

Laguna Resorts & Hotels Public Company Limited  
and its subsidiaries  
Review report and interim consolidated financial statements  
For the three-month period ended 31 March 2017



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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 31 March 2017, the related consolidated statements of income, 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 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*.

Rosaporn Decharkom  
Certified Public Accountant (Thailand) No. 5659

EY Office Limited  
Bangkok: 4 May 2017

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	667,969	669,770	33,585	18,206
Current investment - short-term fixed deposit		12,885	12,885	-	-
Trade and other receivables	4	648,109	671,732	214,623	182,268
Inventories		122,164	114,938	-	-
Property development cost	6	3,564,138	3,539,955	120,487	120,224
Other current assets		173,603	156,820	25,899	20,638
<b>Total current assets</b>		<b>5,188,868</b>	<b>5,166,100</b>	<b>394,594</b>	<b>341,336</b>
<b>Non-current assets</b>					
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	343,013	393,401	-	-
Investments in subsidiaries	8	-	-	4,269,026	4,269,026
Investments in associates	9	1,071,325	1,082,788	777,454	777,454
Other long-term investments	10	606,365	606,365	-	-
Long-term loans to subsidiaries	5	-	-	1,008,501	1,116,001
Investment properties	11	1,152,056	1,149,511	186,037	186,038
Property, plant and equipment	12	11,683,822	11,742,224	54,590	55,672
Deferred tax assets		83,334	83,964	-	-
Goodwill		407,904	407,904	-	-
Leasehold rights		13,584	14,206	-	-
Other non-current assets		76,900	76,666	1,301	1,301
<b>Total non-current assets</b>		<b>15,440,522</b>	<b>15,559,248</b>	<b>6,299,087</b>	<b>6,407,670</b>
<b>Total assets</b>		<b>20,629,390</b>	<b>20,725,348</b>	<b>6,693,681</b>	<b>6,749,006</b>

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 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	13	480,000	515,000	260,000	265,000
Trade and other payables	14	698,006	819,842	51,583	34,285
Current portion of long-term loans from financial institutions	16	655,110	590,860	500	-
Income tax payable		74,042	43,802	-	-
Advance received from customers		360,394	391,617	288	491
Other current liabilities	15	205,441	163,640	14,615	9,822
<b>Total current liabilities</b>		<b>2,472,993</b>	<b>2,524,761</b>	<b>326,986</b>	<b>309,598</b>
<b>Non-current liabilities</b>					
Long-term loans from subsidiaries	5	-	-	617,180	746,680
Long-term loans from financial institutions - net of current portion	16	2,309,660	2,456,961	74,500	-
Unsecured debenture	17	496,423	495,913	-	-
Provision for long-term employee benefits		60,393	59,611	15,003	14,906
Long-term provision - provision for legal case	24	40,685	40,575	-	-
Deferred tax liabilities		2,348,716	2,356,960	106,372	107,471
Other non-current liabilities		110,664	105,265	5,861	5,742
<b>Total non-current liabilities</b>		<b>5,366,541</b>	<b>5,515,285</b>	<b>818,916</b>	<b>874,799</b>
<b>Total liabilities</b>		<b>7,839,534</b>	<b>8,040,046</b>	<b>1,145,902</b>	<b>1,184,397</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
<b>Registered</b>					
211,675,358 ordinary shares of Baht 10 each		2,116,754	2,116,754	2,116,754	2,116,754
<b>Issued and fully paid-up</b>					
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	-	-
<b>Retained earnings</b>					
<b>Appropriated - statutory reserve</b>					
Appropriated		211,675	211,675	211,675	211,675
<b>Unappropriated</b>					
Unappropriated		3,062,800	2,952,374	1,464,097	1,480,927
Other components of shareholders' equity		4,928,736	4,935,427	142,719	142,719
<b>Equity attributable to owner of the Company</b>		<b>12,500,630</b>	<b>12,396,895</b>	<b>5,547,779</b>	<b>5,564,609</b>
<b>Equity attributable to non-controlling interests of the subsidiaries</b>		<b>289,226</b>	<b>288,407</b>	<b>-</b>	<b>-</b>
<b>Total shareholders' equity</b>		<b>12,789,856</b>	<b>12,685,302</b>	<b>5,547,779</b>	<b>5,564,609</b>
<b>Total liabilities and shareholders' equity</b>		<b>20,629,390</b>	<b>20,725,348</b>	<b>6,693,681</b>	<b>6,749,006</b>

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

Directors

(Unaudited but reviewed)

## Laguna Resorts &amp; Hotels Public Company Limited and its subsidiaries

## Income statement

For the three-month period ended 31 March 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Revenue</b>					
Revenue from hotel operations		1,171,318	1,179,015	21,173	16,947
Revenue from property development operations		144,754	437,307	-	99,261
Revenue from office rental operations		26,048	21,338	5,767	6,600
Interest income		8,876	11,338	16,462	18,968
Other income		4,884	3,204	13,764	9,949
<b>Total revenue</b>		<b>1,355,880</b>	<b>1,652,202</b>	<b>57,166</b>	<b>151,725</b>
<b>Expenses</b>					
Cost of hotel operations		570,291	575,836	11,159	12,836
Cost of property development operations		88,108	285,073	-	53,943
Cost of office rental operations		14,178	12,462	1,648	1,725
Selling expenses		94,974	98,087	61	5,208
Administrative expenses		403,180	352,780	48,575	39,704
<b>Total expenses</b>		<b>1,170,731</b>	<b>1,324,238</b>	<b>61,443</b>	<b>113,416</b>
<b>Profit (loss) before share of loss from investment</b>					
<b>in associate, finance cost and income tax expenses</b>		<b>185,149</b>	<b>327,964</b>	<b>(4,277)</b>	<b>38,309</b>
Share of loss from investment in associates	9	(1,066)	(15,788)	-	-
<b>Profit (loss) before finance cost and income tax expenses</b>		<b>184,083</b>	<b>312,176</b>	<b>(4,277)</b>	<b>38,309</b>
Finance cost		(47,007)	(51,196)	(13,652)	(15,146)
<b>Profit (loss) before income tax expenses</b>		<b>137,076</b>	<b>260,980</b>	<b>(17,929)</b>	<b>23,163</b>
Income tax expenses	18	(26,119)	(64,404)	1,099	(4,583)
<b>Profit (loss) for the period</b>		<b>110,957</b>	<b>196,576</b>	<b>(16,830)</b>	<b>18,580</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		110,426	189,713	(16,830)	18,580
Non-controlling interests of the subsidiaries		531	6,863		
		<b>110,957</b>	<b>196,576</b>		
<b>Basic earnings per share</b>					
Profit (loss) attributable to equity holders of the Company	19	0.66	1.14	(0.10)	0.11

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 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit (loss) for the period</b>		<u>110,957</u>	<u>196,576</u>	<u>(16,830)</u>	<u>18,580</u>
<b>Other comprehensive income (loss):</b>					
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		3,993	456	-	-
Unrealised gain on available-for-sales security, net of income tax		-	37,117	-	37,117
Share of other comprehensive income (loss) of associates	9	(10,396)	(4,465)	-	-
<b>Other comprehensive income (loss) for the period</b>		<u>(6,403)</u>	<u>33,108</u>	<u>-</u>	<u>37,117</u>
<b>Total comprehensive income (loss) for the period</b>		<u>104,554</u>	<u>229,684</u>	<u>(16,830)</u>	<u>55,697</u>
<b>Total comprehensive income (loss) attributable to:</b>					
Equity holders of the Company		103,735	222,246	<u>(16,830)</u>	<u>55,697</u>
Non-controlling interests of the subsidiaries		819	7,438		
		<u>104,554</u>	<u>229,684</u>		

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

(Unaudited but reviewed)

Laguna Resorts &amp; Hotels Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to the owners of the Company													
					Other components of shareholders' equity								
					Other comprehensive income				Equity attributable to non-controlling interests of the subsidiaries				
Issued and fully paid-up			Retained earnings		Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Unrealised gain on available-for-sales security	Share of other comprehensive income (loss) of associates	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Total equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
share capital	Share premium	Capital reserve	Appropriated - statutory reserve	Unappropriated									
Balance as at 1 January 2016	1,666,827	2,062,461	568,131	211,675	2,642,748	108,623	3,921,717	152,958	56,319	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	-	-	-	-	-	(119)	-	37,117	(4,465)	32,533	32,533	575	33,108
Total comprehensive income (loss) for the period	-	-	-	-	189,713	(119)	-	37,117	(4,465)	32,533	222,246	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	568,131	211,675	2,833,258	108,504	3,920,920	190,075	51,854	4,271,353	11,613,705	291,151	11,904,856
Balance as at 1 January 2017	1,666,827	2,062,461	568,131	211,675	2,952,374	105,635	4,801,621	-	28,171	4,935,427	12,396,895	288,407	12,685,302
Profit for the period	-	-	-	-	110,426	-	-	-	-	-	110,426	531	110,957
Other comprehensive income (loss) for the period	-	-	-	-	-	3,705	-	-	(10,396)	(6,691)	(6,691)	288	(6,403)
Total comprehensive income (loss) for the period	-	-	-	-	110,426	3,705	-	-	(10,396)	(6,691)	103,735	819	104,554
Balance as at 31 March 2017	1,666,827	2,062,461	568,131	211,675	3,062,800	109,340	4,801,621	-	17,775	4,928,736	12,500,630	289,226	12,789,856

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 2017

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid-up share capital		Retained earnings		Other components of shareholders' equity			Total shareholders' equity
					Other comprehensive income		Total other components of shareholders' equity	
					Revaluation surplus on assets	Unrealised gain on available-for-sales security		
Share premium	Appropriated - Statutory reserve	Unappropriated						
Balance as at 1 January 2016	1,666,827	2,062,461	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	1,666,827	2,062,461	211,675	927,370	136,986	432,847	569,833	5,438,166
Balance as at 1 January 2017	1,666,827	2,062,461	211,675	1,480,927	142,719	-	142,719	5,564,609
Loss for the period	-	-	-	(16,830)	-	-	-	(16,830)
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	(16,830)	-	-	-	(16,830)
Balance as at 31 March 2017	1,666,827	2,062,461	211,675	1,464,097	142,719	-	142,719	5,547,779

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



(Unaudited but reviewed)

## Laguna Resorts &amp; Hotels Public Company Limited and its subsidiaries

## Cash flow statement

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax expenses	137,076	260,980	(17,929)	23,163
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	87,111	81,698	1,546	1,232
Amortisation of leasehold rights	645	2,645	-	-
Amortisation of transaction costs related to debenture issuance	510	510	-	-
Allowance for doubtful accounts (reversal)	(10,778)	(1,004)	1,730	(1,429)
Reduction of inventory to net realisable value	510	57	-	-
Share of loss from investments in associates	1,066	15,788	-	-
Unrealised gain on exchange rate	-	(46)	-	-
Loss (gain) on sale of property, plant and equipment	(52)	78	-	4
Write off property, plant and equipment	39	100	-	-
Provision for long-term employee benefits	1,337	1,331	97	222
Provision for loss on compensation claim	110	110	-	-
Forfeited money from property units	(12,522)	-	-	-
Interest income	(8,876)	(11,338)	(16,462)	(18,968)
Interest expenses	47,007	51,196	13,652	15,146
Profit (loss) from operating activities before changes in operating assets and liabilities	243,183	402,105	(17,366)	19,370
Operating assets (increase) decrease				
Trade and other receivables	34,360	(92,346)	(19,282)	(17,065)
Inventories	(7,736)	9,410	-	-
Property development cost	(8,863)	164,533	(263)	53,942
Other current assets	(12,456)	5,736	(4,154)	(8,489)
Long-term trade accounts receivable	50,388	10,635	-	(5,048)
Other non-current assets	(234)	(7,393)	-	47
Operating liabilities increase (decrease)				
Trade and other payables	(122,928)	(103,844)	6,285	(2,688)
Advance received from customers	(31,223)	(162,002)	(203)	3,328
Other current liabilities	41,865	45,926	4,793	5,424
Provision for long-term employee benefits	(555)	(2,206)	-	(122)
Other non-current liabilities	5,399	8,497	119	-
Cash flows from (used in) operating activities	191,200	279,051	(30,071)	48,699
Cash received for interest income	8,918	11,365	1,660	17,681
Cash paid for interest expenses	(48,713)	(54,784)	(2,640)	(13,735)
Cash paid for income tax	(7,859)	(7,597)	(1,107)	(626)
<b>Net cash flows from (used in) operating activities</b>	<b>143,546</b>	<b>228,035</b>	<b>(32,158)</b>	<b>52,019</b>

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

(Unaudited but reviewed)

## Laguna Resorts &amp; Hotels Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Decrease in short-term restricted deposit at financial institution	-	7,439	-	-
Cash received from long-term loans to subsidiaries	-	-	235,500	80,000
Cash paid for long-term loans to subsidiaries	-	-	(128,000)	(224,000)
Cash paid for long-term loans to related company	-	(2,205)	-	-
Cash paid for acquisition of investment properties	(2,545)	(7)	-	(7)
Cash received from sales of property, plant and equipment	368	51	1	1
Cash paid for acquisition of property, plant and equipment	(30,490)	(95,080)	(464)	(884)
<b>Net cash flows from (used in) investing activities</b>	<b>(32,667)</b>	<b>(89,802)</b>	<b>107,037</b>	<b>(144,890)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institutions	(35,000)	(194,804)	(5,000)	-
Draw down of long-term loans from subsidiaries	-	-	50,000	230,000
Repayment of long-term loans from subsidiaries	-	-	(179,500)	(115,000)
Draw down of long-term loans from financial institutions	86,688	49,000	75,000	-
Repayment of long-term loans from financial institutions	(169,739)	(130,584)	-	(17,500)
<b>Net cash flows from (used in) financing activities</b>	<b>(118,051)</b>	<b>(276,388)</b>	<b>(59,500)</b>	<b>97,500</b>
Net exchange differences on translation of financial statements in foreign currency	5,371	(13)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,801)</b>	<b>(138,168)</b>	<b>15,379</b>	<b>4,629</b>
Cash and cash equivalents at beginning of period	669,770	859,881	18,206	25,641
<b>Cash and cash equivalents at end of period</b>	<b>667,969</b>	<b>721,713</b>	<b>33,585</b>	<b>30,270</b>
<b>Supplemental cash flows information</b>				
<b>Non-cash items</b>				
Share of comprehensive income (loss) of associates	(10,396)	(4,465)	-	-
Reversal of revaluation surplus on disposal of assets	-	797	-	-
Interest recorded as property development cost	2,798	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 consolidated financial statements**

**For the three-month period ended 31 March 2017**

**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, Angsana Villas Resort Phuket 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 and Laguna Golf Bintan), 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, 7<sup>th</sup>, 22<sup>nd</sup> and 24<sup>th</sup> 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 2016) 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.

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 2016. 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 and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 and its subsidiaries' 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 2016.

**3. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Cash	5,409	7,712	136	144
Bank deposits	662,560	662,058	33,449	18,062
Total	<u>667,969</u>	<u>669,770</u>	<u>33,585</u>	<u>18,206</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
	2017	2016	2017	2016
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	232,516	290,920	5,936	8,034
Less: Allowance for doubtful accounts	(40,545)	(52,436)	(3,288)	(1,559)
Trade accounts receivable - hotel operations, net	191,971	238,484	2,648	6,475
Trade accounts receivable - sales of property				
- Installments due	29,151	41,083	-	-
Current portion of long-term trade accounts receivable (Note 7)	203,949	204,135	-	-
Trade accounts receivable - sales of property, net	233,100	245,218	-	-
Trade accounts receivable - sales of holiday club memberships - installments due and trade account receivable from sales and marketing service for holiday club memberships	106,424	93,485	-	-
Current portion of long-term trade accounts receivable (Note 7)	5,900	5,481	-	-
Trade accounts receivable - sales of holiday club memberships and sales and marketing service for holiday club memberships, net	112,324	98,966	-	-
Trade accounts receivable - net	537,395	582,668	2,648	6,475
<u>Other receivables</u>				
Amounts due from related parties (Note 5)	48,964	39,455	173,442	158,582
Other receivables	17,852	30,335	118	341
Insurance claim receivable	3,240	98	-	-
Accrued other income	2,435	2,431	192	175
Interest receivable	44	86	44	37
Accrued rental income	38,179	16,659	38,179	16,658
Total other receivables	110,714	89,064	211,975	175,793
Trade and other receivables, net	648,109	671,732	214,623	182,268

(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 2017	31 December 2016	31 March 2017	31 December 2016
<b><u>Age of receivables</u></b>				
Not yet due	80,185	126,587	157	163
Past due				
Up to 30 days	64,890	68,472	310	312
31 - 60 days	21,802	11,368	264	306
61 - 90 days	9,402	10,584	131	2,297
91 - 120 days	4,064	1,898	337	310
Over 120 days	52,173	72,011	4,737	4,646
Total	232,516	290,920	5,936	8,034
Less: Allowance for doubtful debts	(40,545)	(52,436)	(3,288)	(1,559)
Trade accounts receivable - hotel operations, net	<u>191,971</u>	<u>238,484</u>	<u>2,648</u>	<u>6,475</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<b><u>Age of receivables</u></b>				
Not yet due	211,977	222,918	-	-
Past due				
Up to 30 days	8,700	7,460	-	-
31 - 60 days	3,588	4,503	-	-
61 - 90 days	1,798	2,738	-	-
91 - 120 days	1,228	1,900	-	-
Over 120 days	5,809	5,699	-	-
Trade accounts receivable - sales of property - net	<u>233,100</u>	<u>245,218</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

The balances of installments due of trade accounts receivable - holiday club memberships and trade account receivable from sales and marketing service for holiday club memberships, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<b><u>Age of receivables</u></b>				
Not yet due	776	17,900	-	-
Past due				
Up to 30 days	3,063	18,415	-	-
31 - 60 days	9,930	4,972	-	-
61 - 90 days	26,889	5,883	-	-
91 - 120 days	19,859	6,923	-	-
Over 120 days	45,907	39,392	-	-
Trade accounts receivable - sales of holiday club memberships - installments due and trade account receivable from sales and marketing service for holiday club memberships - net	<u>106,424</u>	<u>93,485</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 31 March				Transfer pricing policy
	Consolidated		Separate		
	2017	2016	2017	2016	
<b><u>Transactions with subsidiaries</u></b> (eliminated from the consolidated financial statements)					
Guarantee fee expenses	-	-	1	-	(3) agreed basis
Interest income	-	-	16	19	(5) agreement
Interest expenses	-	-	11	13	(5) agreement
Management fee income	-	-	11	9	(4), (7) agreement
Reimbursement receipts	-	-	4	1	(11) agreed basis
Reimbursement payments	-	-	3	3	(11) agreed basis
Rental and service income	-	-	1	2	(12)(i), (iii) agreement
Rental and service expenses	-	-	2	2	(12)(iv), (v) agreement
Resort service expenses	-	-	1	1	(14) 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		
	2017	2016	2017	2016	
<u>Transactions with associates</u>					
Reimbursement payments	-	1	-	-	(11) agreed basis
<u>Transactions with related companies</u>					
Inter resort payments	23	25	-	-	(1) agreed basis
Management fee income	1	-	-	-	(16) agreement
Management fee expenses	86	101	-	-	(6), (15) agreement
Purchase of spa & gallery vouchers	8	5	2	1	(2), (8) agreed basis
Sale of goods	7	7	-	-	(9) agreed basis
Reimbursement receipts	13	23	2	1	(11) agreed basis
Reimbursement payments	14	25	3	2	(11) agreed basis
Rental and service income	12	12	-	-	(12)(i), (ii), (iv), (vi), (vii) agreement
Rental return on hotel units	1	4	-	-	(13) agreement
Resort service income	2	2	-	-	(14) agreed basis
Training charges	2	2	-	-	(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.



(Unaudited but reviewed)

- (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 charged 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), 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.

(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. 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, Angsana Villas Resort 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 3 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.

(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:

(Unaudited but reviewed)

- Water supply : at the determined price and actual usage
- Laundry charge : at the price based on cost plus a certain margin
- Common area services, transportation charges : based on actual cost
- 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.

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 2017</u>	<u>31 December 2016</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 2017</u>	<u>31 December 2016</u>
Short-term loan facilities	150	150
Long-term loan facilities	900	900
Overdrafts and bank guarantee facilities	20	20

(Unaudited but reviewed)

As at 31 March 2017 and 31 December 2016 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 2017	31 December 2016	31 March 2017	31 December 2016	
<b>Amounts due from related parties</b>				
Subsidiaries	-	-	169,988	156,971
Associated companies	4,571	4,140	-	-
Related companies (related by common shareholders)	44,393	35,315	3,454	1,611
Total amounts due from related parties (Note 4)	<u>48,964</u>	<u>39,455</u>	<u>173,442</u>	<u>158,582</u>
<b>Amounts due to related parties</b>				
Subsidiaries	-	-	25,013	12,138
Associated companies	387	376	-	-
Related companies (related by common shareholders)	99,400	105,207	5,672	2,891
Total amounts due to related parties (Note 14)	<u>99,787</u>	<u>105,583</u>	<u>30,685</u>	<u>15,029</u>

#### Long-term loans to subsidiaries and long-term loans from subsidiaries

As at 31 March 2017 and 31 December 2016, 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 December 2016	Addition	Repayment	31 March 2017
Laguna Banyan Tree Limited	659,100	32,000	(114,000)	577,100
Laguna Holiday Club Limited	1,000	1,000	(2,000)	-
Laguna Lakes Limited	324,301	3,000	(20,000)	307,301
Laguna Grande Limited	131,600	92,000	(99,500)	124,100
Total	<u>1,116,001</u>	<u>128,000</u>	<u>(235,500)</u>	<u>1,008,501</u>

(Unaudited but reviewed)

### Long-term loans from subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	31 December		31 March	
	2016	Addition	Repayment	2017
Laguna Holiday Club Limited	-	28,000	(22,500)	5,500
Laguna (3) Limited	24,000	-	-	24,000
TWR-Holdings Limited	722,680	22,000	(157,000)	587,680
Total	746,680	50,000	(179,500)	617,180

### Directors and management's benefits

During the three-month periods ended 31 March 2017 and 2016, 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	
	2017	2016	2017	2016
Short-term employee benefits	27,045	23,425	16,607	15,560
Post-employment benefits	704	598	390	346
Other long-term employee benefits	9	11	6	7
Total	27,758	24,034	17,003	15,913

### Guarantee obligations with related parties

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

## 6. Property development cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Property for sale under holiday club memberships	412,187	414,537	-	-
Completed buildings	480,806	461,796	-	-
Land	1,695,270	1,699,661	111,429	111,429
Property under construction	975,875	963,961	9,058	8,795
Total	3,564,138	3,539,955	120,487	120,224

(Unaudited but reviewed)

Subsidiaries have mortgaged property development cost amounting to Baht 1,032 million (31 December 2016: Baht 1,029 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.
- 7.2 Installments receivable from sales of holiday club memberships which bear interest at rates of 8% - 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	
	31 March 2017	31 December 2016
Current portion of long-term trade accounts receivable	209,849	209,616
Long-term trade accounts receivable	343,013	393,401
Total	<u>552,862</u>	<u>603,017</u>
Sales of property		
Within 1 year (Note 4)	203,949	204,135
Over 1 year to 5 years	338,646	389,862
Over 5 years	427	588
Long-term trade accounts receivable - sales of property	<u>543,022</u>	<u>594,585</u>
Sales of holiday club memberships		
Within 1 year (Note 4)	5,900	5,481
Over 1 year to 5 years	3,940	2,951
Long-term trade accounts receivable - sales of holiday club memberships	<u>9,840</u>	<u>8,432</u>
Total	<u>552,862</u>	<u>603,017</u>

## 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	31 December	31 March	31 December	31 March	31 December
	2017	2016	2017	2016	2017	2016
	Million Baht	Million Baht	%	%	Million Baht	Million Baht
<b><u>Subsidiaries held by the Company</u></b>						
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 <sup>(1)</sup>	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 <sup>(2)</sup>	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
<b><u>Subsidiaries held through TWR - Holdings Limited</u></b>						
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 Million	USD 0.9 Million	100.0	100.0	-	-
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	-	-
<b><u>Subsidiaries held through Laguna Grande Limited</u></b>						
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	-	-
<b><u>Subsidiary held through Banyan Tree Gallery (Singapore) Pte. Limited</u></b>						
Lijiang Banyan Tree Gallery Trading Company Limited	USD 75 Thousands	USD 75 Thousands	51.0	51.0	-	-
<b><u>Subsidiary held through Laguna Holiday Club Limited</u></b>						
Cheer Golden Limited	-	-	100.0	100.0	-	-
<b>Total investments in subsidiaries</b>					<b>4,269.0</b>	<b>4,269.0</b>

(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.



(Unaudited but reviewed)

## 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 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
			(%)	(%)				
Lijiang Banyan Tree Hotel Co. Ltd.	Hotel operations and property development	The People's Republic of China	49	49	348,414	348,414	281,052	305,334
Tropical Resorts Ltd.	Holding company	Hong Kong	26	26	17,673	17,673	-	-
Less: Allowance for impairment of investment					(17,673)	(17,673)	-	-
Thai Wah Public Company Limited	Manufacture and distribution of vermicelli, tapioca starch and other food products	Thailand	10.03	10.03	777,454	777,454	790,273	777,454
Total investments in associates - net					1,125,868	1,125,868	1,071,325	1,082,788

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost			
			31 March 2017	31 December 2016	31 March 2017	31 December 2016		
			(%)	(%)				
Thai Wah Public Company Limited	Manufacture and distribution of vermicelli, tapioca starch and other food products	Thailand	10.03	10.03	777,454	777,454		
Total					777,454	777,454		

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of profit (loss) from investments in associates		Share of other comprehensive income (loss) from investments in associates	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2017	2016	2017	2016
Lijiang Banyan Tree Hotel Co., Ltd.	(14,608)	(15,788)	(9,673)	(4,465)
Thai Wah Public Company Limited	13,542	-	(723)	-
Total	(1,066)	(15,788)	(10,396)	(4,465)

(Unaudited but reviewed)

## 10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2017	31 December 2016
<b>Investments in other companies</b>		
Bibace Investments Ltd.	188,425	188,425
Banyan Tree Indochina Hospitality Fund, L.P.	417,940	417,940
<b>Total other long-term investments</b>	<b>606,365</b>	<b>606,365</b>

## 11. Investment properties

As at 31 March 2017, the subsidiaries have pledged investment properties amounting to approximately Baht 663 million (31 December 2016: Baht 663 million) as collateral against credit facilities received from financial institutions and as security deposit for the litigation in Note 24.

## 12. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>At cost / revaluation value</b>		
Balance as at 31 December 2016	16,178,831	142,322
Additions	30,490	464
Disposals and write off	(4,209)	(4)
Adjustments	(1,573)	-
Balance as at 31 March 2017	<b>16,203,539</b>	<b>142,782</b>
<b>Accumulated depreciation</b>		
Balance as at 31 December 2016	(4,431,514)	(86,650)
Depreciation charged for the period	(87,154)	(1,546)
Disposals and write off	3,854	4
Adjustments	147	-
Balance as at 31 March 2017	<b>(4,514,667)</b>	<b>(88,192)</b>
<b>Allowance for impairment loss</b>		
Balance as at 31 December 2016	(5,093)	-
Adjustments	43	-
Balance as at 31 March 2017	<b>(5,050)</b>	<b>-</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value</b>		
Balance as at 31 December 2016	11,742,224	55,672
Balance as at 31 March 2017	11,683,822	54,590

The Company and subsidiaries arranged for an independent professional valuer to re-appraise the value of certain assets in the report dated 14 October 2016 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 or Income Approach.

The subsidiaries have mortgaged land and buildings at fair value of Baht 7,445 million (31 December 2016: Baht 7,824 million) as collateral against credit facilities received from financial institutions.

### 13. Short-term loans from financial institutions

Short-term loans from financial institutions represent promissory notes with maturity dates within 3 months. Short-term loans from financial institutions carry interest rate of 3.63% per annum (31 December 2016: 3.63% to 5.00%).

These 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 financial statements		Separate financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Trade accounts payable	203,998	316,377	1,281	927
Amounts due to related parties (Note 5)	99,787	105,583	30,685	15,029
Accrued expenses	140,473	164,454	8,978	10,686
Other payables	98,390	100,181	115	114
Service charge payable to hotel staff	25,850	36,128	-	-
Accrued rental to villa owners	129,508	97,119	10,524	7,529
Total	698,006	819,842	51,583	34,285

(Unaudited but reviewed)

**15. Other current liabilities**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2017	2016	2017	2016
Value added tax payable	61,552	56,478	6,946	4,086
Unearned income	69,397	39,709	1,309	-
Other tax payable	68,328	57,248	5,310	4,686
Short-term provision	6,164	10,205	1,050	1,050
<b>Total</b>	<b>205,441</b>	<b>163,640</b>	<b>14,615</b>	<b>9,822</b>

**16. Long-term loans from financial institutions**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2017	2016	2017	2016
Secured	2,964,770	3,047,821	75,000	-
Long-term loans are repayable as follows:				
Within 1 year	655,110	590,860	500	-
Over 1 year to 5 years	2,001,860	2,125,182	15,500	-
Over 5 years	307,800	331,779	59,000	-
	2,309,660	2,456,961	74,500	-
<b>Total</b>	<b>2,964,770</b>	<b>3,047,821</b>	<b>75,000</b>	<b>-</b>

Movements in the long-term loans account during the three-month period ended 31 March 2017 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2016	3,047,821	-
Add: Drawdown	86,688	75,000
Less: Repayments	(169,739)	-
<b>Balance as at 31 March 2017</b>	<b>2,964,770</b>	<b>75,000</b>

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.

(Unaudited but reviewed)

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 2017, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 385 million (31 December 2016: Baht 472 million).

## 17. Unsecured debenture

				(Unit: Thousand Baht)	
				Consolidated financial statements	
				31 March	31 December
Debenture	Interest rate	Terms	Due date	2017	2016
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				(3,577)	(4,087)
Total debenture				496,423	495,913

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 periods ended 31 March 2017 and 2016 are made up as follows:

				(Unit: Thousand Baht)			
				For the three-month periods ended 31 March			
				Consolidated		Separate	
				financial statements		financial statements	
				2017	2016	2017	2016
<b>Current income tax:</b>							
Interim corporate income tax charge				33,773	40,354	-	-
Adjustment in respect of current income tax of previous year				-	701	-	-
<b>Deferred tax:</b>							
Relating to origination and reversal of temporary differences				(7,654)	23,349	(1,099)	4,583
<b>Income tax expense reported in the income statement</b>				<b>26,119</b>	<b>64,404</b>	<b>(1,099)</b>	<b>4,583</b>

**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	
	2017	2016	2017	2016
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	110,426	189,713	(16,830)	18,580
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Profit (loss) per share (Baht/share)	0.66	1.14	(0.10)	0.11

**20. Commitments**Capital commitment

As at 31 March 2017, 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 and office rental amounting to Baht 12 million (31 December 2016: Baht 13 million).
- b) The subsidiaries have commitments that relate to projects to develop properties for sale amounting to Baht 377 million (31 December 2016: Baht 439 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 2017, 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
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 <b>(a)</b>	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.1.2016 - 31.12.2025 <b>(a)</b>	- 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>(b)</b>	- Royalty fee: 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 31.12.2021 <b>(b)</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 <b>(c)</b>	- Royalty fee: 2% of total revenue
				- Management fee: 7.5% of gross operating profit
Phuket Resort Development Limited	Cassia Phuket	Banyan Tree Hotels & Resorts Pte. Limited	20.10.2015 - 19.10.2040 <b>(c)</b>	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	20.10.2015 - 19.10.2040 <b>(c)</b>	- 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 cash reward options are included fix return or variable return based on actual hotel revenue or hotel profit. The terms of the agreements are generally 3 years.

(Unaudited but reviewed)

As at 31 March 2017 and 31 December 2016, future minimum payments required under these agreements were as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31	31	31	31
	March	December	March	December
	2017	2016	2017	2016
Payable within:				
In up to 1 year	29	31	7	6
In over 1 and up to 5 years	36	40	19	18

During the three-month period ended 31 March 2017, the Company and its subsidiaries recognised rental expenses of Baht 8 million (31 March 2016: Baht 15 million) (Separate financial statements: Baht 2 million, 31 March 2016: 2016: Baht 2 million).

#### Servitude over land

As at 31 March 2017, some subsidiaries have land servitude of approximately 11 rai (31 December 2016: 10 rai) at Phuket province, which are presented under property development cost and property, plant and equipment.

## **21. Guarantees**

- a) As at 31 March 2017, 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 2016: Baht 50 million, Separate financial statements: Baht 2 million).
- b) As at 31 March 2017 and 31 December 2016 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 2017 and 2016, respectively.

(Unit: Million Baht)

	For the three-month period ended 31 March 2017				
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	1,227	146	29	-	1,402
Intersegment revenues	(56)	(1)	(3)	-	(60)
Revenue from external customers	<u>1,171</u>	<u>145</u>	<u>26</u>	<u>-</u>	<u>1,342</u>
Results:					
Segment results	<u>223</u>	<u>(7)</u>	<u>5</u>	<u>(50)</u>	171
Unallocated income					<u>5</u>
Profit from operations and other income					176
Interest income	-	9	-	-	9
Finance cost	(30)	(14)	-	(3)	(47)
Share of loss from investments in associates	(14)	(1)	-	14	(1)
Profit before income tax expenses					137
Income tax expenses	(37)	(3)	(1)	15	(26)
Profit for the period					<u>111</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month period ended 31 March 2016				
	Hotel	Property	Office	Head Office	Total
	Business	Development	Rental		
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>	313
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>

### 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:

	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
Foreign	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
currency	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	2	2	-	-	-	-	-	-	34.4097	35.7843

### 24. 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.

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.

(Unaudited but reviewed)

As at 31 March 2017, subsidiaries have set aside a provision of Baht 40.7 million for liabilities arising as a result of this case (31 December 2016: Baht 40.6 million). This provision will be adjusted as per court order when the case is final.

## 25. Reclassification

Certain amounts in the financial statements for the three-month period ended 31 March 2016 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 2016			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<b>Income statement</b>				
Cost of hotel operations	575,836	564,611	Nil	Nil
Cost of property development operations	285,073	300,817	Nil	Nil
Selling expense	98,087	89,653	5,208	2,800
Administrative expense	352,780	356,695	39,704	42,112
<b>Statement of comprehensive income</b>				
Exchange differences on translation of financial statements in foreign currency	456	(4,009)	Nil	Nil
Share of other comprehensive income (loss) of associate	(4,465)	-	Nil	Nil

## 26. Event after the reporting period

On 20 April 2017, the Annual General Meeting of the Company's shareholders approved the payment of a dividend from the retained earnings as at 31 December 2016 to the Company's shareholders of Baht 0.26 per share, totaling Baht 43.34 million.

## 27. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 4 May 2017.