

Laguna Resorts & Hotels Public Company Limited
and its subsidiaries
Review report and interim consolidated financial statements
For the three-month period ended 31 March 2016

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Laguna Resorts & Hotels Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Laguna Resorts & Hotels Public Company Limited and its subsidiaries as at 31 March 2016, the related consolidated statements of income and comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Laguna Resorts & Hotels Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.



Rosaporn Decharkom
Certified Public Accountant (Thailand) No. 5659

EY Office Limited
Bangkok: 11 May 2016

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	721,713	859,881	30,270	25,641
Current investment - short-term fixed deposit		10,720	10,720	-	-
Short-term restricted deposit at financial institution		68,491	75,930	-	-
Trade and other receivables	4	728,762	635,439	189,253	169,472
Inventories		120,018	129,485	-	-
Property development cost	6	3,625,255	3,787,142	131,560	185,502
Other current assets		197,265	200,791	35,021	25,906
Total current assets		5,472,224	5,699,388	386,104	406,521
Non-current assets					
Long-term restricted deposit at financial institution		41	41	-	-
Long-term fixed deposit		2,178	2,178	2,178	2,178
Long-term trade accounts receivable	7	447,360	457,995	5,048	-
Investments in subsidiaries	8	-	-	4,269,026	4,269,026
Investments in associates	9	362,833	383,087	-	-
Other long-term investments	10	1,178,585	1,132,189	572,220	525,824
Long-term loans to subsidiaries	5	-	-	1,286,801	1,142,801
Long-term loan to related company	5	2,251	-	-	-
Investment properties	11	1,120,768	1,120,761	198,217	198,210
Property, plant and equipment	12	10,699,794	10,687,451	48,578	48,931
Deferred tax assets		92,768	113,539	-	-
Goodwill		407,904	407,904	-	-
Leasehold rights		14,942	17,279	-	-
Other non-current assets		76,853	69,460	1,305	1,352
Total non-current assets		14,406,277	14,391,884	6,383,373	6,188,322
Total assets		19,878,501	20,091,272	6,769,477	6,594,843

The accompanying notes are an integral part of the financial statements.

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans					
from financial institutions	13	360,000	554,804	260,000	260,000
Trade and other payables	14	853,458	959,253	33,616	34,893
Current portion of long-term loans from financial institutions					
	16	440,750	469,750	17,500	35,000
Income tax payable		98,215	62,548	-	-
Advance received from customers		384,543	546,545	3,733	405
Other current liabilities	15	186,413	140,483	9,916	4,492
Total current liabilities		2,323,379	2,733,383	324,765	334,790
Non-current liabilities					
Long-term loans from subsidiaries	5	-	-	763,280	648,280
Long-term loans from financial institutions					
- net of current portion	16	2,766,805	2,819,389	-	-
Unsecured debenture	17	494,356	493,846	-	-
Provision for long-term employee benefits		62,730	63,605	15,453	15,353
Long-term provision - provision for legal case	25	40,243	40,133	-	-
Deferred tax liabilities		2,178,226	2,166,335	222,117	208,255
Other non-current liabilities		107,906	99,409	5,696	5,696
Total non-current liabilities		5,650,266	5,682,717	1,006,546	877,584
Total liabilities		7,973,645	8,416,100	1,331,311	1,212,374
Shareholders' equity					
Share capital					
Registered					
211,675,358 ordinary shares of Baht 10 each		2,116,754	2,116,754	2,116,754	2,116,754
Issued and fully paid-up					
166,682,701 ordinary shares of Baht 10 each		1,666,827	1,666,827	1,666,827	1,666,827
Share premium		2,062,461	2,062,461	2,062,461	2,062,461
Capital reserve		568,131	568,131	-	-
Retained earnings					
Appropriated - statutory reserve		211,675	211,675	211,675	211,675
Unappropriated		2,833,258	2,642,748	927,370	908,790
Other components of shareholders' equity		4,271,353	4,239,617	569,833	532,716
Equity attributable to owner of the Company		11,613,705	11,391,459	5,438,166	5,382,469
Equity attributable to non-controlling interests					
of the subsidiaries		291,151	283,713	-	-
Total shareholders' equity		11,904,856	11,675,172	5,438,166	5,382,469
Total liabilities and shareholders' equity		19,878,501	20,091,272	6,769,477	6,594,843

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 31 March 2016

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenue					
Revenue from hotel operations		1,179,015	1,050,047	16,947	18,558
Revenue from property development operations		437,307	184,820	99,261	86
Revenue from office rental operations		21,338	22,183	6,600	9,842
Interest income		11,338	4,438	18,968	27,008
Insurance claim		-	38,889	-	-
Other income		3,204	3,653	9,949	9,364
Total revenue		1,652,202	1,304,030	151,725	64,858
Expenses					
Cost of hotel operations		564,611	521,488	12,836	9,749
Cost of property development operations		300,817	104,629	53,943	-
Cost of office rental operations		12,462	13,932	1,725	1,836
Selling expenses		89,653	94,836	2,800	187
Administrative expenses		356,695	385,136	42,112	46,381
Total expenses		1,324,238	1,120,021	113,416	58,153
Profit before share of loss from investment					
in associate, finance cost and income tax expenses		327,964	184,009	38,309	6,705
Share of loss from investment in associate	9	(15,788)	(2,897)	-	-
Profit before finance cost and income tax expenses		312,176	181,112	38,309	6,705
Finance cost		(51,196)	(40,236)	(15,146)	(12,358)
Profit (loss) before income tax expenses		260,980	140,876	23,163	(5,653)
Income tax expenses	18	(64,404)	(42,097)	(4,583)	780
Profit (loss) for the period		196,576	98,779	18,580	(4,873)
Profit (loss) attributable to:					
Equity holders of the Company		189,713	101,173	18,580	(4,873)
Non-controlling interests of the subsidiaries		6,863	(2,394)		
		196,576	98,779		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	19	1.14	0.61	0.11	(0.03)

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit (loss) for the period	196,576	98,779	18,580	(4,873)
Other comprehensive income (loss):				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of financial statements in foreign currency	(4,009)	(2,307)	-	-
Unrealised gain on available-for-sales security, net of income tax	37,117	53,657	37,117	53,657
Other comprehensive income (loss) for the period	33,108	51,350	37,117	53,657
Total comprehensive income (loss) for the period	229,684	150,129	55,697	48,784
Total comprehensive income (loss) attributable to:				
Equity holders of the Company	222,246	154,219	55,697	48,784
Non-controlling interests of the subsidiaries	7,438	(4,090)		
	229,684	150,129		

The accompanying notes are an integral part of the financial statements.

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to the owners of the Company												
Other components of shareholders' equity												
Other comprehensive income												
Exchange differences on translation of financial statements in foreign currency												
Retained earnings												
Appropriated -												
Capital reserve												
Share premium												
Issued and fully paid-up share capital												
Revaluation surplus on assets												
Unrealised gain on available-for-sales security												
Total other components of shareholders' equity												
Total equity attributable to shareholders of the Company												
Equity attributable to non-controlling interests of the subsidiaries												
Total shareholders' equity												
Balance as at 1 January 2015	1,666,827	2,062,461	566,131	211,675	2,482,806	144,643	3,935,218	54,239	4,134,100	11,126,000	281,631	11,407,631
Profit (loss) for the period	-	-	-	-	101,173	-	-	-	-	101,173	(2,394)	98,779
Other comprehensive income (loss) for the period	-	-	-	-	-	(611)	-	53,657	53,046	-	(1,696)	51,350
Total comprehensive income (loss) for the period	-	-	-	-	101,173	(611)	-	53,657	53,046	-	(4,090)	150,129
Balance as at 31 March 2015	1,666,827	2,062,461	566,131	211,675	2,583,979	144,032	3,935,218	107,896	4,187,146	11,280,219	277,541	11,557,760
Balance as at 1 January 2016	1,666,827	2,062,461	566,131	211,675	2,642,748	164,942	3,921,717	152,958	4,239,617	11,391,459	283,713	11,675,172
Profit for the period	-	-	-	-	189,713	-	-	-	-	189,713	6,863	196,576
Other comprehensive income (loss) for the period	-	-	-	-	-	(4,584)	-	37,117	32,533	-	575	33,108
Total comprehensive income (loss) for the period	-	-	-	-	189,713	(4,584)	-	37,117	32,533	-	7,438	229,684
Reversal of revaluation surplus on disposal of assets	-	-	-	-	797	-	(797)	-	(797)	-	-	-
Balance as at 31 March 2016	1,666,827	2,062,461	566,131	211,675	2,833,258	160,358	3,920,920	190,075	4,271,353	11,613,705	291,151	11,904,856

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid-up share capital	Other components of shareholders' equity						Total shareholders' equity
		Retained earnings		Other comprehensive income		Total other components of shareholders' equity		
		Appropriated - Statutory reserve	Unappropriated	Revaluation surplus on assets	Unrealised gain on available-for-sales security			
Balance as at 1 January 2015	1,666,827	211,675	957,046	136,986	297,011	433,997	5,332,006	
Loss for the period	-	-	(4,873)	-	-	-	(4,873)	
Other comprehensive income (loss) for the period	-	-	-	-	53,657	53,657	53,657	
Total comprehensive income (loss) for the period	-	-	(4,873)	-	53,657	53,657	48,784	
Balance as at 31 March 2015	<u>1,666,827</u>	<u>211,675</u>	<u>952,173</u>	<u>136,986</u>	<u>350,668</u>	<u>487,654</u>	<u>5,380,790</u>	
Balance as at 1 January 2016	1,666,827	211,675	908,790	136,986	395,730	532,716	5,382,469	
Profit for the period	-	-	18,580	-	-	-	18,580	
Other comprehensive income (loss) for the period	-	-	-	-	37,117	37,117	37,117	
Total comprehensive income (loss) for the period	-	-	18,580	-	37,117	37,117	55,697	
Balance as at 31 March 2016	<u>1,666,827</u>	<u>211,675</u>	<u>927,370</u>	<u>136,986</u>	<u>432,847</u>	<u>569,833</u>	<u>5,438,166</u>	

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Cash flow statement

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit (loss) before income tax expenses	260,980	140,876	23,163	(5,653)
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	81,698	75,558	1,232	1,127
Amortisation of leasehold rights	2,645	627	-	-
Amortisation of transaction costs related to debenture issuance	510	-	-	-
Allowance for doubtful accounts (reversal)	(1,004)	12,547	(1,429)	-
Reduction of inventory to net realisable value	57	47	-	-
Share of loss from investments in associate	15,788	2,897	-	-
Unrealised gain on exchange rate	(46)	-	-	-
Loss on sale of property, plant and equipment	78	60	4	-
Write off property, plant and equipment	100	11	-	-
Provision for long-term employee benefits	1,331	1,894	222	240
Provision for loss on compensation claim	110	748	-	-
Interest income	(11,338)	(4,438)	(18,968)	(27,008)
Interest expenses	51,196	40,236	15,146	12,358
Profit (loss) from operating activities before changes in operating assets and liabilities	402,105	271,063	19,370	(18,936)
Operating assets (increase) decrease				
Trade and other receivables	(92,346)	(40,872)	(17,065)	(24,727)
Inventories	9,410	(1,199)	-	-
Property development cost	164,533	(259,533)	53,942	-
Other current assets	5,736	(17,748)	(8,489)	(5,909)
Long-term trade accounts receivable	10,635	5,908	(5,048)	-
Other non-current assets	(7,393)	(2,658)	47	(10)
Operating liabilities increase (decrease)				
Trade and other payables	(103,844)	(15,237)	(2,688)	11,030
Advance received from customers	(162,002)	55,332	3,328	(93)
Other current liabilities	45,926	32,353	5,424	393
Provision for long-term employee benefits	(2,206)	(2,930)	(122)	(1,342)
Other non-current liabilities	8,497	9,796	-	-
Cash flows from (used in) operating activities	279,051	34,275	48,699	(39,594)
Cash received for interest income	11,365	4,424	17,681	34,678
Cash paid for interest expenses	(54,784)	(36,936)	(13,735)	(14,342)
Cash paid for income tax	(7,597)	(7,110)	(626)	(966)
Net cash flows from (used in) operating activities	228,035	(5,347)	52,019	(20,224)

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Decrease in short-term restricted deposit at financial institution	7,439	-	-	-
Cash paid for purchase of long-term investment in subsidiaries	-	-	-	(790,001)
Cash received from long-term loans to subsidiaries	-	-	80,000	2,091,000
Cash paid for long-term loans to subsidiaries	-	-	(224,000)	(574,100)
Cash paid for long-term loans to related company	(2,205)	-	-	-
Cash paid for acquisition of investment properties	(7)	-	(7)	-
Cash received from sales of property, plant and equipment	51	159	1	-
Cash paid for acquisition of property, plant and equipment	(95,080)	(71,226)	(884)	(1,932)
Net cash flows from (used in) investing activities	(89,802)	(71,067)	(144,890)	724,967
Cash flows from financing activities				
Increase (decrease) in bank overdraft and short-term loans from financial institutions	(194,804)	90,000	-	50,000
Draw down of long-term loans from subsidiaries	-	-	230,000	249,000
Repayment of long-term loans from subsidiaries	-	-	(115,000)	(969,950)
Draw down of long-term loans from financial institutions	49,000	70,000	-	-
Repayment of long-term loans from financial institutions	(130,584)	(125,500)	(17,500)	(17,500)
Net cash flows from (used in) financing activities	(276,388)	34,500	97,500	(688,450)
Net exchange differences on translation of financial statements in foreign currency	(13)	1,693	-	-
Net increase (decrease) in cash and cash equivalents	(138,168)	(40,221)	4,629	16,293
Cash and cash equivalents at beginning of period	859,881	444,633	25,641	17,675
Cash and cash equivalents at end of period	721,713	404,412	30,270	33,968

Supplemental cash flows information

Non-cash items

Decrease in exchange differences on translation

of financial statements in foreign currency of associate

Reversal of revaluation surplus on disposal of assets

Interest recorded as property development cost

(4,465)	(2,688)	-	-
797	-	-	-
2,646	-	-	-

The accompanying notes are an integral part of the financial statements.

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2016

1. General information

1.1 Corporate information

Laguna Resorts & Hotels Public Company Limited ("the Company", "LRH") is a public company incorporated and domiciled in Thailand. Its major shareholder is Banyan Tree Holdings Limited, which was incorporated in Singapore.

The Company and its subsidiaries are principally engaged in the hotel business and property development. There are four hotels in Laguna Phuket, namely Angsana Laguna Phuket, Banyan Tree Phuket, Outrigger Laguna Phuket Resort and Villas and Cassia Phuket, located in Phuket province and one hotel, the Banyan Tree Bangkok, located in Bangkok. The subsidiaries are also engaged in operating a golf club (Laguna Phuket Golf Club), sales of merchandise (Banyan Tree Gallery), office and shop rental and sale of holiday club memberships.

The registered office of the Company is at 21/17B, 21/17C, 21/65, 21/66 and 21/68 Thai Wah Tower 1, 7th, 22nd and 24th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) "*Interim Financial Reporting*", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statements, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

(Unaudited but reviewed)

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Laguna Resorts & Hotels Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015. There have been no changes in the composition of the subsidiaries during the current period.

1.4 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015.

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Cash	4,826	7,831	145	143
Bank deposits	716,887	852,050	30,125	25,498
Total	<u>721,713</u>	<u>859,881</u>	<u>30,270</u>	<u>25,641</u>

(Unaudited but reviewed)

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	332,950	302,851	5,354	6,172
Less: Allowance for doubtful accounts	(34,393)	(37,578)	-	(1,429)
Trade accounts receivable - hotel operations, net	298,557	265,273	5,354	4,743
Trade accounts receivable - sales of property				
- Installments due	60,219	81,076	2,267	3,760
Current portion of long-term trade				
accounts receivable (Note 7)	185,712	161,122	2,379	-
Trade accounts receivable - sales of property, net	245,931	242,198	4,646	3,760
Trade accounts receivable - sales of holiday club				
memberships - Installments due	50,918	10,323	-	-
Current portion of long-term trade				
accounts receivable (Note 7)	9,864	13,716	-	-
Trade accounts receivable - sales of holiday club				
memberships, net	60,782	24,039	-	-
Trade accounts receivable - net	605,270	531,510	10,000	8,503
<u>Other receivables</u>				
Amounts due from related parties (Note 5)	43,898	45,930	151,242	144,124
Other receivables	50,634	33,582	2,358	3,904
Insurance claim receivable	32	8,071	-	-
Accrued other income	3,604	3,603	329	233
Interest receivable	14	41	14	6
Accrued rental	25,310	12,702	25,310	12,702
Total other receivables	123,492	103,929	179,253	160,969
Trade and other receivables, net	728,762	635,439	189,253	169,472

(Unaudited but reviewed)

The balances of trade accounts receivable - hotel operations, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Age of receivables</u>				
Not yet due	103,987	121,415	270	329
Past due				
Up to 30 days	96,589	75,418	306	486
31 - 60 days	33,190	14,646	307	440
61 - 90 days	12,719	5,473	321	413
91 - 120 days	7,305	7,691	4,150	4,504
Over 120 days	79,160	78,208	-	-
Total	332,950	302,851	5,354	6,172
Less: Allowance for doubtful debts	(34,393)	(37,578)	-	(1,429)
Trade accounts receivable - hotel operations, net	<u>298,557</u>	<u>265,273</u>	<u>5,354</u>	<u>4,743</u>

The balances of installments due of trade accounts receivable - sales of property operations, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Age of receivables</u>				
Not yet due	52,115	65,088	2,267	3,760
Past due				
Up to 30 days	1,289	6,277	-	-
31 - 60 days	4,047	5,310	-	-
61 - 90 days	295	3,122	-	-
91 - 120 days	332	515	-	-
Over 120 days	2,141	764	-	-
Trade accounts receivable - sales of property - installment due, net	<u>60,219</u>	<u>81,076</u>	<u>2,267</u>	<u>3,760</u>

(Unaudited but reviewed)

The balances of installments due of trade accounts receivable - holiday club memberships, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Age of receivables</u>				
Not yet due	20,609	662	-	-
Past due				
Up to 30 days	1,280	2,253	-	-
31 - 60 days	689	780	-	-
61 - 90 days	22,246	550	-	-
91 - 120 days	888	300	-	-
Over 120 days	5,206	5,778	-	-
Trade accounts receivable - sales of holiday club membership - installment due, net	<u>50,918</u>	<u>10,323</u>	<u>-</u>	<u>-</u>

5. Related party transactions

During the period, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and agreed upon basis between the Company, its subsidiaries and related parties.

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	2016	2015	2016	2015	
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Guarantee fee expenses	-	-	-	1	(3) agreed basis
Interest income	-	-	19	27	(5) agreement
Interest expenses	-	-	13	8	(5) agreement
Management fee income	-	-	9	8	(4), (7) agreement
Reimbursement receipts	-	-	1	2	(11) agreed basis
Reimbursement payments	-	-	3	3	(11) agreed basis

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-months period ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2016	2015	2016	2015	
Rental and service income	-	-	2	3	(12)(i), (iii) agreement
Rental and service expenses	-	-	2	2	(12)(iv), (v) agreement
Resort service expenses	-	-	1	4	(14) agreed basis
<u>Transactions with associates</u>					
Reimbursement payments	1	-	-	-	(11) agreed basis
<u>Transactions with related companies</u>					
Inter resort payments	25	26	-	-	(1) agreed basis
Management fee income	-	1	-	-	(16) agreement
Management fee expenses	101	89	-	-	(6), (15) agreement
Purchase of spa & gallery vouchers	5	7	1	2	(2), (8) agreed basis
Sale of goods	7	13	-	-	(9) agreed basis
Reimbursement receipts	23	18	1	-	(11) agreed basis
Reimbursement payments	25	14	2	3	(11) agreed basis
Rental and service income	12	9	-	-	(12)(i), (ii), (iv), (vi), (vii) agreement
Rental return on hotel units	4	1	-	-	(13) agreement
Resort service income	2	2	-	-	(14) agreed basis
Training charges	2	1	-	-	(10) agreed basis

The nature, pricing policy and agreements relating to the above transactions are summarised below:

- (1) These charges relate to goods and services that are consumed by customers in one part of Laguna Phuket but are billed centrally to the customer at the hotel in which the customer is staying. Such charges relate to meals at restaurants, golf fees, treatments at the spa and goods purchased at shops in the resort. On receiving the funds centrally from the customer, the hotel reimburses the company in which the goods and services are consumed. Actual receipts are paid and credit card commission is charged ranging from 2% to 5% of the revenue based on the commission rate charged by the credit card companies. Such inter resort charges are also incurred at the Banyan Tree Bangkok and Banyan Tree Lijiang primarily for treatments at the spa and goods purchased at the shops.
- (2) This relates to sale of spa and gallery vouchers by companies which operate Banyan Tree Spas and Banyan Tree Gallery to related companies for using as a marketing tool. The Spa vouchers are priced at a 20% to 60% discount to the Spa price list. The Gallery vouchers are priced at 20% to 40% discount to the face value of the voucher.

(Unaudited but reviewed)

- (3) Guarantee fee among group companies for permitting their assets to be pledged as collateral for other related companies' bank loans by charging on 1% of proportion of value of pledged assets to total loan facilities.
- (4) The Company charges a management fee to its subsidiaries for providing centralised duties and services for each operation in the group. The monthly fixed rate is charged dependent on the department serviced, except the internal audit service is charge by the working hours and project management service is charged as Note (7).
- (5) Loans to subsidiaries and between group companies are unsecured and are denominated in Thai Baht. The loans carry interest at a rate equal to the lenders' borrowing costs per annum (based upon commercial bank's interest rates) plus a margin of 1.1%. The loans are repayable on demand, however it is expected that those loans would not be called for repayment in the short-term. Therefore such loans are recorded as non-current assets/liabilities in the statements of financial position.
- (6) The terms of the operating agreements are disclosed in Note 20 and consist of a royalty agreement, hotel management agreement and technical assistance agreement. The payment terms of the contracts are as follows:

Royalty fee paid for the use of "Banyan Tree", "Angsana" and "Cassia" trademarks and all other proprietary rights associated with it.

- (i) Banyan Tree Phuket (Laguna Banyan Tree Limited) and Cassia Phuket (Phuket Resort Development Limited) pay a royalty fee of 2% of total revenue.
- (ii) Banyan Tree Bangkok (Thai Wah Plaza Limited) and Angsana Laguna Phuket (Bangtao Grande Limited) pay a royalty fee of 3% of total revenue.
- (iii) Banyan Tree Gallery (Thailand) Limited and Banyan Tree Gallery (Singapore) Pte. Ltd. pay a royalty fee of 1% of total revenue.

Hotel management and technical assistance fees.

- (iv) The Technical Assistance Agreement of the Banyan Tree Phuket and Cassia Phuket pay a technical fee of 7.5% of gross operating profit.
- (v) The Hotel Management Agreement of the Banyan Tree Bangkok and the Angsana Laguna Phuket pay a hotel management fee of 10% of gross operating profit.

(Unaudited but reviewed)

(vi) In addition, pursuant to the hotel management and technical assistance agreements, expenses relating to the sharing of group marketing costs such as promotional campaigns and adverts, sales staff salaries, central reservations and international sales offices incurred by the Banyan Tree and/or Angsana and/or Cassia corporate head office shall be charged as follows:

- Group marketing services shared on a group basis are based on 3% of total actual hotel revenue.
- Reservation service fees are 1% of room revenue plus USD 12 per booking sourced through third party channels.

All management fees are consistent with industry practice and the sharing of group marketing costs incurred by Banyan Tree Phuket, Banyan Tree Bangkok, Angsana Laguna Phuket and Cassia Phuket are the reimbursement of costs benefiting each of the hotels. As a result, these transactions are on normal commercial terms and conditions.

- (7) The Company provides project management services, the contracted fee is set at a rate of 5% of the actual or budgeted costs of the project.
- (8) Purchase of Banyan Tree Spa and Banyan Tree Gallery vouchers for distribution to management to provide an additional benefit scheme. The vouchers are issued yearly to qualifying executives and are valid only within the year of issue. The voucher is priced at the face value of the voucher.
- (9) These transactions relate to:
- (i) Sale of goods from Banyan Tree Gallery (Thailand) Limited to related companies is priced at a 20% to 35% discount to the retail price depending on the volume purchased.
 - (ii) Sale of guest and spa supplies of high volume purchases from companies which operate galleries to related companies is priced at cost plus up to 35% margin.
- (10) Training charges by Banyan Tree Hotels & Resorts (Thailand) Limited in respect of providing centralised training facilities and courses for staff. The training costs are allocated to each operation based on actual cost.
- (11) Costs are often incurred within the group which is reimbursed by the company to which the expense relates. Actual costs are reimbursed.

(Unaudited but reviewed)

(12) Rental paid for premises and land. The rental periods are not over three years, except some transactions as stated in (12)(i).

(i) Rental and service fee is on the basis of 5% to 10% of sales revenue which is dependent on criteria such as the location, budgeted sales, term of the lease, size of area leased and type of operation.

<u>Payee</u>	<u>Payer</u>	<u>Rental Period</u>	<u>Expiry Date</u>
BGL	BTRS(T)	30 years	November 2041
LBTL	BTRS(T)	2 years	December 2017

BGL : Bangtao Grande Limited

BTRS(T) : Banyan Tree Resorts & Spas (Thailand) Company Limited

LBTL : Laguna Banyan Tree Limited

(ii) Rental and service income for space in Banyan Tree Phuket for Banyan Tree Spa office and store is at Baht 1,138 per square metre per month.

(iii) Rental of space and service in Canal Village. The charges include rental and related service fees which are at market rate.

(iv) Rental and service income earned by Thai Wah Plaza Limited for renting the office space at Thai Wah Tower I and Banyan Tree Bangkok. The charges include rental and related service fees which are at market rate.

(v) Rental of land and lagoon on which hotel and hotel-related operations are located are at Baht 117,325 and Baht 11,733 per rai per annum respectively.

(vi) Service income from rental of Banyan Tree Management Academy is at Baht 128,750 per month.

(vii) Rental of land on which Spa premises are located is on the basis of Baht 0.7 million per annum.

(viii) Rental and service fee for Banyan Tree Gallery (Singapore)'s office, monthly rental is SGD 4 per square feet.

(13) This relates to a Management Agreement to manage the hotel units of Cheer Golden Limited in the Angsana Resort & Spa on Bintan Island, Indonesia under which Cheer Golden Limited receives a return of 15% per annum on the investment of the leasehold rights.

(Unaudited but reviewed)

(14) Resort service charged to the operations relates to revenue of Laguna Service Company Limited which provides centralised services to each operation in the group located at Laguna Phuket at the following rates:

- Water supply : at the determined price and actual usage
- Laundry charge : at the price based on cost plus a certain margin
- Common area services, : based on actual cost
transportation charges
- Staff buses : at the price based on cost plus a certain margin
- Marketing fee : at the rate of 0.75% of the operations' actual
revenue
- Community service : based on actual cost
- Other services : at the determined price and actual usage

(15) This relates to architectural and interior design services which the fees are based on construction cost at progressive rates which depend on type of services and type of constructions. The fees are consistent with industry practice. As a result, these transactions are on normal commercial terms and conditions.

(16) The Company charges a management fee to Banyan Tree Resorts & Spas (Thailand) Company Limited for providing administration services of information technology and human resources. The monthly fee is Baht 55,000.

The Company has contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of its subsidiaries as follows:

	(Unit: Million Baht)	
	<u>31 March 2016</u>	<u>31 December 2015</u>
Overdrafts and bank guarantee facilities	106	106

Subsidiaries have contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of the Company and other subsidiaries as follows:

	(Unit: Million Baht)	
	<u>31 March 2016</u>	<u>31 December 2015</u>
Short-term loan facilities	170	170
Long-term loan facilities	900	900
Overdrafts and bank guarantee facilities	30	30

(Unaudited but reviewed)

As at 31 March 2016 and 31 December 2015, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Amounts due from related parties				
Subsidiaries	-	-	150,944	143,553
Associated companies	2,602	3,001	-	-
Related companies (related by common shareholders)	41,296	42,929	298	571
Total amounts due from related parties (Note 4)	<u>43,898</u>	<u>45,930</u>	<u>151,242</u>	<u>144,124</u>
Amounts due to related parties				
Subsidiaries	-	-	8,217	5,700
Associated companies	302	302	-	-
Related companies (related by common shareholders)	151,701	162,292	4,145	5,060
Total amounts due to related parties (Note 14)	<u>152,003</u>	<u>162,594</u>	<u>12,362</u>	<u>10,760</u>

Long-term loans to subsidiaries / related company and long-term loans from subsidiaries

As at 31 March 2016 and 31 December 2015, the balance of loans between the Company and those related companies and the movement are as follows:

Long-term loans to subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			31 March 2016
	31 December 2015	Addition	Repayment	
Laguna Banyan Tree Limited	640,100	66,000	(15,000)	691,100
Laguna Lakes Limited	377,301	-	-	377,301
Laguna Grande Limited	125,400	158,000	(65,000)	218,400
Total	<u>1,142,801</u>	<u>224,000</u>	<u>(80,000)</u>	<u>1,286,801</u>

(Unaudited but reviewed)

Long-term loan to related company

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December		Unrealised gain on exchange rate	31 March
	2015	Addition		2016
PT Tropical Amethyst	-	2,205	46	2,251
Total	-	2,205	46	2,251

Long-term loans from subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	31 December		Repayment	31 March
	2015	Addition		2016
Laguna Holiday Club Limited	400	9,000	(4,000)	5,400
Laguna (3) Limited	6,700	-	-	6,700
TWR-Holdings Limited	641,180	221,000	(111,000)	751,180
Total	648,280	230,000	(115,000)	763,280

Directors and management's benefits

During the three-month periods ended 31 March 2016 and 2015, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Short-term employee benefits	23,425	23,970	15,560
Post-employment benefits	598	133	346	66
Other long-term employee benefits	11	9	7	4
Total	24,034	24,112	15,913	12,700

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 21 b).

(Unaudited but reviewed)

6. Property development cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Property for sale under holiday club memberships	418,858	418,914	-	-
Completed buildings	582,585	702,359	11,157	64,749
Land	1,736,119	1,753,237	111,608	111,958
Leasehold land	-	3,000	-	-
Property under construction	887,693	909,632	8,795	8,795
Total	<u>3,625,255</u>	<u>3,787,142</u>	<u>131,560</u>	<u>185,502</u>

Subsidiaries have mortgaged property development cost amounting to Baht 1,282 million (31 December 2015: Baht 1,300 million) as collateral against its credit facilities received from financial institutions.

7. Long-term trade accounts receivable

Long-term trade accounts receivable consist of:

- 7.1 Installments receivable from property sales which bear interest at rates of 4.0% - 12.0% and MLR plus 0.5% per annum and installments are repaid over a period of 2 to 10 years.
- 7.2 Installments receivable from sales of holiday club memberships which bear interest at rates of 7.5% - 9.0% per annum and installments are repaid over a period of 2 to 5 years.

Long-term trade accounts receivable are due as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2016	31 December 2015
Current portion of long-term trade accounts receivable	195,576	174,838
Long-term trade accounts receivable	447,360	457,995
Total	<u>642,936</u>	<u>632,833</u>
Sales of property		
Within 1 year (Note 4)	185,712	161,122
Over 1 year to 5 years	444,084	454,644
Over 5 years	1,381	1,169
Long-term trade accounts receivable - sales of property	<u>631,177</u>	<u>616,935</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2016	31 December 2015
Sales of holiday club memberships		
Within 1 year (Note 4)	9,864	13,716
Over 1 year to 5 years	1,895	2,182
Long-term trade accounts receivable - sales of holiday club memberships	11,759	15,898
Total	642,936	632,833

(Unit: Thousand Baht)

	Separate financial statements	
	31 March 2016	31 December 2015
Current portion of long-term trade accounts receivable	2,379	-
Long-term trade accounts receivable	5,048	-
Total	7,427	-
Sales of property		
Within 1 year (Note 4)	2,379	-
Over 1 year to 5 years	5,048	-
Long-term trade accounts receivable - sales of property	7,427	-

8. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	Million Baht	Million Baht	%	%	Million Baht	Million Baht
Subsidiaries held by the Company						
Banyan Tree Gallery (Singapore) Pte. Limited	SGD 0.43 Million	SGD 0.43 Million	51.0	51.0	4.0	4.0
Banyan Tree Gallery (Thailand) Limited	7.8	7.8	51.0	51.0	4.0	4.0
Laguna Banyan Tree Limited ⁽¹⁾	1,500.0	1,500.0	100.0	100.0	1,325.1	1,325.1
Laguna Holiday Club Limited	330.0	330.0	100.0	100.0	330.0	330.0
Laguna Grande Limited	1,000.0	1,000.0	100.0	100.0	984.8	984.8
Laguna Lakes Limited	1.0	1.0	95.0	95.0	0.9	0.9
Laguna Service Company Limited ⁽²⁾	90.5	90.5	72.9	72.9	22.4	22.4
Laguna (3) Limited	0.1	0.1	100.0	100.0	47.8	47.8
TWR - Holdings Limited	1,550.0	1,550.0	100.0	100.0	1,550.0	1,550.0

(Unaudited but reviewed)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2016	2015	2016	2015	2016	2015
	Million Baht	Million Baht	%	%	Million Baht	Million Baht
<u>Subsidiaries held through TWR - Holdings Limited</u>						
Laguna Excursions Limited	8.0	8.0	49.0	49.0	-	-
Laguna Village Limited	6.0	6.0	100.0	100.0	-	-
Mae Chan Property Company Limited	232.3	232.3	100.0	100.0	-	-
Pai Smart Development Company Limited	28.4	28.4	100.0	100.0	-	-
Phuket Resort Development Limited	100.0	100.0	100.0	100.0	-	-
PT AVC Indonesia	USD 0.9	USD 0.9	100.0	100.0	-	-
	Million	Million				
Talang Development Company Limited	251.0	251.0	50.0	50.0	-	-
Thai Wah Plaza Limited	2,250.0	2,250.0	100.0	100.0	-	-
Thai Wah Tower Company Limited	455.0	455.0	100.0	100.0	-	-
Thai Wah Tower (2) Company Limited	21.0	21.0	100.0	100.0	-	-
Twin Waters Development Company Limited	214.4	214.4	100.0	100.0	-	-
<u>Subsidiaries held through Laguna Grande Limited</u>						
Bangtao (1) Limited	20.9	20.9	100.0	100.0	-	-
Bangtao (2) Limited	19.1	19.1	100.0	100.0	-	-
Bangtao (3) Limited	7.8	7.8	100.0	100.0	-	-
Bangtao (4) Limited	14.6	14.6	100.0	100.0	-	-
Bangtao Development Limited	80.0	80.0	100.0	100.0	-	-
Bangtao Grande Limited	1,546.0	1,546.0	100.0	100.0	-	-
Laguna Central Limited	1.0	1.0	85.0	85.0	-	-
<u>Subsidiary held through Banyan Tree Gallery (Singapore) Pte. Limited</u>						
Lijiang Banyan Tree Gallery Trading Company Limited	USD 75 Thousand	USD 75 Thousand	51.0	51.0	-	-
<u>Subsidiary held through Laguna Holiday Club Limited</u>						
Cheer Golden Limited	-	-	100.0	100.0	-	-
Total investments in subsidiaries					4,269.0	4,269.0

(1) Laguna Banyan Tree Limited is held 49% by the Company and 51% through Bangtao Grande Limited

(2) Laguna Service Company Limited is held by the Company and 2 subsidiaries

A subsidiary has a 49% shareholding in Laguna Excursions Limited. However, the subsidiary has recognised its share of the profits of this subsidiary at 100% after deducting the cumulative preferential annual dividend of 15% of the par value of the preference shares, in accordance with the income sharing percentage in the Articles of Association.

9. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March	31 December	31 March	31 December	31 March	31 December
			2016	2015	2016	2015	2016	2015
			(%)	(%)				
Lijiang Banyan Tree Hotel Co. Ltd.	Hotel operations and property development	The People's Republic of China	49	49	348,414	348,414	362,833	383,087
Tropical Resorts Ltd.	Holding company	Hong Kong	26	26	17,673	17,673	-	-
Less: Allowance for impairment of investment					(17,673)	(17,673)	-	-
					-	-	-	-
Total investments in associates - net					348,414	348,414	362,833	383,087

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of loss from investment in associate	
	For three-month periods ended 31 March	
	2016	2015
Lijiang Banyan Tree Hotel Co. Ltd.	(15,788)	(2,897)

10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	Investment in available-for-sale security			
Thai Wah Public Company Limited	334,627	334,627	31,161	31,161
Unrealised gain on available-for-sale security	237,593	191,197	541,059	494,663
Total investment in available-for-sale security - net	572,220	525,824	572,220	525,824
Investments in other companies				
Bibace Investments Ltd.	188,425	188,425	-	-
Banyan Tree Indochina Hospitality Fund, L.P.	417,940	417,940	-	-
Total investments in other companies	606,365	606,365	-	-
Total other long-term investments - net	1,178,585	1,132,189	572,220	525,824

11. Investment properties

As at 31 March 2016, the subsidiaries have pledged investment properties amounting to approximately Baht 653 million (31 December 2015: Baht 653 million) as collateral against credit facilities received from financial institutions and as security deposit for the litigation in Note 25.

12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
At cost / revaluation value		
Balance as at 31 December 2015	14,792,750	124,655
Additions	95,080	884
Disposals and write off	(4,169)	(64)
Adjustments	(356)	-
Balance as at 31 March 2016	14,883,305	125,475

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Accumulated depreciation		
Balance as at 31 December 2015	(4,093,613)	(75,724)
Depreciation charged for the period	(81,931)	(1,232)
Disposals and write off	3,940	59
Adjustments	(454)	-
Balance as at 31 March 2016	<u>(4,172,058)</u>	<u>(76,897)</u>
Allowance for impairment loss		
Balance as at 31 December 2015	(11,686)	-
Adjustments	233	-
Balance as at 31 March 2016	<u>(11,453)</u>	<u>-</u>
Net book value		
Balance as at 31 December 2015	<u>10,687,451</u>	<u>48,931</u>
Balance as at 31 March 2016	<u>10,699,794</u>	<u>48,578</u>

The Company and subsidiaries arranged for an independent professional valuer to re-appraise the value of certain assets in the report dated 24 December 2013 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the Market Approach.
- Buildings were revalued using the Replacement Cost Approach.

The subsidiaries have mortgaged land and buildings at fair value of Baht 5,530 million (31 December 2015: Baht 5,523 million) as collateral against credit facilities received from financial institutions.

13. Bank overdraft and short-term loans from financial institutions

Short-term loans from financial institutions represent promissory notes with maturity dates within 3 months. Bank overdraft and short-term loans from financial institutions carry interest rate of 3.63% per annum (31 December 2015: 3.65% to 7.37%).

These bank overdraft and short-term loans from financial institutions are secured by the mortgage of plots of land and buildings of its subsidiaries, as described in Note 12 and by the guarantee provided by subsidiaries.

(Unaudited but reviewed)

14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Trade accounts payable	281,150	412,166	1,076	5,703
Amounts due to related parties (Note 5)	152,003	162,594	12,362	10,760
Accrued expenses	132,092	152,078	8,303	10,924
Other payables	143,058	130,671	115	1,876
Service charge payable to hotel staff	28,944	32,150	-	-
Accrued rental to villa owners	116,211	69,594	11,760	5,630
Total	853,458	959,253	33,616	34,893

15. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Value added tax payable	59,249	52,821	3,447	2,854
Unearned income	58,327	43,006	-	-
Other tax payable	63,767	40,888	5,569	1,488
Short-term provision	5,070	3,768	900	150
Total	186,413	140,483	9,916	4,492

16. Long-term loans from financial institutions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Secured	3,207,555	3,289,139	17,500	35,000
Long-term loans are repayable as follows:				
Within 1 year	440,750	469,750	17,500	35,000
Over 1 year to 5 years	1,928,860	1,965,860	-	-
Over 5 years	837,945	853,529	-	-
	2,766,805	2,819,389	-	-
Total	3,207,555	3,289,139	17,500	35,000

(Unaudited but reviewed)

Movements in the long-term loans account during the three-month period ended 31 March 2016 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2015	3,289,139	35,000
Add: Drawdown	49,000	-
Less: Repayments	(130,584)	(17,500)
Balance as at 31 March 2016	<u>3,207,555</u>	<u>17,500</u>

The loans are secured by mortgage of plots of land and buildings of its subsidiaries, as described in Notes 6, 11 and 12. Certain loan is guaranteed by a subsidiary.

The loan agreements contain covenants as specified in the agreements that, among other things, require the Company and its subsidiaries to maintain certain debt to equity and debt service coverage ratios according to the agreements.

As at 31 March 2016, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 722 million (31 December 2015: Baht 771 million).

17. Unsecured debenture

(Unit: Thousand Baht)

	Debenture	Interest rate	Terms	Due date	Consolidated financial statements	
					31 March 2016	31 December 2015
	Debenture No. 1/2015	5.15% p.a.	3 years	24 December 2018	500,000	500,000
	Total debenture, at face value				500,000	500,000
	Less: Unamortised portion of deferred transaction costs				(5,644)	(6,154)
	Total debenture				<u>494,356</u>	<u>493,846</u>

Under rights and responsibilities of debenture issuer, the Company has to comply with certain covenants and restrictions including maintenance of a debt to equity ratio of consolidated financial statements at the rate prescribed in the prospectus.

(Unaudited but reviewed)

18. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	40,354	35,544	-	-
Adjustment in respect of current				
income tax of previous year	701	440	-	-
Deferred tax:				
Relating to origination and reversal of				
temporary differences	23,349	6,113	4,583	(780)
Income tax expense reported in the				
income statement	64,404	42,097	4,583	(780)

19. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	189,713	101,173	18,580	(4,873)
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings (loss) per share (Baht/share)	1.14	0.61	0.11	(0.03)

20. Commitments

Capital commitment

As at 31 March 2016, the Company and its subsidiaries have capital commitments as follows:

- a) The subsidiaries have commitments in respect of constructing new and renovating existing hotel properties amounting to Baht 2 million (31 December 2015: Baht 10 million).
- b) The subsidiaries have commitments that relate to projects to develop properties for sale amounting to Baht 238 million (31 December 2015: Baht 262 million).
- c) A subsidiary entered into an Agreement to Purchase and Sale of Land, having a total land area of 237 rai 1 ngan 39.6 square wah, with a third party. The subsidiary will periodically acquire the land in accordance with terms and conditions as set forth in the aforesaid Agreement. The subsidiary initially acquired the land, having a total area of 53 rai 2 ngan 3.4 square wah. The subsidiary holds the right to acquire the remaining land, having a total area of 183 rai 3 ngan 36.2 square wah, by 1 July 2018. The subsidiary paid the deposit of Baht 65 million and the purchase price of the remaining land shall be increased at rate of 5% on every anniversary date following the date that the Agreement to Purchase and Sale of Land was executed.

Operating agreements

As at 31 March 2016, the Company and its subsidiaries have operating agreements as follows:

- (a) The subsidiaries have entered into operating agreements with certain companies whereby these companies are to operate the subsidiaries' hotel business. In consideration of such services, the subsidiaries are committed to pay remuneration at the rates, terms and basis specified in the agreements. These agreements are summarised below:

(Unaudited but reviewed)

Company	Business unit	Operator	Contract period	Fees
Bangtao Grande Limited	Angsana Laguna Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 30.11.2031	- Royalty fee: 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 30.11.2031	- Management fee: 10% of gross operating profit
Laguna Banyan Tree Limited	Banyan Tree Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.1.2016 - 31.12.2025 (a)	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.1.2016 - 31.12.2025 (a)	- Technical fee: 7.5% of gross operating profit
Thai Wah Plaza Limited	Banyan Tree Bangkok	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 31.12.2021 (b)	- Royalty fee: 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 31.12.2021 (b)	- Management fee: 10% of gross operating profit
Laguna Village Limited	Outrigger Laguna Phuket Resort and Villas	Outrigger Hotels (Thailand) Limited	29.5.2009 - 31.12.2019 (c)	- Basic management fee: 2% of total revenue for the first fiscal year, 2.5% of total revenue for the second fiscal year and 3% of total revenue for the remain fiscal years
				- Incentive fee: 7% of gross operating profit
Phuket Resort Development Limited	Cassia Phuket	Banyan Tree Hotels & Resorts Pte. Limited	20.10.2015 - 19.10.2040 (d)	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	20.10.2015 - 19.10.2040 (d)	- Management fee: 7.5% of gross operating profit

- (a) Operator has option to extend for 1 additional period of 10 years.
(b) Operator has option to extend for 1 additional period of 20 years.
(c) Operator has option to extend for 2 additional periods of 10 years.
(d) Either party may extend the contract period for another 20 years with indefinite number of extension.

(b) The Company and its subsidiaries have commitments in respect of cash rewards options for villa rental scheme agreements. The terms of the agreements are generally 6 years.

As at 31 March 2016 and 31 December 2015, future minimum payments required under these agreements were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Payable within:				
In up to 1 year	37	45	7	3
In over 1 and up to 5 years	60	71	20	6
In over 5 years	3	-	3	-

During the three-month period ended 31 March 2016, the Company and its subsidiaries recognised rental expenses of Baht 15 million (31 March 2015: Baht 23 million) (Separate financial statements: Baht 2 million, 31 March 2015: Baht 3 million).

Servitude over land

As at 31 March 2016, some subsidiaries have land servitude of approximately 10 rai (31 December 2015: 10 rai) at Phuket province, which are presented under property development cost and property, plant and equipment.

21. Guarantees

- a) As at 31 March 2016, there are bank guarantees amounting to Baht 47 million (Separate financial statements: Baht 2 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 2015: Baht 47 million, Separate financial statements: Baht 2 million).
- b) As at 31 March 2016 and 31 December 2015 the Company has the provision of a guarantee for a loan obtained by Lijiang Banyan Tree Hotel Co., Ltd. (LBTH) by issuing the letter of indemnity to its parent company, Banyan Tree Holdings Limited. The provision of the guarantee is to secure the loan of LBTH in proportion to the equity interest of 49.04% of the Company in LBTH (through Laguna Banyan Tree Limited).

22. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the periods of three-month periods ended 31 March 2016 and 2015, respectively.

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 31 March 2016

	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	1,232	439	25	-	1,696
Intersegment revenues	(53)	(2)	(4)	-	(59)
Revenue from external customers	<u>1,179</u>	<u>437</u>	<u>21</u>	<u>-</u>	<u>1,637</u>
Results:					
Segment results	<u>247</u>	<u>100</u>	<u>6</u>	<u>(40)</u>	<u>313</u>
Unallocated income					<u>3</u>
Profit from operations and other income					316
Interest income	-	11	-	-	11
Finance cost	(31)	(18)	-	(2)	(51)
Share of loss from investments in associate	(15)	(1)	-	-	(16)
Profit before income tax expenses					260
Income tax expenses	(47)	(24)	(1)	8	(64)
Profit for the period					<u>196</u>

(Unit: Million Baht)

For the three-month period ended 31 March 2015

	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	1,104	186	28	-	1,318
Intersegment revenues	(54)	(1)	(6)	-	(61)
Revenue from external customers	<u>1,050</u>	<u>185</u>	<u>22</u>	<u>-</u>	<u>1,257</u>
Results:					
Segment results	<u>177</u>	<u>6</u>	<u>4</u>	<u>(50)</u>	<u>137</u>
Unallocated income					<u>43</u>
Profit from operations and other income					180
Interest income	-	4	-	-	4
Finance cost	(25)	(11)	-	(4)	(40)
Share of loss from investments in associate	(1)	(2)	-	-	(3)
Profit before income tax expenses					141
Income tax expenses	(35)	(3)	(1)	(3)	(42)
Profit for the period					<u>99</u>

(Unaudited but reviewed)

23. Foreign currency risk assets/liabilities

The outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currency are as follows:

Foreign currency	Consolidated financial statements				Separate financial statements				Average exchange rate as at	
	Financial assets as at		Financial liabilities as at		Financial assets as at		Financial liabilities as at			
	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	3	3	1	1	-	-	-	-	35.1915	36.0417

24. Fair value of financial instruments

The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 31 March 2016 and 31 December 2015, the Company and its subsidiaries had the following financial assets that were measured at fair value as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements / Separate financial statements			
	31 March 2016			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	572,220	-	-	572,220

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements			
	31 December 2015			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	525,824	-	-	525,824

25. Litigation

A case was brought to the Phuket Provincial Court on 8 October 2009, in which 4 of LRH's affiliated companies and 10 individual directors are the defendants. The plaintiffs referred in the plaint that they purchased units in Allamanda 1 Condominium during 1991 to 1995. The plaintiffs claim the Sale and Purchase Agreement called for common area of approximately 20 rai. On registration of Allamanda 1 Condominium, Allamanda 1 Condominium was registered with only 9 rai 2 ngan 9 square wah. As result, the plaintiffs claim that defendants have breached the Sale and Purchase Agreement. Therefore, the plaintiffs requested the defendants to completely deliver the common area as specified by the Agreement by transfer of the land totaling 10 rai 3 ngan 97.1 square wah to Allamanda 1 Juristic Person, as the 10th plaintiff, or to be jointly liable for the compensation of Baht 132 million in case the transfer of land cannot be made. The plaintiffs also requested for additional compensation in the amount of Baht 56 million for unlawful use of the land which is supposed to be common property of Allamanda 1 Condominium. The total amount of claim is Baht 188 million with interest at the rate of 7.5% per annum from the date the claim was lodged until the defendants have made full payment. The plaintiffs also claimed that the former and current directors, totaling ten, of those subsidiaries as the 5th to 14th defendants were the representatives of the subsidiaries being the 1st to 4th defendants, therefore, must also be jointly liable with those subsidiaries.

The plaintiffs filed a petition with the Court seeking the Court's interim injunction of which the defendants shall not dispose and amend the status of nine plots of land in dispute with land registry office during the trial. On 20 January 2012, the Court granted the interim injunction.

(Unaudited but reviewed)

On 27 June 2014, the Phuket Provincial Court ordered the defendants (1) to transfer the nine plots of land totaling 10 rai 3 ngan 97.1 square wah to the plaintiffs (2) to pay Baht 5,890,956 for unlawful usage of the two plots of land with interest at the rate of 7.5% per annum from the following day after the claim was lodged until payment is made in full (3) to pay Baht 16,000.79 per day from the following day after the claim was lodged until the transfer of aforementioned land has been completed, and (4) to pay a further Baht 500,000 as legal fees to the plaintiffs. On 23 January 2015, the subsidiaries lodged an appeal on the judgement at the Court of First Instance. On 15 October 2015, the Appeal Court ordered the defendants to place a deposit, amounting to Baht 36 million for the monetary compensations that the Court of First Instance has awarded the plaintiffs. On 18 December 2015, the Court has granted the Company's placement of land in Chiang Rai as security for the deposit.

On 19 April 2016, the Appeal Court has issued judgement ordering the defendants to transfer eight plots of land out of nine plots of land as awarded by the Court of First Instance totaling 4 rai 1 ngan 90.9 square wah to be common property of Allamanda 1 Condominium. The Appeal Court also ruled that the defendants did not unlawfully use the land, so the defendants do not have to compensate the plaintiffs. Moreover, the Appeal Court dismissed the plaint against the 5th to 14th defendants as directors.

As at 31 March 2016, subsidiaries have set aside a provision of Baht 40.2 million for liabilities arising as a result of this case (31 December 2015: Baht 40.1 million). This provision will be adjusted as per court order when the case is final.

26. Reclassification

Certain amounts in the financial statements for the three-month period ended 31 March 2015 have been reclassified to conform to the current year's classification but with no effect to previously reported profit (loss) or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	For the three-month ended 31 March 2015			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Income statements				
Cost of hotel operations	521,488	509,235	-	-
Administrative expenses	385,136	397,389	-	-

27. Event after the reporting period

On 26 April 2016, the Annual General Meeting of the Company's shareholders approved the payment of a dividend from the retained earnings as at 31 December 2015 to the Company's shareholders of Baht 0.36 per share, totaling Baht 60.01 million.

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2016.