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SUSTAINING GROWTH **Banyan Tree Holdings Limited** Annual Report 2009

SUSTAINING GROWTH

Banyan Tree Holdings Limited Annual Report 2009

BANYAN TREE

KEY HIGHLIGHTS

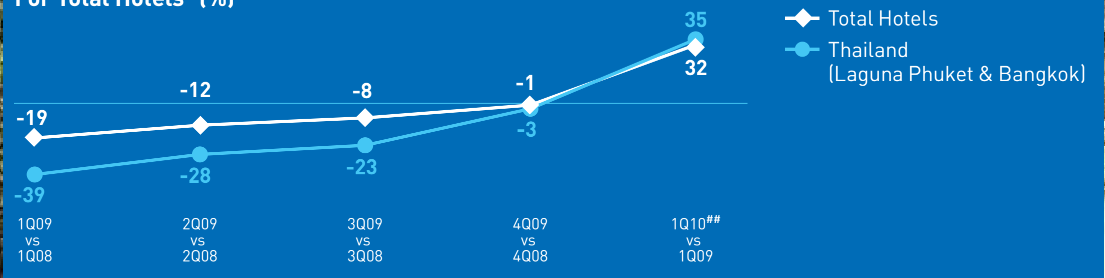
Revenue		EBITDA*	
S$313.3m	**-24%**	**S$69.5m**	**-26%**

* EBITDA is defined as Earnings Before Interest, Tax, Depreciation and Amortisation.

Hotel Management** EBITDA		Cash Flow	
S$21.8m	**+80%**	**S$76.3m**	**+42%**

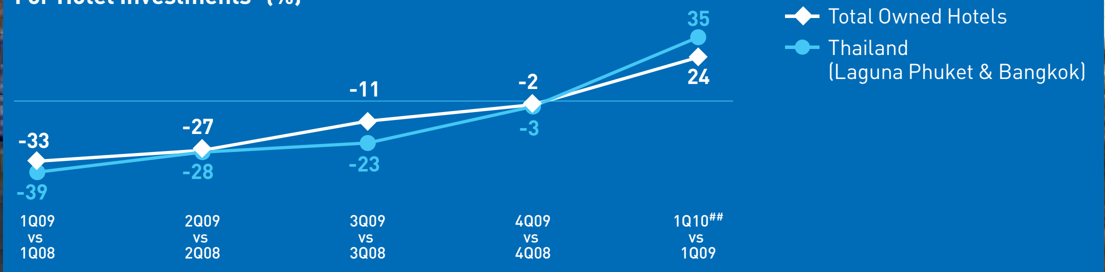
** Hotel Management fees attributable to hotels owned and managed by the Group were allocated to Hotel Management segment.

On-The-Books ("OTB") Recovery Trend For Total Hotels# (%)



\# Total Hotels refer to company total including hotels in Laguna Phuket, Banyan Tree & Angsana Resorts.
\#\# Based on OTB in late January 2010.

On-The-Books ("OTB") Recovery Trend For Hotel Investments# (%)



\# Hotel Investments refers to hotels we have majority equity interest in.
\#\# Based on OTB in late January 2010.

CONTENTS

Cover Picture: Banyan Tree Hangzhou, China

BANYAN TREE AT A GLANCE

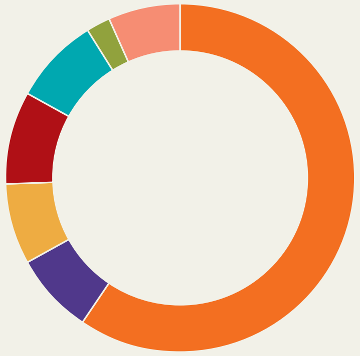
Banyan Tree Holdings is a leading manager and developer of premium resorts, hotels and spas in the Asia-Pacific. The Group's business centres on our two award-winning brands: Banyan Tree and Angsana.

Group Description

The Group's revenue comes from seven business segments: Hotel Investments, Hotel Management, Hotel Residences, Spa Operations, Property Sales, Gallery Operations, and Design and Others.

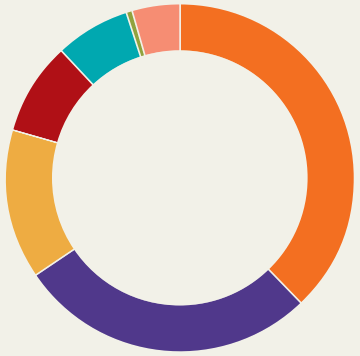
Key Facts

- Own and/or manage 27 resorts, 67 spas and 71 galleries.
- Listed on the Singapore Exchange since 14 June 2006.
- Included in MSCI Small Cap Index since 3 May 2007.
- Included in FTSE ST Mid Cap Index since 10 January 2008.



Revenue

- 59.6% Hotel Investments
- 7.6% Hotel Management
- 7.4% Hotel Residences
- 8.6% Spa Operations
- 8.0% Property Sales
- 2.3% Gallery Operations
- 6.5% Design & Others



EBITDA*

- 37.9% Hotel Investments**
- 27.7% Hotel Management**
- 14.0% Hotel Residences
- 8.7% Spa Operations
- 6.8% Property Sales
- 0.5% Gallery Operations
- 4.4% Design & Others

* EBITDA excludes head office expenses of $12.9 million and net other income of $3.8 million.

** Hotel management fees attributable to hotels owned and managed by the Group were allocated to Hotel Management segment.

Hotel Investments

We own and manage luxury hotels under our brands as well as hotels that are managed by other world-class operators.

Key Facts

- Equity interest in 16 hotels, comprising almost 2,000 keys.
- Banyan Tree Mayakoba in Mexico, in which we own a minority interest, opened during the year.

Continued Growth Outside Thailand

Our resorts outside Thailand saw revenue growth of S$5.7 million or 12% despite the global economic crisis.

Revenue from China Resorts

+18%

Revenue (S$m)

2009	186.6
2008	205.1

Hotel Management

We manage properties under the Banyan Tree and Angsana brands for other owners as well. This is mostly done under straightforward management agreements.

Key Facts

- Banyan Tree Ungasan in Indonesia, Banyan Tree Al Wadi in UAE and Banyan Tree Hangzhou in China were opened during the year.
- Number of keys under hotel management will exceed 4,000 by 2013.

Group Strategy on Track

Strong revenue growth of 55% in line with the Group's strategy to expand and diversify the Group's income stream through Hotel Management contracts and related Fund Management.

Number of Banyan Tree Private Collection Club Memberships Sold

+43%

Revenue (S$m)

2009	23.6
2008	15.2

Hotel Residences

Properties are primarily sold under the brand name Banyan Tree Residences, which is part of our hotel operations.

Key Facts

- Banyan Tree Residences are available in Phuket, Lijiang, Bintan, Bangkok and Mexico.
- The properties offer 6% p.a. fixed return for six years or a minimum of 4% p.a. for 10 years or one-third sharing of its rental revenue.

Steady Sales in China

7 units (2008: 5 units) of two-bedroom Townhouses at Banyan Tree Lijiang were sold during the year.

Number of China Residences Sold

+40%

Revenue (S$m)

2009	23.1
2008	78.5

Spa Operations

We manage spas within our own resorts and also resorts manage by other hotel/resort operators. We pioneered the tropical garden spa concept.

Key Facts

- 67 spas worldwide.
- Training facilities in Phuket, Bintan and Lijiang.

Newest Additions

Opened 7 new outlets: Banyan Tree Spa in Mexico and Indonesia; Elements Spa by Banyan Tree in Brazil and Portugal; and Angsana Spa in Mauritius, Qatar and India.

Spa Operations EBITDA

+146%

Revenue (S$m)

2009	26.9
2008	27.1

Property Sales

Properties are sold by our subsidiary company Laguna Resorts & Hotels and its subsidiaries. We also manage Laguna Holiday Club, a timeshare vacation club.

Key Facts

- All property sales are currently in Laguna Phuket.
- Primarily townhomes & bungalows located near our resorts but not part of hotel operations.

New Resort Operator

Appointed Hawaiian resort operator, Outrigger, to take over the management of properties on rental programme with effect from 1 December 2009. This will boost property sales as investors are attracted by the attractive yield from the rental programme.

Property Sales Revenue

-52%

Revenue (S$m)

2009	25.2
2008	52.3

Gallery Operations

The retail arm of the group, Banyan Tree Gallery supports indigenous artistry, livelihoods of village artisans and environmental conservation.

Key Facts

- Six different brand segments: Banyan Tree Gallery, Angsana Gallery, Elements Jewelry By Banyan Tree, Element Spa Essentials By Banyan Tree, Laguna Phuket Shops and Museum Shop By Banyan Tree.
- 37 collections of over 300 products.
- Partners 55 not-for-profit organisations.

Awards Won

Museum Shop By Banyan Tree topped the Best Shopping Experience category in the Singapore Tourism Board's inaugural Singapore Experience Awards 2009.

Gallery Outlets

+15%

Revenue (S$m)

2009	7.1
2008	10.8

Design & Others

We receive fees for design services and income from operating golf clubs. Most of our resorts are planned and designed by our in-house division, Architrave.

Key Facts

- Construction of new resorts determines revenue from design fees.
- Operate two golf clubs (Bintan and Phuket).

Awards Won

10 design awards since 2006, including one each for Banyan Tree Lijiang, Banyan Tree Ringha and two for Banyan Tree Mayakoba in 2009.

Design and Others Revenue

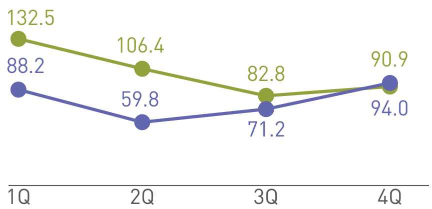
-13%

Revenue (S$m)

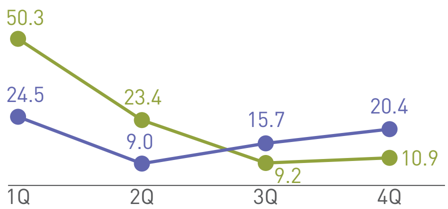
2009	20.6
2008	23.6

2009 IN REVIEW

Revenue (S$m)

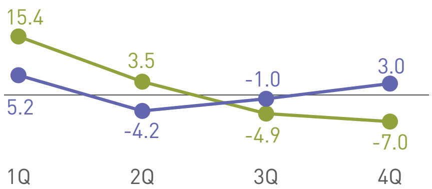


EBITDA (S$m)

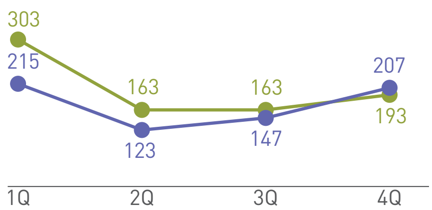


Legend
2009
2008

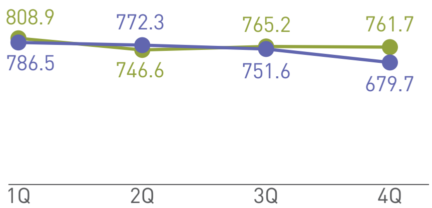
PATMI* (S$m)



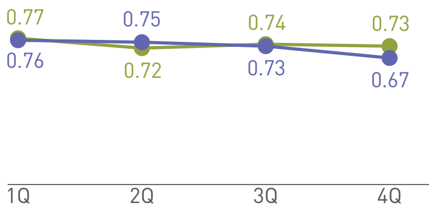
RevPAR** (S$)



Tangible Net Worth (S$m)



Net Asset Value Per Share (S$)



Note:
* PATMI is defined as profit after tax and minority interests.
** RevPAR denotes revenue per available room.

WHO WE ARE

Banyan Tree Holdings Limited is a leading manager and developer of premium resorts, hotels and spas around the world. We are listed on the Singapore Exchange.

As at 31 December 2009, we have 27 resorts, 67 spas, 71 retail galleries and two golf courses.

The Bigger Picture for Our Sustainability

Our strong brand, our integrated capabilities and our experienced and multi-disciplinary management team are key drivers in our success across diverse markets. Such cohesiveness is vital in ensuring a consistent branding identity that is synonymous with an established player in the hospitality industry that is constantly outdoing itself in its growth. Our successful establishment of The Banyan Tree Indochina Hospitality Fund in a difficult global market is testament to our branding and constant drive to innovate and diversify.

Coupled with our objective to extend our global reach, we have a lineup of projects that are slated to be launched in 2010 as listed below.

PROJECT OPENINGS IN 2010

Resorts/Hotels with Minority Equity Interest

Banyan Tree

Cabo Marqués, Acapulco, Mexico

Resorts/Hotels without Equity Interest

Banyan Tree

Riverside, Shanghai, China

Club & Spa Seoul, South Korea

Samui, Koh Samui, Thailand

Resorts/Hotels without Equity Interest

Angsana

Hangzhou, China

Fu Xian Lake, Yunnan, China

Spas

Banyan Tree

Cabo Marqués, Acapulco, Mexico

Club & Spa Seoul, South Korea

Samui, Koh Samui, Thailand

Riverside, Shanghai, China

Termas, Estoril, Portugal

Angsana

Fu Xian Lake, Yunnan, China

Nikko Shanghai, China

Okura Spa, Taiwan

Sheraton, Bangalore, India

Sankara, Nairobi, Kenya

SUSTAINING GROWTH

... RESPONDING TO MARKET CHANGES

HAVING EFFECTIVE FINANCIAL MANAGEMENT

We are focused and committed to stay prudent.

STRENGTHENING OUR REVENUE SOURCES

We are always striving to reinforce our core businesses.

SEIZING NEW OPPORTUNITIES

We are constantly seeking new areas of growth to extend our global reach.

HAVING EFFECTIVE FINANCIAL MANAGEMENT

Banyan Tree Phuket, Thailand

OUR RESILIENCE
We remained profitable despite the economic downturn as we implemented several cost-cutting measures that generated substantial savings of S$44 million during the year.

Our proactiveness and ability to stay on top of any unforeseen circumstances helped us to stay resolute yet adaptable. We initiated a freeze on hiring and wages and introduced an unpaid leave scheme that was implemented Group-wide.

In addition to that, we deferred our yet-to-start projects as a means to better manage our resources. All of these initiatives were constantly tracked and monitored by a special committee that ensured results were in line with the Group's overall directions and objectives. Coupled with the Singapore Government's timely job credit cash grant, it helped in reducing our overhead costs.

We are also pleased to announce that our gearing was maintained at a low 0.43x while our cash flow increased 42% to a notable S$76.3 million in 2009.

Gearing

0.43x

Cost-Cutting Savings

S$44m

Cash Flow Increased to S$76.3 million

up 42%

STRENGTHENING OUR REVENUE SOURCES

Angsana Velavaru, Maldives

REINFORCING OUR CORE BUSINESS

As the global economy improves, and with Asia showing a faster rate of recovery than the rest of the world, we are well poised and quick to respond to these changes by focusing and aligning our strategies in the online arena, the growing short-haul market and in the area of fee-based businesses.

A Growing Bandwidth that Translates into Growing Profits

By tapping onto the power of the Internet, our online revenue grew 50% from US$6.8 million in 2008 to generate US$10.2 million in 2009. 16% of Banyan Tree Phuket's 2009 bookings came through the website versus only 1% made in 2007. Similar impressive results were recorded in our China properties at Banyan Tree Lijiang, Ringha and Sanya where 9% of the bookings were made online by December 2009. Web traffic grew significantly with *banyantree.com* growing at 41% and *angsana.com* growing at 36% year-on-year from 2008. We are currently working on ways to maximise our online capabilities.

A Growing Focus on the Short-Haul Travel Segment

With a clear shift from corporate and long-haul travel to short-haul travel, we shifted our focus to Asia. This acted as a buffer against dipping long-haul market revenues. With more and more Chinese developing a penchant for travelling, China became our top source market. In 2009, our three China properties posted year-on-year revenue growth of 18%, and our Maldives resorts saw the number of Chinese guests quadruple.

A Growing Income Stream

We have seen notable results in our strategy of concentrating on fee-based businesses to counter the drop in overall revenue, namely hotel management contracts and related fund management. Our club management fees from managing Banyan Tree Private Collection also surged 68% to S$4.5 million and overall fee-based revenue climbed 55% from S$15.2 million in 2008 to S$23.6 million.

EBITDA for Hotel Management* recorded significant growth of 80% year-on-year to S$21.8 million in 2009 as a result of garnering more hotel management contracts and complementary revenues from our newly set up fund management portfolio, which is in line with our income diversification plans.

* Hotel Management fees attributable to hotels owned and managed by the Group were allocated to Hotel Management segment.

Hotel Management Revenue Increased 55% to S$23.6 million

up 55%

Online Revenue Increased 50% to S$10.2 million

up 50%

SEIZING NEW OPPORTUNITIES

Banyan Tree Hangzhou, China

BRINGING OUR SIGNATURE BRAND TO THE REGION AND BEYOND

With a good pipeline of hotels slated to open over the next 12 months in Asia and Latin America and globally over the next few years, the Banyan Tree collection continues to expand progressively. The total number of room keys is expected to increase to 7,709 by 2013, a CAGR* of 36% from 2008, in which more than half of the additions are under Hotel Management, requiring no additional equity from Banyan Tree. We will also open another 10 spas, of which seven will be in Asia and the rest in Europe, Africa and the Americas. Our management fee income is expected to grow steadily and contribute meaningfully to the Group's total revenue going forward.

EXTENDING OUR REACH INTO NEW GROWTH AREAS

Indochina

Tapping into the growing Indochina tourism industry, Banyan Tree Indochina Hospitality Fund was created with a secured funding of US$283 million amid the financial turmoil to establish a foothold and introduce its signature brand of Asian hospitality to Vietnam, Laos and Cambodia. This fund has already seen Banyan Tree being appointed to develop and manage one of Vietnam's largest premium integrated resorts, Laguna Hue, which will be ready by 2012. Our varying expertise in different aspects of the tourism business enables us to not just command annual fund management fees, but also design fees, hotel management fees, spa/golf/facilities management fees and royalty fees on property sales.

China

Between 2008 and 2009, the percentage of our guests from China doubled, and China became a significant contribution to our business. With the expected liquidity in the local Chinese market and its high growth potential, there is the intention of launching the on-shore fund of our Banyan Tree China Hospitality Fund by the second half of 2010, in addition to the more traditional private off-shore funding.

Banyan Tree Indochina Hospitality Fund

US$283m
secured

Estimated 5-Year CAGR for Total Number of Room Keys

36%

* CAGR is defined as Compound Annual Growth Rate.

Casa Lucardo, Italy
Banyan Tree Private Collection

EXECUTIVE CHAIRMAN'S STATEMENT

A Changing Landscape
Last year we mentioned that 2009 would likely be even more difficult than 2008 which at least had the benefit of a strong first half. This proved to be true for companies around the world. Besides the impact on our earnings, the unprecedented financial turmoil surfaced several discernible changes in our operating landscape. There was a clear shift from corporate and long-haul travel to short-haul travel. We also saw travelers holding out for value choices and thus cutting the lead time on bookings. On the whole, weaker purchasing power resulted in lower average room rates.

Asian consumers, however, bucked this trend. The overall plunge in long-haul traffic was buffered by growth in travel from Asian regional markets. With their increasing affluence, the Chinese in particular made a significant contribution to our business, not only in China but elsewhere also. Between 2008 and 2009, the percentage of our guests from China doubled, overtaking the UK and Russia. For the first time, China became our top source market.

The Group was quick to respond to and capitalise on these changes. We shifted our marketing focus to Asia, initiating a series of tactical campaigns. For example, to boost occupancy, we launched the Thailand Smiles campaign jointly with the Tourism Authority of Thailand. Guests booking online received one complimentary room night with a minimum of one paid night. In all, we disbursed 101,000 free room nights. To encourage bookings during the low/shoulder period, we joined hands with strategic partners such as American Express to promote Banyan Tree to high net worth clientele in Singapore, Hong Kong, Taiwan, Thailand and India.

This was also the opportune period to tap the power of the Internet. As booking lead time shrank, our website proved to be a very effective platform for tactical promotions. Our online revenue grew 50% during the year. We are currently working on back-end systems to improve the visibility of our brands on search engines and to maximise our online capabilities.

Overall Performance
In a year of high economic uncertainty, the Group delivered revenue of S$313.3 million, down 24% from S$412.6 million the previous year. Operating profit or EBITDA dipped by a similar margin of 26% to S$69.5 million. Our net profit or PATMI of S$3.0 million, although lower than the S$7.0 million in 2008, meant that we remained profitable despite the economic downturn. This was attributable to the cost-cutting measures implemented Group-wide, including an unpaid leave scheme, hiring and wage freezes and deferrals of yet-to-start projects. Such measures generated substantial savings of S$44 million during the year.

Hotel Investment
At S$186.6 million, revenue from Group-owned properties was 9% lower than the preceding year. Consequently, EBITDA dipped 7% to S$43.5 million. Thailand was largely responsible for the decline, in part because of political instability in the country.

The Maldives and China provided a cushion, thanks to the growing appetite of Chinese consumers for exotic travel. Our three China properties saw year-on-year revenue growth of 18%, aided by the addition of 34 keys at Banyan Tree Lijiang. Meanwhile, the number of Chinese guests to our Maldives properties quadrupled, helped by the well-received launch of Angsana Velavaru's unique InOcean Villas.

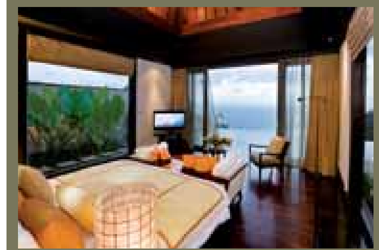
Hotel Management
Our strategy of enlarging and diversifying the Group's income stream through fee-based businesses, namely hotel management contracts and related fund management, bore fruit during the year. Revenue for the segment climbed 55%, from S$15.2 million in 2008 to S$23.6 million in 2009. Notably, club management fees from managing Banyan Tree Private Collection surged 68% to S$4.5 million. The Banyan Tree Indochina Hospitality Fund achieved a total capital commitment of US$283 million at final closing in June 2009.

" In a year of high economic uncertainty, EBITDA dipped by 26% to S$69.5 million. However, PATMI of S$3.0 million, although lower than the S$7.0 million in 2008, meant that we remained profitable despite the economic downturn."

EBITDA	PATMI	Cost Savings
S$69.5m	S$3.0m	S$44.0m

EXECUTIVE CHAIRMAN'S STATEMENT

Highlights of the Year



(Top to bottom)
Banyan Tree Hangzhou, China
Banyan Tree Ungasan, Indonesia
Banyan Tree Al Wadi, UAE

- Final closing on 30 June 2009 sees the Banyan Tree Indochina Hospitality Fund secure total funding of US$283 million despite the global financial crisis.
- Group-wide cost-cutting measures yield savings of S$44 million.
- Revenue from online business increases 50% year on year.
- Percentage of our guests from China doubles, making China our top source market for the first time.
- Four new resorts open: Banyan Tree Mayakoba, Mexico, Banyan Tree Hangzhou, China, Banyan Tree Ungasan, Indonesia and Banyan Tree Al Wadi, UAE.
- Banyan Tree Global Foundation is set up as the Group's official CSR and sustainability arm.

Total Number of Awards Won Since Inception*

556

* As of 5 March 2010.

Diversification of our footprint continued to be a focus as we boosted our hotel management portfolio by another four new resorts – Banyan Tree Mayakoba in Mexico, Banyan Tree Hangzhou in China, Banyan Tree Ungasan in Indonesia, and Banyan Tree Al Wadi in the UAE. The launch of Banyan Tree Mayakoba marked our maiden venture in the Americas and will help increase awareness of our brand in the North American market.

We continued to fine-tune operations to extend our global reach, for example by expanding our Shanghai and Hong Kong Regional Marketing Offices and opening one in Germany. We also appointed General Sales Agents in India and the Middle East.

Hotel Residences and Property Sales
For 2009, the Hotel Residences and Property Sales segments recorded combined revenue of S$48.3 million, a 63% decrease year on year. Similarly, EBITDA declined by 69% to S$16.3 million. Sales at Lijiang held steady as demand for high-end investment properties remained strong. However, sales in other locales were adversely affected by the global economic uncertainty. Demand for our Phuket and Bangkok properties was further weakened by political unrest in Thailand.

Spa and Gallery Operations
Our Spa operations continued to expand geographically, with seven new outlets opening in seven different countries during the year. Together, Spa and Gallery operations recorded revenue of $34.0 million, down 10% from 2008. Combined EBITDA, however, nearly doubled, from S$3.7 million to S$7.3 million. This was largely due to the Group-wide cost-cutting measures as well as savings from the progressive merger of Gallery outlets with Spa operations.

A Cautiously Optimistic Outlook
With business picking up in the fourth quarter of 2009, the global economic recovery appears to be underway earlier than anticipated. Barring any unforeseen developments and assuming that the Thai political situation stabilises, we expect the positive trend to continue into 2010. Led by our Thai resorts, our hotel forward bookings have been promising.

The Group's total number of keys is also expected to grow strongly, given the pipeline of hotels scheduled to open in the coming year. These include one hotel each in Mexico, Korea and Thailand, and three in the high-growth China market. All of these additions will be managed under hotel management contracts, requiring no additional equity from Banyan Tree. We will also open another 10 spas, of which seven will be in Asia and the rest in Europe, Africa and the Americas.

The Banyan Tree Indochina Hospitality Fund will see Banyan Tree developing and managing one of Vietnam's largest integrated resorts, Laguna Hue. In addition to annual fund management fees, the Group will receive fees over the next few years for design, hotel management, spa/golf/facilities management and royalty fees for the use of our brands in property sales. Following on, we intend to tap liquidity in the Chinese market to establish the on-shore fund of our Banyan Tree China Hospitality Fund, in addition to the more traditional private equity offshore funding. This new Fund will likewise contribute to our fund management and, eventually, other fees.

While we expect the Property Sales and Hotel Residences segments to pick up more slowly than the Hotel Investment and Hotel Management segments, we do anticipate their improved performance in the coming year. Already, market sentiment for city residences is recovering, and sentiment for resort residences is expected to follow suit.

Overall, therefore, we have reason to be cautiously optimistic for 2010.

Our Continuing CSR Commitment
While the operating landscape may have changed, we stayed focused on fundamentals, not least our commitment to corporate social responsibility (CSR). In 2009, we established Banyan Tree Global Foundation, the Group's official CSR and sustainability arm. This is a separate entity to house, manage, and administer funds raised by the Green Imperative Fund. It assures our guests that their contributions to the Fund will benefit communities where we operate. In conjunction with its launch, the Foundation invited global luminaries to share their thoughts on sustainability issues, through a series of Distinguished Lectures as well as private Dialogues.

We continued to gain international acclaim in CSR. Banyan Tree Vabbinfaru's coral reef conservation efforts earned the inaugural EC3 Seed Award. The Group also won the Titanium Award for Excellence in Social Responsibility and Environmental Responsibility at the Asset Corporate Awards 2009.

Our Consistently Winning Ways
Besides the area of CSR, the Group earned accolades for various other achievements. Among the honours we received in 2009 was the Most Transparent Company Award in the Hotel and Restaurant category of the Securities Investors Association (Singapore) Investor's Choice Awards. It was the third consecutive year that we have won this particular award. I am pleased to note that the number of awards and accolades received since inception has now crossed the 500 mark (to 556, as of 5 March 2010). This milestone reflects our consistently high standards and the good job that our associates have done to uphold them.

Acknowledgments
No company was immune to the economic challenges during the year. However, Banyan Tree has pulled through, thanks to the innovativeness, teamwork and dedication of our associates and management. They have been ably guided by the Board, and loyally supported by our stakeholders, partners and guests. I would like to express my appreciation to all of you, not only for helping the Group to survive hard times, but enabling it to thrive through the years. May we all enjoy a good year ahead.

Yours Sincerely,

Ho KwonPing
Executive Chairman

[L to R]
Banyan Tree Mayakoba, Mexico
Banyan Tree Lijiang, China

BOARD OF DIRECTORS

Ho KwonPing
Executive Chairman
The founder of our Group, Mr Ho is responsible for its overall management and operations. He has been a Director since 5 July 2000. He was designated Executive Chairman on 1 March 2004 and was last re-elected on 30 April 2009.

Mr Ho is also Chairman of Laguna Resorts & Hotels Public Company Limited, Thai Wah Food Products Public Company Limited, Singapore Management University and MediaCorp Pte. Ltd. He is a member of the Asia-Pacific Council of The Nature Conservancy, Global Advisory Council of London Business School, International Council and East Asia Council of INSEAD, International Council of Asia Society and Management Board of the Middle East Institute at the National University of Singapore.

Mr Ho previously served as a Director of Singapore Airlines Limited and Standard Chartered PLC. He holds a Bachelor of Arts (Economics) from the University of Singapore and an Honorary Doctorate of Business Administration in Hospitality Management from Johnson & Wales University, USA.

Ariel P Vera
Group Managing Director
Mr Vera was designated Group Managing Director on 1 March 2004, assuming overall responsibility for the corporate well-being of all the companies in the Group. He became a Director on 11 April 2000 and was last re-elected on 28 April 2008. He is concurrently the Managing Director of Banyan Tree Hotels & Resorts Pte. Ltd., where he started as Vice President, Finance in 1995. He is also a Director of Laguna Resorts & Hotels Public Company Limited.

Prior to joining us, Mr Vera was Director of Finance and Administration of Asian Resorts Pte Ltd from 1992 to 1995 and Vice President, Finance, of Tropical Resorts Limited from 1995 to 1997. He has over 25 years of experience in the hotels and resorts industry, having previously worked with, among others, the Hyatt and Regent hotel chains.

A Certified Public Accountant in the Philippines, Mr Vera holds a Bachelor of Science in Business Administration from University of the East, Philippines, as well as a Master of Business Administration from the National University of Singapore.

Chia Chee Ming Timothy
Lead Independent Director
Mr Chia was appointed an Independent Director on 8 June 2001 and became Lead Independent Director on 28 February 2007. Last re-elected on 30 April 2009, he is also Chairman of the Nominating & Remuneration Committee.

Mr Chia is Deputy Chairman and Group Chief Executive Officer of Hup Soon Global Corporation Limited. From 1986 to 2004, he was a Director of PAMA Group where he was responsible for private equity investments and served as President from 1995 to 2004. Prior to that, he served as Vice President of the Investment Department of American International Assurance Company Limited from 1982 to 1986 and as President of Unithai Oxide Company Ltd from 1980 to 1981.

Mr Chia sits on the boards of several other private and public companies, including Fraser and Neave Ltd, SP Power Grid Limited and Singapore Post Limited. In 2009, he was appointed Vice-Chairman – Asia for UBS Investment Bank and then Chairman that same year. Since January 2004, he has also been a Trustee of the Singapore Management University. He was previously a Director of Magnecomp Precision Technology Public Co Ltd (Thailand), Meritz Securities Co, Ltd (Korea), Macquarie Pacific Star Prime REIT Management Limited and F J Benjamin Holdings Ltd. He holds a Bachelor of Science cum laude, majoring in Management, from the Fairleigh Dickinson University, USA.

Fang Ai Lian
Independent Director
Mrs Fang was appointed an Independent Director and Chairman of the Audit & Risk Committee on 1 May 2008. She was last re-elected on 30 April 2009.

She is Chairman of Great Eastern Holdings Limited and its insurance subsidiaries in Singapore and Malaysia. A Governing Council Member of the Singapore Institute of Directors, Mrs Fang is also a Director of Singapore Telecommunications Limited, Metro Holdings Ltd, MediaCorp Pte. Ltd. and OCBC Bank. She is also Chairman of the Board of Directors for the Tax Academy of Singapore.

In addition, Mrs Fang is Chairman of the Charity Council, President of the Home Nursing Foundation and the Breast Cancer Foundation. She is also a Member of the Board of Trustees of the Singapore University of Technology and Design.

Mrs Fang was previously with Ernst & Young for over 30 years until her retirement in March 2008, her last position being Chairman of Ernst & Young Singapore. She also served as a Board Member of the Public Utilities Board and International Enterprise Singapore. She qualified as a Chartered Accountant in England and is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Institute of Certified Public Accountants in Singapore and a Member of the Malaysian Association of Certified Public Accountants.

(Top L to R)
Ho KwonPing
Ariel P Vera
Chia Chee Ming Timothy

(Bottom L to R)
Fang Ai Lian
Dilhan Pillay Sandrasegara
Elizabeth Sam

Dilhan Pillay Sandrasegara
Independent Director
Appointed an Independent Director on 1 March 2004, Mr Pillay was last re-elected on 28 April 2008. He is a member of both the Audit & Risk Committee and Nominating & Remuneration Committee.

Mr Pillay is Managing Partner of WongPartnership LLP. He has over 20 years of experience in the legal services sector. In February 2010, Mr Pillay was appointed a member to the Corporate Governance Council newly established by the Monetary Authority of Singapore. Mr Pillay is a Trustee of Singapore Institute of Technology and the Singapore Management University, as well as a member of the Advisory Board of its Law School, a Council Member of the Law Society of Singapore and a Board Member of Accounting and Corporate Regulatory Authority of Singapore, Jurong Town Corporation and Sentosa Development Corporation. In addition, he holds a number of directorships in public and private companies including SPI (Australia) Assets Pty Ltd, Changi Airport Group (Singapore) Pte. Ltd., CapitaRetail China Trust Management Limited, Hup Soon Global Corporation Limited and SMRT Corporation Limited. He was previously on the boards of The Ascott Group Limited and Global Investments Limited.

After graduating from the National University of Singapore, Mr Pillay attended the University of Cambridge on a Cambridge ODA Scholarship, where he obtained a Master of Law. He was admitted to the Singapore Bar in 1989.

Elizabeth Sam
Independent Director
Appointed an Independent Director on 23 March 2004, Mrs Sam was last re-elected on 30 April 2009. She is a member of both the Audit & Risk Committee and Nominating & Remuneration Committee.

Principally engaged in management consultancy, Mrs Sam is also a Director of Boardroom Limited, SC Global Development Ltd, AV Jennings Ltd, Kasikornbank Public Company Limited, ST Asset Management Ltd and The Straits Trading Company Limited. She has over 40 years of experience in the financial sector, having held the positions of Executive Vice President and Deputy President of OCBC Bank from 1988 to 1998, Director of Mercantile House Holdings plc (a company listed on the London Stock Exchange) from 1981 to 1987 and Chief Manager of the Monetary Authority of Singapore from 1976 to 1981. She was a Director of the Singapore International Monetary Exchange and served two three-year terms from 1987 to 1990 and 1993 to 1996 as its Chairman until its merger with the Stock Exchange of Singapore. She was also previously a Director of Nippecraft Limited. She has been a member of the Singapore Institute of Directors since April 1999.

Mrs Sam holds a Bachelor of Arts (Hons) in Economics from the University of Singapore.

(L to R)
Banyan Tree Mayakoba, Mexico
Angsana Riads Collection, Morocco

MANAGEMENT TEAM

(Top)
Chiang See Ngoh Claire

(Bottom L to R)
Ho KwonCjan
Surapon Supratya

Chiang See Ngoh Claire
Managing Director, Retail Operations
Chiang See Ngoh Claire is Senior Vice President, responsible for the strategic direction, management and operation of Banyan Tree and Angsana Galleries. She has served two terms as a Nominated Member of Singapore's Parliament, and has been elected to the Board of the Singapore Chinese Chamber of Commerce and Industry. She is the Non-Executive Chairperson of Wildlife Reserves Singapore and sits on the Global Governing Board of the Caux Round Table as Vice-Chair for Asia. She is also the Chairperson of Banyan Tree Global Foundation, which she established in 2009. Recently appointed to the Board of Visiting Justices, Ms Chiang is a Justice of Peace and received the Singapore Public Service Medal in 2008. She is the wife of the Executive Chairman, Mr Ho KwonPing.

Ho KwonCjan
Managing Director, Design Services
Ho KwonCjan is Senior Vice President and Managing Director, Design Services. He heads and oversees the project and design teams. Before his re-designation as Managing Director in March 2005, he was Joint Managing Director of LRH, a position he held from 1998. Mr Ho served as Vice Chairman of Thai Wah Public Company Limited in Thailand from 1997 to 2003. From 1996 to 1998, he was the Managing Director of Thai Wah Resorts Development Public Co., Ltd and from 1985 to 1992, the Project Manager of Thai Wah Resorts Development Public Co., Ltd. Prior to this, he worked at the architecture firm, Akitek Tenggara, in Singapore. Mr Ho holds a Bachelor of Architecture (Hons) from the National University of Singapore and is a recipient of the Singapore Institute of Architects Gold Medal. He has been registered with the Singapore Board of Architects since 1986. Mr Ho is the brother of the Executive Chairman, Mr Ho KwonPing.

Surapon Supratya
Deputy Chairman, Laguna Resorts & Hotels (LRH)
Surapon Supratya is Senior Vice President and Deputy Chairman of LRH. He has been a member of the Board of LRH since 1996 and previously served as its Group Managing Director. He was also Joint Managing Director and Chief Financial Officer of Thai Wah Public Company Limited. Prior to that, he was Financial Controller of Thomson Television (Thailand) and Louis T. Leonowens (Thailand). A Certified Public Accountant, Mr Surapon holds a Bachelor of Accountancy from Chulalongkorn University, Thailand, and a Master of Accountancy from Thammasat University, Thailand.

(Top)
Bernold Olaf Schroeder

(Bottom L to R)
Tee Hwee Liang
Arthur Kiong Kim Hock

Bernold Olaf Schroeder
Managing Director, Hotel Operations
Bernold Olaf Schroeder is Senior Vice President and Managing Director, Hotel Operations. He is responsible for all operational aspects of the hotel portfolio, and the business development and expansion activities of the Group. Prior to these appointments in 2005, he was Vice President of Operations from January 2004. Mr Schroeder joined Banyan Tree in 1997 and has served in various capacities, including General Manager of Banyan Tree Maldives from 1997 to 2001, Area Director of Indian Ocean from 1998 to 2001, Vice President of Business Development from 1999 to 2003, and General Manager of Banyan Tree Bangkok from 2001 to mid-2008. He previously worked at the Hyatt Corporation based in New York and the Holiday Inn Asia Pacific in Hong Kong. Mr Schroeder has attended executive programmes from Cornell University, Stanford University –Singapore Management University, and a Director Certificate Programme from the Thai Institute of Directors Association. He also received a Certificate Expert in hotel business matters by the Karlsruhe Chamber of Industry and Commerce.

Tee Hwee Liang
Senior Vice President, China Desk
Tee Hwee Liang is Senior Vice President, China Desk. He is responsible for resorts development in China. He is also a director of Lijiang Banyan Tree Hotel Co., Ltd, Jiwa Renga Resorts Limited and Tibet Lhasa Banyan Tree Resorts Limited. Mr Tee holds a Bachelor of Commerce (Accountancy) from Nanyang University, Singapore.

Arthur Kiong Kim Hock
Managing Director, Sales & Marketing
Arthur Kiong Kim Hock is Senior Vice President and Managing Director, Sales & Marketing. He oversees the management and development of our worldwide sales and marketing efforts and strategies. Prior to joining the Group in 2008, Mr Kiong was the Director of Hospitality Operations, overseeing 1,600 hotel rooms and serviced residences for Far East Organization. He was previously the Vice-President, Marketing – Asia for the Peninsula Hotel Group based in Hong Kong. From 1995 to 2002, he was with The Ritz-Carlton Hotel Company holding senior positions, the last being Area Director of Marketing, – Northeast USA, based in New York. Mr Kiong holds a Higher Diploma in Hotel Management from the Singapore Hotel Association Training and Education Centre by Ecole Hoteliere Lausanne.

MANAGEMENT TEAM

(Top)
Michael Ramon Ayling

(Bottom L to R)
Shankar Chandran
Dharmali Kusumadi

Michael Ramon Ayling
Managing Director, LRH
Michael Ramon Ayling is Senior Vice President, Integrated Resorts and Managing Director, LRH. He oversees the integrated resort development of Laguna Hue and the operations of LRH including the hotel, property sales and timeshare businesses. Mr Ayling joined LRH in 2000 as Assistant Vice President, Finance. He was promoted to Deputy Managing Director/Vice President, Finance in 2005 and to Managing Director, Laguna Phuket in 2006. He became Vice President and Managing Director, LRH in 2007 and Senior Vice President in February 2009. Prior to joining LRH, Mr Ayling was a Senior Audit Manager with KPMG, Sydney from 1998 to 2000, and KPMG, Port Moresby from 1992 to 1998 where he was responsible for the day-to-day running of the audit division and managing client audits. He is a member of the Institute of Chartered Accountants in England and Wales. Mr Ayling holds a Bachelor of Arts in Accounting and Finance (Hons) from Manchester Metropolitan University, UK.

Shankar Chandran
Managing Director, Spa Operations
Shankar Chandran is Senior Vice President and Managing Director, Spa Operations. Overseeing the Spa Operations of the Group since 2005, he is responsible for the operations and growth of the Group's global portfolio of over 65 spas. From 2001 to 2004, he served as Group Executive (Corporate) Director, and from 1997 to 2001 Assistant Vice President, Finance. Prior to joining the Group, he was the Financial Controller and Deputy General Manager of Regent Plaza, London, and Regional Internal Auditor/Financial Controller of Hilton International Hotels, UK. Mr Chandran holds a Postgraduate Diploma in Management Studies from Kingston University (London) and a Higher National Diploma Finance from South West London College, UK .

Dharmali Kusumadi
Senior Vice President, Design Services
Dharmali Kusumadi is Senior Vice President, Design Services. He is responsible for the design and planning of properties managed by the Group. Prior to joining the Group in 1991, he was the Planning and Development Head of LG Group, Bali, and was in charge of design and planning for projects. From 1985 to 1989, Mr Kusumadi was a part-time lecturer at the Architecture Department of Soegijapranata Catholic University, Semarang, Indonesia. From 1984 to 1989, he was Principal Architect of Kusumadi Associates. He has been a member of the Indonesian Institute of Architects since 1991 and holds a Master of Architecture from Parahyangan Catholic University, Bandung, Indonesia.

(Top)
Eddy See Hock Lye

(Bottom L to R)
Steve Small
Paul Chong

Eddy See Hock Lye
Chief Financial Officer
Eddy See Hock Lye is Vice President and Chief Financial Officer. Prior to joining the Group in 2004, he was the Managing Director of Asia Business Forum from 2002 to 2004 and its Chief Financial Officer from 2001 to 2004. From 1996 to 2001, Mr See was the Group Financial Controller of Amara Holdings Limited. He was also the General Director of Amara Hotel Saigon Company Ltd, which operates Amara Hotel in Ho Chi Minh City, from 1998 to 2001. Prior to that, he was with Ernst & Young for nearly a decade, spending his last four years there as Audit Manager. Mr See holds a Bachelor of Commerce from University of Auckland and is an Associate Chartered Accountant, New Zealand.

Steve Small
Managing Director, Banyan Tree Capital
Steve Small is Vice President and Managing Director of Banyan Tree Capital. He is responsible for leading and managing the Group's dedicated real estate fund management activities to fund its hotel, resort and private residence development programmes. Mr Small managed the successful launch of the Group's first fund, the US$283m Banyan Tree Indochina Hospitality Fund. Prior to joining the Group in 2008, Mr Small spent over 20 years in private equity investment and management in Asia. From 1991 to 2003, he was an Executive Director of Consolidated Resources Ltd, the Asian private equity investment vehicle of Anglo American plc and the De Beers Group. He was also engaged in private equity investment and consultancy services through a company he founded in Singapore in 1998. He has been a non-executive director of various regionally listed companies, including his current position on the Board of LRH. Mr Small is a Fellow of the Institute of Chartered Accountants in England & Wales and has a Bachelor of Economics (Honours) from Durham University.

Paul Chong
Vice President, Business Development
Paul Chong is Vice President, Business Development. He oversees the global development team and all legal matters related to business development and the expansion of the Group internationally. Mr Chong joined the Group in 2001 as the Legal Manager of the Group, and was promoted to the position of Group Legal Manager in 2002 and Assistant Vice President, Head of Development in 2004. Prior to joining Banyan Tree, he worked in several top Singapore legal firms including Allen & Gledhill and Rajah & Tann. He holds a Bachelor of Laws (Hons) from the National University of Singapore.

MANAGEMENT TEAM

(Top)
Hokan Limin

(Bottom L to R)
John Searby
Michael Lee

Hokan Limin
Vice President, Hotel Finance
Hokan Limin is Vice President, Hotel Finance. He oversees the implementation of policies and procedures, and is in charge of internal controls. He also recruits and manages financial controllers in the Group's hotels, and coordinates and oversees hotel pre-opening activities. Prior to joining the Group in 1999, Mr Limin worked at several five-star resort chains including Shangri-la, Hyatt and Inter-Continental resorts. He holds a Bachelor of Finance and Accountancy from Trisakti University, Jakarta, Indonesia.

John Searby
Vice President, Corporate (Mexico)
John Searby is Vice President, Corporate (Mexico). He is responsible for the corporate activities of the Group in Mexico and the Americas. Mr Searby joined the Group in 2002 as Area Financial Controller with responsibility for the financial management of the Group's interests in Phuket. Prior to joining the Group, Mr Searby worked in Australia for various hotel and hospitality companies including Ritz Carlton, Stamford Hotels and Ramada Hotels and Resorts. A British national, he is a member of the Institute of Chartered Accountants in England and Wales.

Michael Lee
Chief Information Officer
Michael Lee is Vice President and Chief Information Officer. He has been with the Group since 2006 and has over 20 years of experience in the travel, banking and hospitality sectors. He served as CEO of Raffles Marina Limited. He previously held positions of Vice President of Marketing at CDL Hotels International and Vice President at United Overseas Bank. He holds a Master of Business Administration from Oklahoma City University, USA. He also attended the Certified Enterprise Architecture Practitioner programme conducted by Institute of Systems Science at the National University of Singapore, and is a TOGAF Certified Practitioner. Mr. Lee is a Chartered Marketer and a Fellow of Chartered Institute of Marketing, UK, and a member of the Chartered Financial Analyst Institute, CFA (USA).

(Top)
Emilio Llamas Carreras

(Bottom L to R)
Maximilian Lennkh
Francois Huet

Emilio Llamas Carreras
Area General Manager (Mayakoba)
Emilio Llamas Carreras is Vice President and Area General Manager, Mayakoba. Prior to joining the Group in 2001, he was General Manager of SolMelia in 'Gran Melia Salinas', Lanzarote, Spain, where he was responsible for the overall management of the hotel. In 1998, he was conferred the Civil Merit Award by the King of Spain in recognition of his role as the Honorary Consul of Spain in Bali, Indonesia. Mr Carreras holds a hotel diploma and an engineering degree from Sevilla University, Spain.

Maximilian Lennkh
Area General Manager (Southern China)
Maximilian Lennkh is Vice President and Area General Manager (Southern China). He leads, coordinates and supervises the overall operational activities of the Group's properties in Southern China. Mr Lennkh joined Banyan Tree in July 2001 as Area General Manager, Maldives Business Area. Since then, he has held the positions of General Manager, Banyan Tree Seychelles and Area General Manager, Yunnan Business Area (China). In July 2009, he took over the General Manager position of Banyan Tree Sanya and also oversees the development of the new upcoming properties in China. Mr Lennkh comes from a well-established, all-round hospitality background which he gained by working in several areas of hotel operations for high-end chains such as Hilton and Sheraton Hotels. He is fluent in German, English, Portuguese and Spanish, and is a holder of various hotel management certifications, one of them issued by London Business School.

Francois Huet
Area General Manager (Phuket, Koh Samui and Laos)
Francois Huet is Vice President and Area General Manager – Phuket, Koh Samui and Laos. He oversees the operations of our three properties in these locations. A veteran hotelier, he previously served as Area General Manager of Banyan Tree Bintan and Angsana Bintan in Indonesia, and Banyan Tree Vabbinfaru and Angasana Ihuru in the Maldives. Before joining the Group in 2002, he was General Manager of Bora Bora Pearl Beach Resort in French Polynesia and spent 12 years of his career with the Inter-Continental group. Mr Huet did his apprenticeship with Relais & Chateaux, France and attended the General Managers Program at the Cornell-Nanyang Institute of Hospitality Management in Singapore.

MANAGEMENT TEAM

(Top L to R)
Marina Kleiman
Foong Pohmun

(Bottom L to R)
Sachiko Shiina
Elsie Leung

Marina Kleiman
Managing Director, Banyan Tree Private Collection
Marina Kleiman is Managing Director, Banyan Tree Private Collection based in Hong Kong. She was previously Vice President – Marketing for Hong Kong and Taiwan. She worked at the Palace of the Lost City, Sun City Resort as a Duty Manager, before joining the Banyan Tree Phuket and Banyan Tree Bintan in 1994 as part of the Opening Team and assisted in training the team for Banyan Tree Maldives. She subsequently established Banyan Tree's Regional Marketing Office in Hong Kong. Ms Kleiman holds a certificate equivalent to Bachelor of Arts from Teatro Nacional General San Martin on Contemporary Dance, from Buenos Aires, Argentina. She also has a certificate of meritorious achievement from Damelin Management School in South Africa.

Foong Pohmun
Vice President, People Development
Foong Pohmun is Vice President, People Development. She oversees operations at the Banyan Tree Management Academy, whose aim is to develop the future leaders of the Group by advancing people development, management excellence and learning. Prior to this appointment in 2009, she was Vice President, Projects. She joined the Group in 1990, and served in various positions overseeing the costing and project management of Banyan Tree Hotels. She was promoted to Assistant General Manager in 1995 and Assistant Vice President in 2000. Ms Foong holds a degree in Economics (Hons) from the University of London, and diplomas in Industrial Management, Building Science and Culinary Arts and Management.

Sachiko Shiina
Vice President, Japan
Sachiko Shiina is Vice President, Japan. She is responsible for sales and marketing activities for Japan and Korea, and also leads, coordinates and supervises the overall operational and business development activities for the Group in Japan. Ms Shiina joined the Group in 1995 as Sales and Marketing Manager of the Group Sales Agent in Japan. In 2000, she became Director of Sales, Japan, and was promoted to Assistant Vice President, Sales & Business Development in 2006.

Elsie Leung
Vice President, Sales & Marketing (China & Taiwan)
Elsie Leung is Vice President, Sales & Marketing – China & Taiwan. She is in charge of developing outbound business from China and Taiwan, as well as the revenue performance of all of the Group's hotels and resorts in China. The Regional Marketing Offices in Hong Kong, Shanghai, Beijing and on-property sales teams of Sanya, Lijiang, Ringha and Gyalthang Dzong Hotel report directly to her. Prior to joining Banyan Tree Hotels and Resorts in 2008, Ms Leung already had more than 20 years' sales and marketing experience. She has held senior regional positions at hotel groups such as Mandarin Oriental, Four Seasons Hotels & Resorts and Hilton Hotel Corporation. She holds an Associate Degree in Business Administration from The Open University of Hong Kong.

(Top)
Stuart Reading

(Bottom L to R)
Zhang Li
Steven Chu

Stuart Reading
Vice President, Finance, LRH
Stuart Reading is Vice President – Finance and Chief Financial Officer for LRH, and has served on the Board of LRH since 2006. He joined LRH in 2002 as Assistant Vice President – Finance & Administration responsible for the property sales and holiday club businesses finance function. He subsequently rose through the ranks, attaining his current position in 2010. Prior to joining the Group, Mr Reading spent more than 10 years with Pricewaterhouse Coopers in Australia and Papua New Guinea. From 1999 to 2002, he was a Director in the Assurance and Business Advisory Services division in Sydney. He is a member of the Institute of Chartered Accountants in Australia and holds a Bachelor of Business degree in Accounting from the University of Western Sydney.

Zhang Li
Managing Director,
Banyan Tree Capital (Hong Kong)
Zhang Li is Vice President and Managing Director of Banyan Tree Capital (Hong Kong), a division of Banyan Tree Capital which manages the Group's dedicated real estate fund management activities. Based in Hong Kong, he focuses on China-related fund management activities specific to the funding of the Group's hotel, resort and private residence development programmes in that region. Prior to joining the Group in 2009, Mr Zhang spent over 15 years working in the private equity and investment banking industries as well as the public sector. From 2001 to 2008, he worked at various investment banks, including Wachovia Securities, Standard Chartered Bank, Credit Suisse and Morgan Stanley. He was a Director at CDH Investments, focusing on real estate private equity investment. Mr Zhang is a CFA charterholder, and holds a Master of Business Administration from the Kellogg Graduate School of Management, Northwestern University.

Steven Chu
Managing Director, Banyan Tree Indochina.
Steven Chu Chee Kwang joined the Group on 4 January 2010 as Managing Director of Banyan Tree Indochina Pte Ltd, which provides fund management services in Singapore to the Banyan Tree Indochina Hospitality Fund. He is also to be appointed as General Director of Banyan Tree's project management services company in Vietnam for the Laguna Hue Project. He has 25 years' experience in property development and project management in Malaysia, Australia and Vietnam. Mr Chu was previously Chief Operating Officer of Gamuda Land, the property division of Gamuda Berhad, a publicly listed company in Malaysia. As its Chief Representative and Council Member in Vietnam for four years, he was responsible for setting up and managing development operations in Hanoi and Ho Chi Minh City. He holds a Certificate in Civil Architecture from Ungku Omar Polytechnic, Malaysia, and a Bachelor of Business in Property from the University of South Australia.


Banyan Tree Bintan, Indonesia

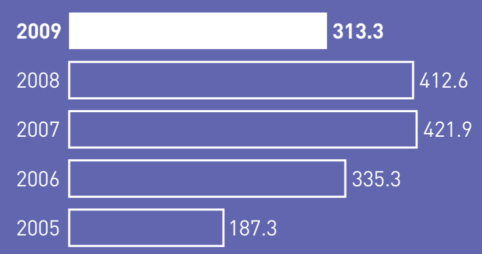
5-YEAR FINANCIAL HIGHLIGHTS

	2005 S$m	2006 S$m	2007 S$m	2008 S$m	2009 S$m
Revenue	187.3	335.3	421.9	412.6	313.3
EBITDA	34.7	111.4	122.5	93.8	69.5
Profit before tax (PBT)	3.5	66.9	126.5	42.3	14.7
PBT & before exceptional item (EI)	3.5	74.7	81.9	42.3	14.7
Profit after tax (PAT)	(0.0)	42.4	102.4	18.3	3.4
Profit after tax & minority interests (PATMI)	1.0	27.1	81.9	7.0	3.0
PATMI before EI	1.0	33.5	37.3	7.0	3.0
EBITDA margin	19%	33%	29%	23%	22%
PATMI margin	1%	8%	19%	2%	1%
PATMI before EI margin	1%	10%	9%	2%	1%
Per share ($)					
Basic earnings	0.002	0.039	0.108	0.009	0.004
Diluted earnings	0.002	0.039	0.108	0.009	0.004
Net tangible asset (NTA) including minority interests (MI)*	0.528	0.636	1.025	1.004	0.896
NTA excluding MI*	0.309	0.436	0.714	0.698	0.635
Net debt equity ratio	0.58	0.29	0.28	0.36	0.43

* 2005 – 2006 NTA per share have been calculated based on the sub-division of each of our ordinary shares into two ordinary shares.

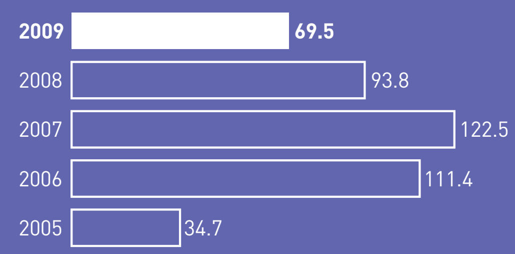
KEY FIGURES FROM 2005 TO 2009

Revenue (S$m)



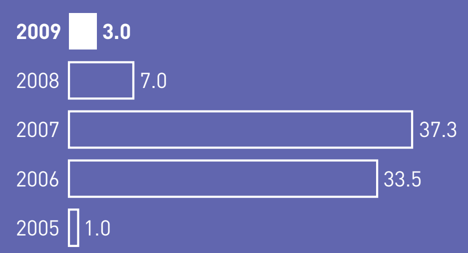
S$313.3m

EBITDA (S$m)



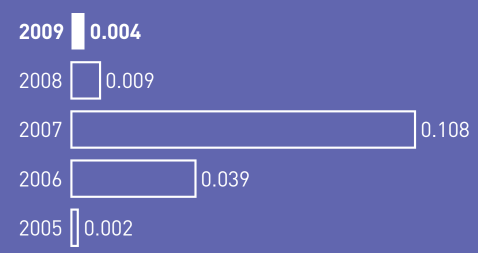
S$69.5m

PATMI Before EI (S$m)



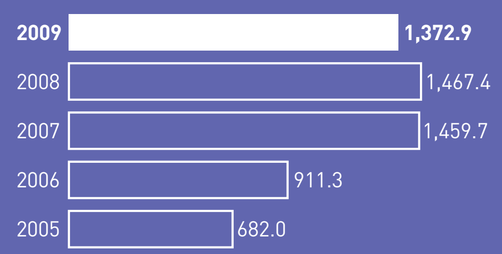
S$3.0m

Earnings Per Share (S$)



S$0.004

Total Assets (S$m)



S$1,372.9m

AWARDS AND ACCOLADES

THE GROUP HAS WON OVER 500 AWARDS IN THE AREAS OF HOSPITALITY, SPA, RETAIL, DESIGN, CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY SINCE INCEPTION. AWARDS SUCH AS THOSE LISTED BELOW RECOGNISE AND ENCOURAGE OUR CONTINUING IMPROVEMENT.

Travel

"Top 25 Asia Resorts – 17th Place"
- Condé Nast Traveler USA Readers' Choice Awards
  Banyan Tree Phuket

"Australasia and the South Pacific – 12th Place"
- Condé Nast Traveller UK Readers' Choice Awards
  Angsana Great Barrier Reef

"Best 100 Hotels in China"
- Travel + Leisure China Travel Awards
  Banyan Tree Lijiang

"Best 100 Hotels in China"
- Travel + Leisure China Travel Awards
  Banyan Tree Ringha

"Best New Hotels"
- Travel + Leisure China Travel Awards
  Banyan Tree Sanya

"Best Hotels and Tourism Resorts"
- MIPIM Asia Awards
  Banyan Tree Hangzhou

"45 Best New Hotels"
- Travel + Leisure USA IT List
  Banyan Tree Mayakoba

"Best Hotels for Rooms – Asia"
- Condé Nast Traveller UK Gold List
  Banyan Tree Ringha

"Top 25 Asia Resorts"
- Condé Nast Traveler US Gold List 2009
  Banyan Tree Phuket

"Top 10 Honeymoon Hotels Worldwide"
- The World's Best Hotels 2009
  Banyan Tree Seychelles

"Best All Inclusive – 9th"
"Best Luxury, Asia – 8th"
"Best for Romance, Asia – 7th"
- Trip Advisor "Travelers' Choice Awards"
  Banyan Tree Vabbinfaru

Spa

"Best Spa Operator"
- TTG Travel Awards
  Banyan Tree Spa

"Top 100 Spas"
- Condé Nast Traveller UK Readers' Travel Awards
  Banyan Tree Phuket

"Spa Academy of the Year"
- AsiaSpa Awards
  Banyan Tree Spa

"Best Spa Resort in China"
- Travel + Leisure China Travel Awards
  Banyan Tree Lijiang

"Best Spa Chain"
- Hurun Report "Best of the Best Awards"
  Banyan Tree Spa

"Best in Asia & Indian Subcontinent – 6th"
- Condé Nast Traveller UK Readers' Spa Awards
  Banyan Tree Spa Phuket

CSR

"Singapore Compact CSR Recognition Award"
- Singapore Compact CSR Recognition Award 2009
  Banyan Tree Hotels and Resorts

"Titanium Award for Excellence in Social Responsibility"
"Titanium Award for Excellence in Environmental Responsibility"
- The Asset Corporate Awards 2009
  Banyan Tree Holdings Limited

Gallery

"Best Shopping Experience"
- Singapore Experience Award 2009
  Museum Shop by Banyan Tree

Corporate

"Most Transparent Company – Hotels & Restaurants"
- SIAS Investors' Choice Awards 2009
  Banyan Tree Holdings Limited

"Singapore 1000: Sales Turnover Excellence Awards"
- Singapore 1000 "Singapore SME 500 2009"
  Banyan Tree Holdings Limited

Design

"The Best of the Year Award"
- China Best Design Hotels Awards
  Banyan Tree Lijiang

"Best Lobby and Best Spa"
- Boutique Design Award
  Banyan Tree Mayakoba

"Design Hotel of the Year"
- Best Design Hotels Award
  Banyan Tree Lijiang

MILESTONES

2009

Banyan Tree Mayakoba, Mexico, Banyan Tree Hangzhou, China, Banyan Tree Ungasan, Indonesia and Banyan Tree Al Wadi, UAE open.

Angsana Velavaru, Maldives introduces new InOcean Villas.

Banyan Tree Indochina Hospitality Fund achieves a total capital commitment of US$283 million at final closing on 30 June 2009.

Banyan Tree Global Foundation is set up as a separate entity to house, manage and administer the funds raised by the Group's Green Imperative Fund; as well as to provide in-house corporate social responsibility consultancy services.

2008

Banyan Tree Sanya, China opens.

Banyan Tree successfully places out a further S$27.3 million from the S$400 million Multicurrency Medium Term Note ("MTN") programme. Total MTN placed out as at 31 December 2008 is S$127.3 million.

The Group launches the Banyan Tree Indochina Hospitality Fund, a real estate development fund primarily focusing on the hospitality sector in Vietnam, Cambodia and Laos. Its principal project is Laguna Hue, an integrated resort development in Central Vietnam.

2007

Banyan Tree Madivaru, Maldives and Angsana Riads Collection Morocco open.

The Group fully subscribes to LRH rights issue and sees shareholding in LRH increase from 51.78% to 65.75%.

Banyan Tree establishes S$400 million MTN programme and successfully places out S$100 million from this programme.

2006

Following its IPO, Banyan Tree Holdings Limited is listed on the Singapore Exchange. It subsequently receives the Merit Award for the Most Transparent Company (New Issues category) at the 7th Investors' Choice Awards, awarded by the Securities Investors Association of Singapore.

Banyan Tree Lijiang, China and Angsana Velavaru, Maldives open. The Group introduces Banyan Tree Private Collection, Asia's first asset-backed destination club offering perpetual and transferable membership.

Banyan Tree Hotels & Resorts sign a joint marketing alliance with Okura Hotels and Resorts.

2005

Maison Souvannaphoum Hotel by Angsana opens in Laos. The Group's first Banyan Tree resort in China – Banyan Tree Ringha – is launched in Yunnan. The Group acquires Thai Wah Plaza, which houses Banyan Tree Bangkok in Thailand.

2004

Deer Park Hotel by Angsana opens in Sri Lanka.

2003

International Enterprise Singapore names Banyan Tree 'Singapore's Strongest Brand'. Gyalthang Dzong Hotel in Shangri-la, China, opens its doors.

2002

A strategic alliance is formed with the Oberoi Group of India to manage spas. Banyan Tree Seychelles is launched, and the Westin Banyan Tree is rebranded as Banyan Tree Bangkok.

2001

Banyan Tree Spa Academy is set up to train therapists and research new treatment recipes and techniques. Angsana Ihuru, Maldives and Angsana Bangalore, India open. The Green Imperative Fund is launched to formalise the Group's corporate social responsibility efforts.

2000

Angsana brand is launched with the opening of Angsana Bintan, Indonesia and Angsana Great Barrier Reef, Australia. Banyan Tree Holdings Pte Ltd is established. Banyan Tree Hotels & Resorts Pte. Ltd. and several subsidiaries which own and operate resorts, spas, galleries and golf courses, become part of the Group.

1995-1999

Banyan Tree Vabbinfaru, Maldives and Banyan Tree Bintan, Indonesia are launched.

1994

The Group's flagship resort – Banyan Tree Phuket – is launched in Thailand's Laguna Phuket. The resort includes the first Banyan Tree Spa and Banyan Tree Gallery.

1993

LRH lists its shares on the Stock Exchange of Thailand. Banyan Tree Hotels & Resorts Pte. Ltd., a resort and hotel management company, is established, as well as companies to operate spas and galleries. Sheraton Grande Laguna Phuket and The Allamanda are launched. LRH begins to sell units at The Allamanda.

1987–1992

After extensive rehabilitation of the Phuket site, LRH launches Dusit Laguna Resort Hotel and Laguna Beach Resort. Laguna Phuket is marketed as a destination within Phuket.

1984

LRH, a future subsidiary of Banyan Tree Holdings Limited, acquires over 550 acres of land on the site of an abandoned tin mine at Bang Tao Bay, Phuket, Thailand.

Banyan Tree Bangkok, Thailand

PORTFOLIO
EXISTING RESORTS AND EXPANSION IN 2010

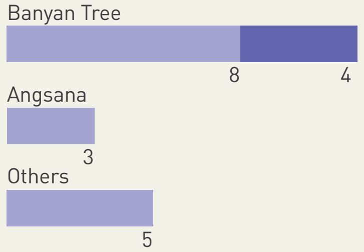
Resorts/Hotels with Equity Interest

Total Number of Resorts/Hotels

16

Total Number of Resorts/Hotels with Residences Available for Sale*

4



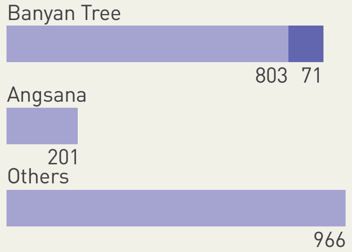
Legend
- No. of Resorts/Hotels
- No. of Resorts/Hotels with Residences Available for Sale*

Total Number of Keys for Resorts/Hotels

1,970

Total Number of Keys for Residences Available for Sale*

71



Legend
- No. of Keys for Resorts/Hotels
- No. of Keys for Residences Available for Sale*

Existing Resorts

Resorts/Hotels with Equity Interest	No. of Keys: Resorts/Hotels*	No. of Keys: Residences Available for Sale*	Equity (%)
Banyan Tree			
Madivaru, Maldives	6	–	100.0
Vabbinfaru, Maldives	48	–	100.0
Ringha, China	32	–	96.0
Lijiang, China	122	7	83.2
Bangkok, Thailand	279	14	65.8
Phuket, Thailand	149	25	65.8
Seychelles	60	–	30.0
Mayakoba, Riviera Maya, Mexico	107	25	15.0
Sub Total	803	71	
Angsana			
Riads Collection, Marrakech, Morocco	40	–	100.0
Ihuru, Maldives	49	–	100.0
Velavaru, Maldives	112	–	77.5
Sub Total	201	–	
Others			
Dusit Laguna Resort, Thailand	254	–	65.8
Sheraton Grande Laguna Resort, Thailand	334	–	65.8
Laguna Holiday Club Phuket Resort, Thailand	79	–	65.8
Laguna Beach Resort, Thailand	252	–	39.5
Gyalthang Dzong Hotel, China	47	–	80.0
Sub Total	966	–	
Grand Total	**1,970**	**71**	

* Residences available for sale is part of resorts/hotels under sales and lease back.

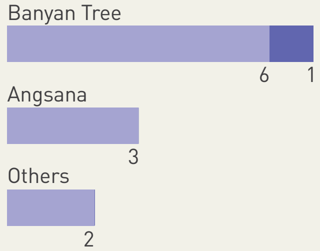
Resorts/Hotels without Equity Interest

Total Number of Resorts/Hotels

11

Total Number of Resorts/Hotels with Residences Available for Sale*

1



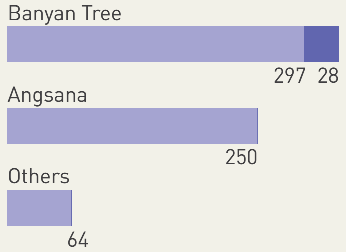
Legend
- No. of Resorts/Hotels
- No. of Resorts/Hotels with Residences Available for Sale*

Total Number of Keys for Resorts/Hotels

611

Total Number of Keys for Residences Available for Sale*

28



Legend
- No. of Keys for Resorts/Hotels
- No. of Keys for Residences Available for Sale*

Existing Resorts

Resorts/Hotels without Equity Interest	No. of Keys: Resorts/Hotels*	No. of Keys: Residences Available for Sale*
Banyan Tree		
Bintan, Indonesia	61	28
Al Areen, Bahrain	78	–
Sanya, Hainan, China	49	–
Ungasan, Bali, Indonesia	36	–
Hangzhou, China	48	–
Al Wadi, RAK, UAE	25	–
Sub Total	297	28
Angsana		
Bintan, Indonesia	106	–
Great Barrier Reef, Australia	65	–
Bangalore, India	79	–
Sub Total	250	–
Others		
Deer Park Hotel by Angsana, Sri Lanka	40	–
Maison Souvannaphoum Hotel by Angsana, Laos	24	–
Sub Total	64	–
Grand Total	**611**	**28**

* Residences available for sale is part of resorts/hotels under sales and lease back.

Expansion of Existing Resorts in 2010

Resorts/Hotels with Equity Interest	No. of Keys: Resorts/Hotels*	No. of Keys: Residences/Properties Planned for Sale*	Range of Room Rate (US$)	Equity (%)
Banyan Tree				
Phuket, Thailand (Zone A, X & C)	31	–	450 - 550	65.8
Grand Total	**31**	**–**		

* Residences available for sale is part of resorts/hotels under sales and lease back.

PORTFOLIO
STRONG PIPELINE OF NEW PROJECTS

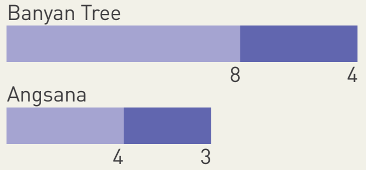
Resorts/Hotels with Equity Interest

Total Number of Resorts/Hotels

12

Total Number of Resorts/Hotels with Residences Planned for Sale*

7



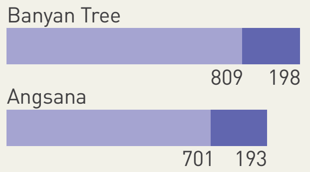
Legend
- No. of Resorts/Hotels
- No. of Resorts/Hotels with Residences Planned for Sale*

Total Number of Keys for Resorts/Hotels

1,510

Total Number of Keys for Residences Planned for Sale*

391



Legend
- No. of Keys for Resorts/Hotels
- No. of Keys for Residences Planned for Sale*

Resorts in the Pipeline

	No. of Keys					
Resorts/Hotels with Equity Interest	Resorts/ Hotels*	Residences/ Properties Planned for Sale*	Range of Room Rate (US$)	Equity (%)	Equity (S$m)	Year of Opening
Banyan Tree						
Cabo Marqués, Acapulco, Mexico	46	–	650 - 4,500	13.7	5	2010
Kerala, India	61	18	420 - 470	15.0	TBA#	2011
Hue, Vietnam	135	98	300 - 350	12.5	4	2012
Jiuzhaigou, China**	229	TBA#	150 - 350	100.0	17	2012
Yang Shuo, Guilin, China**	136	42	300 - 350	100.0	12	2012
Lhasa, Tibet, China**	52	–	300 - 350	100.0	18	2012
Dun Huang, China**	50	–	TBA#	100.0	TBA#	2012
Isla Diwaran, Philippines@	100	40	TBA#	TBA#	TBA#	2012
Sub Total	809	198			56	
Angsana						
Lijiang, China (Zone 2)**	113	15	150 - 190	83.2	12	2012
Lhasa, Tibet, China**	157	–	150 - 190	100.0	25	2012
Hue, Vietnam	245	132	160 - 210	12.5	7	2012
Isla Diwaran, Philippines@	186	46	TBA#	TBA#	TBA#	2013
Sub Total	701	193			44	
Grand Total	**1,510**	**391**			**100**	

* Residences planned for sale is part of resorts/hotels under sales and lease back.
** Pending China Fund.
@ Pending Philippines Fund.
\# To be advised.

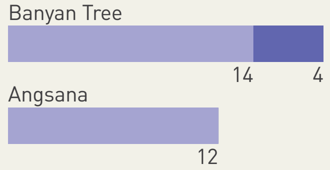
Resorts/Hotels without Equity Interest

Total Number of Resorts/Hotels

26

Total Number of Resorts/Hotels with Residences Planned for Sale*

4



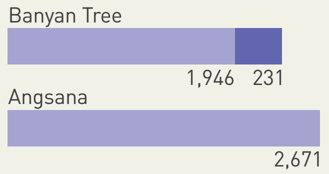
Legend
- No. of Keys for Resorts/Hotels
- No. of Resorts/Hotels with Residences Planned for Sale*

Total Number of Keys for Resorts/Hotels

4,617

Total Number of Keys for Residences Planned for Sale*

231



Legend
- No. of Resorts/Hotels
- No. of Keys for Residences Planned for Sale*

Resorts in the Pipeline

	No. of Keys			
Resorts/Hotels without Equity Interest	Resorts/ Hotels*	Residences/ Properties Planned for Sale*	Range of Room Rate (US$)	Year of Opening
Banyan Tree				
Samui, Koh Samui, Thailand	87	–	500 - 1,300	2010
Club and Spa Seoul, South Korea	50	–	400 - 8,500	2010
Riverside, Shanghai, China	182	–	180 - 700	2010
Macau, China	256	–	TBA#	2011
Beijing, China	201	–	180 - 450	2011
Sifah, Oman	133	89	570 - 620	2012
Tianjin, China	211	–	TBA#	2012
Alqueva, Maurao, Portugal	105	50	TBA#	2012
North Bund, Shanghai, China	150	–	200 - 350	2012
Costa Novarino, Pylos, Greece	119	–	550 - 600	2012
Kunming, China	152	TBA#	TBA#	2013
Cang Shan, Dali, China	100	24	TBA#	2013
Tamouda Bay, Tetovan, Morocco	82	TBA#	TBA#	2013
Shamarra, Marrakech, Morocco##	118	68	TBA#	2013
Sub Total	1,946	231		
Angsana				
Hangzhou, China	59	–	120	2010
Fu Xian Lake, Yunnan, China	1,290	TBA#	80 - 350	2010
Eastern Mangrove, Abu Dhabi, UAE	223	–	400 - 800	2011
Corfu, Greece	159	TBA#	TBA#	2011
Balaclava, Mauritius	50	TBA#	TBA#	2011
Santorini, Greece	105	–	280 - 320	2012
Sifah, Oman	150	–	200 - 250	2012
Alegria, Cairo, Egypt	100	TBA#	180 - 280	2012
40 West, Cairo, Egypt	50	TBA#	210 - 310	2012
Kunming, China	285	TBA#	TBA#	2013
Er Hai, Dali, China	200	TBA#	TBA#	2013
Nanjing Tangshan, China	TBA#	TBA#	TBA#	2013
Sub Total	2,671	–		
Grand Total	**4,617**	**231**		

* Residences planned for sale is part of resorts/hotels under sales and lease back.
\# To be advised.
\## Not branded by Banyan Tree but managed by Banyan Tree.

PORTFOLIO
EXISTING SPAS

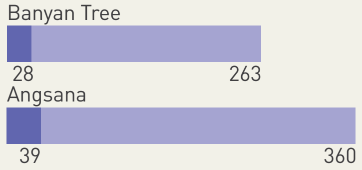
Existing Spas

Total Number of Spas

67

Total Number of Treatment Rooms

623



Legend
- No. of Spas
- No. of Treatment Rooms

	No. of Treatment Rooms
Banyan Tree	
Al Areen, Bahrain	12
Hangzhou, China	10
Lijiang, China	7
Ringha, China	6
Sanya, Hainan, China	16
Shanghai, China	13
Bintan, Indonesia	13
Ungasan, Bali, Indonesia	9
Phoenix Seagaia Resort, Japan	13
Madivaru, Maldives	6
Vabbinfaru, Maldives	5
Mayakoba, Mexico	16
Seychelles	8
Bangkok, Thailand	14
Phuket, Thailand	25
Al Wadi, RAK, UAE	10
The World Spa by Banyan Tree at M.V. The World Cruise	4
Elements Spa by Banyan Tree, Tivoli Sao Paulo, Brazil	10
Elements Spa by Banyan Tree, Kuwait	17
Elements Spa by Banyan Tree, Palacio Estoril, Portugal	13
Elements Spa by Banyan Tree, Tivoli Victoria, Portugal	7
Sub Total	234
Angsana	
Great Barrier Reef, Australia	8
Royal Pines Resort, Australia	5
The Garden Hotel, Guangzhou, China	12
Kempinski Resort & Spa, Sanya, China	12
Gyalthang, China	4
Movenpick Resort, El Gouna, Egypt	10
Steigenberger, Eygpt	8
Sheraton Laguna Guam, Guam	8
Guam Marriott, Guam	9
Park Island, Hong Kong	8
Oasis Spa UB City Bangalore, India	11
Udaipur, India	11
Oasis Spa & Resort Bangalore, India	8
Oasis Spa Prestige Ozone Bangalore, India	6
Bintan, Indonesia	13
The Brehon, Ireland	5
Bunratty, Ireland	5
ANA Crowne Plaza Kobe, Japan	8
Luang Prabang, Laos	3
Kuala Lumpur, Malaysia	20
Ihuru, Maldives	8
Velavaru, Maldives	11
InterContinental Mauritius, Mauritius	7
Riads Collection, Marrakech, Morocco	6
Tivoli Marina Vilamoura, Portugal	11
Grand Regency Hotel Doha, Qatar	8
Vineyard Hotel, Cape Town, South Africa	10
City Club & Spa Crescat City, Sri Lanka	9
Giritale, Deer Park, Sri Lanka	9
City Club Taichung, Taiwan	14
Laguna Beach Resort, Phuket, Thailand	8
Allamanda Laguna Phuket, Thailand	8
Dusit Thani Laguna Phuket, Thailand	8
Green View Chiang Mai, Thailand	12
Sheraton Grande Laguna Phuket, Thailand	12
Arabian Ranches, Dubai, UAE	6
Spa & Health Club Dubai Marina, UAE	13
Emirates Hills, Dubai, UAE	20
The Montgomerie, Dubai, UAE	6
Sub Total	360
Oberoi Spas by Banyan Tree	
Cecil, Shimla, India	2
Udaivilas Udaipur, India	8
New Delhi, India	6
Bangalore, India	3
Calcutta, India	2
Trident Hilton, India	4
Sahl Hasheesh, Egypt	4
Sub Total	29
Grand Total	**623**

PORTFOLIO
SPAS IN THE PIPELINE

Spas in the Pipeline

Total Number of Spas

47

Legend
● No. of Spas

Spas in the Pipeline

Year of Opening: 2010

Banyan Tree	Angsana
Cabo Marqués, Acapulco, Mexico	Fu Xian Lake, Yunnan, China
Riverside, Shanghai, China	Nikko Shanghai, China
Club & Spa Seoul, South Korea	Okura Spa, Taiwan
Samui, Koh Samui, Thailand	Sheraton, Bangalore, India
Termas, Estoril, Portugal	Sankara, Nairobi, Kenya

Year of Opening: 2011

Banyan Tree	Angsana
Macau, China	Corfu, Greece
Tivoli Lisbon, Portugal	Manama, Bahrain
	Eastern Mangrove, Abu Dhabi, UAE
	United Tower, Kuwait
	Balaclava, Mauritius
	Gurgaon, India
	Bavaria Executive Suites, UAE
	Golkonda Resort and Spa, India
	Sheraton Yilan, Taiwan

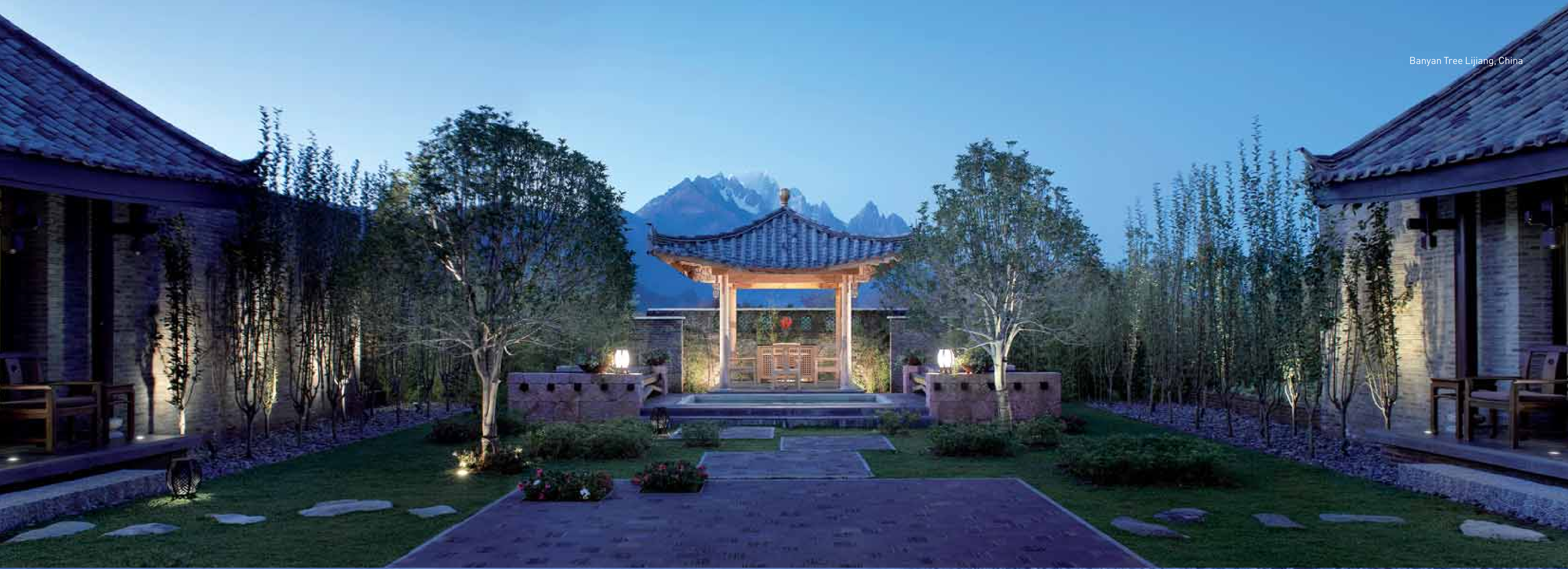
Spas in the Pipeline

Year of Opening: 2012

Banyan Tree	Angsana
Lhasa, Tibet, China	Santorini, Greece
Yang Shuo, Guilin, China	Sifah, Oman
Jiuzhaigou, China	Hue, Vietnam
Dun Huang, China	Lijiang, China
Tianjin, China	Lhasa, Tibet, China
Sifah, Oman	Alegria, Cairo, Egypt
Isla Diwaran, Philippines	40 West, Cairo, Egypt
North Bund, Shanghai, China	
Hue, Vietnam	
Alqueva, Maurao, Portugal	
Costa Novarino, Pylos, Greece	

Year of Opening: 2013

Banyan Tree	Angsana
Kunming, China	Isla Diwaran, Philippines
Cang Shan, Dali, China	Kunming, China
Shamarra, Marrakech, Morocco	Er Hai Dali, China
Tamouda Bay, Tetovan, Morocco	Nanjing Tangshan, China



Banyan Tree Lijiang, China

Banyan Tree Ringha, China

BUSINESS REVIEW
HOTEL INVESTMENTS

Geographical Spread Provides Cushion
In 2009, revenue from Group-owned hotels was S$186.6 million, a 9% decrease year-on-year. This was attributable to global economic woes, further aggravated by the H1N1 outbreak and political upheaval in Thailand. The decline in revenue from Thailand was partly salvaged by better performance from China, the Maldives and Morocco. Overall EBITDA was S$43.5 million, a 7% reduction from 2008.

Thanks to pricing and sales strategies which offered value while maintaining brand positioning, overall occupancy dipped by only three percentage points despite the increase in total room nights available. However, ARR was lower, reflecting travellers' weaker spending power.

Thailand Strives Against Weak Climate
Political unrest led to a state of emergency being declared in Bangkok in April. Tourist arrivals plunged, causing RevPAR of our Thai properties to decline 22% to S$144. Revenue from our Phuket resorts was S$106.9 million, down 16%. Hardest hit was Sheraton Grande, which relied heavily on MICE business, though it benefited from hosting the ASEAN Foreign Ministers Meeting in July. Banyan Tree Bangkok also saw revenue drop 13% to S$24.8 million in 2009, in part due to increased competition from new hotels.

Overall occupancy of our Thai properties was 56%. To boost occupancy, we launched the Thailand Smiles campaign with the Tourism Authority of Thailand. Guests booking online received one complimentary room night with a minimum of one paid night. In all we disbursed 101,000 free room nights.

The outlook for Thailand remains promising nonetheless. The Thai government intends to double the capacity of Phuket International Airport, while low-cost carrier Air Asia plans to make Phuket its regional hub. With Thailand continuing to be an important part of our portfolio, selective expansion of our properties proceeded as planned. Banyan Tree Phuket added 22 two-bedroom pool villas and four two-bedroom DoublePool villas, and converted five DoublePool villas into two-bedroom units. Banyan Tree Bangkok added 64 keys.

Maldives Sets New Standards
Our four Maldives resorts recorded total revenue of S$42.3 million, up S$0.7 million amid intense competition and declining tourist arrivals. RevPAR was S$342, ARR S$544 and occupancy 63%.

With the drop in European arrivals, we focused on short-haul markets, in particular China. Our Maldives resorts saw the number of Chinese guests quadruple in 2009, reflecting their increasing affluence and appetite for exotic travel. The launch of Angsana Velavaru's 33 InOcean Villas in July also raised awareness of the Angsana brand and the Maldives as a destination. The InOcean Villas achieved occupancy of 76% in 2009 with an ARR of S$685.

With its niche positioning and rate-focused strategy, Banyan Tree Madivaru was the only Group-owned property to improve ARR, from S$1,991 to S$2,198.

China Enjoys a Good Year
Banyan Tree Ringha, Banyan Tree Lijiang and Gyalthang Dzong Hotel reported combined revenue of S$17.1 million, 18% higher than last year. Several factors were behind the improvement. The adverse events of 2008 were absent, namely the Sichuan earthquake, political unrest in Tibet, and pre-Olympic visa restrictions. Also, the majority of business to our China properties was domestic, as luxury consumers in China continued to increase and were relatively unscathed by the global recession. Finally, the addition of 34 keys at Lijiang contributed to higher revenue, although it diluted occupancy. Collective occupancy for the year was 52%, compared to 43% in 2008.

North Africa Gains Traction
Angsana Riads Morocco posted revenue of S$2.5 million in 2009, a 27% increase from its first year of operation in 2008. Occupancy grew significantly from 33% to 56%, resulting in impressive RevPAR growth of 20%. However, revenue was partially eroded by a lower ARR of S$198 (2008: S$277). European arrivals continued to be strong, the UK being the top feeder market, followed by Italy and France.

Angsana Velavaru, Maldives

REVENUE FROM GROUP-OWNED HOTELS WAS S$186.6 MILLION, A 9% DECREASE. THE DECLINE IN REVENUE FROM THAILAND WAS PARTLY SALVAGED BY BETTER PERFORMANCE FROM CHINA, THE MALDIVES AND MOROCCO. THANKS TO PRICING AND SALES STRATEGIES, OVERALL OCCUPANCY DIPPED BY ONLY THREE PERCENTAGE POINTS.

Revenue (S$m)

2009	**186.6**
2008	205.1

-9%

BUSINESS REVIEW
HOTEL MANAGEMENT

Revenue and EBITDA Growth
Revenue from the hotel management segment (including club management and fund management) was S$23.6 million, a substantial increase of 55% year-on-year. This growth is in line with our strategy of enlarging and diversifying the Group's income stream through hotel management contracts and related fund management. Coupled with cost-cutting, the higher revenue resulted in EBITDA rising by S$9.5 million.

Revenue from hotel management fees was S$13.4 million, up 47%. This was largely due to revenue from Banyan Tree Mayakoba (S$1.3 million; opened March 2009), Banyan Tree Sanya (S$0.8 million; opened May 2008) and Angsana Dubai (S$3.3 million; opened August 2008). Revenue from Angsana Dubai included the S$1.6 million compensation fee for early termination of our contract in October 2009, when the owners decided to sell the building for residential use.

Club management fees from managing Banyan Tree Private Collection (BTPC) climbed an impressive 68% to S$4.5 million on higher memberships sold (40 versus 28 equivalent memberships in 2008). BTPC successfully tapped the trend of affluent families choosing villa accommodation instead of standard hotel rooms. Also, with the global financial crisis making vacation home ownership challenging, BTPC offered an attractive, maintenance-free alternative.

Revenue from fund management fees increased, as the Banyan Tree Indochina Hospitality Fund grew in size from an average of US$141 million at end 2008 to US$283 million at final closing in June 2009.

Exciting Additions to the Portfolio
We added four new resorts to our portfolio under management in 2009.

- Banyan Tree Mayakoba (107 keys) marks the Group's debut in the Caribbean. Situated on the Riviera Maya in an integrated resort complex, it will feature 107 pool villas and 25 residences. Banyan Tree Mayakoba was hit by the H1N1 virus shortly after opening, resulting in sub-par performance. Despite this, the resort garnered several awards, giving Banyan Tree a foothold in the Americas.

- Banyan Tree Hangzhou (48 keys) in the historic Xixi National Wetland Park is our fifth property in China. The resort is designed in authentic Jiang Nan style incorporating contemporary amenities, and will have 73 keys when completed.

- Banyan Tree Ungasan (36 keys) will comprise 73 pool villas when completed. Perched on cliffs at Bali's southernmost point, the resort blends local touches and world-class comforts.

- Within the eco-rich and tranquil Wadi Khadeja in Ras Al Khaimah, UAE, Banyan Tree Al Wadi (25 keys) will feature 133 pool/beach villas and a range of activities integrating luxury, nature and adventure. Its unique setting combines mountains, plains, beaches and desert.

New Resorts in the Pipeline
We kept a healthy number of projects moving through the development pipeline. Six properties are slated to open in 2010 under management contracts, adding approximately 1,800 keys.

- Banyan Tree Cabo Marqués near Acapulco will be our second resort in the Americas. Its 46 pool villas will enjoy ocean panoramas.

- Our first development in Korea, Banyan Tree Club and Spa Seoul will boast a 50-room Banyan Tree hotel and Seoul's most exclusive social membership club.

- Our Thai portfolio will be refreshed by the opening of Banyan Tree Samui, a beachside retreat on Koh Samui featuring 87 pool villas.

- The Group's expansion in China will continue with three new launches: Banyan Tree Riverside located along the Huangpu River near the EXPO site, with 39 villas and 143 hotel rooms, will be Shanghai's first villa cum city hotel; the 1,290-key Angsana Fu Xian Lake will be the first integrated resort of its kind in China; and the 59-room Angsana Hangzhou will be our second property in Hangzhou.


Banyan Tree Ungasan, Indonesia

REVENUE FROM THE HOTEL MANAGEMENT SEGMENT WAS S$23.6 MILLION, A SUBSTANTIAL INCREASE OF 55% YEAR-ON-YEAR. THIS GROWTH IS IN LINE WITH OUR STRATEGY OF ENLARGING AND DIVERSIFYING THE GROUP'S INCOME STREAM THROUGH HOTEL MANAGEMENT CONTRACTS AND RELATED FUND MANAGEMENT.

Revenue (S$m)

2009	**23.6**
2008	15.2

+55%

BUSINESS REVIEW
HOTEL RESIDENCES

China Holds Steady Amid the Gloom
Revenue from Hotel Residences decreased by S$55.4 million or 71% from S$78.5 million in 2008 to S$23.1 million in 2009. The main causes of the decline were the global recession and political instability in Thailand. The majority of buyers are foreigners who tend to purchase our properties as a lifestyle investment. Given the economic uncertainty, would-be investors adopted a cautious attitude and held on to their cash, while a number of buyers cancelled their property purchases. Concurrently, sales of Banyan Tree Residences in Bangkok and Phuket were severely affected by political demonstrations in November 2008, culminating in the week-long closure of Suvarnabhumi Bangkok Airport, followed by anti-government riots in Bangkok and Pattaya in April 2009. Poor investor sentiment resulted in a glut of high-end serviced apartments and hotels in Thailand, leading some of our competitors to engage in a price war to offload completed projects.

Eleven Banyan Tree Residences were sold in 2009, amounting to a total value of US$12.2 million. Of these, seven units consisted of completed two-bedroom townhouses in Banyan Tree Lijiang, sold at a price of US$0.8 million each to mainland Chinese investors as demand for high-end investment properties in China held steady despite the global economic crisis. The remaining four units were sold in Phuket. They comprised one two-bedroom with study Deluxe Pool Villa (US$1.7 million) and one two-bedroom DoublePool Villa (US$2.1 million) at Banyan Tree Phuket and two units of Dusit Villas (US$2.8 million). These sales were helped by the show villas of each style available for viewing at the Banyan Tree Phuket resort.

Variety and Availability
The following Banyan Tree Residences were available for sale in 2009:

- Banyan Tree Phuket: Our largest development comprising one- and two-bedroom DoublePool Villas (priced from US$2.1 million to US$2.4 million), Deluxe DoublePool Villas, being sold off-plan (US$2.9 million to US$4.1 million) and two-bedroom Pool Villas (US$1.8 million). At the end of 2009, we also launched Grande Residences by Banyan Tree, with prices starting from US$4.2 million.
- Banyan Tree Ljiang: The unique mix of Naxi Residences was well-received by the Chinese market, with all of the two-bedroom units sold out by 2008. We continued to offer the remaining three-bedroom Naxi Residences (US$1.8 million) in 2009. Complementing these were the two-bedroom townhouses (US$0.8 million).
- Banyan Tree Bintan: One- and two-bedroom Bayfront Villas were offered at US$0.6 million and US$1.7 million respectively. We also offered the split-level one-bedroom Bayfront Villas at a price of US$0.7 million.
- Banyan Tree Bangkok: All apartments were in our 61-storey hotel and were completed this year. Occupying a prime location in the city, these two-bedroom apartments were offered at prices ranging from US$1.0 million to US$1.3 million.

Because of the recession, we postponed our original plans to hold private exhibitions in key markets. Instead, Banyan Tree Residences joined with Laguna Property to showcase all properties at the China International Luxury Property Exhibition in Shanghai (September 2009) and the VIP Exclusive Show China 2009 in Beijing (November 2009).

Demand Expected to Pick Up
Banyan Tree Residences remain an attractive investment, combining both lifestyle benefits with attractive returns. For 2010, our guarantee of 6% p.a. fixed return for six years or a minimum of 4% p.a. for 10 years is generating interest in all locations.

We anticipate that the coming year will see a stronger performance. For example, Banyan Tree Lijiang will release the next phase of three-bedroom Naxi Residences, which have sold well previously. At the same time, sentiment in the market for city residences is already improving and likely to have a positive impact on demand for resort residences.


Banyan Tree Lijiang, China

ELEVEN BANYAN TREE RESIDENCES WERE SOLD IN 2009. OF THESE, SEVEN UNITS CONSISTED OF COMPLETED TWO-BEDROOM TOWNHOUSES IN BANYAN TREE LIJIANG, SOLD TO MAINLAND CHINESE INVESTORS AS DEMAND FOR HIGH-END INVESTMENT PROPERTIES IN CHINA HELD STEADY DESPITE THE GLOBAL ECONOMIC CRISIS.

Revenue (S$m)

-71%

BUSINESS REVIEW
PROPERTY SALES

Laguna Phuket Regarded as Safe Investment
The global economic downturn and continuing political tensions in Thailand slowed property sales significantly during the year. Many of our buyers are foreigners, whose ability and willingness to invest in a second home were affected by a decline in personal wealth, following drops in asset values and equity prices during the financial crisis. Several sales recognised in previous years were also reversed, with buyers unable to complete purchases.

These unfavourable market conditions had more impact on our unbranded products, as the guaranteed returns on our branded products remained appealing to investors. Nonetheless, Laguna Phuket property products still outperformed those of other property developers in Phuket because our products are seen to be a "flight to safety". Moreover, owners of Laguna Village properties continue to have the option of placing them in an attractive rental programme. This was previously managed by Laguna and known as "Laguna Phuket Holiday Residences". We appointed well-regarded Hawaiian resort operator Outrigger to take over management of properties on the rental programme from 1 December 2009.

Buyers continue to prefer completed or nearly completed properties, due to a lack of trust in off-plan projects and developers that are less well-established. We therefore expect Phuket to see a limited number of new project launches in the immediate future, as developers focus on clearing existing inventory.

Property Sales Performance
In 2009, sales for Laguna Phuket totalled six units (excluding cancellations, downgrades and upgrades), down from 44 units in 2008. The following properties were available for sale:

- Laguna Village Villas: Set within the masterplanned residential area of Laguna Phuket, these two-storey, two-bedroom condos with adjacent large free-form swimming pool are an entry level product priced from US$420,000 (13 units).
- Laguna Village Lofts: Featuring stylish, contemporary design, the project comprises single-floor Executive apartments with one bedroom, double-storey Lofts with two bedrooms and an open-floor plan, and Penthouse units with three bedrooms. Prices range from US$240,000 to US$940,000 (87 units).
- Laguna Village Townhomes: These two-storey, three-bedroom semi-detached homes come with maid's quarters, private gardens and swimming pool wrapped around scenic lagoons with lush landscaping. Prices range from US$630,000 for a standard Townhome (six units) to US$725,000 for a Deluxe Townhome (five units).
- Laguna Village Bungalows: These two-storey, four-bedroom detached homes with private swimming pools set amidst tropical gardens and interflowing lagoons are priced from US$970,000 for a standard Bungalow (seven units) to US$1.7 million for a Deluxe Bungalow (six units).

Property sales revenue for 2009 amounted to S$11.7 million, or 68% lower than the previous year. Revenue recognised comprised revenue recognised from sales made in the current year and a percentage of the prior year's sales based on percentage of completion. However, revenue excluded sales of Lofts whose construction was less than 10% complete and therefore did not qualify for recognition. EBITDA decreased 80% year-on-year from S$10.2 million to S$2.1 million.

Laguna Holiday Club Performance
The economic downturn also adversely affected Laguna Holiday Club, curtailing consumer discretionary spending and lowering membership sales. Downsizing and closure of some non-performing branches in late 2008 also contributed to the 12% reduction in membership revenue. However, the average price per week sold rose 17% from US$10,500 to US$12,300, thanks to price increases in early 2009 and higher incremental sales values from upgrades.

To increase efficiency, Laguna Holiday Club centralised its marketing function. This is also expected to result in more prospective customers having a chance to experience the product. They are likelier to buy membership than those who only attend a presentation.

Laguna Village Bungalow, Thailand

PROPERTY SALES REVENUE FOR 2009 AMOUNTED TO S$11.7 MILLION, OR 68% LOWER THAN THE PREVIOUS YEAR. NONETHELESS, LAGUNA PHUKET PROPERTY PRODUCTS STILL OUTPERFORMED THOSE OF OTHER PROPERTY DEVELOPERS IN PHUKET BECAUSE OUR PRODUCTS ARE SEEN TO BE A "FLIGHT TO SAFETY".

Revenue (S$m)

2009	25.2
2008	52.3

-52%

BUSINESS REVIEW
SPA OPERATIONS

The Original Oriental Spa
Asia's largest spa operator, Banyan Tree Spa is renowned for its Eastern therapies and holistic focus. It pioneered the garden spa concept with the opening of its Phuket flagship in 1994. Banyan Tree Spa has since developed into a global provider of spa services, operating over 65 spas in more than 25 countries. Besides spas in our resorts and hotels, we also operate day spas. To ensure the consistency and quality synonymous with our brand, all spa therapists undergo professional training at the Banyan Tree Spa Academies in Phuket, Lijiang and Bintan.

In 2009, we launched one new outlet each for Banyan Tree Spa in Mexico and Indonesia, Elements Spa by Banyan Tree in Brazil and Portugal, and Angsana Spa in Mauritius, Qatar and India.

Both Banyan Tree Spa and sister brand Angsana Spa continued to add to their collection of awards. Among the awards received were "Best Spa Operator" award from TTG Asia Travel Awards for the fifth consecutive year, "Spa Academy of the Year" from AsiaSpa Awards, "Best Spas in Overseas Hotels" from Condé Nast Traveller UK Readers' Travel Awards, "Best Spa Chain" from Hurun Best of the Best Awards and "Best Spa Operator of China" at the China Hotel Starlight Awards.

Spa Revenues and Occupancies
Overall performance in 2009 was sluggish, as multiple factors dampened global tourism and impacted the spa industry. Overall spa capture rate was 8% behind last year, due to lower hotel occupancies and decreased spending power of our guests. Several innovations were launched to maintain capture rate and will continue to be a driving force in 2010. These include: Retreat For The Senses, a package combining rejuvenation, wellness and discovery; The Rainforest, a state-of-the-art hydrothermal circuit, comprising alternating hot and cold thermal cabins; Bamboo Massage, using the natural touch of bamboo; and Ayurvedic and Inspired by Ayurveda, which emphasise ancient health and beauty practices.

Spa occupancy dipped 5% in 2009. Most spa clusters saw occupancy decline by 5% to 20% compared to the previous year, because of the global economic downturn. South Africa was the exception, with occupancy growth of 18%.

In 2009, the average rate per hour was S$80 for Banyan Tree Spas and S$61 for Angsana Spas. Overall average rate remained the same as the previous year with only slight increases from Indian Ocean, China and South Africa.

The lower capture and occupancy rates were mitigated by higher retail sales from the first full year of operation for eight shops in Bintan, the Maldives and Seychelles, following the integration of spa and gallery operations there in late 2008. As a result, total spa revenue was S$26.9 million, comparable to last year's S$27.1 million. South Africa and Egypt experienced especially strong growth, with revenues increasing by 17% and 6% respectively.

Positioned for Further Success
In 2009, particular emphasis was placed on staff training and development. These will be instrumental in supporting growth over the next five years. Banyan Tree Spa Academy's Fast Track programmes in Phuket, Dubai and Shanghai trained high potential associates for managerial positions. Banyan Tree Management Academy also conducted Skills Development programmes for associates during the Unpaid Leave Scheme.

We continued to team up with strategic marketing partners to cross-promote our spas and hotels to a wider audience. Group discounts were offered to foster long-term partnerships with Corporate and MICE clients. In addition, loyalty programmes helped to build repeat business. Other sales and marketing activities included introductory offers for hotel guests, e-direct mailer campaigns, commissionable rates through tour operators, special rates for businesses located near our spas, and direct tie-ups with hotels.

Strategic public relations activities such as media campaigns generated awareness of new spa experiences, new spa openings, the professionalism of our spa therapists and the expertise of Banyan Tree Spa Academy.

Banyan Tree Spa

TOTAL SPA REVENUE WAS S$26.9 MILLION, COMPARABLE TO LAST YEAR'S S$27.1 MILLION. SOUTH AFRICA AND EGYPT EXPERIENCED ESPECIALLY STRONG GROWTH, WITH REVENUES INCREASING BY 17% AND 6% RESPECTIVELY.

Revenue (S$m)

2009	26.9
2008	27.1

-0.7%

BUSINESS REVIEW
GALLERY OPERATIONS

Creating Synergy and Social Responsibility
Banyan Tree Gallery is a marketing platform to create cultural and green awareness, helping to conserve indigenous artistry while sustaining villagers' livelihoods through gainful employment. It provides the Group's hotels and spas with design, procurement and logistical services, and ensures brand discipline by supplying turndown gifts and furnishings. The Gallery is also a proprietary developer and supplier of spa products for retail and Group spa operations. Every one of the Group's spas incorporates a Gallery for retail services.

Operating under the Gallery's auspices are: Banyan Tree Gallery, Banyan Tree Spa Essentials, Elements Jewelry By Banyan Tree, Elements Spa Essentials By Banyan Tree, Museum Shop By Banyan Tree, Angsana Gallery and Angsana Spa Essentials, and the retail outlets in Laguna Phuket.

The Gallery has won numerous awards. Most recently, Museum Shop By Banyan Tree topped the Best Shopping Experience category in the inaugural Singapore Experience Awards 2009.

Expanding while Exercising Financial Responsibility
In 2009, 10 new outlets were opened in Brazil, China, India, Indonesia, Mauritius, Mexico, Portugal, Qatar and the UAE, bringing the total to 71 galleries in 28 countries. Another 17 outlets are planned for 2010.

Total turnover, comprising retail sales, export sales and sales to spa-managed shops, stood at S$7.1 million, 34% lower than the S$10.8 million in 2008. This was due not only to the global economic downturn, but also the previous year's exceptionally high figures for export sales to Angsana Dubai Suites for its opening and sales to spa-managed shops in the Maldives, Seychelles and Bintan. However, retail sales alone were down by a better-than-expected 9% year-on-year.

Overall EBITDA dropped from S$0.9 million in 2008 to S$0.4 million in 2009, but cost-cutting measures yielded significantly higher savings than the year before. To enhance efficiency, Gallery handed over 27 shops to the Group's spas to manage. These synergies will place us in a stronger financial position.

Banyan Tree Gallery

TO ENHANCE EFFICIENCY, GALLERY HANDED OVER 27 SHOPS TO THE GROUP'S SPAS TO MANAGE. THESE SYNERGIES WILL PLACE US IN A STRONGER FINANCIAL POSITION.

Revenue (S$m)

Year	Revenue
2009	7.1
2008	10.8

-34%

BUSINESS REVIEW
DESIGN AND OTHER SERVICES

Properties Designed to Win
Most of the resorts, hotels, spas and galleries managed by the Group are planned and designed by an in-house team which also supervises their construction and maintenance. This allows us to ensure quality and consistency in keeping with our branding, and to control costs and time required for design. Owners who contract us to manage their resorts and hotels also find it advantageous to rely on us to oversee the entire design and construction process.

Besides winning contracts and customers, our contextually sensitive and aesthetically engaging designs have earned the Group many honours over the years. Most recently, Banyan Tree Lijiang and Banyan Tree Ringha won the Best Design Hotels Awards for "Design Hotel of the Year" and "Best Culture Hotel" respectively. One of our newest properties, Banyan Tree Mayakoba, made its mark with the "Best Lobby" and "Best Spa" at the Annual Boutique Design Awards 2009.

Stringent Cost Control Pays Off
Revenue for this segment is derived largely from design fees and income from golf club operations. Compared to last year, overall revenue was down 13% at S$20.6 million. Revenue from architectural and design fees fell on lower billings for projects in Vietnam, Oman, Kerala, Seoul, Laos, Meydan and Saraya and a terminated project in Mauritius. These were partially offset by new projects in China, namely the Panda Town, Kunming and Hu Pan properties.

We continued to receive management fees and incentive fees from the Group-owned Laguna Phuket Golf Club and management of Laguna Bintan Golf Club. In 2009, golf club revenue suffered from fewer golfers and lower average green fees at Laguna Phuket Golf Club.

During the year, we proceeded to implement further cost controls in line with the Group-wide cost-cutting measures. Because of this, EBITDA increased handsomely by 307% or S$2.6 million year-on-year in spite of lower revenue.

Banyan Tree Mayakoba, Mexico

WE IMPLEMENTED FURTHER COST CONTROLS IN LINE WITH THE GROUP-WIDE COST-CUTTING MEASURES. BECAUSE OF THIS, EBITDA INCREASED HANDSOMELY BY 307% OR S$2.6 MILLION YEAR-ON-YEAR.

Revenue (S$m)

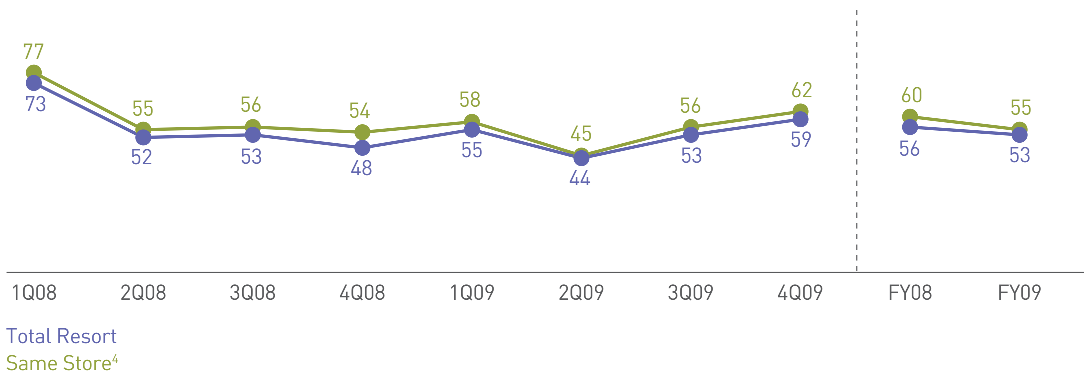
Year	Revenue
2009	20.6
2008	23.6

-13%

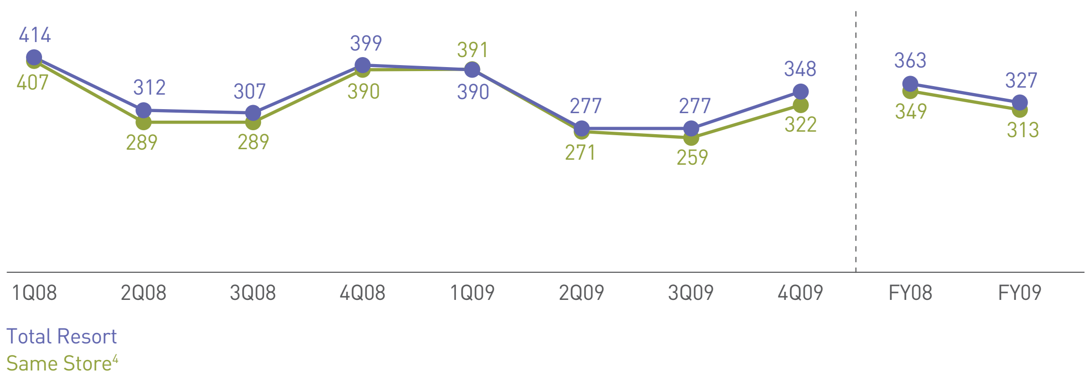
Banyan Tree Al Wadi, UAE

KEY STATISTICS – ALL HOTELS

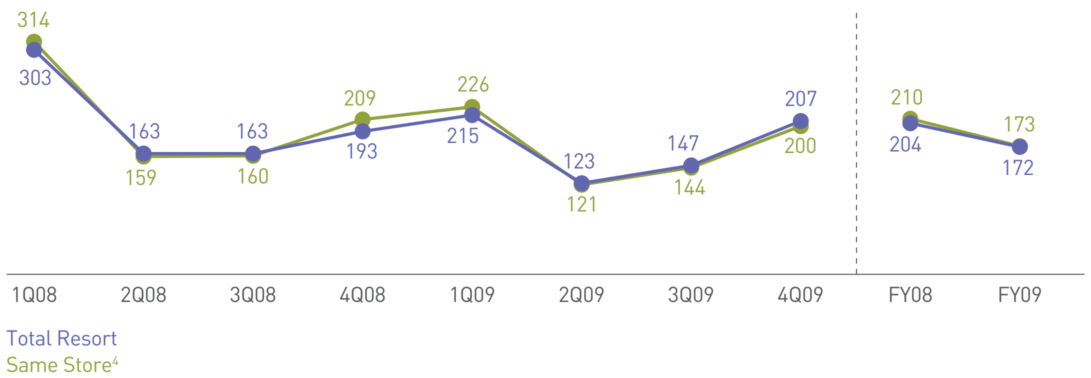
Average Occupancy (%)



ARR[2] (S$)

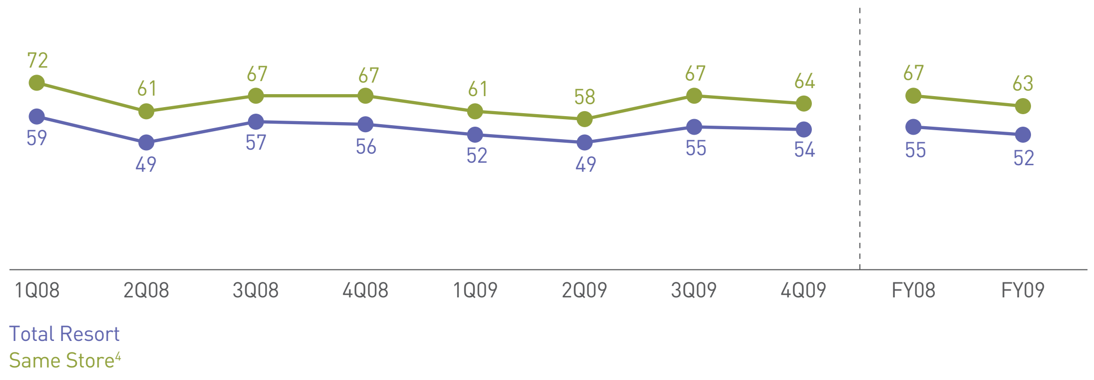


RevPAR[3] (S$)

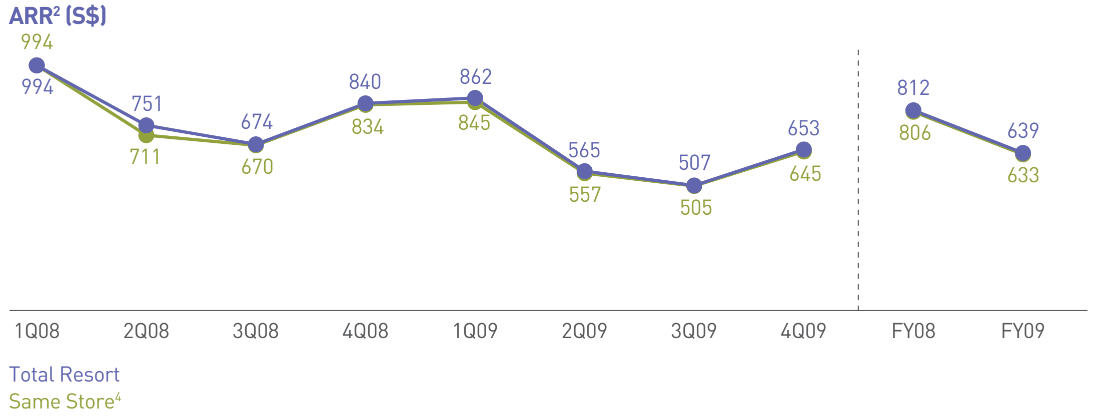


KEY STATISTICS – BANYAN TREE RESORTS

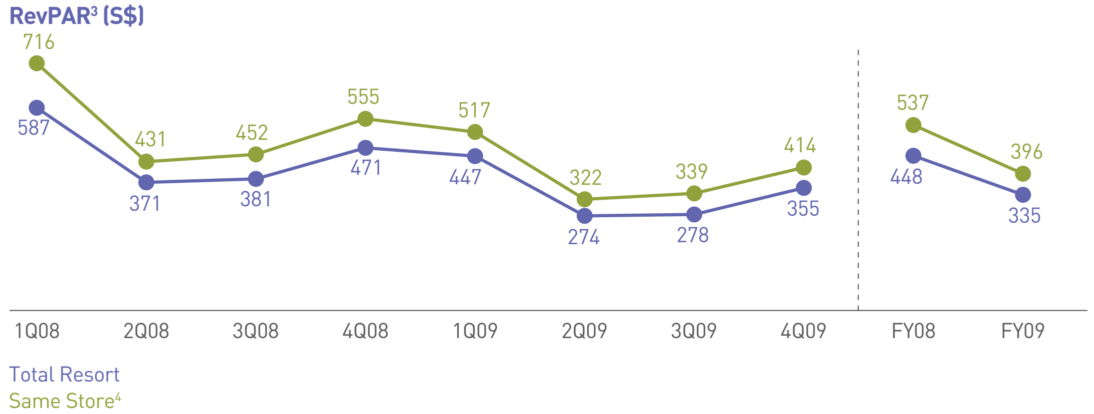
Average Occupancy (%)



ARR[2] (S$)



RevPAR[3] (S$)



All Hotels[1]

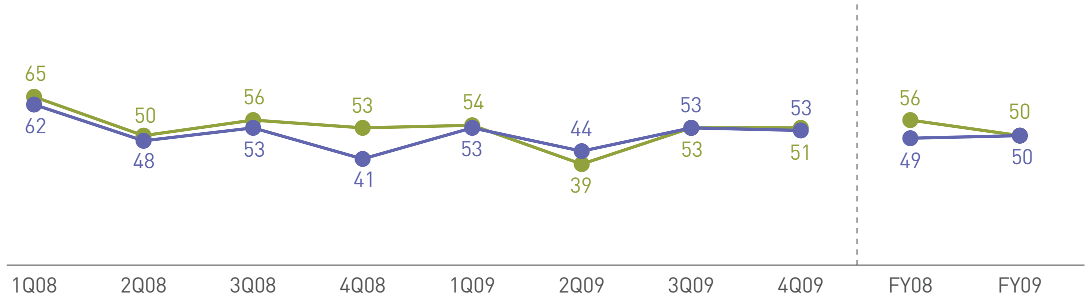
1. All Hotels refers to company total including hotels in Laguna Phuket, Banyan Tree & Angsana Resorts.
2. ARR denotes average room rates.
3. RevPAR denotes revenue per available room.
4. Same Store excludes all new resorts opened/rebranded in the past 2 years : Banyan Tree Madivaru, Banyan Tree Sanya, Angsana Riads Collection and Angsana Suites Dubai and abnormal hotels: Banyan Tree Bahrain (dry hotel), Banyan Tree Ringha (open for 6 months). Comparatives for Same Store for prior periods have been adjusted to include Banyan Tree Lijiang and Angsana Velavaru.

Banyan Tree Resorts[1]

1. Bangkok is excluded from Banyan Tree Resorts as it is the only city hotel and thus not comparable with the resort type.
2. ARR denotes average room rates.
3. RevPAR denotes revenue per available room.
4. Same Store excludes all new resorts opened/rebranded in the past 2 years : Banyan Tree Madivaru, Banyan Tree Sanya and abnormal hotels: Banyan Tree Bahrain (dry hotel), Banyan Tree Ringha (open for 6 months). Comparatives for Same Store for prior periods have been adjusted to include Banyan Tree Lijiang.

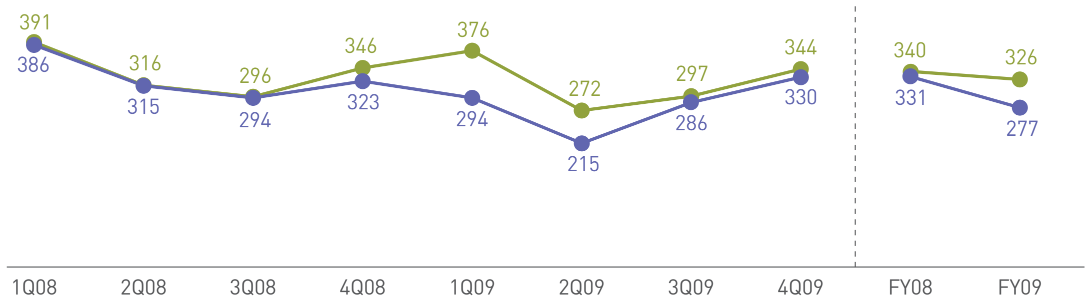
KEY STATISTICS – ANGSANA RESORTS

Average Occupancy (%)



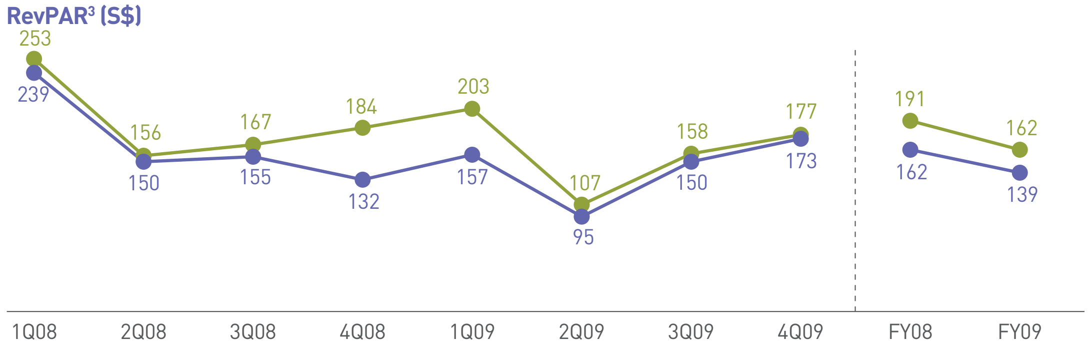
Total Resort
Same Store[4]

ARR[2] (S$)



Total Resort
Same Store[4]

RevPAR[3] (S$)



Total Resort
Same Store[4]

Angsana Resorts[1]

1. Velavaru was rebranded as Angsana Velavaru in November 2006.
2. ARR denotes average room rates.
3. RevPAR denotes revenue per available room.
4. Same Store excludes all new resorts opened/rebranded in the past 2 years : Angsana Riads Collection and Angsana Suites Dubai. Comparatives for Same Store for prior periods have been adjusted to include Angsana Velavaru.

Banyan Tree Sanya, China

ANALYTICAL REVIEW

Revenue

	2009	2008	Incr/(Decr)	
	S$'000	S$'000	S$'000	%
Hotel Investments	186,620	205,111	(18,491)	-9
Hotel Management	23,665	15,246	8,419	55
Hotel Residences	23,098	78,505	(55,407)	-71
Spa Operations	26,934	27,052	(118)	0
Property Sales	25,216	52,276	(27,060)	-52
Gallery Operations	7,148	10,787	(3,639)	-34
Design and Others	20,570	23,635	(3,065)	-13
Total	313,251	412,612	(99,361)	-24

Revenue decreased by S$99.4 million or 24% from S$412.6 million for the year ended 31 December 2008 to S$313.3 million for the year ended 31 December 2009. Performance of the Group in the current year was affected by the global recession, H1N1 pandemic and political uncertainty in Thailand. Except for Hotel Management segment, all segments registered poorer performance compared to last year.

Revenue from Hotel Investments segment declined by S$18.5 million or 9% from S$205.1 million to S$186.6 million. This was mainly due to a strong first half in 2008 before the onset of global economic downturn and the deterioration of political situation in Thailand. As such, our hotels and resorts in Thailand registered lower revenue compared to last year. This was partially cushioned by higher revenue from the Maldives and China, mainly due to the contribution from 33 new InOcean villas launched in July 2009 in Angsana Velavaru and 34 additional villas in Banyan Tree Lijiang since March 2009.

Hotel Residences and Property Sales segments recorded combined revenue of S$48.3 million, a decrease of S$82.5 million or 63% compared to S$130.8 million in 2008. The decrease was mainly due to slower sales since second half of 2008 as a result of weak global economy and political events in Thailand. The two segments combined recorded 82% fewer new unit sales and an 83% decrease in new sales value compared to 2008.

Design and Others segment registered a S$3.0 million or 13% decrease in revenue from S$23.6 million in 2008 to S$20.6 million in 2009. This was mainly attributed to lower revenue for architectural and design fees due to lower billings for projects in Vietnam, Oman, Kerala, Seoul, Laos, Meydan and Saraya, and a terminated project in Mauritius. These were partially offset by new projects in China, namely the Panda Town, Kunming and Hu Pan properties.

Gallery Operations revenue decreased by S$3.7 million or 34%, from S$10.8 million in 2008 to S$7.1 million in 2009. The decrease was due in part to the progressive merging of eight retail outlets in Maldives, Seychelles and Bintan with Spa Operations since late last year. This is in line with the Group's strategy to streamline the Gallery and Spa operations, also part of the Group's cost saving measures.

Spa Operations revenue decreased by S$0.1 million, from S$27.0 million in 2008 to S$26.9 million in 2009, almost in line with last year.

Hotel Management segment posted revenue of S$23.6 million in 2009, S$8.4 million or 55% higher than the S$15.2 million recorded in 2008. The increase was contributed by hotel management fees, fund management fees and club management fees. Higher hotel management fees were mainly from Banyan Tree Mayakoba (opened in March 2009), Banyan Tree Sanya (opened in May 2008) and Angsana Dubai (opened in August 2008). Revenue from Angsana Dubai included a S$1.6 million compensation fee for early termination of our hotel management contract in October 2009, when the owners decided to sell the building for residential use. Higher fund management fees were due to the increase in fund size of Banyan Tree Indochina Hospitality Fund, from an average of US$141 million in 2008 to US$283 million at final closing in June 2009. Higher club management fees from managing Banyan Tree Private Collection were attributable to the increase in memberships sold. Higher hotel/fund management fees were in line with the Group's strategy to expand and diversify the Group's income stream through hotel management contracts and related fund management.

Other Income

2009	2008	Incr/(Decr)	
S$'000	S$'000	S$'000	%
3,663	15,309	(11,646)	-76

Other income of S$3.7 million for the year ended 31 December 2009 was S$11.6 million lower compared to S$15.3 million recorded in 2008. This was due to one-off items such as net insurance claims arising from the Boxing Day tsunami, gains on capital distribution from an associated company, and negative goodwill arising from the acquisition of remaining interests in a subsidiary included in last year's balances.

Cost and Expenses

	2009	2008	Incr/(Decr)	
	S$'000	S$'000	S$'000	%
Cost of operating supplies	24,821	27,672	(2,851)	-10
Cost of properties sold	12,885	51,605	(38,720)	-75
Salaries and related expenses	91,041	114,747	(23,706)	-21
Administrative expenses	46,820	58,129	(11,309)	-19
Sales and marketing expenses	15,995	19,980	(3,985)	-20
Other operating expenses	55,812	62,039	(6,227)	-10
Total	247,374	334,172	(86,798)	-26

Cost of Operating Supplies
Cost of operating supplies decreased by S$2.9 million from S$27.7 million for the year ended 31 December 2008 to S$24.8 million for the year ended 31 December 2009. This was largely due to lower occupancy-related expenses in line with the lower revenue from Hotel Investments.

Cost of Properties Sold
Cost of properties sold decreased by S$38.7 million from S$51.6 million for the year ended 31 December 2008 to S$12.9 million for the year ended 31 December 2009. This was largely due to the reduced number of properties sold and recognised under Hotel Residences and Property Sales segments.

Salaries and Related Expenses
Salaries and related expenses decreased by S$23.7 million from S$114.7 million for the year ended 31 December 2008 to S$91.0 million for year ended 31 December 2009. This was mainly due to cost saving efforts, hiring freeze, implementation of the unpaid leave scheme and job credit cash grant from the Singapore Government.

Administrative Expenses
Administrative expenses decreased by S$11.3 million from S$58.1 million for the year ended 31 December 2008 to S$46.8 million for the year ended 31 December 2009. This was mainly due to lower provision for doubtful debts and lower legal and professional fees. In addition, there was a provision for impairment loss in other investments in 2008.

Sales and Marketing Expenses
Sales and marketing expenses decreased by S$4.0 million from S$20.0 million for the year ended 31 December 2008 to S$16.0 million for the year ended 31 December 2009, in line with lower revenue and cost saving measures.

Other Operating Expenses
Other operating expenses decreased by S$6.2 million from S$62.0 million for the year ended 31 December 2008 to S$55.8 million for the year ended 31 December 2009. This was largely because of reduced travel, lower commission to real estate agents and lower hotel related expenses due to cost saving measures.

ANALYTICAL REVIEW

EBITDA

	2009	2008	Incr/(Decr)	
	S$'000	S$'000	S$'000	%
Hotel Investments	43,550	47,038	(3,488)	-7
Hotel Management	8,050	(1,465)	9,515	nm
Hotel Residences	11,028	40,285	(29,257)	-73
Spa Operations	6,882	2,803	4,079	146
Property Sales	5,273	12,219	(6,946)	-57
Gallery Operations	414	900	(486)	-54
Design and Others	3,481	855	2,626	307
Head Office Expenses	(12,952)	(20,617)	7,665	-37
Other Income (net)	3,814	11,731	(7,917)	-67
Total	69,540	93,749	(24,209)	-26

EBITDA decreased by S$24.3 million or 26%, from S$93.8 million for the year ended 31 December 2008 to S$69.5 million for the year ended 2009. This was mainly due to lower EBITDA from Hotel Residences segment, Property Sales segment and Hotel Investments segment, in line with the lower revenue. The EBITDA shortfall was partially offset by higher EBITDA from Hotel Management segment, Spa Operations, Design and Others, and lower Head Office expenses.

EBITDA of Hotel Residences, Property Sales and Hotel Investments segments declined by S$39.6 million from S$99.5 million in 2008 to S$59.9 million in 2009. This was largely due to lower revenue generated in Thailand as a result of the political crisis and the global economic downturn since the second half of 2008.

EBITDA from the Hotel Management segment increased by S$9.5 million from Loss before interest, tax, depreciation and amortisation (LBITDA) of S$1.5 million in 2008 to EBITDA of S$8.0 million in 2009, mainly due to higher revenue and lower expenses as a result of Group-wide cost saving measures.

EBITDA from Spa Operations increased by S$4.1 million or 146%, from S$2.8 million in 2008 to S$6.9 million in 2009. The increase was largely due to exchange gains, cost saving efforts and absence of one-off loss on closure of a spa outlet in Double Bay, Australia, as recorded in 2008.

EBITDA from the Design and Others segment increased by S$2.6 million or 307% from S$0.9 million in 2008 to S$3.5 million in 2009 notwithstanding lower revenue, mainly as a result of cost saving efforts.

Head Office expenses decreased by S$7.7 million or 37% from S$20.6 million in 2008 to S$12.9 million in 2009, mainly attributed to lower salary and related expenses, reduced travel and lower professional fees as a result of cost saving measures.

Depreciation of Property, Plant and Equipment

	2009	2008	Incr/(Decr)	
	S$'000	S$'000	S$'000	%
	35,533	33,335	2,198	7

Depreciation of property, plant and equipment increased by S$2.2 million from S$33.3 million for the year ended 31 December 2008 to S$35.5 million for the year ended 31 December 2009. This was mainly due to depreciation on the completion of 34 new villas in Banyan Tree Lijiang, 33 new InOcean villas in Angsana Velavaru, and refurbishments in Dusit Laguna Phuket and Banyan Tree Bangkok, partially offset by lower depreciation as a result of downward revaluation of properties in Thailand.

Interest Income

	2009	2008	Incr/(Decr)	
	S$'000	S$'000	S$'000	%
	3,365	3,397	(32)	-1

Interest income of S$3.4 million for the year ended 31 December 2009, was in line with 2008.

Interest Costs

	2009	2008	Incr/(Decr)	
	S$'000	S$'000	S$'000	%
	19,047	18,096	951	5

Interest costs increased by S$0.9 million from S$18.1 million for the year ended 31 December 2008 to S$19.0 million for the year ended 31 December 2009. This was mainly due to higher interest expenses on additional notes of S$27.3 million issued under the MTN programme in August 2008.

Share of Results of Associated Companies

	2009	2008	Incr/(Decr)	
	S$'000	S$'000	S$'000	%
	791	1,317	(526)	-40

Share of results of associated companies mainly relates to our 30% investment interest in Banyan Tree Seychelles Holdings Ltd (which holds Banyan Tree Seychelles). For the year ended 31 December 2009, profit from Banyan Tree Seychelles Holdings Ltd decreased by S$2.6 million due to lower hotel occupancy in the weak global economic climate.

Income Tax

	2009	2008	Incr/(Decr)	
	S$'000	S$'000	S$'000	%
	11,314	23,991	(12,677)	-53

Income tax expenses was S$11.3 million, S$12.7 million or 53% below 2008 due to lower profit before tax.

Minority Interests

	2009	2008	Incr/(Decr)	
	S$'000	S$'000	S$'000	%
	423	11,321	(10,898)	-96

Minority interests from continuing operations decreased by S$10.9 million from S$11.3 million for the year ended 31 December 2008 to S$0.4 million for the year ended 31 December 2009 mainly due to lower profit after tax generated by LRH.

Profit After Tax and Minority Interests ("PATMI")

	2009	2008	Incr/(Decr)	
	S$'000	S$'000	S$'000	%
	3,005	7,026	(4,021)	-57

As a result of the foregoing, PATMI decreased from S$7.0 million for the year ended 31 December 2008 to S$3.0 million for the year ended 31 December 2009.

ANALYTICAL REVIEW

Cash Flow

	2009 S$'000	2008 S$'000
Profit before tax	14,742	42,338
Net decrease from changes in working capital	(14,285)	(19,520)
Net interest paid and tax paid	(23,697)	(28,618)
Adjustment for non-cash items	57,420	55,520
Net cash from operating activities	34,180	49,720
Net cash used in investing activities	(49,522)	(87,515)
Net cash from /(used in) financing activities	38,634	(23,683)
Net increase/(decrease) in cash and cash equivalents	23,292	(61,478)
Cash and cash equivalents at the beginning of the year	53,712	115,716
Effects of exchange rate changes for balances in foreign currencies	(752)	(526)
Cash and cash equivalents at the end of the year	76,252	53,712

As at 31 December 2009, the Group's cash and cash equivalents were S$76.3 million, an increase of S$22.5 million or 42% compared to 31 December 2008. The increase in cash flow was largely due to lower funds used for investing activities in line with the Group's strategy of preserving cash following the onset of the global financial crisis.

During the year, the Group generated positive operating cash flow of S$34.2 million, mainly due to profit before tax of S$14.7 million adjusted for non-cash items of S$57.4 million, comprising mainly depreciation and amortisation of island rental of S$39.9 million and finance expenses of S$19.0 million. This was reduced by a net decrease in cash generated from working capital changes of S$14.3 million, and net interest and income tax payments of S$23.7 million.

The net cash flows used in investing activities amounted to S$49.5 million. This was largely due to capital expenditure of S$45.6 million which was largely expended on InOcean villas in Angsana Velavaru and refurbishment of Banyan Tree Bangkok.

The net cash flows from financing activities amounted to S$38.6 million. This was mainly due to loan drawdown of S$127.0 million partially offset by scheduled bank repayments of S$79.1 million, payment of dividends to minority interest of a subsidiary company of S$6.2 million, and final redemption of preference A shares of S$3.0 million.

Villa Grasse, France,
Banyan Tree Private Collection

CORPORATE SOCIAL RESPONSIBILITY

A Core Value
Sustainable development as a socially responsible business is a core value of the Group. This involves:

- creating an enchantingly memorable experience for our guests and customers through our services and products;
- providing our associates with fair and dignified employment which enhances each associate's ability in the long term to contribute to the company's growth as well as elevate their job prospects with Banyan Tree and beyond;
- enabling long-term societal prosperity for the communities in which we operate. This is achieved via our business conduct and operations as well as by harnessing our key competencies to address issues facing the community;
- exercising caution with respect to the environmental impacts of our operations, and taking an active role in the protection and remediation of our global ecosystem;
- conducting business with suppliers and vendors in a dignified, fair and transparent manner, while working in partnership to enhance societal benefits and reduce environmental impacts; and
- generating sustained, long-term returns on investment for our shareholders.

Banyan Tree Global Foundation
Since its founding, Banyan Tree has sought to continually formalise its Corporate Social Responsibility (CSR) practice. Key efforts include the establishment of the Green Imperative Fund in 2001, the formation of the Group CSR Committee in 2004, and the launch of Group-wide Seedlings and Greening Communities in 2007. In 2009, we formed Banyan Tree Global Foundation, the Group's official CSR and sustainability arm. As a separate entity to house, manage, and administer funds raised by the Green Imperative Fund, the Foundation provides assurance that such funds will benefit communities where Banyan Tree operates.

As part of its launch, the Foundation initiated a series of private Dialogues featuring business and thought leaders discussing sustainability issues, and Distinguished Lectures for global luminaries to inspire larger audiences with their visionary and innovative sustainability efforts.

Enriching the Lives of Associates
During the challenging economic conditions of 2009, Banyan Tree Management Academy launched a training and enrichment programme offered free to all Phuket-based associates. Developed jointly by the Academy, Laguna Phuket and the Phuket Polytechnic College, course content was also driven and taught by associates. Some 1,366 associates registered for a total of 3,784 courses including sufficiency economy and household accounting; electrical appliance and motorcycle repair; basic Mandarin, Korean, Russian, and English; and software applications.

International Recognition
Our CSR initiatives attracted international acclaim again this year, including the following:

- Banyan Tree Vabbinfaru's efforts to protect, raise awareness for, and re-grow coral reefs won the inaugural EC3 Seed Award 2009. The award aims to dispel myths associated with sustainable tourism and to encourage organisations to share their learning with a global audience through short videos detailing sustainability efforts.
- Banyan Tree Holdings earned the highest honour (Titanium Award) for both Social Responsibility as well as Environmental Responsibility at the Asset Corporate Awards 2009. Judging was based on publicly available data and interviews conducted with investors.
- For the third year running, Banyan Tree Holdings was awarded the Most Transparent Company Award in the Hotel and Restaurant category of the Securities Investors Association (Singapore) Investor's Choice Awards.

For details on our CSR endeavours, please refer to the accompanying 2009 Sustainability Report, or view it at *www.banyantree.com/csrpublications*.

Banyan Tree Ungasan, Indonesia, overlooks confluence of the West Pacific and Indian Oceans, a significant site for regional and global cetacean populations.

SINCE ITS FOUNDING, BANYAN TREE HAS SOUGHT TO CONTINUALLY FORMALISE ITS CSR EFFORTS AND PRACTICE. IN 2009, WE TOOK ANOTHER SIGNIFICANT STEP BY FORMING THE BANYAN TREE GLOBAL FOUNDATION.

CORPORATE GOVERNANCE REPORT

The Board and Management of Banyan Tree Holdings Limited ("BTH" or the "Company", and together with its Subsidiaries, the "Group") remain committed to maintaining high standards of corporate governance and sound corporate practices within the Group to promote accountability and transparency. The Group adopts practices based on the Code of Corporate Governance 2005 ("the Code").

This Report sets out the main corporate governance practices that were in place or implemented during the financial year.

(A) Board Matters

Principle 1 : The Board's Conduct of its Affairs

The Board's principal functions include the formulation of the Group's strategic direction, setting its values and standards, reviewing and approving annual budgets and financial plans, and monitoring the Group's performance; approving major investments, divestments and fund-raising exercises; reviewing the Group's financial performance, risk management and corporate governance practices; approving remuneration policies and guidelines for the Board and Senior Management, appointment of Directors and the long-term succession planning for Senior Management; and ensuring the Group's compliance with all laws and regulations as may be relevant to its businesses.

The Group has adopted a set of internal controls and guidelines that set financial authorisation and approval limits for borrowings, investments, acquisitions, disposals, capital and operating expenditures. Apart from matters that specifically require the Board's approval, such as the issue of shares, dividend distributions, and other returns to shareholders, the Board approves all transactions where the value of that transaction exceeds these limits.

Two Board Committees, namely the Audit and Risk Committee ("ARC") and Nominating and Remuneration Committee ("NRC"), were constituted with clearly defined terms of reference to assist the Board in the execution of its responsibilities.

The Board conducts regular scheduled meetings on a quarterly basis. Ad-hoc meetings are convened when circumstances require. The Non-Executive Directors also set aside time to meet, without the presence of Management, to review the latter's performance in meeting goals and objectives. Telephonic attendance and video conferencing at Board meetings are permitted under the Company's Articles of Association. Details of Directors' attendance at Board and Board Committee meetings held during the year under review are provided below.

Board Members	Board of Directors' Meetings		Audit and Risk Committee Meetings		Nominating & Remuneration Committee Meetings	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Ho KwonPing	4	4	–	–	5	1[1]
Ariel P Vera	4	4	4	4[1]	5	5[1]
Chia Chee Ming Timothy	4	3	–	–	5	5
Fang Ai Lian	4	4	4	4	–	–
Dilhan Pillay Sandrasegara	4	4	4	4	5	5
Elizabeth Sam	4	4	4	4	5	5

1 By invitation

Directors are encouraged to attend programmes on Directors' duties and responsibilities where necessary. As part of the Company's ongoing familiarisation programme, Non-Executive Directors are given opportunities to visit key countries where the Group has operations and are provided with updates on new laws and regulations, as well as changing commercial risks, as deemed appropriate. Formal letters are issued to newly appointed Directors upon their appointment, including details of their duties and responsibilities as Directors.

Principle 2 : Board Composition and Balance

The Board currently comprises six members, four of whom are Independent Directors. As such, there is a strong and independent element in the Board. The Independent Directors are Mr Chia Chee Ming Timothy, Mrs Fang Ai Lian, Mr Dilhan Pillay Sandrasegara and Mrs Elizabeth Sam. The Board appointed Mr Chia as the Lead Independent Director on 28 February 2007 to lead and co-ordinate the activities of the Independent Directors. Mr Chia is independent from Management and business relationships as defined under the Code.

Mrs Fang is the Chairman of Great Eastern Holdings Limited ("Great Eastern"), which provides insurance to the Group. The NRC and the Board consider Mrs Fang an Independent Director as the insurance policies with Great Eastern were taken up on the recommendation by the Group's insurance broker based on its competitive rates. Mrs Fang has abstained and will continue to abstain from any decision relating to the choice of insurers.

Mr Pillay is a managing partner of the law firm WongPartnership LLP ("WP"), which provides legal services to the Company. The NRC and the Board consider Mr Pillay an Independent Director of the Company, notwithstanding this relationship, because he does not personally provide legal services to the Company. Furthermore, Management uses market rates as benchmarks when evaluating the provision of legal services by WP. Mr Pillay has abstained and will continue to abstain from any decision relating to the Company's choice of legal counsel which is made by Management.

Mrs Sam is also an independent director of Boardroom Limited, a company listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Boardroom Corporate & Advisory Services Pte. Ltd., a subsidiary of Boardroom Limited, is the share registrar and transfer agent of the Company. Notwithstanding this, the NRC and the Board consider Mrs Sam independent, as the aggregate payments made to Boardroom Corporate & Advisory Services Pte. Ltd. for each of the immediately preceding and current financial year were not considered significant as defined in paragraph 2.1 (d) of the Code.

The two Executive Directors are Mr Ho KwonPing, Executive Chairman, and Mr Ariel P Vera, Group Managing Director.

The Board comprises individuals who bring with them invaluable extensive business networks and expertise in diverse fields to oversee the Group's growing businesses. The size and composition of the Board are reviewed from time to time to ensure that it has the appropriate mix of expertise, skills and attributes to lead and govern the Group effectively. The NRC is of the view that, given the size, nature and scope of the Group's operations, the current size of six Directors, of whom four are Independent Directors (that is, two-thirds of the Board), ensures that the Board possesses the required capabilities, skills and experience to discharge its duties and responsibilities effectively.

The profile of each Director is given on pages 18 and 19 of this Annual Report.

Principle 3: Role of Chairman and Chief Executive Officer

There is a clear division of responsibility between the Executive Chairman and Group Managing Director. The Executive Chairman and the Group Managing Director are not related to each other. The Executive Chairman is responsible for charting the strategic direction and growth of the Group. He also facilitates and ensures active and comprehensive Board discussions on Company matters and monitors the translation of the Board's decisions into executive actions, as well as fostering constructive dialogue with shareholders at the Company's Annual and Extraordinary General Meetings. The Group Managing Director oversees the execution of the Company's corporate and business strategies and policies, and the conduct of the Group's businesses.

Principle 4 : Board Membership

The NRC comprises Independent Directors, namely Mr Chia (Chairman), Mr Pillay and Mrs Sam. Mr Chia is not associated with any substantial shareholder.

The NRC's functions include considering and making recommendations to the Board on new Board appointments, the selection of which is evaluated, taking into account various factors including the relevant expertise of the candidates and their personal contribution. Candidates may be put forward or sought through contacts and recommendations. The NRC also makes recommendations to the Board on re-appointments of Directors based on their contributions to the Group, a review of the range of expertise, skills and attributes of current Board members, and the needs of the Board as well as the remuneration of Directors and Senior Management, and determining annually the independence of the Directors. Notwithstanding some Directors' representations on other boards, the NRC is satisfied that these Directors have been able to perform their duties effectively and has endorsed the following status of the Directors following its annual review:-

Mr Ho KwonPing (Non-Independent)
Mr Ariel P Vera (Non-Independent)
Mr Chia Chee Ming Timothy (Independent)
Mrs Fang Ai Lian (Independent)
Mr Dilhan Pillay Sandrasegara (Independent)
Mrs Elizabeth Sam (Independent)

The Company's Articles of Association requires that every director retires once every three years and that one-third of directors shall retire and subject themselves to re-election by shareholders at every Annual General Meeting ("AGM") ("one-third rotation rule"). Retiring Directors are selected on the basis of their length of service since their last re-election, failing which they shall be selected by agreement or by lot. Mr Pillay and Mr Vera will submit themselves for retirement and re-election under the one-third rotation rule at the forthcoming AGM. New Directors appointed in the year are subject to retirement and re-election by shareholders at the next AGM after their appointment.

Mrs Sam, who is over the age of 70, will submit herself for retirement and re-appointment pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, at the forthcoming AGM.

Principle 5: Board Performance
During the financial year, the NRC evaluated the Board's performance as a whole. All Directors assessed the effectiveness of the Board and the results were considered by the NRC, which has the responsibility of assisting the Board in the evaluation of the Board's effectiveness. Factors such as the structure and size of the Board, the manner in which the Board meetings were conducted, the Board's access to information, access to Management and external experts outside the meetings were applied to evaluate the Board's performance as a whole. The assessment of the Executive Chairman and the Group Managing Director's performances was undertaken by the NRC based on both qualitative and quantitative performance criteria, comprising profits, revenue growth and economic value added. There was no individual assessment for the Independent Directors. Each member of the NRC abstained from making any recommendations and/or participating in any deliberation of the NRC and from voting on any resolution in respect of the assessment of his own performance or re-nomination as a Director.

Principle 6: Access to Information
The Directors are provided with Board Papers in advance of each Board and Board Committee meeting to enable them to be properly informed of matters to be discussed and/or approved. Board Papers include reports on subsidiaries and associated companies, management accounts, budgets, forecasts, quarterly financial statements and management reports on the Company's projects, as well as matters for the decision or information of the Board. The Directors are also given analysts' reports so that they are apprised of analysts' views on the Company's performance.

Directors have separate and independent access to Senior Management and the Company Secretary at all times. The Company Secretary attends all Board and Board Committee meetings and is responsible for, among other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. The appointment and the removal of the Company Secretary is a matter for the Board as a whole. The Board takes independent professional advice as and when necessary to enable it or the Independent Directors to discharge their responsibilities effectively and such costs are borne by the Company.

(B) Remuneration Matters
Principle 7: Remuneration Policies
The NRC reviews matters concerning remuneration of the Board, Senior Management and other employees who are related to the controlling shareholders and/or our Directors. The NRC has access to the Head of Human Resources and may also seek expert advice from external consultants on executive compensation. No Director is involved in deciding his own remuneration.

Principle 8: Level And Mix of Remuneration
Principle 9: Disclosure of Remuneration
The amount of Directors' Fees payable to Non-Executive Directors is dependent on the respective Non-Executive Directors' level of responsibility and contributions. The framework for determining the Directors' Fees remains unchanged as follows:-

Non-Executive Directors' Fees (S$)	Per Annum
Basic Retainer Fee	S$40,000
ARC Chairman	S$30,000
ARC Member	S$15,000
NRC Chairman	S$20,000
NRC Member	S$10,000

Notwithstanding the adoption of the framework shown, the Non-Executive Directors, on their own accord, initiated a 10 percent reduction in Directors' Fees for the last financial year. The Non-Executive Directors have decided to continue with the same 10 percent reduction for the financial year under review.

Executive Directors do not receive Directors' Fees. Their remuneration comprises a base salary, bonus and participation in the Company's share-based remuneration programmes. The level and mix of each of the Directors' remuneration in bands of S$250,000 are set out below. The names of the top five key executives (who are not also Directors) earning remuneration which falls within bands of S$250,000 are also set out below:-

Remuneration Bands of Directors and Top 5 Key Executives	Salary	Bonus	Other Benefits	Fees	Total
Executive Directors					
S$1,000,000 to S$1,250,000					
Ho KwonPing	67.66%	3.72%	28.62%*	–	100%
S$500,000 to S$750,000					
Ariel P Vera	53.09%	30.26%	16.65%*	–	100%
Non-Executive Directors					
S$250,000 and below					
Chia Chee Ming Timothy	–	–	–	100%	100%
Fang Ai Lian	–	–	–	100%	100%
Dilhan Pillay Sandrasegara	–	–	11.15%	88.85%	100%
Elizabeth Sam	–	–	8.72%	91.28%	100%
Top 5 Key Executives					
S$500,000 to S$750,000					
Bernold Olaf Schroeder	44.05%	8.08%	47.87%*	–	100%
Arthur Kiong	36.28%	45.05%	18.67%	–	100%
Surapon Supratya	68.72%	4.65%	26.63%*	–	100%
Ho KwonCjan	58.98%	4.57%	36.45%*	–	100%
S$250,000 to S$500,000					
Chiang See Ngoh Claire	56.86%	5.32%	37.82%	–	100%

* Including directors' fees received from LRH.

During the year, there were only two employees, namely Mr Ho KwonCjan and Ms Chiang See Ngoh Claire, who are immediate family members of the Executive Chairman and whose remuneration exceeded S$150,000.

Long-Term Share Incentives
The Company has in place the Banyan Tree Share Option Scheme and the Banyan Tree Performance Share Plan (the "Plan"). The Plan comprises the Performance Share Plan ("PSP") and Restricted Share Plan ("RSP"). The PSP and RSP were introduced to strengthen the Company's competitiveness in attracting and retaining talented key executives. The PSP and RSP are also aimed at aligning the interests of key executives with that of shareholders, improving performance and achieving sustainable growth for the Company, and fostering an ownership culture among key executives. The Plan contemplates the award of fully paid shares or their cash equivalent, when and after pre-determined performance or service conditions are met. The selection of a participant and the number of shares to be awarded under the PSP or RSP are determined at the discretion of the NRC. The NRC reviews and sets performance conditions and targets where it thinks appropriate and after considering prevailing business conditions.

Details of the Company's PSP and RSP can be found in the Directors' Report and Note 42 to the financial statements.

The Company has not issued any option to eligible employees pursuant to the Banyan Tree Share Option Scheme.

(C) Accountability and Audit

Principle 10: Accountability

The Board, through its announcements of quarterly and full-year results, aims to provide shareholders with a balanced and clear assessment of the Group's performance and prospects on a quarterly basis.

Principle 11: Audit and Risk Committee

The ARC comprises Independent Directors, namely Mrs Fang (Chairman), Mr Pillay and Mrs Sam.

The ARC reviews, with the external and internal auditors, their audit plans, the system of internal controls, audit reports, management letter and the Company's management response. It also reviews the quarterly, half-year, and full-year results, as well as financial statements of the Group and Company before submission to the Board for its approval, focusing in particular on changes in accounting policies and procedures, major operating risk areas and overview of all Group risks on an integrated basis, including all matters affecting the Group's performance and the effectiveness of the Group's material internal controls. The ARC also reviews all interested person transactions.

The ARC commissions and reviews the findings of internal investigations into matters on suspected fraud, irregularity, failure of internal controls, and the infringement of any law, rule or regulation which has or is likely to have a material impact on the Company's results and/or financial position.

The ARC has reviewed the Company's Whistle-Blowing Policy which provides the mechanism by which employees and other persons may, in confidence, raise concerns about possible improprieties. The ARC is satisfied that arrangements are in place for the independent investigation of such improprieties and for appropriate follow-up action and resolutions.

The ARC has full access to and the co-operation of Management and full discretion to invite any Director or the Company's Senior Management to attend its meetings. The Company has an internal audit team that, together with the external auditors, reports its findings and recommendations independently to the ARC. During the year, the ARC met with the internal and external auditors and discussed with them any issues of concern. In the year under review, the ARC assessed the strength of the internal audit team and confirmed that the team is adequately resourced and suitably qualified to discharge its duty.

The ARC has undertaken a review of the nature and extent of all non-audit services performed by the external auditors during the year and is satisfied that such services have not affected their independence. It recommends the re-appointment of the external auditors. In addition, the ARC also reviewed the appointment of different auditors for its subsidiaries or significant associated companies to ensure that the appointment would not compromise the standard and effectiveness of the audit of the Company or its subsidiaries or significant associated companies.

In the opinion of the Directors, the Group complies with the Code's guidelines on audit committees as well as Rule 716 of the SGX-ST Listing Manual.

Principles 12 and 13: Internal Controls & Internal Audit

Internal audit is an independent function within the Company. The Head of Internal Audit reports directly to the ARC with a dotted-line relationship to the Group Managing Director of the Company for administrative matters. The Internal Audit team assists the ARC and the Board by performing regular evaluations on the Group's internal controls, financial and accounting matters, compliance, business and risk management policies and procedures and ensuring that internal controls are adequate to meet the Group's requirement.

The Internal Auditor plans the internal audit schedules annually in consultation with, but independent of, Management. Its plans are submitted to the ARC for approval.

The Internal Auditor has met the standards as set out by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Company's structure of internal controls consists of policies and procedures established to provide reasonable assurance on the effectiveness of the Group's system of internal controls in light of key business and financial risks affecting the operations.

The ARC reviews the proposed scope of the internal audit function and assesses its adequacy annually. The Internal Audit team's summary of findings and recommendations are reviewed and discussed at the ARC meetings.

The Board and Management of the Group attach a high importance to having a sound system of internal controls and have been continuously expanding the Group's internal audit capacities through additional staffing and/or outsourcing.

During the financial year, the ARC on behalf of the Board, has reviewed the effectiveness of the Group's system of internal controls in light of key business and financial risks affecting the operations. Based on the Internal Auditors' report submitted by the Internal Auditor and the various controls put in place by Management, the Board has reviewed, and is satisfied with, the adequacy of the Group's internal controls.

The Group has in place a formal risk management process to identify, evaluate and manage significant risks impacting the Group. The Group Risk Management Committee, comprising certain members of our Senior Management, reports to the ARC, on an annual basis, the Group's strategic risks and the measures taken to address them. On a quarterly basis, all significant risks to the Group and/or properties are highlighted at the ARC meetings.

(D) Communication with Shareholders

Principles 14 and 15: Communication with Shareholders and AGM

The Company adopts the practice of regularly communicating major developments in its businesses and operations through SGXNET and, where appropriate, directly to shareholders, other investors, analysts, the media, the public and its employees. The Company currently holds a media and analysts briefing upon the release of its quarterly and full-year results. It has an investor relations team that communicates with its shareholders and analysts regularly and attends to their queries. The team also manages the dissemination of corporate information to the media, the public, as well as institutional investors and public shareholders, and promotes relations with and acts as liaison for such entities and parties. Material information is published on SGXNET and through media releases.

Shareholders of the Company receive notices of general meetings which are also advertised in the newspapers and issued via SGXNET. The Board recognises that the AGM is an important forum at which shareholders have the opportunity to communicate their views and raise any queries with the Board and Management regarding the Company and its operations.

A registered shareholder may appoint one or two proxies to attend the AGM and vote. Voting in absentia by mail, facsimile or email is not currently permitted to ensure proper authentication of the identity of shareholders and their voting intentions.

At general meetings, separate resolutions will be set out on distinct issues for approval by shareholders.

The Board and Management will be in attendance at the Company's general meetings to address questions by shareholders. The external auditors and legal advisers are also present at the AGM to assist the Board and Management in addressing shareholders' queries.

Dealing in Securities

The Company has adopted an internal code on securities trading, which provides guidance and internal regulation with regards to dealings in the Company's securities by its Directors and officers. The Company's internal code is modelled on Rule 1207(18) of the SGX-ST Listing Manual. The Company's internal code prohibits its Directors and officers from dealing in listed securities of the Company while in possession of unpublished, material and price-sensitive information in relation to such securities and during the "closed period", which is defined as two weeks before the date of announcement of results for each of the first three quarters of the Company's financial year, and one month before the date of announcement of the full-year financial results. Directors and officers are also prohibited from dealing with the Company's securities on short-term considerations.

Interested Person Transactions

Shareholders have adopted a Shareholders' Mandate in respect of interested person transactions of the Company. The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company's disclosure in respect of interested person transactions for the year is set out on page 80 of this Annual Report.

INTERESTED PERSON TRANSACTIONS

Particulars of interested person transactions for the period from 1 January 2009 to 31 December 2009 as required under Rule 907 of the SGX Listing Manual.

		Aggregate value of all interested parties transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' Mandate) (S$'000)	Aggregate value of all interested parties transactions conducted under Shareholders' Mandate (excluding transactions less than S$100,000) (S$'000)
(A)	**Transactions with the Tropical Resorts Limited Group ('TR')**		
a	Provision of Resort Management and Related Services to TR		4,205
b	Provision of Spa Management and Other Related Services to TR		510
c	Returns from TR in respect of units in Banyan Tree Bintan and Angsana Bintan		2,622
d	Reimbursement of expenses		
	– from LRH		429
	– from BTH		353
e	Supply of Goods		
	– from LRH		416
(B)	**Transactions with the Laguna Resorts & Hotel Public Company Limited Group ('LRH')**		
a	Provision of Resort Management and Related Services to LRH		7,732
b	Provision of Rent and Services		
	– from LRH		1,814
	– to LRH		210
c	Reimbursement of expenses		
	– from LRH		5,215
	– to LRH		3,297
d	Supply of Goods and Vouchers		
	– from LRH		1,790
	– to LRH		385
e	Payment of Interest by Lijiang Banyan Tree Hotel Co., Ltd to LRH		511
f	Indemnity from LRH in respect of a bank loan to Lijiang Banyan Tree Hotel Co., Ltd	18,817	–
(C)	**Transactions with Phuket Hotel Limited ('PHL')**		
a	Centralised Service Fees to LRH		240
(D)	**Transactions with Tropical Resorts Limited Group ('TR'), our Executive Chairman, Mr Ho KwonPing, Maypole Limited, Chang Fung Company Limited and Li-Ho Holdings (Private) Limited**		
a	Redemption of 'A' Preference Shares		3,041
Total		**18,817**	**32,770**

FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' REPORT

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of Banyan Tree Holdings Limited ("the Company") and its subsidiary companies (collectively, "the Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2009.

Directors

The Directors of the Company in office at the date of this report are:

Ho KwonPing
Ariel P Vera
Chia Chee Ming Timothy
Fang Ai Lian
Dilhan Pillay Sandrasegara
Elizabeth Sam

Arrangements to enable Directors to acquire shares and debentures

Except as disclosed in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate, other than pursuant to the Banyan Tree Share Option Scheme, the Banyan Tree Performance Share Plan and the Founder's Grant.

Banyan Tree Share Option Scheme and Banyan Tree Performance Share Plan

On 28 April 2006, the shareholders of the Company approved the adoption of two share-based incentive schemes for its Directors and employees, the Banyan Tree Share Option Scheme (the "Share Option Scheme") and a performance share plan known as the Banyan Tree Performance Share Plan (the "Plan"). The Share Option Scheme and the Plan (collectively, the "Schemes") will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance. The Schemes form an integral and important component of the compensation plan. Mr Ho KwonPing, the Executive Chairman and controlling shareholder, is not entitled to participate in the Schemes.

The Schemes are administered by the Nominating and Remuneration Committee ("NRC") which comprises Chia Chee Ming Timothy, Dilhan Pillay Sandrasegara and Elizabeth Sam, all of whom are Independent Directors of the Company. The NRC has the power, from time to time, to make and vary such regulations for the implementation and administration of the Schemes as it thinks fit.

The aggregate number of shares when aggregated with the number of shares issued and issuable and/or transferred and transferable in respect of all options granted under the Share Option Scheme and any share awards granted under the Plan shall not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company subject to a maximum period of 10 years commencing from the date of the Schemes.

The Company has not issued any options to any eligible participants pursuant to the Share Option Scheme.

During the financial year, a tranche was granted to the Directors and eligible participants under the Plan, the details of which can be found in Note 42 to the financial statements. The Company has not issued any awards under the Plan to any of its controlling shareholders. Since the commencement of the Plan, no participant has been awarded 5% or more of the total shares available under the Plan.

Founder's Grant

Mr Ho KwonPing was earlier awarded a Founder's Grant which is effective from 1 January 2010. Under the Founder's Grant, he shall be entitled to, for each financial year for a period of ten years beginning from the financial year ending 31 December 2010, an amount equivalent to 5% of the profit before taxation of the Group, such amount to be payable in cash or in shares at the sole discretion of the Company.

Directors' interests in shares and debentures

The following Directors, who held office at the end of the financial year had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Companies Act, Chapter 50 of Singapore, an interest in shares of the Company and related corporations (other than wholly-owned subsidiary companies), as stated below:

	Holdings registered in the name of director or nominee		Holdings in which a director is deemed to have an interest	
Name of directors and companies in which interests are held	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Banyan Tree Holdings Limited (Incorporated in Singapore) ***Ordinary shares***				
Ho KwonPing	–	–	278,020,582	286,232,582
Ariel P Vera	689,200	704,200 [1]	650,000 [2]	795,000 [3]
Chia Chee Ming Timothy	250,000	250,000	7,000	7,000 [4]
Dilhan Pillay Sandrasegara	500,000	500,000	7,000	7,000 [4]
Elizabeth Sam	150,000	150,000	6,000	6,000 [4]
Bangtao Development Limited (Incorporated in Thailand) ***Ordinary shares***				
Ho KwonPing	1	1	–	–
Phuket Resort Development Limited (Incorporated in Thailand) ***Ordinary shares***				
Ho KwonPing	1	1	–	–
Twin Waters Development Company Limited (Incorporated in Thailand) ***Ordinary shares***				
Ho KwonPing	2	2	–	–

1 On 20 May 2009, 15,000 shares were vested and released under the FY2007 Restricted Share Plan ("RSP") Award pursuant to the Plan.

2 On 19 April 2007, the Company granted an initial award of 100,000 shares with a conditional award of up to 50,000 shares under the FY2007 RSP Award and an initial award of 80,000 shares with a conditional award of up to 80,000 shares under the FY2007 Performance Share Plan ("PSP") Award, bringing the aggregate total to 310,000 shares under the Plan for the performance period from 1 January 2007 to 31 December 2009. On 25 April 2008, the Company granted an initial award of 120,000 shares with a conditional award of up to 60,000 shares under the FY2008 RSP Award and an initial award of 80,000 shares with a conditional award of up to 80,000 shares under the FY2008 PSP Award, bringing the aggregate total to 340,000 shares under the Plan for the performance period from 1 January 2008 to 31 December 2010.

3 On 15 May 2009, the Company granted an initial award of 80,000 shares with a conditional award of up to 40,000 shares under the FY2009 RSP Award and an initial award of 80,000 shares with a conditional award of up to 80,000 shares under the FY2009 PSP Award, bringing the aggregate total to 280,000 shares under the Plan for the performance period from 1 January 2009 to 31 December 2011. On 20 May 2009, a final award of 30,000 shares under the FY2007 RSP Award was granted of which 50% which was 15,000 shares was vested and released and the remaining 15,000 shares have not vested. The remaining 120,000 shares were cancelled.

4 The Company granted a conditional award of 7,000 shares each to Messrs Chia Chee Ming Timothy and Dilhan Pillay Sandrasegara as well as 6,000 shares to Mrs Elizabeth Sam under the Plan, subject to certain conditions being met.

There was no change in any of the above-mentioned interests in the Company or in related corporations between the end of the financial year and 21 January 2010.

By virtue of Section 7 of the Companies Act, Chapter 50 of Singapore, Mr Ho KwonPing is deemed to have interests in shares of the subsidiaries held by the Company.

Except as disclosed in the financial statements, since the end of the previous financial year, no Director who held office at the end of the financial year had interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

DIRECTORS' REPORT

Directors' contractual benefits

Except for the following as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest.

Contracts entered by the Company with its Directors are set out as follows:

(i) Mr Ho KwonPing and Mr Ariel P Vera have employment relationships with the Company and have received remuneration in that capacity;

(ii) Mrs Fang Ai Lian is the chairman of Great Eastern Holdings Limited which provides insurances to the Group;

(iii) Mr Dilhan Pillay Sandrasegara is the managing partner of the law firm WongPartnership LLP which provides legal services to the Group; and

(vi) Mrs Elizabeth Sam, an independent director of Boardroom Limited of which its subsidiary, Boardroom Corporate & Advisory Services Pte. Ltd. is the share registrar and transfer agent of the Company.

On 7 December 2007, Laguna Resorts & Hotels Public Company Limited ("LRH"), a listed subsidiary of the Company granted loan of Baht 3,040,000 at an internal rate of 4.73% to Mr Ho KwonPing pursuant to a Financing Scheme adopted by the Company and offered to all Directors and employees. Principal and interest will be repayable monthly with the last instalment on 31 December 2012.

Audit and Risk Committee ("ARC")

The members of the ARC at the end of the financial year were as follows:

Fang Ai Lian	(Chairman)
Dilhan Pillay Sandrasegara	
Elizabeth Sam	

All ARC members are non-executive independent directors.

The ARC has written terms of reference that are approved by the Board of Directors ("the Board") and clearly set out its responsibilities as follows:

1. assist the Board in the discharge of its statutory responsibilities on financial and accounting matters;
2. review of the audit plans, scope of work and results of the audits compiled by the internal and external auditors;
3. review of the co-operation given by the Company's officers to the external auditors;
4. nomination of the external auditors for re-appointment;
5. review of the integrity of any financial information presented to the Company's shareholders;
6. review of interested person transactions;
7. review and evaluation of the Company's administrative, operating and internal accounting controls and procedures;
8. review of the risk management structure and oversight of the risk management processes and activities to mitigate and manage risk at levels that are determined to be acceptable to the Board; and
9. where necessary, commission and review of the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

The ARC performed the functions specified in the Companies Act, Chapter 50 of Singapore. The functions performed are detailed in the Report on Corporate Governance.

Auditors

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

Ho KwonPing	**Ariel P Vera**
Director	Director

Singapore
12 March 2010

STATEMENT BY DIRECTORS

We, Ho KwonPing and Ariel P Vera, being two of the Directors of Banyan Tree Holdings Limited, do hereby state that, in the opinion of the Directors:

(a) the accompanying consolidated income statement, consolidated statement of comprehensive income, balance sheets, statements of changes in equity and consolidated cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

Ho KwonPing	**Ariel P Vera**
Director	Director

Singapore
12 March 2010

INDEPENDENT AUDITORS' REPORT

To the Members of Banyan Tree Holdings Limited

We have audited the accompanying financial statements of Banyan Tree Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 87 to 169, which comprise the balance sheets of the Group and the Company as at 31 December 2009, the statements of changes in equity of the Group and the Company, the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, Chapter 50 of Singapore (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants

Singapore
12 March 2010

CONSOLIDATED INCOME STATEMENT

for the financial year ended 31 December 2009

		GROUP	
	Note	2009 $'000	2008 $'000
Revenue	3	**313,251**	412,612
Other income	4	**3,663**	15,309
		316,914	427,921
Costs and expenses			
Cost of operating supplies		**(24,821)**	(27,672)
Cost of properties sold		**(12,885)**	(51,605)
Salaries and related expenses	5	**(91,041)**	(114,747)
Administrative expenses		**(46,820)**	(58,129)
Sales and marketing expenses		**(15,995)**	(19,980)
Other operating expenses	6	**(55,812)**	(62,039)
		(247,374)	(334,172)
Operating profit		**69,540**	93,749
Depreciation of property, plant and equipment	12	**(35,533)**	(33,335)
Amortisation of lease rental and land use rights		**(4,375)**	(4,689)
Profit from operations	7	**29,632**	55,725
Finance income	8	**3,365**	3,397
Finance costs	9	**(19,047)**	(18,096)
Share of results of associated companies		**791**	1,317
Share of results of joint venture companies		**1**	(5)
Profit before taxation		**14,742**	42,338
Income tax expenses	10	**(11,314)**	(23,991)
Profit after taxation		**3,428**	18,347
Attributable to:			
Equity holders of the Company		**3,005**	7,026
Minority interests		**423**	11,321
		3,428	18,347
Earnings per share attributable to equity holdings of the Company (in cents):			
Basic	11	**0.40**	0.93
Diluted	11	**0.39**	0.92

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2009

	GROUP	
	2009 $'000	2008 $'000
Profit after taxation	**3,428**	18,347
Other comprehensive income:		
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	**(4,732)**	(10,703)
Net change in fair value adjustment reserve	**2**	1,092
Adjustment on property revaluation reserve, net of deferred tax	**(76,614)**	(905)
Other comprehensive income for the year, net of tax	**(81,344)**	(10,516)
Total comprehensive income for the year	**(77,916)**	7,831
Total comprehensive income attributable to:		
Equity holders of the Company	**(48,672)**	2,505
Minority interests	**(29,244)**	5,326
	(77,916)	7,831

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

as at 31 December 2009

		GROUP		COMPANY	
	Note	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Non-current assets					
Property, plant and equipment	12	**876,964**	979,658	**25**	13
Land use rights	13	**20,484**	21,783	**–**	–
Land awaiting future development	14	**33,995**	34,065	**–**	–
Subsidiary companies	15	**–**	–	**384,726**	380,226
Associated companies	16	**23,814**	33,817	**19,008**	19,537
Joint venture companies	17	**3,422**	3,536	**6,323**	6,332
Prepaid island rental	18	**22,603**	23,342	**–**	–
Long-term trade receivables	19	**49,292**	52,180	**–**	–
Intangible assets	20	**26,903**	26,903	**–**	–
Long-term investments	21	**27,193**	16,775	**–**	–
Prepayments		**2,303**	1,631	**–**	–
Other receivables	22	**17,408**	7,361	**–**	–
Deferred tax assets	39	**13,810**	16,070	**31**	31
		1,118,191	1,217,121	**410,113**	406,139
Current assets					
Inventories	23	**12,247**	13,409	**–**	–
Trade receivables	24	**56,918**	66,595	**–**	–
Prepayments and other non-financial assets	25	**11,733**	21,288	**51**	118
Other receivables	26	**16,310**	28,579	**1,436**	1,832
Amounts due from subsidiary companies	27	**–**	–	**8,574**	6,723
Amounts due from associated companies	28	**1,374**	1,647	**8**	–
Amounts due from related parties	29	**10,079**	6,621	**250**	201
Property development costs	30	**69,765**	58,391	**–**	–
Cash and cash equivalents	31	**76,252**	53,712	**7,864**	2,012
		254,678	250,242	**18,183**	10,886
Total assets		**1,372,869**	1,467,363	**428,296**	417,025

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

as at 31 December 2009

	Note	GROUP 2009 $'000	GROUP 2008 $'000	COMPANY 2009 $'000	COMPANY 2008 $'000
Current liabilities					
Trade payables		**13,907**	13,231	**–**	–
Construction payables		**7,040**	16,884	**–**	–
Unearned income		**4,180**	4,344	**–**	–
Other non-financial liabilities	32	**15,295**	18,905	**104**	156
Other payables	33	**46,837**	54,853	**2,365**	4,743
Amounts due to subsidiary companies	27	**–**	–	**45,495**	30,427
Amounts due to associated companies	28	**372**	72	**–**	–
Amounts due to related parties	29	**813**	1,527	**282**	580
Interest-bearing loans and borrowings	34	**70,790**	78,118	**2,250**	11,129
Notes payable	37	**50,000**	–	**50,000**	–
Tax payable		**7,295**	9,845	**–**	118
Redeemable preference shares	38	**–**	1,954	**–**	1,954
		216,529	199,733	**100,496**	49,107
Net current assets/(liabilities)		**38,149**	50,509	**(82,313)**	(38,221)
Non-current liabilities					
Interest-bearing loans and borrowings	34	**184,528**	132,072	**11,542**	9,000
Deferred income	35	**15,367**	16,158	**–**	–
Loan stock	36	**552**	552	**–**	–
Notes payable	37	**77,250**	127,250	**77,250**	127,250
Deposits received		**1,200**	1,113	**–**	–
Other non-current liabilities		**1,504**	1,398	**–**	–
Deferred tax liabilities	39	**169,344**	198,778	**–**	–
Loan from minority shareholder of a subsidiary company		**–**	1,664	**–**	–
		449,745	478,985	**88,792**	136,250
Net assets		**706,595**	788,645	**239,008**	231,668
Equity attributable to equity holders of the Company					
Share capital	40	**199,995**	199,995	**199,995**	199,995
Treasury shares	41	**(5,071)**	(5,191)	**(5,071)**	(5,191)
Reserves	41	**313,358**	361,745	**44,084**	36,864
		508,282	556,549	**239,008**	231,668
Minority interests		**198,313**	232,096	**–**	–
Total equity		**706,595**	788,645	**239,008**	231,668

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2009

GROUP	Share capital $'000	Treasury shares $'000	Merger deficit $'000	Capital reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Fair value adjustment reserve $'000	Legal reserve $'000	Share-based payment reserve $'000	Gain/(loss) on reissuance of treasury shares $'000	Accu-mulated profits $'000	Total attributable to equity holders of the Company $'000	Minority interests $'000	Total equity $'000
At 1 January 2009	199,995	(5,191)	(18,038)	7,852	189,442	(29,145)	170	6,457	8,545	–	196,462	556,549	232,096	788,645
Profit after taxation	–	–	–	–	–	–	–	–	–	–	3,005	3,005	423	3,428
Other comprehensive income for the year	–	–	–	–	(47,073)	(4,606)	2	–	–	–	–	(51,677)	(29,667)	(81,344)
Total comprehensive income for the year	–	–	–	–	(47,073)	(4,606)	2	–	–	–	3,005	(48,672)	(29,244)	(77,916)
Dividends paid to minority shareholders of a subsidiary company	–	–	–	–	–	–	–	–	–	–	–	–	(6,156)	(6,156)
Treasury shares reissued pursuant to Performance Share Plan	–	120	–	–	–	–	–	–	(35)	(85)	–	–	–	–
Issue of Performance Share Grants to employees	–	–	–	–	–	–	–	–	405	–	–	405	–	405
Capital contribution by minority interest	–	–	–	–	–	–	–	–	–	–	–	–	1,617	1,617
Transfer to legal reserve	–	–	–	–	–	–	–	471	–	–	(471)	–	–	–
At 31 December 2009	199,995	(5,071)	(18,038)	7,852	142,369	(33,751)	172	6,928	8,915	(85)	198,996	508,282	198,313	706,595

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2009

GROUP	Share capital $'000	Treasury shares $'000	Merger deficit $'000	Capital reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Fair value adjustment reserve $'000	Legal reserve $'000	Share-based payment reserve $'000	Gain/(loss) on reissuance of treasury shares $'000	Accu-mulated profits $'000	Total attributable to equity holders of the Company $'000	Minority interests $'000	Total equity $'000
At 1 January 2008	199,995	(5,191)	(18,038)	7,852	189,280	(23,745)	(547)	613	7,998	–	210,491	568,708	235,785	804,493
Profit after taxation	–	–	–	–	–	–	–	–	–	–	7,026	7,026	11,321	18,347
Other comprehensive income for the year	–	–	–	–	162	(5,400)	717	–	–	–	–	(4,521)	(5,995)	(10,516)
Total comprehensive income for the year	–	–	–	–	162	(5,400)	717	–	–	–	7,026	2,505	5,326	7,831
Dividends paid	–	–	–	–	–	–	–	–	–	–	(15,168)	(15,168)	–	(15,168)
Dividends paid to minority shareholders of a subsidiary company	–	–	–	–	–	–	–	–	–	–	–	–	(7,987)	(7,987)
Dividends paid to loan stockholders of a subsidiary company	–	–	–	–	–	–	–	–	–	–	(43)	(43)	–	(43)
Acquisition of additional shares in a subsidiary company	–	–	–	–	–	–	–	–	–	–	–	–	(1,073)	(1,073)
Issue of Performance Share Grants to employees	–	–	–	–	–	–	–	–	547	–	–	547	–	547
Capital contribution by minority interest	–	–	–	–	–	–	–	–	–	–	–	–	45	45
Transfer to legal reserve	–	–	–	–	–	–	–	5,844	–	–	(5,844)	–	–	–
At 31 December 2008	199,995	(5,191)	(18,038)	7,852	189,442	(29,145)	170	6,457	8,545	–	196,462	556,549	232,096	788,645

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

COMPANY	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Share-based payment reserve $'000	Gain/(loss) on reissuance of treasury shares $'000	Accu-mulated profits $'000	Total equity $'000
At 1 January 2009	**199,995**	**(5,191)**	**7,852**	**8,343**	**–**	**20,669**	**231,668**
Profit after taxation	**–**	**–**	**–**	**–**	**–**	**7,305**	**7,305**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**7,305**	**7,305**
Issue of Performance Share Grants to employees	**–**	**–**	**–**	**35**	**–**	**–**	**35**
Treasury shares reissued pursuant to Performance Share Plan	**–**	**120**	**–**	**(35)**	**(85)**	**–**	**–**
At 31 December 2009	**199,995**	**(5,071)**	**7,852**	**8,343**	**(85)**	**27,974**	**239,008**
At 1 January 2008	199,995	(5,191)	7,852	7,796	–	30,636	241,088
Profit after taxation	–	–	–	–	–	5,201	5,201
Total comprehensive income for the year	–	–	–	–	–	5,201	5,201
Dividend paid	–	–	–	–	–	(15,168)	(15,168)
Issue of Performance Share Grants to employees	–	–	–	547	–	–	547
At 31 December 2008	199,995	(5,191)	7,852	8,343	–	20,669	231,668

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the financial year ended 31 December 2009

	Note	2009 $'000	2008 $'000
Cash flows from operating activities			
Profit before taxation		**14,742**	42,338
Adjustments for:			
Share of results of associated companies		**(791)**	(1,317)
Share of results of joint venture companies		**(1)**	5
Depreciation of property, plant and equipment	12	**35,533**	33,335
Loss on disposal of property, plant and equipment		**316**	741
Write back of impairment loss in property, plant and equipment, net	12	**(972)**	(233)
Impairment loss in other investment	21	**–**	2,160
Negative goodwill on acquisition of minority interests		**–**	(424)
Finance income		**(3,365)**	(3,397)
Finance costs		**19,047**	18,096
Amortisation of lease rental and land use rights		**4,375**	4,689
Allowance for doubtful debts – trade, net		**2,734**	3,985
Bad debts (written back)/written off – trade		**(94)**	62
Allowance for/(write back of) for inventory obsolescence		**62**	(134)
Gain on capital reduction of an associated company		**–**	(3,048)
Gain on disposal of subsidiary companies		**–**	(257)
Share-based payment expenses		**405**	638
Currency realignment		**171**	619
		57,420	55,520
Operating profit before working capital changes		**72,162**	97,858
Decrease/(increase) in inventories		**953**	(2,327)
Decrease/(increase) in trade and other receivables		**7,693**	(35,204)
(Increase)/decrease in amounts due from related parties		**(1,588)**	1,314
(Decrease)/increase in trade and other payables		**(21,343)**	16,697
		(14,285)	(19,520)
Cash flows generated from operating activities		**57,877**	78,338
Interest received		**3,471**	5,861
Interest paid		**(17,967)**	(19,551)
Tax paid		**(9,201)**	(14,928)
Net cash flows from operating activities		**34,180**	49,720

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	2009 $'000	2008 $'000
Cash flows from investing activities			
Purchase of property, plant and equipment	12	**(45,574)**	(58,821)
Proceeds from disposal of property, plant and equipment		**212**	482
Increase in investment in associated companies		**(4)**	(6,168)
Disposal of subsidiary companies, net of cash received		**–**	(41)
Payment of lease rental	18	**(2,261)**	(2,236)
Increase in long-term investments		**(1,926)**	(8,859)
Purchase of land awaiting future development		**–**	(15,991)
Acquisition of minority interest		**–**	(650)
Cash received from capital reduction of an associated company		**–**	4,769
Net cash inflow on acquisition of a subsidiary company	31	**31**	–
Net cash flows used in investing activities		**(49,522)**	(87,515)
Cash flows from financing activities			
Proceeds from bank loans		**126,977**	71,870
Repayment of bank loans		**(79,139)**	(99,715)
Proceeds from issuance of notes payable		**–**	27,250
Payment of dividends			
– by subsidiary companies to minority interests and preference shareholders		**(6,163)**	(7,987)
– by Company to shareholders		**–**	(15,168)
Proceeds from share issue to minority interest of a subsidiary company		**–**	67
Redemption of 'A' preference shares	38	**(3,041)**	–
Net cash flows from/(used in) financing activities		**38,634**	(23,683)
Net increase/(decrease) in cash and cash equivalents		**23,292**	(61,478)
Net foreign exchange difference		**(752)**	(526)
Cash and cash equivalents at beginning of year		**53,712**	115,716
Cash and cash equivalents at end of year	31	**76,252**	53,712

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

Banyan Tree Holdings Limited ("the Company") is a limited liability Company, which is incorporated in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX – ST).

The registered office of the Company is located at 211 Upper Bukit Timah Road, Singapore 588182.

The principal activities of the Company are those of investment holding and the provision of project design and management services. The principal activities of the subsidiary companies are set out in Note 15 to the financial statements. There have been no significant changes in the nature of these activities during the year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $).

2.2 Changes in accounting policies

The accounting policies have been consistently applied by the Group and the Company and are consistent with those used in the previous financial year, except for the changes in accounting policies discussed below.

(a) Adoption of new FRSs and INT FRSs

The following standards and interpretations are effective for the annual period beginning 1 January 2009:

Reference	Description	Effective for annual periods beginning on or after
FRS 1	Presentation of Financial Statements – Revised presentation	1 January 2009
	Presentation of Financial Statements – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 18	Amendments to FRS 18, Revenue	1 January 2009
FRS 23	Amendments to FRS 23, Borrowing Costs	1 January 2009
FRS 27	Consolidated and Separate Financial Statements – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
FRS 32	Financial Instruments: Presentation – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 101	First-time Adoption of Financial Reporting Standards – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
FRS 102	Share-based Payments – Vesting conditions and cancellations	1 January 2009
FRS 107	Amendments to FRS 107, Financial Instruments: Disclosures	1 January 2009
FRS 108	Operating Segments	1 January 2009
INT FRS 113	Customer Loyalty Programmes	1 July 2008
INT FRS 116	Hedges of a Net Investment in a Foreign Operation	1 October 2008
Various	Improvements to FRSs 2008	1 January 2009

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise to additional disclosures.

2.2 Changes in accounting policies (continued)

(a) Adoption of new FRSs and INT FRSs (continued)

The principal effects of these changes are as follows:

FRS 1 Presentation of Financial Statements – Revised presentation

The revised FRS 1 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the income statement: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in a single statement, or in two linked statements. The Group has elected to present this statement as two linked statements.

Amendments to FRS 107 Financial Instruments: Disclosures

The amendments to FRS 107 require additional disclosures about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The liquidity risk disclosures and fair value measurement disclosures are now presented in Note 45(b) and Note 47 to the financial statements respectively.

FRS 108 Operating Segments

FRS 108 requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Group. The Group determined that the reportable operating segments are the same as the business segments previously identified under FRS 14 Segment Reporting. Additional disclosures about each of the segments are shown in Note 48, including revised comparative information.

Improvements to FRSs issued in 2008

In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group:

- FRS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with FRS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet. The Group amended its accounting policy accordingly and analysed whether management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the balance sheet.
- FRS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less cost to sell". The Group amended its accounting policy accordingly, which did not result in any change in the financial position.
- FRS 23 Borrowing Costs: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one – the interest expense calculated using the effective interest rate method calculated in accordance with FRS 39. The Group has amended its accounting policy accordingly which did not result in any change in the financial position.

2.2 Changes in accounting policies (continued)

(b) Future changes in accounting policies

The Group and the Company have not applied the following standards and interpretations that have been issued but not yet effective:

Reference	Description	Effective for annual periods beginning on or after
FRS 24	Related Party Disclosures	1 January 2011
FRS 27	Amendments to FRS 27 – Consolidated and Separate Financial Statements	1 July 2009
FRS 32	Amendments to FRS 32 – Classification of Rights Issue	1 February 2010
FRS 39	Amendments relating to Embedded Derivatives	30 June 2009
FRS 39	Financial Instruments: Recognition and Measurement – Amendments relating to eligible hedged items	1 July 2009
FRS 101	Amendments to FRS 101 – First-time Adoption of Financial Reporting Standards	1 July 2009
FRS 101	Amendments to FRS 101 – Additional Exemptions for First-time Adopters	1 January 2010
FRS 102	Amendments to FRS 102 – Group Cash-settled Share-based Payment Transactions	1 January 2010
FRS 103	Revision to FRS 103 – Business Combinations	1 July 2009
FRS 105	Amendments to FRS 105 Non Current Assets Held for Sale and Discontinued Operations	1 July 2009
INT FRS 109	Amendments relating to Embedded Derivatives	30 June 2009
INT FRS 114	Amendments to INT FRS 114 – Prepayments of a Minimum Funding Requirement	1 January 2011
INT FRS 117	Distribution of Non-cash Assets to Owners	1 July 2009
INT FRS 118	Transfers of Assets from Customers	1 July 2009
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Various	Improvements to FRSs 2009	1 January 2010, unless otherwise stated

The Directors expect that the adoption of the standards and interpretations above will have no material impact to the financial statements in the period of initial application, except for FRS 103 and the amendments to FRS 27 as indicated below.

Revised FRS 103 Business Combinations and Amendments to FRS 27 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2009. The revised FRS 103 introduces a number of changes in the accounting for business combinations occurring after 1 July 2009. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 27 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to gain or loss. Furthermore, the amended standard changes the accounting for losses incurred for by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to FRS 7 Statement of Cash Flows, FRS 12 Income Taxes, FRS 21 The Effects of Changes in Foreign Exchange Rates, FRS 28 Investments in Associates and FRS 31 Interests in Joint Ventures. The changes from revised FRS 103 and Amendments to FRS 27 will affect future acquisition or loss of control and transactions with minority interests. The standards may be early applied. However, the Group does not intend to early adopt.

2.3 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of goodwill and trademarks, are given in Note 20 to the financial statements.

(ii) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 and 50 years. The carrying amounts of the Group's property, plant and equipment at 31 December 2009 are $876,964,000 (2008: $979,658,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Construction contracts

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the balance sheet date, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that actual costs incurred for work performed to date bear to the estimated total contract costs. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion. The estimates are made based on past experience and knowledge of the project engineers. The carrying amounts of assets and liabilities arising from construction contracts at the balance sheet date are disclosed in Note 30 to the financial statements.

(iv) Impairment of loans and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's loans and receivables at the balance sheet date are disclosed in Note 47 (d) to the financial statements.

2.3 Significant accounting estimates and judgements (continued)

(v) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. The carrying values of recognised tax losses and unrecognised tax losses at 31 December 2009 are $11,476,000 (2008: $13,132,000) and $11,214,000 (2008: $9,782,000) respectively.

(vi) Revaluation of freehold properties

The Group carries its freehold properties at fair value, with changes in fair values being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair value as at 31 December 2009 for its freehold properties in Thailand. The fair value determined using the various valuation models is sensitive to the underlying assumptions used by the independent valuation specialists.

The valuation models used to determine the fair value of the freehold properties of the Group are stated in Note 12.

(b) Critical judgements made in applying accounting policies

(i) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payables and net deferred tax liabilities at 31 December 2009 are $7,295,000 (2008: $9,845,000) and $155,534,000 (2008: $182,708,000) respectively.

(ii) Employee share grants

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share grants at the date on which they are granted. Judgement is required in determining the most appropriate valuation model for the grants, depending on the terms and conditions of the grant. Management are also required to use judgement in determining the most appropriate inputs to the valuation model including expected life of the grant, volatility and dividend yield. The assumptions and model used are disclosed in Note 42.

(iii) Taxes on sale of properties

The Group is exposed to taxes in People's Republic of China (PRC) on its residences sales activities. The Group has not finalised its tax position with the relevant local tax authority. The Group recognises liabilities based on management's best estimates according to the understanding of the local tax practice and the likelihood of exposure to the local taxes.

The outcome could be different from the amounts that were initially recorded, and these differences will impact the consolidated income statement in the periods in which such tax is finalised with the local tax authority. As at 31 December 2009, the Group has recognised in other payables of $283,000 (2008: $245,000). In the event that approval is not obtained from the relevant tax authority for the tax treatment undertaken by the Group, the estimated exposure will be $4,000,000.

(iv) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiary companies. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

2.4 Foreign currency

(a) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the consolidated income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiary companies, which are recognised initially in other comprehensive income and accumulated under currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the consolidated income statement on disposal of the subsidiary company.

(b) Foreign currency translation

The results and financial position of foreign operations are translated into SGD using the following procedures:

- Assets and liabilities for each balance sheet presented are translated at the rate ruling at that balance sheet date; and
- Items of statement of comprehensive income are translated at average exchange rates for the year, which approximate the exchange rates at the dates of the transactions.

All resulting exchange differences are recognised to other comprehensive income.

On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the consolidated income statement as a component of gain or loss on disposal.

2.5 Subsidiary companies and principles of consolidation

(a) Subsidiary companies

A subsidiary company is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the Board of Directors.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less any impairment losses.

(b) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the balance sheet date. The financial statements of the subsidiary companies are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

Subsidiary companies are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Acquisitions of subsidiary companies are accounted for using the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. Adjustments to those fair values relating to previously held interest are treated as a revaluation and recognised in equity.

2.5 Subsidiary companies and principles of consolidation (continued)

(b) Principles of consolidation (continued)

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. The goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2.9 (a) below.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the consolidated income statement on the date of acquisition.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the acquired entity is reflected within equity as merger deficit.

Minority interests represent the portion of profit or loss and net assets in subsidiary companies not held by the Group. They are presented in the consolidated balance sheet within equity, separately from the parent shareholders' equity, and are separately disclosed in the consolidated income statement.

2.6 Associated companies

An associated company is an entity, not being a subsidiary company or a joint venture company, in which the Group has significant influence. This generally coincides with the Group having 20% or more of the voting power, or has representation on the Board of Directors.

The Group's investments in associated companies are accounted for using the equity method. Under the equity method, the investment in an associated company is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associated company. The Group's share of the profit or loss of the associated company is recognised in the consolidated income statement. Where there has been a change recognised directly in the equity of the associated company, the Group recognises its share of such changes. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associated company. The associated company is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company.

Goodwill relating to an associated company is included in the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the associated company's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associated company's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

The most recent available financial statements of the associated companies are used by the Group in applying the equity method. The reporting dates of the associated companies and the Group are identical and the associated companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associated companies are accounted for at cost less impairment losses.

2.7 Joint venture companies

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

The Group's investments in joint venture companies are accounted for using the equity method. Under the equity method, the investment in joint venture company is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint venture company. The Group's share of the profit or loss of the joint venture company is recognised in the consolidated income statement. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the joint venture company. The joint venture company is equity accounted for from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture company.

The most recent available financial statements of the joint venture companies are used by the Group in applying the equity method. The reporting dates of the joint venture companies and the Group are identical and the joint venture companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

In the Company's separate financial statements, interests in joint venture companies are accounted for at cost less impairment losses.

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses. The Group segregates land, land awaiting future development and buildings into two classes: leasehold and freehold. For leasehold land and buildings, the Group adopts the cost model and no revaluation will be carried out on these classes of assets. For freehold land, land awaiting future development and buildings, the Group adopts the revaluation model. Fair value is determined based on appraisal undertaken by professionally qualified valuers, using market-based evidence.

Revaluations are performed with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the balance sheet date.

When an asset is revalued, any increase in the carrying amount is credited to other comprehensive income and accumulated in equity under the property revaluation reserve. However, the increase is recognised in the consolidated income statement to the extent that it reverses a revaluation decrease of the same asset previously recognised in the consolidated income statement. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in the consolidated income statement. However, the decrease is debited to other comprehensive income and accumulated in equity under the property revaluation reserve to the extent of any credit balance existing in the reserve in respect of that asset.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the property revaluation reserve in respect of an asset is transferred directly to accumulated profits on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Construction-in-progress included in property, plant and equipment are not depreciated as these assets are not available for use. Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Freehold buildings	–	40 to 50 years
Leasehold buildings	–	10 to 50 years
Furniture, fittings and equipment	–	3 to 20 years
Computers	–	3 years
Motor vehicles	–	5 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

2.8 Property, plant and equipment (continued)

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated income statement in the year the asset is derecognised.

2.9 Intangible assets

(a) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is as allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on the Group's segment reporting format.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the consolidated income statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments which arose on acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.4.

Goodwill and fair value adjustments which arose on acquisitions of foreign operations before 1 January 2005 are deemed to be assets and liabilities of the Company and are recorded in SGD at the rates prevailing at the date of acquisition.

(b) Trademarks

The trademarks acquired are measured on initial recognition at cost. Following initial recognition, the trademarks are carried at cost less any accumulated impairment loss. The useful life of trademarks is estimated to be indefinite as management believes that there is no foreseeable limit to the period over which the trademarks are expected to generate net cash flows for the Group. As such, the trademarks are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful lives of the trademarks are reviewed annually to determine whether the useful life assessment continues to be supportable.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the consolidated income statement or treated as a revaluation decrease in other comprehensive income for assets carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the revaluation reserve for that same asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the consolidated income statement unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through the consolidated income statement is treated as a revaluation increase recognised in other comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.11 Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

(a) Financial assets at fair value through profit or loss

Derivative financial instruments are classified as financial assets at fair value through profit or loss. The accounting policy for derivative financial instruments is included in Note 2.28.

(b) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the consolidated income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Group and Company classify the following financial assets as loans and receivables:

- trade and other receivables, including amounts due from subsidiary, associated, joint venture companies and related parties; and
- cash and cash equivalents.

2.11 Financial assets (continued)

(c) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income and accumulated under fair value adjustment reserve in equity, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the consolidated income statement. The cumulative gain or loss previously recognised in equity is recognised in the consolidated income statement when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less any impairment losses.

The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant Exchange's quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market and where fair value cannot be reliably determined, they are measured at cost, less any impairment losses.

2.12 Long-term investments

Investment securities under long-term investments are classified as available-for-sale financial assets.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 Property development costs

Property development costs are stated at the lower of cost and net realisable value. Costs comprise cost of land, design fee, infrastructure and construction and related interest and are assigned by using specific identification. Included in the property development costs are completed properties which are held for sale in the ordinary course of business.

Net realisable value represents the estimated selling price less costs to be incurred in selling.

2.15 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

(a) Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the consolidated income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the consolidated income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.15 Impairment of financial assets (continued)

(b) Assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the consolidated income statement, is transferred from equity to the consolidated income statement. Reversals in respect of equity instruments classified as available-for-sale are not recognised in the consolidated income statement. Reversals of impairment losses on debt instruments are reversed through the consolidated income statement, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the consolidated income statement.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Food and beverage – cost of purchase on a first-in, first-out basis;
- Trading goods and supplies – cost of purchase on a weighted average basis; and
- Materials and others – cost of purchase on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Financial liabilities

Financial liabilities include trade payables, which are normally settled on 30 to 90 day terms, construction payables, other payables, amounts due to subsidiary, associated and related companies, interest-bearing loans and borrowings, redeemable preference shares and notes payable. Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

Please see Note 2.21 (b) for policy on derecognition of financial liabilities.

2.18 Segment reporting

For management reporting purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 48, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.19 Borrowing costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

2.20 Redeemable preference shares

The redeemable preference shares are non-convertible and are recognised as a liability in the balance sheet, net of issue costs. The corresponding dividends on those shares are charged as interest expense in the consolidated income statement. On issuance of the redeemable preference shares, the fair value is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a financial liability on the amortised cost basis until redemption.

2.21 Derecognition of financial assets and liabilities

(a) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The contractual rights to receive cash flows from the asset have expired;
- The Group retains the contractual rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that has been recognised directly in equity is recognised in the consolidated income statement.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the consolidated income statement when the liabilities are derecognised or impaired, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the consolidated income statement. Net gains or losses on derivatives include exchange differences.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated income statement.

2.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.23 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees are recognised initially at fair value. Subsequent to initial recognition, financial guarantees are recognised as income in the consolidated income statement over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the consolidated income statement.

2.24 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes and defined contribution plans are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the balance sheet date.

(c) Share-based payment

Performance share plan and restricted share plan

The Performance Share Plan ("PSP") and Restricted Share Plan ("RSP") are accounted using both equity-settled and cash-settled share-based payments.

The cost of these equity-settled transactions is measured at fair value at the date of grant. This cost is recognised in the consolidated income statement, with a corresponding increase in the share-based payment reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. At every balance sheet date, the Group revises its estimates of the number of PSP shares that are expected to vest on vesting date. Any revision of this estimate is included in the consolidated income statement and a corresponding adjustment to equity over the remaining vesting date. The charge or credit to the consolidated income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

The cost of cash-settled share-based payment transactions is measured initially at fair value at the grant date. This fair value is recognised in the consolidated income statement over the vesting period with recognition of a corresponding liability. At every balance sheet date, the Group revises its estimates of the number of RSP shares that are expected to vest by the vesting date. Any revision of this estimate is included in the consolidated income statement and a corresponding adjustment to liability over the remaining vesting period. Until the liability is settled, it is re-measured at each reporting date with change in fair value recognised in the consolidated income statement and a corresponding adjustment to liability for the period.

The share-based payment reserve is transferred to accumulated profits reserve upon expiry of the plan. Where shares are issued under the PSP, the share-based payment reserve is transferred to share capital if new shares are issued, or to treasury shares if the plan is satisfied by the reissuance of treasury shares.

No expense is recognised for shares under both PSP and RSP that do not ultimately vest, except where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2.25 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the consolidated income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the consolidated income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

2.26 Prepaid island rental and land use rights

Prepaid island rental and land use rights are initially measured at cost. Following initial recognition, prepaid island rental and land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The prepaid island rental and land use rights are amortised over the lease term as stipulated in the respective island rental and land use rights agreements.

2.27 Construction contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date, when the outcome of a construction contract can be estimated reliably. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred. An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The stage of completion is determined by reference to the proportion that actual costs incurred for work performed to date bear to the estimated total contract costs and surveys of work performed.

2.28 Derivative financial instruments

Derivative financial instruments are classified as financial assets or liabilities at fair value through profit or loss and are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at each balance sheet date.

Any gains or losses arising from changes in fair value on derivative financial instruments that do not qualify for hedge accounting are taken to the consolidated income statement.

2.29 Deferred income

Deferred income relates to the government grants that are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred income on the balance sheet and is amortised to the consolidated income statement over the expected useful life of the relevant asset by equal annual instalments.

2.30 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(a) Hotel investment

Revenue from hotel investment mainly comprises room rental, food and beverage sales and auxiliary activities, and represents the invoiced value of services rendered after deducting discounts. Revenue is recognised when the services are rendered.

(b) Hotel management

Revenue from hotel management is recognised as and when the relevant services are rendered.

(c) Spa operation

Revenue from operating spas is recognised as and when the relevant services are rendered.

(d) Gallery operation

Revenue is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer, and generally coincides with delivery and acceptance of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of goods.

(e) Property sales and hotel residences

Revenue from property sales and hotel residences is recognised when a legally binding contract is signed, using the percentage of completion method. The percentage of completion is arrived at based on actual costs incurred to date and the total anticipated construction costs, and estimations performed by independent engineers. Revenue recognition is discontinued when three consecutive instalments are overdue.

Revenue from entrance fees for club memberships is recognised when a legally binding contract is signed. Revenue from annual subscriptions for club memberships is recognised in the year that they are due.

(f) Project and design services

Revenue from the provision of project design and design services is recognised using the percentage of completion method. Under the percentage of completion method, contract revenue and expenses are recognised according to the stage of completion as certified by qualified professionals.

(g) Dividends

Dividend income is recognised in the consolidated income statement when the Group's right to receive payment is established.

(h) Interest

Interest income is recognised using the effective interest method.

2.31 Income taxes

(a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

(b) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of temporary differences associated with investments in subsidiary companies, associated companies and interests in joint venture companies, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside the consolidated income statement is recognised outside the consolidated income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.32 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.33 Treasury shares

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued pursuant to equity compensation plans, the cost of treasury shares is reversed from treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transactions costs, is recognised in equity.

2.34 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

3. Revenue

Revenue of the Group represents revenue from operation and management of hotels, management and operation of spas, gallery, hotel residence and property sales and provision of design services, management and ownership of golf course and rental outlets and offices after eliminating intercompany transactions. The amount of each significant category of revenue recognised during the year is as follows:

	GROUP	
	2009 $'000	**2008 $'000**
Hotel investment	**186,620**	205,111
Hotel management	**23,665**	15,246
Hotel residences	**23,098**	78,505
Spa operation	**26,934**	27,052
Gallery operation	**7,148**	10,787
Property sales	**25,216**	52,276
Design fees and others	**20,470**	23,635
Head office	**100**	–
	313,251	412,612

4. Other income

	GROUP	
	2009 $'000	**2008 $'000**
Compensation from contractors	**–**	67
Management and service fees	**257**	290
Course and academy fees	**502**	656
Gain on capital reduction of an associated company	**–**	3,052
Negative goodwill on acquisition of minority interests	**–**	424
Insurance claims	**1,225**	7,910
Gain on disposal of subsidiary companies	**–**	257
Procurement income	**–**	675
Amortisation of deferred income (Note 35)	**421**	546
Rental income	**421**	–
Others	**837**	1,432
	3,663	15,309

5. Salaries and related expenses

	GROUP	
	2009 $'000	2008 $'000
Salaries, wages and other related costs	**87,574**	110,579
Share-based payment expenses	**430**	638
Contributions to defined contribution plans	**3,037**	3,530
The above amounts include salaries and related expenses of directors	**91,041**	114,747

6. Other operating expenses

The following items have been included in arriving at other operating expenses:

	GROUP	
	2009 $'000	2008 $'000
Utilities and communication	**17,440**	17,761
Repair and maintenance	**8,587**	8,960
Printing and stationery	**2,393**	2,715
Travelling and transportation	**3,634**	5,653
Commission expenses	**4,509**	5,864
Laundry and valet	**2,338**	2,490
Guest expendable supplies	**3,002**	3,447

7. Profit from operations

Profit from operations is stated after charging/(crediting):

	GROUP	
	2009 $'000	2008 $'000
Non-audit fees paid to auditors of the Company	**9**	124
Allowance for doubtful debts – trade, net	**2,734**	3,985
(Write-back of)/allowance for inventory obsolescence	**62**	(134)
Write back of impairment loss in property, plant and equipment	**(972)**	(233)
Bad debts (written back)/written off – trade	**(94)**	62
Exchange loss	**686**	727
(Gain)/loss on foreign currency contracts	**(756)**	820
Loss on disposal of property, plant and equipment	**316**	741
Impairment loss in other investment (Note 21)	**–**	2,160
Hotel management fees paid to other hotel operators	**2,183**	2,932

8. Finance income

	GROUP	
	2009 $'000	2008 $'000
Interest received and receivable from:		
– banks	**1,464**	1,898
– related parties	**69**	56
– others	**1,832**	1,443
	3,365	3,397

The finance income of the Group is solely derived from loans and receivables.

9. Finance costs

	GROUP	
	2009 $'000	2008 $'000
Interest paid and payable to:		
– banks	**11,901**	11,738
– holders of redeemable preference shares	**1,087**	1,028
– holders of notes payable	**5,999**	5,187
– related parties	**–**	10
– others	**60**	133
	19,047	18,096

10. Income tax expense

Major components of income tax expense for the years ended 31 December 2009 and 2008 are:

	GROUP	
	2009 $'000	2008 $'000
Current tax expense		
Current taxation	**7,017**	10,613
Under provision in respect of prior years	**298**	2,071
	7,315	12,684
Deferred tax expense		
Origination and movement in temporary differences	**(215)**	8,421
Benefits previously not recognised	**(247)**	(57)
Expiry of recognised tax losses	**2,776**	–
Effect of reduction in tax rate	**(60)**	–
	2,254	8,364
Withholding tax expense		
Current year provision	**1,749**	2,758
(Over)/under provision in respect of prior years	**(4)**	185
	1,745	2,943
Income tax expense recognised in the consolidated income statement	**11,314**	23,991

A deferred tax credit of $29,717,000 (2008: $3,489,000) relating to the adjustment on property revaluation reserve was recognised in other comprehensive income.

Reconciliation of effective tax rate

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2009 and 2008 are as follows:

	GROUP	
	2009 $'000	2008 $'000
Accounting profit before taxation	**14,742**	42,338
Income tax using Singapore tax rate of 17% (2008: 18%)	**2,506**	7,621
Effect of different tax rates in other countries	**1,004**	2,418
Expenses not deductible for tax purposes	**6,021**	9,824
Tax exempt income	**(3,618)**	(1,964)
Effect of reduction in tax rate	**(60)**	–
Under provision in respect of prior years	**298**	2,071
Utilisation of previously unrecognised tax losses	**(247)**	(57)
Deferred tax assets not recognised	**830**	752
Withholding tax	**1,745**	2,943
Expiry of recognised tax losses	**2,776**	–
Others	**59**	383
Income tax expense recognised in the consolidated income statement	**11,314**	23,991

10. Income tax expense (continued)

The Group

Group services fees and management fee income derived from Indonesia and Thailand is subject to withholding tax at 15% (2008: 15%). The Group also incurred withholding tax on dividend income received from Thailand at 10% (2008: 10%).

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The corporate income tax rate applicable to Singapore companies of the Group was reduced to 17% for the year of assessment 2010 onward from 18% for year of assessment 2009. The corporate income tax rate applicable to a Malaysian company of the Group was reduced from 27% to 26% to 25% for the year of assessment 2008 and the year of assessment 2009 onwards respectively.

11. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit, net of tax, for the year that is attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit for the year, net of tax, that is attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit after taxation and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	GROUP	
	2009 $'000	2008 $'000
Profit, net of tax, attributable to ordinary equity holders of the Company used in computation of basic and diluted earnings per share	**3,005**	7,026
Weighted average number of ordinary shares for basic earnings per share computation	**758,445,437**	758,402,280
Effect of dilution:		
– Contingently issuable shares under Banyan Tree Performance Share Plan	**2,570,100**	1,748,372
Weighted average number of ordinary shares for diluted earnings per share computation	**761,015,537**	760,150,652

12. Property, plant and equipment

GROUP	Freehold land $'000	Freehold buildings $'000	Leasehold buildings $'000	Furniture, fittings and equipment $'000	Computers $'000	Motor vehicles $'000	Construc-tion-in-progress $'000	Total $'000
Cost or valuation :								
At 1 January 2008	410,040	392,934	86,900	248,256	7,213	8,473	15,875	1,169,691
Additions	1,135	9,871	12,972	8,839	3,293	1,914	30,102	68,126
Disposals	–	–	(944)	(1,245)	(323)	(253)	(180)	(2,945)
Transfer to land awaiting future development	(79)	–	–	–	–	–	(34)	(113)
Transfer to property development costs	(7,059)	(2,968)	–	(828)	–	–	–	(10,855)
Transfer in/(out)	–	(13,808)	1,863	25,621	(84)	296	(13,888)	–
Net exchange differences	(9,341)	(8,490)	2,945	(9,399)	(40)	(71)	(21)	(24,417)
At 31 December 2008 and 1 January 2009	394,696	377,539	103,736	271,244	10,059	10,359	31,854	1,199,487
Additions	–	1,270	20,804	7,661	1,327	18	14,494	45,574
Disposals	–	(282)	(13)	(429)	(399)	(93)	–	(1,216)
Revaluation deficit	–	(100,701)	–	(3,247)	–	–	–	(103,948)
Transfer to property development costs	(425)	(769)	–	(166)	–	–	–	(1,360)
Transfer in/(out)	–	10,330	15,698	9,249	369	–	(35,646)	–
Net exchange differences	(20)	(1,799)	(2,606)	(695)	(43)	(40)	(968)	(6,171)
At 31 December 2009	**394,251**	**285,588**	**137,619**	**283,617**	**11,313**	**10,244**	**9,734**	**1,132,366**
Accumulated depreciation and impairment losses:								
At 1 January 2008	–	33,668	14,723	136,402	3,897	4,374	–	193,064
Depreciation charge for the year	–	9,631	4,216	16,551	1,699	1,238	–	33,335
Disposals	–	–	(600)	(1,138)	(224)	(199)	–	(2,161)
Transfer to property development costs	–	–	–	(221)	–	–	–	(221)
Transfer in/(out)	–	(5,179)	(118)	5,326	(15)	(14)	–	–
Revaluation gain	–	(550)	–	–	–	–	–	(550)
Impairment loss	–	–	374	528	–	–	–	902
Net exchange differences	–	(1,205)	64	(3,380)	41	(60)	–	(4,540)
At 31 December 2008 and 1 January 2009	–	36,365	18,659	154,068	5,398	5,339	–	219,829
Depreciation charge for the year	–	8,077	5,433	19,127	2,205	691	–	35,533
Disposals	–	(3)	–	(333)	(272)	(80)	–	(688)
Transfer to property development costs	–	(41)	–	–	–	–	–	(41)
Revaluation deficit/(surplus)	–	4,603	–	(884)	–	–	–	3,719
(Write-back of impairment) /impairment loss	–	(816)	(176)	17	–	3	–	(972)
Net exchange differences	–	(66)	(482)	(1,383)	(32)	(15)	–	(1,978)
At 31 December 2009	**–**	**48,119**	**23,434**	**170,612**	**7,299**	**5,938**	**–**	**255,402**
Net carrying amount:								
At 31 December 2009	**394,251**	**237,469**	**114,185**	**113,005**	**4,014**	**4,306**	**9,734**	**876,964**
At 31 December 2008	394,696	341,174	85,077	117,176	4,661	5,020	31,854	979,658

12. Property, plant and equipment (continued)

The freehold land, freehold buildings and certain furniture, fittings and equipment of the Group are carried at valuation. The remaining items of property plant and equipment are carried at cost.

Freehold land and buildings in Singapore were revalued in October 2008 by an accredited independent property valuer, at open market value.

The hotel properties, which comprise of freehold buildings and furniture, fittings and equipment in the freehold properties in Thailand were appraised by a professional independent appraisal company report on 24 December 2009, using a fair value approach. The freehold land in Thailand was appraised by a professional independent appraisal company dated 27 November 2007 using the market value basis.

If the freehold land, freehold buildings and furniture, fittings and equipment in the freehold properties were measured using the cost model, the carrying amounts would be as follows:

	GROUP 2009 $'000	GROUP 2008 $'000
Freehold land at 31 December		
– Cost and net carrying amount	**94,274**	94,280
Freehold buildings at 31 December		
– Cost	**219,177**	209,995
– Accumulated depreciation	**(53,195)**	(48,406)
– Net carrying amount	**165,982**	161,589
Furniture, fittings and equipment at 31 December		
– Cost	**224,846**	214,574
– Accumulated depreciation	**(160,626)**	(148,827)
– Net carrying amount	**64,220**	65,747

As at 31 December 2009, certain properties with net book value amounting to $658,641,000 (2008: $663,311,000) were mortgaged to banks to secure credit facilities for the Group (Note 34).

The Group's freehold buildings and leasehold buildings include borrowing costs arising from bank loans borrowed specifically for the purpose of the construction of the buildings. During the financial year, the borrowing costs capitalised as freehold buildings and leasehold buildings amounted to $112,000 (2008: $9,000) and $289,000 (2008: $350,000) respectively.

12. Property, plant and equipment (continued)

	Furniture, fittings and equipment $'000	Computers $'000	Total $'000
COMPANY			
Cost:			
At 1 January 2008	13	117	130
Additions	–	3	3
At 31 December 2008 and 1 January 2009	13	120	133
Additions	–	25	25
At 31 December 2009	**13**	**145**	**158**
Accumulated depreciation:			
At 1 January 2008	6	101	107
Depreciation charge for the year	3	10	13
At 31 December 2008 and 1 January 2009	9	111	120
Depreciation charge for the year	2	11	13
At 31 December 2009	**11**	**122**	**133**
Net carrying amount:			
At 31 December 2009	**2**	**23**	**25**
At 31 December 2008	4	9	13

13. Land use rights

	GROUP	
	2009 $'000	2008 $'000
Cost:		
At 1 January	**22,567**	6,364
Additions	**–**	15,771
Net exchange differences	**(760)**	432
At 31 December	**21,807**	22,567
Accumulated amortisation and impairment losses:		
At 1 January	**784**	220
Amortisation for the year	**547**	585
Impairment loss	**27**	–
Net exchange differences	**(35)**	(21)
At 31 December	**1,323**	784
Net carrying amount	**20,484**	21,783
Amount to be amortised:		
– Within 1 year	**569**	605
– Between 2 to 5 years	**2,276**	2,420
– After 5 years	**17,639**	18,758

The Group has land use rights over the following plots of land:

	Tenure	
	2009	2008
Location		
People's Republic of China		
Banyan Tree Lijiang	**35 years**	36 years
Banyan Tree Ringha	**34 years**	35 years
Zhongdian Jiantang Hotel	**39 years**	40 years

14. Land awaiting future development

	GROUP	
	2009 $'000	2008 $'000
Location		
Thailand		
Mae Hong Sorn	**554**	554
Chiang Rai	**2,811**	2,811
Phuket	**29,230**	29,300
Chiang Mai	**1,400**	1,400
	33,995	34,065

Land awaiting future development in Mae Hong Sorn, Chiang Rai and Phuket province was revalued on a "Fair Market Value" basis by a professional independent appraisal company on 27 November 2007. The land awaiting future development are freehold and are not subject to depreciation.

15. Subsidiary companies

	GROUP	
	2009 $'000	2008 $'000
Unquoted shares, at cost	**47,594**	39,518
Quoted shares, at cost	**72,263**	72,263
Impairment losses	**(1,565)**	(1,565)
	118,292	110,216
Capital contribution through issue of ordinary shares to employees of subsidiary companies at no consideration under FRS 102 Share-based Payment	**5,863**	5,863
Loans and receivables		
Loans to subsidiary companies	**260,571**	264,147
	384,726	380,226
Market value of quoted shares	**198,894**	99,627

Loans to subsidiary companies are unsecured, interest-free, with no fixed terms of repayment, and the Company will not demand repayment within the next twelve months.

At the balance sheet date, the Company has provided for an allowance of $1,697,000 (2008: $399,000) for impairment of the loans due from its subsidiary companies with a nominal amount of $19,155,000 (2008: $8,093,000). These subsidiary companies have been suffering significant financial losses. The allowance account for the financial year ended 31 December 2009 is $7,496,000 (2008: $5,799,000).

Details of the subsidiary companies at the end of the financial year are as follows:

	Name of subsidiary company	Principal activities	Place of incorporation	Cost of investment 2009 $'000	Cost of investment 2008 $'000	Effective equity held by the Group 2009 %	Effective equity held by the Group 2008 %
(i)	**Held by the Company**						
1	Banyan Tree Hotels & Resorts Pte. Ltd.	Providing resort, spa, project and golf management services	Singapore	**5,466**	5,466	**100**	100
1	Banyan Tree Properties Pte. Ltd.	Property holding	Singapore	**10,673**	10,673	**100**	100
1	Banyan Tree Spas Pte. Ltd.	Operating spas	Singapore	**	**	**100**	100
1	Banyan Tree Adventures Pte. Ltd.	Providing travel agency services	Singapore	**736**	736	**100**	100
1	Banyan Tree Jiuzhaigou (S) Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
1	Banyan Tree Chengdu Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
1	Banyan Tree China Holdings Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
1	Banyan Tree Capital Pte. Ltd.	Business management and consultancy services	Singapore	**	**	**100**	100
1	Integrated Resort Management Co Pte. Ltd.	Integrated resorts facilities management services	Singapore	**	**	**100**	100
1	Banyan Tree Architrave Services Pte. Ltd.	Carrying on business as architect, planner, designer and consultant in connection with the development of hotels, resorts and other facilities	Singapore	**	**	**100**	100

15. Subsidiary companies (continued)

	Name of subsidiary company	Principal activities	Place of incorporation	Cost of investment 2009 $'000	Cost of investment 2008 $'000	Effective equity held by the Group 2009 %	Effective equity held by the Group 2008 %
(i)	**Held by the Company** (continued)						
1	Banyan Tree Indochina Holdings Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
1	Banyan Tree Indochina Management (Singapore) Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
2	Laguna Resorts & Hotels Public Company Limited	Hotel and property development business	Thailand	**71,619**	71,619	**65.75**	65.75
2	Banyan Tree Resorts & Spas (Thailand) Company Limited	Providing spa services	Thailand	**6,446**	6,446	**100**	100
2	Tibet Lhasa Banyan Tree Resorts Limited	Construction and management of hotels and spas	China	**5,097**	5,097	**100**	100
2	Banyan Tree Investment Holdings (HK) Limited	Investment holding	Hong Kong	**	**	**100**	100
2	Vabbinvest Maldives Pvt Ltd	Operating holiday resorts	Maldives	**4,163**	4,163	**100**	100
2	Maldives Bay Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	**12,063**	6,561	**77.45**	77.45
2	Maldives Cape Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	**	**	**100**	100
2	Maldives Sun Pvt Ltd	Property investment	Maldives	**	**	**100**	100
2	Maldives Sand Pvt Ltd	Property investment	Maldives	**	**	**100**	100
2	Maldives Shore Pvt Ltd	Property investment	Maldives	**	**	**100**	100
2	Banyan Tree Resorts & Spas (Morocco) S.A.	Providing management, operation services and ancillary services related to the hospitality industry	Morocco	**2,649**	54	**100**	100
4	Beruwela Walk Inn PLC	Operating hotel resorts	Sri Lanka	**645**	645	**79.85**	79.85
11	Maypole New Zealand Limited	Rental of apartments	New Zealand	**–**	21	**–**	100
11, 12	Integrated Investments Limited	Investment holding	New Zealand	**	–	**100**	–
2	PT. Heritage Resorts & Spas	Tourism management consultancy services	Indonesia	**300**	300	**100**	100
				119,857	111,781		
(ii)	**Held through subsidiary companies**						
1	Architrave Design & Project Services Pte Ltd	Providing consultancy services	Singapore			**100**	100
1	Hotelspa Pte. Ltd.	Investment holding	Singapore			**100**	100
1	Banyan Tree Gallery (Singapore) Pte Ltd	Sale of merchandise	Singapore			**82.53**	82.53
1	Banyan Tree Dunhuang (S) Pte. Ltd.	Investment holding	Singapore			**100**	100
1	Banyan Tree Yangshuo (S) Pte. Ltd.	Investment holding	Singapore			**100**	100
1	Sanctuary Lhasa (S) Pte. Ltd.	Investment holding	Singapore			**100**	100
1	Sanctuary Lijiang (S) Pte. Ltd.	Investment holding	Singapore			**100**	100
1	Sanctuary Jiwa Renga (S) Pte. Ltd.	Investment holding	Singapore			**100**	100
2	TWR – Holdings Limited	Investment holding and property development	Thailand			**65.75**	65.75

15. Subsidiary companies (continued)

	Name of subsidiary company	Principal activities	Place of incorporation	Effective equity held by the Group 2009 %	2008 %
	(ii) Held through subsidiary companies (continued)				
2	Laguna Holiday Club Limited	Holiday club membership and property development	Thailand	**65.75**	65.75
2	Laguna (3) Limited	Property development	Thailand	**65.75**	65.75
2	Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	**82.53**	82.53
2	Pai Samart Development Company Limited	Property development	Thailand	**65.75**	65.75
2	Mae Chan Property Company Limited	Property development	Thailand	**65.75**	65.75
2	Phuket Resort Development Limited	Property development	Thailand	**65.75**	65.75
2	Laguna Grande Limited	Operating a golf club and property development	Thailand	**65.75**	65.75
2	Laguna Banyan Tree Limited	Hotel operations and property development	Thailand	**65.75**	65.75
3, 9	Laguna Beach Club Limited	Hotel operations	Thailand	**39.45**	39.45
3, 9	Laguna (1) Limited	Property development	Thailand	**39.45**	39.45
2, 9	Talang Development Company Limited	Property development	Thailand	**32.88**	32.88
2	Twin Waters Development Company Limited	Property development	Thailand	**65.75**	65.75
2	Bangtao (1) Limited	Property development	Thailand	**65.75**	65.75
2	Bangtao (2) Limited	Property development	Thailand	**65.75**	65.75
2	Bangtao (3) Limited	Property development	Thailand	**65.75**	65.75
2	Bangtao (4) Limited	Property development	Thailand	**65.75**	65.75
2	Bangtao Development Limited	Property development	Thailand	**65.75**	65.75
2	Bangtao Grande Limited	Hotel operations	Thailand	**65.75**	65.75
2	Laguna Central Limited	Dormant	Thailand	**55.82**	55.82
2	Laguna Service Company Limited	Providing utilities and other services to hotels of LRH and its subsidiaries	Thailand	**58.62**	58.62
2	Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	**65.75**	65.75
2	Thai Wah Tower Company Limited	Lease of office building space	Thailand	**65.75**	65.75
2	Thai Wah Tower (2) Company Limited	Property development	Thailand	**65.75**	65.75
2, 9	Laguna Excursion Limited	Travel operations	Thailand	**32.22**	32.22
2	Laguna Lakes Limited	Property development	Thailand	**62.46**	62.46
2	Laguna Village Limited	Hotel operations	Thailand	**65.75**	–
2	Wanyue Leisure Health (Shanghai) Co., Ltd	Operating of spas	China	**100**	100
2	Zhongdian Jiantang Hotel Limited	Hotel services	China	**80**	80
2	Jiwa Renga Resorts Limited	Hotel construction and operation	China	**96**	96
2	Banyan Tree Hotels Management (Beijing) Co., Ltd	Providing operation and management services for property, spas and food and beverage, and consulting services for hotel design and tourism information	China	**100**	100

15. Subsidiary companies (continued)

	Name of subsidiary company	Principal activities	Place of incorporation	Effective equity held by the Group 2009 %	2008 %
	(ii) Held through subsidiary companies (continued)				
2	Lijiang Banyan Tree Property Service Company Limited	Hotel management	China	**87.04**	87.04
2	Yangshuo Banyan Tree Hotel Company Limited	Develop, own and operate hotels and resorts in China	China	**100**	100
2	Lijiang Banyan Tree Hotel Co., Ltd	Hotel construction and operation	China	**83.20**	83.20
2	Dunhuang Banyan Tree Hotels Company Limited	Develop, own and operate hotels and resorts in China	China	**100**	100
2	Banyan Tree Lijiang International Travel Service Co., Ltd	Provide travel agency services	China	**83.20**	83.20
2	Lijiang Banyan Tree Gallery Trading Company Limited	Trading and retailing of consumer goods in resorts	China	**82.53**	82.53
2	Banyan Tree Resorts Limited	Providing resort management services	Hong Kong	**100**	100
2	Banyan Tree Spa (HK) Limited	Providing spa management services	Hong Kong	**100**	100
5	Cheer Golden Limited	Investment holding	Hong Kong	**65.75**	65.75
2	Triumph International Holdings Limited	Investment holding	Hong Kong	**80**	80
10	Sanctuary Lijiang (Cayman) Limited	Investment holding	Cayman Islands	**100**	100
10	Sanctuary Lhasa (Cayman) Limited	Investment holding	Cayman Islands	**100**	100
10	Sanctuary Jiwa Renga (Cayman) Limited	Investment holding	Cayman Islands	**100**	100
10	Sanctuary Gyalthang Dzong (Cayman) Limited	Investment holding	Cayman Islands	**100**	100
10	Sanctuary Dunhuang (Cayman) Limited	Investment holding	Cayman Islands	**100**	100
10	Sanctuary Yangshuo (Cayman) Limited	Investment holding	Cayman Islands	**100**	100
1	Banyan Tree Indochina (GP) Company Limited	Manage and operate the Banyan Tree Indochina Hospitality Fund, L.P.	Cayman Islands	**100**	100
10	Jayanne International Limited	Investment holding	British Virgin Islands	**100**	100
10	Club Management Limited	Providing resort & hotel management and operation services and ancillary services relating to the hospitality industry	British Virgin Islands	**100**	100
2	PT. AVC Indonesia	Holiday club membership	Indonesia	**65.75**	65.75
2	PT. Management Banyan Tree Resorts & Spas	Providing consultation and management services of the international hotels marketing	Indonesia	**100**	100
10	Banyan Tree MX S.A. De C.V.	Providing business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	**100**	100
10	Banyan Tree Servicios S.A. De C.V.	Providing business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	**100**	100

15. Subsidiary companies (continued)

	Name of subsidiary company	Principal activities	Place of incorporation	Effective equity held by the Group 2009 %	2008 %
(ii)	**Held through subsidiary companies** (continued)				
2	Banyan Tree Guam Limited	Providing spa and other associated services	Guam	**100**	100
2	Banyan Tree Spas Sdn. Bhd.	Operating of spas	Malaysia	**100**	100
10	Banyan Tree Japan Yugen Kaisha	Operating of spas	Japan	**100**	100
2	Heritage Spas Egypt LLC	Operating and investing in resorts, spas and retail outlets	Egypt	**100**	100
2	Banyan Tree (Private) Limited	Operating of spas	Sri Lanka	**100**	100
7	Heritage Spas South Africa (Pty) Ltd	Operating and investing in resorts, spas and retail outlets	South Africa	**100**	100
2	Heritage Spas Dubai LLC	Operating of spas	Dubai	**100**	100
2	Maldives Angsana Pvt Ltd	Operating holiday resorts	Maldives	**100**	100
6	Keelbay Pty Ltd	Operating of spas	Australia	**100**	100
8	Jayanne (Seychelles) Limited	To own, buy, sell, take on lease, develop or otherwise deal in immovable property	Seychelles	**100**	100
2	Banyan Tree Resorts (UK) Ltd	Providing marketing services	United Kingdom	**100**	100
10	Banyan Tree Hotels & Resorts USA, Inc	Providing marketing services	United States of America	**100**	100
2	BT Investments Holdings Phils. Inc.	Investment holding	Philippines	**97.85**	97.85
10, 12	Sanctuary Anhui (Cayman) Limited	Investment holding	Cayman Islands	**100**	–
1, 12	Banyan Tree Anhui (S) Pte. Ltd.	Investment holding	Singapore	**100**	–
1, 12	Banyan Tree Indochina Pte. Ltd. (formerly known as Banyan Tree Resort Management Development Pte. Ltd.)	Business management and consultancy services	Singapore	**100**	–
2	LVCL (Thailand) Co., Ltd	Providing project development services	Thailand	**100**	–
2, 12	Banyan Tree Hotels (Cyprus) Ltd	Providing management consultancy and hotel design services	Cyprus	**100**	–
2, 12	Green Transportation SARL AU	Providing tourist transportation activities	Morocco	**100**	–
11	Maypole New Zealand Limited	Rental of apartments	New Zealand	**100**	–

1 Audited by Ernst & Young LLP, Singapore.
2 Audited by member firms of Ernst & Young Global in the respective countries.
3 Audited by KPMG, Thailand.
4 Audited by Tudor V.P. & Co.
5 Audited by RSM Nelson Wheeler.
6 Audited by KPMG, Cairns.
7 Audited by Grant Thornton, South Africa.
8 Audited by BDO Seychelles (formerly known as AJ Shah & Associates, Seychelles).
9 As at 31 December 2009, these companies are subsidiary companies of LRH which in turn is a subsidiary company of the Group. The Directors of the Group are of the view that these companies should be consolidated as subsidiaries in the consolidated financial statements as the Group as control over them through LRH.
10 Not required to be audited under the laws of country of incorporation.
11 Audited by KPMG, New Zealand.
12 Incorporated during the year.
** Cost of investment is less than $1,000.

16. Associated companies

	GROUP 2009 $'000	GROUP 2008 $'000	COMPANY 2009 $'000	COMPANY 2008 $'000
Unquoted equity shares, at cost	**763**	9,513	**889**	889
Share of post-acquisition reserves	**5,836**	5,045	**–**	–
Impairment loss	**(600)**	(608)	**–**	–
Net exchange differences	**(304)**	(228)	**–**	–
Loans and receivables				
Loan to associated company	**18,119**	20,095	**18,119**	18,648
	23,814	33,817	**19,008**	19,537

The loan to associated company is unsecured, interest-free and with no fixed terms of repayment. The loan is not expected to be repaid within the next twelve months.

The details of the associated companies at the end of the financial year are as follows:

	Name of associated company	Principal activities	Place of incorporation	Effective equity held by the Group 2009 %	2008 %
	Held by the Company				
1	Banyan Tree Seychelles Holdings Limited	Investment holding	British Virgin Islands	**30**	30
	Held through an associated company				
2	Banyan Tree Resorts (Seychelles) Limited	Resort development	Seychelles	**30**	30
2	Ocean Estate (Seychelles) Limited	Development of residences for sale	Seychelles	**30**	–
	Held through subsidiary companies				
3	Lotes 3 Servicios S.A. De C.V.	Providing business management and services	Mexico	**20**	20
1	Tropical Resorts Limited	Resort investment and development	Hong Kong	**17**	17
4	Mayakoba Thai S.A. De C.V.	Resort development	Mexico	**–**	20

1 Audited by Ernst & Young LLP, Singapore.
2 Audited by BDO Seychelles (formerly known as AJ Shah & Associates, Seychelles).
3 Audited by Deloitte Touche Tomatsu, Mexico.
4 Following a Rights Issue by Mayakoba Thai S.A. De C.V. ("Mayakoba") during the year, the Group's shareholding in Mayakoba was reduced to less than 20% and the investment was reclassified to long-term investments.

The Group has not recognised its share of losses and deficit in the currency translation reserve relating to Tropical Resorts Limited where its share of deficit in equity has exceeded the Group's interest in this associated company. At the balance sheet date, the Group's cumulative share of unrecognised losses and currency translation deficit were $780,000 (2008: nil) and $210,000 (2008: nil) respectively.

The Group has no obligation in respect of these losses.

16. Associated companies (continued)

The summarised financial information of associated companies, not adjusted for the proportion of ownership interests held by the Group, is as follows:

	2009 $'000	2008 $'000
Assets and liabilities:		
Current assets	**35,493**	40,461
Non-current assets	**113,278**	209,327
Total assets	**148,771**	249,788
Current liabilities	**(37,133)**	(51,625)
Non-current liabilities	**(106,999)**	(167,625)
Total liabilities	**(144,132)**	(219,250)
Results:		
Revenue	**50,394**	54,249
(Loss)/profit for the year	**(1,988)**	4,238

The Group's share of the capital commitments and contingent liabilities of the associated companies is Nil (2008: Nil).

17. Joint venture companies

	GROUP		COMPANY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Shares at cost	**6,000**	6,000	**6,000**	6,000
Share of post-acquisition reserves	**(2,085)**	(2,087)	**–**	–
Net exchange differences	**(816)**	(709)	**–**	–
Loans and receivables				
Loan to a joint venture company	**323**	332	**323**	332
	3,422	3,536	**6,323**	6,332

The loan to a joint venture company is unsecured and interest-free, with no fixed terms of repayment. The Company will not demand repayment within the next twelve months.

The details of the joint venture companies at the end of the financial year are as follows:

Name of joint venture company	Principal activities	Place of incorporation	Effective equity held by the Group 2009 %	2008 %
Held by the Company				
1 Seychelles Tropical Resorts Holdings Limited and its subsidiary company	Investment holding	British Virgin Islands	**50**	50
Held through a joint venture company				
2 Seytropical Resorts Limited	Resort development	Seychelles	**50**	50

1 Audited by Ernst & Young LLP, Singapore.
2 Audited by BDO Seychelles (formerly known as AJ Shah & Associates, Seychelles).

17. Joint venture companies (continued)

The summarised financial information of joint venture companies, not adjusted for the proportion of ownership interests held by the Group, is as follows:

	2009 $'000	2008 $'000
Assets and liabilities:		
Current assets	**–**	207
Non-current assets	**8,006**	7,987
Total assets	**8,006**	8,194
Current liabilities	**(48)**	(7)
Non-current liabilities	**(646)**	(665)
Total liabilities	**(694)**	(672)
Results:		
Revenue	**17**	15
Profit/(loss) for the year	**3**	(10)

The Group's share of the capital commitments and contingent liabilities of the joint venture companies is Nil (2008: Nil).

18. Prepaid island rental

	GROUP	
	2009 $'000	2008 $'000
At 1 January	**27,140**	29,153
Net exchange differences	**(720)**	(145)
Payment of island rental during the year	**2,261**	2,236
	28,681	31,244
Less: Amount charged to expenses during the year	**(3,828)**	(4,104)
At 31 December	**24,853**	27,140
Amount chargeable within 1 year (Note 25)	**2,250**	3,798
Amount chargeable after 1 year	**22,603**	23,342
	24,853	27,140

The above amounts were paid to the owners of the Vabbinfaru Island, Ihuru Island, Velavaru Island and Madivaru Island as operating lease rentals.

The lease periods are as follows:

Island	Lease period
Maldives	
Vabbinfaru Island	1 May 1993 – 31 Oct 2019
Ihuru Island	16 Oct 2000 – 15 Oct 2015
Velavaru Island	24 Jul 2005 – 25 Aug 2032
Madivaru Island	5 May 2006 – 17 Aug 2022

19. Long-term trade receivables

	GROUP 2009 $'000	GROUP 2008 $'000
Loans and receivables		
Long-term trade receivables are repayable as follows:		
Within 12 months (Note 24)	**12,250**	14,456
Between 2 to 5 years	**32,421**	34,344
After 5 years	**16,871**	17,836
	49,292	52,180

Long-term trade receivables consist of:

(i) Receivables from property sales bear interest at a rate of 5% per annum (2008: 5%) over the Singapore Inter Bank Offered Rate ("SIBOR"). The loan periods vary from 5 to 15 years.

(ii) Receivables from property sales bear interest at rates ranging from 7.5% to 12% per annum (2008: 7.5% to 12%) and are repayable over an instalment period of 2 to 5 years.

(iii) The Group has purchased certain properties on behalf of a third party who is in the business of selling club memberships. A subsidiary company of the Group acts as the manager of these properties on behalf of the third party. In the prior year, properties amounting to $13,070,000 were sold, representing the principal amount that is repayable to the Group. No properties were sold in the current year. The receivable bears an interest rate of 6% per annum (2008: 6%) and are repayable over 13.5 to 15 years, commencing from 2008.

20. Intangible assets

	GROUP Goodwill $'000	GROUP Trademarks $'000	GROUP Total $'000
Cost:			
At 1 January 2008, 31 December 2008, 1 January 2009 and 31 December 2009	2,852	24,300	27,152
Accumulated amortisation and impairment losses:			
At 1 January 2008, 31 December 2008, 1 January 2009 and 31 December 2009	(249)	–	(249)
Net carrying amount:			
At 31 December 2008 and 31 December 2009	2,603	24,300	26,903

Impairment testing of goodwill

Goodwill acquired through business combination was related to Thai Wah Plaza Limited, which has been identified as the single cash generating unit ("CGU").

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below.

20. Intangible assets (continued)

Key assumptions used for value-in-use calculations:

	Thai Wah Plaza Limited 2009	Thai Wah Plaza Limited 2008
Growth rate	**0%**	0%
Discount rate	**7.40%**	9.09%

The above assumptions have been used for analysis of the CGU. Management determined the budgeted growth rate based on past performance and its expectation for market development. The discount rate reflect weighted average cost of capital rate used and is consistent with forecasts used in industry reports. The discount rates used reflect the specific risks relating to the relevant company.

Impairment testing of trademarks

Trademarks have been allocated to individual cash-generating units, which are the Group's reportable operating segments, for impairment testing as follows:

- Hotel management segment;
- Spa operation segment;
- Gallery operation segment; and
- Property sales segment.

Carrying amounts of trademarks are allocated to each of the Group's cash-generating units based on a valuation performed by a professional and independent valuer using the projected discounted cashflows on future royalties from each of the reportable operating segments. The allocated amounts to each cash-generating unit are as follows:

	Hotel Management Segment		Spa Operation Segment		Gallery Operation Segment		Property Sales Segment		Total	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Carrying amount of trademarks	**20,504**	20,504	**2,776**	2,776	**390**	390	**630**	630	**24,300**	24,300

The recoverable amount for all the individual reportable operating segments is determined based on a value in use calculation using cash flow projections based on financial budgets approved by management covering a five-year period.

The discount rate applied to the cash flow projections of each reportable operating segment is 9.47% (2008: 10.1%). The growth rate used to extrapolate the cash flows of each business segment beyond the five-year period is 4% (2008: 0%). Management determined the budgeted growth rate based on past performance and its expectation for market development. The discount rate, which reflect weighted average cost of capital rate used is consistent with forecasts used in industry reports. The discount rates reflect specific risks relating to the relevant companies.

The following describes each key assumptions on which management has based its cash flow projections to undertake impairment testing of trademarks:

- Budgeted hotel occupancy rates – the basis used to determine the budgeted hotel occupancy rates is the average hotel occupancy rates achieved in the previous years, adjusted for the forecast growth rate.
- Budgeted hotel room rates – the basis used to determine the budgeted hotel room rates is the average room rates achieved in the previous years, adjusted for the forecast growth rate.

21. Long-term investments

	GROUP	
	2009 $'000	2008 $'000
Quoted investments		
Equity shares, at fair value	**4**	2
Unquoted investments		
Equity shares, at cost	**27,253**	16,837
Less: Impairment in value of unquoted investments	**(64)**	(64)
Total unquoted investments	**27,189**	16,773
Total available-for-sale financial assets	**27,193**	16,775

Unquoted shares stated at cost have no market price and the fair value cannot be measured reliably using valuation techniques.

In the prior year, the Group recognised an impairment loss of $2,160,000 pertaining to quoted equity instruments carried at fair value, reflecting the write-down in the fair value of this quoted investment in a Thailand company that was placed under receivership. There is no such impairment loss recognised this year.

22. Other receivables – non current

	GROUP	
	2009 $'000	2008 $'000
Loans and receivables		
Deposits	**8,969**	3,917
Loans to third parties	**8,439**	3,444
	17,408	7,361

Included in the loans made to third parties is an interest-free loan, amounting to $3,346,000 (2008: 3,444,000), which is secured by the share of assets and shareholder advances of the third party in an unquoted company.

The loans to third parties have no fixed terms of repayment and are not expected to be repaid within the next twelve months.

23. Inventories

	GROUP	
	2009 $'000	2008 $'000
Food and beverage, at cost	**2,589**	2,406
Trading goods and supplies, at net realisable value	**5,901**	7,319
Materials, at cost	**3,674**	3,684
Others	**83**	–
	12,247	13,409

24. Trade receivables

	GROUP	
	2009 $'000	2008 $'000
Loans and receivables		
Trade receivables	**53,903**	58,785
Current portion of long-term trade receivables (Note 19)	**12,250**	14,456
	66,153	73,241
Less: Allowance for doubtful debts	**(9,235)**	(6,646)
	56,918	66,595

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Group has trade receivables amounting to $34,877,000 (2008: $30,509,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their ageing at the balance sheet date is as follows:

	GROUP	
	2009 $'000	2008 $'000
Trade receivables past due:		
Less than 30 days	**13,069**	13,082
30 to 60 days	**3,491**	3,366
60 to 90 days	**1,370**	3,568
More than 90 days	**16,947**	10,493
	34,877	30,509
Neither past due nor impaired	**22,041**	36,086
	56,918	66,595

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	GROUP	
	2009 $'000	2008 $'000
Trade receivables – nominal amounts	**9,235**	6,646
Less: Allowance for doubtful debts	**(9,235)**	(6,646)
	–	–
Movement in allowance accounts:		
At 1 January	**6,646**	2,967
Charge for the year	**3,059**	4,070
Reversal of allowance	**(441)**	(85)
Utilisation	**(15)**	(201)
Exchange differences	**(14)**	(105)
At 31 December	**9,235**	6,646

It is the Group's policy not to provide for general allowance in respect of doubtful debts and allowance is only made for debts that have been determined as uncollectible in accordance to Note 2.15 (a).

24. Trade receivables (continued)

Trade receivables that are individually determined to be impaired at the balance sheet date relates to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

25. Prepayments and other non-financial assets – current

	GROUP		COMPANY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Prepayments	**5,141**	6,447	**33**	36
Prepaid island rental – current portion (Note 18)	**2,250**	3,798	**–**	–
Advances to suppliers	**2,750**	6,499	**–**	–
Others	**1,592**	4,544	**18**	82
	11,733	21,288	**51**	118

26. Other receivables – current

	GROUP		COMPANY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Loans and receivables				
Deposits	**5,916**	11,396	**178**	623
Interest receivable	**80**	184	**4**	–
Staff advances	**1,326**	1,768	**–**	–
Goods and services tax/ value-added tax receivable	**2,118**	2,009	**–**	–
Insurance recoverable	**30**	4,595	**–**	–
Tax recoverable	**–**	164	**–**	164
Other recoverable expenses	**593**	936	**1,254**	1,045
Other receivables	**5,169**	5,093	**–**	–
	15,232	26,145	**1,436**	1,832
Fair value through profit and loss				
Forward currency contracts receivable	**1,078**	2,434	**–**	–
	16,310	28,579	**1,436**	1,832

27. Amounts due from/(to) subsidiary companies

	GROUP	
	2009 $'000	2008 $'000
Loans and receivables		
Amounts due from subsidiary companies		
– non-trade	**8,574**	6,723
Financial liabilities at amortised cost		
Amounts due to subsidiary companies		
– non-trade	**(45,495)**	(30,427)

The amounts due from/(to) subsidiary companies are unsecured and interest-free, with no fixed terms of repayment.

At the balance sheet date, the Company has provided for an allowance of $276,000 (2008: $1,709,000) for impairment of the amounts due from its subsidiary companies with a nominal amount of $3,530,000 (2008: $3,227,000). The subsidiary companies have been suffering significant financial losses. The allowance account for the financial year ended 31 December 2009 is $3,385,000 (2008: $3,109,000).

28. Amounts due from/(to) associated companies

	GROUP		COMPANY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Loans and receivables				
Amounts due from associated companies				
– trade	**1,374**	1,391	**8**	–
– non-trade	**–**	256	**–**	–
	1,374	1,647	**8**	–
Financial liabilities at amortised cost				
Amounts due to associated companies				
– trade	**(5)**	(5)	**–**	–
– non-trade	**(367)**	(67)	**–**	–
	(372)	(72)	**–**	–

The amounts due from/(to) associated companies are unsecured and interest-free, with no fixed terms of repayment.

29. Amounts due from/(to) related parties

	GROUP		COMPANY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Loans and receivables				
Amounts due from related parties				
– trade	**5,295**	3,926	**–**	–
– non-trade	**4,784**	2,695	**250**	201
	10,079	6,621	**250**	201
Financial liabilities at amortised cost				
Amounts due to related parties				
– trade	**(496)**	(861)	**–**	–
– non-trade	**(317)**	(666)	**(282)**	(580)
	(813)	(1,527)	**(282)**	(580)

The amounts due from/(to) related parties are unsecured and interest-free, with no fixed terms of repayment.

30. Property development costs

	GROUP	
	2009 $'000	2008 $'000
Properties under development		
Cost incurred to date	**112,309**	141,403
Less: Allowance for foreseeable losses	**(3,840)**	(3,839)
	108,469	137,564
Attributable profit	**127,830**	139,280
Less: Progress billings	**(206,995)**	(233,923)
	29,304	42,921
Properties held for sale	**40,461**	15,470
	69,765	58,391

There were no retention monies due from customers as at 31 December 2009 and 31 December 2008.

During the financial year, borrowing costs of $12,000 (2008: $88,000) arising from borrowings obtained specifically for the development property were capitalised under properties under development.

30. Property development costs (continued)

Details of the properties are as follows:

Description	Location of property	Estimated completion %	Existing use of property	Gross floor area (Sq meter)	Estimated completion date	Effective equity held by the Group %
Banyan Tree Bangkok Residences	Bangkok, Thailand	100	Held for sale	4,124	Completed	65.75
Banyan Tree Double Pool Villas Phase 2 (Zone A)	Phuket, Thailand	100	Held for sale	5,062	Completed	65.75
Laguna Townhomes Phase 3	Phuket, Thailand	100	Held for sale	4,417	Completed	65.75
Laguna Townhomes Phase 4a	Phuket, Thailand	100	Held for sale	8,188	Completed	65.75
Laguna Townhomes Phase 5	Phuket, Thailand	12	Under construction	11,076	September 2010	65.75
Laguna Townhomes Phase 6	Phuket, Thailand	85	Under construction	11,293	May 2010	65.75
Banyan Tree Phuket Residences two bedroom Phase 3	Phuket, Thailand	100	Completed	8,359	Completed	65.75
Laguna Village Villas	Phuket, Thailand	100	Held for sale	480	Completed	65.75
Loft Club House	Phuket, Thailand	1	Under construction	2,539	June 2011	65.75
Loft Building 1	Phuket, Thailand	3	Under construction	8,516	May 2011	65.75
Banyan Tree Lijiang Phase 1 extension	Lijiang, China	100	Held for sale	3,134	Completed	83.20
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	5,600	Completed	100
Kyoto Apartment	Kyoto, Japan	100	Held for sale	121	Completed	100

31. Cash and cash equivalents

	GROUP		COMPANY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Loans and receivables				
Cash on hand and at bank	**63,444**	51,048	**2,502**	1,111
Fixed deposit, unsecured	**12,808**	2,664	**5,362**	901
	76,252	53,712	**7,864**	2,012
Significant foreign currency denominated balances				
US Dollars	**12,034**	19,509	**6,904**	1,377
Thai Baht	**21,045**	18,868	**–**	–
Chinese Renminbi	**21,337**	9,938	**–**	–

The cash and cash equivalents of the Group and the Company comprise $326,000 (2008: $2,752,000) and $240,000 (2008: $1,081,000) respectively which are held in trust.

During the year, the Group, through one of its subsidiary company, purchased 100% interest in LVCL (Thailand) Co., Ltd for a cash consideration of $1,075.

The fair value of the identifiable assets and liabilities of the new subsidiary company as at the date of acquisition were:

	Recognised on date of acquisition $'000	Carrying amount before combination $'000
Property, plant and equipment	50	50
Trade receivables	339	339
Cash and cash equivalents	32	32
Other current assets	22	22
	443	443
Trade and other payables	(442)	(442)
Net identifiable assets	1	1

Effect of acquisition on cash flows is as follows:

Cash and cash equivalents of subsidiary company acquired	32
Less: Consideration settled in cash	(1)
Net cash inflow on acquisition	31

32. Other non-financial liabilities

	GROUP		COMPANY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Advances received from customers	**11,335**	14,897	**–**	–
Deferred membership fee	**609**	486	**–**	–
Others	**3,351**	3,522	**104**	156
	15,295	18,905	**104**	156

33. Other payables

	GROUP		COMPANY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Financial liabilities at amortised cost				
Accrued operating expenses	**34,915**	37,690	**2,204**	3,486
Accrued service charges	**2,595**	2,277	**–**	–
Deposits	**1,026**	3,106	**–**	–
Goods and services tax/value added tax payable	**3,468**	3,181	**44**	–
Sundry creditors	**4,815**	8,067	**117**	1,257
	46,819	54,321	**2,365**	4,743
Financial liabilities at fair value				
Forward currency contracts payable	**18**	532	**–**	–
	46,837	54,853	**2,365**	4,743

34. Interest-bearing loans and borrowings

	GROUP		COMPANY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Financial liabilities at amortised cost				
Non-current liabilities				
Secured bank loans	**177,445**	132,072	**8,001**	9,000
Unsecured bank loans	**7,083**	–	**3,541**	–
	184,528	132,072	**11,542**	9,000
Current liabilities				
Secured bank loans	**68,290**	78,118	**1,000**	11,129
Unsecured bank loans	**2,500**	–	**1,250**	–
	70,790	78,118	**2,250**	11,129

The secured bank loans of the Group and the Company are secured by the assets with the following net book values:

	GROUP	
	2009 $'000	2008 $'000
Freehold land and buildings	**552,838**	637,762
Quoted shares in a subsidiary company	**4,130**	2,463
Leasehold buildings	**105,803**	25,549
Unquoted shares in subsidiary companies	**16,226**	10,724
Inventories	**1,738**	1,436
Trade and other receivables	**32,700**	38,381
Prepaid island rental	**23,542**	25,720
Property development costs	**7,004**	7,858
Other assets	**14,626**	23,388
	758,607	773,281

The secured bank loan of the Company is secured by freehold land and buildings of its subsidiary companies, amounting to $16,339,000 (2008: $16,486,000).

35. Deferred income

	GROUP	
	2009 $'000	2008 $'000
Cost		
At 1 January	**16,723**	–
Additions	**–**	16,723
Exchange differences	**(396)**	–
At 31 December	**16,327**	16,723
Accumulated amortisation		
At 1 January	**565**	–
Amortisation for the year (Note 4)	**421**	546
Net exchange differences	**(26)**	19
At 31 December	**960**	565
Net carrying amount	**15,367**	16,158

Deferred income relates to government grants received for the acquisition of land use rights for tourism related development activities undertaken by the Group's subsidiary company in PRC to promote the tourism industry. There are no unfulfilled conditions or contingencies attached to these grants.

36. Loan stock

Loan stock represents 102,218 (2008: 102,218) non-redeemable preference shares issued by Banyan Tree Resorts & Spas (Thailand) Company Limited, a subsidiary company, to minority shareholders at a par value of Baht 100 each. These preference shares carry a fixed cumulative preference dividend of 10% per annum.

37. Notes payable

Notes payable relates to $50 million fixed rate notes due on 22 November 2010, $27.25 million fixed rate notes due on 1 August 2011 and $50 million fixed rate notes due on 22 November 2012. The notes bear interest rates of 4.25% per annum (2008: 4.25%), 5.5% per annum (2008: 5.5%) and 4.75% per annum (2008: 4.75%) respectively, payable semi-annually.

38. Redeemable preference shares

	GROUP AND COMPANY	
	2009 $'000	2008 $'000
Financial liabilities at amortised cost		
301,108 "A" preference share of $0.10 each	**–**	30
Redeemable preference shares dividend payable upon maturity	**–**	1,924
	–	1,954

The "A" preference shares were redeemed on 30 June 2009 at a redemption amount for each "A" preference share equal to the par value of $0.10 and a premium of $10.00. The total premium of "A" preference shares amounted to $3,011,080. The premium was amortised to the consolidated income statement over a period of 6 years using the effective interest method.

39. Deferred tax

	GROUP		COMPANY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Deferred tax liabilities				
Excess of net book value over tax written down value of property, plant and equipment	**(126,291)**	(158,100)	**–**	–
Temporary differences arising from revenue recognition	**(42,846)**	(40,582)	**–**	–
Other items	**(207)**	(96)	**–**	–
	(169,344)	(198,778)	**–**	–
Deferred tax assets				
Unutilised tax losses	**11,476**	13,132	**31**	31
Other items	**2,334**	2,938	**–**	–
	13,810	16,070	**31**	31
Net deferred tax (liabilities)/assets	**(155,534)**	(182,708)	**31**	31

The Group has tax losses of $11,214,000 as at 31 December 2009 (2008: $9,782,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. These tax losses are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

40. Share capital

	GROUP AND COMPANY			
	2009 No. of shares	2009 $'000	2008 No. of shares	2008 $'000
Issued and fully paid up				
At 1 January and 31 December	**761,402,280**	**199,995**	761,402,280	199,995

The holders of ordinary shares (except for treasury shares) are entitled to receive dividend as and when declared by the Company. All ordinary shares (except for treasury shares) carry one vote per share without restrictions. The shares of the Company have no par value.

41. Treasury shares and reserves

(a) Treasury shares

Treasury shares relates to ordinary shares of the Company that is held by the Company. In 2007, the Company acquired 3,000,000 shares in the Company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $5,191,475 and this was presented as a component within shareholders' equity. There was no such acquisition during the year.

The Company reissued 69,700 (2008: nil) treasury shares pursuant to its Performance Share Plan at a weighted average share price of $1.73 (2008: nil) each.

As of 31 December 2009, there are 2,930,300 (2008: 3,000,000) treasury shares held by the Company.

(b) Merger deficit

The merger deficit comprises the difference between the consideration paid, in the form of the acquiring Company's shares and nominal value of the issued share capital of subsidiary companies acquired.

(c) Capital reserve

The capital reserve comprises a waiver of debt by the joint venture company on amounts due by the Company and accounting of assets in subsidiary companies at their fair values as at the acquisition date and cannot be used for dividend payments.

(d) Property revaluation reserve

The property revaluation reserve is used to record increases in the fair value of revalued properties, net of deferred tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

(e) Currency translation reserve

The currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiary companies.

(f) Fair value adjustment reserve

The fair value adjustment reserve records the cumulative fair value changes of available-for-sale financial assets until they are derecognised or impaired.

(g) Legal reserve

The legal reserve is set up in accordance to the Public Limited Companies Act B.E. 2535 under Section 116 in Thailand. The Group is required to set aside a statutory reserve of at least 5% of its net profit until the reserve reaches 10% of its registered share capital for its listed subsidiary company in Thailand.

(h) Share-based payment reserve

The share-based payment reserve represents the equity-settled share grants granted to employees (Note 42). The reserve is made up of (i) the issue of free shares to employees in 2006 and (ii) the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share grants.

(i) Gain/(loss) on reissuance of treasury shares

This represents the gain or loss arising from the purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

42. Equity compensation benefits

On 28 April 2006, the shareholders of the Company approved the adoption of two share-based incentive schemes for its Directors and employees, the Banyan Tree Share Option Scheme (the "Share Option Scheme") and a performance share plan known as the Banyan Tree Performance Share Plan (the "Plan"). The Share Option Scheme and the Plan (collectively, the "Schemes") will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance.

The Schemes are administered by the Nominating and Remuneration Committee ("NRC") which comprises three Independent Directors with Mr Chia Chee Ming Timothy, as the Chairman and Mr Dilhan Pillay Sandrasegara and Mrs Elizabeth Sam as members.

The aggregate number of shares when aggregated with the number of shares issued and issuable and/or transferred and transferable in respect of all options granted under the Share Option Scheme and any share awards granted under the Plan shall not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company subject to a maximum period of 10 years commencing from the date of the Schemes.

The Company has not issued any options to any eligible participants pursuant to the Share Option Scheme.

The Plan comprises the Performance Share Plan ("PSP") and the Restricted Share Plan ("RSP"). Plan participants who have attained the grade of level 5 and above are eligible to participate in the Plan. PSP is targeted at a Plan participant who is a key member of Senior Management who is able to drive the growth of the Company through innovation, creativity and superior performance whereas RSP is intended to enhance the Group's overall compensation packages and strengthen the Group's ability to attract and retain high performing talent. The selection of a Plan participant and the number of shares which are subject of each award to be granted to a Plan participant in accordance with the Plan shall be determined at the absolute discretion of the NRC, which shall take into account, criteria such as rank, job performance, level of responsibility and potential for future development and his contribution to the success and development of the Group. A Plan participant may be granted an award under the PSP and RSP although differing performance targets are likely to be set for each award.

Awards represent the right of a Plan participant to receive fully paid shares, their equivalent cash value or combinations thereof free of charge, upon the participant achieving prescribed performance target(s) and/or time-based service conditions. Awards are released once the NRC is satisfied that the prescribed performance target(s) and/or time-based service conditions have been achieved.

The Company has not issued any awards under the Plan to any of its controlling shareholders. Since the commencement of the Plan, no participant has been awarded 5% or more of the total shares available under the Plan.

42. Equity compensation benefits (continued)

The details of the Plan existed as at 31 December 2009 are set out as follows:

	PSP	RSP
Plan Description	Award of fully-paid ordinary shares of the Company or their cash equivalent, conditional on performance targets set at the start of a three-year performance period.	Award of fully-paid ordinary shares of the Company or their cash equivalent, conditional on the Group's performance over a two-year performance period for FY 2007 Grant and FY 2008 Grant and one-year performance period for FY 2009 Grant.
Date of Grant:		
FY 2009 Grant	15 May 2009	15 May 2009
FY 2008 Grant	25 April 2008	25 April 2008
FY 2007 Grant	19 April 2007 & 4 May 2007	19 April 2007, 4 May 2007 & 16 July 2007
Performance Period:		
FY 2009 Grant	1 January 2009 to 31 December 2011	1 January 2009 to 31 December 2009
FY 2008 Grant	1 January 2008 to 31 December 2010	1 January 2008 to 31 December 2009
FY 2007 Grant	1 January 2007 to 31 December 2009	1 January 2007 to 31 December 2008
Performance Conditions:		
FY 2009 Grant and FY 2008 Grant	• Absolute Total Shareholder Return ("TSR") outperform Cost of Equity ("COE") • Relative TSR against FTSE ST Mid Cap Index • Relative TSR against selected hospitality listed peers	• Return on Equity ("ROE") • EBITDA#
FY 2007 Grant	• Absolute TSR outperform COE • Relative TSR against Straits Times Index • Relative TSR against selected hospitality listed peers	• ROE • EBITDA# Margin
Vesting Period:		
FY 2009 Grant	Vesting based on achieving stated performance conditions over a three-year performance period.	Based on achieving stated performance conditions over a one-year performance period, 33 1/3% of award will vest. Balance will vest over the subsequent two years with fulfillment of service requirements.
FY 2008 Grant	Vesting based on achieving stated performance conditions over a three-year performance period.	Based on achieving stated performance conditions over a two-year performance period, 50% of award will vest. Balance will vest over the subsequent one year with fulfillment of service requirements.
FY 2007 Grant	Vesting based on achieving stated performance conditions over a three-year performance period.	Based on achieving stated performance conditions over a two-year performance period, 50% of award will vest. Balance will vest equally over the subsequent two years with fulfillment of service requirements.
Payout:	0% to 200% depending on the achievement of pre-set performance targets over the performance period.	0% to 150% depending on the achievement of pre-set performance targets over the performance period.

EBITDA denotes Earnings before Interest, Taxes, Depreciation and Amortisation

42. Equity compensation benefits (continued)

A prospective Monte Carlo simulation model involving projection of future outcomes using statistical distributions of random variables including share price and volatility of returns was used to value the conditional share awards. The simulation model was based on the following key assumptions for FY 2009 Grant:

	PSP	RSP
Historical Volatility		
Banyan Tree Holdings Limited ("BTH")	46.90%	46.90%
FTSE Mid Cap Index	34.93%	Not applicable
Risk-free interest rates		
Singapore Sovereign	0.59%	0.28% – 0.59%
Term	34.6 months	10.6 to 34.6 months
BTH expected dividend yield	–	–
Share price at grant date	$0.49	$0.49

For non-market conditions, achievement factors have been estimated based on feedback from the NRC for the purpose of accrual for the RSP until the achievement of the targets can be reasonably ascertained.

The details of shares awarded, cancelled and released during the year pursuant to the Plan are as follows:

	PSP					
	Balance as at 1 January 2009	Shares granted during financial year	Shares cancelled during financial year	Shares released during financial year	Balance as at 31 December 2009	Estimated fair value at grant date
Grant date						
19 April 2007						
Executive Director (Ariel P Vera)	80,000 [1]	–	–	–	80,000	$3.129
Other Participants	100,000	–	–	–	100,000	$3.129
4 May 2007						
Other Participants	80,000	–	–	–	80,000	$4.362
25 April 2008						
Executive Director (Ariel P Vera)	80,000 [1]	–	–	–	80,000	$0.637
Other Participants	280,000	–	–	–	280,000	$0.637
15 May 2009						
Executive Director (Ariel P Vera)	–	80,000 [1]	–	–	80,000	$0.556
Other Participants	–	340,000	–	–	340,000	$0.556
Total	**620,000**	**420,000**	**–**	**–**	**1,040,000**	

1 An initial award of 80,000 shares with a conditional award of up to 80,000 shares under the Plan, subject to certain performance conditions being met and other terms and conditions.

42. Equity compensation benefits (continued)

	RSP					
	Balance as at 1 January 2009	Shares granted during financial year	Shares cancelled during financial year	Shares released during financial year	Balance as at 31 December 2009	Estimated fair value at grant date
Grant date						
19 April 2007 Executive Director (Ariel P Vera [1])	100,000	–	(70,000)	(15,000)	15,000	$2.024 – $2.076
Other participants	419,500	–	(303,600)	(58,700)	57,200	$2.024 – $2.076
4 May 2007 Other Participants	251,750	–	(176,250)	(37,800)	37,700	$2.428 – $2.507
16 July 2007 One participant	8,000	–	(5,600)	(1,200)	1,200	$2.024 – $2.076
25 April 2008 Executive Director (Ariel P Vera)	120,000 [2]	–	–	–	120,000	$1.314 – $1.344
Independent Director (Chia Chee Ming Timothy)	7,000 [3]	–	–	–	7,000	$1.314 – $1.344
Independent Director (Dilhan Pillay Sandrasegara)	7,000 [3]	–	–	–	7,000	$1.314 – $1.344
Independent Director (Elizabeth Sam)	6,000 [3]	–	–	–	6,000	$1.314 – $1.344
Other Participants	1,394,000	–	(95,750)	–	1,298,250	$1.314 – $1.344
15 May 2009 Executive Director (Ariel P Vera)	–	80,000 [4]	–	–	80,000	$0.49
Other Participants	–	1,605,500	(110,000)	–	1,495,500	$0.49
Total	2,313,250	1,685,500	(761,200)	(112,700)	3,124,850	

1 An initial award of 100,000 shares with a conditional award of up to 50,000 shares under the Plan, subject to certain performance conditions being met and other terms and conditions. On 20 May 2009, a final award of 30,000 shares was granted of which 50% which was 15,000 shares was vested and released and the remaining 15,000 shares have not vested. The remaining initial award of 70,000 shares and conditional award of up to 50,000 shares were cancelled.

2 An initial award of 120,000 shares with a conditional award of up to 60,000 shares under the Plan, subject to certain performance conditions being met and other terms and conditions.

3 The Company granted a conditional award of 7,000 shares each to Messrs Chia Chee Ming Timothy and Dilhan Pillay Sandrasegara as well as 6,000 shares to Mrs Elizabeth Sam under the Plan, subject to certain conditions being met.

4 An initial award of 80,000 shares with a conditional award of up to 40,000 shares under the Plan, subject to certain performance conditions being met and other terms and conditions.

The number of contingent shares granted but not released as at 31 December 2009 were 1,040,000 and 3,124,850 (2008: 620,000 and 2,313,250) for PSP and RSP respectively. Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 2,080,000 and 4,621,725 (2008: 1,240,000 and 3,459,875) for PSP and RSP respectively.

43. Commitments and contingencies

(a) Capital commitments

Capital expenditure contracted for as at the balance sheet date but not recognised in the financial statements is as follows:

	GROUP	
	2009 $'000	2008 $'000
Capital commitments in respect of property, plant and equipment	**14,069**	58,096
Capital commitments in respect of Banyan Tree Indochina Hospitality Fund	**64,077**	67,636

(b) Operating lease commitments

Future minimum lease payments payable under non-cancellable operating leases as at 31 December are as follows:

	GROUP	
	2009 $'000	2008 $'000
Payable:		
Within 1 year	**4,846**	4,772
Between 2 to 5 years	**15,795**	34,931
After 5 years	**25,322**	10,027
	41,117	44,958
	45,963	49,730

Certain subsidiary companies, entered into operating agreements with certain hotel operators whereby these companies are to manage the subsidiary companies' hotels and golf business. In consideration for such services, the subsidiary companies are committed to pay management fees contingent upon revenue earned in accordance with the terms specified in the agreements.

(c) Contingent liabilities

Guarantees

As at the balance sheet date, the Company had issued the following outstanding guarantees:

	COMPANY	
	2009 $'000	2008 $'000
Guarantees issued on banking facilities of subsidiary companies	**41,872**	1,252

43. Commitments and contingencies (continued)

(c) Contingent liabilities

Litigation

(i) On 4 July 2007, the shareholders of LRH, a listed subsidiary of the Company, had passed a resolution at an extraordinary general meeting ("EGM") relating to an issue of shares to its shareholders in connection with the non-renounceable rights issue undertaken by LRH and the cancellation of the registration of these resolutions with the Public Companies Registrar of Thailand. TMB Bank Public Company Limited ("TMB") is a security agent acting on behalf of the creditors of Thai Wah Public Company Limited ("Thai Wah Public") which is a shareholder of LRH, holding 27,983,542 shares. Prior to the EGM, TMB applied to the Southern Bangkok Civil Court for a court order to allow it to attend the EGM on Thai Wah Public's behalf but TMB's application was dismissed. Subsequently, TMB brought a case in the Court of First Instance of Thailand against LRH for the revocation of the resolution and the cancellation of the registration of the resolution with the Public Companies Registrar of Thailand. TMB alleged that it had a direct interest in attending and voting at LRH's EGM but was not allowed to attend the EGM. LRH maintains that the EGM was duly held and approved the resolution in compliance with its Articles of Association and applicable laws. Upon application, this matter was subsequently dismissed by the President of the Supreme Court on the ground that it is a matter under the jurisdiction of the Bankruptcy Court. On 5 August 2009, the plaintiffs brought this case to the Central Bankruptcy Court. The case is currently pending.

The consequence of a decision against LRH would be that all previous acts in relation to the increase in LRH's capital via the non-renounceable rights issue would be revoked and cancelled and that LRH would have to ensure that all of its shareholders are reinstated to the position they were in at the outset as if there had been no capital increase. In that event, LRH would have to indemnify its shareholders against the payments made to acquire the newly issued shares. The consequence of this is that the Group's shareholding interest in LRH will revert to 51.78% from the current 65.75%. As a result of the increase in shareholding, the Group has recorded an exceptional item gain of $44.5 million in prior years and an accumulated profit attributable to equity holders of the Company of $8.1 million as at 31 December 2009.

(ii) On 3 July 2008, Avenue Asia Capital Partners, L.P., one of six plaintiffs, filed a lawsuit against LRH, a listed subsidiary company of the Company, as one of six defendants at the Southern Bangkok Civil Court. The plaintiffs claimed that they are the creditors of a shareholder of LRH. The plaintiffs alleged that in arranging the Extraordinary General Meeting No. 1/2007 and approving its proposed capital increase where some shareholders did not subscribe for newly issued shares, LRH acted jointly with certain shareholders to commit a tort against the plaintiffs. Thus, the plaintiffs claimed damages of approximately $22.6 million (Baht 539 million) with interest of 7.5% per annum and the costs of legal proceedings.

The case is currently pending at the Court of First Instance. LRH maintains that it did not commit a tort against the plaintiffs and has not made a provision in its financial statements. LRH is vigorously defending this lawsuit.

(iii) A case was brought to the Phuket Provincial Court on 8 October 2009, in which four of the LRH's affiliated companies and ten directors are the defendants. The plaintiffs referred in the plaint that they purchased units in Allamanda 1 Condominium during 1991-1995. The plaintiffs alleged that the Sale and Purchase Agreement called for an area of approximately 20 Rais, but the Allamanda 1 Condominium was registered with only 9 Rais 2 Ngans 9 Square Wahs. The plaintiffs alleged that therefore the defendants have breached the Sale and Purchase Agreement.

As a result, the plaintiffs requested the defendants to completely deliver the common area as specified by the Agreement by transfer of the land totaling 10 Rais 3 Ngans 97.1 Square Wahs to Allamanda (1) Juristic Person, as the tenth plaintiff, or to be jointly liable for the compensation of Baht 132 million in case the transfer of land cannot be made. The plaintiffs also requested for additional compensation in the amount of Baht 56 million for unlawful use of the land which is supposed to be common property of Allamanda 1 Condominium.

The total amount of claim is approximately $7.9 million (Baht 188 million) with interest at the rate of 7.5% per annum from the date the claim was lodged until the defendants have made full payment. The plaintiffs also claimed that the former and current directors of those LRH's subsidiaries as the fifth to fourteenth directors were representatives of LRH's subsidiaries being the first to fourth defendants, and therefore must also be jointly liable with those LRH's subsidiaries.

LRH's affiliated companies and individual directors have lodged their statement of defense and believe that the plaintiff's claims are invalid and therefore no provision has been made in its financial statements.

The case is currently pending at the Phuket Provincial Court of First Instance.

44. Related party transactions

An entity or individual is considered a related party of the Group for the purpose of the financial statements if (i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; or (ii) it is subject to common control or common significant influence.

Related parties consist of companies which have common directors with the Group.

Other than that disclosed in the financial statements, the Group had the following significant related party transactions on terms agreed during the financial year:

		GROUP	
		2009 $'000	**2008 $'000**
(a)	Sale and purchase of goods and services		
	Associated companies:		
	– Management and service fee income	**2,277**	3,858
	– Reservation fee income	**194**	260
	– Architectural fee income	**3**	7
	– Spa gallery income	**863**	172
	– Others	**7**	–
	Related parties:		
	– Management and service fee income	**2,217**	2,425
	– Rental income	**2,482**	2,747
	– Reservation fee income	**306**	1,082
	– Architectural fee income	**3**	–
	– Spa gallery income	**3,423**	2,372
	– Royalty income	**640**	–
	– Others	**15**	41
(b)	Property and hotel residences:		
	– Sale to a Director of the Company	**–**	1,187
(c)	Compensation of key management personnel:		
	– Salaries and employee benefits	**3,664**	5,260
	– Central Provident Fund contributions	**123**	117
	– Other short-term benefits	**1,198**	1,076
	Total compensation paid to key management personnel	**4,985**	6,453
	Comprise amounts paid to:		
	• Directors of the Company	**1,934**	3,012
	• Other key management personnel	**3,051**	3,441
		4,985	6,453

45. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including long-term investments, cash and cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values; and
- a nominal amount of $41,872,000 (2008: $1,252,000) relating to corporate guarantees provided by the Company for the bank loan taken by its subsidiary companies.

Information regarding credit enhancements for other non-current receivables disclosed in Note 22.

45. Financial risk management objectives and policies (continued)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segment and geographical profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

		2009		2008	
	Note	$'000	% of total	$'000	% of total
GROUP					
By geographical:					
South East Asia		**67,279**	**63**	80,175	68
Indian Oceania		**4,229**	**4**	7,099	6
Middle East		**5,311**	**5**	1,075	1
North East Asia		**4,847**	**5**	10,122	8
Rest of the world		**24,544**	**23**	20,304	17
		106,210	**100**	118,775	100
By industry sectors:					
Hotel investment		**17,415**	**16**	17,530	14
Hotel management		**12,742**	**12**	8,194	7
Hotel residences		**24,665**	**23**	34,175	29
Spa operation		**3,226**	**3**	2,865	2
Gallery operation		**646**	**1**	750	1
Property sales		**38,423**	**36**	42,414	36
Design fees and others		**9,093**	**9**	12,847	11
		106,210	**100**	118,775	100
Trade receivables					
Non-current	19	**49,292**		52,180	
Current	24	**56,918**		66,595	
		106,210		118,775	

Included in trade receivables are amounts due from a third party of $25,542,000 (2008: $28,234,000). The third party is in the business of selling club memberships. A subsidiary company of the Group provides management services to manage the club operation on behalf of the third party.

The receivables from this third party bear interest rate of 6% per annum (2008: 6%) and are repayable in equal instalments over 13.5 to 15 years, commencing from 2008.

45. Financial risk management objectives and policies (continued)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents, long-term investments and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 22, Note 24 and Note 26.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from the inability to repay financial liabilities as and when they are due. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. Management finances the Group's liquidity through internally generated cash flows and minimizes liquidity risk by keeping committed stand-by credit facilities available.

At the balance sheet date, approximately 31.6% (2008: 23.2%) of the Group's notes payable, interest-bearing loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements. 37.0% (2008: 7.6%) of the Company's notes payable, interest-bearing loans and borrowings will mature in less than one year at the balance sheet date.

The following table summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments except for financial liabilities where the timing of repayment cannot be reliably estimated as disclosed in the respective notes above.

45. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

		2009					2008				
	Note	Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000	Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
GROUP											
Financial liabilities											
Trade payables		–	(13,907)	–	–	(13,907)	–	(13,231)	–	–	(13,231)
Construction payables		–	(7,040)	–	–	(7,040)	–	(16,884)	–	–	(16,884)
Other payables	33	–	(46,819)	–	–	(46,819)	–	(54,853)	–	–	(54,853)
Loans and borrowings											
– S$ floating rate loan	34	1.5 above SGD Swap cost	(604)	(1,564)	–	(2,168)	1.5 above SGD Swap cost	(790)	(2,261)	–	(3,051)
– S$ floating rate loan	34	COF + 2	(1,484)	(4,810)	(4,506)	(10,800)	COF + 2	(1,366)	(5,314)	(5,912)	(12,592)
– S$ fixed rate loan	34	5	(2,717)	(8,146)	–	(10,863)	–	–	–	–	–
– US$ floating rate loan	34	–	–	–	–	–	COF + 2	(10,154)	–	–	(10,154)
– US$ fixed rate loan	34	5.05 – 8.4	(16,273)	(41,717)	–	(57,990)	4.47 – 8.4	(10,144)	(39,937)	–	(50,081)
– BHT fixed rate loan	34	2.78	(22,447)	–	–	(22,447)	4.64	(21,359)	–	–	(21,359)
– BHT floating rate loan	34	MLR – 0.5 to MLR – 2	(38,532)	(71,791)	(42,088)	(152,411)	MLR – 1 to MLR – 2	(46,282)	(89,996)	(22,422)	(158,700)
– MAD fixed rate loan	34	5.84	(1,276)	(12,395)	–	(13,671)	–	–	–	–	–
– RMB floating rate loan	34	5.94	(2,203)	(24,827)	(24,817)	(51,847)	–	–	–	–	–
Notes payable	37	4.25 – 5.5	(55,999)	(83,499)	–	(139,498)	4.25 – 5.5	(5,999)	(139,497)	–	(145,496)
Redeemable preference shares	38	–	–	–	–	–	111.0	(3,011)	–	–	(3,011)
			(209,301)	(248,749)	(71,411)	(529,461)		(184,073)	(277,005)	(28,334)	(489,412)
GROUP											
Derivatives – Forward currency contracts											
Gross payments		–	(10,160)	(6,106)	–	(16,266)	–	(14,414)	(16,741)	–	(31,155)
Gross receipts		–	11,162	6,203	–	17,365	–	16,261	17,365	–	33,626
COMPANY											
Financial liabilities											
Other payables	33	–	(2,365)	–	–	(2,365)	–	(4,743)	–	–	(4,743)
Secured bank loan											
– S$ floating rate loan	34	COF + 2	(1,484)	(4,810)	(4,506)	(10,800)	COF + 2	(1,366)	(5,314)	(5,912)	(12,592)
– US$ floating rate loan	34	–	–	–	–	–	COF + 2	(10,154)	–	–	(10,154)
Notes payable	37	4.25 – 5.5	(55,999)	(83,499)	–	(139,498)	4.25 – 5.5	(5,999)	(139,497)	–	(145,496)
Redeemable preference shares	38	–	–	–	–	–	111.0	(3,011)	–	–	(3,011)
			(59,848)	(88,309)	(4,506)	(152,663)		(25,273)	(144,811)	(5,912)	(175,996)

US$: United States Dollar
BHT: Thai Baht
MAD: Morocco Dirham
RMB: Chinese Renminbi
SIBOR: Singapore inter-bank offered rate
MLR: Minimum lending rate
COF: Cost of fund of lending bank

45. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

The table below shows the maximum amount of financial guarantee contracts, allocated to the earliest period in which the guarantee could be called.

	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
COMPANY				
2009				
Financial guarantees	**41,872**	**–**	**–**	**41,872**
2008				
Financial guarantees	1,252	–	–	1,252

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing financial liabilities.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. At the balance sheet date, approximately 53% (2008: 54%) of the Group's interest-bearing financial liabilities are at fixed rates of interest. The table in Note 45 (b) summarises the interest-bearing financial liabilities of the Group and the Company.

Sensitivity analysis for interest rate risk

At the balance sheet date, if interest rates had been 75 (2008: 75) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been $1,266,000 (2008: $1,122,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate interest-bearing financial liabilities.

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD, United States Dollars (USD), Thai Baht (Baht) and Chinese Renminbi (RMB). The foreign currencies in which these transactions are denominated are mainly USD. As at 31 December 2009, approximately 42% (2008: 71%) of the Group's trade receivables are denominated in foreign currencies.

To minimise the foreign currency risk exposure on the Group's Thailand subsidiary companies where Baht is their functional currency, the Group enters into forward currency contracts to mitigate the currency exposure from USD.

As at 31 December 2009, the Group had hedged 100% (2008: 100%) of its USD denominated trade receivables held by its Thailand subsidiary companies. Excluding the receivables which are hedged, approximately 30% (2008: 46%) of the Group's trade receivables are denominated in foreign currencies.

In addition, the Group has a Currency Management Plan which aims to mitigate impact on the Group's revenue from unfavourable exchange rates movements. The plan requires all operating entities in the Group to list its major wholesalers and their respective currencies. All contracts should endeavour to be in the currency of the market source. Market source refers to the country of origin or domicile of the business. The contracts are then reviewed and managed on a quarterly basis to mitigate the exposure of the Group's operations to foreign currency fluctuation.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Thailand and PRC. The Group's net investments in Thailand and PRC are not hedged as currency positions in Thai Baht and Chinese Renminbi are considered to be long-term in nature.

45. Financial risk management objectives and policies (continued)

(d) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after taxation to a reasonably possible change in the USD exchange rate against the respective functional currencies of the Group entities, with all other variables held constant.

	GROUP Profit after taxation 2009 $'000	GROUP Profit after taxation 2008 $'000
USD/Baht – strengthened 3% (2008: 9%)	**354**	160
– weakened 3% (2008: 3%)	**(354)**	(53)
USD/SGD – strengthened 3% (2008: 7%)	**2,054**	9,447
– weakened 3% (2008: 3%)	**(2,054)**	(4,048)

Forward currency contracts

Forward currency contracts included in the balance sheets at 31 December are as follows:

	GROUP 2009 Contract notional amount $'000	2009 Assets $'000	2009 Liabilities $'000	2008 Contract notional amount $'000	2008 Assets $'000	2008 Liabilities $'000
Forward currency contracts	**16,169**	**1,078**	**18**	31,111	2,434	532

The Group entered into forward currency contracts to sell USD and purchase Baht. Details of the outstanding forward currency contracts of the Group are set out below:

As at 31 December 2009

Foreign currency	Amount	Maturity
USD	3.3 million	US$1.7 million payable quarterly from 31 January 2010 to 30 April 2010.
USD	8.2 million	US$1.0 million payable quarterly from 31 March 2010 to 31 December 2010 and US$1.1 million payable quarterly from 31 March 2011 to 31 December 2011.

As at 31 December 2008

Foreign currency	Amount	Maturity
USD	6.4 million	US$1.6 million payable quarterly from 31 January 2009 to 31 October 2009.
USD	3.3 million	US$1.7 million payable quarterly from 31 January 2010 to 30 April 2010.
USD	11.8 million	US$0.9 million payable quarterly from 31 March 2009 to 31 December 2009, US$1.0 million payable quarterly from 31 March 2010 to 31 December 2010 and US$1.1 million payable quarterly from 31 March 2011 to 31 December 2011.

The Company did not enter into any forward currency contracts for the years ended 31 December 2009 and 2008.

45. Financial risk management objectives and policies (continued)

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group has limited exposure to equity price risk from its investment in quoted equity instruments and does not have exposure to commodity price risk.

The maximum exposure of the Group is represented by its quoted investments which are held as available-for-sale financial assets (Note 21).

46. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividends payment to shareholders, return capital to shareholders or issue new shares.

As disclosed in Note 41 (g), subsidiary companies of the Group are required to set aside Legal Reserves in accordance to the Public Limited Companies Act B.E. 2535 under Section 116 in Thailand. The imposed capital requirement has been complied with by the subsidiary companies for the financial years ended 31 December 2009 and 2008.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio below 100%. The Group includes within net debt, interest-bearing loans and borrowings, notes payable, redeemable preference shares less cash and cash equivalents. Total capital refers to the total equity of the Group.

	GROUP	
	2009 $'000	2008 $'000
Interest-bearing loans and borrowings (Note 34)	**255,318**	210,190
Notes payable (Note 37)	**127,250**	127,250
Redeemable preference shares (Note 38)	**–**	1,954
Less: Cash and cash equivalents (Note 31)	**(75,926)**	(50,960)
Net debt	**306,642**	288,434
Total capital	**706,595**	788,645
Gearing ratio	**43%**	37%

47. Financial instruments

(a) Fair values of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

GROUP	Note	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable (Level 3) $'000	Total $'000
Year ended 31 December 2009					
Financial assets:					
Available-for-sale financial assets					
– Equity shares (quoted)	21	4	–	–	4
Derivatives					
– Forward currency contracts	26	–	1,078	–	1,078
At 31 December 2009		4	1,078	–	1,082
Financial liabilities:					
Derivatives					
– Forward currency contracts	33	–	18	–	18
At 31 December 2009		–	18	–	18

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

47. Financial instruments (continued)

(a) Fair values of financial instruments that are carried at fair value (continued)

Methods and assumptions used to determine fair values

The methods and assumptions used by management to determine fair values of financial instruments carried at fair values, are as follows:

Financial instruments	*Methods and assumptions*
• Long-term investments (quoted equity shares)	Fair value has been determined by reference to published market prices or broker quotes at the balance sheet date without factoring in transaction costs.
• Derivatives (Forward currency contracts)	Fair value has been determined by reference to current forward prices for contracts with similar maturity profiles.

(b) Fair values of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

Management has determined that the carrying amounts of cash and short-term deposits, current trade and other receivables, amounts due to and from subsidiary, associated companies and related parties, current trade and other payables, construction payables, current notes payable and current interest-bearing loans and borrowings, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are repriced frequently.

Long-term trade receivables, notes payable and non-current interest-bearing loans and borrowings, carry interest which approximates market interest rate. Accordingly their notional amounts approximate their fair values.

(c) Fair values of financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair values

Fair value information has not been disclosed for the Group's financial instruments not carried at fair value and whose carrying amounts are not reasonable approximation of fair values, because the fair values cannot be measured reliably.

The loans due from subsidiary, associated and joint venture companies have no repayment terms and are repayable only when the cash flows of the borrowers permit. Accordingly, the Directors are of the view that the fair values of these loans are not determinable as the timing of the future cash flows arising from the loans cannot be estimated reliably.

Unquoted equity shares are stated at cost and have no market prices and the fair value cannot be reliably measured using valuation techniques. The unquoted equity shares represent ordinary shares in companies that are not quoted on any markets and do not have comparable industry peer that is listed.

The non-current deposits classified within non-current assets and non-current deposits received have no terms of maturity. Accordingly, the Directors are of the view that the fair values of these deposits are not determinable as the timing of the future cash flows arising from the deposits cannot be estimated reliably.

47. Financial instruments (continued)

(d) Classification of financial instruments

Set out below is a comparison by category of carrying amounts of all the Group's and Company's financial instruments that are carried in the financial statements:

GROUP	Note	Loans and receivables $'000	Fair value through profit and loss $'000	Available for sale $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2009						
Non-current assets						
Property, plant and equipment	12	–	–	–	876,964	876,964
Land use rights	13	–	–	–	20,484	20,484
Land awaiting future development	14	–	–	–	33,995	33,995
Associated companies	16	18,119	–	–	5,695	23,814
Joint venture companies	17	323	–	–	3,099	3,422
Prepaid island rental	18	–	–	–	22,603	22,603
Long-term trade receivables	19	49,292	–	–	–	49,292
Intangible assets	20	–	–	–	26,903	26,903
Long-term investments	21	–	–	27,193	–	27,193
Prepayments		–	–	–	2,303	2,303
Other receivables	22	17,408	–	–	–	17,408
Deferred tax assets	39	–	–	–	13,810	13,810
		85,142	–	27,193	1,005,856	1,118,191
Current assets						
Inventories	23	–	–	–	12,247	12,247
Trade receivables	24	56,918	–	–	–	56,918
Prepayments and other non-financial assets	25	–	–	–	11,733	11,733
Other receivables	26	15,232	1,078	–	–	16,310
Amounts due from associated companies	28	1,374	–	–	–	1,374
Amounts due from related parties	29	10,079	–	–	–	10,079
Property development costs	30	–	–	–	69,765	69,765
Cash and cash equivalents	31	76,252	–	–	–	76,252
		159,855	1,078	–	93,745	254,678
Total assets		**244,997**	**1,078**	**27,193**	**1,099,601**	**1,372,869**

47. Financial instruments (continued)

(d) Classification of financial instruments (continued)

GROUP	Note	Liabilities at amortised cost $'000	Liabilities at fair value $'000	Non-financial liabilities $'000	Total $'000
Year ended 31 December 2009					
Current liabilities					
Trade payables		13,907	–	–	13,907
Construction payables		7,040	–	–	7,040
Unearned income		–	–	4,180	4,180
Other non-financial liabilities	32	–	–	15,295	15,295
Other payables	33	46,819	18	–	46,837
Amounts due to associated companies	28	372	–	–	372
Amounts due to related parties	29	813	–	–	813
Interest-bearing loans and borrowings	34	70,790	–	–	70,790
Notes payable	37	50,000	–	–	50,000
Tax payable		–	–	7,295	7,295
		189,741	18	26,770	216,529
Non-current liabilities					
Interest-bearing loans and borrowings	34	184,528	–	–	184,528
Deferred income	35	–	–	15,367	15,367
Loan stock	36	–	–	552	552
Notes payable	37	77,250	–	–	77,250
Deposits received		–	–	1,200	1,200
Other non-current liabilities		–	–	1,504	1,504
Deferred tax liabilities	39	–	–	169,344	169,344
		261,778	–	187,967	449,745
Total liabilities		**451,519**	**18**	**214,737**	**666,274**

47. Financial instruments (continued)

(d) Classification of financial instruments (continued)

GROUP	Note	Loans and receivables $'000	Fair value through profit and loss $'000	Available for sale $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2008						
Non-current assets						
Property, plant and equipment	12	–	–	–	979,658	979,658
Land use rights	13	–	–	–	21,783	21,783
Land awaiting future development	14	–	–	–	34,065	34,065
Associated companies	16	20,095	–	–	13,722	33,817
Joint venture companies	17	332	–	–	3,204	3,536
Prepaid island rental	18	–	–	–	23,342	23,342
Long-term trade receivables	19	52,180	–	–	–	52,180
Intangible assets	20	–	–	–	26,903	26,903
Long-term investments	21	–	–	16,775	–	16,775
Prepayments		–	–	–	1,631	1,631
Other receivables	22	7,361	–	–	–	7,361
Deferred tax assets	39	–	–	–	16,070	16,070
		79,968	–	16,775	1,120,378	1,217,121
Current assets						
Inventories	23	–	–	–	13,409	13,409
Trade receivables	24	66,595	–	–	–	66,595
Prepayments and other non-financial assets	25	–	–	–	21,288	21,288
Other receivables	26	26,145	2,434	–	–	28,579
Amounts due from associated companies	28	1,647	–	–	–	1,647
Amounts due from related parties	29	6,621	–	–	–	6,621
Property development costs	30	–	–	–	58,391	58,391
Cash and cash equivalents	31	53,712	–	–	–	53,712
		154,720	2,434	–	93,088	250,242
Total assets		234,688	2,434	16,775	1,213,466	1,467,363

47. Financial instruments (continued)

(d) Classification of financial instruments (continued)

GROUP	Note	Liabilities at amortised cost $'000	Liabilities at fair value $'000	Non-financial liabilities $'000	Total $'000
Year ended 31 December 2008					
Current liabilities					
Trade payables		13,231	–	–	13,231
Construction payables		16,884	–	–	16,884
Unearned income		–	–	4,344	4,344
Other non-financial liabilities	32	–	–	18,905	18,905
Other payables	33	54,321	532	–	54,853
Amounts due to associated companies	28	72	–	–	72
Amounts due to related parties	29	1,527	–	–	1,527
Interest-bearing loans and borrowings	34	78,118	–	–	78,118
Tax payable		–	–	9,845	9,845
Redeemable preference shares	38	1,954	–	–	1,954
		166,107	532	33,094	199,733
Non-current liabilities					
Interest-bearing loans and borrowings	34	132,072	–	–	132,072
Deferred income	35	–	–	16,158	16,158
Loan stock	36	–	–	552	552
Notes payable	37	127,250	–	–	127,250
Deposits received		–	–	1,113	1,113
Other non-current liabilities		–	–	1,398	1,398
Deferred tax liabilities	39	–	–	198,778	198,778
Loan from minority shareholder of a subsidiary company		1,664	–	–	1,664
		260,986	–	217,999	478,985
Total liabilities		427,093	532	251,093	678,718

47. Financial instruments (continued)

(d) Classification of financial instruments (continued)

COMPANY	Note	Loans and receivables $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2009				
Non-current assets				
Property, plant and equipment	12	–	25	25
Subsidiary companies	15	260,571	124,155	384,726
Associated companies	16	18,119	889	19,008
Joint venture companies	17	323	6,000	6,323
Deferred tax assets	39	–	31	31
		279,013	131,100	410,113
Current assets				
Prepayments and other non-financial assets	25	–	51	51
Other receivables	26	1,436	–	1,436
Amounts due from subsidiary companies	27	8,574	–	8,574
Amounts due from associated companies	28	8	–	8
Amounts due from related parties	29	250	–	250
Cash and cash equivalents	31	7,864	–	7,864
		18,132	51	18,183
Total assets		**297,145**	**131,151**	**428,296**

COMPANY	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Total $'000
Year ended 31 December 2009				
Current liabilities				
Other non-financial liabilities	32	–	104	104
Other payables	33	2,365	–	2,365
Amounts due to subsidiary companies	27	45,495	–	45,495
Amounts due to related parties	29	282	–	282
Interest-bearing loans and borrowings	34	2,250	–	2,250
Notes payable	37	50,000	–	50,000
		100,392	104	100,496
Non-current liabilities				
Interest-bearing loans and borrowings	34	11,542	–	11,542
Notes payable	37	77,250	–	77,250
		88,792	–	88,792
Total liabilities		**189,184**	**104**	**189,288**

47. Financial instruments (continued)

(d) Classification of financial instruments (continued)

COMPANY	Note	Loans and receivables $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2008				
Non-current assets				
Property, plant and equipment	12	–	13	13
Subsidiary companies	15	264,147	116,079	380,226
Associated companies	16	18,648	889	19,537
Joint venture companies	17	332	6,000	6,332
Deferred tax assets	39	–	31	31
		283,127	123,012	406,139
Current assets				
Prepayments and other non-financial assets	25	–	118	118
Other receivables	26	1,832	–	1,832
Amounts due from subsidiary companies	27	6,723	–	6,723
Amounts due from related parties	29	201	–	201
Cash and cash equivalents	31	2,012	–	2,012
		10,768	118	10,886
Total assets		293,895	123,130	417,025

COMPANY	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Total $'000
Year ended 31 December 2008				
Current liabilities				
Other non-financial liabilities	32	–	156	156
Other payables	33	4,743	–	4,743
Amounts due to subsidiary companies	27	30,427	–	30,427
Amounts due to related parties	29	580	–	580
Interest-bearing loans and borrowings	34	11,129	–	11,129
Tax payable		–	118	118
Redeemable preference shares	38	1,954	–	1,954
		48,833	274	49,107
Non-current liabilities				
Interest-bearing loans and borrowings	34	9,000	–	9,000
Notes payable	37	127,250	–	127,250
		136,250	–	136,250
Total liabilities		185,083	274	185,357

48. Segment information

For management purposes, the Group is organised into business units based on the nature of products and services provided, with each reportable operating segment representing a strategic business unit that offers different products and serves different markets. The reportable operating segments are as follows:

The hotel investment segment relates to hotel and restaurant operations.

The hotel management segment relates to the management of hotels and resorts.

The hotel residences segment relates to sale of branded hotel properties to investors under a compulsory leaseback scheme.

The spa operation segment relates to the management and operation of spas.

The gallery operation segment relates to sales of merchandise.

The property sales segment relates to property development operations.

Design fees and others segment includes mainly provision of design services, management and ownership of golf course and rental of retail outlets and offices.

The head office segment relates to expenses incurred by corporate office.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained below, is measured differently from operating profit or loss in the consolidated financial statements.

Geographical information

The Group's geographical information on revenue and non-current assets are based on the the geographical location of the Group's customers and assets respectively.

The South East Asia segment comprises countries such as Thailand, Indonesia, Singapore, Malaysia and Vietnam.

The Indian Oceania segment comprises countries such as Seychelles, Maldives, Sri Lanka and India.

The North East Asia segment comprises countries such as China, Japan, Hong Kong and Macau.

The rest of the world segment comprises countries such as Australia, New Zealand, Guam, Morocco, Dubai, West Indies and Americas.

Allocation basis and transfer pricing

Segments results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Income taxes are managed on a group basis and are not allocated to operating segments. Unallocated income comprises of other sources of income which are not directly attributable to the identified operating segments.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Segment accounting policies are the same as the policies of the Group as described in Note 2. The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Information about major customers

There is no concentration of revenue derived from any one single customer for both years ended 31 December 2008 and 2009.

48. Segment information (continued)

(a) Operating segments

The following tables present revenue and results information regarding the Group's reportable operating segments for the years ended 31 December 2009 and 2008:

	Hotel investment $'000	Hotel management $'000	Hotel residences $'000	Spa operation $'000	Gallery operation $'000	Property sales $'000	Design fees and others $'000	Head office $'000	Total $'000
Year ended 31 December 2009									
Revenue:									
Segment revenue									
Sales	186,980	48,117	23,098	29,883	7,148	25,216	29,337	100	349,879
Inter-segment sales	(360)	(24,452)	–	(2,949)	–	–	(8,867)	–	(36,628)
Sales to external customers	186,620	23,665	23,098	26,934	7,148	25,216	20,470	100	313,251
Results:									
Segment results	9,860	7,953	11,028	5,654	171	4,426	932	(14,055)	25,969
Unallocated income									3,663
Profit from operations									29,632
Finance income	76	7	1,618	31	42	346	1,041	204	3,365
Finance costs	(10,826)	–	–	(47)	–	(439)	(39)	(7,696)	(19,047)
Share of results of associated companies	841	58	–	–	–	–	–	(108)	791
Share of results of joint venture companies	(3)	–	–	–	–	–	–	4	1
Profit before taxation									14,742
Income tax expenses									(11,314)
Profit for the year									3,428

48. Segment information (continued)

(a) Operating segments (continued)

	Hotel investment $'000	Hotel management $'000	Hotel residences $'000	Spa operation $'000	Gallery operation $'000	Property sales $'000	Design fees and others $'000	Head office $'000	Total $'000
Year ended 31 December 2008									
Revenue:									
Segment revenue									
Sales	206,240	36,932	78,505	28,622	11,001	52,276	24,991	–	438,567
Inter-segment sales	(1,129)	(21,686)	–	(1,570)	(214)	–	(1,356)	–	(25,955)
Sales to external customers	205,111	15,246	78,505	27,052	10,787	52,276	23,635	–	412,612
Results:									
Segment results	14,476	(1,487)	40,285	1,550	618	11,327	(5,154)	(21,199)	40,416
Unallocated income									15,309
Profit from operations									55,725
Finance income	890	15	543	–	80	1,279	478	112	3,397
Finance costs	(10,432)	(9)	–	(126)	–	(635)	(201)	(6,693)	(18,096)
Share of results of associated companies	1,386	3	–	–	–	–	–	(72)	1,317
Share of results of joint venture companies	(8)	–	–	–	–	–	–	3	(5)
Profit before taxation									42,338
Income tax expenses									(23,991)
Profit for the year									18,347

48. Segment information (continued)

(a) Operating segments (continued)

The following tables present certain assets, liabilities and other information regarding the Group's reportable operating segments for the years ended 31 December 2009 and 2008:

	Hotel investment $'000	Hotel management $'000	Hotel residences $'000	Spa operation $'000	Gallery operation $'000	Property sales $'000	Design fees and others $'000	Head office $'000	Total $'000
Year ended 31 December 2009									
Assets and liabilities:									
Segment assets	925,889	37,388	60,668	15,894	14,218	93,509	140,266	43,991	1,331,823
Investment in associated companies	4,913	66	–	–	–	–	–	18,835	23,814
Investment in joint venture companies	3,697	–	–	–	–	–	–	(275)	3,422
Deferred tax assets									13,810
Total assets									1,372,869
Segment liabilities	59,079	2,546	3,226	5,111	2,549	16,584	10,290	7,682	107,067
Interest-bearing loans and borrowings	234,761	–	–	–	–	–	961	19,596	255,318
Notes payable	–	–	–	–	–	–	–	127,250	127,250
Current and deferred tax liabilities									176,639
Total liabilities									666,274
Other segment information:									
Capital expenditure	44,702	415	–	176	265	16	–	–	45,574
Depreciation of property, plant and equipment	29,316	97	–	1,227	243	848	2,800	1,002	35,533
Amortisation of lease rental and land use rights	4,375	–	–	–	–	–	–	–	4,375
Other non-cash items	19	–	–	38	–	935	822	826	2,640

48. Segment information (continued)

(a) Operating segments (continued)

	Hotel investment $'000	Hotel management $'000	Hotel residences $'000	Spa operation $'000	Gallery operation $'000	Property sales $'000	Design fees and others $'000	Head office $'000	Total $'000
Year ended 31 December 2008									
Assets and liabilities :									
Segment assets	1,003,764	33,324	64,506	18,495	13,992	130,690	128,576	20,593	1,413,940
Investment in associated companies	14,320	3	–	–	–	–	–	19,494	33,817
Investment in joint venture companies	3,808	–	–	–	–	–	–	(272)	3,536
Deferred tax assets									16,070
Total assets									1,467,363
Segment liabilities	67,074	8,015	5,909	5,422	3,222	23,950	11,435	7,628	132,655
Interest-bearing loans and borrowings	186,143	–	–	1,252	–	–	1,389	21,406	210,190
Notes payable	–	–	–	–	–	–	–	127,250	127,250
Current and deferred tax liabilities									208,623
Total liabilities									678,718
Other segment information:									
Capital expenditure	50,985	1,981	–	750	234	3,257	1,611	3	58,821
Depreciation of property, plant and equipment	27,873	23	–	1,253	282	891	2,431	582	33,335
Amortisation of lease rental and land use rights	4,689	–	–	–	–	–	–	–	4,689
Other non-cash items	457	–	–	–	–	973	2,517	100	4,047

(b) Geographical information

The following tables present revenue and non-current assets information based on the geographical location of customers and assets respectively:

	Revenue		Non-current assets	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
South East Asia	**214,096**	304,004	**868,388**	990,961
Indian Oceania	**49,989**	50,320	**109,013**	83,960
North East Asia	**31,072**	43,990	**92,093**	88,591
Rest of the world	**18,094**	14,298	**48,697**	53,609
	313,251	412,612	**1,118,191**	1,217,121

49. Authorisation of financial statements

The financial statements for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the Directors on 12 March 2010.

STATISTICS OF SHAREHOLDINGS

as at 16 March 2010

Share Capital

Issued and Paid-up Capital	$199,994,894
Class of Shares	Ordinary Shares
Voting Rights	One vote per share except for treasury shares

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 – 999	43	1.00	10,033	0.00
1,000 – 10,000	3,144	73.20	15,231,977	2.01
10,001 – 1,000,000	1,090	25.38	44,908,260	5.92
1,000,001 and above	18	0.42	698,321,710	92.07
Total	**4,295**	**100.00**	**758,471,980***	**100.00**

* The total number of issued shares excludes the 2,930,300 treasury shares. Percentage of 2,930,300 treasury shares against total number of issued shares (excluding treasury shares) is 0.39%.

Substantial Shareholders (As shown in the Register of Substantial Shareholders)

	Direct interests No. of shares	%[7]	Deemed interests No. of shares	%[7]
Ho KwonPing[1]	–	–	286,232,582	37.74
Chiang See Ngoh Claire[1]	–	–	286,232,582	37.74
Ho KwonCjan[2]	16,000,000	2.11	286,726,582	37.80
Bibace Investments Ltd	270,460,582	35.66	9,772,000	1.29
Recourse Investments Ltd.[3]	6,000,000	0.79	280,232,582	36.95
KAP Holdings Ltd.[3]	–	–	280,232,582	36.95
Qatar Holding LLC[4]	–	–	149,103,943	19.66
Qatar Investment Authority[5]	–	–	149,103,943	19.66
Citigroup Global Markets Limited ("CGML") and the following entities by virtue of their interest in CGML: Citigroup Inc., Citigroup Global Markets Holdings Inc., Citigroup Financial Products Inc. and Citigroup Global Markets Europe Limited[6]	–	–	148,824,526	19.62

1 Ho KwonPing and Chiang See Ngoh Claire are each deemed to have an interest in the shares held by Recourse Investments Ltd., Bibace Investments Ltd ("Bibace") and Citibank Nominees Singapore Pte Ltd (acting as nominee for Bibace).

2 Ho KwonCjan is deemed to have an interest in the shares held by Bibace, Citibank Nominees Singapore Pte Ltd (acting as nominee for Bibace) and HSBC (Singapore) Nominees Pte Ltd (acting as nominee for Li-Ho Holdings (Private) Limited).

3 KAP Holdings Ltd. and Recourse Investments Ltd. are each deemed to have an interest in the shares held by Bibace and Citibank Nominees Singapore Pte Ltd (acting as nominee for Bibace).

4 Qatar Holding LLC is deemed to have an interest in the shares held by its nominee, Citibank Nominees Singapore Pte Ltd.

5 Qatar Investment Authority is deemed to have an interest in the shares held by Citibank Nominees Singapore Pte Ltd (acting as nominee for Qatar Holding LLC).

6 CGML is deemed to have an interest in the shares held by Citibank Nominees Singapore Pte Ltd (acting as nominee for Qatar Holding LLC).

7 Percentage shareholding is based on issued share capital as at 16 March 2010 (excluding treasury shares).

Twenty Largest Shareholders (As shown in the Register of Members and Depository Register)

	Name	No. of shares	%
1.	Bibace Investments Ltd	270,460,582	35.66
2.	Citibank Nominees Singapore Pte Ltd	220,324,232	29.05
3.	HSBC (Singapore) Nominees Pte Ltd	44,799,490	5.91
4.	DBSN Services Pte Ltd	31,433,905	4.14
5.	Wah-Chang Offshore (Hong Kong) Company Limited	31,000,000	4.09
6.	DBS Nominees Pte Ltd	30,242,516	3.99
7.	Ho KwonCjan	16,000,000	2.11
8.	United Overseas Bank Nominees Pte Ltd	11,323,786	1.49
9.	Freesia Investments Ltd	10,000,000	1.32
10.	Raffles Nominees (Pte) Ltd	8,286,000	1.09
11.	BNP Paribas Securities Services Singapore	7,102,000	0.94
12.	Recourse Investments Ltd.	6,000,000	0.79
13.	Kim Eng Securities Pte. Ltd.	3,994,000	0.53
14.	OCBC Securities Private Ltd	2,579,000	0.34
15.	Phillip Securities Pte Ltd	1,326,000	0.17
16.	UOB Kay Hian Pte Ltd	1,186,000	0.16
17.	DB Nominees (S) Pte Ltd	1,137,949	0.15
18.	Merrill Lynch (Singapore) Pte Ltd	1,126,250	0.15
19.	OCBC Nominees Singapore Pte Ltd	715,000	0.09
20.	Ariel P Vera	704,200	0.09
	Total	**699,740,910**	**92.26**

As at 16 March 2010, approximately 34.02% of the Company's issued ordinary shares (excluding treasury shares) is held by the public and, therefore Rule 723 of the Listing Manual is complied with.

WORLDWIDE RESORTS AND OFFICES

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Africa

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WORLDWIDE RESORTS AND OFFICES

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South Asia

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Angsana Hotels and Resorts

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Fax: + 212 524 386 611
marrakech@angsana.com

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Riad Zitoun Jdid, Medina
40000 Marrakech
Morocco

Angsana Riad Bab Firdaus
N. 57 -58 Rue de la Bahia
Riad Zitoun Jdid, Medina
40000 Marrakech
Morocco

Angsana Riad Blanc
N. 25 Derb Si Said
Riad Zitoun Jdid, Medina
40000 Marrakech
Morocco

Angsana Riad Lydines
N. 45 Derb Abda, Kasbah
40000 Marrakech
Morocco

Angsana Riad Si Said
N. 1-2-4 Derb Abbes El Fassi
Riad Zitoun Jdid, Medina
40000 Marrakech
Morocco

Angsana Riad Tiwaline
N. 10 Derb El Arsa
Riad Zitoun Jdid, Medina
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Morocco

Asia Pacific

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Angsana Affiliated Hotels

South Asia

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Asia Pacific

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Fax: +856 71 212 577
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Other Hotel

Asia Pacific

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Global Marketing Network

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WORLDWIDE RESORTS AND OFFICES

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sales-middleeast@banyantree.com

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Toll-free Numbers

Americas

Mexico
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United States
Tel: 1 800 591 0439

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Australia
Tel: 1 800 050 019

China - North
Tel: 10 800 650 0531

China - South
Tel: 10 800 265 2502

Hong Kong
Tel: 800 903 881

Japan
Tel: 0120 778 187

Korea
Tel: 00 798 651 7380

Singapore
Tel: 1 800 232 5599

Taiwan
Tel: 00 801 652 051

Thailand
Tel: 001 800 656 923

Europe

France
Tel: 00 800 3002 0000

Germany
Tel: 00 800 3002 0000

Italy
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Russia
Tel: 8 10 8002 163 1049

Spain
Tel: 00 800 3002 0000

United Kingdom
Tel: 00 800 3002 0000

Middle East

Bahrain
Tel: 800 04336

Saudi Arabia
Tel: 800 865 6033

United Arab Emirates
Tel: 800 065 0586

CORPORATE INFORMATION

Board of Directors

Ho KwonPing
Ariel P Vera
Chia Chee Ming Timothy
Fang Ai Lian
Dilhan Pillay Sandrasegara
Elizabeth Sam

Executive Officers

Chiang See Ngoh Claire
Ho KwonCjan
Surapon Supratya
Bernold Olaf Schroeder
Tee Hwee Liang
Arthur Kiong Kim Hock
Michael Ramon Ayling
Shankar Chandran
Dharmali Kusumadi
Eddy See Hock Lye
Steve Small
Paul Chong
Hokan Limin
John Searby
Michael Lee
Emilio Llamas Carreras
Maximilian Lennkh
Francois Huet
Marina Kleiman
Foong Pohmun
Sachiko Shiina
Elsie Leung
Stuart Reading
Zhang Li
Steven Chu

Registered Address

Banyan Tree Holdings Limited
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Share Registrar

Boardroom Corporate & Advisory
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Auditors

Ernst & Young LLP
Certified Public Accountants
One Raffles Quay
North Tower Level 18
Singapore 048583

Partner in charge
(since financial year ended
31 December 2005)
Tan Chian Khong

Solicitors

WongPartnership LLP

Bankers

Hong Kong & Shanghai Banking
Corporation Ltd
Maybank Banking Berhad
Standard Chartered Bank
Bank of East Asia Ltd

Company Secretary

Jane Teah
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Company Secretary
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NOTICE OF ANNUAL GENERAL MEETING

Banyan Tree Holdings Limited
(Incorporated in the Republic of Singapore)
(Company Registration No. 200003108H)

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of the Company will be held at Ballroom 1 Lower Lobby, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178, on Friday, 30 April 2010 at 2.30 p.m. to transact the following business:

Ordinary Business

1 To receive and adopt the Directors' Report and Audited Accounts for the financial year ended 31 December 2009 and the Auditors' Report thereon.

2 To re-elect Mr Ariel P Vera as a Director retiring by rotation under Article 93 of the Company's Articles of Association and who, being eligible, offers himself for re-election.

3 To re-elect Mr Dilhan Pillay Sandrasegara as a Director retiring by rotation under Article 93 of the Company's Articles of Association and who, being eligible, offers himself for re-election.

4 To re-appoint Mrs Elizabeth Sam as a Director of the Company pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore ("Companies Act"), to hold office from the date of this Annual General Meeting until the next Annual General Meeting.

5 To approve payment of Directors' fees of $234,000 for the financial year ended 31 December 2009 (FY2008: $225,971).

6 To re-appoint Messrs Ernst & Young LLP as Auditors of the Company to hold office until the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration.

Special Business

7 To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

7.1 That authority be and is hereby given to the Directors of the Company, pursuant to Section 161 of the Companies Act to:

(a) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution 7.1 may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution 7.1 was in force,

provided that:

(A) (1) the aggregate number of Shares to be issued pursuant to this Resolution 7.1 (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 7.1) (the "Share Issues") shall not, save and except as set out in sub-paragraph (A)(2) below, exceed 50 per cent of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 7.1) shall not exceed 20 per cent of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (B) below);

(2) (until 31 December 2010 or such later date as may be determined by the Singapore Exchange Securities Trading Limited (the "SGX-ST"), but in any event subject to sub-paragraph (D) below) the aggregate number of Shares to be issued pursuant to this Resolution 7.1 by way of renounceable rights issue on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 7.1) (the "Renounceable Rights Issues") shall not exceed 100 per cent of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (B) below); and

(3) the number of Shares to be issued pursuant to the Share Issues and the Renounceable Rights Issues shall not, in aggregate, exceed 100 per cent of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (B) below);

(B) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (A) above, the percentage of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) at the time this Resolution 7.1 is passed, after adjusting for:

(i) any new Shares arising from the conversion or exercise of any convertible securities or Share options or vesting of Share awards which are outstanding or subsisting at the time this Resolution 7.1 is passed; and

(ii) any subsequent bonus issue, consolidation or sub-division of Shares;

(C) in exercising the authority conferred by this Resolution 7.1, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST ("Listing Manual") for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Articles of Association for the time being of the Company; and

(D) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 7.1 shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

7.2 That without prejudice to the generality of, and pursuant and subject to the approval of the general mandate to issue Shares set out in, Resolution 7.1, authority be and is hereby given to the Directors of the Company to issue Shares other than on a *pro rata* basis to shareholders of the Company, at a discount not exceeding 20% to the weighted average price of the Shares for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day), at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit,

provided that:

(a) in exercising the authority conferred by this Resolution 7.2, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Articles of Association for the time being of the Company; and

(b) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 7.2 shall continue in force until 31 December 2010 or such later date as may be determined by the SGX-ST, but in any event not later than the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

7.3 That the Directors be and are hereby authorised to:

(a) offer and grant options in accordance with the provisions of the Banyan Tree Share Option Scheme and/or grant awards in accordance with the provisions of the Banyan Tree Performance Share Plan (together the "Share Plans"); and

(b) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options under the Banyan Tree Share Option Scheme and/or such number of fully paid Shares as may be required to be issued pursuant to the vesting of awards under the Banyan Tree Performance Share Plan,

provided always that the aggregate number of Shares to be issued pursuant to the Share Plans shall not exceed 15 per cent of the total number of issued Shares (excluding treasury shares) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

8 To transact any other business as may properly be transacted at an Annual General Meeting.

By Order of the Board

Jane Teah
Company Secretary

Singapore
15 April 2010

NOTICE OF ANNUAL GENERAL MEETING

Banyan Tree Holdings Limited
(Incorporated in the Republic of Singapore)
(Company Registration No. 200003108H)

Explanatory Notes

In relation to Ordinary Resolutions 2 to 4, Mr Ariel P Vera will, upon re-election, continue to serve as Group Managing Director of the Company, Mr Dilhan Pillay Sandrasegara will, upon re-election, continue to serve as a member of the Nominating & Remuneration Committee ("NRC") and the Audit & Risk Committee ("ARC") and Mrs Elizabeth Sam will, upon re-appointment, continue to serve as a member of the ARC and NRC.

In relation to Ordinary Resolution 5, payment of the Directors' fees is made for services rendered by them as Directors on the Board as well as the various Board Committees.

Statement pursuant to Article 56 of the Company's Articles of Association

Ordinary Resolution 7.1 is to empower the Directors, from the date of the passing of Ordinary Resolution 7.1 to the date of the next Annual General Meeting, to issue Shares and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total 50 per cent of the total number of issued Shares (excluding treasury shares), with a sub-limit of 20 per cent of the total number of issued Shares (excluding treasury shares) for issues other than on a *pro rata* basis to shareholders. The foregoing is subject to the exception that where the Company undertakes a renounceable *pro rata* rights issue of Shares (including Shares to be issued pursuant to such instruments), the maximum number of such Shares that can be issued is 100 per cent of the total number of issued Shares (excluding treasury shares), provided that the total number of Shares which may be issued pursuant to the Share Issues and the Renounceable Rights Issues shall not exceed 100 per cent of the total number of issued Shares (excluding treasury shares). For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) at the time that Ordinary Resolution 7.1 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 7.1 is passed, and (b) any subsequent bonus issue, consolidation or sub-division of Shares. In exercising the authority conferred by Ordinary Resolution 7.1, the Company shall comply with the requirements of the SGX-ST (unless waived by the SGX-ST), all applicable legal requirements and the Company's Articles of Association. Rule 806 of the Listing Manual presently allows a listed issuer to seek a general mandate from shareholders for *inter alia* issuance of new shares and convertible securities on a *pro rata* basis amounting to not more than 50 per cent of its issued share capital (excluding treasury shares). On 19 February 2009, the SGX-ST released a press release of new measures effective on 20 February 2009 (the "Press Release"); the new measures include allowing issuers to issue up to 100 per cent of its issued share capital via a *pro rata* renounceable rights issue, subject to the condition that the issuer makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in its annual report. The Press Release states that this new measure will be in effect until 31 December 2010 when it will be reviewed by the SGX-ST.

Ordinary Resolution 7.2 is to empower the Directors, pursuant to the general mandate to issue Shares set out in Ordinary Resolution 7.1, to issue Shares other than on a *pro rata* basis to shareholders of the Company, at a discount not exceeding 20 per cent to the weighted average price of the Shares on the SGX-ST for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day). In exercising the authority conferred by Ordinary Resolution 7.2, the Company shall comply with the requirements of the SGX-ST (unless waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Company's Articles of Association. Rule 811(1) of the Listing Manual presently provides that an issue of shares must not be priced at more than 10 per cent discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day). The Press Release also included a new measure allowing issuers to undertake placements of new shares using the general mandate to issue shares, priced at discounts of up to 20 per cent, subject to the conditions that the issuer seeks shareholders' approval in a separate resolution at a general meeting to issue new shares on a non *pro rata* basis at a discount exceeding 10 per cent but not more than 20 per cent, and the general share issue mandate resolution is not conditional on this resolution. Ordinary Resolution 7.2 has been included following this new measure. The Press Release states that this new measure will also be in effect until 31 December 2010 when it will be reviewed by the SGX-ST.

Ordinary Resolution 7.3 is to empower the Directors, from the date of this Annual General Meeting until the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in a general meeting, whichever is the earlier, to offer and grant options and/or awards, and to issue new Shares, pursuant to the Share Plans, provided that the aggregate number of new Shares to be issued pursuant to the Share Plans shall not exceed 15 per cent of the total number of issued Shares (excluding treasury shares) from time to time.

Notes

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. Such proxy need not be a member of the Company.
2. The instrument appointing a proxy or proxies must be lodged at the registered office of the Company at 211 Upper Bukit Timah Road, Singapore 588182, not less than 48 hours before the time appointed for the Annual General Meeting.

PROXY FORM

Banyan Tree Holdings Limited
(Incorporated in the Republic of Singapore)
(Company Registration No. 200003108H)

IMPORTANT:
1. For investors who have used their CPF monies to buy Banyan Tree Holding Limited's Shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ______________________________ (Name)

of ______________________________ (Address)

being a member/members of Banyan Tree Holdings Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings %	
			No. of Shares	%

and/or (please delete as appropriate)

			No. of Shares	%

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting (the "**AGM**") of the Shareholders of the Company to be held on Friday 30 April 2010 at Ballroom 1 Lower Lobby, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178, at 2.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM and at any adjournment thereof. If no person is named in the above boxes, the Chairman of the AGM shall be my/our proxy to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder for me/us on my/our behalf and, if necessary, to demand a poll, at the AGM and at any adjournment thereof.

Resolution No.	Resolutions Relating to:	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	No. of Votes For**	No. of Votes Against**
	As Ordinary Business				
1	Directors' Report and Audited Accounts for the financial year ended 31 December 2009				
2	Re-election of Mr Ariel P Vera as Director				
3	Re-election of Mr Dilhan Pillay Sandrasegara as Director				
4	Re-appointment of Mrs Elizabeth Sam as Director				
5	Approval of Directors' fees				
6	Re-appointment of Ernst & Young LLP as Auditors				
	As Special Business				
7.1	Authority to issue new Shares				
7.2	Authority to issue Shares at a discount to the weighted average price				
7.3	Authority to offer and grant options and/or grant awards and to allot and issue Shares under the Share Plans				

* Please indicate your Vote "For" or "Against" with an "X" within the box provided.

** If you wish to exercise all your Votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of Votes as appropriate.

Dated this __________ day of ______________ 2010

Total number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s) or Common Seal

Important: Please read notes on the reverse carefully before completing this form.

1ST FOLD ALONG LINE

Affix
postage
stamp

Banyan Tree Holdings Limited
211 Upper Bukit Timah Road
Singapore 588182
Attention: Company Secretary

2ND FOLD ALONG LINE

Notes:

1. Please insert the total number of ordinary shares in the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. Such proxy need not be a member of the Company. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy shall be deemed as representing 100 per cent of the shareholding and the second named proxy shall be deemed as an alternate to the first named proxy.

3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 211 Upper Bukit Timah Road, Singapore 588182, not less than 48 hours before the time appointed for the AGM.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

6. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the member, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Note About Printing:
If you would like additional copies or to share this report, we encourage you to download the soft copy in order to reduce consumption of resources from printing and distributing hard copies. The portable document format (pdf) soft copy is available for download via Banyan Tree's website (*www.banyantree.com*).

About the Forest Stewardship Council
The Forest Stewardship Council (FSC) is an international organisation that brings people together to find solutions which promote responsible stewardship of the world's forests. Its trademark provides international recognition to organisations that support the growth of responsible forest management. Its Chain of Custody (COC) certificate provides a guarantee about the production of FSC-certified products. COC is the path taken by raw materials from the forest to the consumer, including all successive stages of processing, transformation, manufacturing and distribution. From a customer perspective, the FSC label represents a promise that is being made to them. COC standards are the mechanism FSC has to ensure that 'promise' is delivered.

For more information, please visit:
www.fsc.org/en/about/about_fsc/benefits

strategic communicator and visual creator
greymatter williams and phoa (asia)