

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements		
		30 September 2012	31 December 2011	1 January 2011	30 September 2012	31 December 2011	1 January 2011
		(Unaudited but reviewed)	(Audited)	(Audited)	(Unaudited but reviewed)	(Audited)	(Audited)
Assets							
Current assets							
Cash and cash equivalents	2	378,258	478,997	2,021,394	29,664	26,153	1,397,249
Trade and other receivables	3	486,658	479,337	641,629	150,097	187,415	116,387
Inventories		143,736	144,840	145,427	113	224	987
Property development cost	5	2,435,735	2,631,454	2,772,305	267,072	276,087	328,669
Other current assets		228,638	195,934	139,850	32,110	16,032	16,852
Total current assets		3,673,025	3,930,562	5,720,605	479,056	505,911	1,860,144
Non-current assets							
Restricted deposits at financial institution		-	-	2,020	-	-	-
Long-term trade accounts receivable	6	187,792	173,032	230,877	26,774	34,859	43,316
Investments in subsidiaries	7	-	-	-	3,408,568	3,408,568	3,492,207
Investments in associates	8	506,233	534,049	335,560	-	-	-
Other long-term investments	9	500,940	318,950	279,980	-	-	-
Long-term loans to subsidiaries	4	-	-	-	1,669,901	1,828,351	2,234,691
Long-term loans to employees	4	3,576	2,819	15,740	978	1,720	7,390
Investment properties		800,340	800,340	777,640	81,578	81,578	82,683
Property, plant and equipment	10	12,976,863	13,026,583	14,074,900	243,667	256,444	264,314
Goodwill		381,304	381,304	385,492	-	-	-
Leasehold rights		25,541	26,666	27,935	-	-	-
Other non-current assets		70,020	70,193	46,087	3,058	3,133	3,168
Total non-current assets		15,452,609	15,333,936	16,176,231	5,434,524	5,614,653	6,127,769
Total assets		19,125,634	19,264,498	21,896,836	5,913,580	6,120,564	7,987,913

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements		
		30 September 2012	31 December 2011	1 January 2011	30 September 2012	31 December 2011	1 January 2011
		(Unaudited but reviewed)	(Audited)	(Audited)	(Unaudited but reviewed)	(Audited)	(Audited)
Liabilities and shareholders' equity							
Current liabilities							
Short-term loans from financial institution	11	560,000	710,000	-	260,000	410,000	-
Trade and other payables	12	564,890	712,363	843,519	57,191	133,216	159,856
Current portion of long-term loans from financial institutions	14	347,894	356,523	570,211	70,000	70,000	70,000
Income tax payable		7,874	44,431	613,236	-	-	452,971
Advance received from customers		328,121	377,740	418,454	40,307	142,796	74,803
Other current liabilities	13	113,228	139,754	141,306	4,668	8,986	6,737
Total current liabilities		1,922,007	2,340,811	2,586,726	432,166	764,998	764,367
Non-current liabilities							
Long-term loans from subsidiary	4	-	-	-	243,650	11,200	798,940
Long-term loans from financial institutions - net of current portion	14	2,554,367	2,134,281	1,965,234	192,500	245,000	315,000
Provision for long-term employee benefits		129,795	120,857	94,668	35,216	33,597	27,737
Other non-current liabilities		85,119	79,455	81,544	11,328	11,489	13,722
Total non-current liabilities		2,769,281	2,334,593	2,141,446	482,694	301,286	1,155,399
Total liabilities		4,691,288	4,675,404	4,728,172	914,860	1,066,284	1,919,766
Shareholders' equity							
Share capital							
Registered							
211,675,358 ordinary shares of Baht 10 each		2,116,754	2,116,754	2,116,754	2,116,754	2,116,754	2,116,754
Issued and fully paid-up							
166,682,701 ordinary shares of Baht 10 each		1,666,827	1,666,827	1,666,827	1,666,827	1,666,827	1,666,827
Share premium		2,062,461	2,062,461	2,062,461	2,062,461	2,062,461	2,062,461
Capital reserve		568,131	568,131	634,699	-	-	-
Retained earnings							
Appropriated - statutory reserve		211,675	211,675	211,675	211,675	211,675	211,675
Unappropriated		3,332,927	3,447,854	4,911,154	883,974	939,534	1,953,401
Other components of shareholders' equity		6,325,742	6,349,402	6,672,974	173,783	173,783	173,783
Equity attributable to owners of the Company		14,167,763	14,306,350	16,159,790	4,998,720	5,054,280	6,068,147
Non-controlling interests of the subsidiaries		266,583	282,744	1,008,874	-	-	-
Total shareholders' equity		14,434,346	14,589,094	17,168,664	4,998,720	5,054,280	6,068,147
Total liabilities and shareholders' equity		19,125,634	19,264,498	21,896,836	5,913,580	6,120,564	7,987,913
		0	0	0	0	0	0

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

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Directors
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(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries**Income statements****For the three-month periods ended 30 September 2012 and 2011**

(Unit: Thousand Baht)

		Consolidated		Separate	
		financial statements		financial statements	
	<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenue					
Revenue from hotel operations		626,801	462,917	13,863	10,263
Revenue from property development operations		247,260	146,048	-	59,511
Revenue from office rental operations		16,809	15,144	-	-
Interest income		8,938	9,465	30,233	37,900
Dividend income		-	-	29,554	730,115
Other income		3,959	6,834	2,712	5,056
Total revenue		903,767	640,408	76,362	842,845
Expenses					
Cost of hotel operations		334,100	319,720	2,232	2,841
Cost of property development operations		123,838	65,757	739	34,202
Cost of office rental operations		9,732	7,151	-	-
Selling expenses		86,071	73,784	3,605	2,725
Administrative expenses		418,495	366,764	59,633	68,821
Total expenses		972,236	833,176	66,209	108,589
Profit (loss) before share of profit from investment					
in associate, finance cost and corporate income tax		(68,469)	(192,768)	10,153	734,256
Share of profit from investment in associate	8	395	47,162	-	-
Profit (loss) before finance cost and corporate income tax		(68,074)	(145,606)	10,153	734,256
Finance cost		(46,383)	(40,726)	(9,970)	(13,786)
Profit (loss) before corporate income tax		(114,457)	(186,332)	183	720,470
Corporate income tax		(8,485)	21,575	-	-
Profit (loss) for the period		(122,942)	(164,757)	183	720,470
Profit (loss) attributable to:					
Equity holders of the Company		(126,389)	(165,302)	183	720,470
Non-controlling interests of the subsidiaries		3,447	545		
		(122,942)	(164,757)		
Basic earnings (loss) per share	15				
Profit (loss) attributable to equity holders of the Company (Baht)		(0.76)	(0.99)	0.001	4.32

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

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month periods ended 30 September 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit (loss) for the period	<u>-122,942</u>	<u>-164,757</u>	<u>183</u>	<u>720,470</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	<u>(10,563)</u>	<u>10,329</u>	<u>-</u>	<u>-</u>
Other comprehensive income (loss) for the period	<u>(10,563)</u>	<u>10,329</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period	<u>(133,505)</u>	<u>(154,428)</u>	<u>183</u>	<u>720,470</u>
Total comprehensive income (loss) attributable to:				
Equity holders of the Company	-136,201	-153,126	<u>183</u>	<u>720,470</u>
Non-controlling interests of the subsidiaries	<u>2,696</u>	<u>-1,302</u>		
	<u>-133,505</u>	<u>-154,428</u>		

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries**Income statements****For the nine-month periods ended 30 September 2012 and 2011**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
			(Restated)		
Revenue					
Revenue from hotel operations		2,211,251	2,177,844	41,987	31,567
Revenue from property development operations		718,823	390,673	29,438	84,304
Revenue from office rental operations		46,559	41,680	-	-
Interest income		26,573	34,046	88,728	105,918
Dividend income		-	-	29,554	747,198
Gain on sale of investment	7	-	45,207	-	34,490
Other income		15,465	19,318	4,990	11,644
Total revenue		3,018,671	2,708,768	194,697	1,015,121
Expenses					
Cost of hotel operations		1,089,621	1,121,123	6,058	8,381
Cost of property development operations		348,519	143,594	16,284	45,325
Cost of office rental operations		24,124	21,950	-	-
Selling expenses		271,857	238,577	8,662	12,015
Administrative expenses		1,227,809	1,229,923	190,694	222,443
Total expenses		2,961,930	2,755,167	221,698	288,164
Profit (loss) before share of profit (loss) from investment in associate, finance cost and corporate income tax					
Share of profit (loss) from investment in associate	8	(13,297)	173,616	-	-
Profit (loss) before finance cost and corporate income tax					
Finance cost		(133,623)	(85,163)	(28,559)	(40,987)
Profit (loss) before corporate income tax					
Corporate income tax		(23,302)	(100,484)	-	(310)
Profit (loss) for the period					
Profit (loss) attributable to:					
Equity holders of the Company		(124,406)	(89,183)	(55,560)	685,660
Non-controlling interests of the subsidiaries		10,925	30,753		
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company (Baht)	15	(0.75)	(0.54)	(0.33)	4.11

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

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statements of comprehensive income

For the nine-month periods ended 30 September 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
		(Restated)		
Profit (loss) for the period	<u>-113,481</u>	<u>-58,430</u>	<u>(55,560)</u>	<u>685,660</u>
Other comprehensive income:				
Exchange differences on translation of				
financial statements in foreign currency	<u>(9,098)</u>	<u>34,399</u>	<u>-</u>	<u>-</u>
Other comprehensive income (loss) for the period	<u>(9,098)</u>	<u>34,399</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period	<u>(122,579)</u>	<u>(24,031)</u>	<u>(55,560)</u>	<u>685,660</u>
Total comprehensive income (loss) attributable to:				
Equity holders of the Company	<u>-133,932</u>	<u>-56,587</u>	<u>-55,560</u>	<u>685,660</u>
Non-controlling interests of the subsidiaries	<u>11,353</u>	<u>32,556</u>		
	<u>-122,579</u>	<u>-24,031</u>		

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

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries**Statements of cash flows****For the nine-month periods ended 30 September 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u> (Restated)	<u>2012</u>	<u>2011</u>
Cash flows from operating activities				
Profit (loss) before corporate income tax	(90,179)	42,054	(55,560)	685,970
Adjustments to reconcile profit (loss) before corporate income tax to net cash provided by (paid from) operating activities:				
Depreciation	212,534	245,999	6,190	6,846
Gain on sale of investment	-	(45,207)	-	(34,490)
Amortisation of leasehold rights	1,938	1,889	-	-
Reversal of allowance for doubtful accounts	(2,148)	(1,766)	(176)	(1,135)
Decrease (increase) of inventory to net realisable value	(297)	737	-	-
Allowance for diminution in value of other investment	-	-	-	6,466
Share of loss (profit) from investment in associate	13,297	(173,616)	-	-
Unrealised loss on exchange	-	1,097	-	-
Loss (gain) on sale of property, plant and equipment	(291)	(26)	1,130	503
Write off of property, plant and equipment	199	1,820	180	-
Write off of other current assets	3,702	10,381	-	-
Provision for long-term employee benefits	14,426	-	2,512	-
Interest income	(26,573)	(34,046)	(88,728)	(105,918)
Interest expenses	133,623	85,163	28,559	40,987
Profit (loss) from operating activities before changes in operating assets and liabilities	260,231	134,479	(105,893)	599,229
Operating assets (increase) decrease				
Trade and other receivables	(5,283)	238,885	57,502	(27,044)
Inventories	1,401	(12,780)	111	746
Property development cost	298,540	69,249	15,527	44,339
Other current assets	(19,530)	(62,199)	(12,089)	1,479
Long-term trade accounts receivable	(14,760)	45,971	8,085	5,260
Other non-current assets	173	(24,796)	75	(13)
Operating liabilities increase (decrease)				
Trade and other payables	(146,791)	(201,439)	(76,250)	(22,226)
Advance received from customers	(49,619)	(126,573)	(102,489)	30,165
Other current liabilities	(26,524)	12,404	(4,318)	(3,208)
Provision for long-term employee benefits	(5,488)	-	(893)	-
Other non-current liabilities	5,664	2,431	(161)	(63)
Cash flow from (used in) operating activities	298,014	75,632	(220,793)	628,664
Cash received for interest income	26,683	35,604	68,720	85,982
Cash paid for interest expense	(134,305)	(82,242)	(28,334)	(40,035)
Cash paid for corporate income tax	(76,735)	(650,375)	(3,989)	(455,386)
Net cash flows from (used in) operating activities	113,657	(621,381)	(184,396)	219,225

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

(Unaudited but reviewed)

Laguna Resorts & Hotels Public Company Limited and its subsidiaries**Statements of cash flows (continued)****For the nine-month periods ended 30 September 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
		(Restated)		
Cash flows from investing activities				
Decrease in long-term loans to subsidiaries	-	-	158,450	143,440
Decrease (increase) in long-term loans to employees	(757)	11,479	742	5,355
Decrease in restricted deposits at financial institution	-	2,020	-	-
Cash paid for acquisition of property, plant and equipment	(271,758)	(315,635)	(1,236)	(2,125)
Cash received from sale of property, plant and equipment	1,934	1,739	1	55
Cash received from sale of investments	-	710,096	-	119,490
Decrease in cash and cash equivalents of subsidiary at the disposal date	-	(64,258)	-	-
Cash paid for purchase of investment in subsidiaries	-	-	-	(1,361)
Cash paid for purchase of other long-term investment	(181,990)	(38,970)	-	(6,466)
Net cash flow from (used in) investing activities	(452,571)	306,471	157,957	258,388
Cash flows from financing activities				
Payment of dividends	(27,499)	(1,769,332)	-	(1,666,827)
Increase (decrease) in bank overdraft and short-term loans from financial institution	(150,000)	718,297	(150,000)	410,000
Draw down of long-term loans from subsidiaries	-	-	517,450	546,150
Repayment of long-term loans from subsidiaries	-	-	(285,000)	(1,064,070)
Draw down of long-term loans from financial institutions	698,600	255,020	-	-
Repayment of long-term loans from financial institutions	(287,143)	(523,237)	(52,500)	(52,500)
Net cash flow from (used in) financing activities	233,958	(1,319,252)	29,950	(1,827,247)
Net exchange differences on translation of financial statements in foreign currency	4,217	217	-	-
Net increase (decrease) in cash and cash equivalents	(100,739)	(1,633,945)	3,511	(1,349,634)
Cash and cash equivalents at beginning of period	478,997	2,021,394	26,153	1,397,249
Cash and cash equivalents at end of period	378,258	387,449	29,664	47,615
	0		0	
Supplemental cash flows information				
Non-cash items				
Amortisation of revaluation surplus on assets	4,670	5,543	-	-
Utilisation of allowance for doubtful accounts	105	2,051	51	-
Increase (decrease) in exchange differences on translation of financial statements in foreign currency of associate	(14,519)	32,791	-	-
Transfer of property, plant and equipment to investment properties	-	618,341	-	20,145
Adjustment of investment properties to retained earnings from change in accounting policy for investment property	-	42,188	-	31,498
Adjustment of revaluation surplus on assets to retained earnings from change in accounting policy for investment property	-	170,266	-	-
Adjustment of reserve for long-term employee benefits to retained earnings from change in accounting policy for employee benefits	-	94,668	-	27,737
Reversal of revaluation surplus on assets for sale of investments	-	426,271	-	-
Transfer of property, plant and equipment to property development cost	102,821	-	6,512	-

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

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2012 and 2011

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to the owners of the Company											
						Other components of shareholders' equity					
						Other comprehensive income					
						Exchange					
						differences on		Total other		Total equity	Equity attributable
	Retained earnings					translation of		components of		attributable to	to non-controlling
	Appropriated -					financial		Revaluation		shareholders of	interests
						statements in		surplus		the Company	of the
	Issued and fully	Share premium	Capital reserve	statutory reserve	Unappropriated	foreign currency	on assets	shareholders' equity	the Company	subsidaries	Total shareholders' equity
	share capital										
Balance as at 31 December 2010	1,666,827	2,062,461	634,699	211,675	4,793,367	60,209	6,783,031	6,843,240	16,212,269	1,008,874	17,221,143
Cumulative effect of change in accounting policy for											
employee benefits	-	-	-	-	(94,668)	-	-	-	(94,668)	-	(94,668)
Cumulative effect of change in accounting policy for											
investment property	-	-	-	-	212,454	-	(170,266)	(170,266)	42,188	-	42,188
Sale of investment in subsidiaries (restated)	-	-	(66,568)	-	426,271	-	(359,703)	(359,703)	-	(664,764)	(664,764)
Dividend paid (Note 16)	-	-	-	-	(1,666,827)	-	-	-	(1,666,827)	-	(1,666,827)
Dividend paid to non - controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	(102,504)	(102,504)
Amortisation of revaluation surplus on assets	-	-	-	-	-	-	(5,095)	(5,095)	(5,095)	(448)	(5,543)
Total comprehensive loss for the period	-	-	-	-	(89,183)	32,596	-	32,596	(56,587)	32,556	(24,031)
Balance as at 30 September 2011	<u>1,666,827</u>	<u>2,062,461</u>	<u>568,131</u>	<u>211,675</u>	<u>3,581,414</u>	<u>92,805</u>	<u>6,247,967</u>	<u>6,340,772</u>	<u>14,431,280</u>	<u>273,714</u>	<u>14,704,994</u>
Balance as at 31 December 2011	1,666,827	2,062,461	568,131	211,675	3,447,854	102,987	6,246,415	6,349,402	14,306,350	282,744	14,589,094
Transfer of revaluation surplus on assets	-	-	-	-	9,479	-	(9,479)	(9,479)	-	-	-
Dividend paid to non-controlling interest of the subsidiary	-	-	-	-	-	-	-	-	-	(27,499)	(27,499)
Amortisation of revaluation surplus on assets	-	-	-	-	-	-	(4,655)	(4,655)	(4,655)	(15)	(4,670)
Total comprehensive loss for the period	-	-	-	-	(124,406)	(9,526)	-	(9,526)	(133,932)	11,353	(122,579)
Balance as at 30 September 2012	<u>1,666,827</u>	<u>2,062,461</u>	<u>568,131</u>	<u>211,675</u>	<u>3,332,927</u>	<u>93,461</u>	<u>6,232,281</u>	<u>6,325,742</u>	<u>14,167,763</u>	<u>266,583</u>	<u>14,434,346</u>

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

Laguna Resort & Hotels Public Company Limited and its subsidiaries

(Unaudited but reviewed)

Statements of changes in shareholders' equity (continued)

For the nine-month periods ended 30 September 2012 and 2011

(Unit: Thousand Baht)

	Separate financial statements					
	Issued and fully		Retained earnings		Other	
	paid-up		Appropriated -		components of	Total
	share capital	Share premium	Statutory reserve	Unappropriated	shareholders' equity	shareholders'
					-revaluation surplus	equity
					on assets	
Balance as at 31 December 2010	1,666,827	2,062,461	211,675	1,949,640	173,783	6,064,386
Cumulative effect change in accounting policy for employee benefits	-	-	-	(27,737)	-	(27,737)
Cumulative effect change in accounting policy for investment property	-	-	-	31,498	-	31,498
Dividend paid (Note 16)	-	-	-	(1,666,827)	-	(1,666,827)
Total comprehensive income for the period	-	-	-	685,660	-	685,660
Balance as at 30 September 2011	<u>1,666,827</u>	<u>2,062,461</u>	<u>211,675</u>	<u>972,234</u>	<u>173,783</u>	<u>5,086,980</u>
Balance as at 31 December 2011	1,666,827	2,062,461	211,675	939,534	173,783	5,054,280
Total comprehensive loss for the period	-	-	-	(55,560)	-	(55,560)
Balance as at 30 September 2012	<u>1,666,827</u>	<u>2,062,461</u>	<u>211,675</u>	<u>883,974</u>	<u>173,783</u>	<u>4,998,720</u>

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