

Laguna Resorts & Hotels Public Company Limited
and its subsidiaries

Review report and interim consolidated financial statements
For the three-month and nine-month periods ended
30 September 2016



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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 30 September 2016, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2016, and the related consolidated statements of the changes in shareholders' equity, and cash flows for the nine-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 periods. 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*.

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

EY Office Limited

Bangkok: 9 November 2016

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	482,239	859,881	19,130	25,641
Current investment - short-term fixed deposit		12,821	10,720	-	-
Short-term restricted deposit at financial institution		-	75,930	-	-
Trade and other receivables	4	557,170	635,439	189,669	169,472
Inventories		121,589	129,485	-	-
Property development cost	6	3,571,608	3,787,142	120,224	185,502
Other current assets		253,099	200,791	39,453	25,906
Total current assets		4,998,526	5,699,388	368,476	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	388,299	457,995	-	-
Investments in subsidiaries	8	-	-	4,269,026	4,269,026
Investments in associates	9	324,868	383,087	-	-
Other long-term investments	10	1,213,382	1,132,189	607,017	525,824
Long-term loans to subsidiaries	5	-	-	1,144,801	1,142,801
Long-term loan to related company	5	2,171	-	-	-
Investment properties	11	1,126,199	1,120,761	198,225	198,210
Property, plant and equipment	12	10,585,266	10,687,451	49,650	48,931
Deferred tax assets		100,869	113,539	-	-
Goodwill		407,904	407,904	-	-
Leasehold rights		14,547	17,279	-	-
Other non-current assets		76,603	69,460	1,301	1,352
Total non-current assets		14,242,327	14,391,884	6,272,198	6,188,322
Total assets		19,240,853	20,091,272	6,640,674	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 30 September 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 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	689,515	959,253	34,172	34,893
Current portion of long-term loans from financial institutions					
	16	561,110	469,750	-	35,000
Income tax payable		23,455	62,548	-	-
Advance received from customers		424,690	546,545	10,640	405
Other current liabilities	15	129,401	140,483	10,837	4,492
Total current liabilities		2,188,171	2,733,383	315,649	334,790
Non-current liabilities					
Long-term loans from subsidiaries	5	-	-	697,130	648,280
Long-term loans from financial institutions					
- net of current portion	16	2,525,052	2,819,389	-	-
Unsecured debenture	17	495,392	493,846	-	-
Provision for long-term employee benefits		60,902	63,605	15,053	15,353
Long-term provision - provision for legal case	26	40,464	40,133	-	-
Deferred tax liabilities		2,159,337	2,166,335	221,717	208,255
Other non-current liabilities		104,350	99,409	5,742	5,696
Total non-current liabilities		5,385,497	5,682,717	939,642	877,584
Total liabilities		7,573,668	8,416,100	1,255,291	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		2,604,383	2,642,748	846,749	908,790
Other components of shareholders' equity		4,274,067	4,239,617	597,671	532,716
Equity attributable to owner of the Company		11,387,544	11,391,459	5,385,383	5,382,469
Equity attributable to non-controlling interests					
of the subsidiaries		279,641	283,713	-	-
Total shareholders' equity		11,667,185	11,675,172	5,385,383	5,382,469
Total liabilities and shareholders' equity		19,240,853	20,091,272	6,640,674	6,594,843

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 30 September 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		711,490	580,531	5,271	3,048
Revenue from property development operations		148,038	494,538	17,940	10,119
Revenue from office rental operations		22,598	19,548	6,341	5,792
Interest income		9,508	4,137	18,594	10,586
Other income		10,466	3,443	16,945	16,643
Total revenue		902,100	1,102,197	65,091	46,188
Expenses					
Cost of hotel operations		447,460	399,726	6,226	4,663
Cost of property development operations		98,081	335,193	11,373	7,782
Cost of office rental operations		13,338	10,615	1,862	1,774
Selling expenses		69,981	79,529	254	644
Administrative expenses		348,879	321,766	38,672	39,701
Total expenses		977,739	1,146,829	58,387	54,564
Profit (loss) before share of loss from investment in associate, finance cost and income tax expenses		(75,639)	(44,632)	6,704	(8,376)
Share of loss from investment in associate	9	(4,312)	(1,511)	-	-
Profit (loss) before finance cost and income tax expenses		(79,951)	(46,143)	6,704	(8,376)
Finance cost		(45,716)	(41,625)	(14,569)	(6,017)
Loss before income tax expenses		(125,667)	(87,768)	(7,865)	(14,393)
Income tax expenses	18	11,904	1,244	2,989	2,523
Loss for the period		(113,763)	(86,524)	(4,876)	(11,870)
Profit (loss) attributable to:					
Equity holders of the Company		(103,707)	(88,194)	(4,876)	(11,870)
Non-controlling interests of the subsidiaries		(10,056)	1,670		
		(113,763)	(86,524)		
Basic earnings per share					
Loss attributable to equity holders of the Company	19	(0.62)	(0.53)	(0.03)	(0.07)

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 30 September 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Loss for the period		<u>(113,763)</u>	<u>(86,524)</u>	<u>(4,876)</u>	<u>(11,870)</u>
Other comprehensive income (loss):					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(678)	2,878	-	-
Unrealised gain (loss) on available-for-sales security, net of income tax		6,186	(7,665)	6,186	(7,665)
Share of other comprehensive income (loss) of associate	9	(2,870)	21,126	-	-
Other comprehensive income (loss) for the period		<u>2,638</u>	<u>16,339</u>	<u>6,186</u>	<u>(7,665)</u>
Total comprehensive income (loss) for the period		<u>(111,125)</u>	<u>(70,185)</u>	<u>1,310</u>	<u>(19,535)</u>
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		(100,807)	(72,724)	1,310	(19,535)
Non-controlling interests of the subsidiaries		(10,318)	2,539		
		<u>(111,125)</u>	<u>(70,185)</u>		

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

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Income statement

For the nine-month period ended 30 September 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		2,570,906	2,235,142	29,030	26,384
Revenue from property development operations		959,650	870,782	117,290	10,447
Revenue from office rental operations		67,572	65,459	19,290	25,225
Interest income		32,328	13,410	56,506	46,998
Other income		37,912	75,481	57,473	61,734
Total revenue		3,668,368	3,260,274	279,589	170,788
Expenses					
Cost of hotel operations		1,459,665	1,342,171	24,269	20,771
Cost of property development operations		607,554	549,230	65,316	7,782
Cost of office rental operations		41,097	33,358	5,313	5,392
Selling expenses		245,848	252,606	3,158	1,031
Administrative expenses		1,043,711	1,009,834	121,190	127,898
Total expenses		3,397,875	3,187,199	219,246	162,874
Profit before share of loss from investment in associate, finance cost and income tax expenses					
Share of loss from investment in associate	9	(34,759)	(23,755)	-	-
Profit before finance cost and income tax expenses		235,734	49,320	60,343	7,914
Finance cost		(145,195)	(122,497)	(45,154)	(23,598)
Profit (loss) before income tax expenses		90,539	(73,177)	15,189	(15,684)
Income tax expenses	18	(57,651)	(34,645)	2,777	7,445
Profit (loss) for the period		32,888	(107,822)	17,966	(8,239)
Profit (loss) attributable to:					
Equity holders of the Company		37,187	(108,350)	17,966	(8,239)
Non-controlling interests of the subsidiaries		(4,299)	528		
		32,888	(107,822)		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	19	0.22	(0.65)	0.11	(0.05)

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 nine-month period ended 30 September 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
Note	2016	2015	2016	2015
Profit (loss) for the period	32,888	(107,822)	17,966	(8,239)
Other comprehensive income (loss):				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	(2,363)	6,989	-	-
Unrealised gain on available-for-sales security, net of income tax	64,955	35,771	64,955	35,771
Share of other comprehensive income (loss) of associate	9 (23,460)	32,496	-	-
Other comprehensive income (loss) for the period	39,132	75,236	64,955	35,771
Total comprehensive income (loss) for the period	72,020	(32,586)	82,921	27,532
Total comprehensive income (loss) attributable to:				
Equity holders of the Company	76,092	(34,165)	82,921	27,532
Non-controlling interests of the subsidiaries	(4,072)	1,579		
	72,020	(32,586)		

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 nine-month period ended 30 September 2016

(Unit: Thousand Baht)

	Consolidated financial statements											
	Equity attributable to the owners of the Company											
	Other components of shareholders' equity										Total shareholders' equity	
	Other comprehensive income											
Issued and fully paid-up share capital	Share premium	Capital reserve	Retained earnings		Revaluation surplus on assets	Unrealised gain on available-for-sale securities	Share of other comprehensive income (loss) of associate	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	
			Appropriated - statutory reserve	Unappropriated								
			Appropriated - statutory reserve	Unappropriated								
Balance as at 1 January 2015	1,666,827	2,052,461	568,131	2,482,806	17,219	3,935,218	54,239	127,424	4,134,100	11,126,000	281,631	11,407,631
Profit (loss) for the period	-	-	-	(108,350)	-	-	-	-	-	(108,350)	528	(107,822)
Other comprehensive income (loss) for the period	-	-	-	-	5,918	-	35,771	32,496	74,185	74,185	1,051	75,236
Total comprehensive income (loss) for the period	-	-	-	-	5,918	-	35,771	32,496	74,185	(34,165)	1,579	(32,586)
Dividend paid (Note 20)	-	-	-	(20,835)	-	-	-	-	-	(20,835)	-	(20,835)
Balance as at 30 September 2015	1,666,827	2,052,461	568,131	2,353,621	23,137	3,935,218	90,010	159,920	4,208,285	11,071,000	283,210	11,354,210
Balance as at 1 January 2016	1,666,827	2,052,461	568,131	2,642,748	18,855	3,921,717	152,958	146,087	4,238,617	11,391,459	283,713	11,675,172
Profit (loss) for the period	-	-	-	37,187	-	-	-	-	-	37,187	(4,299)	32,888
Other comprehensive income (loss) for the period	-	-	-	-	(2,590)	-	64,955	(23,460)	38,905	38,905	227	39,132
Total comprehensive income (loss) for the period	-	-	-	-	(2,590)	-	64,955	(23,460)	38,905	76,092	(4,072)	72,020
Dividend paid (Note 20)	-	-	-	(80,007)	-	-	-	-	-	(80,007)	-	(80,007)
Reversal of revaluation surplus on disposal of assets	-	-	-	4,455	-	(4,455)	-	-	(4,455)	-	-	-
Balance as at 30 September 2016	1,666,827	2,052,461	568,131	2,604,383	16,265	3,917,262	217,913	122,627	4,274,057	11,387,544	279,641	11,667,185

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 nine-month period ended 30 September 2016

(Unit: Thousand Baht)

Separate financial statements

	Other components of shareholders' equity									
	Retained earnings					Other comprehensive income		Total other components of shareholders' equity		
	Issued and fully paid-up share capital	Share premium	Appropriated - Statutory reserve	Unappropriated	Revaluation surplus on assets	Unrealised gain on available-for-sales security	Unrealised gain on security	Revaluation surplus on assets	Unrealised gain on available-for-sales security	Total
Balance as at 1 January 2015	1,666,827	2,062,461	211,675	957,046	136,986	297,011	433,997	136,986	297,011	5,332,006
Loss for the period	-	-	-	(8,239)	-	-	-	-	-	(8,239)
Other comprehensive income (loss) for the period	-	-	-	-	-	35,771	35,771	-	35,771	35,771
Total comprehensive income (loss) for the period	-	-	-	(8,239)	-	35,771	35,771	-	35,771	27,532
Dividend paid (Note 20)	-	-	-	(20,835)	-	-	-	-	-	(20,835)
Balance as at 30 September 2015	1,666,827	2,062,461	211,675	927,972	136,986	332,782	469,768	136,986	332,782	5,338,703
Balance as at 1 January 2016	1,666,827	2,062,461	211,675	908,790	136,986	395,730	532,716	136,986	395,730	5,382,469
Profit for the period	-	-	-	17,966	-	-	-	-	-	17,966
Other comprehensive income (loss) for the period	-	-	-	-	-	64,955	64,955	-	64,955	64,955
Total comprehensive income (loss) for the period	-	-	-	17,966	-	64,955	64,955	-	64,955	82,921
Dividend paid (Note 20)	-	-	-	(80,007)	-	-	-	-	-	(80,007)
Balance as at 30 September 2016	1,666,827	2,062,461	211,675	846,749	136,986	460,685	597,671	136,986	460,685	5,385,383

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 nine-month period ended 30 September 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	90,539	(73,177)	15,189	(15,684)
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	251,570	233,314	4,145	3,400
Amortisation of leasehold rights	2,678	1,932	-	-
Amortisation of transaction costs related to debenture issuance	1,546	-	-	-
Allowance for doubtful accounts (reversal)	20,002	14,921	(438)	-
Reduction of inventory to net realisable value	1,119	292	-	-
Share of loss from investment in associate	34,759	23,755	-	-
Unrealised loss on exchange rate	33	-	-	-
Loss (gain) on sale of property, plant and equipment	115	(217)	4	(4)
Write off property, plant and equipment	137	520	-	-
Dividend income from other long-term investment	(27,838)	(25,551)	(27,838)	(25,551)
Provision for long-term employee benefits	4,032	5,928	425	720
Provision for loss on compensation claim	332	1,368	-	-
Forfeited money from property units	-	(13,494)	-	-
Loss (gain) on change in fair value of investment properties	-	3,033	-	(7,570)
Interest income	(32,328)	(13,410)	(56,506)	(46,998)
Interest expenses	145,195	122,497	45,154	23,598
Profit (loss) from operating activities before changes in operating assets and liabilities	491,891	281,711	(19,865)	(68,089)
Operating assets (increase) decrease				
Trade and other receivables	58,255	80,765	(19,248)	13,487
Inventories	6,777	(16,987)	-	-
Property development cost	256,744	(734,961)	65,278	7,765
Other current assets	(35,518)	(43,001)	(11,066)	(1,366)
Long-term trade accounts receivable	69,697	(89,366)	-	-
Other non-current assets	(7,143)	(1,362)	52	(9)
Operating liabilities increase (decrease)				
Trade and other payables	(269,272)	34,552	(1,381)	12,998
Advance received from customers	(121,855)	195,388	10,235	(526)
Other current liabilities	(11,087)	(12,848)	6,345	(1,016)
Provision for long-term employee benefits	(6,735)	(5,390)	(725)	(1,342)
Other non-current liabilities	4,941	10,753	47	(186)
Cash flows from (used in) operating activities	436,695	(300,746)	29,672	(38,284)
Cash received for interest income	32,340	13,365	55,995	53,861
Cash paid for interest expenses	(154,798)	(118,996)	(44,494)	(25,092)
Cash paid for income tax	(124,388)	(70,400)	(2,482)	(4,001)
Net cash flows from (used in) operating activities	189,849	(476,777)	38,691	(13,516)

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 nine-month period ended 30 September 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	75,930	-	-	-
Increase in current investment - short-term fixed deposit	(2,101)	(73)	-	-
Cash paid for purchase of investment in subsidiaries	-	-	-	(790,001)
Cash received from long-term loans to subsidiaries	-	-	456,600	2,973,320
Cash paid for long-term loans to subsidiaries	-	-	(458,600)	(1,602,100)
Cash paid for long-term loans to related company	(2,205)	-	-	-
Cash received from sales of property, plant and equipment	119	604	2	4
Cash paid for acquisition of property, plant and equipment	(181,107)	(306,619)	(4,870)	(8,360)
Cash paid for acquisition of investment properties	(5,438)	(2,103)	(15)	-
Dividend received from other long-term investment	27,838	25,551	27,838	25,551
Net cash flows from (used in) investing activities	(86,964)	(282,640)	20,955	598,414
Cash flows from financing activities				
Payment of dividends	(80,007)	(20,835)	(80,007)	(20,835)
Increase (decrease) in bank overdrafts and short-term loans				
from financial institution	(194,803)	194,452	-	50,000
Draw down of long-term loans from subsidiaries	-	-	411,800	531,380
Repayment of long-term loans from subsidiaries	-	-	(362,950)	(1,094,850)
Draw down of long-term loans from financial institutions	278,000	1,014,400	-	-
Repayment of long-term loans from financial institutions	(480,977)	(449,000)	(35,000)	(52,500)
Net cash flows from (used in) financing activities	(477,787)	739,017	(68,157)	(586,805)
Net exchange differences on translation of financial statements in foreign currency	(2,740)	6,043	-	-
Net decrease in cash and cash equivalents	(377,642)	(14,357)	(6,511)	(1,907)
Cash and cash equivalents at beginning of period	859,881	444,633	25,641	17,675
Cash and cash equivalents at end of period	482,239	430,276	19,130	15,768
Supplemental cash flows information				
Non-cash items				
Share of comprehensive income (loss) of associate	(23,460)	32,496	-	-
Transferred property development cost to property, plant and equipment	-	11,683	-	-
Transferred property, plant and equipment to property development cost	31,199	-	-	-
Reversal of revaluation surplus on disposal of assets	4,455	-	-	-
Interest recorded as property development cost	10,011	-	-	-

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the nine-month period ended 30 September 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.

On 1 August 2016, Outrigger Laguna Phuket Resort and Villas changed the hotel name to Angsana Villas Resort Phuket.

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	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Cash	4,909	7,831	146	143
Bank deposits	477,330	852,050	18,984	25,498
Total	482,239	859,881	19,130	25,641

(Unaudited but reviewed)

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	211,438	302,851	8,199	6,172
Less: Allowance for doubtful accounts	(54,069)	(37,578)	(990)	(1,429)
Trade accounts receivable - hotel operations, net	157,369	265,273	7,209	4,743
Trade accounts receivable - sales of property				
- Installments due	29,115	81,076	1,376	3,760
Current portion of long-term trade				
accounts receivable (Note 7)	191,973	161,122	-	-
Trade accounts receivable - sales of property, net	221,088	242,198	1,376	3,760
Trade accounts receivable - sales of holiday club				
memberships - Installments due	83,656	10,323	-	-
Current portion of long-term trade				
accounts receivable (Note 7)	5,584	13,716	-	-
Trade accounts receivable - sales of holiday club				
memberships, net	89,240	24,039	-	-
Trade accounts receivable - net	467,697	531,510	8,585	8,503
<u>Other receivables</u>				
Amounts due from related parties (Note 5)	37,535	45,930	152,915	144,124
Other receivables	24,362	33,582	777	3,904
Insurance claim receivable	95	8,071	-	-
Accrued other income	351	3,603	262	233
Interest receivable	29	41	29	6
Accrued rental income	27,101	12,702	27,101	12,702
Total other receivables	89,473	103,929	181,084	160,969
Trade and other receivables, net	557,170	635,439	189,669	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	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
<u>Age of receivables</u>				
Not yet due	50,077	121,415	2,676	329
Past due				
Up to 30 days	54,201	75,418	363	486
31 - 60 days	19,385	14,646	369	440
61 - 90 days	9,506	5,473	232	413
91 - 120 days	3,523	7,691	1,978	4,504
Over 120 days	74,746	78,208	2,581	-
Total	211,438	302,851	8,199	6,172
Less: Allowance for doubtful debts	(54,069)	(37,578)	(990)	(1,429)
Trade accounts receivable - hotel operations, net	<u>157,369</u>	<u>265,273</u>	<u>7,209</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	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
<u>Age of receivables</u>				
Not yet due	21,055	65,088	1,376	3,760
Past due				
Up to 30 days	7,648	6,277	-	-
31 - 60 days	390	5,310	-	-
61 - 90 days	-	3,122	-	-
91 - 120 days	-	515	-	-
Over 120 days	22	764	-	-
Trade accounts receivable - sales of property - installment due, net	<u>29,115</u>	<u>81,076</u>	<u>1,376</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	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
<u>Age of receivables</u>				
Not yet due	12,756	662	-	-
Past due				
Up to 30 days	15,603	2,253	-	-
31 - 60 days	7,039	780	-	-
61 - 90 days	20,083	550	-	-
91 - 120 days	8,285	300	-	-
Over 120 days	19,890	5,778	-	-
Trade accounts receivable - sales of holiday club membership - installment due, net	<u>83,656</u>	<u>10,323</u>	<u>-</u>	<u>-</u>

5. Related party transactions

During the periods, 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 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2016	2015	2016	2015	
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Guarantee fee expenses	-	-	-	2	(3) agreed basis
Interest income	-	-	18	11	(5) agreement
Interest expenses	-	-	12	1	(5) agreement
Management fee income	-	-	9	11	(4), (7) agreed basis

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 30 September

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2016	2015	2016	2015	
<u>Transactions with subsidiaries (continued)</u>					
Reimbursement receipts	-	-	-	7	(11) agreed basis
Reimbursement payments	-	-	2	3	(11) agreed basis
Rental and service income	-	-	2	2	(12)(i), (iii) agreement
Rental and service expenses	-	-	-	2	(12)(iv), (v) agreement
Resort service expenses	-	-	3	1	(14) agreed basis
<u>Transactions with associate</u>					
Inter resort receipts	-	1	-	-	(1) agreed basis
Reimbursement receipts	-	-	-	-	(11) agreed basis
Rental and service expenses	1	-	-	-	(12)(i) agreement
Sale of goods	-	2	-	-	(9) agreed basis
<u>Transactions with related companies</u>					
Inter resort payments	20	17	-	-	(1) agreed basis
Management fee income	1	-	1	-	(16), (17) agreement
Management fee expenses	50	68	-	2	(6), (15) agreement
Sale of gallery vouchers	-	1	-	-	(8) agreed basis
Purchase (return) of spa & gallery vouchers	-	(1)	-	-	(2), (8) agreed basis
Sale of goods	2	7	-	-	(9) agreed basis
Reimbursement receipts	16	14	3	1	(11) agreed basis
Reimbursement payments	16	9	3	2	(11) agreed basis
Rental and service income	11	9	-	-	(12)(i), (ii), (iv), (vi), (vii) agreement
Rental and service expenses	-	1	-	-	(12)(viii) agreement
Rental return on hotel units	-	1	-	-	(13) agreement
Resort service income	1	2	-	-	(14) agreed basis
Spa service expenses	-	1	-	-	(2) agreed basis
Training charges	2	3	-	-	(10) agreed basis

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2016	2015	2016	2015	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Guarantee fee income	-	-	-	1	(3) agreed basis
Guarantee fee expenses	-	-	-	4	(3) agreed basis
Interest income	-	-	56	47	(5) agreement
Interest expenses	-	-	38	9	(5) agreement
Management fee income	-	-	27	28	(4), (7) agreed basis
Reimbursement receipts	-	-	2	12	(11) agreed basis
Reimbursement payments	-	-	7	9	(11) agreed basis
Rental and service income	-	-	6	8	(12)(i), (iii) agreement
Rental and service expenses	-	-	3	5	(12)(iv), (v) agreement
Resort service expenses	-	-	7	7	(14) agreed basis
<u>Transactions with associates</u>					
Inter resort receipts	-	2	-	-	(1) agreed basis
Reimbursement payments	1	1	-	-	(11) agreed basis
Rental and service expenses	1	-	-	-	(12)(i) agreement
Sale of goods	-	4	-	-	(9) agreed basis
<u>Transactions with related companies</u>					
Credit card commission receipts	1	1	-	-	(1) agreed basis
Inter resort payments	64	59	-	-	(1) agreed basis
Management fee income	2	1	1	-	(16), (17) agreement
Management fee expenses	205	200	-	2	(6), (15) agreement
Sale of gallery vouchers	-	1	-	-	(8) agreed basis
Purchase of spa & gallery vouchers	7	7	2	2	(2), (8) agreed basis
Sale of goods	13	30	-	-	(9) agreed basis
Reimbursement receipts	63	50	5	2	(11) agreed basis
Reimbursement payments	39	37	6	8	(11) agreed basis
Rental and service income	33	26	-	-	(12)(i), (ii), (iv), (vi), (vii) agreement
Rental and service expenses	-	1	-	-	(12)(viii) agreement
Rental return on hotel units	4	3	-	-	(13) agreement
Resort service income	5	6	-	-	(14) agreed basis
Spa service expenses	-	1	-	-	(2) agreed basis
Training charges	8	11	-	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.
- (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 21 and consist of a royalty agreement, hotel management agreement and technical assistance agreement. The payment terms of the contracts are as follows:

(Unaudited but reviewed)

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), Cassia Phuket (Phuket Resort Development Limited) and Angsana Villas Resort Phuket (Laguna Village 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 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. Cassia Phuket and Angsana Villas Resort Phuket pay a hotel management fee of 7.5% of gross operating profit.
- (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. The rate has been reduced to 2% of total actual hotel revenue since 1 July 2016.
 - 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.

(Unaudited but reviewed)

- (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.
- (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.

(Unaudited but reviewed)

- (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. This contract terminated in 2015.
- (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.
- (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.
- (17) This relates to management fee charge to related companies for providing operational, visual and product training services. The fee are annual fee at SGD according to each agreement plus 15% of gross operating profit.

(Unaudited but reviewed)

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>30 September 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>30 September 2016</u>	<u>31 December 2015</u>
Short-term loan facilities	150	170
Long-term loan facilities	900	900
Overdrafts and bank guarantee facilities	20	30

As at 30 September 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	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Amounts due from related parties				
Subsidiaries	-	-	151,758	143,553
Associated companies	2,975	3,001	-	-
Related companies (related by common shareholders)	34,560	42,929	1,157	571
Total amounts due from related parties (Note 4)	<u>37,535</u>	<u>45,930</u>	<u>152,915</u>	<u>144,124</u>
Amounts due to related parties				
Subsidiaries	-	-	8,794	5,700
Associated companies	302	302	-	-
Related companies (related by common shareholders)	80,109	162,292	3,908	5,060
Total amounts due to related parties (Note 14)	<u>80,411</u>	<u>162,594</u>	<u>12,702</u>	<u>10,760</u>

(Unaudited but reviewed)

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

As at 30 September 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			30 September 2016
	31 December 2015	Addition	Repayment	
Laguna Banyan Tree Limited	640,100	175,000	(220,000)	595,100
Laguna Holiday Club Limited	-	22,600	(17,600)	5,000
Laguna Lakes Limited	377,301	-	(47,000)	330,301
Laguna Grande Limited	125,400	261,000	(172,000)	214,400
Total	1,142,801	458,600	(456,600)	1,144,801

Long-term loan to related company

(Unit: Thousand Baht)

	Consolidated financial statements			30 September 2016
	31 December 2015	Addition	Unrealised loss on exchange rate	
PT Tropical Amethyst	-	2,205	(34)	2,171
Total	-	2,205	(34)	2,171

Long-term loans from subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			30 September 2016
	31 December 2015	Addition	Repayment	
Laguna Holiday Club Limited	400	16,000	(16,400)	-
Laguna (3) Limited	6,700	18,800	(750)	24,750
TWR-Holdings Limited	641,180	377,000	(345,800)	672,380
Total	648,280	411,800	(362,950)	697,130

Directors and management's benefits

During the nine-month periods ended 30 September 2016 and 2015, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	74,532	78,671	47,710	44,332
Post-employment benefits	1,859	398	1,076	197
Other long-term employee benefits	33	27	21	11
Total	<u>76,424</u>	<u>79,096</u>	<u>48,807</u>	<u>44,540</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 22 b).

6. Property development cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30	31	30	31
	September	December	September	December
	2016	2015	2016	2015
Property for sale under holiday club memberships	410,919	418,914	-	-
Completed buildings	536,043	702,359	-	64,749
Land	1,714,617	1,753,237	111,429	111,958
Leasehold land	-	3,000	-	-
Property under construction	910,029	909,632	8,795	8,795
Total	<u>3,571,608</u>	<u>3,787,142</u>	<u>120,224</u>	<u>185,502</u>

Subsidiaries have mortgaged property development cost amounting to Baht 1,009 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 5% - 12% and MLR plus 0.5% per annum and installments are repaid over a period of 2 to 10 years.

(Unaudited but reviewed)

- 7.2 Installments receivable from sales of holiday club memberships which bear interest at rates of 7.5% - 9% 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	
	30 September 2016	31 December 2015
Current portion of long-term trade accounts receivable	197,557	174,838
Long-term trade accounts receivable	388,299	457,995
Total	585,856	632,833
Sales of property		
Within 1 year (Note 4)	191,973	161,122
Over 1 year to 5 years	385,496	454,644
Over 5 years	985	1,169
Long-term trade accounts receivable - sales of property	578,454	616,935
Sales of holiday club memberships		
Within 1 year (Note 4)	5,584	13,716
Over 1 year to 5 years	1,818	2,182
Long-term trade accounts receivable - sales of holiday club memberships	7,402	15,898
Total	585,856	632,833

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	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 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	SGD 0.43	51.0	51.0	4.0	4.0
	Million	Million				
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	
	30 September	31 December	30 September	31 December	30 September	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 Samart 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

Company's name	Nature of business	Country of incorporation	Consolidated financial statements				(Unit: Thousand Baht)	
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 September	31 December	30 September	31 December	30 September	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	324,868	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	324,868	383,087

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements								
Company's name	Share of loss from investments in associate				Share of other comprehensive income (loss) from investments in associate			
	For the three-month periods ended		For the nine-month periods ended		For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September		30 September		30 September	
	2016	2015	2016	2015	2016	2015	2016	2015
Lijiang Banyan Tree Hotel Co., Ltd.	(4,312)	(1,511)	(34,759)	(23,755)	(2,870)	21,126	(23,460)	32,496

10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 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	272,390	191,197	575,856	494,663
Total investment in available-for-sale security - net	607,017	525,824	607,017	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	1,213,382	1,132,189	607,017	525,824

11. Investment properties

As at 30 September 2016, the subsidiaries have pledged investment properties amounting to approximately Baht 654 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 26.

(Unaudited but reviewed)

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	181,242	4,869
Disposals and write off	(8,141)	(114)
Transfer to property development cost	(45,783)	-
Adjustments	(807)	-
Balance as at 30 September 2016	<u>14,919,261</u>	<u>129,410</u>
Accumulated depreciation		
Balance as at 31 December 2015	(4,093,613)	(75,724)
Depreciation charged for the period	(252,270)	(4,145)
Disposals and write off	7,770	109
Transfer to property development cost	14,584	-
Adjustments	520	-
Balance as at 30 September 2016	<u>(4,323,009)</u>	<u>(79,760)</u>
Allowance for impairment loss		
Balance as at 31 December 2015	(11,686)	-
Adjustments	700	-
Balance as at 30 September 2016	<u>(10,986)</u>	<u>-</u>
Net book value		
Balance as at 31 December 2015	<u>10,687,451</u>	<u>48,931</u>
Balance as at 30 September 2016	<u>10,585,266</u>	<u>49,650</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 6,799 million (31 December 2015: Baht 5,523 million) as collateral against credit facilities received from financial institutions.

(Unaudited but reviewed)

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.

14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
September	December	September	December	
2016	2015	2016	2015	
Trade accounts payable	243,855	412,166	2,535	5,703
Amounts due to related parties (Note 5)	80,411	162,594	12,702	10,760
Accrued expenses	170,767	152,078	12,492	10,924
Other payables	95,867	130,671	115	1,876
Service charge payable to hotel staff	13,887	32,150	-	-
Accrued rental to villa owners	84,728	69,594	6,328	5,630
Total	689,515	959,253	34,172	34,893

15. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
September	December	September	December	
2016	2015	2016	2015	
Value added tax payable	39,345	52,821	3,999	2,854
Unearned income	29,930	43,006	-	-
Other tax payable	51,339	40,888	5,788	1,488
Short-term provision	8,787	3,768	1,050	150
Total	129,401	140,483	10,837	4,492

(Unaudited but reviewed)

16. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Secured	<u>3,086,162</u>	<u>3,289,139</u>	<u>-</u>	<u>35,000</u>
Long-term loans are repayable as follows:				
Within 1 year	561,110	469,750	-	35,000
Over 1 year to 5 years	1,992,500	1,965,860	-	-
Over 5 years	532,552	853,529	-	-
	<u>2,525,052</u>	<u>2,819,389</u>	<u>-</u>	<u>-</u>
Total	<u>3,086,162</u>	<u>3,289,139</u>	<u>-</u>	<u>35,000</u>

Movements in the long-term loans account during the nine-month period ended 30 September 2016 are summarised below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 31 December 2015	3,289,139		35,000	
Add: Drawdown	278,000		-	
Less: Repayments	(480,977)		(35,000)	
Balance as at 30 September 2016	<u>3,086,162</u>		<u>-</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 30 September 2016, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 493 million (31 December 2015: Baht 771 million).

(Unaudited but reviewed)

17. Unsecured debenture

(Unit: Thousand Baht)

Debenture	Interest rate	Terms	Due date	Consolidated financial statements	
				30 September	31 December
				2016	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				(4,608)	(6,154)
Total debenture				495,392	493,846

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

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 and nine-month periods ended 30 September 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	15,031	4,806	-	-
Adjustment in respect of current income tax of previous year	7	116	-	-
Write off prepaid withholding tax	-	385	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(26,942)	(6,551)	(2,989)	(2,523)
Income tax expense reported in the income statement	(11,904)	(1,244)	(2,989)	(2,523)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	70,150	53,564	-	-
Adjustment in respect of current income				
tax of previous year	(1,645)	3,606	-	-
Write off prepaid withholding tax	-	7,857	-	-
Deferred tax:				
Relating to origination and reversal of				
temporary differences	(10,854)	(30,382)	(2,777)	(7,445)
Income tax expense reported in the				
income statement	<u>57,651</u>	<u>34,645</u>	<u>(2,777)</u>	<u>(7,445)</u>

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 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Loss attributable to equity holders of the Company (Thousand Baht)	(103,707)	(88,194)	(4,876)	(11,870)
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Loss per share (Baht/share)	(0.62)	(0.53)	(0.03)	(0.07)
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	37,187	(108,350)	17,966	(8,239)
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings (loss) per share (Baht/share)	0.22	(0.65)	0.11	(0.05)

20. Dividend

Dividend declared in nine-month periods ended 30 September 2016 and 2015 consist of:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividend	Board of Directors' Meeting on 10 August 2016	20.00	0.12
Dividends on 2015 retained earnings	Annual General Meeting of the shareholders on 26 April 2016	60.01	0.36
Total		80.01	
Dividends on 2014 retained earnings	Annual General Meeting of the shareholders on 27 April 2015	20.84	0.125
Total		20.84	

21. CommitmentsCapital commitment

As at 30 September 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 57 million (31 December 2015: Baht 10 million).
- b) The subsidiaries have commitments that relate to projects to develop properties for sale amounting to Baht 163 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 30 September 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:

Company	Business unit	Operator	Contract period	Fees
Banglao 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	Angsana Villas Resort Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.8.2016 - 31.7.2041 (c)	- Royalty fee: 2% of total revenue - Management fee: 7.5% of gross operating profit
		Banyan Tree Hotels & Resorts (Thailand) Limited	20.10.2015 - 19.10.2040 (c)	- Royalty fee: 2% of total revenue
Phuket Resort Development Limited	Cassia Phuket	Banyan Tree Hotels & Resorts Pte. Limited	20.10.2015 - 19.10.2040 (c)	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	20.10.2015 - 19.10.2040 (c)	- 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) 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.

(Unaudited but reviewed)

As at 30 September 2016 and 31 December 2015, future minimum payments required under these agreements were as follows:

	Consolidated		(Unit: Million Baht) Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2016	2015	2016	2015
Payable within:				
In up to 1 year	33	45	7	3
In over 1 and up to 5 years	46	71	18	6
In over 5 years	1	-	1	-

During the nine-month period ended 30 September 2016, the Company and its subsidiaries recognised rental expenses of Baht 35 million (2015: Baht 70 million) (Separate financial statements: Baht 5 million, 2015: Baht 7 million).

Servitude over land

As at 30 September 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.

22. Guarantees

- a) As at 30 September 2016, there are bank guarantees amounting to Baht 50 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 30 September 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).

23. 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 and nine-month periods ended 30 September 2016 and 2015, respectively.

(Unit: Million Baht)

	For the three-month period ended 30 September 2016				Total
	Hotel Business	Property Development	Office Rental	Head Office	
Revenue:					
Segment revenue					
Total revenues	758	159	26	-	943
Intersegment revenues	(46)	(11)	(3)	-	(60)
Revenue from external customers	<u>712</u>	<u>148</u>	<u>23</u>	<u>-</u>	<u>883</u>
Results:					
Segment results	<u>(55)</u>	<u>7</u>	<u>4</u>	<u>(52)</u>	<u>(96)</u>
Unallocated income					11
Loss from operations and other income					(85)
Interest income	-	9	-	-	9
Finance cost	(27)	(18)	-	(1)	(46)
Share of loss from investment in associate	(4)	-	-	-	(4)
Loss before income tax expenses					(126)
Income tax expenses	7	(1)	(1)	7	12
Loss for the period					<u>(114)</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 September 2015

	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	626	496	24	-	1,146
Intersegment revenues	(46)	(1)	(4)	-	(51)
Revenue from external customers	<u>580</u>	<u>495</u>	<u>20</u>	<u>-</u>	<u>1,095</u>
Results:					
Segment results	<u>(123)</u>	<u>103</u>	<u>5</u>	<u>(37)</u>	<u>(52)</u>
Unallocated income					<u>3</u>
Loss from operations and other income					(49)
Interest income	-	4	-	-	4
Finance cost	(24)	(14)	-	(4)	(42)
Share of loss from investment in associate	(1)	-	-	-	(1)
Loss before income tax expenses					(88)
Income tax expenses	20	(25)	(1)	7	1
Loss for the period					<u>(87)</u>

(Unit: Million Baht)

For the nine-month period ended 30 September 2016

	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	2,724	973	80	-	3,777
Intersegment revenues	(153)	(13)	(12)	-	(178)
Revenue from external customers	<u>2,571</u>	<u>960</u>	<u>68</u>	<u>-</u>	<u>3,599</u>
Results:					
Segment results	<u>117</u>	<u>203</u>	<u>13</u>	<u>(133)</u>	<u>200</u>
Unallocated income					<u>38</u>
Profit from operations and other income					238
Interest income	1	30	-	1	32
Finance cost	(86)	(53)	-	(6)	(145)
Share of loss from investment in associate	(34)	(1)	-	-	(35)
Profit before income tax expenses					90
Income tax expenses	(21)	(56)	(3)	23	(57)
Profit for the period					<u>33</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2015

	Hotel	Property	Office	Head Office	Total
	Business	Development	Rental		
Revenue:					
Segment revenue					
Total revenues	2,378	871	81	-	3,330
Intersegment revenues	(143)	-	(16)	-	(159)
Revenue from external customers	2,235	871	65	-	3,171
Results:					
Segment results	(45)	138	20	(128)	(15)
Unallocated income					75
Profit from operations and other income					60
Interest income	1	12	-	-	13
Finance cost	(73)	(37)	-	(12)	(122)
Share of loss from investment in associate	(21)	(3)	-	-	(24)
Loss before income tax expenses					(73)
Income tax expenses	2	(39)	(4)	6	(35)
Loss for the period					(108)

24. 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:

	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			
	30	31	30	31	30	31	30	31	30	31
Foreign	September	December	September	December	September	December	September	December	September	December
currency	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	-	-	-	-	34.8523	36.0417

25. 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.

(Unaudited but reviewed)

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 30 September 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			
	30 September 2016			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	607,017	-	-	607,017

(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

26. 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.

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.

(Unaudited but reviewed)

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. On 4 October 2016, the defendants submitted the request of submitting the appeal to the Supreme Court and the appeal statement. On 25 October 2016, the defendants also submitted the counter - statement to object the request of submitting the appeal of the plaintiffs.

As at 30 September 2016, subsidiaries have set aside a provision of Baht 40.5 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.

27. Reclassification

Certain amounts in the financial statements for the three-month and nine-month periods ended 30 September 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 30 September 2015			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Income statements				
Cost of hotel operations	399,726	388,843	-	-
Administrative expenses	321,766	332,649	-	-
Statement of comprehensive income				
Exchange differences on translation of financial statements in foreign currency	2,878	24,004	-	-
Share of other comprehensive income (loss) of associate	21,126	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month ended 30 September 2015			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Income statements				
Cost of hotel operations	1,342,171	1,304,789	-	-
Administrative expenses	1,009,834	1,047,216	-	-
Statement of comprehensive income				
Exchange differences on translation of financial statements in foreign currency	6,969	39,465	-	-
Share of other comprehensive income (loss) of associate	32,496	-	-	-

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 November 2016.