

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 2019

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 2019, the related consolidated statements of income, comprehensive income for the three-month and six-month periods ended 30 June 2019, 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 period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of matter

I draw attention to the following notes to the financial statements.

- a) Note 1.4 and Note 2 to the financial statements regarding the change in accounting policy as a result of the adoption of TFRS 15 Revenue from contracts with customers. The Company and its subsidiaries have restated the 2018 consolidated financial statements, presented herein as comparative information, to reflect the change in accounting policy. The Company and its subsidiaries have also presented the consolidated statements of financial position as at 1 January 2018 as comparative information.
- b) Note 11 to the financial statements regarding the change in valuation approach of investment properties. The Company and its subsidiaries have recognised gain on change in valuation approach of investment properties of Baht 75 million in the consolidated income statements for the three-month and six-month periods ended 30 June 2019.

My conclusion is not qualified in respect of these matters.

Rosaporn Decharkom

Certified Public Accountant (Thailand) No. 5659

EY Office Limited

Bangkok: 6 August 2019

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Note	30 June 2019	31 December 2018	1 January 2018	30 June 2019	31 December 2018
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited)
Assets						
Current assets						
Cash and cash equivalents	3	522,331	601,678	1,009,981	37,976	22,643
Current investment - short-term fixed deposit		14,107	14,045	13,007	-	-
Trade and other receivables	4	523,203	636,051	704,568	49,875	62,819
Inventories		86,061	101,117	112,598	-	-
Property development cost	6	4,182,903	3,815,340	3,985,979	111,429	111,429
Cost to obtain contracts with customers		126,733	70,722	61,157	-	-
Other current assets	21	270,241	271,723	138,879	26,715	15,117
Total current assets		5,725,579	5,510,676	6,026,169	225,995	212,008
Non-current assets						
Long-term restricted deposit at financial institution		41	41	41	-	-
Long-term fixed deposit		2,269	2,178	2,178	2,269	2,178
Long-term trade accounts receivable	7	409,126	488,042	322,175	-	-
Investments in subsidiaries	8	-	-	-	4,242,655	4,242,655
Investments in associates	9	988,060	1,015,217	928,399	777,454	777,454
Other long-term investments	10	606,365	606,365	606,365	-	-
Long-term loans to subsidiaries	5	-	-	-	1,623,000	987,000
Investment properties	11	1,420,632	1,233,351	1,165,334	191,049	183,621
Property, plant and equipment	12	11,696,776	11,526,679	11,299,858	35,435	42,090
Deferred tax assets		77,875	78,025	98,128	-	-
Goodwill		407,904	407,904	407,904	-	-
Leasehold rights		7,100	8,638	11,461	-	-
Other non-current assets	26	31,837	25,918	76,853	1,342	1,342
Total non-current assets		15,647,985	15,392,358	14,918,696	6,873,204	6,236,340
Total assets		21,373,564	20,903,034	20,944,865	7,099,199	6,448,348

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 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements	
		30 June 2019	31 December 2018	1 January 2018	30 June 2019	31 December 2018
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	13	745,000	450,000	510,000	370,000	240,000
Trade and other payables	14	719,864	886,073	924,895	43,068	33,679
Current portion of long-term loans from financial institutions	16	644,278	673,343	518,610	5,000	3,875
Current portion of unsecured debenture		-	-	497,980	-	-
Income tax payable		52,716	38,800	38,182	-	-
Advance received from customers		1,279,805	1,039,660	812,248	205	504
Other current liabilities	15	198,396	202,880	166,558	54,289	7,621
Total current liabilities		3,640,059	3,290,756	3,468,473	472,562	285,679
Non-current liabilities						
Long-term loans from subsidiaries	5	-	-	-	634,000	433,500
Long-term loans from financial institutions - net of current portion	16	2,511,074	2,323,851	2,207,870	67,750	70,250
Provision for long-term employee benefits	25	75,777	65,493	55,168	19,542	16,270
Long-term provision - provision for legal case	26	20,682	20,682	41,018	-	-
Deferred tax liabilities		2,357,870	2,358,878	2,351,359	103,539	106,777
Other non-current liabilities		106,055	113,959	111,373	5,848	6,009
Total non-current liabilities		5,071,458	4,882,863	4,766,788	830,679	632,806
Total liabilities		8,711,517	8,173,619	8,235,261	1,303,241	918,485
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	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	1,666,827
Share premium		2,062,461	2,062,461	2,062,461	2,062,461	2,062,461
Capital reserve		568,131	568,131	568,131	-	-
Retained earnings						
Appropriated - statutory reserve		211,675	211,675	211,675	211,675	211,675
Unappropriated		2,977,568	3,043,537	3,019,180	1,715,952	1,449,857
Other components of shareholders' equity		4,917,538	4,922,764	4,922,513	139,043	139,043
Equity attributable to owner of the Company		12,404,200	12,475,395	12,450,787	5,795,958	5,529,863
Equity attributable to non-controlling interests of the subsidiaries		257,847	254,020	258,817	-	-
Total shareholders' equity		12,662,047	12,729,415	12,709,604	5,795,958	5,529,863
Total liabilities and shareholders' equity		21,373,564	20,903,034	20,944,865	7,099,199	6,448,348

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

Directors

Laguna Resorts & Hotels Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
Revenues					
Revenue from hotel operations		664,978	716,982	3,604	3,816
Revenue from property development operations		95,607	341,371	146	-
Revenue from office rental operations		22,632	27,358	5,409	5,216
Interest income		7,477	8,840	14,632	10,246
Other income	17	89,775	2,789	218,173	52,720
Total revenues		880,469	1,097,340	241,964	71,998
Expenses					
Cost of hotel operations		458,714	467,966	5,899	5,583
Cost of property development operations		59,903	207,149	-	-
Cost of office rental operations		11,556	15,513	1,793	1,670
Selling expenses		78,710	93,747	500	88
Administrative expenses		311,233	323,939	48,642	39,921
Total expenses		920,116	1,108,314	56,834	47,262
Profit (loss) before share of loss from investments in associates,					
finance cost and income tax expenses		(39,647)	(10,974)	185,130	24,736
Share of loss from investments in associates	9	(4,616)	(1,153)	-	-
Profit (loss) before finance cost and income tax expenses		(44,263)	(12,127)	185,130	24,736
Finance cost		(29,506)	(39,105)	(12,441)	(9,526)
Profit (loss) before income tax expenses		(73,769)	(51,232)	172,689	15,210
Income tax expenses	18	(10,271)	8,141	2,317	2,306
Profit (loss) for the period		(84,040)	(43,091)	175,006	17,516
Profit (loss) attributable to:					
Equity holders of the Company		(84,081)	(38,126)	175,006	17,516
Non-controlling interests of the subsidiaries		41	(4,965)		
		(84,040)	(43,091)		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	19	(0.50)	(0.23)	1.05	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 30 June 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Profit (loss) for the period	<u>(84,040)</u>	<u>(43,091)</u>	<u>175,006</u>	<u>17,516</u>
Other comprehensive income (loss):				
<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	2,795	(1,307)	-	-
Share of other comprehensive income (loss) of associates	9 (7,129)	2,898	-	-
Other comprehensive income (loss) for the period	<u>(4,334)</u>	<u>1,591</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period	<u>(88,374)</u>	<u>(41,500)</u>	<u>175,006</u>	<u>17,516</u>
Total comprehensive income (loss) attributable to:				
Equity holders of the Company	(88,260)	(36,694)	<u>175,006</u>	<u>17,516</u>
Non-controlling interests of the subsidiaries	(114)	(4,806)		
	<u>(88,374)</u>	<u>(41,500)</u>		
	-	-		

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries**Income statement****For the six-month period ended 30 June 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
Revenues					
Revenue from hotel operations		1,799,253	1,963,130	23,657	25,265
Revenue from property development operations		241,444	584,233	249	-
Revenue from office rental operations		48,569	50,877	11,016	10,466
Interest income		19,209	16,487	26,253	20,935
Other income	17	93,117	8,820	407,991	82,966
Total revenues		2,201,592	2,623,547	469,166	139,632
Expenses					
Cost of hotel operations		1,047,427	1,081,588	16,940	16,728
Cost of property development operations		155,773	359,323	-	-
Cost of office rental operations		24,431	25,897	3,566	3,279
Selling expenses		167,285	189,260	961	396
Administrative expenses		678,925	798,476	92,711	93,058
Total expenses		2,073,841	2,454,544	114,178	113,461
Profit before share of profit from investments in associates,					
finance cost and income tax expenses		127,751	169,003	354,988	26,171
Share of profit from investments in associates	9	5,491	40,241	-	-
Profit before finance cost and income tax expenses		133,242	209,244	354,988	26,171
Finance cost		(65,186)	(80,120)	(23,792)	(19,244)
Profit before income tax expenses		68,056	129,124	331,196	6,927
Income tax expenses	18	(65,291)	(41,679)	3,238	3,506
Profit for the period		2,765	87,445	334,434	10,433
Profit (loss) attributable to:					
Equity holders of the Company		-1,240	91,165	334,434	10,433
Non-controlling interests of the subsidiaries		4,005	(3,720)		
		2,765	87,445		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	19	-0.01	0.55	2.01	0.06

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 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Profit for the period	<u>2,765</u>	<u>87,445</u>	<u>334,434</u>	<u>10,433</u>
Other comprehensive income (loss):				
<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	2,583	4,289	-	-
Share of other comprehensive income (loss) of associates	9 (4,377)	(81)	-	-
Other comprehensive income (loss) for the period	<u>(1,794)</u>	<u>4,208</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>971</u>	<u>91,653</u>	<u>334,434</u>	<u>10,433</u>
Total comprehensive income (loss) attributable to:				
Equity holders of the Company	-2,856	95,460	<u>334,434</u>	<u>10,433</u>
Non-controlling interests of the subsidiaries	3,827	(3,807)		
	<u>971</u>	<u>91,653</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

For the six-month period ended 30 June 2019

(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					Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	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	Total equity attributable to shareholders of the Company		
Balance as at 31 December 2017 - as previously reported	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
Cumulative effects of the change in accounting policies due to the adoption of new financial reporting standard (Note 2)	-	-	-	-	48,900	-	-	-	-	48,900	26	48,926
Balance as at 31 December 2017 - as restated	1,666,827	2,062,461	568,131	211,675	3,019,180	113,691	4,799,913	8,909	4,922,513	12,450,787	258,817	12,709,604
Profit (loss) for the period (restated)	-	-	-	-	91,165	-	-	-	-	91,165	(3,720)	87,445
Other comprehensive income (loss) for the period	-	-	-	-	-	4,376	-	(81)	4,295	4,295	(87)	4,208
Total comprehensive income (loss) for the period (restated)	-	-	-	-	91,165	4,376	-	(81)	4,295	95,460	(3,807)	91,653
Dividend paid (Note 20)	-	-	-	-	(63,339)	-	-	-	-	(63,339)	-	(63,339)
Reversal of revaluation surplus on disposal of assets	-	-	-	-	3,252	-	(3,252)	-	(3,252)	-	-	-
Liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	(4)	(4)
Balance as at 30 June 2018 - as restated	1,666,827	2,062,461	568,131	211,675	3,050,258	118,067	4,796,661	8,828	4,923,556	12,482,908	255,006	12,737,914
Balance as at 31 December 2018 - as previously reported	1,666,827	2,062,461	568,131	211,675	2,986,959	122,018	4,790,813	9,933	4,922,764	12,418,817	254,020	12,672,837
Cumulative effects of the change in accounting policies due to the adoption of new financial reporting standard (Note 2)	-	-	-	-	56,578	-	-	-	-	56,578	-	56,578
Balance as at 31 December 2018 - as restated	1,666,827	2,062,461	568,131	211,675	3,043,537	122,018	4,790,813	9,933	4,922,764	12,475,395	254,020	12,729,415
Profit (loss) for the period	-	-	-	-	(1,240)	-	-	-	-	(1,240)	4,005	2,765
Other comprehensive income (loss) for the period	-	-	-	-	-	2,761	-	(4,377)	(1,616)	(1,616)	(178)	(1,794)
Total comprehensive income (loss) for the period	-	-	-	-	(1,240)	2,761	-	(4,377)	(1,616)	(2,856)	3,827	971
Dividend paid (Note 20)	-	-	-	-	(68,339)	-	-	-	-	(68,339)	-	(68,339)
Reversal of revaluation surplus on disposal of assets	-	-	-	-	3,610	-	(3,610)	-	(3,610)	-	-	-
Balance as at 30 June 2019	1,666,827	2,062,461	568,131	211,675	2,977,568	124,779	4,787,203	5,556	4,917,538	12,404,200	257,847	12,662,047
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

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 2019

(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 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
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income 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>
Balance as at 1 January 2019	1,666,827	2,062,461	211,675	1,449,857	139,043	139,043	5,529,863
Profit for the period	-	-	-	334,434	-	-	334,434
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	334,434	-	-	334,434
Dividend paid (Note 20)	-	-	-	(68,339)	-	-	(68,339)
Balance as at 30 June 2019	<u>1,666,827</u>	<u>2,062,461</u>	<u>211,675</u>	<u>1,715,952</u>	<u>139,043</u>	<u>139,043</u>	<u>5,795,958</u>
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Cash flow statement

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
Cash flows from operating activities				
Profit before income tax expenses	68,056	129,124	331,196	6,927
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	193,111	184,027	3,729	4,182
Amortisation of leasehold rights	1,211	1,246	-	-
Amortisation of transaction costs related to debenture issuance	-	1,025	-	-
Allowance for doubtful accounts (reversal)	798	(660)	438	-
Reduction of inventory to net realisable value	880	1,202	-	-
Dividend income from investments in subsidiaries	-	-	(321,807)	-
Dividend income from investments in associate	-	-	(28,271)	(28,271)
Share of profit from investments in associates	(5,491)	(40,241)	-	-
Gain on revaluation of investment properties	(86,510)	-	(7,428)	-
(Gain) loss on sales of property, plant and equipment	9	1,361	(6)	-
Write off investment properties	242	-	-	-
Write off property, plant and equipment	216	219	-	-
Impairment of property, plant and equipment	9,719	-	9,719	-
Provision for impairment of deposit for purchase of land	-	64,712	-	-
Provision for long-term employee benefits	10,762	2,571	3,272	218
Provision for legal case (reversal)	-	(31,018)	-	-
Forfeited money from property units	(1,500)	-	-	-
Interest income	(19,209)	(16,487)	(26,253)	(20,935)
Interest expenses	65,186	80,120	23,792	19,244
Profit (loss) from operating activities before changes in operating assets and liabilities	237,480	377,201	(11,619)	(18,635)
Operating assets (increase) decrease				
Trade and other receivables	111,921	141,744	14,236	(16,818)
Inventories	14,176	(5,608)	-	-
Property development cost	(412,037)	(80,812)	-	15,728
Cost to obtain contracts with customers	(56,011)	(26,589)	-	-
Other current assets	11,554	(34,090)	(6,807)	(4,107)
Long-term trade accounts receivable	78,916	(3,819)	-	-
Other non-current assets	(5,919)	(2,296)	-	(71)
Operating liabilities increase (decrease)				
Trade and other payables	(165,966)	(193,022)	6,847	(240)
Advance received from customers	240,145	299,450	(299)	10
Other current liabilities	(4,931)	23,770	46,668	44,150
Provision for long-term employee benefits	(478)	(4,263)	-	(1,941)
Long-term provision - provision for legal case	-	(10,000)	-	-
Other non-current liabilities	(7,904)	1,886	(161)	60
Cash flows from operating activities	40,946	483,552	48,865	18,136
Cash received for interest income	19,338	16,472	24,523	23,581
Cash paid for interest expenses	(78,362)	(82,603)	(21,250)	(20,304)
Cash paid for income tax	(62,306)	(54,000)	(4,791)	(4,396)
Net cash flows from (used in) operating activities	(80,384)	363,421	47,347	17,017

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
Cash flows from investing activities				
Increase in current investment - short-term fixed deposit	(62)	(57)	-	-
Increase in long-term fixed deposit	(91)	-	(91)	-
Cash received from long-term loans to subsidiaries	-	-	434,000	586,501
Cash paid for long-term loans to subsidiaries	-	-	(1,070,000)	(518,500)
Cash paid for acquisition of investment in associate	-	(48,439)	-	-
Cash paid for acquisition of investment properties	(83,626)	(1,727)	-	-
Cash received from sales of property, plant and equipment	172	730	6	1
Cash paid for acquisition of property, plant and equipment	(332,586)	(121,347)	(6,793)	(4,923)
Dividend received from investment in subsidiaries	-	-	321,807	-
Dividend received from investment in associate	28,271	28,271	28,271	28,271
Decrease in cash and cash equivalents from liquidation of subsidiary	-	(4)	-	-
Net cash flows from (used in) investing activities	(387,922)	(142,573)	(292,800)	91,350
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	295,000	(470,000)	130,000	(260,000)
Draw down of long-term loans from subsidiaries	-	-	709,500	474,000
Repayment of long-term loans from subsidiaries	-	-	(509,000)	(282,000)
Draw down of long-term loans from financial institutions	555,000	92,625	-	-
Repayment of long-term loans from financial institutions	(396,842)	(247,881)	(1,375)	(250)
Payment of dividends	(68,339)	(63,339)	(68,339)	(63,339)
Net cash flows from (used in) financing activities	384,819	(688,595)	260,786	(131,589)
Net exchange differences on translation of financial statements in foreign currency	4,140	6,218	-	-
Net increase (decrease) in cash and cash equivalents	(79,347)	(461,529)	15,333	(23,222)
Cash and cash equivalents at beginning of period	601,678	1,009,981	22,643	40,238
Cash and cash equivalents at end of period	522,331	548,452	37,976	17,016
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Share of comprehensive income (loss) of associates	(4,377)	(81)	-	-
Reversal of revaluation surplus on disposal of assets	3,610	3,252	-	-
Interest recorded as property development cost	10,208	530	-	-
Interest recorded as property, plant and equipment	2,725	-	-	-
Transfer of property development cost to property, plant and equipment	178,249	-	-	-
Transfer of property development cost to investment properties	17,387	-	-	-
Transfer of property, plant and equipment to property development cost	139,454	-	-	-

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 2019

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 five hotels in Laguna Phuket, namely Angsana Laguna Phuket, Banyan Tree Phuket, Angsana Villas Resort Phuket, Cassia Phuket and Laguna Holiday Club Phuket Resort, 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.

On 1 January 2019, the Group changed certain parts of hotel operation among its subsidiaries by transferring of Angsana Villas Resort Phuket hotel, which previously operated under Laguna Village Limited, to Bangtao Grande Limited and transferring of Laguna Holiday Club Phuket Resort hotel, which previously operated under Laguna Holiday Club Limited, to Bangtao Grande Limited.

The changes are intended to improve the efficiency of managing and operating the hotel business.

1.2 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.

(Unaudited but reviewed)

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 2018. There have been no changes in the composition of the subsidiaries during the current period.

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
IFRIC 13 (revised 2017)	Customer Loyalty Programmes
IFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
IFRIC 18 (revised 2017)	Transfers of Assets from Customers

(Unaudited but reviewed)

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.

The Company and its subsidiaries adopted TFRS 15 using the full retrospective method of adoption. The Company and its subsidiaries elect to apply the following practical expedient.

- Not restate completed contracts as at 1 January 2018 for which the entity has transferred all of the goods or services identified in accordance with the previous accounting policy.

The cumulative effect of the change is described in Note 2.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

(Unaudited but reviewed)

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the entity's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

1.5 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 2018, except for the change in the accounting policies due to the adoption of TFRS 15, *Revenue from Contracts with Customers*, as follow:

Cost to obtain a contract

The Company and its subsidiaries recognise commission paid to obtain a customer contract as an asset and amortise to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

(Unaudited but reviewed)

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 1.4 to the financial statements, during the current period, the Company and its subsidiaries have adopted TFRS 15 using the full retrospective method of adoption. The cumulative effect of the change in accounting policy is presented as a separate item in the consolidated statement of changes in shareholders' equity. There is no impact to the separate financial statements from the adoption of TFRS 15.

The amounts of the adjustments affecting the consolidated statement of financial position and consolidated statement of income are summarised below:

(Unit: Million Baht)

	Consolidated financial statements	
	Increase	
	31 December 2018	1 January 2018
Statements of financial position		
Assets		
Cost to obtain contracts with customers	71	61
Total assets	<u>71</u>	<u>61</u>
Liabilities		
Deferred tax liabilities	14	12
Total liabilities	<u>14</u>	<u>12</u>
Shareholders' equity		
Retained earnings	57	49
Total shareholders' equity	<u>57</u>	<u>49</u>
Total liabilities and shareholders' equity	<u><u>71</u></u>	<u><u>61</u></u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements	
	Increase (decrease) in profit for the three-month period ended 30 June 2018	Increase (decrease) in profit for the six-month period ended 30 June 2018
Income statements		
Profit or loss:		
Revenue from property		
development operations	(1)	(1)
Selling expenses	13	27
Income tax expenses	(2)	(5)
Profit for the period	10	21
Attributable to:		
Profit attributable to equity		
holders of the Company	10	21
Earnings per share (Baht):		
Basic earnings per share	0.06	0.13

The nature of the significant adjustment is described below:

- Commission paid to obtain a contract - The Company and its subsidiaries have determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. Under the previous accounting policy, the Company and its subsidiaries immediately recorded commission as selling expenses when the transaction occurred.

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Cash	4,798	7,722	148	148
Bank deposits	517,533	593,956	37,828	22,495
Total	<u>522,331</u>	<u>601,678</u>	<u>37,976</u>	<u>22,643</u>

(Unaudited but reviewed)

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	152,091	230,656	6,891	5,102
Less: Allowance for doubtful accounts	(9,177)	(8,566)	(3,738)	(3,300)
Trade accounts receivable - hotel operations, net	142,914	222,090	3,153	1,802
Trade accounts receivable - sales of property				
- Installments due	28,417	60,531	-	-
Current portion of long-term trade				
accounts receivable (Note 7)	173,117	184,522	-	-
Trade accounts receivable - sales of property, net	201,534	245,053	-	-
Trade accounts receivable - sales of holiday club				
memberships - installments due and trade account				
receivable from sales and marketing services for				
holiday club memberships	68,277	81,510	-	-
Current portion of long-term trade				
accounts receivable (Note 7)	843	1,507	-	-
Trade accounts receivable - sales of holiday club				
memberships and sales and marketing services for				
holiday club memberships, net	69,120	83,017	-	-
Trade accounts receivable - net	413,568	550,160	3,153	1,802
<u>Other receivables</u>				
Amounts due from related parties (Note 5)	55,749	45,368	23,302	38,874
Other receivables	28,678	9,268	53	332
Insurance claim receivable	1,457	1,434	-	-
Accrued other income	614	8,191	229	234
Interest receivable	23	152	23	98
Accrued rental income	23,114	21,478	23,115	21,479
Total other receivables	109,635	85,891	46,722	61,017
Trade and other receivables, net	523,203	636,051	49,875	62,819

(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 2019	31 December 2018	30 June 2019	31 December 2018
<u>Age of receivables</u>				
Not yet due	57,825	120,892	184	287
Past due				
Up to 30 days	39,717	65,827	357	190
31 - 60 days	19,344	16,904	1,606	131
61 - 90 days	7,409	5,142	92	102
91 - 120 days	5,068	2,911	74	54
Over 120 days	22,728	18,980	4,578	4,338
Total	152,091	230,656	6,891	5,102
Less: Allowance for doubtful debts	(9,177)	(8,566)	(3,738)	(3,300)
Trade accounts receivable - hotel operations, net	142,914	222,090	3,153	1,802

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 2019	31 December 2018	30 June 2019	31 December 2018
<u>Age of receivables</u>				
Not yet due	170,462	224,777	-	-
Past due				
Up to 30 days	13,888	11,202	-	-
31 - 60 days	8,014	4,103	-	-
61 - 90 days	4,694	1,958	-	-
91 - 120 days	1,036	947	-	-
Over 120 days	3,440	2,066	-	-
Trade accounts receivable - sales of property, net	201,534	245,053	-	-

(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 2019	31 December 2018	30 June 2019	31 December 2018
<u>Age of receivables</u>				
Not yet due	4,169	5,275	-	-
Past due				
Up to 30 days	3,068	3,771	-	-
31 - 60 days	2,823	4,224	-	-
61 - 90 days	3,779	4,870	-	-
91 - 120 days	4,547	1,041	-	-
Over 120 days	49,891	62,329	-	-
Trade accounts receivable - sales of holiday club memberships - installment due and trade accounts receivable from sales and marketing services for holiday club memberships, net	<u>68,277</u>	<u>81,510</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.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Guarantee fee income	-	-	1	1	(3) agreed basis
Interest income	-	-	14	10	(5) agreement
Interest expenses	-	-	10	7	(5) agreement
Management fee income	-	-	25	24	(4), (7) agreed basis
Reimbursement receipts	-	-	1	2	(11) agreed basis
Reimbursement payments	-	-	2	2	(11) agreed basis
Rental and service income	-	-	1	1	(12)(iii) agreement
Rental and service expenses	-	-	1	1	(12)(iv), (v) agreement
Resort service expenses	-	-	2	4	(14) agreed basis
Dividend income	-	-	157	-	As declared
<u>Transactions with associates</u>					
Reimbursement receipts	-	2	-	-	(11) agreed basis
Rental and service income	5	7	-	-	(12)(iv) agreement
Dividend income	-	-	28	28	As declared
<u>Transactions with related companies</u>					
Credit card commission receipts	1	1	-	-	(1) agreed basis
Inter resort payments	15	13	-	-	(1) agreed basis
Management fee income	1	1	-	1	(15), (16) agreement
Management fee expenses	53	43	-	-	(6), (17) agreement
Purchase of spa & gallery vouchers	2	1	-	-	(2), (8) agreed basis
Sale of goods	4	6	-	-	(9) agreed basis
Reimbursement receipts	13	23	2	1	(11) agreed basis
Reimbursement payments	5	8	2	-	(11) agreed basis
Rental and service income	6	5	-	-	(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	1	2	-	-	(14) agreed basis
Training charges	1	6	-	-	(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	financial statements	financial statements	
	2019	2018	2019	2018	
<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	-	-	26	21	(5) agreement
Interest expenses	-	-	20	14	(5) agreement
Management fee income	-	-	49	50	(4), (7) agreed basis
Reimbursement receipts	-	-	1	4	(11) agreed basis
Reimbursement payments	-	-	4	5	(11) agreed basis
Rental and service income	-	-	2	2	(12)(iii) agreement
Rental and service expenses	-	-	3	3	(12)(iv), (v) agreement
Resort service expenses	-	-	5	5	(14) agreed basis
Dividend income	-	-	322	-	As declared
<u>Transactions with associates</u>					
Reimbursement receipts	2	3	-	-	(11) agreed basis
Rental and service income	11	12	-	-	(12)(iv) agreement
Dividend income	-	-	28	28	As declared
<u>Transactions with related companies</u>					
Credit card commission receipts	1	1	-	-	(1) agreed basis
Inter resort payments	34	36	-	-	(1) agreed basis
Management fee income	2	2	1	1	(15), (16) agreement
Management fee expenses	165	146	6	-	(6), (17) agreement
Purchase of spa & gallery vouchers	6	7	1	2	(2), (8) agreed basis
Sale of goods	9	14	-	-	(9) agreed basis
Reimbursement receipts	27	37	3	5	(11) agreed basis
Reimbursement payments	28	16	2	1	(11) agreed basis
Rental and service income	13	13	-	-	(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	2	3	-	-	(14) agreed basis
Training charges	3	9	-	-	(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 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 Grande Resort Limited, formerly known as Phuket Resort Development Limited), Angsana Villas Resort Phuket (Bangtao Grande Limited) and Laguna Holiday Club Phuket Resort (Bangtao Grande 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 Banyan Tree Bangkok and Angsana Laguna Phuket pay a hotel management fee of 10% of gross operating profit. Cassia Phuket, Angsana Villas Resort Phuket and Laguna Holiday Club Phuket Resort 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 2% of total actual hotel revenue.
 - Reservation service fees are 1% of room revenue plus USD 12 per booking sourced through third party channels.

(Unaudited but reviewed)

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, Cassia Phuket and Laguna Holiday Club Phuket Resort 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 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

BGL : Bangtao Grande Limited

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

(Unaudited but reviewed)

- (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.
 - (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 per month.
- (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) The Company charges a management fee to Banyan Tree Resorts & Spas (Thailand) Company Limited for providing administration services of information technology and human resources.
- (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.

(Unaudited but reviewed)

(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.

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 2019</u>	<u>31 December 2018</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 2019</u>	<u>31 December 2018</u>
Short-term loan facilities	150	150
Long-term loan facilities	900	900
Overdrafts and bank guarantee facilities	20	20

As at 30 June 2019 and 31 December 2018, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	2019	2018	2019	2018
Amounts due from related parties				
Subsidiaries	-	-	18,746	36,707
Associated companies	149	59	-	-
Related companies (related by common shareholders)	55,600	45,309	4,556	2,167
Total amounts due from related parties (Note 4)	<u>55,749</u>	<u>45,368</u>	<u>23,302</u>	<u>38,874</u>
Amounts due to related parties				
Subsidiaries	-	-	12,821	8,487
Associated companies	16	16	-	-
Related companies (related by common shareholders)	128,066	121,197	8,518	933
Total amounts due to related parties (Note 14)	<u>128,082</u>	<u>121,213</u>	<u>21,339</u>	<u>9,420</u>

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

As at 30 June 2019 and 31 December 2018, the balance of loans between the Company and those related companies and the movement are as follows:

(Unaudited but reviewed)

Long-term loans to subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	31 December			30 June
	2018	Addition	Repayment	2019
Laguna Banyan Tree Limited	464,000	336,000	(131,000)	669,000
Laguna Holiday Club Limited	208,000	44,500	(68,500)	184,000
Laguna Lakes Limited	315,000	15,000	(24,000)	306,000
Laguna Grande Limited	-	669,500	(208,500)	461,000
Laguna (3) Limited	-	5,000	(2,000)	3,000
Total	987,000	1,070,000	(434,000)	1,623,000

Long-term loans from subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	31 December			30 June
	2018	Addition	Repayment	2019
Laguna Grande Limited	32,500	-	(32,500)	-
Laguna (3) Limited	28,000	-	(28,000)	-
TWR - Holdings Limited	373,000	709,500	(448,500)	634,000
Total	433,500	709,500	(509,000)	634,000

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2019 and 2018, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	19,374	13,170	8,576	2,060
Post-employment benefits	708	749	368	388
Other long-term employee benefits	8	10	4	6
Total	20,090	13,929	8,948	2,454

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	43,712	42,192	21,148	19,578
Post-employment benefits	1,467	1,502	734	797
Other long-term employee benefits	16	19	8	11
Total	45,195	43,713	21,890	20,386

(Unaudited but reviewed)

6. Property development cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Property for sale under holiday club memberships	229,255	425,209	-	-
Completed buildings	535,957	641,385	-	-
Land	1,925,131	1,796,067	111,429	111,429
Property under construction	1,492,560	952,679	-	-
Total	4,182,903	3,815,340	111,429	111,429

Subsidiaries have mortgaged property development cost amounting to Baht 661 million (31 December 2018: Baht 788 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% to 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 9% per annum and installments are repaid over a period of 3 to 5 years.

Long-term trade accounts receivable are due as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June 2019	31 December 2018
Current portion of long-term trade accounts receivable	173,960	186,029
Long-term trade accounts receivable	409,126	488,042
Total	583,086	674,071
Sales of property		
Within 1 year (Note 4)	173,117	184,522
Over 1 year to 5 years	408,874	487,145
Long-term trade accounts receivable - sales of property	581,991	671,667
Sales of holiday club memberships		
Within 1 year (Note 4)	843	1,507
Over 1 year to 5 years	252	897
Long-term trade accounts receivable - sales of holiday club memberships	1,095	2,404
Total	583,086	674,071

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
	2019	2018	2019	2018	2019	2018
	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 Grande Resort Limited ⁽⁴⁾	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 Limited ⁽⁵⁾	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 Laguna Limited ⁽⁶⁾	80.0	80.0	100.0	100.0	-	-
Bangtao Grande Limited	1,546.0	1,546.0	100.0	100.0	-	-
<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 Laguna Holiday Club Limited and Mae Chan Property Company Limited.

(3) Laguna Service Company Limited is held 24.7% by the Company and 48.2% through Bangtao Grande Limited and Laguna Banyan Tree Limited.

(4) Formerly known as "Phuket Resort Development Limited". The subsidiary changed its name and registered the change with the Ministry of Commerce on 21 June 2019.

(5) Formerly known as "Twin Waters Development Company Limited". The subsidiary changed its name and registered the change with the Ministry of Commerce on 21 June 2019.

(6) Formerly known as "Bangtao Development Limited". The subsidiary changed its name and registered the change with the Ministry of Commerce on 21 June 2019.

(Unaudited but reviewed)

During the three-month and six-month periods ended 30 June 2019, the Company received dividend income from its subsidiaries as detailed below.

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Laguna (3) Limited	-	-	32,884	-
Laguna Grande Limited	157,173	-	157,173	-
TWR - Holdings Limited	-	-	131,750	-
Total	157,173	-	321,807	-

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

9. Investments in associates

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 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
			(%)	(%)				
Tropical Resorts Ltd.	Holding company	Hong Kong	26	26	17,673	17,673	-	-
Less: Allowance for impairment of investment					(17,673)	(17,673)	-	-
Banyan Tree China Pte. Ltd.	Holding company	Singapore	10.69	10.69	173,495	173,495	222,075	221,497
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	765,985	793,720
Total investments in associates - net					950,949	950,949	988,060	1,015,217

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost			
			30 June 2019	31 December 2018	30 June 2019	31 December 2018		
			(%)	(%)				
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		

(Unaudited but reviewed)

As at 30 June 2019 and 31 December 2018, 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) and dividend received

During the three-month and six-month periods ended 30 June 2019, the Company and its subsidiaries have recognised its share of profit (loss) from investments in associate companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

For the three-month periods ended 30 June

Associates	Consolidated financial statements				Separate financial statements	
	Share of profit (loss) from investments in associates during the period		Share of other comprehensive income (loss) from investments in associates during the period		Dividend received during the period	
	2019	2018	2019	2018	2019	2018
Banyan Tree China Pte. Ltd.	(18)	(4,209)	-	818	-	-
Thai Wah Public Company Limited	(4,598)	3,056	(7,129)	2,080	28,271	28,271
Total	<u>(4,616)</u>	<u>(1,153)</u>	<u>(7,129)</u>	<u>2,898</u>	<u>28,271</u>	<u>28,271</u>

(Unit: Thousand Baht)

For the six-month periods ended 30 June

Associates	Consolidated financial statements				Separate financial statements	
	Share of profit from investments in associates during the period		Share of other comprehensive income (loss) from investments in associates during the period		Dividend received during the period	
	2019	2018	2019	2018	2019	2018
Banyan Tree China Pte. Ltd.	578	36,275	-	(1,907)	-	-
Thai Wah Public Company Limited	4,913	3,966	(4,377)	1,826	28,271	28,271
Total	<u>5,491</u>	<u>40,241</u>	<u>(4,377)</u>	<u>(81)</u>	<u>28,271</u>	<u>28,271</u>

9.3 Fair value of 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 2019	31 December 2018
Thai Wah Public Company Limited	667	733

(Unaudited but reviewed)

10. Other long-term investments

(Unit: Thousand Baht)

Consolidated financial
statements

	30 June 2019	31 December 2018
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

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Land awaiting development / sales	Units in office building and shops for rent (including land)	Construction in progress	Total	Land awaiting development / sales	Units in office building and shops for rent (including land)	Construction in progress	Total
Balance as at 31 December 2018	191,077	1,032,602	9,672	1,233,351	73,352	100,839	9,430	183,621
Addition	-	83,626	-	83,626	-	-	-	-
Transfer from property development cost	-	17,387	-	17,387	-	-	-	-
Write off	-	-	(242)	(242)	-	-	-	-
Gain on revaluation of investment properties	11,640	74,870	-	86,510	1,419	6,009	-	7,428
Balance as at 30 June 2019	202,717	1,208,485	9,430	1,420,632	74,771	106,848	9,430	191,049

As at 30 June 2019, the fair value of the investment properties has been determined based on valuation performed by an independent valuer, using the Market Approach. (31 December 2018: the Market Approach for land awaiting development / sales, and the Income Approach for units in office building and shops for rent).

During the current period, the management has considered that the change in property market condition affect the selling price of the units in office building and land on which the shops for rent is located. The management, therefore, reassessed the highest and best use of the units in office building and shops for rent and considered that using the Market Approach for revaluation of such assets is more appropriate in determining the fair value under the current market condition. As a result, the Company and its subsidiaries hired an independent appraiser to appraise the value of their investments properties and considered to change their determination of fair value of units in office building and shops for rent from the Income Approach to the Market Approach. In this regard, the Company and its subsidiaries recognised a Baht 75 million gain on change in valuation approach, which was included in gain on revaluation of investment properties in the consolidated income statements for the three-month and six-month periods ended 30 June 2019.

(Unaudited but reviewed)

As at 30 June 2019, the subsidiaries have pledged investment properties amounting to approximately Baht 851 million (31 December 2018: Baht 729 million) as collateral against credit facilities received from financial institutions and as security deposit for the litigation.

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 2018	16,583,061	120,797
Additions	335,311	6,793
Disposals and write off	(30,150)	(571)
Transfer from property development cost	178,249	-
Transfer to property development cost	(139,454)	-
Adjustments	(1,278)	-
Balance as at 30 June 2019	<u>16,925,739</u>	<u>127,019</u>
Accumulated depreciation		
Balance as at 31 December 2018	(5,051,629)	(78,707)
Depreciation charged for the period	(193,111)	(3,729)
Disposals and write off	29,753	571
Adjustments	496	-
Balance as at 30 June 2019	<u>(5,214,491)</u>	<u>(81,865)</u>
Allowance for impairment loss		
Balance as at 31 December 2018	(4,753)	-
Additions	(9,719)	(9,719)
Balance as at 30 June 2019	<u>(14,472)</u>	<u>(9,719)</u>
Net book value		
Balance as at 31 December 2018	<u>11,526,679</u>	<u>42,090</u>
Balance as at 30 June 2019	<u>11,696,776</u>	<u>35,435</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.

(Unaudited but reviewed)

The subsidiaries have mortgaged land and buildings at fair value of Baht 7,450 million (31 December 2018: Baht 7,488 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 3.65% - 3.80% per annum (31 December 2018: 3.63% - 3.65%).

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 June 2019	31 December 2018	30 June 2019	31 December 2018
Trade accounts payable	165,169	325,389	1,843	1,478
Amounts due to related parties (Note 5)	128,082	121,213	21,339	9,420
Accrued expenses	161,132	198,140	10,024	13,885
Other payables	139,281	107,971	255	209
Service charge payable to hotel staffs	13,988	34,256	-	-
Accrued rental to villa owners	112,212	99,104	9,607	8,687
Total	<u>719,864</u>	<u>886,073</u>	<u>43,068</u>	<u>33,679</u>

15. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Value added tax payable	44,994	60,148	3,203	4,487
Unearned income	42,284	34,614	48,648	-
Other tax payable	96,790	89,978	2,438	3,134
Short-term provisions	14,328	18,140	-	-
Total	<u>198,396</u>	<u>202,880</u>	<u>54,289</u>	<u>7,621</u>

(Unaudited but reviewed)

16. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Secured	<u>3,155,352</u>	<u>2,997,194</u>	<u>72,750</u>	<u>74,125</u>
Long-term loans are repayable as follows:				
Within 1 year	644,278	673,343	5,000	3,875
Over 1 year to 5 years	1,722,574	1,820,601	67,750	62,000
Over 5 years	788,500	503,250	-	8,250
	<u>2,511,074</u>	<u>2,323,851</u>	<u>67,750</u>	<u>70,250</u>
Total	<u>3,155,352</u>	<u>2,997,194</u>	<u>72,750</u>	<u>74,125</u>

Movements in the long-term loans account during the six-month period ended 30 June 2019 are summarised below:

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2018	2,997,194	74,125
Add: Drawdown	555,000	-
Less: Repayments	(396,842)	(1,375)
Balance as 30 June 2019	<u>3,155,352</u>	<u>72,750</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 its subsidiaries and the pledge of the 10 million ordinary shares of Thai Wah Public Company Limited, as described in Note 9.1.

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 2019, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounting to Baht 400 million (31 December 2018: Baht 555 million).

(Unaudited but reviewed)

17. Other income

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Dividend income	-	-	185,444	28,271
Gain on revaluation of investment properties (Note 11)	86,510	-	7,428	-
Management fee income	1,084	99	24,996	24,022
Other	2,181	2,690	305	427
Total	89,775	2,789	218,173	52,720

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Dividend income	-	-	350,078	28,271
Gain on revaluation of investment properties (Note 11)	86,510	-	7,428	-
Management fee income	1,714	199	49,686	50,843
Other	4,893	8,621	799	3,852
Total	93,117	8,820	407,991	82,966

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 2019 and 2018 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
	2019	2018	2019	2018
		(Restated)		
Current income tax:				
Interim corporate income tax charge	7,922	4,359	-	-
Adjustment in respect of income tax of previous year	3,889	(2,527)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,540)	(9,973)	(2,317)	(2,306)
Income tax expense reported in the income statement	10,271	(8,141)	(2,317)	(2,306)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	(Restated)			
Current income tax:				
Interim corporate income tax charge	62,028	45,798	-	-
Adjustment in respect of income tax of previous year	4,122	(2,391)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(859)	(1,728)	(3,238)	(3,506)
Income tax expense reported in the income statement	<u>65,291</u>	<u>41,679</u>	<u>(3,238)</u>	<u>(3,506)</u>

19. Earnings per share

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

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	(Restated)			
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	(84,081)	(38,126)	175,006	17,516
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings (loss) per share (Baht/share)	(0.50)	(0.23)	1.05	0.11

(Unaudited but reviewed)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	(Restated)			
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	(1,240)	91,165	334,434	10,433
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings (loss) per share (Baht/share)	(0.01)	0.55	2.01	0.06

20. Dividend

Dividend declared in six-month periods ended 30 June 2019 and 2018 consist of:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Dividends on 2018 retained earnings	Annual General Meeting of the shareholders on 26 April 2019	68.34	0.41
Dividends on 2017 retained earnings	Annual General Meeting of the shareholders on 27 April 2018	63.34	0.38

21. Commitments

Capital commitment

As at 30 June 2019, the Company and its subsidiaries have capital commitments as follows:

- The subsidiaries have commitments in respect of constructing new and renovating existing hotel properties amounting to Baht 190 million (31 December 2018: Baht 162 million).
- The subsidiaries have commitments that relate to projects to develop properties for sale amounting to Baht 1,393 million (31 December 2018: Baht 894 million).
- During 2019, a subsidiary entered into two sale and purchase agreements for land with unrelated persons, area of 13 rai 66.6 square wah, totaling Baht 99 million. The subsidiary paid deposit of Baht 25 million and the remaining shall be paid in 3 installments within February 2020.

As at 30 June 2019, the subsidiary had commitment relating to these agreements amounting to Baht 74 million.

Operating agreements

As at 30 June 2019, 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
	Angsana Villas Resort Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.8.2016 - 31.7.2041	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.8.2016 - 31.7.2041	- Management fee: 7.5% of gross operating profit
	Laguna Holiday Club Phuket Resort	Banyan Tree Hotels & Resorts Pte. Limited	19.10.2015 - 18.10.2035	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	19.10.2015 - 18.10.2035	- Management fee: 7.5% of gross operating profit
Laguna Banyan Tree Limited	Banyan Tree Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.1.2016 - 31.12.2025	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.1.2016 - 31.12.2025	- 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	- Royalty fee: 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 31.12.2021	- Management fee: 10% of gross operating profit
Phuket Grande Resort Limited (Formerly known as Phuket Resort Development Limited)	Cassia Phuket	Banyan Tree Hotels & Resorts Pte. Limited	20.10.2015 - 19.10.2040	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	20.10.2015 - 19.10.2040	- Management fee: 7.5% of gross operating profit
Banyan Tree Gallery (Singapore) Pte. Limited	Gallery	Banyan Tree Hotels & Resorts Pte. Limited	1.1.2009 onwards	- Royalty fee: 1% of total revenue
Banyan Tree Gallery (Thailand) Limited	Gallery	Banyan Tree Hotels & Resorts Pte. Limited	1.1.2009 onwards	- Royalty fee: 1% of total revenue

(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/unit 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 2 - 3 years.

As at 30 June 2019 and 31 December 2018, 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
	2019	2018	2019	2018
Payable within:				
In up to 1 year	15	10	4	5
In over 1 and up to 5 years	16	8	5	7

During the six-month period ended 30 June 2019, the Company and its subsidiaries recognised rental expenses of Baht 12 million (30 June 2018: Baht 10 million) (Separate financial statements: Baht 3 million, 30 June 2018: Baht 3 million).

Servitude over land

As at 30 June 2019, some subsidiaries have land servitude of approximately 11 rai (31 December 2018: 11 rai) in Phuket province, which are presented under property development cost and property, plant and equipment.

22. Guarantees

As at 30 June 2019, there were bank guarantees amounting to Baht 48 million (Separate financial statements: Baht 0.4 million) issued to various parties on behalf of the Company and its subsidiaries, mainly provided for the usage of electricity, other utilities and telecommunication channels (31 December 2018: Baht 58 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 2019 and 2018, respectively.

(Unit: Million Baht)

	For the three-month period ended 30 June 2019				
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	713	96	25	-	834
Intersegment revenues	(48)	(1)	(2)	-	(51)
Revenue from external customers	<u>665</u>	<u>95</u>	<u>23</u>	<u>-</u>	<u>783</u>
Results:					
Segment results	<u>(75)</u>	<u>(23)</u>	<u>7</u>	<u>(46)</u>	(137)
Unallocated income					90
Loss from operations and other income					(47)
Interest income	1	6	-	-	7
Finance cost	(23)	(4)	-	(2)	(29)
Share of loss from investments in associates					(5)
Loss before income tax expenses					(74)
Income tax expenses	(32)	-	(2)	24	(10)
Loss for the period					<u>(84)</u>

(Unit: Million Baht)

	For the three-month period ended 30 June 2018 (restated)				
	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>60</u>	<u>5</u>	<u>(7)</u>	(23)
Unallocated income					3
Loss from operations and other income					(20)
Interest income	1	8	-	-	9
Finance cost	(26)	(11)	-	(2)	(39)
Share of loss from investments in associates					(1)
Loss before income tax expenses					(51)
Income tax expenses	(71)	(10)	(1)	90	8
Loss for the period					<u>(43)</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month period ended 30 June 2019

	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	1,899	244	55	-	2,198
Intersegment revenues	(100)	(3)	(6)	-	(109)
Revenue from external customers	<u>1,799</u>	<u>241</u>	<u>49</u>	<u>-</u>	<u>2,089</u>
Results:					
Segment results	<u>120</u>	<u>(30)</u>	<u>15</u>	<u>(90)</u>	15
Unallocated income					93
Profit from operations and other income					108
Interest income	1	18	-	-	19
Finance cost	(48)	(13)	-	(4)	(65)
Share of profit from investments in associates					6
Profit before income tax expenses					68
Income tax expenses	(41)	-	(3)	(21)	(65)
Profit for the period					<u>3</u>

(Unit: Million Baht)

For the six-month period ended 30 June 2018 (restated)

	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	2,064	588	58	-	2,710
Intersegment revenues	(101)	(4)	(7)	-	(112)
Revenue from external customers	<u>1,963</u>	<u>584</u>	<u>51</u>	<u>-</u>	<u>2,598</u>
Results:					
Segment results	<u>178</u>	<u>14</u>	<u>13</u>	<u>(61)</u>	144
Unallocated income					9
Profit from operations and other income					153
Interest income	1	15	-	-	16
Finance cost	(52)	(23)	-	(5)	(80)
Share of profit from investments in associates					40
Profit before income tax expenses					129
Income tax expenses	(32)	(15)	(3)	8	(42)
Profit for the period					<u>87</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:

Foreign currency	Consolidated financial statements				Separate financial statements				Average exchange rate as at	
	Financial assets as at		Financial liabilities as at		Financial assets as at		Financial liabilities as at		30	31
	June 2019	December 2018	June 2019	December 2018	June 2019	December 2018	June 2019	December 2018	June 2019	December 2018
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	1	2	1	-	-	-	-	-	30.7000	32.4036

25. Provision for long-term employee benefits

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 7 million (The Company only: Baht 2 million) as a result. The Company and its subsidiaries recorded the effect of the change by recognising past service costs as expenses in the income statement for the three-month and six-month periods ended 30 June 2019.

26. Litigation

26.1 A case was brought to the Phuket Provincial Court since 2004 in which a contractor (the plaintiff) sued a subsidiary and claimed for compensation and damages from the subsidiary. The plaintiff referred in the plaint that the plaintiff entered into construction contracts with the subsidiary in order to construct 24 houses in Laguna Townhomes II project. The plaintiff completed some of the construction and received some payments from the subsidiary. The construction could not be completed within the completion date of the contracts, therefore, the subsidiary terminated the contract. The plaintiff claimed that the subsidiary did not pay the plaintiff the last 10 payments of their work and did not return the retention to the plaintiff. The subsidiary countered that the plaintiff did not complete the work on the schedule and a subsidiary had to hire another the contractor to complete their work. The subsidiary had to pay extra amount to the new contractor, therefore, the subsidiary did not have to pay the plaintiff for the uncompleted work and to return the retention.

In December 2017, the Phuket Provincial Court ordered the subsidiary to return Baht 3.7 million to the plaintiff plus interest 7.5% from the plaint date until the subsidiary has had full payment.

(Unaudited but reviewed)

On 18 December 2018, the subsidiary placed Baht 17 million to the Phuket Provincial Court as security for the amount awarded by the Appeal Court.

On 18 February 2019, the subsidiary submitted the appeal statement to the Supreme Court. This case is now pending on the Supreme Court's consideration.

As at 30 June 2019, the subsidiary set aside a provision of Baht 17 million for liabilities arising as a result of this case (31 December 2018: Baht 17 million).

26.2 A subsidiary was sued from 11 time-share members for the breaching of agreements and requested for refunds. The Phuket Provincial Court ordered the defendant to pay 11 members in the total amount of Baht 2.5 million plus interest 7.5% from the plaint date until the defendant has made full payment. However, the Appeal Court reversed the judgement of the Phuket Provincial Court and dismissed the case.

On 11 July 2018, the Supreme Court granted the request to appeal the Appeal Court's judgement of the plaintiff and accepted this case on their consideration.

As at 30 June 2019, the subsidiary set aside a provision of Baht 4 million for liabilities arising as a result of this case (31 December 2018: Baht 4 million).

26.3 Two subsidiaries were sued by a former buyer of property sales project and claim for refund of her payment in the amount of Baht 4.1 million plus interest 15% calculated from Baht 2.9 million from the plaint date.

On 15 August 2018, the Phuket Provincial Court ordered both subsidiaries to return Baht 1.4 million to the plaintiff plus interest 7.5% from the plaint date until both subsidiaries have made full payment.

On 26 February 2019, the Appeal Court confirmed the judgement of the Phuket Provincial Court.

On 21 June 2019, the subsidiaries submitted the appeal statement to the Supreme Court. This case is now pending on the Supreme Court's consideration.

Since the Group's lawyers and the management believe that the subsidiaries will not incur any losses from the litigation, no provisions have been made in respect of this case in the financial statements.

26.4 The Company was sued by a former shop lessee that the Company has breached the lease agreement and claim for compensation of Baht 3.9 million plus interest 7.5% from the plaint date. However, the Phuket Provincial court and the Appeal court dismissed the case. This case is now pending on the Supreme Court's consideration. The Company does not set up provision for this case.

(Unaudited but reviewed)

27. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 6 August 2019.