

Laguna Resorts & Hotels Public Company Limited
and its subsidiaries
Review report and interim consolidated financial statements
For the three-month and six-month periods ended
30 June 2018

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 June 2018, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2018, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-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: 7 August 2018

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	548,452	1,009,981	17,016	40,238
Current investment - short-term fixed deposit		13,064	13,007	-	-
Trade and other receivables	4	563,500	704,568	60,495	46,323
Inventories		117,004	112,598	-	-
Property development cost	6	4,067,321	3,985,979	111,429	127,157
Other current assets		184,064	138,879	23,299	14,796
Total current assets		5,493,405	5,965,012	212,239	228,514
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	325,993	322,175	-	-
Investments in subsidiaries	8	-	-	4,242,655	4,242,655
Investments in associates	9	988,727	928,399	777,454	777,454
Other long-term investments	10	606,365	606,365	-	-
Long-term loans to subsidiaries	5	-	-	910,000	978,001
Investment properties	11	1,167,061	1,165,334	185,727	185,727
Property, plant and equipment	12	11,233,082	11,299,858	60,907	60,216
Deferred tax assets		103,783	98,128	-	-
Goodwill		407,904	407,904	-	-
Leasehold rights		10,119	11,461	-	-
Other non-current assets		14,437	76,853	1,361	1,291
Total non-current assets		14,859,690	14,918,696	6,180,282	6,247,522
Total assets		20,353,095	20,883,708	6,392,521	6,476,036

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 June 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	13	40,000	510,000	-	260,000
Trade and other payables	14	729,918	924,895	33,221	34,521
Current portion of long-term loans from financial institutions	16	546,500	518,610	500	500
Current portion of unsecured debenture	17	499,005	497,980	-	-
Income tax payable		38,685	38,182	-	-
Advance received from customers		1,111,698	812,248	190	180
Other current liabilities	15	190,374	166,558	51,993	7,892
Total current liabilities		3,156,180	3,468,473	85,904	303,093
Non-current liabilities					
Long-term loans from subsidiaries	5	-	-	538,000	346,000
Long-term loans from financial institutions - net of current portion	16	2,024,724	2,207,870	73,875	74,125
Provision for long-term employee benefits		53,476	55,168	13,064	14,787
Long-term provision - provision for legal case	25	-	41,018	-	-
Deferred tax liabilities		2,337,739	2,339,128	113,703	117,209
Other non-current liabilities		113,260	111,373	5,628	5,569
Total non-current liabilities		4,529,199	4,754,557	744,270	557,690
Total liabilities		7,685,379	8,223,030	830,174	860,783
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		2,980,149	2,970,280	1,478,665	1,531,571
Other components of shareholders' equity		4,923,556	4,922,513	142,719	142,719
Equity attributable to owner of the Company		12,412,799	12,401,887	5,562,347	5,615,253
Equity attributable to non-controlling interests of the subsidiaries		254,917	258,791	-	-
Total shareholders' equity		12,667,716	12,660,678	5,562,347	5,615,253
Total liabilities and shareholders' equity		20,353,095	20,883,708	6,392,521	6,476,036
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2018**

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

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues					
Revenue from hotel operations		716,982	756,299	3,816	4,786
Revenue from property development operations		341,783	174,731	-	-
Revenue from office rental operations		27,358	24,849	5,216	5,731
Interest income		8,840	10,249	10,246	15,305
Other income		2,789	1,595	52,720	32,264
Total revenues		1,097,752	967,723	71,998	58,086
Expenses					
Cost of hotel operations		467,966	484,242	5,583	10,237
Cost of property development operations		207,149	125,086	-	-
Cost of office rental operations		15,513	11,516	1,670	1,628
Selling expenses		106,950	94,787	88	95
Administrative expenses	25	323,939	330,929	39,921	40,606
Total expenses		1,121,517	1,046,560	47,262	52,566
Profit (loss) before share of loss from investments					
in associates, finance cost and income tax expenses		(23,765)	(78,837)	24,736	5,520
Share of loss from investments in associates	9	(1,153)	(20,931)	-	-
Profit (loss) before finance cost and income tax expenses		(24,918)	(99,768)	24,736	5,520
Finance cost		(39,105)	(42,330)	(9,526)	(12,595)
Profit (loss) before income tax expenses		(64,023)	(142,098)	15,210	(7,075)
Income tax expenses	18	10,698	(12,484)	2,306	1,002
Profit (loss) for the period		(53,325)	(154,582)	17,516	(6,073)
Profit (loss) attributable to:					
Equity holders of the Company		(48,328)	(151,978)	17,516	(6,073)
Non-controlling interests of the subsidiaries		(4,997)	(2,604)		
		(53,325)	(154,582)		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	19	(0.29)	(0.91)	0.11	(0.04)

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 June 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit (loss) for the period		<u>(53,325)</u>	<u>(154,582)</u>	<u>17,516</u>	<u>(6,073)</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		(1,307)	841	-	-
Share of other comprehensive income (loss) of associates	9	2,898	7,532	-	-
Other comprehensive income (loss) for the period		<u>1,591</u>	<u>8,373</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period		<u>(51,734)</u>	<u>(146,209)</u>	<u>17,516</u>	<u>(6,073)</u>
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		(46,896)	(143,504)	<u>17,516</u>	<u>(6,073)</u>
Non-controlling interests of the subsidiaries		(4,838)	(2,705)		
		<u>(51,734)</u>	<u>(146,209)</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 six-month period ended 30 June 2018

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Revenue from hotel operations		1,963,130	1,927,617	25,265	25,959
Revenue from property development operations		584,903	319,485	-	-
Revenue from office rental operations		50,877	50,897	10,466	11,498
Interest income		16,487	19,125	20,935	31,767
Other income		8,820	6,479	82,966	46,028
Total revenues		2,624,217	2,323,603	139,632	115,252
Expenses					
Cost of hotel operations		1,081,588	1,054,533	16,728	21,396
Cost of property development operations		359,323	213,194	-	-
Cost of office rental operations		25,897	25,694	3,279	3,276
Selling expenses		216,519	189,761	396	156
Administrative expenses	21, 25	798,476	734,109	93,058	89,181
Total expenses		2,481,803	2,217,291	113,461	114,009
Profit before share of profit (loss) from investments					
in associates, finance cost and income tax expenses		142,414	106,312	26,171	1,243
Share of profit (loss) from investments in associates	9	40,241	(21,997)	-	-
Profit before finance cost and income tax expenses		182,655	84,315	26,171	1,243
Finance cost		(80,120)	(89,337)	(19,244)	(26,247)
Profit (loss) before income tax expenses		102,535	(5,022)	6,927	(25,004)
Income tax expenses	18	(36,362)	(38,603)	3,506	2,101
Profit (loss) for the period		66,173	(43,625)	10,433	(22,903)
Profit (loss) attributable to:					
Equity holders of the Company		69,956	(41,552)	10,433	-22,903
Non-controlling interests of the subsidiaries		(3,783)	(2,073)		
		66,173	(43,625)		
Basic earnings per share					
	19				
Profit (loss) attributable to equity holders of the Company		0.42	(0.25)	0.06	(0.14)

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 six-month period ended 30 June 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit (loss) for the period		66,173	(43,625)	10,433	(22,903)
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		4,289	4,834	-	-
Share of other comprehensive income (loss) of associates	9	(81)	(2,864)	-	-
Other comprehensive income (loss) for the period		4,208	1,970	-	-
Total comprehensive income (loss) for the period		70,381	(41,655)	10,433	(22,903)
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		74,251	-39,769	10,433	(22,903)
Non-controlling interests of the subsidiaries		(3,870)	(1,886)	-	-
		70,381	(41,655)		

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

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to the owners of the Company												
	Issued and fully paid-up share capital	Share premium	Capital reserve	Retained earnings		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 -		Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Share of other comprehensive income (loss) of associates	Total other components of shareholders' equity			
				statutory reserve	Unappropriated							
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
Loss for the period	-	-	-	-	(41,552)	-	-	-	-	(41,552)	(2,073)	(43,625)
Other comprehensive income (loss) for the period	-	-	-	-	-	4,647	-	(2,864)	1,783	1,783	187	1,970
Total comprehensive income (loss) for the period	-	-	-	-	(41,552)	4,647	-	(2,864)	1,783	(39,769)	(1,886)	(41,655)
Dividend paid (Note 20)	-	-	-	-	(43,337)	-	-	-	-	(43,337)	-	(43,337)
Balance as at 30 June 2017	<u>1,666,827</u>	<u>2,062,461</u>	<u>568,131</u>	<u>211,675</u>	<u>2,867,485</u>	<u>110,282</u>	<u>4,801,621</u>	<u>25,307</u>	<u>4,937,210</u>	<u>12,313,789</u>	<u>286,521</u>	<u>12,600,310</u>
Balance as at 1 January 2018	1,666,827	2,062,461	568,131	211,675	2,970,280	113,691	4,799,913	8,909	4,922,513	12,401,887	258,791	12,660,678
Profit for the period	-	-	-	-	69,956	-	-	-	-	69,956	(3,783)	66,173
Other comprehensive income (loss) for the period	-	-	-	-	-	4,376	-	(81)	4,295	4,295	(87)	4,208
Total comprehensive income (loss) for the period	-	-	-	-	69,956	4,376	-	(81)	4,295	74,251	(3,870)	70,381
Reversal of revaluation surplus on disposal of assets	-	-	-	-	3,252	-	(3,252)	-	(3,252)	-	-	-
Liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	(4)	(4)
Dividend paid (Note 20)	-	-	-	-	(63,339)	-	-	-	-	(63,339)	-	(63,339)
Balance as at 30 June 2018	<u>1,666,827</u>	<u>2,062,461</u>	<u>568,131</u>	<u>211,675</u>	<u>2,980,149</u>	<u>118,067</u>	<u>4,796,661</u>	<u>8,828</u>	<u>4,923,556</u>	<u>12,412,799</u>	<u>254,917</u>	<u>12,667,716</u>
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

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 six-month period ended 30 June 2018

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity	Total other components of shareholders' equity	Total shareholders' equity
			Appropriated - Statutory reserve	Unappropriated	Other comprehensive income Revaluation surplus on assets		
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	-	-	-	(22,903)	-	-	(22,903)
Total comprehensive income (loss) for the period	-	-	-	(22,903)	-	-	(22,903)
Dividend paid (Note 20)	-	-	-	(43,337)	-	-	(43,337)
Balance as at 30 June 2017	<u>1,666,827</u>	<u>2,062,461</u>	<u>211,675</u>	<u>1,414,687</u>	<u>142,719</u>	<u>142,719</u>	<u>5,498,369</u>
Balance as at 1 January 2018	1,666,827	2,062,461	211,675	1,531,571	142,719	142,719	5,615,253
Profit for the period	-	-	-	10,433	-	-	10,433
Total comprehensive income (loss) for the period	-	-	-	10,433	-	-	10,433
Dividend paid (Note 20)	-	-	-	(63,339)	-	-	(63,339)
Balance as at 30 June 2018	<u>1,666,827</u>	<u>2,062,461</u>	<u>211,675</u>	<u>1,478,665</u>	<u>142,719</u>	<u>142,719</u>	<u>5,562,347</u>
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit (loss) before income tax expenses	102,535	-5,022	6,927	-25,004
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	184,027	177,053	4,182	3,572
Amortisation of leasehold rights	1,246	1,285	-	-
Amortisation of transaction costs related to debenture issuance	1,025	1,025	-	-
Allowance for doubtful accounts (reversal)	(660)	(9,914)	-	1,915
Reduction of inventory to net realisable value	1,202	935	-	-
Share of loss (profit) from investments in associates	-40,241	21,997	-	-
Loss (gain) on sale of property, plant and equipment	1,361	84	-	(19)
Write off property, plant and equipment	219	282	-	-
Provision for impairment of deposit for purchase of land	64,712	-	-	-
Dividend income from investment in associate	-	-	(28,271)	(18,553)
Provision for long-term employee benefits	2,571	2,676	218	193
Provision for legal case (reversal)	(31,018)	219	-	-
Forfeited money from property units	-	(12,522)	-	-
Interest income	(16,487)	(19,125)	(20,935)	(31,767)
Interest expenses	80,120	89,337	19,244	26,247
Profit (loss) from operating activities before changes in operating assets and liabilities	350,612	248,310	(18,635)	(43,416)
Operating assets (increase) decrease				
Trade and other receivables	141,744	99,408	(16,818)	5,327
Inventories	(5,608)	(8,886)	-	-
Property development cost	(80,812)	(22,184)	15,728	(557)
Other current assets	(34,090)	1,765	(4,107)	391
Long-term trade accounts receivable	(3,819)	62,447	-	-
Other non-current assets	(2,296)	38	(71)	1
Operating liabilities increase (decrease)				
Trade and other payables	(193,022)	(140,120)	(240)	5,098
Advance received from customers	299,450	26,712	10	(308)
Other current liabilities	23,770	(3,085)	44,150	25,071
Provision for long-term employee benefits	(4,263)	(1,356)	(1,941)	-
Long term provision - provision for legal case	(10,000)	-	-	-
Other non-current liabilities	1,886	3,139	60	(175)
Cash flows from (used in) operating activities	483,552	266,188	18,136	(8,568)
Cash received for interest income	16,472	19,111	23,581	22,337
Cash paid for interest expenses	(82,603)	(95,046)	(20,304)	(20,915)
Cash paid for income tax	(54,000)	(56,776)	(4,396)	(110)
Net cash flows from (used in) operating activities	363,421	133,477	17,017	(7,256)

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 six-month period ended 30 June 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Increase in current investment - short-term fixed deposit	(57)	(63)	-	-
Cash received from long-term loans to subsidiaries	-	-	586,501	511,500
Cash paid for long-term loans to subsidiaries	-	-	(518,500)	(334,500)
Cash paid for acquisition of investment in associate	(48,439)	-	-	-
Cash paid for acquisition of investment properties	(1,727)	(2,774)	-	-
Cash received from sales of property, plant and equipment	730	570	1	19
Cash paid for acquisition of property, plant and equipment	(121,347)	(86,621)	(4,923)	(9,517)
Dividend received from investment in associate	28,271	18,553	28,271	18,553
Decrease in cash and cash equivalents from liquidation of subsidiary	(4)	-	-	-
Net cash flows from (used in) investing activities	(142,573)	(70,335)	91,350	186,055
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(470,000)	(5,000)	(260,000)	(5,000)
Payment of dividends	(63,339)	(43,337)	(63,339)	(43,337)
Draw down of long-term loans from subsidiaries	-	-	474,000	163,000
Repayment of long-term loans from subsidiaries	-	-	(282,000)	(347,000)
Draw down of long-term loans from financial institutions	92,625	229,058	-	75,000
Repayment of long-term loans from financial institutions	(247,881)	(340,605)	(250)	(125)
Net cash flows used in financing activities	(688,595)	(159,884)	(131,589)	(157,462)
Net exchange differences on translation of financial statements in foreign currency	6,218	6,718	-	-
Net increase (decrease) in cash and cash equivalents	(461,529)	(90,024)	(23,222)	21,337
Cash and cash equivalents at beginning of period	1,009,981	669,770	40,238	18,206
Cash and cash equivalents at end of period	548,452	579,746	17,016	39,543
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Share of other comprehensive income (loss) of associates	(81)	(2,864)	-	-
Reversal of revaluation surplus on disposal of assets	3,252	-	-	-
Interest recorded as property development cost	530	5,450	-	-

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 and six-month periods ended 30 June 2018****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 golf clubs (Laguna Golf Phuket 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, 7th, 22nd and 24th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

1.2 Change of the Company’s structure of major shareholders from the Tender Offer

On 26 February 2018, the Company received a letter from Banyan Tree Holdings Limited and Banyan Tree Resorts & Spas (Thailand) Company Limited (the "Group of Offerors"), which in aggregate held 54.22% of the issued and paid-up shares of the Company, expressing their intention to launch a voluntary tender offer to acquire all the remaining 76 million ordinary shares or 45.78% of the total issued and paid up shares of the Company at the offering price of Baht 40 per share.

As a result of the voluntary tender offer, the shareholding percentage of the Group of Offerors and Banyan Tree Holdings Limited Group of Companies in Laguna Resorts & Hotels Plc. have been changed as summarised below.

	Shareholding percentage in Laguna Resorts & Hotels Plc.	
	Before the Tender Offer (as at 31 December 2017)	After the Tender Offer (as at 18 April 2018)
	(%)	(%)
Group of Offerors	54.22%	74.75%
Banyan Tree Holdings Limited Group of Companies	65.75%	86.28%

1.3 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 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.

1.4 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 2017. There have been no changes in the composition of the subsidiaries during the current period.

1.5 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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 2017.

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Cash	4,572	7,836	134	131
Bank deposits	543,880	1,002,145	16,882	40,107
Total	548,452	1,009,981	17,016	40,238

(Unaudited but reviewed)

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	128,351	256,674	6,410	6,378
Less: Allowance for doubtful accounts	(7,396)	(7,430)	(3,300)	(3,300)
Trade accounts receivable - hotel operations, net	120,955	249,244	3,110	3,078
Trade accounts receivable - sales of property				
- Installments due	38,146	51,499	-	-
Current portion of long-term trade				
accounts receivable (Note 7)	179,782	196,269	-	-
Trade accounts receivable - sales of property, net	217,928	247,768	-	-
Trade accounts receivable - sales of holiday club				
memberships - installments due and trade account				
receivable from sales and marketing services for				
holiday club memberships	133,299	114,166	-	-
Current portion of long-term trade				
accounts receivable (Note 7)	2,324	3,995	-	-
Trade accounts receivable - sales of holiday club				
memberships and sales and marketing services for				
holiday club memberships, net	135,623	118,161	-	-
Trade accounts receivable - net	474,506	615,173	3,110	3,078
<u>Other receivables</u>				
Amounts due from related parties (Note 5)	56,141	51,161	32,389	22,969
Other receivables	6,249	14,451	52	56
Insurance claim receivable	1,480	413	-	-
Accrued other income	310	3,291	178	189
Interest receivable	130	114	82	67
Accrued rental income	24,684	19,965	24,684	19,964
Total other receivables	88,994	89,395	57,385	43,245
Trade and other receivables, net	563,500	704,568	60,495	46,323

(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 June 2018	31 December 2017	30 June 2018	31 December 2017
<u>Age of receivables</u>				
Not yet due	42,964	146,159	1,724	146
Past due				
Up to 30 days	45,218	71,024	184	139
31 - 60 days	12,255	15,123	99	146
61 - 90 days	5,119	6,489	89	101
91 - 120 days	6,578	2,564	65	61
Over 120 days	16,217	15,315	4,249	5,785
Total	128,351	256,674	6,410	6,378
Less: Allowance for doubtful debts	(7,396)	(7,430)	(3,300)	(3,300)
Trade accounts receivable - hotel operations, net	120,955	249,244	3,110	3,078

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	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
<u>Age of receivables</u>				
Not yet due	177,252	209,131	-	-
Past due				
Up to 30 days	12,031	10,333	-	-
31 - 60 days	7,074	5,984	-	-
61 - 90 days	5,067	3,876	-	-
91 - 120 days	3,067	2,982	-	-
Over 120 days	13,437	15,462	-	-
Trade accounts receivable - sales of property, net	217,928	247,768	-	-

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
<u>Age of receivables</u>				
Not yet due	10,202	36,030	-	-
Past due				
Up to 30 days	4,431	10,462	-	-
31 - 60 days	8,079	46	-	-
61 - 90 days	7,661	42	-	-
91 - 120 days	8,246	14	-	-
Over 120 days	94,680	67,572	-	-
Trade accounts receivable - sales of holiday club membership - installment due and trade account receivable from sales and marketing services for holiday club memberships, net	<u>133,299</u>	<u>114,166</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 June				Transfer pricing policy
	Consolidated		Separate		
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Guarantee fee income	-	-	1	1	(3) agreed basis
Interest income	-	-	10	15	(5) agreement
Interest expenses	-	-	7	9	(5) agreement
Management fee income	-	-	24	15	(4), (7) agreed basis

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2018	2017	2018	2017	
<u>Transactions with subsidiaries (continued)</u>					
Reimbursement receipts	-	-	2	-	(11) agreed basis
Reimbursement payments	-	-	2	2	(11) agreed basis
Rental and service income	-	-	1	2	(12)(i), (iii) agreement
Rental and service expenses	-	-	1	1	(12)(iv), (v) agreement
Resort service expenses	-	-	4	2	(14) agreed basis
<u>Transactions with associates</u>					
Inter resort receipts	-	1	-	-	(1) agreed basis
Sale of goods	-	1	-	-	(9) agreed basis
Dividend income	-	-	28	19	As declared
Reimbursement receipts	2	1	-	-	(11) agreed basis
Rental and service income	7	5	-	-	(12)(iv) agreement
<u>Transactions with related companies</u>					
Credit card commission receipts	1	1	-	-	(1) agreed basis
Inter resort payments	13	18	-	-	(1) agreed basis
Management fee income	1	-	1	1	(16) agreement
Management fee expenses	43	57	-	2	(6), (15), (17) agreement
Purchase of spa & gallery vouchers (return)	1	(1)	-	-	(2), (8) agreed basis
Sale of goods	6	3	-	-	(9) agreed basis
Reimbursement receipts	23	13	1	1	(11) agreed basis
Reimbursement payments	8	11	-	2	(11) agreed basis
Rental and service income	5	8	-	-	(12)(i), (ii), (iv), (vi) agreement
Rental and service expense	1	-	-	-	(12)(vii) agreement
Rental return on hotel units	1	1	-	-	(13) agreement
Resort service income	2	1	-	-	(14) agreed basis
Training charges	6	4	-	-	(10) agreed basis

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Guarantee fee income	-	-	1	1	(3) agreed basis
Guarantee fee expenses	-	-	1	1	(3) agreed basis
Interest income	-	-	21	31	(5) agreement
Interest expenses	-	-	14	20	(5) agreement
Management fee income	-	-	50	26	(4), (7) agreement
Reimbursement receipts	-	-	4	4	(11) agreed basis
Reimbursement payments	-	-	5	5	(11) agreed basis
Rental and service income	-	-	2	3	(12)(iii) agreement
Rental and service expenses	-	-	3	3	(12)(iv), (v) agreement
Resort service expenses	-	-	5	3	(14) agreed basis
<u>Transactions with associates</u>					
Inter resort receipts	-	1	-	-	(1) agreed basis
Sale of goods	-	1	-	-	(9) agreed basis
Dividend income	-	-	28	19	As declared
Reimbursement receipts	3	2	-	-	(11) agreed basis
Rental and service income	12	10	-	-	(12)(iv) agreement
<u>Transactions with related companies</u>					
Credit card commission receipts	1	1	-	-	(1) agreed basis
Inter resort payments	36	41	-	-	(1) agreed basis
Management fee income	2	1	1	1	(16) agreement
Management fee expenses	146	143	-	2	(6), (15), (17) agreement
Purchase of spa & gallery vouchers	7	7	2	2	(2), (8) agreed basis
Sale of goods	14	10	-	-	(9) agreed basis
Reimbursement receipts	37	25	5	3	(11) agreed basis
Reimbursement payments	16	25	1	5	(11) agreed basis
Rental and service income	13	15	-	-	(12)(i), (ii), (iv), (vi) agreement
Rental and service expense	1	-	-	-	(12)(vii) agreement
Rental return on hotel units	2	2	-	-	(13) agreement
Resort service income	3	3	-	-	(14) agreed basis
Training charges	9	6	-	-	(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, Banyan Tree Lijiang and Laguna Golf Bintan primarily for treatments at the spa, goods purchased at the shops and golf fees at golf course.
- (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 55% discount to the Spa price list. The Gallery vouchers are priced at 20% 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.

(Unaudited but reviewed)

- (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:

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, 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.

(Unaudited but reviewed)

- (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 15% to 30% 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 30% and 40% 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 2019

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 1,172 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.

(Unaudited but reviewed)

- (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 120,847 and Baht 12,085 per rai per annum respectively.
 - (vi) Service income from rental of Banyan Tree Management Academy is at Baht 132,613 per month.
 - (vii) Rental of office space and service of Banyan Tree Gallery (Singapore) Pte. Limited is at 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:
- 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) 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.
- (17) This relates to project management services which the fees are based on 10% mark up of actual working hours in providing the service and included all cost.

(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 June 2018</u>	<u>31 December 2017</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 June 2018</u>	<u>31 December 2017</u>
Short-term loan facilities	150	150
Long-term loan facilities	900	900
Overdrafts and bank guarantee facilities	20	20

As at 30 June 2018 and 31 December 2017, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Amounts due from related parties				
Subsidiaries	-	-	29,173	22,319
Associated companies	149	109	-	-
Related companies (related by common shareholders)	55,992	51,052	3,216	650
Total amounts due from related parties (Note 4)	<u>56,141</u>	<u>51,161</u>	<u>32,389</u>	<u>22,969</u>
Amounts due to related parties				
Subsidiaries	-	-	11,564	10,219
Related companies (related by common shareholders)	86,757	125,614	3,533	2,737
Total amounts due to related parties (Note 14)	<u>86,757</u>	<u>125,614</u>	<u>15,097</u>	<u>12,956</u>

(Unaudited but reviewed)

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

As at 30 June 2018 and 31 December 2017, 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 2017	Addition	Repayment	30 June 2018
Laguna Banyan Tree Limited	389,000	246,000	(256,000)	379,000
Laguna Holiday Club Limited	195,000	17,500	(38,500)	174,000
Laguna Lakes Limited	394,001	13,000	(50,001)	357,000
Laguna Grande Limited	-	242,000	(242,000)	-
Total	978,001	518,500	(586,501)	910,000

Long-term loans from subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2017	Addition	Repayment	30 June 2018
Laguna Grande Limited	-	153,000	(58,000)	95,000
Laguna (3) Limited	26,000	2,000	-	28,000
TWR - Holdings Limited	320,000	319,000	(224,000)	415,000
Total	346,000	474,000	(282,000)	538,000

Directors and management's benefits

During the six-month periods ended 30 June 2018 and 2017, 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	
	2018	2017	2018	2017
Short-term employee benefits	42,192	52,786	19,578	32,147
Post-employment benefits	1,502	1,419	797	779
Other long-term employee benefits	19	19	11	11
Total	43,713	54,224	20,386	32,937

(Unaudited but reviewed)

6. Property development cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Property for sale under holiday club memberships	414,854	420,172	-	-
Completed buildings	768,901	806,596	-	-
Land	1,878,147	1,954,124	111,429	111,429
Property under construction	1,005,419	805,087	-	15,728
Total	4,067,321	3,985,979	111,429	127,157

Subsidiaries have mortgaged property development cost amounting to Baht 957 million (31 December 2017: Baht 978 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% - 7% and MLR plus 0.5% per annum and installments are repaid over a period of 3 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	
	30 June 2018	31 December 2017
Current portion of long-term trade accounts receivable	182,106	200,264
Long-term trade accounts receivable	325,993	322,175
Total	508,099	522,439
Sales of property		
Within 1 year (Note 4)	179,782	196,269
Over 1 year to 5 years	324,091	319,337
Over 5 years	306	347
Long-term trade accounts receivable - sales of property	504,179	515,953
Sales of holiday club memberships		
Within 1 year (Note 4)	2,324	3,995
Over 1 year to 5 years	1,596	2,491
Long-term trade accounts receivable - sales of holiday club memberships	3,920	6,486
Total	508,099	522,439

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 June	31 December	30 June	31 December	30 June	31 December
	2018	2017	2018	2017	2018	2017
	Million Baht	Million Baht	%	%	Million Baht	Million Baht
<u>Subsidiaries held by the Company</u>						
Banyan Tree Gallery (Singapore) Pte. Limited	SGD 0.43 Million	SGD 0.43 Million	51.0	51.0	4.0	4.0
Banyan Tree Gallery (Thailand) Limited	7.8	7.8	51.0	51.0	4.0	4.0
Laguna Banyan Tree Limited ⁽¹⁾	1,500.0	1,500.0	100.0	100.0	1,325.1	1,325.1
Laguna Holiday Club Limited	330.0	330.0	100.0	100.0	330.0	330.0
Laguna Grande Limited ⁽²⁾	1,000.0	1,000.0	100.0	100.0	958.5	958.5
Laguna Lakes Limited	1.0	1.0	95.0	95.0	0.9	0.9
Laguna Service Company Limited ⁽³⁾	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
<u>Subsidiaries held through TWR-Holdings Limited</u>						
Laguna Excursions Limited	8.0	8.0	49.0	49.0	-	-
Laguna Village Limited	6.0	6.0	100.0	100.0	-	-
Mae Chan Property Company Limited	232.3	232.3	100.0	100.0	-	-
Pai Smart Development Company Limited	28.4	28.4	100.0	100.0	-	-
Phuket Resort Development Limited	100.0	100.0	100.0	100.0	-	-
PT AVC Indonesia	USD 2.3 Million	USD 2.3 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	-	-
<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 ⁽⁴⁾	-	-	-	-	-	-
<u>Subsidiary held through Laguna Holiday Club Limited</u>						
Cheer Golden Limited	-	-	100.0	100.0	-	-
Total investments in subsidiaries					4,242.7	4,242.7

(1) Laguna Banyan Tree Limited is held 49.0% by the Company and 51.0% through Bangtao Grande Limited.

(2) Laguna Grande Limited is held 85.4% by the Company and 14.6% through 2 subsidiaries.

(3) Laguna Service Company Limited is held 24.7% by the Company and 48.2% through 2 subsidiaries.

(4) Laguna Central Limited had registered the dissolution and liquidation with the Ministry of Commerce on 19 December 2017 and 29 December 2017, respectively.

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

9.1 Details of 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	
			30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017
			(%)	(%)				
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	784,803	807,281
Banyan Tree China Pte. Ltd.	Holding company	Singapore	10.69	10.69	173,495	125,057	203,924	121,118
Total investments in associates - net					950,949	902,511	988,727	928,399

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost			
			30 June 2018	31 December 2017	30 June 2018	31 December 2017		
			(%)	(%)				
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		

On 27 April 2018, Banyan Tree China Pte. Ltd., an indirect associate, has increased its registered share capital from SGD 216.64 million to SGD 235.35 million, through the issue of 10,000 new ordinary shares with a par value of SGD 1,871.11 each, a total of SGD 18.71 million. The subsidiary subscribed and paid for 1,069 new ordinary shares totaling SGD 2.00 million or equivalent to Baht 48.44 million on 10 May 2018.

As at 30 June 2018 and 31 December 2017, the Company has pledged the 10 million ordinary shares of Thai Wah Public Company Limited with a bank to secure a long-term loan of the Company.

9.2 Share of comprehensive income (loss)

(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 30 June		For the six-month periods ended 30 June		For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2018	2017	2018	2017	2018	2017	2018	2017
Lijiang Banyan Tree Hotel Co., Ltd.	-	(31,596)	-	(46,204)	-	8,945	-	(728)
Banyan Tree China Pte. Ltd.	(4,209)	-	36,275	-	818	-	(1,907)	-
Thai Wah Public Company Limited	3,056	10,665	3,966	24,207	2,080	(1,413)	1,826	(2,136)
Total	(1,153)	(20,931)	40,241	(21,997)	2,898	7,532	(81)	(2,864)

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Dividend received			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2018	2017	2018	2017
Thai Wah Public Company Limited	28,271	18,553	28,271	18,553
Total	28,271	18,553	28,271	18,553

9.3 Fair value investments in a listed associate

In respect of investment in an associated company that is a listed company on the Stock Exchange of Thailand, its fair value is as follows:

(Unit: Million Baht)

Associate	Fair values as at	
	30 June 2018	31 December 2017
Thai Wah Public Company Limited	822	826

10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June	31 December
	2018	2017
Investments in other companies		
Bibace Investments Ltd.	188,425	188,425
Banyan Tree Indochina Hospitality Fund, L.P.	417,940	417,940
Total other long-term investments	606,365	606,365

11. Investment properties

As at 30 June 2018, the subsidiaries have pledged investment properties amounting to approximately Baht 675 million (31 December 2017: Baht 675 million) as collateral against credit facilities received from financial institutions and as security deposit for the litigation in Note 25.

(Unaudited but reviewed)

12. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
At cost / revaluation value		
Balance as at 31 December 2017	16,066,651	153,697
Additions	121,347	4,923
Disposals and write off	(50,416)	(46)
Adjustments	(2,141)	(50)
Balance as at 30 June 2018	<u>16,135,441</u>	<u>158,524</u>
Accumulated depreciation		
Balance as at 31 December 2017	(4,761,870)	(93,481)
Depreciation charged for the period	(184,112)	(4,182)
Disposals and write off	48,106	46
Adjustments	355	-
Balance as at 30 June 2018	<u>(4,897,521)</u>	<u>(97,617)</u>
Allowance for impairment loss		
Balance as at 31 December 2017	(4,923)	-
Adjustments	85	-
Balance as at 30 June 2018	<u>(4,838)</u>	<u>-</u>
Net book value		
Balance as at 31 December 2017	<u>11,299,858</u>	<u>60,216</u>
Balance as at 30 June 2018	<u>11,233,082</u>	<u>60,907</u>

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 7,321 million (31 December 2017: Baht 7,388 million) as collateral against credit facilities received from financial institutions.

(Unaudited but reviewed)

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 2017: 3.63%).

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		Separate	
	financial statements		financial statements	
	30	31	30	31
June	December	June	December	
2018	2017	2018	2017	
Trade accounts payable	226,347	330,676	1,580	1,666
Amounts due to related parties (Note 5)	86,757	125,614	15,097	12,956
Accrued expenses	195,394	223,511	11,275	12,714
Other payables	95,176	100,651	230	29
Service charge payable to hotel staffs	16,462	37,565	-	-
Accrued rental to villa owners	109,782	106,878	5,039	7,156
Total	<u>729,918</u>	<u>924,895</u>	<u>33,221</u>	<u>34,521</u>

15. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
June	December	June	December	
2018	2017	2018	2017	
Value added tax payable	45,407	60,386	2,897	3,022
Unearned income	46,482	35,418	44,165	72
Other tax payable	81,195	63,870	3,881	3,748
Short-term provision	17,290	6,884	1,050	1,050
Total	<u>190,374</u>	<u>166,558</u>	<u>51,993</u>	<u>7,892</u>

(Unaudited but reviewed)

16. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	June	December	June	December
	2018	2017	2018	2017
Secured	<u>2,571,224</u>	<u>2,726,480</u>	<u>74,375</u>	<u>74,625</u>
Long-term loans are repayable as follows:				
Within 1 year	546,500	518,610	500	500
Over 1 year to 5 years	1,924,349	2,084,620	40,000	33,875
Over 5 years	100,375	123,250	33,875	40,250
	<u>2,024,724</u>	<u>2,207,870</u>	<u>73,875</u>	<u>74,125</u>
Total	<u>2,571,224</u>	<u>2,726,480</u>	<u>74,375</u>	<u>74,625</u>

Movements in the long-term loans account during the six-month period ended 30 June 2018 are summarised below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 31 December 2017	2,726,480		74,625	
Add: Drawdown	92,625		-	
Less: Repayments	(247,881)		(250)	
Balance as 30 June 2018	<u>2,571,224</u>		<u>74,375</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 loans are guaranteed by a subsidiary and the pledge of the 10 million ordinary shares of Thai Wah Public Company Limited.

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 June 2018, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 450 million (31 December 2017: Baht 543 million).

(Unaudited but reviewed)

17. Unsecured debenture

(Unit: Thousand Baht)

				Consolidated financial statements	
				30 June	31 December
Debenture	Interest rate	Terms	Due date	2018	2017
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				(995)	(2,020)
Total debenture - due within one year				<u>499,005</u>	<u>497,980</u>

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 (loss) before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 30 June 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Current income tax:				
Interim corporate income tax charge	4,359	11,457	-	-
Adjustment in respect of income tax of previous year	(2,527)	(289)	-	-
Write off prepaid withholding tax	-	4,945	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(12,530)</u>	<u>(3,629)</u>	<u>(2,306)</u>	<u>(1,002)</u>
Income tax expense reported in the income statement	<u>(10,698)</u>	<u>12,484</u>	<u>(2,306)</u>	<u>(1,002)</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current income tax:				
Interim corporate income tax charge	45,798	45,230	-	-
Adjustment in respect of current income tax of previous year	(2,391)	(289)	-	-
Write off prepaid withholding tax	-	4,945	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(7,045)	(11,283)	(3,506)	(2,101)
Income tax expense reported in the income statement	36,362	38,603	(3,506)	(2,101)

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 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	(48,328)	(151,978)	17,516	(6,073)
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings (loss) per share (Baht/share)	(0.29)	(0.91)	0.11	(0.04)
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	69,956	(41,552)	10,433	(22,903)
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings (loss) per share (Baht/share)	0.42	(0.25)	0.06	(0.14)

20. Dividend

Dividend declared in six-month periods ended 30 June 2018 and 2017 consist of:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Dividends on 2017 retained earnings	Annual General Meeting of the shareholders on 27 April 2018	63.34	0.38
Dividends on 2016 retained earnings	Annual General Meeting of the shareholders on 20 April 2017	43.34	0.26

21. CommitmentsCapital commitment

As at 30 June 2018, 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 40 million (31 December 2017: Baht 22 million).
- b) The subsidiaries have commitments that relate to projects to develop properties for sale amounting to Baht 781 million (31 December 2017: Baht 412 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 company which has a mutual director with the subsidiary (the mutual director is an unauthorised signatory director of the subsidiary). 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. During the first quarter of year 2018, the management has decided not to purchase of the remaining land, therefore, the subsidiary has fully set up provision for impairment of deposit for purchase of land amounting to Baht 65 million and recognised it as an expense in the consolidated income statement.

Operating agreements

As at 30 June 2018, 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⁾	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⁾	1.1.2016 - 31.12.2025	- 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⁾	1.7.2012 - 31.12.2021	- 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⁾	1.8.2016 - 31.7.2041	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.8.2016 - 31.7.2041 (c)	- Management fee: 7.5% of gross operating profit
Phuket Resort Development Limited	Cassia Phuket	Banyan Tree Hotels & Resorts Pte. Limited ⁽¹⁾	20.10.2015 - 19.10.2040	- 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

(1) Formerly known as Banyan Tree Corporate Pte. Limited

(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.

(Unaudited but reviewed)

- (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.

As at 30 June 2018 and 31 December 2017, future minimum payments required under these agreements were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	June	December	June	December
	2018	2017	2018	2017
Payable within:				
In up to 1 year	15	19	5	5
In over 1 and up to 5 years	11	17	10	13

During the six-month period ended 30 June 2018, the Company and its subsidiaries recognised rental expenses of Baht 10 million (30 June 2017: Baht 16 million) (Separate financial statements: Baht 3 million, 30 June 2017: Baht 4 million).

Servitude over land

As at 30 June 2018, some subsidiaries have land servitude of approximately 11 rai (31 December 2017: 11 rai) at Phuket province, which are presented under property development cost and property, plant and equipment.

22. Guarantees

As at 30 June 2018, there are bank guarantees amounting to Baht 54 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 2017: Baht 54 million, Separate financial statements: Baht 2 million).

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.

(Unaudited but reviewed)

The following tables present revenue and profit information regarding the three-month and six-month periods ended 30 June 2018 and 2017, respectively.

(Unit: Million Baht)

	For the three-month period ended 30 June 2018				
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	763	340	31	-	1,134
Intersegment revenues	(46)	2	(4)	-	(48)
Revenue from external customers	<u>717</u>	<u>342</u>	<u>27</u>	<u>-</u>	<u>1,086</u>
Results:					
Segment results	<u>(81)</u>	<u>47</u>	<u>5</u>	<u>(7)</u>	<u>(36)</u>
Unallocated income					3
Loss from operations and other income					(33)
Interest income	1	8	-	-	9
Finance cost	(26)	(11)	-	(2)	(39)
Share of loss from investments in associates					(1)
Loss before income tax expenses					(64)
Income tax expenses	11	(7)	(1)	8	11
Loss for the period					<u>(53)</u>

(Unit: Million Baht)

	For the three-month period ended 30 June 2017				
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	805	175	27	-	1,007
Intersegment revenues	(49)	-	(2)	-	(51)
Revenue from external customers	<u>756</u>	<u>175</u>	<u>25</u>	<u>-</u>	<u>956</u>
Results:					
Segment results	<u>(41)</u>	<u>(19)</u>	<u>8</u>	<u>(39)</u>	<u>(91)</u>
Unallocated income					2
Loss from operations and other income					(89)
Interest income	1	9	-	-	10
Finance cost	(26)	(12)	-	(4)	(42)
Share of loss from investments in associates					(21)
Loss before income tax expenses					(142)
Income tax expenses	4	(8)	(2)	(7)	(13)
Loss for the period					<u>(155)</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month period ended 30 June 2018				
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	2,064	589	58	-	2,711
Intersegment revenues	(101)	(4)	(7)	-	(112)
Revenue from external customers	<u>1,963</u>	<u>585</u>	<u>51</u>	<u>-</u>	<u>2,599</u>
Results:					
Segment results	<u>178</u>	<u>(13)</u>	<u>13</u>	<u>(61)</u>	117
Unallocated income					9
Profit from operations and other income					126
Interest income	1	15	-	-	16
Finance cost	(52)	(23)	-	(5)	(80)
Share of profit from investments in associates					40
Profit before income tax expenses					102
Income tax expenses	(31)	(10)	(3)	8	(36)
Profit for the period					<u>66</u>

(Unit: Million Baht)

	For the six-month period ended 30 June 2017				
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	2,032	321	56	-	2,409
Intersegment revenues	(104)	(2)	(5)	-	(111)
Revenue from external customers	<u>1,928</u>	<u>319</u>	<u>51</u>	<u>-</u>	<u>2,298</u>
Results:					
Segment results	<u>181</u>	<u>(25)</u>	<u>13</u>	<u>(88)</u>	81
Unallocated income					6
Profit from operations and other income					87
Interest income	1	18	-	-	19
Finance cost	(56)	(26)	-	(7)	(89)
Share of loss from investment in associate					(22)
Loss before income tax expenses					(5)
Income tax expenses	(33)	(11)	(3)	8	(39)
Loss for the period					<u>(44)</u>

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	30	31
	June	December	June	December	June	December	June	December	June	December
Foreign	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
currency	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	2	2	-	-	-	-	-	-	33.1261	32.6407

25. Litigation

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

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

(Unaudited but reviewed)

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

On 19 April 2016, the Appeal Court has issued judgement ordering the defendants to transfer eight plots of land out of nine plots of land as awarded by the Court of First Instance totaling 4 rai 1 ngan 90.9 square wah to be common property of Allamanda 1 Condominium. The Appeal Court also ruled that the defendants did not unlawfully use the land, so the defendants do not have to compensate the plaintiffs. Moreover, the Appeal Court dismissed the plaint against the 5th to 14th defendants as directors. 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 31 December 2017, the subsidiaries set aside a provision of Baht 41.0 million for liabilities arising as a result of this case.

On 13 February 2018, the plaintiffs and the defendants completely signed a settlement agreement to settle the outstanding disputes in relation to this case. On 20 February 2018, the litigators of both parties jointly submitted petitions to the Conciliation Centre of the Supreme Court with a request for the Supreme Court to render its judgment as per the settlement agreement. Subsequently, on 27 February 2018, the subsidiaries paid a Baht 10 million to the plaintiffs as a part of the settlement agreement.

On 30 May 2018, the Supreme Court accepted this case for consideration and rendered a judgment in accordance with the settlement agreement. Therefore, the case is deemed final. The subsidiaries therefore reversed the outstanding balance of provision for legal case, amounting to Baht 31.0 million, and recognised the reversal of expense, presenting it under administrative expenses in the consolidated income statements for the three-month and six-month periods ended 30 June 2018.

(Unaudited but reviewed)

26. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 August 2018.