

Laguna Resorts & Hotels Public Company Limited
and its subsidiaries
Review report and interim consolidated financial statements
For the three-month period ended 31 March 2015



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Laguna Resorts & Hotels Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Laguna Resorts & Hotels Public Company Limited and its subsidiaries as at 31 March 2015, the related consolidated statements of income and comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Laguna Resorts & Hotels Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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



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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*.

A handwritten signature in black ink, appearing to read 'Rosan D'.

Rosaporn Decharkom

Certified Public Accountant (Thailand) No. 5659

EY Office Limited

Bangkok: 13 May 2015

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2015

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
	<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	404,412	444,633	33,968	17,675
Current investment - short-term fixed deposit		10,588	10,588	-	-
Trade and other receivables	4	578,064	549,723	220,956	203,899
Inventories		108,931	107,779	-	-
Property development cost	6	4,148,242	3,888,709	193,267	193,267
Other current assets		199,139	178,919	30,412	23,538
Total current assets		5,449,376	5,180,351	478,603	438,379
Non-current assets					
Restricted deposits at financial institution		41	41	-	-
Long-term fixed deposit		2,000	2,000	2,000	2,000
Long-term trade accounts receivable	7	159,136	165,044	-	-
Investments in subsidiaries	8	-	-	4,269,026	3,479,025
Investments in associates	9	403,879	409,465	-	-
Other long-term investments	10	1,075,861	1,008,790	469,496	402,425
Long-term loans to subsidiaries	5	-	-	740,121	2,257,021
Investment properties		1,112,276	1,112,276	181,225	181,225
Property, plant and equipment	11	10,239,494	10,244,888	50,602	49,796
Deferred tax assets		104,461	95,534	-	-
Goodwill		407,904	407,904	-	-
Leasehold rights		17,866	19,448	-	-
Other non-current assets		71,015	68,357	1,345	1,335
Total non-current assets		13,593,933	13,533,747	5,713,815	6,372,827
Total assets		19,043,309	18,714,098	6,192,418	6,811,206

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2015

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
	<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	12	800,000	710,000	410,000	360,000
Trade and other payables	13	675,350	687,573	33,971	24,926
Current portion of long-term loans from financial institutions	15	702,688	657,750	70,000	70,000
Income tax payable		55,134	23,787	-	-
Advance received from customers		1,072,543	1,017,212	623	715
Other current liabilities	14	154,399	122,060	10,352	9,959
Total current liabilities		<u>3,460,114</u>	<u>3,218,382</u>	<u>524,946</u>	<u>465,600</u>
Non-current liabilities					
Long-term loans from subsidiaries	5	-	-	44,900	765,850
Long-term loans from financial institutions					
- net of current portion	15	1,719,138	1,819,576	17,500	35,000
Provision for long-term employee benefits		51,586	52,622	8,920	10,022
Long-term provision - provision for legal case	23	39,586	39,337	-	-
Deferred tax liabilities		2,119,869	2,091,590	209,481	196,847
Other non-current liabilities		95,256	84,960	5,881	5,881
Total non-current liabilities		<u>4,025,435</u>	<u>4,088,085</u>	<u>286,682</u>	<u>1,013,600</u>
Total liabilities		<u>7,485,549</u>	<u>7,306,467</u>	<u>811,628</u>	<u>1,479,200</u>
Shareholders' equity					
Share capital					
Registered					
211,675,358 ordinary shares of Baht 10 each		<u>2,116,754</u>	<u>2,116,754</u>	<u>2,116,754</u>	<u>2,116,754</u>
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		2,583,979	2,482,806	952,173	957,046
Other components of shareholders' equity		4,187,146	4,134,100	487,654	433,997
Equity attributable to owner of the Company		<u>11,280,219</u>	<u>11,126,000</u>	<u>5,380,790</u>	<u>5,332,006</u>
Equity attributable to non-controlling interests of the subsidiaries		277,541	281,631	-	-
Total shareholders' equity		<u>11,557,760</u>	<u>11,407,631</u>	<u>5,380,790</u>	<u>5,332,006</u>
Total liabilities and shareholders' equity		<u>19,043,309</u>	<u>18,714,098</u>	<u>6,192,418</u>	<u>6,811,206</u>

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

Directors

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 31 March 2015

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

Note	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Revenue				
Revenue from hotel operations	1,050,047	1,043,482	18,558	22,032
Revenue from property development operations	184,820	145,838	86	31,987
Revenue from office rental operations	22,183	22,218	9,842	10,335
Interest income	4,438	3,908	27,008	32,731
Insurance claim	38,889	-	-	-
Other income	3,653	3,963	9,364	7,341
Total revenue	1,304,030	1,219,409	64,858	104,426
Expenses				
Cost of hotel operations	509,235	499,041	9,749	10,420
Cost of property development operations	104,629	74,741	-	24,088
Cost of office rental operations	13,932	11,251	1,836	1,835
Selling expenses	94,836	106,530	187	2,027
Administrative expenses	397,389	342,213	46,381	39,595
Total expenses	1,120,021	1,033,776	58,153	77,965
Profit before share of loss from investment				
in associate, finance cost and income tax expenses	184,009	185,633	6,705	26,461
Share of loss from investment in associate	9 (2,897)	(14,617)	-	-
Profit before finance cost and income tax expenses	181,112	171,016	6,705	26,461
Finance cost	(40,236)	(41,305)	(12,358)	(14,261)
Profit (loss) before income tax expenses	140,876	129,711	(5,653)	12,200
Income tax expenses	16 (42,097)	(24,928)	780	1,980
Profit (loss) for the period	98,779	104,783	(4,873)	14,180
Profit (loss) attributable to:				
Equity holders of the Company	101,173	104,853	(4,873)	14,180
Non-controlling interests of the subsidiaries	(2,394)	(70)		
	98,779	104,783		
Basic earnings per share	17			
Profit (loss) attributable to equity holders of the Company	0.61	0.63	(0.03)	0.09

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

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit (loss) for the period	98,779	104,783	(4,873)	14,180
Other comprehensive income (loss):				
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods:				
Exchange differences on translation of				
financial statements in foreign currency	(2,307)	(21,745)	-	-
Unrealised gain on available-for-sales security,				
net of income tax	53,657	95,049	53,657	95,049
Other comprehensive income (loss) for the period	51,350	73,304	53,657	95,049
Total comprehensive income (loss) for the period	150,129	178,087	48,784	109,229
Total comprehensive income (loss) attributable to:				
Equity holders of the Company	154,219	178,488	48,784	109,229
Non-controlling interests of the subsidiaries	(4,090)	(401)		
	150,129	178,087		

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to the owners of the Company											
Other components of shareholders' equity											
Other comprehensive income											
	Issued and fully paid-up share capital	Share premium	Capital reserve	Retained earnings	Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Unrealised gain on available-for-sales security	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2014	1,566,827	2,062,461	568,131	Appropriated - statutory reserve 211,675	156,575	3,935,218	-	4,091,793	11,122,216	279,777	11,401,993
Profit (loss) for the period	-	-	-	-	-	-	-	-	104,853	(70)	104,783
Other comprehensive income (loss) for the period	-	-	-	-	(21,414)	-	95,049	73,635	73,635	(331)	73,304
Total comprehensive income (loss) for the period	-	-	-	-	(21,414)	-	95,049	73,635	178,488	(401)	178,087
Balance as at 31 March 2014	1,566,827	2,062,461	568,131	211,675	135,161	3,935,218	95,049	4,165,428	11,300,704	279,376	11,580,080
Balance as at 1 January 2015	1,566,827	2,062,461	568,131	211,675	144,643	3,935,218	54,239	4,134,100	11,126,000	281,631	11,407,631
Profit (loss) for the period	-	-	-	-	-	-	-	-	101,173	(2,394)	98,779
Other comprehensive income (loss) for the period	-	-	-	-	(611)	-	53,657	53,046	53,046	(1,696)	51,350
Total comprehensive income (loss) for the period	-	-	-	-	(611)	-	53,657	53,046	154,219	(4,090)	150,129
Balance as at 31 March 2015	1,566,827	2,062,461	568,131	211,675	144,032	3,935,218	107,896	4,187,146	11,280,219	277,541	11,557,760

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

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(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Cash flow statement

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit (loss) before income tax expenses	140,876	129,711	(5,653)	12,200
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	75,558	71,293	1,127	1,303
Amortisation of leasehold rights	627	658	-	-
Allowance for doubtful accounts	12,547	2,196	-	-
Reduction of inventory to net realisable value (reversal)	47	(1,490)	-	-
Share of loss from investments in associate	2,897	14,617	-	-
Loss (gain) on sale of property, plant and equipment	60	(45)	-	-
Write off property, plant and equipment	11	459	-	1
Provision for long-term employee benefits (reversal)	1,894	1,500	240	(2,449)
Provision for legal case	748	-	-	-
Interest income	(4,438)	(3,908)	(27,008)	(32,731)
Interest expenses	40,236	41,305	12,358	14,261
Profit (loss) from operating activities before changes in operating assets and liabilities	271,063	256,296	(18,936)	(7,415)
Operating assets (increase) decrease				
Trade and other receivables	(40,872)	63,089	(24,727)	(12,986)
Inventories	(1,199)	9,661	-	-
Property development cost	(259,533)	(15,115)	-	23,985
Other current assets	(17,748)	14,573	(5,909)	597
Long-term trade accounts receivable	5,908	(10,174)	-	668
Other non-current assets	(2,658)	825	(10)	1,611
Operating liabilities increase (decrease)				
Trade and other payables	(15,237)	(80,632)	11,030	(7,333)
Advance received from customers	55,332	(43,188)	(93)	590
Other current liabilities	32,353	32,350	393	3,415
Provision for long-term employee benefits	(2,930)	(212)	(1,342)	(88)
Other non-current liabilities	9,796	7,483	-	(199)
Cash flows from (used in) operating activities	34,275	234,956	(39,594)	2,845
Cash received for interest income	4,424	3,924	34,678	32,895
Cash paid for interest expenses	(36,936)	(42,444)	(14,342)	(14,501)
Cash paid for income tax	(7,110)	(7,740)	(966)	(1,449)
Net cash flows from (used in) operating activities	(5,347)	188,696	(20,224)	19,790

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

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Cash paid for purchase of long-term investment in subsidiaries	-	-	(790,001)	-
Cash received from long-term loans to subsidiaries	-	-	2,091,000	195,100
Cash paid for long-term loans to subsidiaries	-	-	(574,100)	(181,620)
Decrease in long-term loans to employees	-	155	-	23
Cash received from sales of property, plant and equipment	159	82	-	-
Cash paid for acquisition of property, plant and equipment	(71,226)	(67,521)	(1,932)	(6,007)
Net cash flows from (used in) investing activities	(71,067)	(67,284)	724,967	7,496
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institution	90,000	(65,000)	50,000	(45,000)
Draw down of long-term loans from subsidiaries	-	-	249,000	167,000
Repayment of long-term loans from subsidiaries	-	-	(969,950)	(131,500)
Draw down of long-term loans from financial institutions	70,000	-	-	-
Repayment of long-term loans from financial institutions	(125,500)	(79,000)	(17,500)	(17,500)
Net cash flows from (used in) financing activities	34,500	(144,000)	(688,450)	(27,000)
Net exchange differences on translation of financial statements in foreign currency	1,693	(5,356)	-	-
Net increase (decrease) in cash and cash equivalents	(40,221)	(27,944)	16,293	286
Cash and cash equivalents at beginning of period	444,633	370,828	17,675	17,183
Cash and cash equivalents at end of period	404,412	342,884	33,968	17,469

Supplemental cash flows information

Non-cash items

Decrease in exchange differences on translation

of financial statements in foreign currency of associate

(2,688) (16,204)

-

-

Transferred property development cost to property,

plant and equipment

- 30,108

-

-

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2015

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

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

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) *"Interim Financial Reporting"*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statements, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Laguna Resorts & Hotels Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2014. There have been no changes in the composition of the subsidiaries during the current period.

1.4 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these financial reporting standards involve changes to key principles, as summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses of post-employment benefits immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses of post-employment benefits immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the

(Unaudited but reviewed)

lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in note 1.4 to the financial statements.

3. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
Cash	4,461	5,360	180	180
Bank deposits	399,951	439,273	33,788	17,495
Total	404,412	444,633	33,968	17,675

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	269,578	292,729	6,444	5,127
Less: Allowance for doubtful accounts	(23,507)	(10,822)	-	-
Trade accounts receivable - hotel operations, net	246,071	281,907	6,444	5,127
Trade accounts receivable - sales of property				
- installment due	47,949	13,014	3,375	-
Current portion of long-term trade				
accounts receivable (Note 7)	76,817	84,262	-	4,857
Trade accounts receivable - sales of property, net	124,766	97,276	3,375	4,857
Trade accounts receivable - sales of holiday club				
memberships - installment due	27,327	8,917	-	-
Current portion of long-term trade				
accounts receivable (Note 7)	19,337	22,022	-	-
Total	46,664	30,939	-	-
Less: Allowance for doubtful accounts	(2,600)	(2,600)	-	-
Trade accounts receivable - sales of holiday club				
memberships, net	44,064	28,339	-	-
Trade accounts receivable - net	414,901	407,522	9,819	9,984
<u>Other receivables</u>				
Amounts due from related parties (Note 5)	53,532	58,089	150,705	151,037
Other receivables	9,068	20,312	869	639
Insurance claim receivable	39,052	14,616	-	-
Accrued other income	2,341	7,174	393	229
Interest receivable	146	132	146	132
Accrued rental	59,024	41,878	59,024	41,878
Total other receivables	163,163	142,201	211,137	193,915
Trade and other receivables, net	578,064	549,723	220,956	203,899

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<u>Age of receivables</u>				
Not yet due	77,109	122,287	250	2,251
Past due				
Up to 30 days	75,409	87,028	3,991	794
31 - 60 days	28,939	20,821	485	642
61 - 90 days	20,237	4,212	490	490
91 - 120 days	5,943	5,788	1,228	950
Over 120 days	61,941	52,593	-	-
Total	269,578	292,729	6,444	5,127
Less: Allowance for doubtful accounts	(23,507)	(10,822)	-	-
Trade accounts receivable - hotel operations, net	246,071	281,907	6,444	5,127

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<u>Age of receivables</u>				
Not yet due	12,859	10,336	3,375	-
Past due				
Up to 30 days	32,412	2,678	-	-
91 - 120 days	2,678	-	-	-
Trade accounts receivable - sales of property - installment due, net	47,949	13,014	3,375	-

(Unaudited but reviewed)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<u>Age of receivables</u>				
Not yet due	141	1,370	-	-
Past due				
Up to 30 days	808	1,254	-	-
31 - 60 days	482	458	-	-
61 - 90 days	20,934	465	-	-
91 - 120 days	299	340	-	-
Over 120 days	4,663	5,030	-	-
Total	27,327	8,917	-	-
Less: Allowance for doubtful accounts	(2,600)	(2,600)	-	-
Trade accounts receivable - sales of holiday club membership - installment due, net	24,727	6,317	-	-

5. Related party transactions

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

(Unit: Million Baht)

	For the three-month period ended 31 March				
	Consolidated		Separate		
	financial statements		financial statements		
	2015	2014	2015	2014	Transfer pricing policy
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Guarantee fee expenses	-	-	1	1	(3) agreed basis
Interest income	-	-	27	32	(5) agreement
Interest expenses	-	-	8	11	(5) agreement
Management fee income	-	-	8	7	(4), (7) agreement
Reimbursement receipts	-	-	2	4	(11) agreed basis
Reimbursement payments	-	-	3	6	(11) agreed basis

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month period ended 31 March				
	Consolidated		Separate		
	financial statements		financial statements		
	2015	2014	2015	2014	Transfer pricing policy
Rental and service income	-	-	3	3	(12)(i), (iii) agreement
Rental and service expenses	-	-	2	2	(12)(iv) agreement
Resort service expenses	-	-	4	1	(14) agreed basis
Sale of assets	-	-	-	4	At net book value
<u>Transactions with associates</u>					
Sale of goods	-	1	-	-	(9) agreed basis
<u>Transactions with related companies</u>					
Inter resort payments	26	25	-	-	(1) agreed basis
Management fee income	1	1	-	-	(16), (17) agreement
Management fee expenses	89	90	-	-	(6), (15) agreement
Sale of gallery vouchers	-	1	-	-	(8) agreed basis
Purchase of spa & gallery vouchers	7	6	2	2	(2), (8) agreed basis
Sale of goods	13	6	-	-	(9) agreed basis
Reimbursement receipts	18	22	-	-	(11) agreed basis
Reimbursement payments	14	14	3	-	(11) agreed basis
Rental and service income	9	9	-	-	(12)(i), (ii), (iv), (vi), (vii) agreement
Rental return on hotel units	1	1	-	-	(13) agreement
Resort service income	2	2	-	-	(14) agreed basis
Training charges	1	1	-	-	(10) agreed basis

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

- (1) These charges relate to goods and services that are consumed by customers in one part of Laguna Phuket but are billed centrally to the customer at the hotel in which the customer is staying. Such charges relate to meals at restaurants, golf fees, treatments at the spa and goods purchased at shops in the resort. On receiving the funds centrally from the customer, the hotel reimburses the company in which the goods and services are consumed. Actual receipts are paid and credit card commission is charged ranging from 2% to 5% of the revenue based on the commission rate charged by the credit card companies. Such inter resort charges are also incurred at the Banyan Tree Bangkok and Banyan Tree Lijiang primarily for treatments at the spa and goods purchased at the shops.

- (2) This relates to sale of spa and gallery vouchers by companies which operate Banyan Tree Spas and Banyan Tree Gallery to related companies for using as a marketing tool. The Spa vouchers are priced at a 20% to 60% discount to the Spa price list. The Gallery vouchers are priced at 20% to 40% discount to the face value of the voucher.
- (3) Guarantee fee among group companies for permitting their assets to be pledged as collateral for other related companies' bank loans by charging on 1% of proportion of value of pledged assets to total loan facilities.
- (4) The Company charges a management fee to its subsidiaries for providing centralised duties and services for each operation in the group. The monthly fixed rate is charged dependent on the department serviced, except the internal audit service is charge by the working hours and project management service is charged as Note (7) below.
- (5) Loans to subsidiaries and between group companies are unsecured and are denominated in Thai Baht. The loans carry interest at a rate equal to the lenders' borrowing costs per annum (based upon commercial bank's interest rates) plus a margin of 1.1%. The loans are repayable on demand, however it is expected that those loans would not be called for repayment in the short-term. Therefore such loans are recorded as non-current assets/liabilities in the statements of financial position.
- (6) The terms of the operating agreements are disclosed in Note 18 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" and "Angsana" trademarks and all other proprietary rights associated with it.

- (i) Banyan Tree Phuket (Laguna Banyan Tree Limited) pays 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 pays 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 pays a hotel management fee of 10% 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 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 (2014: 1.75% of actual hotel revenues plus a share of operating cost of Regional Marketing offices).
 - 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 and Angsana Laguna Phuket are the reimbursement of costs benefiting each of the hotels. As a result, these transactions are on normal commercial terms and conditions.

- (7) The Company provides project management services, the contracted fee is set at a rate of 5% of the actual or budgeted costs of the project.
- (8) Purchase of Banyan Tree Spa and Banyan Tree Gallery vouchers for distribution to management to provide an additional benefit scheme. The vouchers are issued yearly to qualifying executives and are valid only within the year of issue. The voucher is priced at the face value of the voucher.

- (9) These transactions relate to:
- (i) Sale of goods from Banyan Tree Gallery (Thailand) Limited to related companies is priced at a 20% to 35% discount to the retail price depending on the volume purchased.
 - (ii) Sale of guest and spa supplies of high volume purchases from companies which operate galleries to related companies is priced at cost plus up to 35% margin.
- (10) Training charges by Banyan Tree Hotels & Resorts (Thailand) Limited in respect of providing centralised training facilities and courses for staff. The training costs are allocated to each operation based on actual cost.
- (11) Costs are often incurred within the group which is reimbursed by the company to which the expense relates. Actual costs are reimbursed.
- (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)	10 years	December 2015

BGL : Bangtao Grande Limited

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

LBTL : Laguna Banyan Tree Limited

- (ii) Rental and service income for space in Banyan Tree Phuket for Banyan Tree Spa office and store is at Baht 1,138 per square metre per month.
- (iii) Rental of space and service in Canal Village. The charges include rental and related service fees which are at market rate.
- (iv) Rental and service income earned by Thai Wah Plaza Limited for renting the office space at Thai Wah Tower I and II. The charges include rental and related service fees which are at market rate.

- (v) Rental of land and lagoon on which hotel and hotel-related operations are located are at Baht 117,325 and Baht 11,733 per rai per annum respectively.
 - (vi) Service income from rental of Banyan Tree Management Academy is at Baht 128,750 per month.
 - (vii) Rental of land on which Spa premises are located is on the basis of Baht 0.7 million per annum.
- (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. The fees are based on construction cost at progressive rates which depend on type of services and type of constructions. The fees are consistent with industry practice. As a result, these transactions are on normal commercial terms and conditions.
- (16) The Technical Assistance Agreement of Laguna Excursions Limited is providing management services and granting the use of leading brand for the recreation department of Banyan Tree Bintan and Angsana Bintan hotels. The technical service fees include a technical services fee at rate of 12.5% of recreation revenue, an incentive fee at the rate of 31% of earnings before interest, tax, depreciation and amortisation, and a royalty fee at the rate of 5% of revenue. The agreement was terminated in December 2014.

(Unaudited but reviewed)

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

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

	(Unit: Million Baht)	
	31 March 2015	31 December 2014
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)	
	31 March 2015	31 December 2014
Short-term loan facilities	170	170
Overdrafts and bank guarantee facilities	10	10

As at 31 March 2015 and 31 December 2014, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Amounts due from related parties				
Subsidiaries	-	-	149,152	149,739
Associated companies	4,974	5,020	-	-
Related companies (related by common shareholders)	48,558	53,069	1,553	1,298
Total amounts due from related parties (Note 4)	53,532	58,089	150,705	151,037

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Amounts due to related parties				
Subsidiaries	-	-	10,548	7,940
Associated companies	28	-	-	-
Related companies (related by common shareholders)	74,176	72,542	2,766	8
Total amounts due to related parties				
(Note 13)	74,204	72,542	13,314	7,948

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

As at 31 March 2015 and 31 December 2014, 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 2014	Addition	Repayment	31 March 2015
Laguna Banyan Tree Limited	1,133,100	80,500	(1,114,000)	99,600
Laguna Holiday Club Limited	-	1,000	(1,000)	-
Laguna Lakes Limited	430,501	1,000	(9,000)	422,501
Laguna Grande Limited	-	70,100	(4,000)	66,100
TWR - Holdings Limited	693,420	421,500	(963,000)	151,920
Total	2,257,021	574,100	(2,091,000)	740,121

Long-term loans from subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2014	Addition	Repayment	31 March 2015
Laguna Grande Limited	746,950	220,000	(966,950)	-
Laguna Holiday Club Limited	14,000	29,000	(3,000)	40,000
Laguna (3) Limited	4,900	-	-	4,900
Total	765,850	249,000	(969,950)	44,900

(Unaudited but reviewed)

Directors and management's benefits

During the three-month periods ended 31 March 2015 and 2014, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2015	2014	2015	2014
Short-term employee benefits	23,970	27,218	12,630	10,901
Post-employment benefits	133	133	66	66
Other long-term employee benefits	9	10	4	4
Total	24,112	27,361	12,700	10,971

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 19 b).

6. Property development cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Property for sale under holiday club memberships	418,889	433,640	-	-
Completed buildings	524,469	564,535	72,371	72,371
Land	1,853,793	1,858,078	112,101	112,101
Leasehold land	44,041	44,041	-	-
Property under construction	1,307,050	988,415	8,795	8,795
Total	4,148,242	3,888,709	193,267	193,267

Subsidiaries have mortgaged property development cost amounting to Baht 897 million (31 December 2014: Baht 878 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 5.0% - 12.0% and MLR plus 0.5% per annum and installments are repaid over a period of 3 to 10 years.

(Unaudited but reviewed)

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

Long-term trade accounts receivable are due as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2015	31 December 2014
Current portion of long-term trade accounts receivable	96,154	106,284
Long-term trade accounts receivable	159,136	165,044
Total	255,290	271,328
Sales of property		
Within 1 year (Note 4)	76,817	84,262
Over 1 year to 5 years	153,119	158,152
Over 5 years	2,103	1,551
Long-term trade accounts receivable - sales of property	232,039	243,965
Sales of holiday club memberships		
Within 1 year (Note 4)	19,337	22,022
Over 1 year to 5 years	3,914	5,341
Long-term trade accounts receivable - sales of holiday club memberships	23,251	27,363
Total	255,290	271,328

(Unit: Thousand Baht)

	Separate financial statements	
	31 March 2015	31 December 2014
Current portion of long-term trade accounts receivable	-	4,857
Total	-	4,857
Sales of property		
Within 1 year (Note 4)	-	4,857
Long-term trade accounts receivable - sales of property	-	4,857

8. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	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	500.0	100.0	100.0	1,325.1	835.1
Laguna Holiday Club Limited	330.0	330.0	100.0	100.0	330.0	330.0
Laguna Grande Limited	1,000.0	1,000.0	100.0	100.0	984.8	984.8
Laguna Lakes Limited	1.0	1.0	95.0	95.0	0.9	0.9
Laguna Service Company Limited ⁽²⁾	90.5	90.5	72.9	72.9	22.4	22.4
Laguna (3) Limited	0.1	0.1	100.0	100.0	47.8	47.8
TWR - Holdings Limited	1,550.0	1,250.0	100.0	100.0	1,550.0	1,250.0
<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	-	-
Pei Samart Development Company Limited	28.4	28.4	100.0	100.0	-	-
Phuket Resort Development Limited	41.4	41.4	100.0	100.0	-	-
PT AVC Indonesia	USD 0.9 Million	USD 0.9 Million	100.0	100.0	-	-
Talang Development Company Limited	251.0	251.0	50.0	50.0	-	-
Thai Wah Plaza Limited	2,250.0	2,250.0	100.0	100.0	-	-
Thai Wah Tower Company Limited	455.0	455.0	100.0	100.0	-	-
Thai Wah Tower (2) Company Limited	21.0	21.0	100.0	100.0	-	-
Twin Waters Development Company Limited	214.4	214.4	100.0	100.0	-	-
<u>Subsidiaries held through Laguna Grande Limited</u>						
Bangtao (1) Limited	20.9	20.9	100.0	100.0	-	-
Bangtao (2) Limited	19.1	19.1	100.0	100.0	-	-
Bangtao (3) Limited	7.8	7.8	100.0	100.0	-	-
Bangtao (4) Limited	14.6	14.6	100.0	100.0	-	-
Bangtao Development Limited	80.0	80.0	100.0	100.0	-	-
Bangtao Grande Limited	1,546.0	1,546.0	100.0	100.0	-	-
Laguna Central Limited	1.0	1.0	85.0	85.0	-	-
<u>Subsidiary held through Banyan Tree Gallery (Singapore) Pte. Limited</u>						
Lijiang Banyan Tree Gallery Trading Company Limited	USD 75 Thousands	USD 75 Thousands	51.0	51.0	-	-
<u>Subsidiary held through Laguna Holiday Club Limited</u>						
Cheer Golden Limited	-	-	100.0	100.0	-	-
Total Investments in subsidiaries					4,269.0	3,479.0

(1) Laguna Banyan Tree Limited is held 49% by the Company and 51% through Bangtao Grande Limited (31 December 2014: Laguna Banyan Tree Limited is held 49% by the Company and 51% through TWR - Holdings Limited). On 6 February 2015, TWR - Holdings Limited entered into the share sale agreement to sell all ordinary shares in Laguna Banyan Tree Limited (51% shareholding) to Bangtao Grande Limited.

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

(Unaudited but reviewed)

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.

On 3 March 2015, the Extraordinary General Meeting of Laguna Banyan Tree Limited's shareholders No.1/2015 passed a resolution approving to increase the registered share capital of such company from Baht 500,000,000 to Baht 1,500,000,000, through the issue of 10,000,000 new ordinary shares with a par value of Baht 100 each, a total of Baht 1,000,000,000. The Company and a subsidiary subscribed and paid for newly issued ordinary shares on 10 March 2015.

On 3 March 2015, the Extraordinary General Meeting of TWR - Holdings Limited's shareholders No.1/2015 passed a resolution approving to increase the registered share capital of such company from Baht 1,250,000,000 to Baht 1,550,000,000, through the issue of 3,000,000 new ordinary shares with a par value of Baht 100 each, a total of Baht 300,000,000. The Company subscribed and paid for newly issued ordinary shares on 10 March 2015.

9. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
			(%)	(%)				
Lijiang Banyan Tree Hotel Co. Ltd.	Hotel operations and property development	The People's Republic of China	49	49	348,414	348,414	403,879	409,465
Tropical Resorts Ltd.	Holding company	Hong Kong	26	26	17,673	17,673	-	-
Less: Allowance for impairment of investment					(17,673)	(17,673)	-	-
Total investments in associates - net					348,414	348,414	403,879	409,465

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of loss from investments in associate	
	For three-month periods ended 31 March	
	2015	2014
Lijiang Banyan Tree Hotel Co. Ltd.	(2,897)	(14,617)

(Unaudited but reviewed)

10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Investment in available-for-sale security				
Thai Wah Starch Public Company Limited	334,627	334,627	31,161	31,161
Unrealised gain on available-for-sale security	134,869	67,798	438,335	371,264
Total investment in available-for-sale security - net	469,496	402,425	469,496	402,425
Investments in other companies				
Bibace Investments Ltd.	188,425	188,425	-	-
Banyan Tree Indochina Hospitality Fund, L.P.	417,940	417,940	-	-
Total investments in other companies	606,365	606,365	-	-
Total other long-term investments - net	1,075,861	1,008,790	469,496	402,425

11. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
At cost / revaluation value		
Balance as at 31 December 2014	14,076,021	121,361
Additions	71,226	1,932
Disposals and write off	(6,509)	-
Adjustments	(1,439)	-
Balance as at 31 March 2015	14,139,299	123,293
Accumulated depreciation		
Balance as at 31 December 2014	(3,818,514)	(71,565)
Depreciation charged for the period	(75,791)	(1,126)
Disposals and write off	6,279	-
Adjustments	607	-
Balance as at 31 March 2015	(3,887,419)	(72,691)
Allowance for impairment loss		
Balance as at 31 December 2014	(12,619)	-
Adjustments	233	-
Balance as at 31 March 2015	(12,386)	-
Net book value		
Balance as at 31 December 2014	10,244,888	49,796
Balance as at 31 March 2015	10,239,494	50,602

(Unaudited but reviewed)

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

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

The subsidiaries have mortgaged land and buildings at fair value of Baht 5,557 million (31 December 2014: Baht 5,570 million) as collateral against credit facilities received from financial institutions.

12. Short-term loans from financial institutions

Short-term loans from financial institutions represent promissory notes with maturity dates within 3 months, subject to interest rate of 3.69% to 6.65% per annum (31 December 2014: 3.60% to 4.10%).

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 11 and by the guarantee provided by subsidiaries.

13. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Trade accounts payable	253,986	291,738	3,561	2,014
Amounts due to related parties (Note 5)	74,204	72,542	13,314	7,948
Accrued expenses	148,058	155,125	6,846	5,938
Other payables	88,821	78,270	618	637
Service charge payable to hotel staff	25,993	31,718	-	-
Accrued rental to villa owners	84,288	58,180	9,632	8,389
Total	<u>675,350</u>	<u>687,573</u>	<u>33,971</u>	<u>24,926</u>

(Unaudited but reviewed)

14. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Value added tax payable	52,455	49,383	5,494	4,042
Unearned income	62,820	47,194	-	-
Other tax payable	30,719	17,120	1,221	2,244
Short-term provision	8,405	8,363	3,637	3,673
Total	154,399	122,060	10,352	9,959

15. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Secured	2,421,826	2,477,326	87,500	105,000
Long-term loans are repayable as follows:				
Within 1 year	702,688	657,750	70,000	70,000
Over 1 year to 5 years	1,499,138	1,579,576	17,500	35,000
Over 5 years	220,000	240,000	-	-
	1,719,138	1,819,576	17,500	35,000
Total	2,421,826	2,477,326	87,500	105,000

Movements in the long-term loans account during the three-month period ended 31 March 2015 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2014	2,477,326	105,000
Add: Drawdown	70,000	-
Less: Repayments	(125,500)	(17,500)
Balance as at 31 March 2015	2,421,826	87,500

(Unaudited but reviewed)

The loans are secured by mortgage of plots of land and buildings of its subsidiaries, as described in Notes 6 and 11 and investment properties of Baht 696 million (31 December 2014: Baht 696 million). Certain loan is guaranteed by a subsidiary.

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

As at 31 March 2015, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 530 million (31 December 2014: Nil).

16. Income tax

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

Income tax expenses for the three-month periods ended 31 March 2015 and 2014 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	35,544	21,831	-	-
Adjustment in respect of current				
income tax of previous year	440	-	-	-
Deferred tax:				
Relating to origination and reversal of				
temporary differences	6,113	3,097	(780)	(1,980)
Income tax expense reported in the				
income statement	<u>42,097</u>	<u>24,928</u>	<u>(780)</u>	<u>(1,980)</u>

17. 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.

(Unaudited but reviewed)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	101,173	104,853	(4,873)	14,180
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings (loss) per share (Baht/share)	0.61	0.63	(0.03)	0.09

18. Commitments

Capital commitment

As at 31 March 2015, the Company and its subsidiaries have capital commitments as follows:

- a) The Company and its subsidiaries have commitments in respect of constructing new and renovating existing hotel properties amounting to Baht 20 million (31 December 2014: Baht 12 million).
- b) The Company and its subsidiaries have commitments that relate to projects to develop properties for sale amounting to Baht 862 million (31 December 2014: Baht 911 million).
- c) A subsidiary entered into an Agreement to Purchase and Sale of Land, having a total land area of 237 rai 1 ngan 39.6 square wah, with a third party. The subsidiary will periodically acquire the land in accordance with terms and conditions as set forth in the aforesaid Agreement. The subsidiary initially acquired the land, having a total area of 53 rai 2 ngan 3.4 square wah. The subsidiary holds the right to acquire the remaining land, having a total area of 183 rai 3 ngan 36.2 square wah, by 1 July 2018. The subsidiary paid the deposit of Baht 65 million and the purchase price of the remaining land shall be increased at rate of 5% on every anniversary date following the date that the Agreement to Purchase and Sale of Land was executed.

Operating agreements

As at 31 March 2015, 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' hotels businesses. In consideration of such services, the subsidiaries are committed to pay remuneration at the rates, terms and basis specified in the agreements. These agreements are summarised below:

Company	Business unit	Operator	Contract period	Fees
Banglao Grande Limited	Angsana Laguna Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 30.11.2031	- Royalty fee; 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 30.11.2031	- Management fee; 10% of gross operating profit
Laguna Banyan Tree Limited	Banyan Tree Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 31.12.2015 (a)	- Royalty fee; 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 31.12.2015 (a)	- Technical fee; 7.5% of gross operating profit
Thai Wah Plaza Limited	Banyan Tree Bangkok	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 31.12.2021 (b)	- Royalty fee; 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 31.12.2021 (b)	- Management fee; 10% of gross operating profit
Laguna Village Limited	Outrigger Laguna Phuket Resort and Villas	Outrigger Hotels (Thailand) Limited	29.5.2009 - 31.12.2019 (c)	- Basic management fee: 2% of total revenue for the first fiscal year, 2.5% of total revenue for the second fiscal year and 3% of total revenue for the remain fiscal years - Incentive fee; 7% of gross operating profit

(a) Operator has option to extend for 1 additional period of 10 years.

(b) Operator has option to extend for 1 additional period of 20 years.

(c) Operator has option to extend for 2 additional periods of 10 years.

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

(Unaudited but reviewed)

As at 31 March 2015 and 31 December 2014, future minimum payments required under these agreements were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
Payable within:				
In up to 1 year	78	97	5	5
In over 1 and up to 5 years	89	166	9	8
In over 5 years	-	8	-	-

During the three-month period ended 31 March 2015, the Company and its subsidiaries recognised rental expenses of Baht 23 million (31 March 2014: Baht 31 million) (Separate financial statements: Baht 3 million, 31 March 2014: Baht 7 million).

Servitude over land

As at 31 March 2015, some subsidiaries have land servitude of approximately 7 rai (31 December 2014: 7 rai) at Phuket province, which are presented under property development cost and property, plant and equipment.

19. Guarantees

- a) As at 31 March 2015, there are bank guarantees amounting to Baht 47 million (Separate financial statements: Baht 2 million) issued to various parties on behalf of the Company and its subsidiaries, mainly provided for the usage of electricity, other utilities and telecommunication channels (31 December 2014: Baht 46 million, Separate financial statements: Baht 2 million).
- b) As at 31 March 2015 and 31 December 2014 the Company has the provision of a guarantee for a loan obtained by Lijiang Banyan Tree Hotel Co., Ltd. (LBTH) by issuing the letter of indemnity to its parent company, Banyan Tree Holdings Limited. The provision of the guarantee is to secure the loan of LBTH in proportion to the equity interest of 49.04% of the Company in LBTH (through Laguna Banyan Tree Limited).

20. 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 Company and its subsidiaries' operating segments for the periods of three-month periods ended 31 March 2015 and 2014, respectively.

(Unit: Million Baht)

For the three-month period ended 31 March 2015					
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	1,104	186	28	-	1,318
Intersegment revenues	(54)	(1)	(6)	-	(61)
Revenue from external customers	1,050	185	22	-	1,257
Results:					
Segment results	177	6	4	(50)	137
Unallocated income					43
Profit from operations and other income					180
Interest income	-	4	-	-	4
Finance cost	(25)	(11)	-	(4)	(40)
Share of loss from investments in associate	(1)	(2)	-	-	(3)
Profit before income tax expenses					141
Income tax expenses	(35)	(3)	(1)	(3)	(42)
Profit for the period					99

(Unit: Million Baht)

For the three-month period ended 31 March 2014					
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	1,093	148	28	-	1,269
Intersegment revenues	(49)	(3)	(6)	-	(58)
Revenue from external customers	1,044	145	22	-	1,211
Results:					
Segment results	207	-	7	(36)	178
Unallocated income					4
Profit from operations and other income					182
Interest income	-	4	-	-	4
Finance cost	(23)	(12)	-	(6)	(41)
Share of loss from investments in associate	(15)	-	-	-	(15)
Profit before income tax expenses					130
Income tax expenses	(31)	(1)	(1)	8	(25)
Profit for the period					105

(Unaudited but reviewed)

21. Foreign currency risk assets/liabilities

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

	Consolidated financial statements				Separate financial statements				Average exchange rate as at	
	Financial assets as at		Financial liabilities as at		Financial assets as at		Financial liabilities as at			
	31	31	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December	March	December
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Foreign currency	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	4	4	-	-	-	-	-	-	32,5091	32,9186

22. Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

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

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

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

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

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

(Unit: Thousand Baht)

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	469,496	-	-	469,496

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	469,496	-	-	469,496

23. 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 has 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.

As at 31 March 2015, subsidiaries have set aside a provision of Baht 39.6 million for liabilities arising as a result of this case (31 December 2014: Baht 39.3 million).

24. Reclassification

Certain amounts in the financial statements for the three-month period ended 31 March 2014 have been reclassified to conform to the current year's classification but with no effect to previously reported profit (loss) or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	For the three-month ended 31 March 2014			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Income statements				
Revenue from hotel operations	1,043,482	1,021,478	22,032	28
Revenues from property development operations	145,838	157,421	31,987	43,571
Cost of hotel operations	499,041	412,106	10,420	-
Administrative expenses	342,213	418,727	Nil	Nil

25. Event after the reporting period

On 27 April 2015, the Annual General Meeting of the Company's shareholders approved the payment of a dividend from the retained earnings as at 31 December 2014 to the Company's shareholders of Baht 0.125 per share, totaling Baht 20.84 million.

26. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 May 2015.