

Laguna Resorts & Hotels Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2020

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 (the Group) as at 30 June 2020, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, 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 interim consolidated financial statements. I have also reviewed the separate financial information of Laguna Resorts & Hotels Public Company Limited for the same periods (collectively "interim financial information"). 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 matters

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

- a) Note 1.5 and Note 2 to the interim consolidated financial statements regarding the changes in accounting policies due to the adoption of financial reporting standards related to financial instruments and TFRS 16 Leases.
- b) Note 1.2 to the interim consolidated financial statements. The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Group's business activities, especially for operating and financing activities. For hotel business, the hotels ceased operations to comply with government measures to minimise the COVID-19 pandemic. For property development business, the Group has to temporarily delay in construction of existing property projects as lock down measure of Phuket province in which property projects are located. In terms of financing activities, the Group has obligations with respect to repayment of loans from banks and dividend payments. These situations are significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage.

The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

- c) Note 1.5 to the interim consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month and six-month periods ended 30 June 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of COVID-19 Pandemic issued by the Federation of Accounting Professions.

My conclusion is not modified in respect of these matters.

Rosaporn Decharkom

Certified Public Accountant (Thailand) No. 5659

EY Office Limited

Bangkok: 7 August 2020

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2020

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2020</u>	<u>31 December 2019</u>	<u>30 June 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	460,821	632,544	27,235	21,706
Trade and other receivables	4	660,691	813,940	160,839	64,262
Inventories		86,400	88,325	-	-
Property development cost	6	4,203,441	4,138,398	111,429	111,429
Cost to obtain contracts with customers		113,377	99,982	-	-
Other current assets		167,881	241,838	16,498	15,194
Total current assets		5,692,611	6,015,027	316,001	212,591
Non-current assets					
Long-term restricted deposits at financial institution		37,980	37,873	-	-
Long-term fixed deposit		2,269	2,269	2,269	2,269
Other non-current financial assets	10	949,060	-	-	-
Long-term trade accounts receivable	7	665,631	796,461	-	-
Investments in subsidiaries	8	-	-	4,242,655	4,242,655
Investments in associates	9	974,222	981,182	777,454	777,454
Other long-term investments	10	-	606,365	-	-
Long-term loans to subsidiaries	5	-	-	1,429,550	1,905,550
Investment properties	11	1,411,202	1,411,202	181,619	181,619
Property, plant and equipment	12	13,027,129	13,177,872	38,975	42,546
Right-of-use assets	13	46,491	-	4,527	-
Deferred tax assets		31,445	54,198	-	-
Goodwill		407,904	407,904	-	-
Leasehold rights		-	5,811	-	-
Other non-current assets		14,278	30,153	1,342	1,342
Total non-current assets		17,567,611	17,511,290	6,678,391	7,153,435
Total assets		23,260,222	23,526,317	6,994,392	7,366,026

The accompanying notes to interim consolidated financial statements 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 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	30 June 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	14	1,308,114	1,117,000	670,000	650,000
Trade and other payables	15	1,140,737	1,188,160	176,859	38,606
Current portion of long-term loans from financial institution	18	332,680	899,235	8,000	37,000
Current portion of lease liabilities	16	33,623	-	5,117	-
Income tax payable		35,588	26,851	-	-
Advance received from customers		1,212,005	955,996	-	175
Other current liabilities	17	203,132	261,323	11,622	24,225
Total current liabilities		4,265,879	4,448,565	871,598	750,006
Non-current liabilities					
Long-term loans from subsidiaries	5	-	-	146,500	173,000
Long-term loans from financial institution - net of current portion	18	4,498,469	3,959,092	1,346,042	1,326,809
Long-term loan from related company	5	26,950	26,950	-	-
Provision for long-term employee benefits		66,370	74,329	18,276	19,638
Long-term provision - provision for legal cases	29	1,668	18,314	-	-
Deferred tax liabilities		2,813,822	2,676,465	121,101	106,853
Lease liabilities, net of current portion	16	30,609	-	1,776	-
Other non-current liabilities		125,143	110,030	10,378	5,797
Total non-current liabilities		7,563,031	6,865,180	1,644,073	1,632,097
Total liabilities		11,828,910	11,313,745	2,515,671	2,382,103
Shareholders' equity					
Share capital					
Registered					
211,675,358 ordinary shares of Baht 10 each		2,116,754	2,116,754	2,116,754	2,116,754
Issued and fully paid-up					
166,682,701 ordinary shares of Baht 10 each		1,666,827	1,666,827	1,666,827	1,666,827
Share premium		2,062,461	2,062,461	2,062,461	2,062,461
Capital reserve		568,131	568,131	-	-
Retained earnings					
Appropriated - statutory reserve		211,675	211,675	211,675	211,675
Unappropriated		814,517	1,858,942	396,445	901,647
Other components of shareholders' equity		5,971,539	5,704,657	141,313	141,313
Equity attributable to owners of the Company		11,295,150	12,072,693	4,478,721	4,983,923
Equity attributable to non-controlling interests of the subsidiaries		136,162	139,879	-	-
Total shareholders' equity		11,431,312	12,212,572	4,478,721	4,983,923
Total liabilities and shareholders' equity		23,260,222	23,526,317	6,994,392	7,366,026

The accompanying notes to interim consolidated financial statements 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 2020**

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues	19				
Revenue from hotel operations		52,188	664,978	-	3,604
Revenue from property development operations		159,588	95,607	-	146
Revenue from office rental operations		7,471	22,632	1,516	5,409
Interest income		12,412	7,477	22,210	14,632
Other income	20	4,927	89,775	37,140	218,173
Total revenues		236,586	880,469	60,866	241,964
Expenses					
Cost of hotel operations		216,713	458,714	5,284	5,899
Cost of property development operations		85,606	59,903	-	-
Cost of office rental operations		7,198	11,556	1,050	1,793
Selling expenses		32,183	78,710	19	500
Administrative expenses		287,684	311,233	23,487	48,642
Total expenses		629,384	920,116	29,840	56,834
Profit (loss) before operating activities		(392,798)	(39,647)	31,026	185,130
Share of loss from investments in associates	9	(1,327)	(4,616)	-	-
Finance cost		(65,851)	(29,506)	(22,151)	(12,441)
Profit (loss) before income tax expenses		(459,976)	(73,769)	8,875	172,689
Income tax expenses	21	(99,001)	(10,271)	(13,964)	2,317
Profit (loss) for the period		(558,977)	(84,040)	(5,089)	175,006
Profit (loss) attributable to:					
Equity holders of the Company		(550,230)	(84,081)	(5,089)	175,006
Non-controlling interests of the subsidiaries		(8,747)	41		
		(558,977)	(84,040)		
Basic earnings per share	22				
Profit (loss) attributable to equity holders of the Company		(3.30)	(0.50)	(0.03)	1.05

The accompanying notes to interim consolidated financial statements 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 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2020	2019	2020	2019
Profit (loss) for the period		<u>(558,977)</u>	<u>(84,040)</u>	<u>(5,089)</u>	<u>175,006</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		(115)	2,795	-	-
Share of other comprehensive income (loss) of associates	9	(3,027)	(7,129)	-	-
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods, net of income tax		(3,142)	(4,334)	-	-
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i>					
Share of other comprehensive income (loss) of associates	9	2,374	-	-	-
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods, net of income tax		2,374	-	-	-
Other comprehensive income (loss) for the period		<u>(768)</u>	<u>(4,334)</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period		<u>(559,745)</u>	<u>(88,374)</u>	<u>(5,089)</u>	<u>175,006</u>
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		(550,942)	(88,260)	(5,089)	175,006
Non-controlling interests of the subsidiaries		(8,803)	(114)	-	-
		<u>(559,745)</u>	<u>(88,374)</u>	<u>-</u>	<u>-</u>

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

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries**Income statement****For the six-month period ended 30 June 2020**

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues	19				
Revenue from hotel operations		939,152	1,799,253	14,011	23,657
Revenue from property development operations		280,676	241,444	-	249
Revenue from office rental operations		22,315	48,569	7,168	11,016
Interest income		26,763	19,209	49,026	26,253
Other income	20	8,661	93,117	61,060	407,991
Total revenues		1,277,567	2,201,592	131,265	469,166
Expenses					
Cost of hotel operations		730,057	1,047,427	13,104	16,940
Cost of property development operations		142,403	155,773	-	-
Cost of office rental operations		15,707	24,431	2,815	3,566
Selling expenses		109,720	167,285	1,123	961
Administrative expenses		606,336	678,925	57,825	92,711
Total expenses		1,604,223	2,073,841	74,867	114,178
Profit (loss) before operating activities		(326,656)	127,751	56,398	354,988
Share of profit from investments in associates	9	5,944	5,491	-	-
Finance cost		(125,609)	(65,186)	(46,604)	(23,792)
Profit (loss) before income tax expenses		(446,321)	68,056	9,794	331,196
Income tax expenses	21	(107,846)	(65,291)	(14,390)	3,238
Profit (loss) for the period		(554,167)	2,765	(4,596)	334,434
Profit (loss) attributable to:					
Equity holders of the Company		(549,671)	(1,240)	(4,596)	334,434
Non-controlling interests of the subsidiaries		(4,496)	4,005		
		(554,167)	2,765		
Basic earnings per share	22				
Profit (loss) attributable to equity holders of the Company		(3.30)	(0.01)	(0.03)	2.01

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 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2020	2019	2020	2019
Profit (loss) for the period		<u>(554,167)</u>	<u>2,765</u>	<u>(4,596)</u>	<u>334,434</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		140	2,583	-	-
Share of other comprehensive income (loss) of associates	9	1,028	(4,377)	-	-
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods, net of income tax		1,168	(1,794)	-	-
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i>					
Share of other comprehensive income (loss) of associates	9	(2,094)	-	-	-
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods, net of income tax		(2,094)	-	-	-
Other comprehensive income (loss) for the period		<u>(926)</u>	<u>(1,794)</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period		<u>(555,093)</u>	<u>971</u>	<u>(4,596)</u>	<u>334,434</u>
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		(550,576)	(2,856)	(4,596)	334,434
Non-controlling interests of the subsidiaries		(4,517)	3,827	-	-
		<u>(555,093)</u>	<u>971</u>	<u>-</u>	<u>-</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 2020

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to the owners of the Company														
	Issued and fully paid-up					Retained earnings			Other components of shareholders' equity				Equity attributable to non-controlling interests	Total shareholders' equity
	share capital	Share premium	Capital reserve	Appropriated -		Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Gains on investments in equity designated at fair value through other comprehensive income	Share of other comprehensive income (loss) of associates	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	of the subsidiaries	Total	
				statutory reserve	Unappropriated									
Balance as at 1 January 2019	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 23)	-	-	-	-	(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	
Balance as at 1 January 2020	1,666,827	2,062,461	568,131	211,675	1,858,942	124,328	5,580,940	-	(611)	5,704,657	12,072,693	139,879	12,212,572	
Cumulative effects of the changes in accounting policies due to the adoption of new financial reporting standards (Note 2)	-	-	-	-	(1,081)	-	-	274,156	-	274,156	273,075	-	273,075	
Balance as at 1 January 2020 - as restated	1,666,827	2,062,461	568,131	211,675	1,857,861	124,328	5,580,940	274,156	(611)	5,978,813	12,345,768	139,879	12,485,647	
Loss for the period	-	-	-	-	(549,671)	-	-	-	-	-	(549,671)	(4,496)	(554,167)	
Other comprehensive income (loss) for the period	-	-	-	-	-	161	-	-	(1,066)	(905)	(905)	(21)	(926)	
Total comprehensive income (loss) for the period	-	-	-	-	(549,671)	161	-	-	(1,066)	(905)	(550,576)	(4,517)	(555,093)	
Dividend paid (Note 23)	-	-	-	-	(500,042)	-	-	-	-	-	(500,042)	-	(500,042)	
Reversal of revaluation surplus on disposal of assets	-	-	-	-	6,369	-	(6,369)	-	-	(6,369)	-	-	-	
Additional investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	800	800	
Balance as at 30 June 2020	1,666,827	2,062,461	568,131	211,675	814,517	124,489	5,574,571	274,156	(1,677)	5,971,539	11,295,150	136,162	11,431,312	
	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	

The accompanying notes to interim consolidated financial statements 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 2020

(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 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 for the period	-	-	-	334,434	-	-	334,434
Dividend paid (Note 23)	-	-	-	(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>
Balance as at 1 January 2020	1,666,827	2,062,461	211,675	901,647	141,313	141,313	4,983,923
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards (Note 2)	-	-	-	(564)	-	-	(564)
Balance as at 1 January 2020 - as restated	<u>1,666,827</u>	<u>2,062,461</u>	<u>211,675</u>	<u>901,083</u>	<u>141,313</u>	<u>141,313</u>	<u>4,983,359</u>
Loss for the period	-	-	-	(4,596)	-	-	(4,596)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	(4,596)	-	-	(4,596)
Dividend paid (Note 23)	-	-	-	(500,042)	-	-	(500,042)
Balance as at 30 June 2020	<u>1,666,827</u>	<u>2,062,461</u>	<u>211,675</u>	<u>396,445</u>	<u>141,313</u>	<u>141,313</u>	<u>4,478,721</u>
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit (loss) before income tax expenses	(446,321)	68,056	9,794	331,196
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	234,152	193,111	5,744	3,729
Amortisation of leasehold rights	-	1,211	-	-
Allowance for doubtful accounts (reversal)	(1,270)	798	(40)	438
Reduction of inventory to net realisable value	13	880	-	-
Share of profit from investments in associates	(5,944)	(5,491)	-	-
Gain on revaluation of investment properties	-	(86,510)	-	(7,428)
(Gain) loss on sales of property, plant and equipment	(118)	9	-	(6)
Write off property development cost	137,000	-	-	-
Dividend income from investments in subsidiaries	-	-	-	(321,807)
Dividend income from investments in associate	-	-	(11,838)	(28,271)
Write off investment properties	-	242	-	-
Write off property, plant and equipment	9	216	-	-
Impairment of property, plant and equipment	-	9,719	-	9,719
Provision for long-term employee benefits	77,213	10,762	252	3,272
Forfeited money from property units	(2,405)	(1,500)	-	-
Interest income	(26,763)	(19,209)	(49,026)	(26,253)
Interest expenses	125,609	65,186	46,604	23,792
Profit (loss) from operating activities before changes in operating assets and liabilities	91,175	237,480	1,490	(11,619)
Operating assets (increase) decrease				
Trade and other receivables	154,536	111,921	(58,444)	14,236
Inventories	1,912	14,176	-	-
Property development cost	(194,880)	(412,037)	-	-
Cost to obtain contracts with customers	(13,395)	(56,011)	-	-
Other current assets	81,246	11,554	(1,277)	(6,807)
Long-term trade accounts receivable	130,830	78,916	-	-
Other non-current assets	(773)	(5,919)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(179,379)	(165,966)	11,097	6,847
Advance received from customers	256,009	240,145	(175)	(299)
Other current liabilities	(44,959)	(4,931)	(11,704)	46,668
Cash paid for provision for long-term employee benefits	(85,172)	(478)	(1,614)	-
Other non-current liabilities	3,660	(7,904)	96	(161)
Cash flows (used in) from operating activities	200,810	40,946	(60,531)	48,865
Cash received for interest income	26,746	19,338	10,933	24,523
Cash paid for interest expenses	(117,402)	(78,362)	(44,040)	(21,250)
Cash paid for income tax	(14,556)	(62,306)	(27)	(4,791)
Net cash flows from (used in) operating activities	95,598	(80,384)	(93,665)	47,347

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

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the six-month period ended 30 June 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Increase in long-term restricted deposits at financial institution	(107)	-	-	-
Cash received from long-term loans to subsidiaries	-	-	862,500	434,000
Cash paid for long-term loans to subsidiaries	-	-	(386,500)	(1,070,000)
Dividend received from investment in subsidiaries	-	-	-	321,807
Dividend received from investment in associate	11,838	28,271	11,838	28,271
Increase in current investment - short-term fixed deposit	-	(62)	-	-
Increase in long-term fixed deposit	-	(91)	-	(91)
Cash paid for acquisition of investment properties	-	(83,626)	-	-
Cash received from sales of property, plant and equipment	198	172	-	6
Cash paid for acquisition of property, plant and equipment	(71,934)	(332,586)	(702)	(6,793)
Net cash flows from (used in) investing activities	(60,005)	(387,922)	487,136	(292,800)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	191,114	295,000	20,000	130,000
Draw down of long-term loans from subsidiaries	-	-	370,500	709,500
Repayment of long-term loans from subsidiaries	-	-	(397,000)	(509,000)
Draw down of long-term loans from financial institution	316,000	555,000	-	-
Repayment of long-term loans from financial institution	(341,175)	(396,842)	(10,500)	(1,375)
Payment of lease payable	(2,758)	-	(900)	-
Payment of dividends	(370,042)	(68,339)	(370,042)	(68,339)
Cash received from registered share capital of subsidiary - non-controlling interests	800	-	-	-
Net cash flows from (used in) financing activities	(206,061)	384,819	(387,942)	260,786
Net exchange differences on translation of financial statements in foreign currency	(1,255)	4,140	-	-
Net increase (decrease) in cash and cash equivalents	(171,723)	(79,347)	5,529	15,333
Cash and cash equivalents at beginning of period	632,544	601,678	21,706	22,643
Cash and cash equivalents at end of period	460,821	522,331	27,235	37,976
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Share of comprehensive income (loss) of associates	(1,066)	(4,377)	-	-
Reversal of revaluation surplus on disposal of assets	6,369	3,610	-	-
Interest recorded as property development cost	4,758	10,208	-	-
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	-	-
Dividend payable	130,000	-	130,000	-

The accompanying notes to interim consolidated financial statements 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 2020

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 Assets (Thailand) Company Limited, which was incorporated in Thailand. The parent company of the Group is Banyan Tree Holdings Limited, which was incorporated in Singapore.

The Group is 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.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Group’s business activities, especially the hotel business. The hotels ceased operations to comply with government measures to minimise the COVID-19 pandemic. In terms of property development business, the Group has to temporarily delay the construction of existing property projects due to the lock down measure of Phuket province in which the property projects are located, and this is significantly impacting the Group’s financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage.

(Unaudited but reviewed)

Based on the management's cash flow projection, despite substantial decrease in cash inflows from hotel operations and ongoing cash outflow mainly due to temporary closure of normal operations, repayment of loans from banks, and dividend payments, the Group's remains significant forecast cash inflow because of continued installment received from property sales backlog, together with the management's measures to reserve the cash and implement substantial cost-cutting during this period. In addition, the Group has sufficient existing loans facilities from banks to support the business, and received the bank's approval to defer partial repayment of the loan principal due in 2020.

From the above management's action plan and cashflow projection, the Group has sufficient cash flows to support the business and is able to weather the business slowdown. The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

1.3 Basis for the preparation of interim financial information

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

The interim financial information is 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. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official statutory financial information of the Company. The interim financial information in English language has been translated from the Thai language financial information.

1.4 Basis of consolidation

This consolidated financial information include the financial statements of Laguna Resorts & Hotels Public Company Limited and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019. There have been no changes in the composition of the subsidiaries during the current period.

1.5 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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 Group's financial statements. However, the new standard involves 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

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 Company'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.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value, through other comprehensive income.

(Unaudited but reviewed)

- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

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

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.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

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

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

(Unaudited but reviewed)

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to use information relating to the COVID-19 situation that may affect financial forecasts used in measuring the fair values of property, plant and equipment, and investment property.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.
- Not to use information relating to the COVID-19 situation that may affect the cash flow forecasts used in testing goodwill for impairment.

1.6 Significant accounting policies

The interim financial information is prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss. In certain cases, the Group makes an election to measure them at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables and cost to obtain contract with customers that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

1.6.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

(Unaudited but reviewed)

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

As described in Note 1.5 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			1 January 2020
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Non-current assets				
Other non-current financial assets	-	949,060	-	949,060
Other long-term investments	606,365	(606,365)	-	-
Right-of-use assets	-	-	55,425	55,425
Leasehold rights	5,811	-	(5,811)	-
Deferred tax assets	54,198	-	270	54,468
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	1,188,160	-	(4,969)	1,183,191
Current portion of lease liabilities	-	-	24,897	24,897
Other current liabilities	261,323	-	(9,498)	251,825
Non-current liabilities				
Deferred tax liabilities	2,676,465	68,539	-	2,745,004
Lease liabilities, net of current portion	-	-	40,535	40,535
Shareholders' equity				
Retained earnings - unappropriated	1,858,942	-	(1,081)	1,857,861
Other components of shareholders' equity	5,704,657	274,156	-	5,978,813

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2019	The impacts of TFRS 16	1 January 2020
Statement of financial position			
Assets			
Non-current assets			
Right-of-use assets	-	5,998	5,998
Deferred tax assets	-	141	141
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	38,606	(900)	37,706
Current portion of lease liabilities	-	4,120	4,120
Non-current liabilities			
Lease liabilities, net of current portion	-	3,483	3,483
Shareholders' equity			
Retained earnings - unappropriated	901,647	(564)	901,083

2.1 Financial instruments

Details of the impact on other comprehensive income as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Fair value measurement of investments in equity instruments of non-listed companies	274,156	-
Impacts on other comprehensive income due to the adoption of financial reporting standards related to financial instruments	274,156	-

(Unaudited but reviewed)

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive		Total
		income	Amortised cost	
Financial assets as at 1 January 2020				
Cash and cash equivalents	632,544	-	632,544	632,544
Trade and other receivables	813,940	-	813,940	813,940
Long-term restricted deposits at financial institution	37,873	-	37,873	37,873
Long-term fixed deposit	2,269	-	2,269	2,269
Long-term trade accounts receivables	796,461	-	796,461	796,461
Other long-term investments	606,365	949,060	-	949,060
Total financial assets	2,889,452	949,060	2,283,087	3,232,147

(Unit: Thousand Baht)

	Separate financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive		Total
		income	Amortised cost	
Financial assets as at 1 January 2020				
Cash and cash equivalents	21,706	-	21,706	21,706
Trade and other receivables	64,262	-	64,262	64,262
Long-term fixed deposit	2,269	-	2,269	2,269
Long-term loans to subsidiaries	1,905,550	-	1,905,550	1,905,550
Total financial assets	1,993,787	-	1,993,787	1,993,787

(Unaudited but reviewed)

2.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	68,473	7,200
Less: Short-term leases and leases of low-value assets	(307)	-
Add: Accrued rental expenses	4,969	900
Less: Deferred interest expenses	(7,703)	(497)
Increase in lease liabilities due to TFRS 16 adoption	<u>65,432</u>	<u>7,603</u>
Comprise of:		
Current lease liabilities	24,897	4,120
Non-current lease liabilities	40,535	3,483
	<u>65,432</u>	<u>7,603</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Buildings and building improvement	<u>55,425</u>	<u>5,998</u>
Total right-of-use assets	<u>55,425</u>	<u>5,998</u>

(Unaudited but reviewed)

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Cash	11,732	7,044	138	145
Bank deposits	449,089	625,500	27,097	21,561
Total	460,821	632,544	27,235	21,706

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	118,877	223,108	7,082	5,326
Less: Allowance for doubtful accounts	(8,375)	(9,119)	(3,488)	(3,528)
Trade accounts receivable - hotel operations, net	110,502	213,989	3,594	1,798
Trade accounts receivable - sales of property				
- Installments due	39,906	121,606	-	-
Current portion of long-term trade				
accounts receivable (Note 7)	266,905	295,637	-	-
Trade accounts receivable - sales of property, net	306,811	417,243	-	-
Trade accounts receivable - sales of holiday club				
memberships - installments due and trade				
account receivable from sales and marketing				
services for holiday club memberships	54,573	41,213	-	-
Current portion of long-term trade				
accounts receivable (Note 7)	533	484	-	-
Trade accounts receivable - sales of holiday club				
memberships and sales and marketing services				
for holiday club memberships, net	55,106	41,697	-	-
Trade accounts receivable - net	472,419	672,929	3,594	1,798

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
<u>Other receivables</u>				
Amounts due from related parties (Note 5)	73,598	51,504	118,545	29,958
Other receivables	73,632	56,167	3,566	3,713
Insurance claim receivable	477	404	-	-
Accrued other income	5,493	4,376	62	233
Interest receivable	56	39	56	39
Accrued rental income	35,016	28,521	35,016	28,521
Total other receivables	188,272	141,011	157,245	62,464
Trade and other receivables, net	660,691	813,940	160,839	64,262

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	31 December	30 June	31 December
	2020	2019	2020	2019
<u>Age of receivables</u>				
Not yet due	12,594	110,965	55	184
Past due				
Up to 30 days	5,836	64,608	128	325
31 - 60 days	5,176	17,397	112	211
61 - 90 days	14,770	3,171	112	103
91 - 120 days	35,593	7,658	1,938	56
Over 120 days	44,908	19,309	4,737	4,447
Total	118,877	223,108	7,082	5,326
Less: Allowance for doubtful debts	(8,375)	(9,119)	(3,488)	(3,528)
Trade accounts receivable - hotel operations, net	110,502	213,989	3,594	1,798

(Unaudited but reviewed)

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 2020	31 December 2019	30 June 2020	31 December 2019
<u>Age of receivables</u>				
Not yet due	263,847	378,626	-	-
Past due				
Up to 30 days	15,696	8,689	-	-
31 - 60 days	9,458	7,722	-	-
61 - 90 days	5,153	5,507	-	-
91 - 120 days	3,046	9,274	-	-
Over 120 days	9,611	7,425	-	-
Trade accounts receivable - sales of property, net	<u>306,811</u>	<u>417,243</u>	<u>-</u>	<u>-</u>

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 2020	31 December 2019	30 June 2020	31 December 2019
<u>Age of receivables</u>				
Not yet due	2,500	20,633	-	-
Past due				
Up to 30 days	2,952	2,248	-	-
31 - 60 days	1,325	5,287	-	-
61 - 90 days	2,039	2,707	-	-
91 - 120 days	2,288	3,085	-	-
Over 120 days	43,469	7,253	-	-
Trade accounts receivable - sales of holiday club memberships - installment due and trade accounts receivable from sales and marketing services for holiday club memberships	<u>54,573</u>	<u>41,213</u>	<u>-</u>	<u>-</u>

5. Related party transactions

During the periods, the Group 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 those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Guarantee fee income	-	-	1	1	(3) agreed basis
Guarantee fee expenses	-	-	1	-	(3) agreed basis
Interest income	-	-	22	14	(5) agreement
Interest expenses	-	-	4	10	(5) agreement
Management fee income	-	-	23	25	(4), (7) agreed basis
Reimbursement receipts	-	-	-	1	(11) agreed basis
Reimbursement payments	-	-	-	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	(14) agreed basis
Dividend income	-	-	-	157	As declared
<u>Transactions with associates</u>					
Rental and service income	4	5	-	-	(12)(iv) agreement
Dividend income	-	-	12	28	As declared
<u>Transactions with related companies</u>					
Credit card commission receipts	-	1	-	-	(1) agreed basis
Inter resort payments	-	15	-	-	(1) agreed basis
Management fee income	-	1	1	-	(15), (16) agreement
Management fee expenses	(10)	53	-	-	(6), (17) agreement
Purchase of spa & gallery vouchers	-	2	-	-	(2), (8) agreed basis
Sale of goods	-	4	-	-	(9) agreed basis
Reimbursement receipts	12	13	4	2	(11) agreed basis
Reimbursement payments	7	5	-	2	(11) agreed basis
Rental and service income	3	6	-	-	(12)(i), (ii), (iv), (vi) agreement
Rental return on hotel units	1	1	-	-	(13) agreement
Resort service income	-	1	-	-	(14) agreed basis
Training charges	1	1	-	-	(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	
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Guarantee fee income	-	-	1	1	(3) agreed basis
Guarantee fee expenses	-	-	3	1	(3) agreed basis
Interest income	-	-	49	26	(5) agreement
Interest expenses	-	-	8	20	(5) agreement
Management fee income	-	-	45	49	(4), (7) agreed basis
Reimbursement receipts	-	-	1	1	(11) agreed basis
Reimbursement payments	-	-	2	4	(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	-	-	4	5	(14) agreed basis
Dividend income	-	-	-	322	As declared
<u>Transactions with associates</u>					
Reimbursement receipts	1	2	-	-	(11) agreed basis
Rental and service income	8	11	-	-	(12)(iv) agreement
Dividend income	-	-	12	28	As declared
<u>Transactions with related companies</u>					
Credit card commission receipts	-	1	-	-	(1) agreed basis
Inter resort payments	13	34	-	-	(1) agreed basis
Management fee income	2	2	2	1	(15), (16) agreement
Management fee expenses	53	165	-	6	(6), (17) agreement
Purchase of spa & gallery vouchers	-	6	-	1	(2), (8) agreed basis
Sale of goods	2	9	-	-	(9) agreed basis
Reimbursement receipts	20	27	5	3	(11) agreed basis
Reimbursement payments	20	28	-	2	(11) agreed basis
Rental and service income	9	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	1	2	-	-	(14) agreed basis
Training charges	2	3	-	-	(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 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 24 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), 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 2020</u>	<u>31 December 2019</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 Group as follows:

(Unit: Million Baht)

	<u>30 June 2020</u>	<u>31 December 2019</u>
Short-term loan facilities	150	150
Long-term loan facilities	900	900
Overdrafts and bank guarantee facilities	20	20

As at 30 June 2020 and 31 December 2019, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	financial statements		financial statements	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Amounts due from related parties				
Subsidiaries	-	-	107,464	25,973
Associated companies	918	169	-	-
Related companies (related by common shareholders)	72,680	51,335	11,081	3,985
Total amounts due from related parties (Note 4)	<u>73,598</u>	<u>51,504</u>	<u>118,545</u>	<u>29,958</u>
Amounts due to related parties				
Subsidiaries	-	-	17,504	10,009
Associated companies	24	24	-	-
Related companies (related by common shareholders)	127,064	150,829	3,068	3,234
Total amounts due to related parties (Note 15)	<u>127,088</u>	<u>150,853</u>	<u>20,572</u>	<u>13,243</u>

(Unaudited but reviewed)

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

As at 30 June 2020 and 31 December 2019, 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			30 June
	2019	Addition	Repayment	2020
Laguna Banyan Tree Limited	725,000	137,500	(324,500)	538,000
Laguna Holiday Club Limited	224,000	3,000	(58,500)	168,500
Laguna Lakes Limited	300,000	6,000	(3,000)	303,000
Laguna Grande Limited	625,500	240,000	(473,500)	392,000
Laguna (3) Limited	3,000	-	(3,000)	-
Banyan Tree Gallery (Thailand) Limited	28,050	-	-	28,050
Total	<u>1,905,550</u>	<u>386,500</u>	<u>(862,500)</u>	<u>1,429,550</u>

Long-term loans from subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	31 December			30 June
	2019	Addition	Repayment	2020
Laguna (3) Limited	-	14,500	-	14,500
TWR - Holdings Limited	173,000	356,000	(397,000)	132,000
Total	<u>173,000</u>	<u>370,500</u>	<u>(397,000)</u>	<u>146,500</u>

Long-term loan from related company

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December			30 June
	2019	Addition	Repayment	2020
Banyan Tree Hotels & Resorts (Thailand) Limited	26,950	-	-	26,950
Total	<u>26,950</u>	<u>-</u>	<u>-</u>	<u>26,950</u>

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2020 and 2019, the Group 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	
	2020	2019	2020	2019
Short-term employee benefits	13,585	19,374	4,787	8,576
Post-employment benefits	594	708	233	368
Other long-term employee benefits	7	8	3	4
Total	14,186	20,090	5,023	8,948

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	35,570	43,712	13,337	21,148
Post-employment benefits	1,351	1,467	579	734
Other long-term employee benefits	15	16	7	8
Total	36,936	45,195	13,923	21,890

6. Property development cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Property for sale under holiday club memberships	230,405	229,062	-	-
Completed buildings	462,506	532,081	-	-
Land	1,913,544	1,924,053	111,429	111,429
Property under construction	1,596,986	1,453,202	-	-
Total	4,203,441	4,138,398	111,429	111,429

(Unaudited but reviewed)

During the current period, the management reviewed property development costs of suspended projects and determined that the property under construction of Baht 137 million will be no longer developed and have no future benefits to the Group. Hence, such amount was written off and recognised as expenses in the income statement of the current period.

Subsidiaries have mortgaged property development cost amounting to Baht 1,510 million (31 December 2019: Baht 1,288 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 3.0% to 7.0% 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 9.0% per annum and installments are repaid over a period of 5 years.

Long-term trade accounts receivable are due as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2020	31 December 2019
Current portion of long-term trade accounts receivable	267,438	296,121
Long-term trade accounts receivable	665,631	796,461
Total	933,069	1,092,582
Sales of property		
Within 1 year (Note 4)	266,905	295,637
Over 1 year to 5 years	665,618	796,385
Long-term trade accounts receivable - sales of property	932,523	1,092,022
Sales of holiday club memberships		
Within 1 year (Note 4)	533	484
Over 1 year to 5 years	13	76
Long-term trade accounts receivable - sales of holiday club memberships	546	560
Total	933,069	1,092,582

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 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	Million Baht	Million Baht	%	%	Million Baht	Million Baht
<u>Subsidiaries held by the Company</u>						
Banyan Tree Gallery (Singapore) Pte. Limited	SGD 0.43	SGD 0.43	51.0	51.0	4.0	4.0
	Million	Million				
Banyan Tree Gallery (Thailand) Limited	7.8	7.8	51.0	51.0	4.0	4.0
Laguna Banyan Tree Limited ⁽¹⁾	1,500.0	1,500.0	100.0	100.0	1,325.1	1,325.1
Laguna Holiday Club Limited	330.0	330.0	100.0	100.0	330.0	330.0
Laguna Grande Limited ⁽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	100.0	100.0	100.0	100.0	-	-
PT AVC Indonesia	USD 7.0	USD 7.0	100.0	100.0	-	-
	Million	Million				
Talang Development Company Limited	251.0	251.0	50.0	50.0	-	-
Thai Wah Plaza Limited	2,250.0	2,250.0	100.0	100.0	-	-
Thai Wah Tower Company Limited	455.0	455.0	100.0	100.0	-	-
Thai Wah Tower (2) Company Limited	21.0	21.0	100.0	100.0	-	-
Twin Waters 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 Laguna Limited	80.0	80.0	100.0	100.0	-	-
Bangtao Grande Limited	1,546.0	1,546.0	100.0	100.0	-	-
Vision 9 Farm Limited	2.0	-	60.0	-	-	-
<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.

(Unaudited but reviewed)

During the three-month and six-month periods ended 30 June 2020 and 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	
	2020	2019	2020	2019
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.

During the period, movements of the investment in subsidiaries accounts are summarised below:

- a) On 22 June 2020, the Extraordinary General Meeting of Shareholders No. 1/2020 of Laguna Village Limited approved an increase in the registered capital from Baht 6 million to Baht 179 million through the issuance of an additional 1.73 million ordinary shares with a par value of Baht 100 each. TWR - Holding Limited made the full payment of addition shares. Laguna Village Limited registered the increase of its share capital with the Ministry of Commerce on 8 July 2020.
- b) On 17 December 2019, Laguna Grande Limited (“LGL”, a wholly owned subsidiary) entered into a joint venture agreement with an individual to establish a joint venture, Vision 9 Farm Limited, to engage farming and restaurant in Chiang Mai province. The joint venture was incorporated as a limited company in Thailand on 8 June 2020 with a registered share capital of Baht 2 million. LGL held 60% of its registered shares and has already made payment amounting to Baht 1.2 million for the shares.

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 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
			(%)	(%)				
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	222,874	222,014
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	751,348	759,168
Total investments in associates - net					950,949	950,949	974,222	981,182

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost			
			30 June 2020	31 December 2019	30 June 2020	31 December 2019		
			(%)	(%)				
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		

As at 30 June 2020 and 31 December 2019, 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)

During the three-month and six-month periods ended 30 June 2020 and 2019, the Group has 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)

Associates	For the three-month periods ended 30 June					
	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	
	2020	2019	2020	2019	2020	2019
Banyan Tree China Pte. Ltd.	343	(18)	-	-	-	-
Thai Wah Public Company Limited	(1,670)	(4,598)	(653)	(7,129)	11,838	28,271
Total	(1,327)	(4,616)	(653)	(7,129)	11,838	28,271

(Unaudited but reviewed)

(Unit: Thousand Baht)

Associates	For the six-month periods ended 30 June					
	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	
	2020	2019	2020	2019	2020	2019
Banyan Tree China Pte. Ltd.	860	578	-	-	-	-
Thai Wah Public Company Limited	5,084	4,913	(1,066)	(4,377)	11,838	28,271
Total	5,944	5,491	(1,066)	(4,377)	11,838	28,271

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 2020	31 December 2019
Thai Wah Public Company Limited	343	369

10. Other non-current financial assets/other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2020	31 December 2019
Investments in other companies		
Bibace Investments Ltd.	564,998	188,425
Banyan Tree Indochina Hospitality Fund, L.P.	384,062	417,940
Total other non-current financial assets	949,060	606,365

The Group has elected to measure these equity securities at fair value through other comprehensive income due to the Group's intention to hold these equity instruments for long-term appreciation.

11. Investment properties

As at 30 June 2020, the subsidiaries have pledged investment properties amounting to approximately Baht 837 million (31 December 2019: Baht 837 million) as collateral against credit facilities received from financial institutions and as security deposit for the litigation.

(Unaudited but reviewed)

12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
At cost / revaluation value		
Balance as at 31 December 2019	18,593,811	136,950
Additions	71,934	702
Disposals and write off	(441,288)	(8)
Adjustments	6,061	-
Balance as at 30 June 2020	18,230,518	137,644
Accumulated depreciation		
Balance as at 31 December 2019	(5,400,198)	(91,484)
Depreciation charged for the period	(225,227)	(4,273)
Disposals and write off	441,199	8
Adjustments	(3,422)	-
Balance as at 30 June 2020	(5,187,648)	(95,749)
Allowance for impairment loss		
Balance as at 31 December 2019	(15,741)	(2,920)
Balance as at 30 June 2020	(15,741)	(2,920)
Net book value		
Balance as at 31 December 2019	13,177,872	42,546
Balance as at 30 June 2020	13,027,129	38,975

The Group arranged for an independent professional valuer to re-appraise the value of certain assets in the report dated 29 November 2019 on an asset-by-asset basis. The basis of the revaluation was as follows:

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

The subsidiaries have mortgaged land and buildings at fair value of Baht 9,156 million (31 December 2019: Baht 9,135 million) as collateral against credit facilities received from financial institutions.

(Unaudited but reviewed)

13. Right-of-use assets

Movements of the right-of-use assets account during the six-month period ended 30 June 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 31 December 2019	-	-
Adjustments of right-of-use assets due to TFRS16 adoption	55,425	5,998
Net book value as at 1 January 2020	55,425	5,998
Depreciation for the period	(8,925)	(1,471)
Translation adjustment of right-of-use assets	(9)	-
Net book value as at 30 June 2020	46,491	4,527

14. 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 2.00% - 5.47% per annum (31 December 2019: 2.40% - 6.00%).

These short-term loans from financial institutions are secured by the mortgage of plots of land and buildings of its subsidiaries, as described in Note 12 and by the guarantee provided by subsidiaries.

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Trade accounts payable	315,614	433,703	1,815	2,046
Accrued construction	24,330	18,122	-	-
Amounts due to related parties (Note 5)	127,088	150,853	20,572	13,243
Accrued expenses	193,505	225,314	16,677	16,220
Dividend payable	130,000	-	130,000	-
Other payables	252,821	231,371	312	263
Service charge payable to hotel staffs	2,025	36,783	-	-
Accrued rental to villa owners	95,354	92,014	7,483	6,834
Total	1,140,737	1,188,160	176,859	38,606

(Unaudited but reviewed)

16. Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Lease liabilities	69,118	-	7,165	-
Less: Deferred interest expenses	(4,886)	-	(272)	-
Total	64,232	-	6,893	-
Less: Current portion	(33,623)	-	(5,117)	-
Lease liabilities - net of current portion	30,609	-	1,776	-

The Group has entered into the lease agreements to lease villa or hotel units for use in their hotel operation. The terms of the agreements are generally between 2 to 6 years.

Future minimum lease payments required under the lease agreements were as follows:

(Unit: Thousand Baht)

	Consolidated financial statement		
	30 June 2020		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	35,917	33,201	69,118
Deferred interest expenses	(2,294)	(2,592)	(4,886)
Present value of future minimum lease payments	33,623	30,609	64,232

(Unit: Thousand Baht)

	Separate financial statement		
	30 June 2020		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	5,350	1,815	7,165
Deferred interest expenses	(233)	(39)	(272)
Present value of future minimum lease payments	5,117	1,776	6,893

(Unaudited but reviewed)

17. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Value added tax payable	39,000	65,185	9,519	3,173
Unearned income	40,528	33,467	-	-
Other tax payable	123,604	153,653	2,103	21,052
Short-term provisions	-	9,018	-	-
Total	203,132	261,323	11,622	24,225

18. Long-term loans from financial institution

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Secured loan	4,841,576	4,866,751	1,359,750	1,370,250
Less: Deferred financial fees	(10,427)	(8,424)	(5,708)	(6,441)
Secured loan - net	4,831,149	4,858,327	1,354,042	1,363,809
Long-term loans are repayable as follows:				
Within 1 year	332,680	899,235	8,000	37,000
Over 1 year to 5 years	2,267,346	2,137,962	474,750	565,250
Over 5 years	2,231,123	1,821,130	871,292	761,559
	4,498,469	3,959,092	1,346,042	1,326,809
Total	4,831,149	4,858,327	1,354,042	1,363,809

Movements in the long-term loans account during the six-month period ended 30 June 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2019	4,866,751	1,370,250
Add: Drawdown	316,000	-
Less: Repayments	(341,175)	(10,500)
Balance as at 30 June 2020	4,841,576	1,359,750

(Unaudited but reviewed)

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 Group to maintain certain debt to equity and debt service coverage ratios according to the agreements.

As at 30 June 2020, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounting to Baht 1,789 million (31 December 2019: Baht 936 million).

During the current period, the Group received relief measure from a financial institution for a 1-year grace period on principal repayment of 13 loan agreements. The principal repayment which is postponed during the grace period amounting Baht 406 million.

19. Revenue from contracts with customers

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Revenue from contracts with customers:				
Revenue from hotel operations	52,188	664,978	-	3,604
Revenue from property development operations	159,588	95,607	-	146
Revenue from office rental operations - service income	1,849	4,253	461	1,182
Management fee income	1,098	1,084	23,711	24,996
Total revenue from contracts with customers	<u>214,723</u>	<u>765,922</u>	<u>24,172</u>	<u>29,928</u>
Revenue from office rental operations - rental income	5,622	18,379	1,055	4,227
Interest income	12,412	7,477	22,210	14,632
Dividend income	-	-	11,838	185,444
Gain on revaluation of investment properties	-	86,510	-	7,428
Other	3,829	2,181	1,591	305
Total revenue	<u>236,586</u>	<u>880,469</u>	<u>60,866</u>	<u>241,964</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	186,902	729,103	-	3,750
Revenue recognised over time	27,821	36,819	24,172	26,178
Total revenue from contracts with customers	<u>214,723</u>	<u>765,922</u>	<u>24,172</u>	<u>29,928</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Revenue from contracts with customers:				
Revenue from hotel operations	939,152	1,799,253	14,011	23,657
Revenue from property development operations	280,676	241,444	-	249
Revenue from office rental operations - service income	4,432	11,389	1,141	1,915
Management fee income	2,196	1,714	47,422	49,686
Total revenue from contracts with customers	1,226,456	2,053,800	62,574	75,507
Revenue from office rental operations - rental income	17,883	37,180	6,027	9,101
Interest income	26,763	19,209	49,026	26,253
Dividend income	-	-	11,838	350,078
Gain on revaluation of investment properties	-	86,510	-	7,428
Other	6,465	4,893	1,800	799
Total revenue	1,277,567	2,201,592	131,265	469,166
Timing of revenue recognition:				
Revenue recognised at a point in time	1,166,173	1,975,008	14,011	23,906
Revenue recognised over time	60,283	78,792	48,563	51,601
Total revenue from contracts with customers	1,226,456	2,053,800	62,574	75,507

20. Other income

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Dividend income	-	-	11,838	185,444
Gain on revaluation of investment properties	-	86,510	-	7,428
Management fee income	1,098	1,084	23,711	24,996
Other	3,829	2,181	1,591	305
Total	4,927	89,775	37,140	218,173

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Dividend income	-	-	11,838	350,078
Gain on revaluation of investment properties	-	86,510	-	7,428
Management fee income	2,196	1,714	47,422	49,686
Other	6,465	4,893	1,800	799
Total	8,661	93,117	61,060	407,991

21. 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 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	3,950	7,922	-	-
Adjustment in respect of income tax of previous year	121	3,889	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	94,930	(1,540)	13,964	(2,317)
Income tax expense reported in profit or loss	99,001	10,271	13,964	(2,317)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	14,856	62,028	-	-
Adjustment in respect of income tax of previous year	91	4,122	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	92,899	(859)	14,390	(3,238)
Income tax expense reported in profit or loss	107,846	65,291	14,390	(3,238)

During the current period, the Group has reduced deferred tax assets of Baht 94 million (the Company only: Baht 12 million) as the Group believes future taxable profits may not be sufficient to allow utilization of the unused tax losses.

22. 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	financial statements	financial statements
	2020	2019	2020	2019
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	(550,230)	(84,081)	(5,089)	175,006
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings (loss) per share (Baht/share)	(3.30)	(0.50)	(0.03)	1.05

(Unaudited but reviewed)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	(549,671)	(1,240)	(4,596)	334,434
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings (loss) per share (Baht/share)	(3.30)	(0.01)	(0.03)	2.01

23. Dividend

Dividend declared in six-month periods ended 30 June 2020 and 2019 consist of:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Dividends on 2019 retained earnings	Annual General Meeting of the shareholders on 27 April 2020	500.04	3.00
Dividends on 2018 retained earnings	Annual General Meeting of the shareholders on 26 April 2019	68.34	0.41

24. Commitments

Capital commitment

As at 30 June 2020, the Group has capital commitments as follows:

- The subsidiaries have commitments in respect of constructing new and renovating existing hotel properties amounting to Baht 109 million (31 December 2019: Baht 119 million).
- The subsidiaries have commitments that relate to projects to develop properties for sale amounting to Baht 1,724 million (31 December 2019: Baht 1,396 million).

Operating agreements

As at 30 June 2020, the Group has 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	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 Group has commitments in respect of cash rewards options for villa/unit rental scheme agreements. The cash reward options are included fixed return or variable return based on actual hotel revenue or hotel profit. The terms of the agreements are generally 2 - 6 years.

As at 30 June 2020 and 31 December 2019, 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
	2020	2019	2020	2019
Payable within:				
In up to 1 year	-	23	-	4
In over 1 and up to 5 years	-	46	-	4

As at 30 June 2020, the Group had no fixed return obligations under cash rewards options for villa/unit rental scheme agreements as a result of the adoption of the TFRS 16 as at 1 January 2020. The Group recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 2 to the interim consolidated financial statements.

Servitude over land

As at 30 June 2020, some subsidiaries have land servitude of approximately 11 rai (31 December 2019: 11 rai) in Phuket province, which are presented under property development cost and property, plant and equipment.

25. Guarantees

As at 30 June 2020, there were bank guarantees amounting to Baht 50 million (the Company only: Baht 0.4 million) issued to various parties on behalf of the Group, mainly provided for the usage of electricity, other utilities and telecommunication channels (31 December 2019: Baht 50 million, the Company only: Baht 0.4 million).

(Unaudited but reviewed)

26. Segment information

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Group segments for the three-month and six-month periods ended 30 June 2020 and 2019, respectively.

(Unit: Million Baht)

	For the three-month period ended 30 June 2020				
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	62	161	10	-	233
Intersegment revenues	(10)	(1)	(3)	-	(14)
Revenue from external customers	<u>52</u>	<u>160</u>	<u>7</u>	<u>-</u>	<u>219</u>
Results:					
Segment results	<u>(274)</u>	<u>(103)</u>	<u>(3)</u>	<u>(31)</u>	<u>(411)</u>
Unallocated income					5
Loss from operations and other income					(406)
Interest income	-	13	-	-	13
Finance cost	(22)	(26)	-	(18)	(66)
Share of loss from investments in associates					(1)
Loss before income tax expenses					(460)
Income tax expenses	(82)	10	1	(28)	(99)
Loss for the period					<u>(559)</u>

(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>	<u>(137)</u>
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>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month period ended 30 June 2020

	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	998	286	28	-	1,312
Intersegment revenues	(59)	(5)	(6)	-	(70)
Revenue from external customers	<u>939</u>	<u>281</u>	<u>22</u>	-	<u>1,242</u>
Results:					
Segment results	<u>(199)</u>	<u>(110)</u>	<u>(1)</u>	<u>(52)</u>	<u>(362)</u>
Unallocated income					9
Loss from operations and other income					(353)
Interest income	-	27	-	-	27
Finance cost	(50)	(37)	-	(39)	(126)
Share of profit from investments in associates					6
Loss before income tax expenses					(446)
Income tax expenses	(100)	11	-	(19)	(108)
Loss for the period					<u>(554)</u>

(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>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>

27. Financial instruments

27.1 Fair value of financial instruments

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash at banks, accounts receivable and accounts payable, their carrying amounts in the statement of financial position approximate their fair value.
- For short-term and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

27.2 Fair value hierarchy

As at 30 June 2020, the Group had the financial assets that were measured at fair value by using adjusted net book value method, using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements				
30 June 2020				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non-current financial assets	-	-	949	949

28. Foreign currency risk assets/liabilities

The outstanding balances of the Group 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
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	1	1	1	-	-	-	-	-	30.8448	30.1084

29. Litigation

29.1 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 the subsidiary had to hire another 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 made full payment.

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.

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

As at 30 June 2020, the Supreme Court confirmed the judgement of the Appeal Court. The security of Baht 17 million was paid to the plaintiff. Therefore the case has been finalised.

29.2 Two subsidiaries were sued by a former buyer of property sales project and claimed 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.

(Unaudited but reviewed)

As at 30 June 2020, the subsidiaries set aside a provision of Baht 1.7 million for liabilities arising as a result of this case (31 December 2019: Baht 1.7 million).

29.3 The Company was sued by a former shop lessee that the Company has breached the lease agreement and claimed 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.

30. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 7 August 2020.