u>3,094,788</u>	<u>912,000</u>	<u>1,052,000</u>
Long-term loans are repayable as follows:				
Within one year	574,263	607,929	180,000	280,000
Between one and two years	642,266	535,347	200,000	140,000
Between three and five years	1,436,485	1,505,345	532,000	632,000
Over five years	372,319	446,167		
	<u>2,451,070</u>	<u>2,486,859</u>	<u>732,000</u>	<u>772,000</u>
	<u>3,025,333</u>	<u>3,094,788</u>	<u>912,000</u>	<u>1,052,000</u>

Movements in the long-term loans account during the six-month period ended 30 June 2006 are summarised below.

(Unit: Thousand Baht)

	<u>CONSOLIDATED</u>	<u>THE COMPANY ONLY</u>
Balance as at 31 December 2005	3,094,788	1,052,000
Add: Additional borrowings	197,010	-
Less: Repayments	(266,465)	(140,000)
Balance as at 30 June 2006	<u>3,025,333</u>	<u>912,000</u>

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(UNAUDITED BUT REVIEWED)

Long-term loans consist of the following:

(Unit: Thousand Baht)

CONSOLIDATED		THE COMPANY ONLY		
30 June 2006	31 December 2005	30 June 2006	31 December 2005	
<b><u>The Company</u></b>				
(1) Baht loan from a bank, with a facility of Baht 800 million, at an interest rate of 5.25% per annum for the first two years and at MLR per annum for the remaining years. On 13 December 2002, the fixed rate at 5.25% per annum was revised to 4.60% per annum with effect from December 2002. On 25 November 2003, the MLR was also revised to be at a fixed rate at 3.75% per annum with effect from January 2004, repayable quarterly as from March 2002 as follows:				
Year 2004 - 2006: Baht 50 million p quarter	100,000	200,000	100,000	200,000
(2) Baht loan from a bank, with facility Baht 892 million repayable quarterly from July 2005 to April 2010, at an interest rate of MLR per annum				
	812,000	852,000	812,000	852,000
<b><u>Subsidiaries</u></b>				
(3) Baht loan from a bank, with a facility of Baht 450 million, repayable quarterly as from February 2006 to October 2007, at an interest rate as follows: November 2003 - March 2005: 4% p annum (revised on 6 November 2003) April 2005 onward: 2% per annum (revised on 31 March 2005)				
	150,000	200,000	-	-

(4) Baht loan from a bank, with a facility of Baht 200 million, at an interest rate of 4% per annum for the first three years and MLR less 1% per annum from October 2007 onwards, repayable quarterly from October 2005 to July 2009 (except the outstanding promissory note of Baht 5 million, which is at an interest rate of 2% per annum since 31 March 2005)	185,000	160,000	-	-
(5) Baht loan from a bank, with a facility of Baht 50 million, at an interest rate of 3.5% per annum repayable quarterly from June 2005 to March 2007 (except the outstanding promissory note of Baht 5 million, which is at an interest rate of 2% per annum since 31 March 2005)	18,750	31,250	-	-

## (UNAUDITED BUT REVIEWED)

	(Unit: Thousand Baht)			
	CONSOLIDATED		THE COMPANY ONLY	
	30 June	31	30 June	31
	2006	December	2006	December
(6) Baht loan from a bank, with a facility of Baht 260 million at an interest rate of MLR less 2% per annum or 3 month fixed deposit rate plus 2% per annum, whichever is higher, repayable quarterly from April 2006 to January 2010	255,000	260,000	-	-
(7) Baht loan from a bank, with a facility of Baht 600 million at an interest rate of MLR less 2% per annum or 3 month fixed deposit rate plus 2% per annum, whichever is higher, repayable quarterly from September 2006 to June 2011	377,000	305,000	-	-
(8) Baht loan from a bank, with a facility of Baht 100 million at an interest rate of MLR less 1.5% per annum, repayable quarterly from October 2006 to January 2009	65,000	65,000	-	-
(9) Baht loan from a bank, with a facility of Baht 180 million at an interest rate of MLR less 1.5% per annum or 3 month fixed deposit rate plus 2% per annum, whichever is higher, repayable quarterly from April 2006 to January 2009	20,000	30,000	-	-
(10) Baht loan from a bank, with a facility of Baht 100 million at an interest rate of MLR less 1.5% per annum or 3 month fixed deposit rate plus 2% per annum, whichever is higher, repayable quarterly from March 2007 to June 2009	42,000	2,000	-	-
(11) Baht loan from a bank, with a facility of Baht 1,004 million at an interest rate of MLR per annum, repayable				

quarterly from December 2005 to December 2013	949,573	988,538	-	-
(12) Baht loan from a bank, with a facility of Baht 300 million at an interest rate of MLR less 1% per annum, repayable quarterly from March 2007 to June 2011	1,000	1,000	-	-
(13) Baht loan from a bank, with a facility of Baht 220 million, from March 2006 - March 2008 at an interest rate of MLR less 1.5% per annum or 3 month fixed deposit rate plus 2.5% per annum, whichever is higher, from March 2008 to June 2011 at an interest rate of MLR less 1% per annum or 3 month fixed deposit rate plus 2.5% per annum, whichever is higher, repayable quarterly from June 2007 to June 2011	10	-	-	-
(14) Baht loan from a bank, with a facility of Baht 100 million at an interest rate of MLR per annum, repayable quarterly from July 2008 to April 2014	<u>50,000</u>	-	-	-
Total long-term loans	<u>3,025,333</u>	<u>3,094,788</u>	<u>912,000</u>	<u>1,052,000</u>

MLR: Minimum Lending Rate

MMR: Money Market Rate



(UNAUDITED BUT REVIEWED)

The loans are secured by land, land awaiting development and all hotel buildings of the Company and subsidiaries, as described in Note 10. The loan in (1) above is also secured by the pledge of the 2,450,000 ordinary shares of Laguna Banyan Tree Ltd., as described in Note 7, and is guaranteed by two subsidiaries. The loan in (2) above is also secured by the pledge of the 10,188,203 ordinary shares of Thai Wah Plaza Ltd., as described in Note 7. The loans in (3) to (5) and (11) above are guaranteed by a subsidiary company. The loan in (6) above is guaranteed by the Company.

The loan agreements of the Company and subsidiaries stipulate that they must comply with covenants relating to various matters, including the maintenance of financial ratios.

**13. CORPORATE INCOME TAX**

Corporate income tax for the period has been calculated on net earnings of the Company and subsidiaries after adding back certain expenses which are disallowable for tax computation purposes and deducting tax losses as brought forward from previous years.

**14. COMMITMENTS**

Capital commitment

As at 30 June 2006, the Company and its subsidiaries have commitments as follows:

- a) The Company and its subsidiaries have commitments in respect of constructing new and renovating existing hotel properties totaling Baht 492.0 million (31 December 2005: Baht 1,293.0 million).

- b) Four subsidiaries have commitments that relate to projects to develop properties for sale amounting to approximately Baht 353.5 million (31 December 2005: 353.8 million).

### Operating agreements

The Company and its subsidiaries entered into operating agreements with certain companies whereby these companies are to operate the Company's and its subsidiaries' hotels and golf business. In consideration for such services, the Company and subsidiaries are committed to pay remuneration at the rates, terms and basis specified in the agreements. These agreements are summarised as follows:

#### (UNAUDITED BUT REVIEWED)

<u>Company</u>	<u>Business unit</u>	<u>Operator</u>	<u>Contract period</u>	<u>Fees</u>
Laguna and Hotels Plc.	Resorts Dusit Laguna Resort	Dusit Hotels and Resorts Co., Ltd.	1.10.1992 - 30.9.2012	- Basic management fee : 2% of total revenue - Incentive fee : 5% of gross operating profit
Bangtao Ltd.	Grande Sheraton Laguna Phuket	Grande Sheraton Management Corporation	Overseas 11.1.1989 - 31.12.2012 (a)	- Basic management fee : 2% of total revenue - Incentive fee : 7.5% of gross operating profit
Laguna Ltd.	Grande Laguna Phuket Club	Laguna Phuket Golf and Resorts Pte. Ltd.	1.10.1992 - 31.12.2014 (b)	- Basic management fee : 3% of total revenue - Incentive fee : 10% of gross operating profit
Laguna Tree Ltd.	Banya Banyan Tree Phuket	Banya Banyan Tree and Resorts Pte. Ltd.	1.5.1995 - 31.12.2015 (c)	- Basic management fee : 2% of total revenue - Incentive fee : 7.5% of gross operating profit
Thai Wah Ltd.	Plaza Bangkok	Banya Banyan Tree and Resorts Pte. Ltd.	1.1.2002 - 31.12.2021 (d)	- Basic management fee: 3% of total revenue - Incentive fee: 10% of gross operating profit

(a) Operator has exercised its option to extend for 10 years as the required conditions have been met.

(b) Operator has option to extend for 1 additional period of 10 years.

(c) Operator has exercised option to extend to 31.12.2015 (as notified on 28 July 2004) and has an option to extend for a further 10 years.

(d) Operator has option to extend for 1 additional period of 20 years.

## 15. BANK GUARANTEES

As at 30 June 2006, there were bank guarantees amounting to Baht 44.2 million (the Company only: Baht 3.4 million) issued

to various parties on behalf of the Company and its subsidiaries, mainly provided for the usage of electricity, other utilities and telecommunication channels (31 December 2005: Baht 36.8 million, the Company only: Baht 2.8 million).

## 16. FINANCIAL INFORMATION BY SEGMENT

The Company's segmental financial information, divided between hotel operations, office rental and property development business, is presented in the consolidated financial statements as follows: -

		(Unit: Million Baht)						
		For the three-month period ended 30 June 2006						
		Hotel Busine ss	Gallery Operati ons	Others	Total Hotel Operatio ns	Office Rental	Property Develop ment	Total
Revenues		642	64	20	726	22	580	1,328
Operating profit (loss)		9	7	1	17	(2)	260	275
Other income		11			11		6	17
Exchange gains (loss)		17	(2)	-	15	-	(3)	12
Unallocated expenses:								
Selling and administrative expenses								(56)
Interest expenses								(50)
Corporate income tax								(20)
Minority interest								3
Net earnings for the period								<u>181</u>

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

For the three-month period ended 30 June 2005

	<u>Hotel</u> <u>Busine</u> <u>ss</u>	<u>Gallery</u> <u>Operati</u> <u>ons</u>	<u>Others</u>	<u>Total Hotel</u> <u>Operatio</u> <u>ns</u>	<u>Office</u> <u>Rental</u>	<u>Property</u> <u>Develop</u> <u>ment</u>	<u>Total</u>
Revenues	421	38	6	465	33	86	584
Operating profit (loss)	(51)	(1)	7	(45)	11	21	(13)
Other income	8	-	-	8	-	2	10
Unallocated expenses: Selling and administrative expenses							(104)
Interest expenses							(39)
Corporate income tax							(7)
Minority interest							4
Net loss for the period							<u>(149)</u>

(Unit: Million Baht)

For the six-month period ended 30 June 2006

	<u>Hotel</u> <u>Busine</u> <u>ss</u>	<u>Gallery</u> <u>Operati</u> <u>ons</u>	<u>Others</u>	<u>Total Hotel</u> <u>Operatio</u> <u>ns</u>	<u>Office</u> <u>Rental</u>	<u>Property</u> <u>Develop</u> <u>ment</u>	<u>Total</u>
Revenues	1,595	122	49	1,766	48	983	2,797
Operating profit	305	12	9	326	-	453	779
Other income	25	-	-	25	-	11	36
Exchange gains (loss)	69	-	(2)	67	-	(10)	57

Unallocated	
expenses:	
Selling and	
administrative	
expenses	(121)
Interest expenses	(94)
Corporate income	(103)
tax	
Minority interest	<u>(16)</u>
Net earnings for the	<u>538</u>
period	

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

For the six-month period ended 30 June 2005

	<u>Hotel</u> <u>Busine</u> <u>ss</u>	<u>Gallery</u> <u>Operati</u> <u>ons</u>	<u>Others</u>	<u>Total Hotel</u> <u>Operatio</u> <u>ns</u>	<u>Office</u> <u>Rental</u>	<u>Property</u> <u>Develop</u> <u>ment</u>	<u>Total</u>
Revenues	754	70	33	857	42	204	1,103
Operating profit (loss)	(87)	(10)	4	(93)	4	57	(32)
Other income	18			18		3	21
Unallocated expenses:							
Selling and administrative expenses							(182)
Interest expenses							(56)
Corporate income tax							(7)
Minority interest							11
Net loss for the period							<u>(245)</u>

As at 30 June 2006

	<u>Hotel</u> <u>Busines</u> <u>s</u>	<u>Gallery</u> <u>Operati</u> <u>ons</u>	<u>Others</u>	<u>Total</u> <u>Hotel</u> <u>Operati</u> <u>ons</u>	<u>Office</u> <u>Rental</u>	<u>Property</u> <u>Develop</u> <u>ment</u>	<u>Total</u>
Property, plant and equipment - net	8,098	10	1,419	9,527	273	26	9,826
Total assets	<u>9,949</u>	<u>209</u>	<u>1,445</u>	<u>11,603</u>	<u>324</u>	<u>1,277</u>	<u>13,204</u>

As at 31 December 2005

	Hotel	Gallery		Total	Office	Property	
	Busines	Operati	Others	Hotel	Rental	Develop	Total
	<u>s</u>	<u>ons</u>	<u></u>	<u>Operati</u>	<u></u>	<u>ment</u>	<u></u>
				<u>ons</u>			
Property, plant and equipment - net	<u>7,758</u>	<u>10</u>	<u>1,417</u>	<u>9,185</u>	<u>277</u>	<u>23</u>	<u>9,485</u>
Total assets	<u>9,596</u>	<u>193</u>	<u>1,464</u>	<u>11,253</u>	<u>322</u>	<u>1,043</u>	<u>12,618</u>

(UNAUDITED BUT REVIEWED)

## 17. FINANCIAL INSTRUMENTS

### 17.1 Credit Risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable from the hotel, space rental, and property development businesses. However, due to the large number and diversity of the entities comprising the Company and its subsidiaries' customer base, the Company and its subsidiaries do not anticipate material losses from debt collection.

### 17.2 Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Company and its subsidiaries' operations and their cash flows. The Company and its subsidiaries' exposure to interest rate risk relates primarily to their deposits with financial institutions, long-term trade accounts receivable, bank overdrafts and loans. The Company and its subsidiaries do not use derivative financial instruments to hedge such risk (the detail of long-term loans are set out in Note 12).

(Unit: Million  
Baht)

	30 June 2006						
	CONSOLIDATED			THE COMPANY ONLY			
	Floating Rate	Fixed rate	Total	Floating rate	Fixed rate	Total	Fixed interest rate
<b>Financial assets</b>							
Cash and cash equivalents	713	70	783	53	-	53	3.75% - 4%
Restricted deposits at financial institution	-	2	2	-	-	-	3.75%



Long-term trade accounts receivable	19	26	45	-	-	-	9%, 9.75%, and 12% (Note 6)
Long-term loans to subsidiaries	-	-	-	692	-	692	-
<b><u>Financial liabilities</u></b>							
Short-term loans from financial institutions	-	637	637	-	415	415	2%
Long-term loans from subsidiaries	-	-	-	1,156	-	1,156	-
Long-term loans from related company	-	316	316	-	-	-	6%, 7.25%
Long-term loans from financial institutions	2,571	454	3,025	812	100	912	2%, 3.5%, 3.75%, 4%

(UNAUDITED BUT REVIEWED)

### 17.3 Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk relates primarily to their receivables, payables and loans which are denominated in foreign currencies. In addition to those transactional exposures, the Company is also exposed to the effect of foreign exchange movements on its investment in foreign subsidiaries, which currently are not hedged by any derivative financial instrument.

The Company and a subsidiary have entered into forward exchange contracts to hedge their hotel revenues which are denominated in foreign currencies. Forward exchange contracts outstanding as at 30 June 2006 are summarised below.

<u>Foreign currency</u>	<u>Outstandin g amount bought</u>	<u>Forward rate for outstanding amount</u> (Baht per US dollar)	<u>Maturity</u>
<u>The Company</u>			
US dollar	2.5 million	39.35	USD 1.3 million due quarterly from 29 September 2006 to 29 December 2006
US dollar	12.0 million	41.57	USD 1.2 million due quarterly from 31 January 2008 to 30 April 2008 and USD 1.6 million due quarterly from 31 July 2008 to 31 October

US dollar	6.8 million	40.03	2009 USD 0.5 million due quarterly from 31 January 2007 to 30 April 2007, USD 1.2 million due quarterly from 31 July 2007 to 31 October 2007 and USD 1.7 million due quarterly from 31 January 2010 to 30 April 2010
<u>A subsidiary</u>			
US dollar	3.8 million	39.32	USD 0.6 million due quarterly from 31 July 2006 to 31 October 2007

(UNAUDITED BUT REVIEWED)

Below is a summary of the Company and its subsidiaries' unhedged foreign currency-denominated assets/liabilities as at 30 June 2006.

(Unit: Thousand)

	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
<u>Foreign currency</u>				
US dollar	1,517	335	133	13
Singapore dollar	368	520	-	-

**18. LITIGATION**

A case has been brought to the Administration Court in which the Company and four subsidiaries are co-defendants. The Plaintiff has requested the Court to order the Phuket Provincial Land Office, named as the defendant, to revoke some land title deeds under ownership of the said companies, on the grounds that such title deeds were issued illegally. All evidence has been submitted to the Court which the Court is now considering. The land titles in question were issued well before the co-defendants purchased the land, which the co-defendants subsequently purchased in good faith. The administrative court has fixed hearing date for final judgement on 15 August 2006. The Company is confident that it has sufficient evidence to support its defense of this case.

**19. APPROVAL OF FINANCIAL STATEMENTS**

These interim financial statements were authorized for issue by the authorised director on 10 August 2006.