BANYAN TREE
HOLDINGS

Banyan Tree's 25-Year Journey

ANNUAL REPORT 2019

Banyan Tree Holdings Limited

We aspire to build globally recognised brands which, by creating exceptional experiences for our guests, instilling pride and integrity in our associates, and enhancing both the physical and human environment in which we operate, deliver attractive returns to our shareholders.

For latest news and information about
Banyan Tree Holdings Limited
visit: www.banyantree.com

Cover image:

Standing Together for 25 Years -
Associates of Banyan Tree Vabbinfaru
Maldives

BANYAN TREE
HOLDINGS

Banyan Tree's 25-Year Journey

ANNUAL REPORT 2019

Banyan Tree Holdings Limited

Index


1987
Laguna
1994
Banyan Tree
2000
Angsana
2015
Cassia
2016
Dhawa

SECTION ONE

1

A Purpose-led Business with People and Planet at Our Core

From a Household Name to a Multi-Branded Ecosystem

Value-Creation as the Foundation of Business

The Longevity Formula

From a Household Name to a Multi-Branded Ecosystem

Beginning in 1994 as a sanctuary for the senses, Banyan Tree Holdings' presence grew from a single resort in Phuket to become one of the world's leading independent, multi-branded hospitality groups today. The Group's diversified portfolio of hotels, resorts, spas, galleries, golf and residences is centered on five award-winning brands – Banyan Tree, Angsana, Cassia, Dhawa and Laguna – that offer exceptional design-led experiences for global travellers of today and tomorrow.

Banyan Tree Holdings was founded on the core concept of sustainability, which continues to guide its business focus of creating long-term value for all stakeholders and destinations across its network of properties, products and brands, through a purpose-driven mission to breathe new life into places, spaces and experiences to serve the greater good.

Photo captions:

←

Banyan Tree Lăng Cô
Central Vietnam

→

Banyan Tree
Vabbinfaru
Maldives

Our Global Portfolio

● Hotels & Resorts

○ Spas

5 Brands

24 Countries

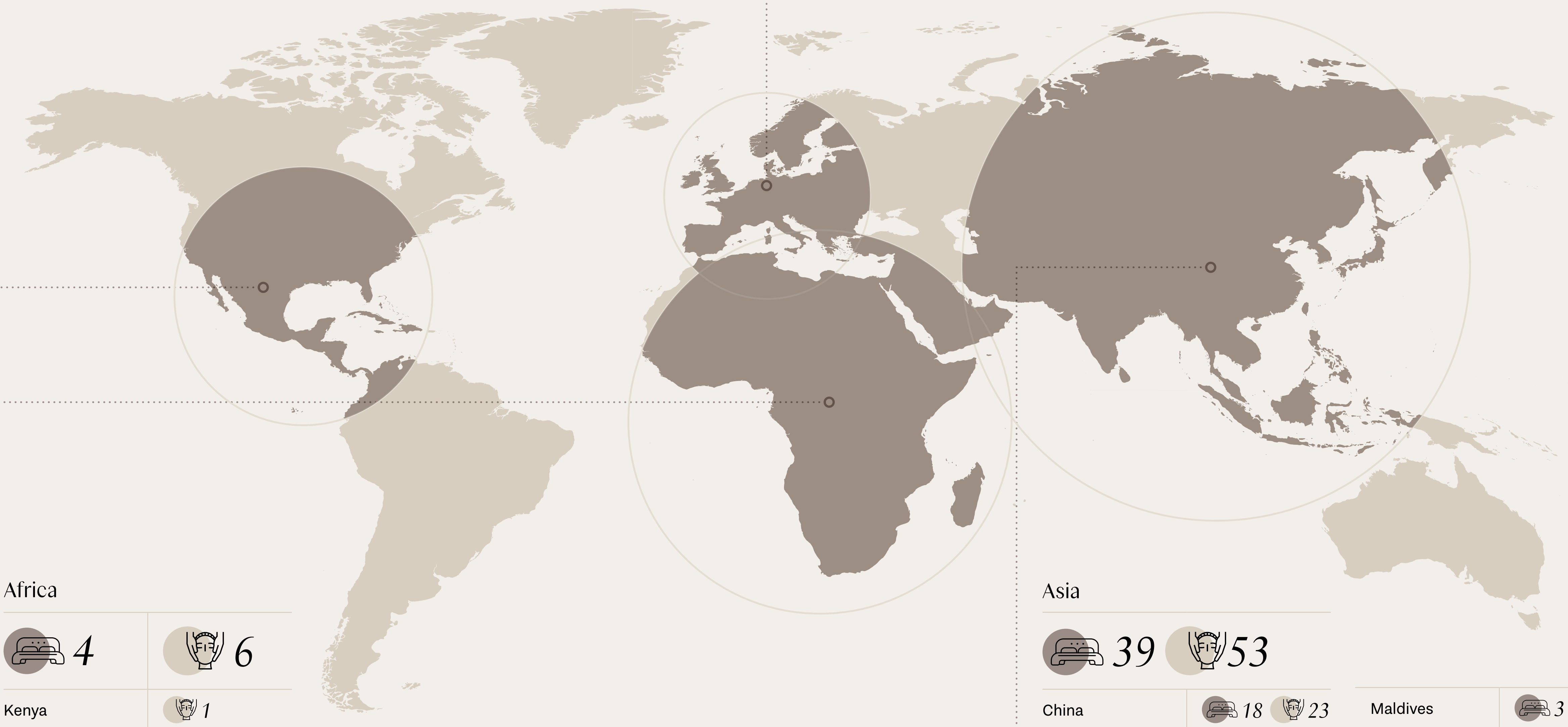
2,611 Awards Won to Date

47 Hotels

64 Spas

72 Galleries

6,714 Keys and Rooms



North America

● *4*	○ *2*
Cuba	● *2*
Mexico	● *2* ○ *2*

Europe

○ *3*	
Ireland	○ *2*
Portugal	○ *1*

Africa

● *4*	○ *6*
Kenya	○ *1*
Mauritius	● *1* ○ *1*
Morocco	● *2* ○ *2*
Seychelles	● *1* ○ *1*
South Africa	○ *1*

Asia

● *39*	○ *53*
China	● *18* ○ *23*
Guam	○ *1*
India	● *1* ○ *2*
Indonesia	● *4* ○ *3*
Japan	○ *2*
Kuwait	○ *1*
Laos	● *1* ○ *1*
Malaysia	● *2* ○ *3*
Maldives	● *3* ○ *3*
Qatar	○ *1*
Singapore	○ *1*
South Korea	● *1* ○ *1*
Sri Lanka	○ *2*
Thailand	● *7* ○ *7*
Vietnam	● *2* ○ *2*

Our Portfolio
Existing Resorts

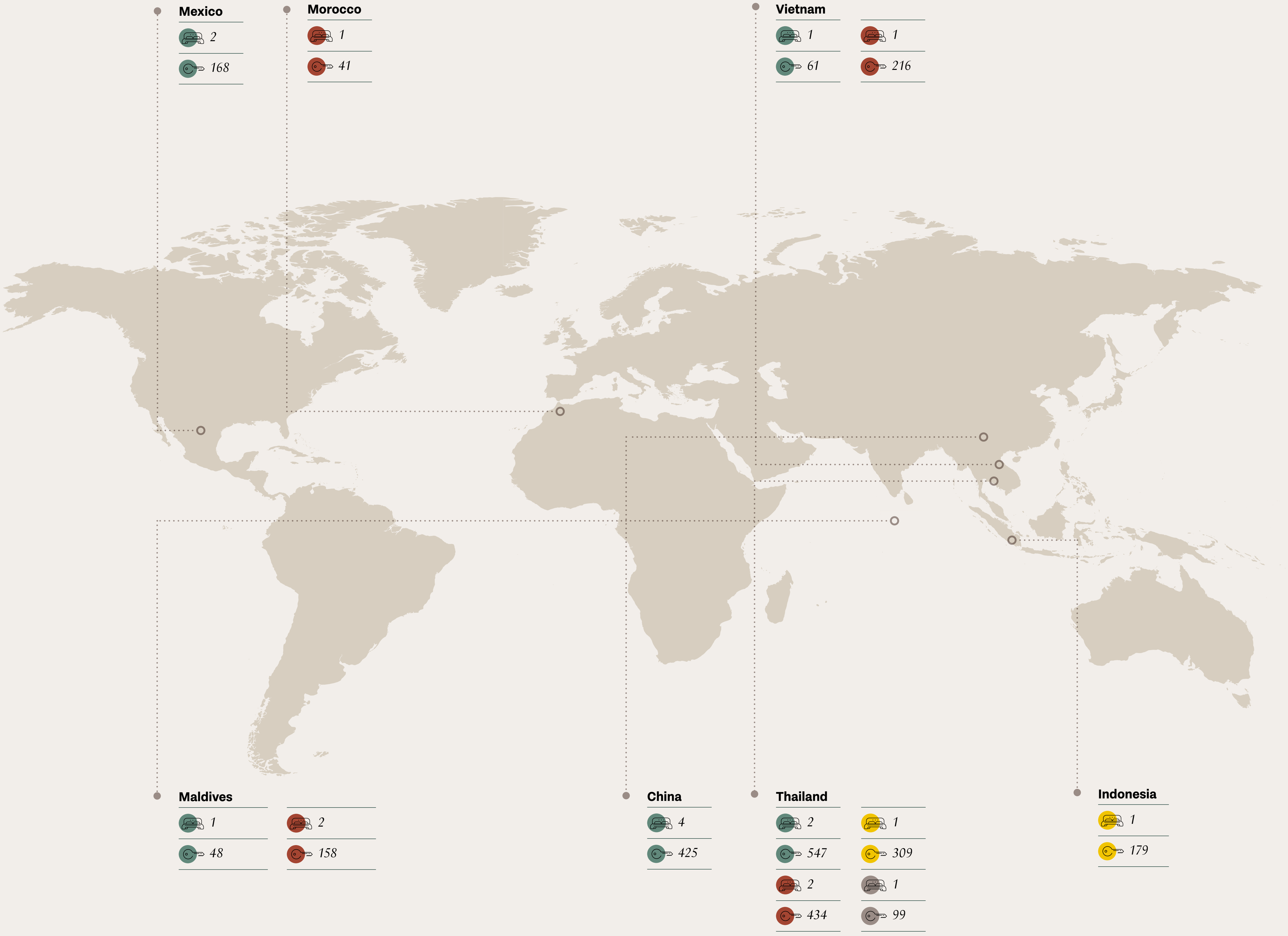
With equity interest

Resorts/Hotels

Total number of room keys

BANYAN TREE	10	1,249
ANGSANA	6	849
CASSIA	2	488
Others	1	99

Total No. of Resorts/Hotels with Equity Interest	*19*
Total No. of Keys for Resorts/ Hotels with Equity Interest	*2,685*



Our Portfolio
Existing Resorts

Without equity interest

🛏	Resorts/Hotels
🔑	Total number of room keys

BANYAN TREE	🟩 16	🟩 1,428
ANGSANA	🟥 9	🟥 1,562
DHAWA	🟪 2	🟪 714
Others	⬜ 1	⬜ 325

Total No. of Resorts/Hotels without Equity Interest	*28*
Total No. of Keys for Resorts/ Hotels without Equity Interest	*4,029*

Cuba

🟥 *1*	🟪 *1*
🟥 *252*	🟪 *516*

Morocco

🟩 *1*
🟩 *92*

South Korea

🟩 *1*
🟩 *50*

Seychelles

🟩 *1*
🟩 *60*

India

🟥 *1*
🟥 *79*

Thailand

🟩 *1*
🟩 *88*

Laos

🟥 *1*
🟥 *24*

Mauritius

🟥 *1*
🟥 *55*

China

🟩 *9*	🟪 *1*
🟩 *945*	🟪 *198*
🟥 *4*	
🟥 *1,043*	

Malaysia

🟩 *1*	⬜ *1*
🟩 *55*	⬜ *325*

Indonesia

🟩 *2*	🟥 *1*
🟩 *138*	🟥 *109*

Our Portfolio

Existing Spas

📍	Outlets
☺	Treatment Rooms

BANYAN TREE	🟩📍	29
	🟩☺	254
ANGSANA	🟥📍	31
	🟥☺	247
Elements Spa by Banyan Tree	🟪📍	1
	🟪☺	8
Chill Chill	⬜📍	3
	⬜☺	20

Total No. of Outlets	64
Total No. of Treatment Rooms	529

Mexico

🟩📍	2
🟩☺	21

Qatar

🟥📍	1
🟥☺	8

Portugal

🟩📍	1
🟩☺	5

Ireland

🟥📍	2
🟥☺	11

Morocco

🟩📍	1
🟩☺	8
🟥📍	1
🟥☺	2

China

🟩📍	12
🟩☺	105
🟥📍	11
🟥☺	92

Seychelles

🟩📍	1
🟩☺	8

Laos

🟥📍	1
🟥☺	3

India

🟥📍	2
🟥☺	17

Sri Lanka

🟥📍	2
🟥☺	19

Japan

🟩📍	1
🟩☺	10
🟥📍	1
🟥☺	8

South Korea

🟩📍	1
🟩☺	10

Guam

🟥📍	1
🟥☺	8

Singapore

🟩📍	1
🟩☺	15

Kenya

🟥📍	1
🟥☺	3

Mauritius

🟥📍	1
🟥☺	6

Kuwait

🟪📍	1
🟪☺	8

Maldives

🟩📍	1
🟩☺	5
🟥📍	2
🟥☺	18

South Africa

🟥📍	1
🟥☺	10

Thailand

🟩📍	3
🟩☺	34
🟥📍	2
🟥☺	18
⬜📍	2
⬜☺	12

Indonesia

🟩📍	2
🟩☺	18
🟥📍	1
🟥☺	14

Vietnam

🟩📍	1
🟩☺	6
🟥📍	1
🟥☺	10

Malaysia

🟩📍	2
🟩☺	9
⬜📍	1
⬜☺	8

Our Portfolio
Resorts in the Pipeline*

🛏 Resorts/Hotels

🔑 Total number of room keys

No. of Resorts/Hotels and Keys with Equity Interest

BANYAN TREE	🟩 🛏 1 🟩 🔑 16	DHAWA	🟪 🛏 1 🟪 🔑 124
ANGSANA	🟥 🛏 0 🟥 🔑 164**		

No. of Resorts/Hotels and Keys without Equity Interest

BANYAN TREE	🟩 🛏 15 🟩 🔑 1,679	DHAWA	🟪 🛏 13 🟪 🔑 3,429
ANGSANA	🟥 🛏 11 🟥 🔑 2,356	CASSIA	🟨 🛏 2 🟨 🔑 705
Others	⬜ 🛏 3 ⬜ 🔑 602		

Total No. of Resorts/ Hotels with Equity Interest	2
Total No. of Keys for Resorts/Hotels with Equity Interest	304
Total No. of Resorts/ Hotels without Equity Interest	44
Total No. of Keys for Resorts/Hotels without Equity Interest	8,771

Mexico
⬜ 🛏 1
⬜ 🔑 50

Qatar
🟩 🛏 1
🟩 🔑 342

Cuba
🟩 🛏 1
🟩 🔑 50
🟥 🛏 1
🟥 🔑 430

Austria
🟥 🛏 1
🟥 🔑 201

Vietnam
🟥 🛏 2
🟥 🔑 328
🟪 🛏 1
🟪 🔑 162

Cambodia
🟥 🛏 1
🟥 🔑 158

Japan
🟩 🛏 1
🟩 🔑 52

Philippines
🟪 🛏 1
🟪 🔑 184

Palau
🟩 🛏 1
🟩 🔑 224

Mozambique
🟩 🛏 1
🟩 🔑 66

Greece
🟥 🛏 1
🟥 🔑 199

Kenya
🟩 🛏 1
🟩 🔑 15

China
🟩 🛏 7
🟩 🔑 778
🟥 🛏 4
🟥 🔑 790
🟨 🛏 2
🟨 🔑 705
🟪 🛏 11
🟪 🔑 3,083
⬜ 🛏 1
⬜ 🔑 214

Malaysia
🟥 🛏 1
🟥 🔑 250

Thailand
🟩 🛏 1
🟩 🔑 72
🟥 🛏 0
🟥 🔑 164**
🟪 🛏 1
🟪 🔑 124

Indonesia
🟩 🛏 2
🟩 🔑 96

Singapore
⬜ 🛏 1
⬜ 🔑 338

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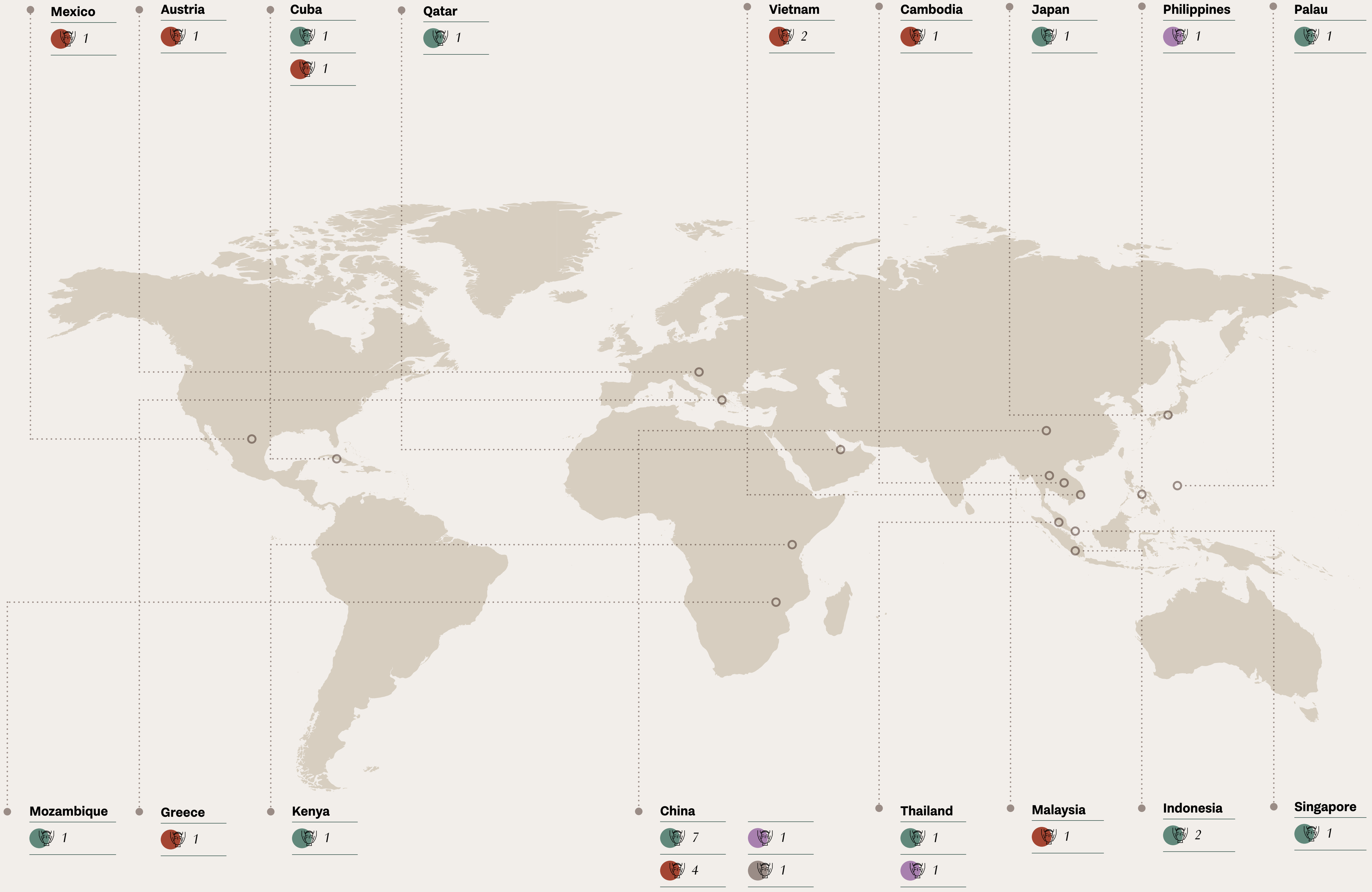
* as at 31 December 2019

** includes expansion with new keys

Our Portfolio
Spas in the Pipeline*

🟫 Spa

BANYAN TREE	🟩 17
ANGSANA	🟥 12
DHAWA	🟪 3
Others	▨ 1
Total	🟫 33



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* as at 31 December 2019

Value-Creation as the Foundation of Business

Banyan Tree Holdings' value-creation strategy is backed by the Group's "asset-right" model, which is designed to maximise value for its stakeholders through a three-pronged approach. This comprises rebalancing asset ownership to focus on key competencies, unlocking our land bank to realise development value and lastly, growing fee-based segment through strategic partnerships and collaborations with industry leaders.

The strong execution of Banyan Tree Holdings' value-creation strategy continues to yield results in FY2019. Core Operating Profit for the year rose 43% to S$65.1 million. The emphasis on Core Operating Profit as a metric to assess the underlying health of the Group's corporate performance is critical as it excludes confounding non-recurring, one-off gains or losses, which could result from the Group's asset rebalancing approach as part of its value-creation strategy.

To ensure an accurate reflection on the performance of its value-creation strategy, Banyan Tree Holdings revalues its portfolio on an annual basis. Net Asset Value for the financial year ended FY2019 increased by 4%, or S$27.7 million, to a total of S$747.4 million in FY2019, boosted by net revaluation gains (S$35.6 million) from its Thailand properties.

Photo captions:

← Banyan Tree Bangkok
Thailand

→ Angsana Velavaru
Maldives

A Resilient Portfolio

KEY FIGURES

Revenue

S$ 347.0m

Core Operating Profit[1]

S$ 65.1m

Cash and Cash equivalents

S$ 130.8m

KEY FIVE-YEAR FINANCIAL HIGHLIGHTS

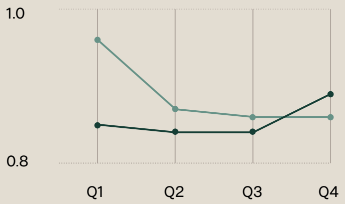
	2015 S$'m	2016 S$'m	2017 S$'m	2018 S$'m	2019 S$'m
Revenue	370.7	309.6	317.5	329.0	**347.0**
Core Operating Profit[1]	31.0	29.3	38.8	45.5	**65.1**
Operating Profit	31.0	51.7	74.7	83.1	**56.2**
Profit before tax (PBT)	(19.5)	0.7	22.7	25.0	**14.0**
Profit after tax (PAT)	(26.0)	(7.0)	14.9	14.4	**2.5**
Profit after tax & minority interests (PATMI)	(27.5)	(16.2)	12.9	13.5	**0.7**
Operating Profit Margin	8%	17%	24%	25%	**16%**
Per share (S$)					
• Basic earnings	(0.036)	(0.021)	0.017	0.016	**0.001**
• Diluted earnings	(0.036)	(0.021)	0.016	0.015	**0.001**
• Net assets	0.919	0.963	0.924	0.858	**0.890**
Net debt equity ratio	0.70	0.69	0.52	0.47	**0.57**
Net Assets	699.5	732.8	777.5	719.8	**747.4**

QUARTERLY FIGURES

● 2019 ● 2018 ● FY

Net Asset Value per Share

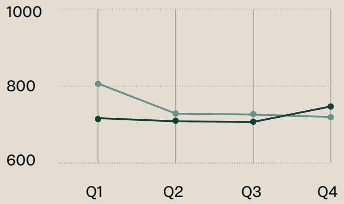
(S$)



2019	0.85	0.84	0.84	0.89
2018	0.96	0.87	0.86	0.86

Net Assets

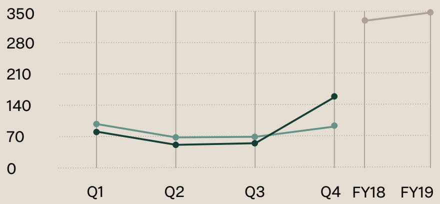
(S$ million)



2019	716.8	708.5	707.1	747.4
2018	806.0	728.5	726.1	719.8

Revenue

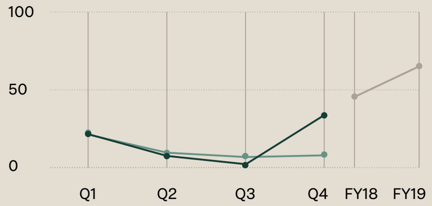
(S$ million)



2019	81.2	51.8	55.4	158.6	347.0
2018	98.2	68.4	69.7	92.7	329.0

Core Operating Profit[1]

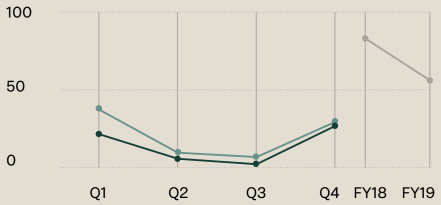
(S$ million)



2019	21.5	7.5	2.2	33.9	65.1
2018	21.2	9.6	6.8	7.9	45.5

Operating Profit

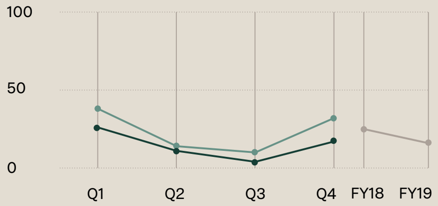
(S$ million)



2019	21.5	5.7	2.2	26.8	56.2
2018	37.3	9.6	6.8	29.4	83.1

Operating Profit Margin

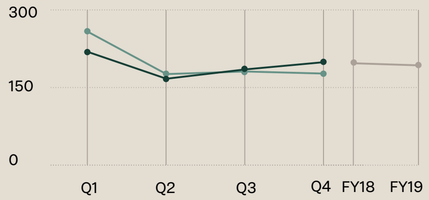
(%)



2019	26	11	4	17	16
2018	38	14	10	32	25

RevPAR[2] (Same Store[3])

(S$)



2019	219	167	185	199	193
2018	258	176	181	177	197

[1] Core Operating Profit = Operating Profit excluding one-off gains or losses. (Operating Profit = EBITDA (Earnings before interests, taxes, depreciation and amortisation)).

[2] RevPAR denotes revenue per available room.

[3] Same Store concept excludes all new resorts opened in the past two years (Banyan Tree Anji, Banyan Tree Kuala Lumpur, Angsana Zhuhai Phoenix Bay, Angsana Cayo Santa Maria, Angsana Xishuangbanna, Dhawa Jinshanling and Pavilion Hotel Kuala Lumpur managed by Banyan Tree), as they take on average two years to stabilise. Comparatives for Same Store concept for prior periods have been adjusted to include Banyan Tree Jiuzhaigou and Cassia Bintan, and exclude Angsana Fuxian Lake.

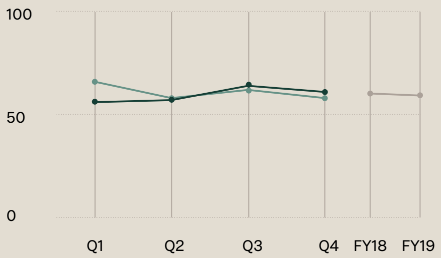
KEY STATISTICS

● 2019 ● 2018 ● FY

Banyan Tree Resorts (Same Store[4])

Average Occupancy

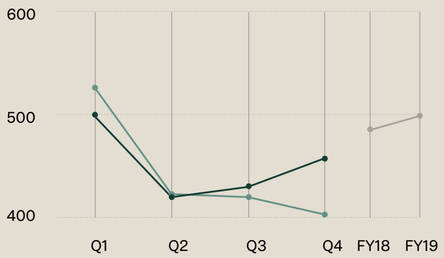
(%)



2019	56	57	64	61	60
2018	66	58	62	58	61

Average Room Rate

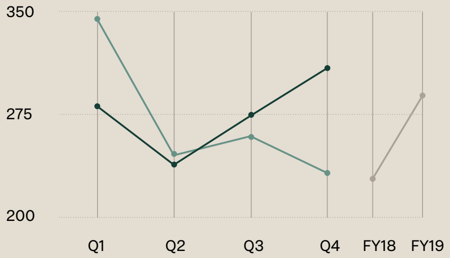
(S$)



2019	498	419	429	457	450
2018	526	422	419	402	443

RevPAR[2]

(S$)



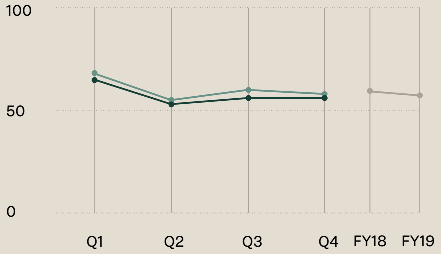
2019	281	238	274	309	310
2018	345	245	259	232	269

[4] Same Store concept excludes all new resorts opened in the past two years (Banyan Tree Anji and Banyan Tree Kuala Lumpur), as they take on average two years to stabilise. Comparatives for Same Store concept for prior periods have been adjusted to include Banyan Tree Jiuzhaigou.

Angsana Resorts (Same Store[5])

Average Occupancy

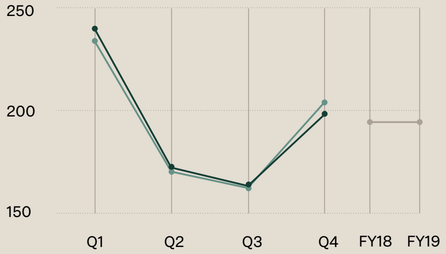
(%)



2019	65	53	56	56	58
2018	68	55	60	58	60

Average Room Rate

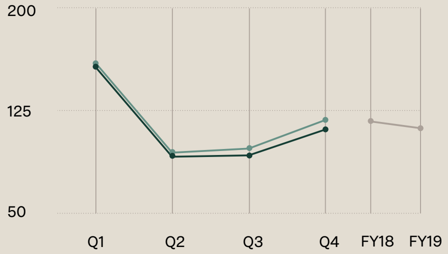
(S$)



2019	240	172	163	198	195
2018	234	170	162	204	195

RevPAR[2]

(S$)



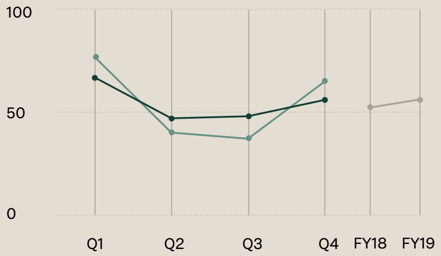
2019	157	91	92	111	113
2018	160	94	97	118	118

[5] Same Store concept excludes all new resorts opened in the past two years (Angsana Zhuhai Phoenix Bay, Angsana Cayo Santa Maria and Angsana Xishuangbana), as they take on average two years to stabilise. Comparatives for Same Store concept for prior periods have been adjusted to include Maison Souvannphoum Hotel and exclude Angsana Fuxian Lake.

Cassia Resorts (Same Store[6])

Average Occupancy

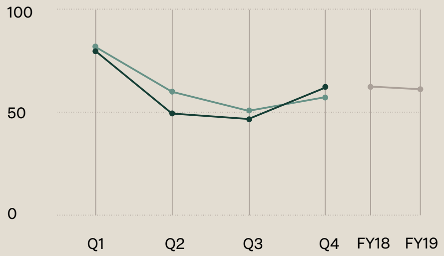
(%)



2019	67	47	48	65	57
2018	77	40	37	65	53

Average Room Rate

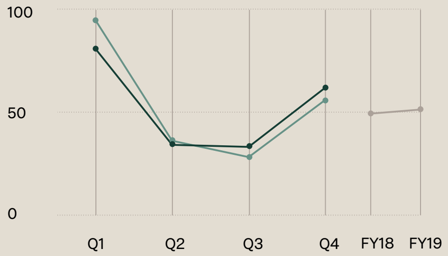
(S$)



2019	120	74	70	95	93
2018	123	90	76	86	95

RevPAR[2]

(S$)



2019	81	34	33	62	52
2018	95	36	28	56	50

[6] Same Store concept excludes all new resorts opened in the past two years as they take on average two years to stabilise. No adjustment was required for the current period. Comparatives for Same Store concept for prior periods have been adjusted to include Cassia Bintan.

The Longevity Formula

Banyan Tree Holdings' business comprises three core operating segments: Hotel Investments, Residences and Extended Stay[1], and Fee-based, which collectively forms an operating portfolio of diversified yet interconnected offerings aimed at capturing distinct market segments and flowing them through the different brands to extend customer lifetime value.

Founded in 1994 on the core concept of sustainability, Banyan Tree Holdings seeks to create long-term value for all stakeholders and destinations across its network of properties, products and brands, through a purpose-driven mission.

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[1] Also denotes Property Sales in the Financials

Interconnectivity of Operating Segments

Integral to Banyan Tree Holdings' move towards the "asset-right" model is the Residences and Extended Stay segment, which helps to generate positive cash flow to lower the Group's investment outlay through development of residences, in conjunction with existing resort developments.

Demand for the Group's developments are driven, in turn, by the positive brand equity and trust built up over the years through the exceptional experience offerings of its Hotel Investments and Fee-based segments.

Photo captions:

←
Laguna Phuket
Thailand

→
The abandoned tin mine land at Bang Tao Bay, Phuket, Thailand in 1984 which was transformed into Asia's first destination integrated resort.

Our Business In Brief

Leveraging our diversified yet complementary portfolio, Banyan Tree Holdings seeks to generate long-term value for our stakeholders through a resilient and agile model that is well-positioned to adapt to the volatile economic climate and yield results.

Banyan Tree Holdings Limited ("Banyan Tree" or the "Group") is one of the world's leading independent, multi-branded hospitality groups. The Group's diversified portfolio of hotels, resorts, spas, galleries, golf and residences is centered on five award-winning brands (Banyan Tree, Angsana, Cassia, Dhawa and Laguna) that offer exceptional design-led experiences for global travellers of today and tomorrow.

Founded in 1994 on the core concept of sustainability, Banyan Tree Holdings seeks to create long-term value for all stakeholders and destinations across its network of properties, products and brands, through a purpose-driven mission. With 11,000 associates across 24 countries, Banyan Tree Management Academy (BTMA) was established in 2008 to support the Group's goals through advancing people development, management excellence, and learning with integrity and meaning.

Photo captions:

← Banyan Tree Bintan Indonesia

↓ Laguna Lăng Cô Central Vietnam

Group's Revenue

S$*347.0m*

2018 *S$329.0m*

Banyan Tree Holdings has received over 2,611 industry awards and accolades since inception. It has also received recognition for its commitment to environmental protection and community development through its Banyan Tree Global Foundation (BTGF), which aligns the Group's efforts to the UN Sustainable Development Goals.

Banyan Tree also operates Laguna, the Group's first brand, Asia's premier integrated resort in Thailand – Laguna Phuket – through the Group's subsidiary, Laguna Resorts & Hotels Public Company Limited ("LRH"). Two other integrated resorts – Laguna Bintan in Indonesia and Laguna Lăng Cô in Central Vietnam – complete the status of the Group as a major operator of integrated resorts in Asia.

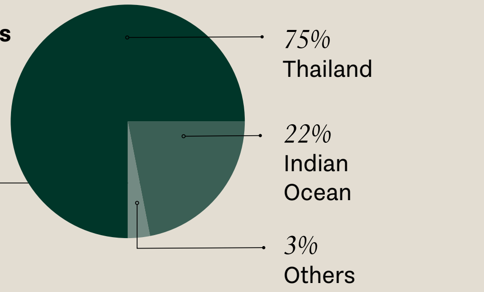
Executing on its regionalised growth strategy, the Group's global footprint continues to grow with 46 hotels and resorts in the pipeline as of 31 December 2019.

OUR PORTFOLIO

	2019 S$'m	2019 %	2018 S$'m	2018 %
Group's Revenue	*347.0*	*100%*	*329.0*	*100%*
Hotel Investments	*173.7*	*50%*	*192.5*	*59%*
Residences and Extended Stay	*114.2*	*33%*	*77.0*	*23%*
Fee-based	*59.1*	*17%*	*59.5*	*18%*
Hotel Investments	*173.7*	*100%*	*192.5*	*100%*
- Thailand		*75%*		*69%*
- Indian Ocean		*22%*		*29%*
- Others		*3%*		*2%*
Residences and Extended Stay	*114.2*	*100%*	*77.0*	*100%*
- Hotel Residences		*72%*		*33%*
- Laguna Residences and Extended Stay		*28%*		*67%*
Fee-based	*59.1*	*100%*	*59.5*	*100%*
- Hotel/Fund/Club Management		*37%*		*37%*
- Spa/Gallery Operations		*33%*		*34%*
- Design and Other Services		*30%*		*29%*

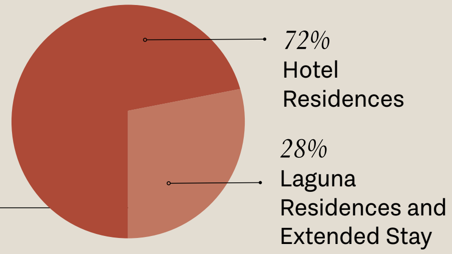
Hotel Investments

50%



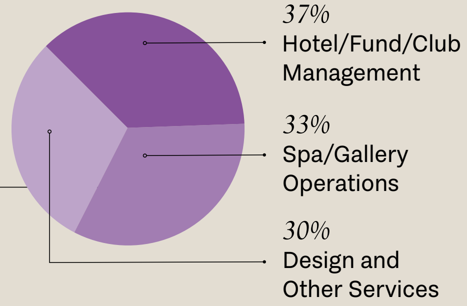
Residences and Extended Stay

33%



Fee-based

17%



Hotel Investments

We own and manage hotels under our Banyan Tree, Angsana and Cassia brands.

We hold equity interest in 19 hotels, comprising over 2,000 keys. As at 31 December 2019, revenue from our Hotel Investments was contributed by Thailand (75%), Indian Ocean (22%) and Others (3%).

Revenue contribution in 2019

S$*173.7m*

2018 *S$192.5m*

Residences and Extended Stay

This segment consists of sales of hotel residences and Laguna residences and extended stay.

Hotel Residences

Our hotel residence business comprises the sale of villas or apartments to investors under a compulsory leaseback scheme. Such residences, which are part of our hotel operations, are currently available in Indonesia, Mexico, Thailand and Vietnam.

We have also expanded our offering of luxury residences by launching Banyan Tree branded apartments in Australia. These are pure apartment sales and not part of hotel operations.

Photo captions:

↑ Banyan Tree Grand Residences Thailand

↖ Banyan Tree Vabbinfaru Maldives

Laguna Residences and Extended Stay

Laguna Residences and Extended Stay refer to sales of townhomes, bungalows and apartments that are within the vicinity of our resorts but are not part of our hotel operations. Laguna properties are currently available for sale in Vietnam and Thailand.

Revenue contribution in 2019

S$*114.2m*

2018 *S$77.0m*

Our Business In Brief

Fee-based

Our fee-based business comprises hotel, fund and club management, spa and gallery operations, and design and other services.

We manage 28 resorts and hotels, and operate 64 spas, 72 gallery outlets and three golf courses.

Hotel/Fund/Club Management

Besides managing hotels for other owners, we manage an asset-backed destination club and a private equity fund. In addition, the Group derives royalties from the sale of properties in which we hold a minority or no interest.

Spa/Gallery Operations

We pioneered the tropical garden spa concept and manage spas within our own resorts as well as resorts owned by other hotel/resort operators. The Group's retail arm, Banyan Tree Gallery, supports indigenous artistry and the livelihoods of village artisans. In 2017, we re-launched our signature range of natural, responsibly-sourced Banyan Tree Essentials body and aromatherapy products, curated after an 18-month journey to ensure sustainability values are embedded throughout the product cycle.

Design and Other Services

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

Photo caption:

Banyan Tree Gallery

Revenue contribution in 2019

S$59.1m

2018 S$59.5m

Banyan Tree Holdings is dedicated to ensuring the longevity of its business through a clear growth strategy that draws on its competitive differentiator in providing the best experiences for its guests. The Group is committed to understanding the megatrends that are changing the hospitality and travel landscape, and uncovering new opportunities for innovation and growth as it seeks to holistically transform its business through strategic partnerships and technological transformation.

Banyan Tree Holdings' steadfast execution of its growth strategy has resulted in strong growth traction across the Group's brands, particularly through its strategic partnerships with AccorHotels and Vanke Co., Ltd. In 2019 alone, the Group signed a record number of 27 deals that go towards its evolving brand pipeline.

The Group has plans to double its operating footprint over the next five years and it remains well on track to securing 30 deals annually.

In the next 12 months, the Group expects to have eight new resorts in operation across seven markets – Thailand, Malaysia, Indonesia, China, Cambodia, Qatar and Greece – testament to the continuous growth of our lifestyle ecosystem.

Plugged into the Megatrends of Tomorrow

The hospitality and tourism industry is booming and shifting with sustainable tourism and transformation travel taking flight.

Travelling sustainably by supporting local communities, protecting culture and heritage, and with as little environmental impact as possible is gradually becoming a fundamental criterion for travellers. For Banyan Tree Group, this has been our corporate ethos from the very beginning. We understand that every decision we make has a broader impact and therefore keep communities and the world at the center of all our choices.

According to the Global Wellness Institute™'s "Global Wellness Tourism Economy", wellness tourism, now a US$639 billion market is set to reach US$919 billion by 2022. As it stands, Asia-Pacific has been identified as the eye-opening growth leader, with wellness trips growing a whopping 33% from 2015 to 2017. This has informed our business strategy as we deepen and widen our roots in enhancing the wellbeing of our guests and continually steering wellbeing innovations as a pioneer of the industry.

Testament to its commitment in aligning its business with megatrends is Laguna Phuket, Banyan Tree Holdings' flagship destination integrated resort and first-of-its-kind in Asia. Bringing a wide range of facilities and services into one stunning location, it is at the forefront of embodying the spirit of growth – the drive to continuously innovate to provide multi-generational audiences an opportunity to design their own experiences. From award-winning spas and golf courses to picturesque resorts, the Laguna brand is the epitome of destination living.

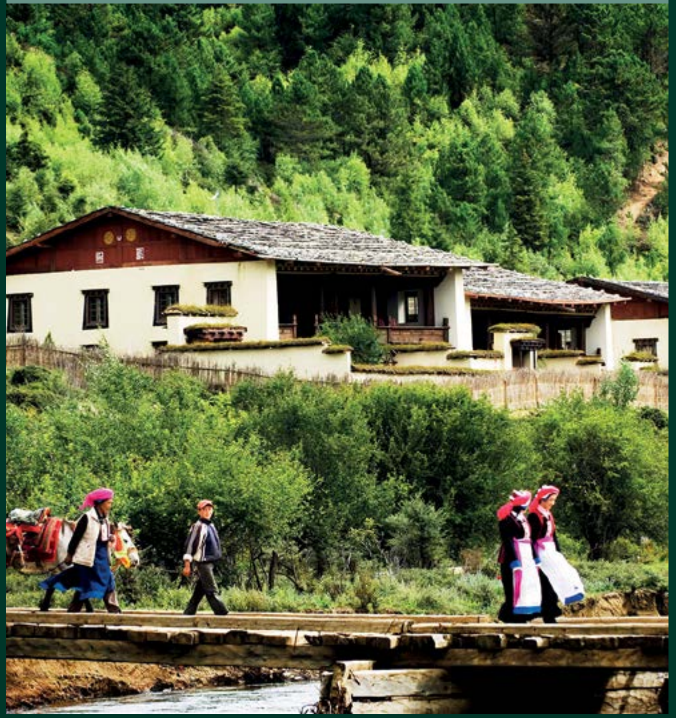


Photo caption:

Banyan Tree Ringha China

SECTION TWO

2

Taking Stock

Business Review

Hotel Investments

Within our Hotel Investments segment, we selectively maintained assets in stronghold markets, such as Thailand, where we are well-poised to unlock value from our resorts and hotels through an end-to-end developer-operator model.

Revenue from our Hotel Investments segment was S$18.8 million lower from S$192.5 million in FY2018 to S$173.7 million in FY2019, mainly due to lower room inventory at Banyan Tree Phuket as a result of renovations, which was completed in December 2019 and most significantly, an absence of revenue contribution following the disposal of Seychelles.

Operating Profit dipped by S$14.9 million in FY2019 to S$18.2 million, largely due to lower revenue and allowance for impairment loss on our hotel in Morocco, but was partially cushioned by lower provision for bonus and incentives and lower operating lease expenses. Excluding this one-off allowance for impairment loss, Core Operating Profit would have been S$23.5 million in FY2019 as compared to S$33.1 million in FY2018.

Photo captions:

↑

DoublePool Villas by Banyan Tree Phuket
Thailand

→

Cassia Phuket
Thailand

Thailand

Thailand welcomed 4.0% more tourists in FY2019. The record number of 39.7 million visitors, however, fell short of the target of 40.0 million set by the Tourism Council of Thailand. This was in part due to significant appreciation of the Thai Baht, which dampened the purchasing power of tourists, especially those from China, the country's biggest source of visitors.

Our hotels in Thailand posted a combined revenue of S$129.9 million in FY2019, a slight decrease of 2% from S$132.4 million the previous year. Banyan Tree Bangkok and Banyan Tree Phuket together recorded a drop of about S$2.8 million, which was partially offset by an increase of S$1.6 million from Cassia Phuket.

Banyan Tree Bangkok saw fewer arrivals from China and South Korea, while Banyan Tree Phuket's weaker performance was partly because of a temporary inventory shortage caused by renovations. The completion of the ACES convention centre in September 2019 created new opportunities to capitalise on the growing Indian market by promoting Angsana Laguna Phuket as a destination for large-scale weddings and regional events for the MICE market.

Maldives

Our Maldives resorts recorded revenue of S$37.6 million, up 1% from last year. Both Angsana Ihuru and Banyan Tree Vabbinfaru achieved higher occupancy of 2% and 1% points respectively in FY2019, while Angsana Velavaru's occupancy was 1% point lower.

Photo captions:

↙

Banyan Tree Vabbinfaru
Maldives

↘

Cassia Bintan
Indonesia

Indonesia

Revenue from our hotels in Indonesia surged by 19% year-on-year to S$5.4 million, mostly because of additional room inventory at Cassia Bintan.

Morocco

With market sentiment continuing to improve in Morocco, Angsana Riads Collection Morocco posted revenue growth of 22% to S$1.9 million. In terms of rooms sold, Germany, France, Great Britain, Italy and Switzerland contributed 70% of the total production.

In the pipeline

The coming year heralds an exciting expansion in Phuket, with the opening of the 15-key Angsana Beachfront and 48 keys at Angsana Oceanview. Given their exclusivity and location within the integrated resort enclave, we expect these prime accommodations to attract a high yield and high-spending guests. The opening of Dhawa Phuket with 124 keys will further add to the diverse and vibrant hospitality choices at Laguna Phuket. We also look forward to an additional 16 keys from the upcoming Banyan Tree Escape set to open in Buahan, Indonesia in 2020.

GROWTH AND DEMAND

Our marketing efforts across all brands and properties in 2019 revolved around our 25th anniversary. The celebration offers were warmly received by our customers, who made over 6,000 bookings, generating about 20,000 room nights.

We continued our commitment to the cause of women with our annual celebration of International Women's Day. Over 2,700 room nights resulted from the two-week campaign.

We strive to provide an exceptional experience from the very first interaction between a prospective guest and our associates. For many guests, this first interaction is with the Reservations department. Aside from numerous compliments during the year, we also received feedback that will enable us to finetune our service wherever gaps are identified.

In order to drive a more outcome-based mindset and collaboration, the Sales, Marketing and Reservations departments were renamed Growth, Demand and Customer Service respectively and consolidated under one department in the fourth quarter of 2019. We also restructured the Demand team to improve accountability and synergy with the Brand team. Within the Demand team, we have boosted headcount in Public Relations, Strategy, Digital Platforms and Content to give these areas the attention they require.

We have introduced a longer planning horizon, which allows us to create marketing activities for 2020 with key business objectives in mind and to align our strategic global, regional and local initiatives.

Residences and Extended Stay

Our Residences and Extended Stay segment is integral to our "asset-right" approach as the development of residences, in conjunction with existing resort developments, generates positive cash flow to lower the investment outlay. The segment continues to demonstrate strong momentum. Total revenue for FY2019 was S$114.2 million, 48% higher than the previous year's S$77.0 million.

Ongoing efforts to develop and broaden our sales network provided strong sales momentum throughout FY2019. This was despite lingering global political and economic uncertainty, namely weak market sentiment caused by trade tensions, as well as protests in Hong Kong. Currency fluctuations added to the challenges, with the Thai Baht hitting a six-year high and impacting foreign buyers' spending power. Russia was the largest single market for our Residences and Extended Stay segment, followed by China, which was affected by a slowing domestic economy and depreciation of the Chinese Renminbi.

We offer a complete range of products to cater for all market segments, from affordably priced apartments to landed properties for the emerging middle-class in Asia to high-end branded residential offerings. Our strategy remains to unlock value from our land bank by actively rolling out new projects to market to meet ongoing demand. In FY2019, this included the successful launch of Skypark in Laguna Phuket for the entry-level segment.

The most active segment for our Phuket and Bintan operations remains the investor-driven entry-level resort condominiums and apartments, along with mid-range landed properties that appeal to investors and lifestyle buyers alike. We are also seeing strong demand for well-positioned branded high-end residences.

Looking ahead, potential headwinds include US-China trade tensions, the ongoing COVID-19 situation, stock market volatility and further appreciation of the Thai Baht.

Photo captions:

↑ Banyan Tree Bintan Indonesia

↓ Banyan Tree Grand Residences Thailand

Photo captions:

↗ Cassia Bintan Indonesia

↑ Angsana Oceanview Thailand

← Skypark Thailand

Hotel Residences

Revenue recognised from hotel residences in FY2019 was S$81.7 million, mainly from Cassia Phuket and Cassia Bintan apartments and Banyan Tree Phuket villas. In the prior year, revenue recognised was S$25.3 million, contributed largely by Cassia Phuket and Cassia Bintan apartments, a Banyan Tree Phuket villa and a Banyan Tree Grand Residence.

We have a healthy pipeline of sales revenue amounting to S$131.4 million, coming from units at Angsana Beachfront and Angsana Oceanview Residences Phuket, Banyan Tree Residences Brisbane, Banyan Tree Phuket villas, Cassia Phuket and Dhawa Phuket. This revenue will be recognised upon completion of these projects in 2020-2022.

Overall, 101 units were sold in FY2019 for a total of S$50.2 million (FY2018: 159 units totalling S$90.3 million). The following units were sold:

- Three Angsana Beachfront Residences totalling S$6.2 million (FY2018: two units totalling S$4.1 million).
- Four Angsana Oceanview Residences totalling S$5.1 million (FY2018: three units totalling S$3.8 million).
- Three Banyan Tree Residences Brisbane apartments totalling S$3.1 million (FY2018: 16 units totalling S$18.1 million).
- Four Banyan Tree Phuket villas totalling S$7.0 million (FY2018: 10 units totalling S$22.0 million including one Banyan Tree Grand Residences of S$4.1 million).
- 71 Cassia Phuket apartments totalling S$24.9 million (FY2018: 97 units totalling S$34.9 million).
- Two Cassia Bintan apartments totalling S$0.6 million (FY2018: four units totalling S$1.4 million).
- 14 Dhawa Phuket apartments totalling S$3.3 million (FY2018: 27 units totalling S$6.0 million).

Laguna Residences and Extended Stay

Revenue recognised from Laguna Residences and Extended Stay segment was S$28.0 million in FY2019, versus S$45.5 million in FY2018, mainly from the completion of units at Laguna Park Phuket and Laguna Village Phuket. These two projects, along with Skypark Phuket, also account for most of the sales revenue in the pipeline. Amounting to approximately S$46.8 million, revenue from these units will be recognised upon completion in 2020-2021.

Overall, 236 units were sold in FY2019 for a total of S$65.7 million, or nearly double the value of the previous year's sales (FY2018: 52 units totalling S$35.3 million). Units sold comprised:

- 197 Skypark Phuket condominiums totalling S$39.6 million (launched in FY2019).
- 38 Laguna Park Phuket townhomes and bungalows totalling S$24.4 million (FY2018: 47 units totalling S$27.5 million).
- One Laguna Village Phuket bungalow totalling S$1.7 million (FY2018: five units totalling S$7.8 million).

Angsana Vacation Club

Angsana Vacation Club (ANVC), the Group's points-based membership club, is now in its fifth year of operations. In FY2019, ANVC sold 107 memberships, generating approximately S$1.6 million in revenue.

A flexible point system contributes to the popularity of the Club. Under this system, members are able to redeem points at selected Banyan Tree locations around the globe including China, Maldives, Morocco, Seychelles and Vietnam.

ANVC markets to Laguna Phuket visitors and reaches out to credit card holders of various banks through joint direct mail marketing campaigns. Members of the legacy Laguna Holiday Club, which was rebranded in 2017 as Angsana Vacation Club Heritage, continue to have the opportunity to upgrade to the new ANVC membership.

Fee-based

Our Fee-based segment, which comprises management of hotels and resorts, spa, gallery, design and other operations, is the major driver of our brand equity and a projected key revenue driver for the business in this new decade. The segment saw an increase of S$2.1 million in operating profit, mainly due to improved margins as we efficiently manage our costs. With our five brands of Laguna, Banyan Tree, Angsana, Cassia and Dhawa under our umbrella, we are well-placed to take advantage of changing demographics in international tourism and capture exciting new niche segments.

Photo captions:

↗
Angsana
Xishuangbanna
China

↙
Dhawa
Jinshanling
China

HOTEL MANAGEMENT

Group revenue from hotel management contracts was S$21.9 million in FY2019, down 1% or S$0.3 million compared to the previous year. This was due mainly to lower license fees from our hotels in China, partially cushioned by higher management fees from several resorts. Notwithstanding lower revenue for FY2019, Operating Profit increased by S$1.5 million from S$9.1 million to S$10.6 million, largely because of lower provision for bonus and incentives and lower Group hotel marketing expenses.

China

Group-managed hotels in China fared better in FY2019, with total revenue growing by 12% over FY2018. The increase came from new hotel openings in FY2018 and FY2019, including Angsana Zhuhai Phoenix Bay, Banyan Tree Anji, Angsana Xishuangbanna and Dhawa Jinshanling, but was offset by weaker performances by a number of hotels such as Banyan Tree Sanya and Banyan Tree Shanghai On The Bund. Banyan Tree Sanya continues to be adversely impacted by the Chinese Government's announcement, in April 2018, to develop the entire Hainan island into a pilot free trade zone. Meanwhile, Banyan Tree Shanghai On The Bund faces intense competition from several new luxury hotels that have opened since FY2018.

Asia Pacific

Hotels managed by the Group in the Asia Pacific region saw overall revenue increase by 11% year-on-year. Contributing to this were improved performances by Banyan Tree Macau and Banyan Tree Lăng Cô, as well as Banyan Tree Kuala Lumpur's first full year of operation in 2019. Banyan Tree Macau delivered room revenue growth of 4% due to stronger demand from China arrivals who accounted for 87% of total rooms sold. At Banyan Tree Lăng Cô, room revenue grew by 7% on higher arrivals from China, Japan, Great Britain and Vietnam.

Banyan Tree Samui however was impacted by tough market conditions with reduced airlift from China and Bangkok Airways. Competitors engaged in a price war, resulting in a 21% drop in room revenue for the property.

Europe, Middle East and Africa

Overall room revenue for this region declined by 12% as compared to FY2018. Banyan Tree Tamouda Bay achieved a significant 25% increase in room revenue, with both occupancy and average room rates improving from the preceding year. Local arrivals continue to be the main source of business for Banyan Tree Tamouda Bay, contributing 51% of room revenue in FY2019. Angsana Balaclava Mauritius recorded room revenue growth of 5% year-on-year, driven by an uptick in arrivals from Saudi Arabia, Germany, United Arab Emirates and local Mauritians.

However, room revenue for Banyan Tree Seychelles declined by 24%, mainly due to fewer arrivals from United Arab Emirates, Great Britain and Germany.

Americas

Both properties in the Americas reported weaker room revenue during the year. Banyan Tree Mayakoba saw a 5% decrease with less business from the Group segment. At Banyan Tree Cabo Marqués, the 9% decrease was due to aggressive pricing strategies to drive business despite occupancy holding steady from FY2018.

> Local arrivals continue to be the main source of business for Banyan Tree Tamouda Bay, contributing 51% of room revenue in FY2019.

Photo captions:

↙
Dhawa Cayo
Santa Maria
Cuba

↘
Banyan Tree
Siem Reap
Cambodia

Angsana Ho Tram
& Dhawa Ho
Tram Aerial View
Vietnam (Artist
Impressions)

In the pipeline

FY2020 will mark several key openings for us. The 250-key Angsana Teluk Bahang, the first Angsana property in Malaysia, will open in Penang. The launch of Angsana Siem Reap with 158 keys will represent our entry into Cambodia. The proximity of the resort to Siem Reap International Airport and Angkor Wat is expected to be a draw for leisure travellers. Additionally, the 199-key Angsana Corfu, situated in the scenic countryside of Benitses, Corfu Island, in Greece, will represent a milestone in the Group's foray into Europe, while the opening of the 72-key Banyan Tree Krabi, featuring pristine beaches and unspoiled islands nearby, will further strengthen the Group's presence in Thailand.

FY2020 will also see the opening of Banyan Tree Doha in Qatar, our first resort in collaboration with AccorHotels. Conveniently situated in Mushaireb, its prime position will offer guests easy access to the capital city's key commercial and residential areas as well as key cultural attractions.

The Group's expansion in China continues with the 214-key Rui Lian Wellness Hengqin scheduled to open in September 2020 in the Greater Bay Area. Other projects in China are on hold due to the unexpected COVID-19 situation, but we continue to work closely with each owner to see these projects through once the situation improves.

Business Review

SPA OPERATIONS

The wellbeing industry is expanding at an exponential rate, with the wellness tourism industry estimated to be worth more than US$4 trillion[1] in FY2019. In FY2019, our Spa outlets spanned 23 countries across four continents. New outlets in Greater China and Kenya opened during the year, with another eight outlets slated to open in Cambodia, China, Greece, Indonesia, Malaysia, Qatar and Thailand in 2020. These additions will bring the Group's portfolio of spas to 72 outlets altogether.

In FY2019, Banyan Tree Spa attained an overall Operating Profit margin of 21%, a 4% increase compared to FY2018. Topline revenue for the outlets in Indonesia saw growth of 4% due to a higher capture rate within each resort. Thailand ended the year with a 5% decline in revenue, largely due to planned renovation works. Meanwhile, terrorist incidents in Sri Lanka forced the temporary closure of spa outlets, causing revenue there to fall by 25%. As a result, overall Spa revenue decreased by 12% to S$11.1 million versus S$12.5 million in the preceding year.

Photo captions:

→ Banyan Tree Spa Treatment

↓ Banyan Tree Spa
Macau
China

As we celebrated our 25th anniversary in 2019, we continued to entrench our position as a world-class spa operator. Our core emphasis on ensuring the signature high service standards of Banyan Tree Spa with consistent internal audits translated to an average Guest Satisfaction Index of above 90% across all touchpoints. Our exemplary offerings netted us 43 notable awards from industry organisations and global publications such as Condé Nast Traveller and Forbes Travel Guide, bringing our total award count to 686.

In the same vein, Banyan Tree Spa Sanctuary, our first Wellbeing programme, continued to garner strong reviews from guests with Net Promoter Scores averaging 98%, achieving the highest occupancy of all room categories at Banyan Tree Phuket. Such encouraging results motivate us to strengthen the wellbeing talent pool at Banyan Tree Spa Academy and to research and develop new spa therapies, wellbeing activities and experiences. Preparations are underway to introduce wellbeing programmes at other destinations, and to intensify training in wellbeing so that our associates are equipped with a more holistic approach.

Moving into 2020 and beyond, diversifying our spa offerings will be even more important to ensure resilience amidst global market events and the changing guest mix. We plan to invest in greater industry collaborations and partnerships to develop a sustainable advantage as an integrated, all-round wellbeing provider. While this raises operating costs in the near term, we are confident that such efforts will pay off in the longer run and put us in good stead to cater to the growing demand for wellbeing offerings.

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[1] https://globalwellnessinstitute.org/press-room/press-releases/physical-activity-billion-market

GALLERY OPERATIONS

In a disruptive global retail environment, total revenue for our Gallery retail operations in FY2019 grew by 9% year-on-year to S$8.2 million. This can be credited to a strategic diversification of revenue channels, while focusing on excellence in core category products and overall operations. While offline retail sales from our major geographic cluster of Thailand suffered a dip, prudent and proactive operational measures enabled us to achieve an overall operating profit of S$0.3 million, albeit S$0.1 million lower than FY2018.

FY2019 was a transformational year for retail as guests moved away from shopping for gifts to pursuing experiences. Anticipating this millennial-driven trend and the preference for engagement through various mediums, we had already begun the process of revamping our offline stores to deliver a more seamless experience, enhancing customer analytics, and exploring strategic collaborations with travel retail partners. This will be a core strategy for the near future as the retail landscape continues to change.

Over the past two years, we have invested in R&D of the core category of Banyan Tree Essentials, our in-house aromatherapy, bath and body-care line, in order to cater to our increasingly discerning customers who seek benefit-driven yet sustainable and socially responsible products. We are now reaping the benefits of this investment, with this category being a key revenue driver. In FY2019, it contributed 42% of total retail sales revenue, an increase of 4% versus the previous year.

During the year, we also invested in the growth of omni-retail channels, which proved to be efficient and crucial for brand exposure and a healthy topline. This included establishing a network of 19 key business partners, in industries ranging from real estate to banking, insurance, automobile, airlines and duty-free operators. As a result, travel retail, corporate gifting and e-commerce performed outstandingly in FY2019. These three channels now contribute 22% of our total retail revenue, with continued growth expected.

We are continuing to leverage the opportunities of emerging channels, while maintaining operational profitability of our offline stores. As always, we remain committed to delivering an exceptional brand experience, with an emphasis on product innovation, local crafts and sustainability.

Photo captions:

↖ Banyan Tree Gallery signature ceramic collection

↘ Laguna Lăng Cô's edible and award-winning golf course designed by golf legend Sir Nick Faldo

DESIGN AND OTHER SERVICES

Design and other services registered total revenue of S$17.9 million for the year, up by 3% from S$17.3 million the previous year. The increase was largely due to higher Intellectual Property licensing fee and higher revenue from Golf and Canal operations.

Design and other services posted an Operating Profit of S$2.4 million, up by 27% from S$1.9 million in FY2018. This was because of the higher revenue mentioned above and lower staff costs.

SECTION THREE

3

Our Guiding Leadership

Executive Chairman's Statement

Banyan Tree Holdings registered strong growth in Core Operating Profit for FY2019 as we continue to prioritise robust business fundamentals and healthy profitability. While we anticipate 2020 to be another year of volatility, in light of the global market uncertainty around the COVID-19 situation, we remain focused on building our capacity for the future with more brand launches and hotel openings, as well as through talent development.

2019 marks the 10th year of consecutive growth for the global tourism industry, with the Asia Pacific region experiencing the second highest inbound growth. While tourism to Europe and North America slows, we look forward to increasing interest in international travel to emerging economies, in which we have a sizable footprint. Adjacent to this growth is also the continued traction of second home tourism in the region, particularly in Thailand and Indonesia.

This multiyear growth trend has enabled us to catalyse active synergies across our core operating segments. Our Residences and Extended Stay segment achieved a 48% growth in revenue for the year, driven by robust sales of residences from our Banyan Tree, Cassia and Laguna brands. This strong buyer interest validates the high-level of brand trust in Banyan Tree Holdings to deliver on its promise of creating exceptional hospitality experiences through quality design. Moving forward, enhancing and leveraging this brand equity continues to be our strategic imperative.

Revenue

S$347.0m

2018 S$329m

Core Operating Profit

S$65.1m

2018 S$45.5m

Net Asset Value

S$747.4m

2018 S$719.8m

Our Operating Performance

2019 was a good year for Banyan Tree Holdings despite the economic uncertainty that arose from US-China trade tensions and Hong Kong's geopolitical unrest.

The Group's FY2019 Core Operating Profit, which excludes confounding non-recurring, extraordinary gains or losses, rose 43% to S$65.1 million in FY2019, highlighting the strength of the underlying business fundamentals and healthy profitability of our operations. As Core Operating Profit considers any rebalance in asset ownerships and strategic interests critical to an "asset-right" model, our Group will keep a close eye on this metric to better assess our corporate performance.

We also revalued our portfolio of properties and recorded collective net valuation gains of approximately S$35.6 million, mainly arising from Thailand. As a result, our net asset value posted a 4% increase to S$747.4 million in FY2019.

As a result, our net asset value posted a 4% increase to S$747.4 million in FY2019.

Photo captions:

↑ Dhawa Jinshanling China

↗ Angsana Cayo Santa Maria Cuba

Executive Chairman's Statement

Our Residences and Extended Stay segment is integral to our "asset-right" approach as the development of residences, in conjunction with existing resort developments, generates positive cash flow to lower the investment outlay.

Year in Review

In 2019, our Group made significant headway in evolving the business towards an "asset-right" model, bringing greater focus to our key competencies across our key operating segments. Strategically, "asset-right" to us means continuing to unlock landbank value with well-timed development, maintaining investment ownership in stronghold markets, while growing our fee-based business most aggressively. We believe that this strategic direction is the way forward in the next chapter of our growth, allowing us to focus on what we do best - capturing new opportunities arising from the travel and hospitality megatrends of today and tomorrow.

Our Residences and Extended Stay segment is integral to our "asset-right" approach as the development of residences, in conjunction with existing resort developments, generates positive cash flow to lower the investment outlay. The segment continues to demonstrate strong momentum. Revenue increased by S$37.2 million or 48% from S$77.0 million in FY2018 to S$114.2 million in FY2019, mainly due to greater sales revenue from the Group's hotel-branded residences (S$56.4 million). This comes after sales recognition of 122 more units for our Cassia- and Banyan Tree-branded residences, which will add 187 rooms to our room inventory.

Our Fee-based segment, which comprises management of hotels and resorts, spa, gallery, design and other operations, is the major driver of our brand equity and a projected key revenue driver for the business in this new decade. The segment saw an increase of S$2.1 million in Core Operating Profit, mainly due to improved margins as we efficiently manage our costs. With our five brands of Laguna, Banyan Tree, Angsana, Cassia and Dhawa under our umbrella, we are well-placed to take advantage of changing demographics in international tourism and capture exciting new niche segments.

Within our Hotel Investments segment, we selectively maintained assets in stronghold markets, such as Thailand, where we are well-poised to unlock value from our resorts and hotels through an end-to-end developer-operator model. Revenue from our Hotel Investments segment was S$18.8 million lower from S$192.5 million in FY2018 to S$173.7 million in FY2019, mainly due to lower room inventory at Banyan Tree Phuket as a result of renovations, which was completed in December 2019 and most significantly, an absence of revenue contribution following the disposal of Seychelles.

On the corporate development front, we continue to see strong growth traction across our brands through our strategic partnerships with AccorHotels ("Accor") and Vanke Co., Ltd. ("Vanke"). A record number of 27 new deals were inked in FY2019, of which 10 were initiated through Accor and Vanke.

Additionally, the partnerships continue to offer Banyan Tree Holdings beneficial exposure to a growing clientele base. Revenue generated from bookings through the Accor's platforms almost tripled from US$1.8 million to over US$5.2 million in revenue for our Group's hotels in 2019.

Photo captions (page 44):
Gallery artisan at work; Coast of Laguna Lăng Cô

Photo captions (page 45):
Banyan Tree Hangzhou;
Banyan Tree Anji China

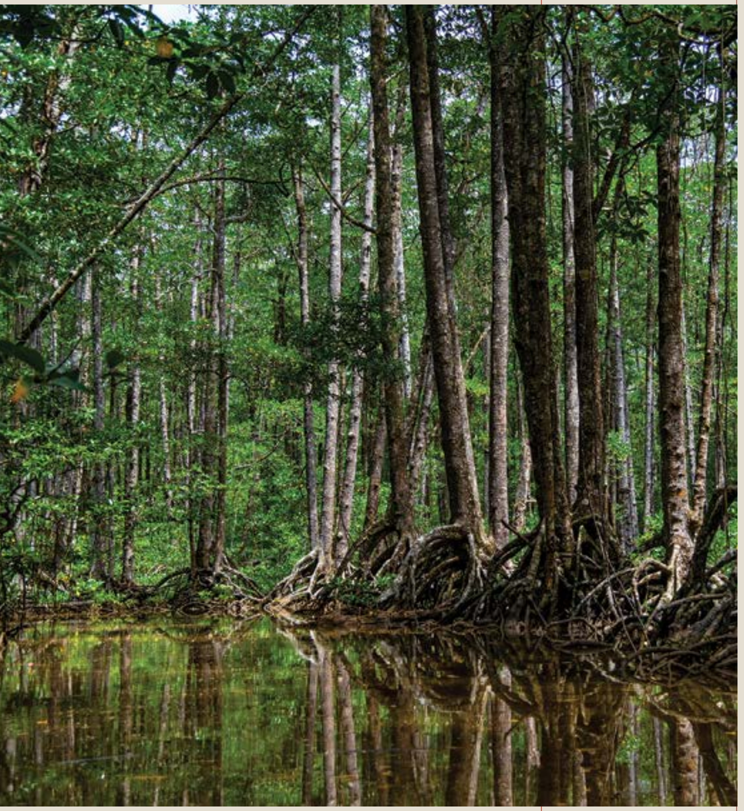
Executive Chairman's Statement

As part of our anniversary celebrations, we made notable breakthroughs in our Greening Communities programme, planting over half a million trees since we first started this initiative in 2007.

Photo captions:

↙ Mangrove tree forest

↘ Mangrove tree planting with communities



Serving the Greater Good

2019 also marked the 25th Anniversary of Banyan Tree Holdings, a milestone of pride for us as one of Asia's largest independent and multi-branded hospitality companies. We believe that businesses are the main drivers of change, and we have a duty of sustainability stewardship towards people and the planet. In 2019, the Banyan Tree Global Foundation celebrated its 10th anniversary together with a decade-long partnership with EarthCheck, a partner that benchmarks and certifies our waste and resource reduction efforts. We strive to implement at least one resource reduction initiative per property per year, with a target of 5% annual reduction of energy, emissions, water and waste, supporting the UN Sustainable Development Goals. We are also well on our way to phasing out single-use plastic across our properties with a 42% reduction compared to 2017.

As part of our anniversary celebrations, we made notable breakthroughs in our Greening Communities programme planting over half a million trees since we first started this initiative in 2007, cleaning the environment of 89,931kg of trash as well as improving the educational situation for 4,000 students in 25 schools across nine countries through infrastructure and teaching development. Our Seedlings mentorship and apprenticeship programmes grew from 82 participating mentees in FY2018 to 107, and we provided 10,151 meals to those in need.

Our associates are the enablers of the change we want to make. Our biannual associate satisfaction index hit a new record of over 90% this year, a testament to our efforts. In addition, a total of 528,343 hours of training has been completed, supporting continued growth and development of our internal talent.

The Year Ahead

2019 was a year filled with challenges and opportunities, both of which we took in our stride to deliver the value our stakeholders expect of us. Indications are that 2020 promises similar volatility, with global market uncertainty around the COVID-19 situation.

Nevertheless, as we enter this fresh new decade where change is the only constant, we hold a renewed sense of purpose to strengthen Banyan Tree's position as one of the world's leading independent, multi-branded hospitality groups. This will include revolutionising our internal processes and better aligning ourselves with the megatrends that shape the future of hospitality, allowing for even greater growth, relevance and impact.

With 46 hotels and resorts in the pipeline, including our new brand extension, Banyan Tree Escape, we are on track to secure 30 new deals yearly, doubling our footprint over the next five years. Our hard work and dedication over the last 25 years has placed us in a strong position to navigate the coming decade, with a longevity formula that emphasises adaptiveness, resilience and purpose. Looking ahead, we will continue to do well by doing greater good, bringing long-lasting value for our stakeholders and beyond.

Photo caption:

↑ Artist impression of the upcoming Mandai Resort in Singapore

Acknowledgement

Entering 2020, I would like to welcome our new Board member, Karen Tay Koh, who joined us as an independent director on 31 May 2019. Karen brings with her an extensive wealth of experience in the private and public sectors, particularly in finance, health and education, having been on the Board of Northeastern University, USA, Falck, Denmark and Singapore EDB Investments.

I would also like to express our heartfelt gratitude to Ariel Vera and Olivier Lim for their invaluable contributions and guidance to Banyan Tree Holdings during their tenure on the Board. Ariel and Olivier will be moving on from Banyan Tree Holding's Board in April 2020 after providing a considerable 20-year and more than five-year of stewardship to the Group's business. On behalf of the Board, I would like to formally thank both gentlemen for your unwavering commitment in helping us build a profitable business that delivers meaningful impact to our communities. The successes that Banyan Tree Holdings have seen over the past 25 years would not have been possible without the support and efforts from you as well as from our capable management team and associates.

Ho KwonPing

EXECUTIVE CHAIRMAN
BANYAN TREE HOLDINGS

Board of Directors

Profile of Directors

The names of the directors holding office at the date of this report are set out here together with details of their academic and professional qualifications, date of first appointment as Director, date of last re-election as Director, as well as other directorships and principal commitments.

Board Committees

NRC	Nominating & Remuneration Committee
ARC	Audit & Risk Committee

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 24 April 2019.

Mr Ho is also Chairman of Laguna Resorts & Hotels Public Company Limited, Thai Wah Public Company Limited and the Board of Trustees of Singapore Management University. He is a non-executive Director of Diageo Plc.

Mr Ho holds a Bachelor of Arts (Economics) from the University of Singapore, an Honorary Doctorate of Business Administration in Hospitality Management from Johnson & Wales University, USA, and an Honorary Doctorate of Business Administration from the Hong Kong Polytechnic University.

Ariel P Vera

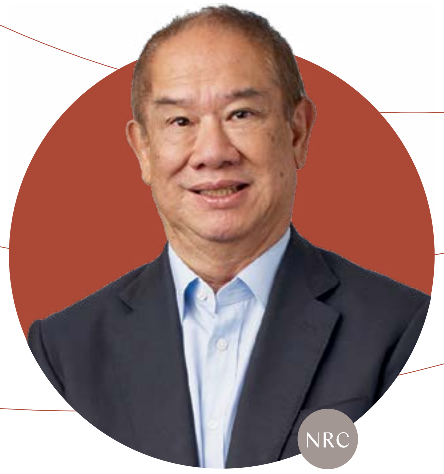
NON-EXECUTIVE & NON-INDEPENDENT DIRECTOR

Mr Vera was appointed Director on 11 April 2000 and served as Group Managing Director from 1 March 2004 up to his retirement on 31 December 2013. He remains as a Non-Executive and Non-Independent Director of the Company. He was last re-elected on 26 April 2018.

Mr Vera is also a Director of Laguna Resorts & Hotels Public Company Limited and Thai Wah Public Company Limited.

Prior to joining the Group, he 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 30 years of experience in the hotel industry.

A Certified Public Accountant in the Philippines, Mr Vera holds a Bachelor of Science in Business Administration from the 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 has been a Director since 8 June 2001, and became Lead Independent Director on 28 February 2007. He is Chairman of the Nominating & Remuneration Committee and was last re-elected on 26 April 2018.

Mr Chia is Chairman of Hup Soon Global Corporation Private Limited and Innoven Capital Pte Ltd. He sits on the boards of several other private and public companies, including Fraser and Neave, Limited, The Straits Trading Company Limited, Singapore Power Limited, Vertex Venture Holdings Ltd, Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC and Malaysia Smelting Corporation Berhad. He is a member of the Singapore Indian Development Association (SINDA), an Advisory Council Member of the ASEAN Business Club and a member of the Advisory Board of the Asian Civilisations Museum.

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. He was previously a member of the Board of Trustees of the Singapore Management University.

Mr Chia holds a Bachelor of Science cum laude, majoring in Management, from the Fairleigh Dickinson University, USA.

Fang Ai Lian

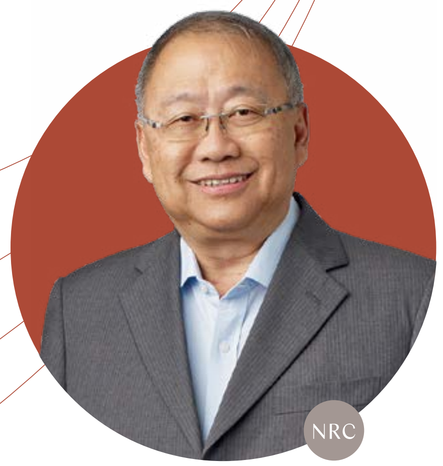
INDEPENDENT DIRECTOR

Mrs Fang was appointed an Independent Director and Chairman of the Audit & Risk Committee on 1 May 2008, and was last re-elected on 24 April 2019.

Mrs Fang is a Director of Metro Holdings Ltd, Singapore Post Limited, Jubilant Pharma Limited, QBE Asia Advisory Board and Cromwell EREIT Management Pte Ltd. She is also Advisor to the Far East Organization. In addition to serving as Chairman of the Board of Trustees of the Singapore Business Federation and the Medishield Life Council, she is a member of ToteBoard (Singapore Totalisator Board).

Mrs Fang was the Chairman of Great Eastern Holdings Limited and its insurance subsidiaries as well as a Director of OCBC Bank until her retirement in April 2014. Prior to that, she was with Ernst & Young for over 30 years until her retirement in March 2008. She was appointed Managing Partner in 1996 and Chairman in 2005. Her past directorships include Singapore Telecommunications Limited and MediaCorp Pte Ltd. She also sat on the Board of Trustees of the Singapore University of Technology and Design.

Mrs Fang qualified as a Chartered Accountant in England. She is a Fellow of both the Institute of Chartered Accountants in England and Wales and the Institute of Singapore Chartered Accountants.



Chan Heng Wing

INDEPENDENT DIRECTOR

Mr Chan became an Independent Director on 1 June 2012 and was last re-elected on 24 April 2019.
He is a member of the Nominating & Remuneration Committee.

Mr Chan is the Non-Resident Ambassador of Singapore to the Republic of Austria. He is a Director of Frasers Property Limited, Fraser and Neave, Limited, EC World REIT, One Bangkok Holdings Company Limited which is the developer of the major mixed use development in central Bangkok, as well as Precious Treasure Pte Ltd and Precious Quay Pte Ltd which own the Fullerton Heritage and Fullerton Bay Hotels respectively. He is also the Senior Advisor to the Milken Institute Asia Center and an Executive Board member of the China Cultural Centre.

He was previously Non-Resident High Commissioner of Singapore to Bangladesh. He was also Press Secretary to Prime Minister Goh Chok Tong and Director of the Media Division in the Ministry of Information and the Arts. He served at the Permanent Mission to the United Nations in New York and as Consul-General to Hong Kong, Ambassador to Thailand and Consul-General to Shanghai. He later joined Temasek Holdings as Chief Representative in China and Managing Director for International Relations in Temasek International.

Mr Chan holds a Bachelor of Arts (Honours) and a Master of Arts from the University of Singapore, and a Master of Science in Journalism from Columbia University, USA.

Tham Kui Seng

INDEPENDENT DIRECTOR

Mr Tham was appointed an Independent Director on 1 June 2012 and was last re-elected on 21 April 2017. He is a member of the Audit & Risk Committee.

Mr Tham is a Director of Sembcorp Industries Ltd, Sembcorp Properties Pte. Ltd. and Avanda Investment Management Pte. Ltd.

From 2002 to 2008, he was the Chief Corporate Officer of CapitaLand Limited, overseeing the corporate services functions of the real estate group. He also previously served as Director of GLP Pte. Ltd., The Straits Trading Company Limited, Sembcorp Design and Construction Pte. Ltd. and Straits Real Estate Pte. Ltd. and as a Corporate Advisor for Temasek International Advisors Pte. Ltd. as well as a board member of Singapore Land Authority.

Mr Tham holds a Bachelor of Arts (First Class Honours) in Natural Science - Engineering Science from the University of Oxford, UK.

Lim Tse Ghow Olivier

INDEPENDENT DIRECTOR

Mr Lim was appointed an Independent Director on 13 November 2014 and was last re-elected on 21 April 2017. He is a member of the Nominating & Remuneration Committee.

Mr Lim is Chairman of Certis CISCO Security Pte. Ltd., Frasers Property Australia Pty Ltd, PropertyGuru Limited and a Director of DBS Group Holdings Ltd, Raffles Medical Group Ltd and Northlight School. He is also a member of the Board of JTC Corporation and the Board of Trustees of the Singapore Management University. He serves on the Securities Industry Council.

Mr Lim worked at CapitaLand Limited from 2003 to 2014, serving as Group Deputy Chief Executive Officer, Group Chief Investment Officer and Group Chief Financial Officer. Between 1989 and 2003, he worked at Citibank Singapore in various roles in the corporate and investment banking units, including as Head of the Real Estate Unit. Mr Lim previously served as Chairman of globalORE Pte Ltd.

Mr Lim holds a Bachelor of Engineering (First Class Honours) in Civil Engineering from Imperial College London, UK.

Karen Tay Koh

INDEPENDENT DIRECTOR

Mrs Koh was appointed an Independent Director on 31 May 2019 and is a member of the Audit & Risk Committee.

She is a Director of BC Platforms AG, Switzerland, Singapore Deposit Insurance Corporation Ltd and The Red Pencil Singapore. She is a member of the Advisory Board, Centre for Emerging Markets, D'Amore-McKim School of Business, Northeastern University, USA and a Senior Advisor to TVM Capital Healthcare Partners.

Mrs Koh was CEO and Executive Director of IP Investment Management, Singapore, from 2016 to 2018. She has extensive experience in both private and public sector organisations, particularly in finance, healthcare and education. From 2001 to 2008, she was Deputy CEO of SingHealth and concurrently Deputy CEO of Singapore General Hospital from 2003. She started her career at the Singapore Ministry of Finance which included postings at the Inland Revenue and the Monetary Authority of Singapore. Mrs Koh previously served as a Director of Singapore EDB Investments, Falck, Denmark and a Corporator of Northeastern University, USA.

Mrs Koh holds a Bachelor of Arts (Honours) in Economics from Cambridge University and a Master of Public Administration and International Tax Program (Certificate) from Harvard University.

Zhang Xu

NON-EXECUTIVE &
NON-INDEPENDENT DIRECTOR

Mr Zhang was appointed Director on 27 September 2017 and was last re-elected on 26 April 2018.

Mr Zhang is Executive Vice President and Chief Operations Officer of China Vanke Co., Ltd. and an Executive Director of Vanke Property (Overseas) Limited.

He joined China Overseas Group in 1995 and China Vanke Co., Ltd. in 2002. He served as the General Manager of Wuhan Vanke Real Estate Co. Ltd. before becoming the Vice President of China Vanke Co., Ltd in 2012.

Mr Zhang holds a Bachelor of Industrial and Civil Architecture from Hefei Industrial University, China, and a Master of Business Administration degree from Troy State University, USA.

Gaurav Bhushan

NON-EXECUTIVE &
NON-INDEPENDENT DIRECTOR

Mr Bhushan was appointed Director on 30 December 2017 and was last re-elected on 26 April 2018.

Mr Bhushan is the Global Chief Development Officer of AccorHotels. He began his career with AccorHotels in 1995 in Australia, where he held various posts in operations and finance. From 2006, he headed AccorHotels' Asia Pacific development teams. He was appointed to the Global Chief Development Officer role in July 2015 and joined AccorHotels' executive committee on 1 January 2017.

Mr Bhushan holds a Master of Business Administration from the Royal Melbourne Institute of Technology (RMIT University) and a Postgraduate Diploma in Applied Finance & Investments from the Securities Institute of Australia.

Chew Van Hoong Jason

NON-EXECUTIVE &
NON-INDEPENDENT DIRECTOR

Mr Chew was appointed Director on 5 June 2018 and was last re-elected on 24 April 2019.

Mr Chew is the Co-Head of Real Estate at the Qatar Investment Authority.

From 2007 to 2013, he was the Chief Investment Officer for Asia and Managing Director for Greater China with Prudential Real Estate Investors. From 1999 to 2006, Mr Chew worked at CapitaLand as the Country Director for Japan.

Mr Chew is a Chartered Financial Analyst and holds a Bachelor of Engineering (First Class Honours) from the National Defense Academy, Japan.

Mohamed Al-Hashmi

ALTERNATE DIRECTOR TO
CHEW VAN HOONG JASON

Mr Mohamed was appointed Alternate Director to Mr Chew on 5 June 2018.

Mr Mohamed is an Associate Director at Qatar Investment Authority, focusing primarily on Post-Acquisition Asset Management in the real estate sector.

He graduated from Qatar University with a major degree in Finance and a minor degree in Marketing.

Management Team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01. Claire Chiang

SENIOR VICE PRESIDENT
BANYAN TREE HOLDINGS

CHAIRPERSON
CHINA BUSINESS DEVELOPMENT

CHAIRPERSON
BANYAN TREE GLOBAL FOUNDATION

EXECUTIVE DIRECTOR
BANYAN TREE GALLERY

Ms Chiang co-founded Banyan Tree Hotels & Resorts and pioneered the Group's retail business. She focuses on the acquisition of new management contracts in China. She also oversees strategic issues in organisational and human capital capability, and is responsible for guiding the Group's corporate social responsibility commitments.

Ms Chiang was appointed Justice of the Peace in 2008. She received the Public Service Medal in 2008 and the Public Service Star BBM in 2014. Her numerous awards for women's advocacy include most recently Asia's Top Sustainability Superwomen Award in 2018 and the Outstanding Women Award by Shanghai Daily in 2019. She was inducted into the Singapore Women's Hall of Fame in 2018. Ms Chiang is married to Group Executive Chairman, Mr Ho KwonPing, with whom she received the Hospitality Lifetime Achievement Award at the China Hotel Investment Summit 2009.

Ms Chiang holds directorships in three Group subsidiaries and affiliated companies and four family holding companies. She is also a director of the Wildlife Reserves Singapore Conservation Fund, Mandai Park Holdings, Denmark-based ISS A/S and Switzerland-based Dufry AG. In 2018, she was appointed Advisory Committee Member for both Guilin Tourism University and the School of Hotel and Tourism Management, The Hong Kong Polytechnic University.

Ms Chiang holds a Bachelor of Arts (Honours) from the National University of Singapore and a Master's degree in Philosophy from the University of Hong Kong.

02. Ho KwonCjan

SENIOR VICE PRESIDENT
GROUP CHIEF DESIGNER

Mr Ho is the Senior Designer involved in overseeing design and project teams in the architectural subsidiary of the Group.

He has also been a Director of Laguna Resorts & Hotels Public Company Limited (LRH) since 2012. Prior to 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 its Project Manager from 1985 to 1992. Before this, he worked at the architecture firm, Akitek Tenggara, in Singapore.

Mr Ho is a recipient of the Singapore Institute of Architects Gold Medal. He holds a Bachelor of Architecture (Honours) from the National University of Singapore and has been registered with the Singapore Board of Architects since 1986.

Mr Ho is the brother of the Executive Chairman, Mr Ho KwonPing.

03. Eddy See Hock Lye

PRESIDENT
GROUP MANAGING DIRECTOR

Appointed as President and Group Managing Director, Mr See oversees the Group's Operations and is responsible for providing strong leadership for the company by working with the board and other executives to execute short and long-term goals, plans and strategies to drive business performance.

Mr See has also served as a member of the Board of LRH since 2012. Before 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, he was the Group Financial Controller of Amara Holdings Limited.

He was also the General Director of Amara Hotel Saigon Company Ltd, which operated 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 the University of Auckland and is an Associate Chartered Accountant, New Zealand.

04. Shankar Chandran

EXECUTIVE VICE PRESIDENT
GROUP BUSINESS PERFORMANCE
BANYAN TREE HOLDINGS LIMITED

MANAGING DIRECTOR
LAGUNA RESORTS & HOTELS PLC

Mr Chandran has overseen Banyan Tree Spa since 2005, growing the business to more than 60 spas worldwide. Appointed to the Board of LRH in 2012, he officially became Managing Director of LRH in 2014.

In 2015, Mr Chandran assumed the additional role of Managing Director, Owned Hotels, for the Banyan Tree Group. Fourteen hotels directly report to him as the Owner's Representative, on matters of hotel management, operational and owner's matters.

Since July 2019, Mr Chandran has also spearheaded the business initiatives, strategic planning and delivery of the Group's hotels worldwide.

Prior to joining the Group in 1997, 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 in Finance from South West London College, UK.

05. Dharmali Kusumadi

SENIOR VICE PRESIDENT

MANAGING DIRECTOR
ARCHITRAVE

Mr Kusumadi oversees the architectural, projects and business development functions within the Banyan Tree Group, where he is solely responsible for the design and technical advisory services, project development and business development activities outside of China. He was appointed to his current position in January 2010.

Having been with the Group since 1991, Mr Kusumadi has helped to create numerous iconic and award-winning architectural and interior designs which are hallmarks of Banyan Tree and Angsana hotels and resorts.

He holds a Master of Architecture from Parahyangan Catholic University, Bandung, Indonesia.

06. Stuart Reading

SENIOR VICE PRESIDENT
GROUP PROPERTY DEVELOPMENT

Mr Reading assumed his current role in 2014 and oversees Residences and Extended Stay, which is a core business for the Group.

He was previously Vice President, Chief Financial Officer for LRH and Deputy Managing Director, LRH. Mr Reading has also 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.

Prior to joining the Group, he spent more than 10 years with PricewaterhouseCoopers 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, Australia.

07. Alan Chin

SENIOR VICE PRESIDENT
BANYAN TREE HOLDINGS

MANAGING DIRECTOR
BANYAN TREE (CHINA)

Mr Chin is the Managing Director of the Banyan Tree Group of Companies in China, in joint venture with China Vanke. He assumed his current role in July 2017.

Mr Chin joined Banyan Tree in 2010 as General Manager, Wenjiang Company, and Director, Special Projects. In 2015, he was promoted to Vice President overseeing the China property development, where he was responsible for the performance of all property projects and sales in China, while serving as Managing Director for the Banyan Tree China Fund.

Mr Chin has a track record of over 20 years in hospitality and real estate, including experience in property development, consultancy and private equity. Prior to joining the Group, he held various senior positions at the China Hospitality Fund by RREEF and H&Q AP from 2008 to 2010, and with AccorHotels Group from 2002 to 2008.

Mr Chin graduated from Beijing University of Technology with a Bachelor of Arts in Civil Engineering.


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Management Team

08. Cindy Lee

SENIOR VICE PRESIDENT

MANAGING DIRECTOR
GROUP PROJECT SERVICES

Ms Lee joined Banyan Tree in 2001 as a Cost Manager and was promoted to Senior Vice President in 2018. She oversees the development of all new projects by the Banyan Tree Group, with a focus on governance of project and procurement processes as the Group's footprint expands. She has 30 years of experience in the construction and real estate industry, having practised in both the public and private sectors.

Ms Lee holds a Bachelor of Science (Building) and a Graduate Certificate in Real Estate Finance, both from the National University of Singapore.

09. Rosalynn Tay

SENIOR VICE PRESIDENT
HEAD OF GROWTH AND DEMAND

Ms Tay drives the Group's multi-brand growth strategy while charting customer engagement across current and new digital channels. She is responsible for defining the Group's strategic approach to sales, marketing, distribution and channel management. She was appointed to her current role in November 2019.

Ms Tay has extensive geographical and multi-industry experience, with a 28-year track record in transformational work and leadership. She was most recently Dentsu Aegis Network Country Head and Dentsu CEO. Before joining Dentsu, she was Managing Director and Head of Marketing for Consumer Banking at DBS Bank. Prior to that, she was Managing Director of Tiger Airways Singapore and was part of the management team that was instrumental in taking the airline public.

For her commercial acumen, effective change management and ability to build high-performing team cultures, she received Campaign Asia's SEA Agency Head of the Year 2017 and Campaign Asia's Women Leading Change Awards – Business Leader 2017. She was on the Board of Directors for Singapore Cruise Centre between 2017 and 2019 and is currently a member of the Singapore Institute of Directors. She also sits on the MINDEF Advisory Panel for Strategic Communications. Ms Tay holds a Bachelor of Business Administration in Marketing from the National University of Singapore. She also completed the Global CEO Program, delivered jointly by the China Europe International Business School, The Wharton School of the University of Pennsylvania and IESE Business School.

10. Ho Ren Yung

VICE PRESIDENT
BRAND HQ

Ms Ho leads Brand HQ, a cross-functional unit responsible for defining and aligning all brand standards and strategy within the Group. These encompass customer experience, culture and development, communications and assurance. She has led the unit since its inception in 2018.

Ms Ho joined the Banyan Tree Group in 2009, working across corporate Hotel Operations spanning pre-opening, project management, business development and operational standards. She began to oversee the Spa and Gallery business units in 2017.

Ms Ho holds a Bachelor of Science in Sociology and Economic Development from the London School of Economics, and a Certificate in Accounting and Finance from the National University of Singapore.

She is the daughter of the Executive Chairman, Mr Ho KwonPing.

11. Philip Lim

VICE PRESIDENT AND REGIONAL HEAD
HOTEL OPERATIONS

Since being appointed to his current position in January 2019, Mr Lim has overseen the Group's hotel openings and hotel operations in key regions worldwide.

He joined the Group as General Manager of Banyan Tree Sanya in 2010, and subsequently became the Director of Business and Project Development, China, in 2013. In 2015, he was promoted to Assistant Vice President for China Hotel Operations and Business Development. With the Group's expansion in China, he became Vice President for China Hotel Operations in 2016.

Mr Lim was previously General Manager with the Marco Polo Hotel Group in Hong Kong and has more than 26 years' hospitality experience in Asia including Singapore, Hong Kong, Taiwan and mainland China.

He has a Master's degree in Business from the University of Newcastle, Australia, and received his hospitality education at The Blue Mountains International Hotel Management School, Australia, and International Hotel and Tourism Training Institute, Switzerland.

12. Shelly Yeo

VICE PRESIDENT
CORPORATE FINANCE

COMPANY SECRETARY

Ms Yeo plays a key role in the overall running of the Finance Department in the Corporate Head Office and in maintaining statutory compliance of the Group. She also supports the Group's expansion in entity structuring, tax compliance requirements, audit and accounts reporting.

She became Vice President of Corporate Finance in January 2012 and was appointed Company Secretary of Banyan Tree Holdings Limited in February 2019.

Prior to joining the Group in 2001, Ms Yeo worked with several companies listed on the Singapore Stock Exchange including Cerebos Pacific Limited and Leeden Limited. She graduated from the National University of Singapore with a Bachelor of Accountancy and is a member of the Institute of Chartered Accountants Singapore.

13. Hokan Limin

VICE PRESIDENT
HOTEL FINANCE

As Vice President of Hotel Finance since January 2008, Mr Limin is in charge of monitoring hotel performance and implementing policies and procedures. His main responsibilities are hotel finance, compliance, operational analysis and operational audit. He also supervises Zero-based Budgeting.

Prior to joining the Group in 1999, Mr Limin worked at hotel investment companies in Indonesia and several five-star resort chains including Hyatt, InterContinental and Shangri-La. He holds a Bachelor of Finance and Accountancy from Trisakti University, Jakarta, Indonesia.

14. Kuan Chiet

VICE PRESIDENT
LEASING

Since October 2019, Mr Kuan has spearheaded the leasing of all non-hotel managed vacation homes and residential homes developed by LRH.

Prior to this, Mr Kuan was Group Chief Financial Officer and oversaw corporate finance, legal, human resources, corporate secretariat, strategic planning and investment, risk and internal audit and corporate communications. He has previously held senior roles in LRH and continues to be the Executive Director of Thai Wah Plaza Ltd. He was formerly the Financial Controller of Thai Wah Plc and served on the board of Thai Wah Food Products Plc.

Mr Kuan graduated from the National University of Singapore with a Bachelor of Business Administration.

Management Team


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15. Sachiko Shiina

VICE PRESIDENT
(JAPAN AND SOUTH KOREA)

Since October 2007, Ms Shiina has been responsible for sales and marketing activities for Japan and South Korea. She 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.

16. Gavin Herholdt

VICE PRESIDENT

MANAGING DIRECTOR
LAGUNA LĂNG CÔ, VIETNAM (LLC)

Mr Herholdt is responsible for the overall performance of Laguna Lăng Cô, which includes formulating and implementing strategies to improve profitability and brand value, attracting new investors, managing shared services, overseeing and promoting LLC residences and extended stay as well as project development. He assumed his current role in March 2016.

Mr Herholdt was previously Chief Operating Officer and General Manager, Corporate Services, at Hamilton Island Resort, Australia. He had been responsible for running Hamilton Island operationally and financially since 1996, and for 20 years was instrumental in turning the resort around from a loss-making to a highly profitable integrated resort. Prior to joining Hamilton Island, he was with the accounting firm Coopers & Lybrand from 1986 to 1996, and had worked with them in Canada, the UK and Australia.

Mr Herholdt is a Chartered Accountant by training. He obtained his Bachelor of Commerce from the University of Queensland, Australia.

17. Carolyn Zhang

VICE PRESIDENT
CORPORATE (CHINA)

Ms Zhang was promoted to her current designation in August 2015. She plays a key role as the Group's principal representative in China and as the liaison between the Group's China joint venture and its partner, the Vanke Group. She also provides oversight and support of the Group's functional committees in China and of the day-to-day operations of the Group's subsidiary in China.

Prior to joining the Group in 2002, Ms Zhang worked for several well-known international conglomerates including Siemens and Thakral. She graduated with a Bachelor of Accountancy from Fudan University, China, and is a member of the Certified Accountants of China.

18. Peter Wang

VICE PRESIDENT
BUSINESS DEVELOPMENT
AND PROJECTS (CHINA)

Mr Wang has been Vice President, Business Development and Projects, China, since July 2017. He oversees the development, design and construction of all projects by Banyan Tree China.

Mr Wang joined the Group in 1994 as General Manager of Architrave China. He has 30 years of experience in the design and construction industry, having practised in many renowned architectural firms. He graduated from Tongji University, China, majoring in Landscaping Architecture, and has a Master of Architecture from Toyohashi University of Technology, Japan.

19. Henry Ngai

VICE PRESIDENT
CHIEF FINANCIAL OFFICER (CHINA)

Mr Ngai was appointed Chief Financial Officer and Vice President – Corporate Finance of Banyan Tree China Hotel Management Company and Banyan Tree China Hotel Assets Company in 2018. He is responsible for accounting, finance, treasury, debt management, information technology, legal and company secretarial services.

Before joining the Group, Mr Ngai was a partner at KPMG China with over 15 years' experience in providing tax and business advisory services to multinational companies, which include assisting the development and implementation of tax-efficient holding and operational structures for their investments in China. He was also the partner-in-charge of learning and development of the tax practice in KPMG China from 2014 to 2016.

Mr Ngai holds a Bachelor of Accountancy from The Hong Kong Polytechnic University, and is a member of the Hong Kong Institute of Certified Public Accountants.

20. Anthony Loh

VICE PRESIDENT
RESORT SERVICES
LAGUNA RESORTS & HOTELS PLC

Mr Loh is responsible for corporate legal, government liaison, human resources and central services in driving the expansion of Laguna Phuket's hotels and residences. He was promoted to his current position in January 2019.

In his 28 years with the Group, he has served in various capacities to develop Laguna Phuket into a luxurious lifestyle community. He was involved in the pre-opening for Sheraton Grande (now Angsana Laguna Phuket), Laguna Golf Phuket, Allamanda, Canal Village and Banyan Tree Phuket, as well as Banyan Tree Bangkok. His experience covers a wide range of operations, from transportation to beach maintenance, sustainability and destination marketing.

21. Bobby Ong

VICE PRESIDENT
HEAD OF GROWTH

As Vice President, Head of Growth, since January 2020, Mr Ong is responsible for developing sales strategies to meet revenue and growth targets. He will provide strategic business leadership, set direction and goals and oversee sales effort. He will be working closely with his Global Sales team, the cluster Directors of Sales and Marketing (DOSMs), hotels' General Managers and DOSMs.

He has 30 years' experience in the hospitality and travel industries. He started his career as a tour director, before heading the Incentive and Convention division in the same company. Since entering the hotel industry, he has worked with Shangri-La Hotels & Resorts, Starwood, IHG, Kempinski Hotels and AccorHotels in various geographical regions. He is especially familiar with the China market, having spent 20 years there, culminating in his role as Vice President, Sales & Distribution, for Accor Greater China.

22. Jonathan Ye

VICE PRESIDENT
HEAD OF DEMAND

Appointed in October 2019, Mr Ye oversees the Group's global marketing, leading the strategic direction for integrated marketing and functions across offline and online channels for multi-brand campaigns, digital performance marketing and content. He has a proven track record of 16 years in digital and integrated marketing across the hospitality, telecommunications and technology industries. Before joining the Group, he was Huawei's Chief Marketing Officer in Singapore.

Prior to the acquisition by Marriott, he drove social, mobile and emerging technologies for Starwood Hotels and Resorts Asia Pacific's head office across Asia Pacific and China.

Mr Ye holds a Bachelor of Arts (Psychology) from the University of British Columbia, Canada.


19


20


21


22

SECTION FOUR

4

Charting Our Path

Making A Mark

Over the last 25 years, Banyan Tree Holdings continuously seeks to inspire exceptional experiences among our guests through our lifestyle ecosystem of globally recognised brands. In addition to our triple bottom line of economic, social and environmental success, we believe that the recognition by our valued guests, global media platforms and industry partners is another indicator of achievement.

In 2019, we were pleased to have received 212 awards, bringing the total to 2,611 since the Group's inception.

Photo captions:

Angsana Lăng Cô
Central Vietnam

Banyan Tree Lijiang
China

Travel

Travel + Leisure US World's Best Awards 2019
Top 25 Hotel Brands in the World (22nd, with a score of 90.65)

BANYAN TREE HOTELS & RESORTS

14th China Hotel Starlight Awards 2018
Best International Luxury Hotel Brand

BANYAN TREE HOTELS & RESORTS

Beijing News Travelling Award 2018
Most Influential Hotel Group

BANYAN TREE HOTELS & RESORTS

Voyage Travel Awards 2019
Best Hotel Brand 2019

BANYAN TREE HOTELS & RESORTS

Golden Pillow Award
The Most Popular Hotel Brand

BANYAN TREE HOTELS & RESORTS

Condé Nast Traveler Readers' Choice Awards 2019
Best 50 Resorts in the World (12th)
Top 20 Resorts in Asia (2nd)

ANGSANA LĂNG CÔ

Forbes Travel Guide 2019 Star Award
2019 Forbes Travel Guide Five-Star Awards for Hotel, Restaurant and Spa

BANYAN TREE MACAU

Travel Weekly Asia 2019 Readers' Choice Awards
Best Resort (Service Excellence) – Asia Pacific

BANYAN TREE PHUKET

10th Indonesia Travel and Tourism Awards
Bali Leading Luxury Resort

BANYAN TREE UNGASAN

14th DestinAsian Readers' Choice Awards 2019
Best Boutique Hotels

(4TH) BANYAN TREE SAMUI

14th DestinAsian Readers' Choice Awards 2019
Best Hotels & Resorts in Macau

(4TH) BANYAN TREE MACAU

Condé Nast Traveler Readers' Choice Awards 2019
Top 20 Resorts in Mexico (West)

(7TH) BANYAN TREE CABO MARQUÉS

Condé Nast Traveler Readers' Choice Awards 2019
Top 20 Resorts in Mexico (East)

(7TH) BANYAN TREE MAYAKOBA

Travel + Leisure China Awards 2019
2019 China's Top 100 Hotels

BANYAN TREE LIJIANG
BANYAN TREE CHONGQING BEIBEI

Editor's Golf Digest Choice 2019
Best Golf Resorts – Asia

LAGUNA LĂNG CÔ

6th Annual World Golf Awards 2019
Thailand's Best Golf Course 2019

LAGUNA GOLF PHUKET

6th Annual World Golf Awards 2019
Thailand's Best Golf Hotel 2019

BANYAN TREE PHUKET

Let's Do This UK 2019
10 Best Triathlons in the World

(5TH) LAGUNA PHUKET TRIATHLON

Spa

29th TTG Travel Awards 2019
TTG Travel Hall of Fame – Best Spa Operator (5th year since induction)

BANYAN TREE SPA

14th China Hotel Starlight Awards 2018
Best Spa Operator in China (11th consecutive year)

BANYAN TREE SPA

World Spa Awards 2019
Mauritius' Best Wellness Retreat

ANGSANA BALACLAVA MAURITIUS

Condé Nast Traveler Spa Awards 2019
Best for Targeted Healing

BANYAN TREE SPA ESTORIL

GQ Travel Awards 2019
Best Foreign Hotel Spa

BANYAN TREE SPA PHUKET

SpaChina Awards 2019
SpaChina Grand Jury Awards

BANYAN TREE SPA ANJI

Thailand Tourism Awards 2019
Kinnari Gold Award (3rd consecutive win, conferred Hall of Fame)

BANYAN TREE SPA BANGKOK

Spa & Wellness Tourism Indonesia Awards 2019
The Best Villa Spa
BANYAN TREE SPA BINTAN

ICON Spa Awards 2019
Best Pampering Spa Experience

ROYAL BANYAN – BANYAN TREE SPA MARINA BAY SANDS

Corporate/Sustainability

Singapore Corporate Awards 2019
Best Managed Board in Mid Cap Category – Gold Award

BANYAN TREE HOLDINGS LTD

Sustainable Business Awards 2019
Best Land Use and Biodiversity

BANYAN TREE HOTELS & RESORTS

Sustainable Business Awards 2019
Special Recognition Strategy and Sustainability

BANYAN TREE HOTELS & RESORTS

Singapore Apex Corporate Sustainability Awards 2019
Sustainable Business Category – Winner

BANYAN TREE HOTELS & RESORTS

Shanghai Morning Post
The Corporate Social Responsibility Group of 2019

BANYAN TREE HOTELS & RESORTS

China Daily My Choice Hotel Awards 2018
The Best CSR Hotel Group

BANYAN TREE HOTELS & RESORTS

City Traveler
The Best CSR Award

BANYAN TREE HOTELS & RESORTS

The American Chamber of Commerce in Thailand
AMCHAM 2019 CSR Excellence (ACE) – Gold Level

LAGUNA PHUKET

Australian Business Awards 2019
Award for Corporate Social Responsibility

BANYAN TREE LĂNG CÔ

M&C Asia Stella Awards 2019
The Best Sustainable Hotel

ANGSANA LAGUNA PHUKET

13th Employer Branding Awards 2019
Thailand's Best Employer Brand Award

BANYAN TREE BANGKOK

Photo caption:

Angsana Spa

Growing Purposefully – Our Journey Through the Years

1984

Laguna Resorts and Hotels (LRH), a Banyan Tree Holdings Limited subsidiary, acquired over 550 acres of abandoned tin mine land at Bang Tao Bay, Phuket, Thailand.

1987

With extensive site rehabilitation completed, Laguna Phuket, Asia's first destination integrated resort was opened.

1990

Architrave, the Group's in-house architecture and design arm, was established in Thailand and Singapore.

1992

Laguna Phuket Golf Club is opened.

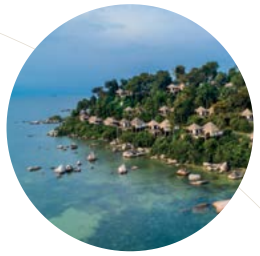
A pioneer in education and community engagement, the Group established the Laguna Childcare Centre.

Laguna Phuket wins American Express and International Hotel Association Environmental Award for remediating a toxic site.

1994

Banyan Tree Hotels & Resorts is launched with the holistic ethos: "Embracing the Environment, Empowering People".

The Group's flagship luxury resort – Banyan Tree Phuket – was opened in Thailand's Laguna Phuket, Asia's first destination integrated resort. The resort includes the first Banyan Tree Spa.



1996

Banyan Tree Gallery is established.

The Group launched Laguna Bintan, our first project in Indonesia and second destination integrated resort in Asia.

2000

Angsana brand is launched with the opening of Angsana Bintan in Indonesia.

2001

The Green Imperative Fund is launched to formalise the Group's corporate social responsibility efforts.

The Banyan Tree Spa Academy was founded. First-of-its-kind in Asia, the Academy is set up for training and research and development to elevate therapists' skills and the spa industry as a whole.

2004

The first resort-based facility in the Maldives, Banyan Tree Maldives Marine Lab, was established.

2005

Banyan Tree Ringha was opened in Yunnan, marking the Group's first foray into China.

2006

Banyan Tree Holdings Limited makes its debut on the Singapore Stock Exchange.

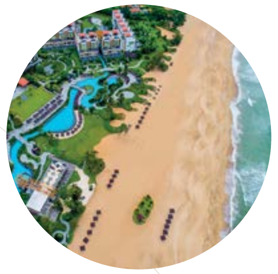
The Group publishes its first Sustainability Report, ahead of its time in corporate reporting and transparency.

2007

Launch of Bintan Conservation Lab in Indonesia.

2008

Banyan Tree Management Academy was launched, marking a significant milestone in the Group's commitment to internal talent development.



2009

Establishment of Banyan Tree Global Foundation, the Group's non-profit arm and an integral part of Banyan Tree Holdings' management framework.

2013

Launch of Laguna Lăng Cô – the Group's first project in Vietnam and third destination integrated resort in Asia.

2014

The Group launches its third brand, Cassia, to tap into the growing demand for lifestyle extended stay hotel residences.

The first Banyan Tree's Got Talent! group-wide contest was organised.

2015

The first Cassia hotel opens in Phuket, Thailand.

Banyan Tree Spa enters the TTG Hall of Fame as Best Spa Operator.

The Group launches its fourth brand, Dhawa, aimed at meeting contemporary travellers' demand for affordable and design-inspired full-service hotels.

2016

The Group's first Dhawa hotel opens in Cayo Santa Maria, Cuba.

Banyan Tree Holdings enters a strategic long-term partnership with AccorHotels to develop and manage Banyan Tree-branded hotels around the world.

MATTER Prints, a textile-based artisan brand, enters Banyan Tree Gallery.

2017

Banyan Tree Group forms a joint venture with China Vanke Co. Ltd. focusing on active ageing and wellness hospitality projects.

Re-launch of Banyan Tree Essentials with natural, responsibly sourced body and aromatherapy products.

Sustainability alignment with UN Sustainable Development Goals and stakeholder-inclusive materiality framework.

Mandai Park Holdings appoints Banyan Tree Holdings as the operator of an eco-friendly resort to be located within the new integrated nature and wildlife destination at Mandai. Upon completion, this will be Banyan Tree's first resort in Singapore.

2019

Banyan Tree Group celebrates our 25th Anniversary, Banyan Tree Marine Lab Maldives' 15th Anniversary, and Banyan Tree Global Foundation's 10th Anniversary.

25th Anniversary Highlights in 2019

Since embarking on the process of turning an abandoned tin mine into the verdant site of today's Laguna Phuket destination integrated resort, we have made environmental sustainability a core value of this company. It is one that is inextricably linked to our equally strong commitment to help communities and our stakeholders flourish. After all, healthy environments nurture vibrant communities, and the reverse is just as true.

To champion responsible tourism, we are always engaging our guests and associates with meaningful activities that help to nurture a strong connection to local communities. This section outlines our continued efforts on this as we celebrate our 25th anniversary.

Half a million trees

Thanks to our participating resorts worldwide, that's the number of trees we have planted as a Group to date under our Greening Communities initiative since 2007. This was also our way of raising awareness for World Environment Day 2019's theme of air pollution.

25 schools

That is the number of schools impacted by Banyan Tree Global Foundation's commitment of more than US$100,000, which will go towards improving learning environments and school infrastructure for 4,000 students in 25 schools worldwide.

Over 25,000 volunteer hours

Our associates are a big-hearted bunch, and that is the number of hours they spent this year taking part in group-wide sustainability activities, such as community home visits and environmental clean-ups.

1 book published

Our Commemorative Sustainability Book is published to document our sustainability efforts, milestones, partnerships and innovations over the past 25 years.

Mangrove tree planting

Volunteering at a school in Phuket

42% reduction of single-use plastic

That is the result of our pledge on Earth Day 2018 to cut down on single-use plastic across our 47 properties. The reduction amounts to the elimination of 5.9 million single-use plastic items, including straws, bags, bottles and cocktail stirrers in 2019.

95% natural and sustainably sourced botanical ingredients

That is the composition of our reformulated Banyan Tree Essentials body and aromatherapy products, thanks to an 18-month research and development process that also enabled us to introduce sustainable packaging for these products.

Energy savings of over 5,000 kWh

To mark Earth Hour 2019, we engaged close to 15,000 people in 43 properties worldwide as we embarked on lights-out activities, leading to energy savings that could power a four-bedroom public housing apartment in Singapore for 13 months.

1 cocktail contest

This group-wide contest inspired 31 tantalising cocktail entries of which the winning creation, The Botanical, became our signature 25th Anniversary Cocktail, enjoyed by guests throughout 2019.

31 locally-infused wellness degustation menus

Food and beverage experts from 31 hotels created their own unique wellness degustation set menus, featuring creative homages to local ingredients and traditions.

1 talent contest

The second edition of our group-wide Banyan Tree's Got Talent! contest drew participants from 37 hotels worldwide. The finale took place during an annual management conference at Banyan Tree Mayakoba.

93 sustainability photo stories

Our associates were invited to submit photos and write-ups of sustainability activities that were personally meaningful to them, with 93 contributing heartwarming photo stories of doing good for people and for the planet.

Creation of essential oils

Earth Hour 2019

Jesus, winner of Banyan Tree's Got Talent! in 2019

One of the winning entries in our sustainability photo contest

The Greater Good – Our True North Star

Our Values

Banyan Tree was founded with the core value of sustainable development. Our efforts extend beyond the precautionary approach, to support sustainable development by integrating social and environmental responsibility throughout our operations and our guest experience to:

- Create exceptional design-led experiences for guests and customers;
- Provide associates with fair and dignified employment;
- Enable long-term prosperity for communities in which we operate;
- Exercise the precautionary approach to protect and remediate ecosystems;
- Conduct business with dignity, fairness and transparency; and
- Generate sustained, long-term returns for our shareholders.

Photo captions:

↑ Laguna Phuket; Spa therapists at Banyan Tree Lijiang China

Our Approach

Our sustainability efforts focus on seven key social, environmental and governance material topics identified by stakeholders and approved by the Board of Directors. We conceptualised our values in our “Serving the Greater Good” framework, supported by a sustainable financing mechanism, the Green Imperative Fund, with a Context Based Sustainability approach addressing global needs at local scales. As part of our 25th Anniversary, we celebrated our sustainability journey in a commemorative book “Rooted in Sustainability”.

Serving the Greater Good of the Planet: We are here to better the place we live in.

Climate change action is integrated throughout operations and environmental, social and governance sustainability efforts, aligned with the World Travel and Tourism Council’s (2015) call for action. We continue to tackle resource efficiency and use, promote responsible travel, greening and reforestation, and support local capacity development and resilience to change.

In 2019, 40 sectors, including 32 hotels, registered with EarthCheck. Ten sectors achieved Gold Certification during the year, bringing the total to 17, while Lijiang achieved our first Platinum Certification for 10 years of continuous sustainable operations. We also reduced energy and water usage per occupied room by 7.5% and 10.0% respectively. Since 2017, a 42% reduction in single-use plastic has eliminated almost 10 million pieces, with six properties achieving a reduction of more than 80%.

In our 25th anniversary year, we organised a record number of almost 1,000 sustainability events, activities and initiatives. Over 106,000 guests, associates and community members participated in environmental conservation, restoration and awareness programmes, and to date over half a million trees have been planted.

Our conservation lab in the Maldives celebrated 15 years of bridging and partnering the tourism and academic sectors. Implementing a science-based approach to conservation, which is founded on long-term environmental monitoring and citizen science, our coral reef and shark conservation programmes continue to yield peer-reviewed research advancing our understanding of the natural world and sharing data collected with local stakeholders.

Photo captions:

→ Turtle release activity with guests

↙ Shark conservation; beach cleaning

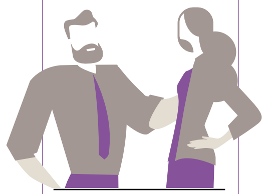
14%

106,588
Environmental

59,623
Social

166,211
participants

47,299
hours volunteered



107
Seedlings

227
work days of mentorship

KEY FIGURES

Trees planted to date	508,612
Trash collected in 2019	89,931kg
Number of single-use plastic items stopped	5,912,125
Reduction in single-use plastic	42%
Reduction in water per occupied room	10%
Reduction in energy use per occupied room	7.5%

- **Data Validation:** For EarthCheck Bronze Benchmarked sectors, data has been clarified and validated by EarthCheck; for EarthCheck certified sectors (Silver or Gold), data has been clarified and validated by EarthCheck and also verified by third-party auditors.

The Greater Good – Our True North Star

Serving the Greater Good of People: We are here to better the way we live.

Supporting long-term societal prosperity is central to Banyan Tree's ability to create value for communities. Internally our approach promotes well-being, diversity, satisfaction, health and safety, and professional development, while externally it supports health, education and cultural heritage.

Over 59,000 guests, associates and community members participated in education, health and cultural programmes in 2019. As part of the Group's 25th anniversary celebrations, we developed infrastructure and supported learning environments at 25 schools in nine countries, benefitting over 4,000 students. Our seedlings programme nurtured 107 young people at risk of societal exclusion, providing vocational and life skills, creating a lasting positive community impact. In partnership with the IBU Foundation, we provided psychosocial and livelihood support to those impacted by the earthquake and tsunami in Palu and Donggala in Sulawesi, Indonesia.

Our Responsibility

Sustainability governance issues addressed include leadership, ethical compliance, cybersecurity, supply chain, responsible travel and partnerships. In 2019, we developed a supplier code of conduct as a first step to map our supply chain and assess risk, with implementation in 2020. New training on cybersecurity accompanied ongoing anti-corruption and anti-bribery training to ensure ethical and safe practices. Celebrating its 10th anniversary, Banyan Tree Global Foundation continues to support social and environmental projects around the world, with almost US$8 million disbursed to date.

For more details, please refer to the accompanying 2019 Sustainability Report, or view it online at:

www.banyantreeglobalfoundation.com/stories-we-share

Banyan Tree Management Academy

Empowering Our Associates

We believe in investing in our employees to empower the enablers of our lifestyle ecosystem.

The Banyan Tree Management Academy (BTMA), for example, ensures alignment between our corporate strategy and the diverse needs of associates across the Group.

In 2019, our associates received an average of 49.36 hours of training.

Photo caption:

AMDT participants with Group senior management

Shaping Future Leaders

In 2019, our associates received an average of 49.36 hours of training. Twelve training workshops were conducted for high-potential associates and leaders globally, including the Group's new signature workshop that was launched in July. The Advanced Management Development Training (AMDT) brought together 46 high-potential associates from 17 nationalities to learn different management and leadership skills under the concept of RICE (Resilience, Inclusiveness, Connectivity, Engagement). Senior corporate executives including Group Exco members joined in, sharing their knowledge and insights with the participants. Each participant also had the opportunity to discuss their career passion and direction with Group Exco members including Group co-founder Ms Claire Chiang, who led the workshop throughout the six days.

Our LEAF (Leading and Empowering Associates Forward) programme, which aims to develop future hotel managers and general managers, continued to welcome new participants. Nine new LEAFers entered the programme in 2019, bringing the total to 35 LEAFers working their way up the career ladder. Of the four LEAFers who graduated during the year, three were appointed as general managers.

Banyan Tree Management Academy

Refining Service Skills

With people at the heart of everything we do, we are committed to making every guest touchpoint an experience that leaves a lasting impact. In November 2019, BTMA hosted 14 Experience Champions/Managers from around the world at the Experience Champions Workshop in Phuket, Thailand. The programme is designed to equip participants with skills like mindfulness and storytelling for better crafting of the guest experience. Attendees underwent the real guest experience at Banyan Tree Phuket, our flagship hotel, in order to understand and be able to provide extraordinary personalised service, maximise guest engagement and optimise revenue opportunities based on the needs of each guest.

Working with Brand HQ, a group of senior general managers and corporate officers gathered in Phuket to brainstorm and identify the unique elements of the Group's service culture. Subsequently, BTMA and six senior learning managers developed new training material for roll-out in 2020.

Photo captions:

↙

As a team-building activity, AMDT participants planted rice at Laguna Phuket

↘

Participants celebrated at the conclusion of the Women Empowering Workshop

Strengthening Our Lifestyle Ecosystem

As we continue to strengthen our lifestyle ecosystem, technology is playing a more important role in our operations. At our first-ever Information and Communications Technology (ICT) workshop in September 2019, a team of internal facilitators from Group ICT shared their expertise with 23 ICT managers from various properties.

Aside from ICT, we continue efforts to improve our hotel operations through different workshops. The Sales Productivity and Sales Strategy Workshop helped 23 Sales & Marketing managers to enhance their selling skills and techniques and increase sales. BTMA has also certified 50 more managers as trainers to conduct core training programmes such as train-the-trainer and supervisory courses.

At Laguna Phuket, Thailand, where BTMA is located, we are continuously engaging associates with various language and IT courses. In 2019, a total of 392 associates received IT training and 776 associates trained in English, Mandarin and Thai. (Thai classes are offered to expatriate associates based in Thailand.) In addition, we organised Korean and Russian culture days to promote better cross-cultural understanding among co-workers.

Because life is about more than work, BTMA initiated the Women Empowering Workshop. Held in June 2019, the two-day workshop gathered 32 women from different job levels and functions at Laguna Phuket, to learn valuable life skills to eliminate negative emotion, create empowering belief and stay focused on their purpose in both work and life.

Analytical Review

Revenue

	2019 S$'000	2018 S$'000	Incr/(Decr) S$'000	 %
Hotel Investments	***173,690***	*192,524*	*(18,834)*	*-10%*
Residences and Extended Stay	***114,223***	*76,959*	*37,264*	*48%*
- Hotel Residences	***81,708***	*25,313*	*56,395*	*223%*
- Laguna Residences and Extended Stay	***32,515***	*51,646*	*(19,131)*	*-37%*
Fee-based	***59,041***	*59,563*	*(522)*	*-1%*
- Hotel/Fund/Club Management	***21,852***	*22,172*	*(320)*	*-1%*
- Spa/Gallery Operations	***19,258***	*20,064*	*(806)*	*-4%*
- Design and Others	***17,931***	*17,327*	*604*	*3%*
Total	***346,954***	*329,046*	*17,908*	*5%*

Revenue increased by S$18.0 million or 5% from S$329.0 million to S$347.0 million for FY2019, mainly due to higher revenue from the Residences and Extended Stay segment, partially offset by lower revenue from the Hotel Investments and Fee-based segments.

Revenue from the Residences and Extended Stay segment increased by S$37.2 million or 48% from S$77.0 million to S$114.2 million in FY2019. We recognised 226 units in FY2019 as compared to 128 units in FY2018.

Overall, unrecognised revenue as at 31 December 2019 was S$178.2 million as compared to S$189.9 million a year earlier. Approximately half will be recognised in 2020.

The Hotel Investments segment recorded revenue of S$173.7 million in 2019, a decrease of S$18.8 million compared to S$192.5 million in FY2018. The decrease in revenue was largely due to our resorts in Seychelles and Thailand, partially cushioned by higher revenue from our resorts in Maldives and Indonesia. The Group stopped consolidating results for Seychelles after we disposed of our entire portfolio of assets there in November 2018. For Thailand, the revenue decreased mainly due to under performance from Banyan Tree Phuket due to renovation.

Revenue from the Fee-based segment decreased by S$0.6 million or 1% from S$59.6 million to S$59.0 million in FY2019 mainly due to lower revenue from Spa/Gallery Operations.

Other income

	2019 S$'000	2018 S$'000	Incr/(Decr) S$'000	 %
Total	***5,827***	*43,168*	*(37,341)*	*-87%*

Other income decreased by S$37.4 million from S$43.2 million in FY2018 to S$5.8 million in FY2019. This was mainly due to absence of gains from dilution of the Group's interest in Banyan Tree Assets (China) Holdings Pte. Ltd. ("BTAC") and disposal of assets portfolio in Seychelles.

Analytical Review

Costs and expenses

	2019 S$'000	2018 S$'000	Incr/(Decr) S$'000	 %
Cost of operating supplies	**23,970**	25,056	(1,086)	-4%
Cost of properties sold	**64,052**	46,470	17,582	38%
Salaries and related expenses	**83,035**	89,455	(6,420)	-7%
Administrative expenses	**45,118**	46,720	(1,602)	-3%
Sales and marketing expenses	**15,897**	19,779	(3,882)	-20%
Other operating expenses	**60,537**	63,728	(3,191)	-5%
Impairment loss/(Write-back of impairment loss) on financial assets	**3,944**	(2,127)	6,071	nm
Total	**296,553**	289,081	7,472	3%

Cost of Operating Supplies

Cost of operating supplies decreased by S$1.1 million or 4% from S$25.1 million to S$24.0 million for the year ended 31 December 2019, in line with lower revenue from Hotel Investments segment.

Cost of Properties Sold

Cost of Properties sold increased by S$17.6 million or 38% from S$46.5 million to S$64.1 million for the year ended 31 December 2019, in line with higher residences and extended stay revenue recognised during the year.

Salaries and Related Expenses

Salaries and related expenses decreased by S$6.5 million or 7% from S$89.5 million to S$83.0 million for the year ended 31 December 2019, mainly due to lower provision for bonuses and incentives.

Administrative Expenses

Administrative expenses decreased by S$1.6 million or 3% from S$46.7 million to S$45.1 million for the year ended 31 December 2019. This was largely due to lower provision for bonus and incentives, lower legal and professional fees and foreign exchange gain in FY2019 as compared to foreign exchange losses in FY2018, partially offset by allowance for impairment loss for our hotel in Morocco and higher loss on disposal of property, plant and equipment.

Sales and Marketing Expenses

Sales and marketing expenses decreased by S$3.9 million or 20% from S$19.8 million to S$15.9 million for the year ended 31 December 2019, mainly due to lower expenses incurred for hotel and residences and extended stay marketing.

Other Operating Expenses

Other operating expenses decreased by S$3.2 million or 5% from S$63.7 million to S$60.5 million for the year ended 31 December 2019, mainly due to absence of write-off for land purchase deposits in FY2018 and lower reservation expenses, but partially offset by higher meeting and travelling expenses.

Impairment loss/(Write-back of impairment loss) on financial assets

Impairment loss on financial assets increased by S$6.1 million mainly due to provision for loss allowance of outstanding debts from BTAC in FY2019 as compared to write-back of impairment loss in FY2018 due to collection.

Operating profit

	2019 S$'000	2018 S$'000	Incr/(Decr) S$'000	 %
Hotel Investments	**18,178**	33,093	(14,915)	-45%
Residences and Extended Stay	**28,781**	5,502	23,279	423%
- Hotel Residences	**25,807**	787	25,020	nm
- Laguna Residences and Extended Stay	**2,974**	4,715	(1,741)	-37%
Fee-based	**15,719**	13,636	2,083	15%
- Hotel/Fund/Club Management	**10,641**	9,121	1,520	17%
- Spa/Gallery Operations	**2,648**	2,605	43	2%
- Design and Others	**2,430**	1,910	520	27%
Head Office Expenses	**(12,277)**	(12,266)	11	0%
Other income (net)	**5,827**	43,168	(37,341)	-87%
Operating Profit	**56,228**	83,133	(26,905)	-32%
One-off gains on disposal	**-**	(37,614)	37,614	-100%
Allowance on impairment losses	**8,913**	-	8,913	100%
Core Operating Profit	**65,141**	45,519	19,622	43%

Operating Profit decreased by S$26.9 million from S$83.1 million to S$56.2 million for the year ended 31 December 2019. This was largely attributable to lower other income and Operating Profit from Hotel Investments segment. This was partially cushioned by higher Operating Profit from Residences and Extended Stay and Fee-based segments. If excluding non-recurring, one-off gains or losses, Core Operating Profit increased by 43% from S$45.5 million to S$65.1 million. The one-off items relate to gains recorded in FY2018 from dilution of the Group's interest in BTAC (S$25.2 million), disposal of assets portfolio in Seychelles (S$12.5 million) and one-off allowance for impairment loss in FY2019 of our hotel in Morocco (S$5.3 million) as well as trade receivables (S$3.6 million).

Analytical Review

Depreciation of property, plant and equipment and right-of-use assets

	2019 S$'000	2018 S$'000	Incr/(Decr) S$'000	 %
Total	***22,945***	*20,104*	*2,841*	*14%*

Depreciation of property, plant and equipment and right-of-use assets increased by S$2.8 million from S$20.1 million to S$22.9 million for the year ended 31 December 2019, mainly due to depreciation of right-of-use assets under SFRS(I) 16 since the adoption of this standard from 1 January 2019 and higher depreciation due to additions of fixed assets and renovations by our resorts. The increase was partially cushioned by absence of depreciation for Seychelles following the disposal in November 2018.

Finance income

	2019 S$'000	2018 S$'000	Incr/(Decr) S$'000	 %
Total	***7,720***	*2,769*	*4,951*	*179%*

Finance income increased by S$4.9 million from S$2.8 million to S$7.7 million for the year ended 31 December 2019, largely due to progressive reversal of interest expenses following the fair value adjustment of imputed interest for long-term receivables under an instalments arrangement in FY2018, interest charged on outstanding debts from BTAC and higher funds placed in term deposits.

Finance costs

	2019 S$'000	2018 S$'000	Incr/(Decr) S$'000	 %
Total	***26,762***	*49,091*	*(22,329)*	*-45%*

Finance costs decreased by S$22.3 million from S$49.1 million to S$26.8 million for the year ended 31 December 2019, mainly due to lower interest on medium term notes as a total of S$125.0 million were repaid upon maturity in June 2019, absence of fair value adjustment of imputed interest for long-term receivables under an instalments arrangement in FY2018.

Share of results of associates/joint ventures

	2019 S$'000	2018 S$'000	Incr/(Decr) S$'000	 %
Total	***479***	*10,524*	*(10,045)*	*nm*

Share of associates/joint ventures' net profit decreased by S$10.0 million as the Group recorded share of fair value adjustment of imputed income in FY2018 as compared to share of losses due to progressive reversal of such adjustment in FY2019. Excluding this accounting adjustment, share of results of associates/joint ventures decreased by S$1.2 million mainly due to share of lower profit from Banyan Tree Indochina Hospitality Fund L.P. and the associates in China, partially cushioned by absence of share of BTAC's losses after it ceased to be an associate of the Group in November 2018.

Income tax expense

	2019 S$'000	2018 S$'000	Incr/(Decr) S$'000	 %
Total	***11,427***	*10,576*	*851*	*8%*

Income tax expense increased by S$0.8 million from S$10.6 million to S$11.4 million for the year ended 31 December 2019, mainly due to higher other income that was exempted for tax in FY2018. Excluding this income, Operating Profit in FY2019 was higher than last year. The higher income tax expense was mainly due higher taxable profit, partially cushioned by higher recognition of deferred tax assets and adjustment for over provision of taxes relating to prior year recorded in FY2019 as compared to an under provision of taxes relating to prior year recorded in FY2018.

Non-controlling interests

	2019 S$'000	2018 S$'000	Incr/(Decr) S$'000	 %
Total	***1,878***	*922*	*956*	*104%*

Non-controlling interest's share of profit increased by S$1.0 million from S$0.9 million to S$1.9 million for the year ended 31 December 2019. This was mostly due to higher profits from LRH.

Profit attributable to owners of the company

	2019 S$'000	2018 S$'000	Incr/(Decr) S$'000	 %
Total	***651***	*13,471*	*(12,820)*	*-95%*

As a result of the foregoing, profit attributable to owners of the Company was S$0.7 million for the year ended 31 December 2019 as compared to S$13.5 million for the year ended 31 December 2018.

Cash flows

	2019 S$'000	2018 S$'000
Profit before taxation	*13,956*	*24,969*
Net (decrease)/increase from changes in working capital	*(35,260)*	*17,054*
Net interest paid, tax paid and others	*(29,117)*	*(38,842)*
Adjustment for non-cash items	*50,933*	*15,120*
Net cash flow generated from operating activities	*512*	*18,301*
Net cash flows (used in)/generated from investing activities	*(50,725)*	*62,610*
Net cash flows used in financing activities	*(27,227)*	*(34,327)*
Net change in cash and cash equivalents	*(77,440)*	*46,584*
Cash and cash equivalents at beginning of the year	*206,181*	*158,988*
Net foreign exchange difference	*2,061*	*609*
Cash and cash equivalents at the end of the year	*130,802*	*206,181*

For the full year ended 31 December 2019, net cash flows generated from operating activities was S$0.5 million. This was mainly due to profit before taxation of S$14.0 million and adjustments for non-cash items of S$50.9 million. It was partially offset by net cash used in working capital of S$35.3 million as a result of higher spending on construction projects, interest paid of S$20.1 million and tax paid of S$8.6 million. Non-cash items relate mainly to depreciation and amortisation expenses of S$23.7 million, net finance costs of S$19.0 million, allowance for impairment loss on property, plant and equipment and financial assets of S$9.4 million, loss on disposal of property, plant and equipment of S$1.5 million and provision for employee benefits and share-based payment expenses of S$1.0 million, but offset by net fair value gain on investment properties of S$3.7 million and share of results of associates of S$0.5 million.

Net cash flows used in investing activities was S$50.7 million, mainly due to resorts renovation, on-going purchases of furniture, fittings and equipment by the Group's resorts for their operations and purchase of investment properties.

Net cash flows used in financing activities amounted to S$27.2 million, mainly due to repayment of S$125.0 million medium term notes upon maturity in June 2019, scheduled repayments of bank borrowings of S$143.1 million and dividend paid to ordinary shareholders of the Company and non-controlling shareholders of a subsidiary of S$21.5 million. This was partially cushioned by additional bank borrowings of S$265.1 million.

Corporate Governance Report

Corporate Governance Report

Banyan Tree Holdings Limited ("BTH" or the "Company", and together with its subsidiaries, the "Group") is committed to observing and maintaining high standards of corporate governance and sound corporate practices to promote accountability, transparency and shareholders' value.

This report sets out BTH's main corporate governance practices which comply with the principles of the Code of Corporate Governance 2018 (the "Code") issued in August 2018 and which adhere closely to the provisions under the Code. The preparation of this report was also guided by the voluntary Practice Guidance which was issued to complement the Code and which sets out best practice standards for companies.

(A) Board Matters

Principle 1: Board's Conduct of its Affairs

[1] The Board oversees the Company's business and its performance, working with Senior Management to achieve the Group's strategic objectives and long-term success, and ensuring that the necessary resources are in place to meet these objectives. The Board's principal functions include providing leadership, formulation of the Group's strategic direction, setting its values and ethics, standards of conduct and organisational culture; policies and practices; reviewing 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 and holding Management accountable for performance; approving the adequacy and effectiveness of internal controls including financial, operational, compliance and information technology controls; establishing and maintaining a sound risk management framework to effectively monitor and manage risks and assuming the responsibility for corporate governance; approving remuneration policies and guidelines as well as succession planning for the Board and Management, including the appointment and re-appointment of Directors; and ensuring the Group's compliance with all laws and regulations as may be relevant to its businesses as well as proper accountability within the Company. The Board also regards sustainable development as a core value of the Group. Please refer to the Sustainability Report 2019 for the continual progress made in the Group's commitment to sustainability and addressing environmental and social concerns in its business operations.

[2] The Group has adopted a set of internal controls and guidelines setting out the financial authorisation and approval limits for borrowings, acquisitions and disposals of investments, and operating and capital expenditures. The Board's approval is required for transactions where the value of these transactions exceeds the approval limits. In addition, matters such as, *inter alia*, the issue of shares, dividend distributions and other returns to shareholders, the Group's strategies and objectives, and the announcement of quarterly and full-year results also require the Board's approval. The Board decides on matters that require its approval and communicates this clearly to Management in writing.

[3] Two Board Committees, namely the Audit and Risk Committee ("ARC") and the Nominating and Remuneration Committee ("NRC"), have been constituted with defined written Charters to assist the Board in the execution of its responsibilities. These Charters set out the compositions, authorities and duties of the Board Committees (including reporting back to the Board), and are reviewed on a regular basis to ensure their continued relevance. The members of both the ARC and NRC are all Independent Directors.

[4] The Board and the Board Committees conduct regular scheduled meetings on a quarterly basis, at which Directors actively participate in discussing and deliberating on matters requiring their attention and decision. All Board and Board Committee meetings are scheduled in advance of each calendar year in consultation with the Directors and notified to all Board Members before the start of that calendar year. Ad-hoc meetings are convened when circumstances require. The Independent Directors also set aside time to meet, without the presence of Management (including the Non-Independent Directors), to review their performance in meeting the goals and objectives of the Company, after which the Lead Independent Director will provide any relevant feedback to the Executive Chairman. Where necessary, the Directors also participate in Board meetings via telephonic attendance and video conferencing, as permitted under the Constitution of the Company (the "Constitution"). Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company. Details of each Director's attendance at Board and Board Committee meetings as well as the Annual General Meeting of the Company ("AGM") held during the financial year ended 31 December 2019 ("FY2019") are provided in Table 1 below:

TABLE 1

Board Members	Board	ARC	NRC	AGM
No. of Meetings Held	***4***	***4***	***3***	***1***
Ho KwonPing	*4/4*	-[3]	-[3]	*1/1*
Ariel P Vera	*4/4*	-[3]	-[3]	*1/1*
Chia Chee Ming Timothy	*3/4*	-[3]	*3/3*	*1/1*
Fang Ai Lian	*4/4*	*4/4*	-[3]	*1/1*
Chan Heng Wing	*4/4*	-[3]	*3/3*	*1/1*
Tham Kui Seng	*4/4*	*4/4*	-[3]	*1/1*
Lim Tse Ghow Olivier[1]	*4/4*	*2/2*	*1/1*	*1/1*
Karen Tay Koh[2]	*2/2*	*2/2*	-[3]	-
Zhang Xu	*4/4*	-[3]	-[3]	*0/1*
Gaurav Bhushan	*4/4*	-[3]	-[3]	*1/1*
Chew Van Hoong Jason	*1/4*	-[3]	-[3]	*0/1*
Mohamed Al-Hashmi (Alternate Director to Chew Van Hoong Jason)	*1/4*	-[3]	-[3]	*0/1*

[1] Mr Lim resigned as a member of the ARC on 31 May 2019 and was appointed a member of the NRC on 31 May 2019.

[2] Mrs Koh was appointed a Director and a member of the ARC on 31 May 2019, which was after the AGM held on 24 April 2019.

[3] Not a Board Committee member.

[5] Upon appointment, each new Director is issued with a formal letter of appointment along with materials pertaining to his obligations in relation to disclosure of interests in securities, conflicts of interest and restrictions on dealings in securities. An orientation programme is conducted for new Directors to familiarise themselves with the Group's businesses, operations, strategic directions, and organisation structure and to get acquainted with Management. Each new Director will also receive information on the relevant policies and procedures of the Group and the Board meeting schedule for the year, as well as a brief of the routine agenda for each Board and Board Committee meeting. When a Director is appointed to a Board Committee, he is provided with a copy of the Charter of the Board Committee. The NRC ensures that each new Director is aware of his/her directorship duties and obligations (including their roles as Executive, Non-Executive and Independent Directors).

[6] Any Director who has no prior experience as a director of a listed company is required to undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. In particular, they will be encouraged to attend the Listed Entity Director ("LED") Programme conducted by the Singapore Institute of Directors ("SID"). The Company Secretary will assist such Director with enrolling in the LED Programme. For FY2019, both Mr Chew and Mrs Koh have attended the LED Programme.

[7] The Company also provides the Board with updates on developments in laws and regulations or changes in regulatory requirements and financial reporting standards, which are relevant to or may affect the Group's businesses. The Directors have been periodically updated on various aspects of the Group's operations through briefings, informal discussions and meetings with Management. As part of the Company's continuing education for Directors, the Company Secretary circulates articles, reports and news releases issued by the SGX-ST which are relevant to the Group's businesses for the Board's information. Also, wherever applicable, meetings are arranged for the Directors to meet with relevant experts on issues which impact the Group's operating environment. In addition, the Directors are encouraged to attend appropriate relevant external programmes such as those conducted by the SID or seminars organised by the SGX-ST or other professional institutes, at the Company's expense.

[8] In FY2019, the Board and Management held an offsite Strategic Meeting at Banyan Tree Mayakoba which included visits to the Group's properties and potential development sites situated in Mexico and Cuba. The visit was made in conjunction with the commemoration of Banyan Tree's 25th anniversary and Banyan Tree Mayakoba's 10th anniversary. The Directors interacted with Management in a one-day strategy session, had the opportunity to engage with the key executives and obtained a good understanding of the Group's operations in these countries in the course of their site visits. The inputs of the Directors in the strategy session provided valuable perspective to the Management.

[9] The Directors are provided with Board Papers by Management in advance of each Board and Board Committee meeting to enable them to be properly informed of matters to be discussed and/or approved. These include reports relating to the financial and operational performance of the Group as well as other 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. Besides these Board Papers and analysts' reports, the Directors are also provided with additional information and reports (upon request) which will enable them to have a better understanding of the Group's business and strategies, the operating environment and the risks faced by the Group.

[10] Management provides the Board with management accounts and explanations and information on an on-going basis and as the Board may require from time to time, enabling the Board to make a balanced assessment of and informed decisions on the Company's and the Group's performance, position and prospects, and to discharge its duties and responsibilities. Such information consists of consolidated profit and loss accounts, operating profit, and pre-tax profit by the various business segments comparing BTH's actual performance against the budgets, together with explanations for significant variances. The Directors may also, at any time, request further information or meetings with Management on the Group's operations.

[11] 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. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

[12] The Board reviews and approves the results as well as the relevant announcement before their release on SGXNET. The Board also reviews legal and regulatory compliance reports from Management to ensure that the Group complies with the relevant regulatory requirements.

[13] In line with the Group's continuing commitment to the sustainability of the environment, the Board has opted to receive all its Board Papers electronically for all its Board and Board Committee meetings since August 2013 and has eliminated the need for hard copy Board Papers. The Board Papers are distributed in advance of these meetings and the Board can access and read them on their electronic devices.

[14] Each Director has separate and independent access to Management and the Company Secretary. The Company Secretary attends all Board and Board Committee meetings, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. She is responsible for, among other things, advising the Board on corporate and administrative matters as well as all matters relating to corporate governance. The appointment and the removal of the Company Secretary is a matter for the Board as a whole. In FY2019, Ms Shelly Yeo was appointed Company Secretary in place of Ms Jane Teah who retired.

[15] The Directors have separate and independent access to independent professional advice as and when necessary to enable them (including the Independent Directors) to discharge their responsibilities effectively and such costs are borne by the Company.

[16] In the Singapore Governance and Transparency Index 2019 – General Category ("SGTI 2019"), prepared by the Centre for Governance, Institutions and Organisations of the National University of Singapore's Business School ("CGIO"), BTH ranked 48 of a total of 578 companies (excluding 123 companies) listed on the SGX-ST which formed the basis of the CGIO's survey and ranking. BTH was placed on the SGX Fast Track programme since the inception of the programme in 2018. SGX Fast Track was introduced on 4 April 2018 in recognition of the efforts and achievements of listed issuers which have upheld high standards of corporate governance and maintained a good compliance track record. In 2019, at the Singapore Corporate Awards event jointly organised by The Business Times, the Singapore Institute of Directors and the Institute of Singapore Chartered Accountants, and supported by the Accounting and Corporate Regulatory Authority and SGX, BTH received Gold for the Best Managed Board Award ("BMBA"). BMBA celebrates companies with multi-dimensional excellence in transparency, accountability, performance orientation, good processes and practices.

Principle 2: Board Composition and Guidance

[1] As at the date of this report, the Board comprises 11 Directors, majority of whom are Independent Directors. As such, there is a strong and independent element on the Board. Please see the list of Independent and Non-Independent Directors on page 81 of the Annual Report for FY2019 ("Annual Report").

[2] Each year, the NRC reviews the appropriate size, level of independence and diversity of thought and background in the composition of the Board and Board Committees ensuring that each member has the expertise, skills and attributes to discharge his/her responsibilities effectively. The NRC also ensures that there is an appropriate number of Independent Directors for the Board and each Board Committee. Having considered the nature and scope of the Group's businesses and the regulatory requirements, the NRC and the Board are of the opinion that the current composition and size of the Board and its Board Committee are appropriate and adequate.

[3] The Company has adopted an Equality & Diversity Inclusion Policy which sets the framework for promoting diversity on the Board, recognising that it would enhance the Board's decision-making process. The diversity, which includes different skillsets, business and industry experience, gender, age, ethnicity and culture, and other relevant factors, would provide various perspectives to the Board and thus better support the Company's achievement of its strategic objectives. In FY2019, the objective of maintaining female representation on the Board was achieved with the appointment of a female candidate in place of the female director who retired in 2018.

[4] BTH was ranked third in the gender diversity ranking introduced in the Singapore Board Diversity Report 2013, a joint initiative between the CGIO and BoardAgender. The ranking took into account, *inter alia*, the proportion of women and their representation on the Board.

[5] The profile of each Director which includes key information regarding academic qualifications, directorships and chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments, is set out on pages 48 to 51 of this Annual Report. The details of the Directors' shareholdings can be found under the section on Directors' interests in shares and debentures on page 99 and 100 of the Directors' Statement.

Principle 3: Chairman and Chief Executive Officer

[1] The Executive Chairman is responsible for leading the Board in charting the strategic direction and growth of the Group. He also facilitates the effective contribution of all Directors and ensures active and comprehensive Board discussions on Company matters, monitors the translation of the Board's decisions into executive actions, and fosters constructive dialogue with shareholders and other stakeholders, including at each AGM. The Executive Chairman is also responsible for setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular, strategic issues, promoting a culture of openness and debate at the Board, promoting and maintaining a high standard of corporate governance, and ensuring appropriate relations within the Board and between the Board and Management. The Executive Chairman does not participate in the committees such as the NRC and the ARC so that the Independent Directors can freely discuss matters and resolve at the committees level. The Company has not created a separate CEO position as the Board is of the view that that the current Board composition is appropriate and effective for the purposes for which the Board's roles and responsibilities are set up. The Board is also of the view that with the establishment of the two Board committees, there are adequate safeguards in place to prevent an uneven concentration of power and authority in a single individual.

[2] The execution of the Company's corporate and business strategies and policies, and the conduct of the Group's businesses have been delegated to a dedicated team of Management comprising the President & Group Managing Director and the Managing Directors of the various Business Units.

[3] The Board has appointed Mr Chia as the Lead Independent Director since 28 February 2007 to lead and co-ordinate the activities of the Non-Executive Directors, and to provide leadership in situations where the Executive Chairman is conflicted. The Lead Independent Director is also the Chairman of the NRC. He is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Executive Chairman or the President & Group Managing Director and Managing Directors of the various Business Units has failed to resolve or is inappropriate.

Principle 4: Board Membership

[1] The NRC, chaired by Mr Chia, comprises Mr Chan and Mr Lim, all of whom are Independent Directors. Mr Chia is not directly associated with any substantial shareholder (as defined in the Code) of the Company. Mr Lim was appointed a member of the NRC on 31 May 2019 after he ceased to be a member of the ARC on the same date.

[2] In 2018, the Board of Directors approved the formation of a search committee comprising all the Independent Directors to participate in the search for a suitable candidate to fill the vacancy left by Mrs Elizabeth Sam. The search was completed and upon recommendation by the NRC and approval by the Board, Mrs Koh was appointed Independent Director and a member of the ARC on 31 May 2019.

[3] The NRC's functions, which are set out in its Charter, include among others, selection, appointment and re-appointment of Directors and making recommendations to the Board on new Board appointments and re-appointment of Directors (including Alternate Directors). The NRC's selection process for candidates to be proposed to the Board for new appointments takes into account various factors including the relevant expertise and experience, as well as the age and gender of the candidates, as may be determined by the NRC to be relevant and how these would augment the Board and the Board Committees, particularly if the candidate is nominated to be in the Board Committees. Names of potential candidates are sought through networking contacts and recommendations. The NRC shortlists candidates for nomination and recommends to the Board for approval. The re-appointment of Directors is based on their competencies, commitment and contributions, a review of the range of expertise, performance, skills and attributes of current Board members and the needs of the Board. The NRC also makes recommendations to the Board on the review of training and professional development programmes for the Board and its Directors, and the review of succession plans for the Board and Management, in particular the appointment and/or replacement of the Executive Chairman, the Group Managing Director and key management personnel (as defined in the Code). The NRC also makes recommendations to the Board on the development of a process and criteria for evaluation of the performance of the Board, its Board Committees and Directors.

[4] The SGX-ST Listing Manual requires every Director to submit themselves for re-nomination and re-appointment at least once every three years. The Constitution further requires one-third of the Directors (or, the number nearest to but not less than one-third) to retire by rotation and subject themselves to re-election by shareholders at every AGM. New Directors appointed by the Board during the year shall also submit themselves for re-election at the next AGM but shall not be taken into account in determining the number of Directors who are to retire by rotation at that AGM.

[5] The NRC also determines the independence of the Directors annually as well as when circumstances change. The process includes the use of a self-assessment questionnaire which each Independent Director is required to complete and submit to the NRC for review, in which the Directors must disclose their relationships with the Company, its related corporations, its substantial shareholders and its officers, if any, which may affect their independence. In its annual review, the NRC, having considered Rule 210(5)(d) of the SGX-ST Listing Manual, the principles and provisions set out in the Code (including Provision 2.1) and the Practice Guidance, has confirmed the status of the Directors as follows:

1. Mr Ho KwonPing (Non-Independent)
2. Mr Ariel P Vera (Non-Independent)
3. Mr Zhang Xu (Non-Independent)
4. Mr Gaurav Bhushan (Non-Independent)
5. Mr Chew Van Hoong Jason (Non-Independent)*
6. Mr Chia Chee Ming Timothy (Independent)
7. Mrs Fang Ai Lian (Independent)
8. Mr Chan Heng Wing (Independent)
9. Mr Tham Kui Seng (Independent)
10. Mr Lim Tse Ghow Olivier (Independent)
11. Mrs Karen Tay Koh (Independent)

* Mr Mohamed Al-Hashmi is the Alternate Director to Mr Chew. Both Mr Chew and Mr Mohamed are based in Doha. As the Company holds its board meetings in Singapore, Mr Chew has appointed Mr Mohamed to be his alternate should Mr Chew be unable to attend.

[6] The longest serving Independent Directors since the Company's initial public offering ("IPO") in 2006 are Mr Chia and Mrs Fang who have served on the Board for more than nine years based on the date of their first appointment. Mr Chia was appointed a Director in 2001 and became the Lead Independent Director in 2007 after the IPO in 2006 and Mrs Fang was appointed as an Independent Director in 2008.

[7] Mr Chan and Mr Tham were appointed in 2012 followed by Mr Lim and Mrs Koh in 2014 and 2019 respectively.

[8] The NRC and the Board have given due consideration to Guideline 2.4 of the Code of Corporate Governance 2012 (which continues to operate prior to 1 January 2022 on a comply-or-explain basis), which provides that the independence of any director who has served on the Board beyond nine years from the date of his/her first appointment should be subject to particularly rigorous review. The NRC and the Board have determined that Mr Chia and Mrs Fang are independent notwithstanding that they have served on the Board beyond nine years from the date of their first appointment as they continue to demonstrate strong independence in conduct, character and judgement in the discharge of their responsibilities as Independent Directors. Further, the NRC and the Board are of the opinion that their detailed knowledge of the Group's businesses continues to be of significant benefit to the Company, and their external experience sitting on the boards of other listed companies provides useful expertise and diversity to the Board. Both Mr Chia and Mrs Fang have abstained from the discussions relating to their respective independence. There have also been changes to the Board since their respective date of first appointment, allowing for progressive refreshing of the Board.

[9] The Independent Directors have no affiliations or business relationships with the Company (save as disclosed below in respect of Mr Lim), its related corporations, substantial shareholders or officers, nor do any relationships or circumstances exist which are likely to, or could appear to, interfere with the exercise of their independent business judgement with a view to the best interests of BTH. Mr Lim is a director of Raffles Medical Group ("RMG"). RMG is on the Group's panel of clinics and was appointed based on an assessment by the Group of the commercial terms offered by RMG, similar to the considerations taken into account in appointing the other panel of clinics. Based on the foregoing reasons, the NRC and the Board have considered Mr Lim as an Independent Director.

[10] The Board has implemented a policy whereby the Executive Chairman's external directorships should be approved by the NRC. The Board has not determined the maximum number of listed company board representations which any Director may hold. Based on the Singapore Board of Directors Survey 2019 organised by the SID and Singapore Exchange, in collaboration with PricewaterhouseCoopers and Singapore University of Social Sciences, the Company understands that (a) 30% of respondent firms imposed a restriction on the number of listed company directorships that their executive directors can hold, (b) 29% of respondent firms imposed a restriction on the number of listed company directorships that their non-executive, non-independent directors can hold and (c) 37% of respondent firms imposed a restriction on the number of listed company directorships that their independent directors can hold. The Board has allowed each Director to personally determine the demands of his/her directorships and obligations and to assess how much time he/she must dedicate in order to serve on the Board effectively. Each of the Directors updates the Company of any changes in his/her external appointments and these changes are noted at the Board meetings. Although some Directors have multiple board representations, the NRC monitors and assesses annually the number of listed company board representations and the principal commitments of each of the Directors. For FY2019, the NRC and the Board, having reviewed the multiple listed company board representations of the Directors and their principal commitments, is satisfied that each of these Directors has dedicated sufficient time and attention to, and is able to perform and has adequately performed, his/her duties as a Director of the Company.

Principle 5: Board Performance

[1] The NRC has the responsibility of evaluating the Board's and Board Committees' effectiveness. The Company has in place a formal process and objective performance criteria, which were formulated based on recommendations from the NRC, for the Board's assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution by each Director to the effectiveness of the Board and the Board Committees. The Board evaluation process involves each Director completing the Board Evaluation Questionnaire seeking his/her view on factors such as the structure, size and processes of the Board and the Board's access to information, Management and external experts outside meetings, as well as the effectiveness of the Board as a whole, its Board Committees and the Board's oversight of the Company's performance. The responses to the Board Evaluation Questionnaire are compiled by the Company Secretary. No external facilitator has been used. For FY2019, based on the compilation of responses by the Company Secretary, the NRC together with the Executive Chairman evaluated the Board's performance based on the same set of performance criteria as that of the previous year, and presented the findings, including its recommendations for improvements to the Board. All Directors, except for Mrs Koh, who is newly-appointed, have completed the Board Evaluation Questionnaire. Mrs Koh will contribute to the evaluation of the Board in FY2020. The Executive Chairman abstained from completing the Board Evaluation so as to provide independence to the overall results.

[2] The assessment of the performance of the Executive Chairman was undertaken by the NRC based on both qualitative and quantitative performance criteria.

[3] The Executive Chairman, together with the Chairman of the NRC, also assessed the performance of individual Directors based on factors which include their attendance, participation at Board and Board Committee meetings and contributions to the Board processes and the business strategies as well as their industry and business knowledge.

[4] The Board, having reviewed the feedback from the NRC, was of the view that the Board has met its performance objectives for FY2019.

[5] Each member of the NRC abstained from making any recommendations and/or participating in any deliberation concerning the NRC and voting on any resolution in respect of the assessment of his/her own performance or re-nomination as a Director.

(B) Remuneration Matters

Principle 6: Procedures for Developing Remuneration Policies

[1] The NRC reviews and makes recommendations to the Board on the level and structure of remuneration of the Board and key management personnel, to ensure they are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company, and appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term. The NRC takes into account all aspects of remuneration, including but not limited to, directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind of the Board, key management personnel and other employees who are related to the controlling shareholders and/or the Directors, and termination terms, to ensure they are fair. In particular, the NRC reviews and makes recommendations to the Board on a framework of remuneration for the Board and key management personnel, and the specific remuneration packages for each Director as well as for key management personnel. The NRC's review of remuneration packages is submitted to the Board for its endorsement. The NRC has direct access to the Head of Group Human Resources and may also seek expert advice from external consultants on executive compensation. Korn Ferry Hay Group ("KFHG") was engaged to advise on the Company's share incentive plans to ensure competitive compensation and progressive policies, with suitable and attractive long-term incentives, are in place. KFHG has no relationship with the Company which could affect their independence and objectivity in this regard. No Director is involved in deciding his/her own remuneration or the remuneration of any employees who are related to him/her.

Principle 7: Level and Mix of Remuneration
Principle 8: Disclosure on Remuneration

[1] The employment contract of the Executive Chairman is automatically renewed every year, unless otherwise terminated by either party giving not less than six months' notice in writing. The terms of the Executive Chairman's employment contract do not provide for benefits upon termination of employment with the Company. The employment contracts of the Company's key management personnel may be terminated by either party giving not less than three months' notice in writing, which the NRC has reviewed and found to be fair and reasonable. There are no termination, retirement and post-employment benefits granted to the Directors, the Executive Chairman and the top five key management personnel (who are not directors or the CEO). The Company has adopted the use of contractual provisions to allow it to reclaim incentive components of remuneration from the Executive Chairman and its key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

[2] The remuneration framework for the Non-Executive Directors is evaluated periodically by the NRC, in consultation with KFHG for appropriateness, taking into consideration the level of contribution, effort, time spent, increasing responsibilities and obligations of these Directors, the prevailing market conditions, and referencing the Directors' fees against comparable benchmarks. The last review of the remuneration framework for Non-Executive Directors was conducted by the NRC in consultation with KFHG in respect of FY2017. In respect of FY2019, the Board agreed with the NRC's recommendation that the existing fee structure for the Non-Executive Directors is appropriate and it accordingly remains unchanged. The Non-Executive Directors are paid by way of fees in cash only although they are also eligible to participate in the Company's share-based incentive schemes. All Directors' fees are subject to shareholders' approval at the AGM. The framework for determining Non-Executive Directors' fees is set out in Table 2 below:

TABLE 2

Non-Executive Directors' Fees	
Basic Retainer Fee	
Director	*S$45,000 per annum*
Fee for Appointment to ARC	
ARC Chairman	*S$44,000 per annum*
ARC Member	*S$22,000 per annum*
Fee for Appointment to NRC	
NRC Chairman	*S$28,000 per annum*
NRC Member	*S$14,000 per annum*
Fee for Appointment as Lead Independent Director	*S$20,000 per annum*
Attendance Fee per Board Meeting	*S$1,000**

* Unchanged since 2013.

[3] The Executive Chairman does not receive Directors' fees from the Company. His remuneration comprises a base salary, bonus and the Founder's Grant (as described on page 85 of the Annual Report).

[4] Table 3 below shows the gross remuneration of the Executive Chairman, Non-Executive Directors as well as the top five key management personnel (who are not Directors or the CEO).

TABLE 3

Name	Salary	Bonus	Other Benefits[1]	Long-term Share-based Incentives	Directors' Fees	Total
Executive Chairman						
Ho KwonPing	59.6%	2.4%	35.4% [2]	–	2.6% [3]	S$2,245,163
Non-Executive Directors						
Ariel P Vera	–	–	3.2%	–	96.8% [4]	S$92,300
Chia Chee Ming Timothy	–	–	2.5%	–	97.5%	S$98,435
Fang Ai Lian	–	–	1.2%	–	98.8%	S$94,145
Chan Heng Wing	–	–	3.0%	–	97.0%	S$64,920
Tham Kui Seng	–	–	2.6%	–	97.4%	S$72,865
Lim Tse Ghow Olivier [5]	–	–	5.4%	–	94.6%	S$70,130
Karen Tay Koh [6]	–	–	20.5%	–	79.5%	S$52,185
Zhang Xu [7]	–	–	-	–	-	-
Gaurav Bhushan	–	–	0.0%	–	100.0%	S$49,000
Chew Van Hoong Jason	–	–	17.9%	–	82.1%	S$57,240
Mohamed Al-Hashmi [8]	–	–	–	–	–	–
Top 5 Key Management Personnel [9]						
S$750,000 to S$1,000,000						
Eddy See Hock Lye	71.2%	14.5%	5.2%	5.8%	3.3% [3]	100%
Shankar Chandran	56.6%	11.9%	25.9%	2.4%	3.2% [3]	100%
S$500,000 to S$750,000						
Stuart Reading	54.9%	12.4%	25.0%	2.6%	5.1% [3]	100%
S$550,000 to S$650,000						
Ho KwonCjan	72.3%	11.3%	12.3%	–	4.1 [3]	100%
Claire Chiang	83.3%	12.1%	4.6%	–	–	100%

1 Including all benefits-in-kind such as provident fund contributions, complimentary accommodation, spa and gallery benefits, medical benefits, health checks, tax borne by the Company and home leave tickets, where applicable.
2 Including Founder's Grant (as described on page 85 of the Annual Report).
3 Directors' fees from Laguna Resorts & Hotels Public Company Limited ("LRH").
4 Directors' fees from both BTH and LRH.
5 Ceased to be a member of the ARC and appointed as a member of the NRC on 31 May 2019.
6 Appointed as Director and a member of the ARC on 31 May 2019.
7 Waived the director's fees and other benefits for FY2019 and donated the director's fees (net-off the relevant taxes) for FY2018 to Banyan Tree Global Foundation Limited.
8 Alternate Director to Chew Van Hoong Jason.
9 Paid by the Company and its subsidiaries.

[5] The aggregate amount of the total remuneration paid to the top five key management personnel (who are not Directors or the CEO) is S$3,361,353.

[6] As at 16 March 2020, there are two employees who are substantial shareholders of the Company, namely Mr Ho KwonCjan and Ms Claire Chiang, and three employees who are immediate family members of the Executive Chairman, namely Mr Ho KwonCjan (brother), Ms Claire Chiang (spouse) and Ms Ho Ren Yung (daughter). The disclosure of the remuneration of Mr Ho KwonCjan and Ms Claire Chiang is made within bands of S$100,000 as shown on page 84. Ms Ho Ren Yung's remuneration for FY2019 is within the band of S$200,000 to S$300,000. Mr Ho KwonPing was not involved in the determination of his family members' remuneration.

[7] The Company adopts a remuneration framework for its key management personnel that is responsive to the market elements and performance of the Company and its various Business Units. The Company's remuneration policy comprises a fixed component, a variable component, a provident/superannuation fund, benefits-in-kind and long-term share incentives. The fixed component is in the form of salary whereas the variable component is in the form of various bonus and incentive payments which are linked to the Company's and individual's performance. The provident/superannuation fund comprises the Group's contributions towards the Central Provident Fund or Zurich Provident Fund. The benefits-in-kind component includes spa and gallery vouchers issued by the Company to its employees. The long-term share incentives include performance shares and the Founder's Grant (as described on page 85 of the Annual Report).

Long-Term Share Incentives

[8] The NRC sets the remuneration guidelines of the Group for each annual period including the Company's share-based incentive schemes. The Banyan Tree Share Option Scheme and the Banyan Tree Performance Share Plan (which comprises the Performance Share Plan and Restricted Share Plan) (the "Plan") were adopted at the AGM held on 28 April 2006 and these expired on 27 April 2016. Thereafter, the Company adopted the Banyan Tree Share Award Scheme 2016 ("Share Award Scheme") at the AGM held on 28 April 2016 to replace the Plan. The Share Award Scheme will be in force for a maximum of 10 years beginning from 28 April 2016. The features of the Share Award Scheme are the same as that of the Plan. The Company did not extend the duration of, or replace, the Banyan Tree Share Option Scheme and the Company has not issued any options to eligible participants pursuant to the Banyan Tree Share Option Scheme. As such, the Share Award Scheme is the only share incentive scheme of the Company in force.

[9] The Share Award Scheme and the Plan are/were (as the case may be) introduced to strengthen the Group's competitiveness in retaining and attracting talented key executives. The Share Award Scheme and the Plan are/were (as the case may be) 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. Under the rules of the Share Award Scheme and the Plan, participants may be granted fully-paid shares or their cash equivalent, when and after pre-determined performance and service conditions are met. The selection of a participant and the number of shares to be awarded under the Share Award Scheme or the Plan are/were (as the case may be) determined at the discretion of the NRC. The NRC reviews and sets the performance conditions and targets as appropriate and after considering prevailing business conditions. KFHG provided the valuation and vesting computation for the share grants awarded under the Share Award Scheme and the Plan. Details of the Share Award Scheme and the Plan, including the terms and performance conditions, can be found in the Directors' Statement and Note 42 to the financial statements.

[10] For FY2019, 432,600 treasury shares were transferred due to the release of share awards vested under the Share Award Scheme and the Plan. In addition, an initial award of 1,030,350 shares with a potential to acquire an additional award of 712,450 shares (aggregating a total award of 1,742,800 shares) was granted under the Share Award Scheme, subject to pre-determined performance conditions being met.

Founder's Grant

[11] Prior to official listing on the SGX-ST, as stated in the prospectus dated 26 May 2006 in respect of the IPO, the independent shareholders of the Company approved the incentive for the Executive Chairman, Mr Ho, which has been included in his employment agreement. Pursuant to the incentive, Mr Ho shall be entitled to, for each financial year for a period of 10 years beginning from the financial year ended 31 December 2010 and ended in FY2019, an amount equivalent to 5% of the profit before tax of the Group, such amount to be payable in cash or in shares at the sole discretion of the Company ("Founder's Grant"). The Founder's Grant aims to secure the continuing commitment of Mr Ho to the Group and to reward him for founding, leading and building up the Group. Mr Ho is entitled to a Founder's Grant of S$734,492 to be paid in cash for FY2019 but has requested payment be deferred till end of 2020. The Board of Directors has approved the deferred payment.

[12] Details of the Founder's Grant can be found in the Directors' Statement and Note 42 to the financial statements.

(C) Accountability and Audit

Principle 9: Risk Management and Internal Controls

[1] The Board is responsible for the governance of risk, including determining the nature and extent, of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. During the year, the ARC assisted the Board in the oversight of the Group's risk management processes and activities to mitigate and manage risk at levels that are determined to be acceptable to the Board. The ARC is assisted by the Group Risk Management Committee, which is not a Board Committee and comprises appropriate members of Management, which reports on the Group's strategic and business risks and the measures taken to address them.

On a quarterly basis, all significant risks to the Group and/or properties which have been identified and managed are highlighted at the ARC meetings.

[2] The Board has approved a risk framework for the identification of key risks within the business known as the Committee of Sponsoring Organizations of the Treadway Commission Internal Control – Integrated Framework ("COSO Framework") for assessing the adequacy and effectiveness of BTH's internal control systems.

[3] Under the COSO Framework, internal control is broadly defined as a process effected by the Board and its Management, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

a. effectiveness and efficiency of operations;
b. reliability of financial reporting;
c. compliance with applicable laws and regulations; and
d. safeguarding of assets.

[4] Using the COSO Framework, Management, Risk Management and Internal Audit teams assess the adequacy of internal controls in accordance with the five components of COSO, namely:

a. control environment;
b. risk assessment;
c. control activities;
d. information and communication; and
e. monitoring.

[5] Major incidents and violations, if any, are also reported to the Board to facilitate the Board's oversight of the effectiveness of crisis management and the adequacy of mitigating measures taken by Management to address the underlying risks. Certain operating risks are mitigated through insurance management with the assistance of professional global insurance advisers, ensuring adequate coverage for, *inter alia*, its hotels/resorts and assets.

The identification and management of risks lie with the respective Business Units and Management which assume ownership and day-to-day management of these risks. Risk registers are maintained by these operating Business Units that identify the key risks facing the Group's businesses and the internal controls in place to manage such risks. Management is responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business plans and goals. Key business risks are proactively identified, addressed and reviewed on an ongoing basis. This includes reviewing the level of business risks associated with the Group's strategy and the appropriate framework and policies for management that are consistent with BTH's risk appetite.

[6] The ARC provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control and compliance systems. The ARC also reviewed the effectiveness of the measures taken by Management including the review of adequacy and timelines of the actions in response to the recommendations made by the Head of Group Internal Audit and External Auditor. The system of internal control and risk management is continually being refined by Management, the ARC and the Board, and is reviewed at least annually.

[7] Pursuant to Rule 1207(10) of the SGX-ST Listing Manual, based on the framework established and the annual review conducted by the Management, Head of Group Internal Audit and the External Auditor, the Board, with the concurrence of the ARC, is of the view that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business environment.

[8] The system of internal controls and risk management established by Management provides reasonable, but not absolute, assurance that BTH will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities.

[9] The Board has also received written assurance from the Executive Chairman and the President & Group Managing Director together with the Vice President, Group Corporate Finance that the financial records of BTH have been properly maintained and the financial statements for the year ended 31 December 2019 give a true and fair view of the Group's operations and finances. The Board has also received assurance from the Executive Chairman, the President & Group Managing Director, the Vice President, Group Corporate Finance and the Group Risk Committee that the system of risk management and internal controls in place within BTH is adequate and effective in addressing the material risks of the Group in its current business environment, including material financial, operational, and compliance risks including information technology risks and sustainability risks.

In relation to the interim financial statements, the Board provides a negative assurance confirmation to shareholders in line with the requirements of the SGX-ST Listing Rules.

Principle 10: Audit and Risk Committee

[1] The ARC, chaired by Mrs Fang, comprises Mr Tham and Mrs Koh, all of whom are Independent Directors. Mr Lim ceased to be a member of the ARC and was replaced by Mrs Koh on 31 May 2019. The Board considers that Mrs Fang, a qualified Chartered Accountant, who has extensive, recent, relevant and practical accounting and financial management knowledge and experience, is well-qualified to chair the ARC. The other members of the ARC, Mr Tham and Mrs Koh, have recent expertise and experience in real estate management and related financial management, and are qualified to discharge their responsibilities as ARC members. The members of the ARC collectively have strong accounting and related financial management expertise and experience and are kept abreast of relevant changes to the accounting standards and issues which have a significant impact on the financial statements through regular updates from the External Auditor during the year. The ARC does not comprise former partners or directors of the Company's External Auditor (a) within a period of two years commencing on the date of their ceasing to be a partner or director of the External Auditor, or (b) who have any financial interest in the External Auditor. The ARC has adopted a Charter that is approved by the Board, the responsibilities of which are detailed under the Directors' Statement on page 100 of the Annual Report.

[2] The ARC meets with the Head of Group Internal Audit and the External Auditor, prior to the commencement of each ARC meeting without the presence of Management at least twice a year. These meetings enable both the Head of Group Internal Audit and the External Auditor to raise issues encountered in the course of their work directly to the ARC.

[3] The ARC reviews, with the Head of Group Internal Audit and the External Auditor, their audit plans, the system of internal controls, audit reports, the management letters and the Company's management response. The ARC also reviews the periodic and full-year results, as well as financial statements of the Company and the Group before submission to the Board for its approval, focusing in particular on changes in accounting policies and procedures, major operating risk areas and on the overview of all the Group's risks on an integrated basis, including all matters affecting the Group's performance and the effectiveness of the Group's key internal controls including financial, operational, compliance and information technology controls. The ARC also reviews all interested person transactions.

[4] The ARC commissions and reviews the findings of internal investigations into matters of suspected fraud, irregularity, failure of internal controls, and the infringement of any law, rule or regulation, where necessary.

[5] The ARC also oversees the Group's Whistle-Blowing Policy which provides the mechanism by which employees and the public may, in confidence, raise concerns about possible improprieties. The ARC is satisfied that arrangements are in place for the independent investigations of such improprieties and for appropriate follow-up actions and resolutions. The Whistle-Blowing Policy, including the dedicated whistle-blowing hotline at (+65) 6389 1377 and email address at ethics@banyantree.com, are made available on BTH's website. Anonymous disclosures will be accepted and anonymity and confidentiality will be honoured throughout the process.

[6] The ARC has also reviewed the Group's Code of Corporate Conduct and Ethics Policy (including Conflicts of Interest) put in place by the Board which sets out the principles and standards of conduct expected of all its Directors and employees to carry out their duties with honesty, fairness, integrity and professionalism. Directors who face a conflict of interest, in relation to any matter, declare their interest at a meeting of the Directors, and recuse themselves from participating in any discussions and decisions on the matter.

Also, Directors and employees must not engage in conduct involving fraud or dishonesty, or commit any act that reflects adversely on the Group's integrity and professionalism. Standard operating policies have also been adopted by the Group's various business and operating units to ensure that procedures have been adopted to curb anti-corruption practices by ensuring that, among others:

i) the Group's agreements/contracts with its business partners are lawful, fairly arrived at and fully documented in writing, and where appropriate, cleared by the Group's in-house Legal Counsel; and
ii) employees act with honesty and integrity in all dealings with the government, businesses and other organisations and do not offer gifts, gratuities, or non-business related entertainment to unduly influence any employee of business partners that are transacting with the Group to make a business decision in the Group's favour.

[7] The ARC has explicit authority to investigate any matters within its Charter and has full access to the co-operation of Management and full discretion to invite any Director or Management to attend its meetings. The Company has an Internal Audit team that, together with the External Auditor, reports its findings and recommendations independently to the ARC. The ARC also reviews and considers the performance and compensation of the Head of Group Internal Audit as well as his independence from Management. In FY2019, the ARC assessed the strength of the Internal Audit team and confirmed that the Internal Audit function is independent and effective and that the Internal Audit team is adequately resourced and suitably qualified to discharge its duty.

[8] The ARC has undertaken a review of the nature and extent of all non-audit services performed by the External Auditor during the year. Based on this review and other information, the ARC is satisfied and is of the view that such services have not affected their independence. It recommends the re-appointment of the External Auditor. To further maintain the independence of the External Auditor, the ARC ensures that the audit partner in charge of the Group is rotated every five years. The ARC approved the remuneration and terms of the engagement of the External Auditor. The details of the aggregate amount of fees paid to the External Auditor for FY2019 and the breakdown of fees paid in total for audit and non-audit services respectively can be found on page 143 of the Annual Report. 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.

The date of appointment and name of the audit partner in charge of the Group's audit can be found on page 258 of the Annual Report. Also, the names of the auditing firms for its significant subsidiaries and associated companies can be found on pages 166 and 170 of the Annual Report.

[9] In the opinion of the Directors, the Group complies with the Code's provisions on audit committees as well as Rules 712, 715, 716 and 717 of the SGX-ST Listing Manual.

[10] In the review of the financial statements for FY2019, the following significant matters impacting the financial statements were discussed with Management and the External Auditor, and were reviewed by the ARC:

Significant matters	How the ARC reviewed these matters and what decisions were made
Adequacy of loss allowance for long-term receivables (non-property sales) and long-term amounts due from associates	The ARC considered the Group's processes and controls in place for monitoring and identifying receivables for collection risks.
	The ARC was periodically briefed on the significant outstanding receivables, and also discussed with, and sought clarification with Management, as appropriate, the adequacy of the loss allowance made, and the reasonableness of the assumptions used in the approaches applied by Management to determine the expected credit losses of long-term receivables (non-property sales) and long-term amounts due from associates.
	The loss allowance for long-term receivables (non-property sales) and long-term amounts due from associates was also an area of focus for the External Auditor. The External Auditor has included this item as a key audit matter in its audit report for FY2019 on page 103 of this Annual Report.
Fair value measurement of freehold land and buildings and investment properties	The ARC considered the appropriateness of the approach and methodology applied to the valuation model in assessing the valuation of the freehold land and buildings and investment properties.
	The ARC reviewed the reasonableness of the basis and the inputs used in the valuation model as well as the objectivity, independence and competency of the external valuers appointed to perform the valuations.
	The valuation of the freehold land and buildings and investment properties was also an area of focus for the External Auditor. The External Auditor has included this item as a key audit matter in its audit report for FY2019 on page 103 of this Annual Report.

[11] The Internal Audit is an independent function within the Company. The Internal Audit Department ("IAD") has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC, and has appropriate standing within the Company. The Head of Group Internal Audit reports directly to the ARC with a dotted-line relationship to the President & Group Managing Director for administrative matters. The ARC decides on the appointment, termination and remuneration of the Head of Group Internal Audit. The ARC also reviews annually the adequacy and effectiveness of the internal audit function.

[12] The IAD is staffed by suitably qualified professional staff with the requisite skill sets and experience and comprises eight audit executives, including the Head of Group Internal Audit. The Head of Group Internal Audit ensures that 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 are met.

[13] The IAD assists the ARC and the Board by performing regular evaluations of the Group's internal controls, information technology, financial and accounting matters, compliance, business and risk management policies and procedures and ensuring that internal controls are adequate to meet the Group's requirements.

[14] On a quarterly basis, the ARC reviews the IAD's reports, summary of findings and recommendations at the ARC meetings. The ARC also reviews and approves the annual internal audit plan which is determined in consultation with, but independent of, Management. The proposed scope of the internal audit function under the categories of financial audit, operational audit and information technology audit focuses on the adequacy and effectiveness of internal controls in relation to financial, operational and information technology risks.

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

(D) Shareholder Rights and Engagement

(E) Managing Stakeholders Relationships

Principle 11: Shareholder Rights and Conduct of General Meetings
Principle 12: Engagement with Shareholders
Principle 13: Engagement with Stakeholders

[1] All BTH shareholders are treated fairly and equitably in order to enable them to exercise their ownership rights. Shareholders are given opportunities to participate effectively in and vote at general meetings of shareholders and to communicate their views on matters affecting the Company. The Company informs shareholders of the rules, including voting procedures, governing such meetings.

[2] All shareholders of the Company are entitled to 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 can communicate their views and raise any relevant queries with the Board and Management regarding the Company and its operations. The Company is in full support of shareholders' participation at the AGM. The Board and Management are in attendance at the AGM to address questions by shareholders. The External Auditor and legal advisers are also present to assist the Directors in addressing shareholders' queries relating to the conduct of the audit and the preparation and content of the auditor's report, as well as clarify any points of law, regulation or meeting procedure that may arise. Chairman may direct certain directors, such as the Lead Independent Director and the ARC Chairman to answer queries on matters related to their roles. The Directors, particularly the Chairman, take the opportunity to interact with shareholders after the AGM, addressing their queries informally.

[3] At general meetings, each substantially separate issue is tabled for approval by shareholders in a separate resolution unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. After each resolution has been tabled, shareholders can raise questions, participate and communicate their views relating to the matter before it is put to a vote. In support of greater transparency and to allow for an efficient voting system, the Company has during the year opted for electronic poll voting for all resolutions tabled at the AGM. An independent external party is appointed as scrutineer to conduct the AGM voting process, which is independent from the firm appointed to undertake the electronic poll voting process. The results of the electronic poll voting showing the number of votes cast for and against each resolution and the respective percentages are announced at the AGM immediately after each resolution is voted on, and the outcome is published on SGXNET on the same day.

[4] The Constitution does not allow a shareholder to vote in absentia at general meetings, except through the appointment of a proxy, attorney or in the case of a corporation, corporate representative, to cast their vote in their stead.

[5] A registered shareholder may appoint one or two proxies to attend the AGM and vote. Under the Companies Act, a member which is a relevant intermediary (as defined in the Companies Act), which generally includes Singapore banks and nominee or custodial service providers, as well as the Central Provident Fund Board, may appoint more than two proxies to attend, speak and vote at the AGM, provided that each appointed proxy represents a different share or shares held by such member.

[6] The Constitution provides that documents to be sent to shareholders can be sent via electronic communications. Accordingly, the Company has made available a digital format of the Annual Report together with a copy of the notice of AGM and proxy form as well as the Company's Letter to Shareholders on its corporate website at http://investor.banyantree.com. All shareholders will receive a copy of the notice of AGM, proxy form and request form for hard copies of the Annual Report and/or Letter to Shareholders. The Company will also publish its minutes of general meetings, which record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management, on its corporate website at http://investor.banyantree.com.

[7] The Company's Dividend Policy seeks to maximise shareholder value and encourage shareholder loyalty with predictable annual growth in dividend payout which is not impacted by profit volatility. With that objective, the Company's Dividend Policy is based on the principles of stability, predictability and managed growth, and is outlined as follows:

- Stability
  Unless the Company suffers a substantial net loss, it will pay a dividend each year so that shareholders are not negatively affected by annual profit volatility.

- Predictability
  Shareholders will be able to better anticipate the appropriate level of dividends to expect each year and therefore may be better able to manage their portfolio investment strategy.

- Managed growth
  The Company will strive to increase and smooth out the dividends year on year within a broad band but the specific rate will be dependent on the Company's actual profit performance, cash and cash flow projections.

[8] The recent COVID-19 situation has caused uncertainties to the business performance of the Group since the beginning of 2020. For prudence, the Board of Directors has not recommended any dividend to be paid for FY2019 but may consider paying an interim dividend in FY2020 when the COVID-19 situation has stabilised.

[9] The Company has in place an investor relations policy which serves to provide high quality, meaningful and timely information to improve the shareholders' and investors' understanding of the Company, and allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. It 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. In FY2019, the Company held a media and analysts' briefing upon the release of its full-year results. These releases were also made available on the Company's website, http://investor.banyantree.com.

[10] To allow the Company's shareholders to communicate their views on various matters affecting the Company, and in order to solicit and understand the views of shareholders, the Company has an investor relations team ("IR Team") that communicates with its shareholders and analysts regularly and attends to their queries. The IR 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.

[11] As part of its overall responsibility to ensure that the best interests of the Company are served, the Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders. As part of the Company's strategy in managing stakeholder relationships, the Company has put in place arrangements to identify and engage with its material stakeholder groups and to manage its relationship with such groups. Such stakeholders include property buyers, hotel guests, employees, contractors, suppliers, government and regulators, community shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders. For more information on the Company's stakeholder engagement, please refer to the Company's Sustainability Report 2019.

[12] To communicate and engage with stakeholders, which has been a key area of focus in relation to the Company's management of stakeholder relationships in FY2019, all material information is published on SGXNET and through media releases and all corporate announcements released on SGXNET are made available on the Company's investor website, http://investor.banyantree.com.
The Company also maintains an investor email address at ir@banyantree.com to communicate and engage with its shareholders and stakeholders, and a website at www.banyantreeglobalfoundation.com for its communication and engagement with stakeholders in relation to corporate social responsibility.

[13] To facilitate communication between the Board and shareholders and other stakeholders of the Company, Mr Chia, who is the Lead Independent Director and Chairman of the NRC can be contacted via email at ethics@banyantree.com.

Dealing in Securities

[1] The Company has adopted an internal code on securities trading, which provides guidance and internal regulation with regard to dealings in the Company's securities by its Directors and officers. The Company's internal code is modelled on Rule 1207(19) 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 in the Company's securities on short-term considerations. They are also advised to be mindful of the law on insider trading and ensure that their dealings in securities do not contravene the law on insider trading under the Securities and Futures Act, and the Companies Act. The Company issues quarterly reminders to its Directors, relevant officers and employees on the restrictions in dealing in listed securities of the Company as set out above in compliance with Rule 1207(19) of the SGX-ST Listing Manual.

Interested Person Transactions

[1] 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 95 of this Annual Report.

Additional Information On Directors Seeking Re-Election

Compliance With Listing Rule 720(6) of The Listing Manual

The Board has accepted NRC's recommendations to seek the approval of shareholders at the forthcoming AGM to re-elect Mr Tham Kui Seng and Mr Zhang Xu who will be retiring pursuant to Regulations 100 and 101 and Mrs Karen Tay Koh under Regulation 106 respectively (collectively, the "Retiring Directors"). In making the recommendation, the NRC has considered the Retiring Directors' competencies, commitment and contribution, a review of the range of expertise, performance, skills and attributes of current Board members and the needs of the Board.

Pursuant to Rule 720(6) of the Listing Manual, the information relating to the Retiring Directors is disclosed on pages 91 to 94 of the Annual Report.

Name of Person	**Tham Kui Seng**	**Zhang Xu**	**Karen Tay Koh**
Date Of Appointment	1 June 2012	27 September 2017	31 May 2019
Date of last re-appointment (if applicable)	21 April 2017	26 April 2018	N.A.
Country Of Principal Residence	Singapore	China	Singapore
Age	62	56	59
Whether appointment is executive, and if so, the area of responsibility	Nil	Nil	Nil
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director ARC member	Non-Executive and Non-Independent Director	Independent Director ARC member
Professional qualifications	Bachelor of Arts (First Class Honours) in Natural Science - Engineering Science from the University of Oxford, UK	1. Bachelor of Industrial and Civil Architecture, Hefei Industrial University, China, 2. Master of Business Administration degree, Troy State University, USA.	1. Master of Public Administration and International Tax Program (Certificate), Harvard University 2. Bachelor of Arts (Honours) in Economics, Cambridge University
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil

Additional Information On Directors Seeking Re-Election

Name of Person	**Tham Kui Seng**	**Zhang Xu**	**Karen Tay Koh**
Conflict of interests (including any competing business)	Nil	Being a director of China Vanke Co., Ltd. ("China Vanke"), China Vanke may also carry out hotels and resorts businesses in China or elsewhere	Nil
Working experience and occupation(s) during the past 10 years	Various board directorships	China Vanke Group (2002 to present) 1. Executive Vice President, and the Chief Operations Officer of China Vanke Co., Ltd. (2014 to present) 2. Vice President of China Vanke Co., Ltd. (2012 to 2014) 3. Executive Director of Vanke Property (Overseas) Limited (2012 to present)	1. Senior Advisor TVM Capital Healthcare Partners (2016 to present) 2. CEO & Executive Director, IP Investment Management Pte Ltd (2016-2018) 3. Executive Director, Healthcura Pte Ltd 4. Executive Director, Nutmeg Management Pte Ltd
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries?	Nil	Nil	Nil
* Past (for the last 5 years)	**Directorships** 1. GLP Pte. Ltd. 2. The Straits Trading Company Limited 3. Maxwell Chambers Pte. Ltd. 4. Straits Real Estate Pte. Ltd. 5. Sembcorp Design and Construction Pte. Ltd. **Principal Commitments** 1. Board member of the Singapore Land Authority 2. Corporate Advisor for Temasek International Advisors Pte Ltd. 3. Board member of the Housing and Development Board 4. Senior Advisor for Fraser Property Limited	Various non-listed companies	1. Corporator, Northeastern University USA 2. Board Director, Falck, Denmark
*Present	**Directorships** 1. Banyan Tree Holdings Limited 2. Sembcorp Industries Ltd 3. Sembcorp Properties Pte. Ltd. 4. Avanda Investment Management Pte. Ltd. **Principal Commitments** 1. Co-opted member of Executive Committee Airport Development, Changi Airport Group	**Directorships** 1. Banyan Tree Holdings Limited 2. China Vanke Co., Ltd. 3. Vanke Property (Overseas) Limited	**Directorships** 1. Banyan Tree Holdings Limited 2. Singapore Deposit Insurance Corporation Ltd 3. The Red Pencil Singapore 4. BC Platforms AG, Switzerland 5. Nutrion Capital Pte Ltd **Principal Commitments** 1. Member of the Advisory Board, Centre for Emerging Markets, D'Amore-McKim School of Business, Northeastern University, USA

Additional Information On Directors Seeking Re-Election

Information required pursuant to Listing Rule 704(7) of the Listing Manual

Each of Mr Tham Kui Seng, Mr Zhang Xu and Mrs Karen Tay Koh has confirmed that his/her answer to each of the following questions is in the negative:-

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?

(c) Whether there is any unsatisfied judgment against him?

(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?

(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?

(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?

(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?

(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-

  (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

  (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

  (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

  (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

Interested Person Transactions

	Interested Person Transactions	**Nature of relationship**	**Aggregate value of all interested person transactions for Q4 (excluding transactions less than S$100,000 and transactions conducted under Shareholders' Mandate)** in S$'000	**Aggregate value of all interested person transactions conducted under Shareholders' Mandate for Q4 (excluding transactions less than S$100,000)** in S$'000	**Aggregate value of all interested person transactions during the financial year (excluding transactions less than S$100,000 and transactions conducted under Shareholders' Mandate)** in S$'000	**Aggregate value of all interested person transactions conducted under Shareholders' Mandate during the financial year (excluding transactions less than S$100,000)** in S$'000
[A]	**Transactions with the Tropical Resorts Limited Group ("TRG")**	An associate of the Company's controlling shareholder*				
a	Provision of Resort Management and Related Services to TRG		–	939	–	2,985
b	Provision of Spa Management and Other Related Services to TRG		–	149	–	711
c	Rental Income from TRG in respect of units in Banyan Tree Bintan and Angsana Bintan		–	667	–	2,315
d(i)	Reimbursement of Expenses - to TRG		–	128	–	319
d(ii)	Reimbursement of Expenses - from TRG		–	1,524	–	4,180
e	Purchase of Land		3,315	-	3,315	-
[B]	**Transactions with Lumayan Indah Sdn Bhd**	An associate of the Company's controlling shareholder*				
a	Provision of Hotel/Resort Management and Related Services to Banyan Tree Kuala Lumpur		127	-	1,478	-
	Total		3,442	3,407	4,793	10,510

* The term "controlling shareholder" shall have the meaning ascribed to it in the SGX-ST Listing Manual.

Financials

Directors’ Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Banyan Tree Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2019.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group and 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.

Directors

The directors of the Company in office at the date of this statement are:

Ho KwonPing
Ariel P Vera
Chia Chee Ming Timothy
Fang Ai Lian
Chan Heng Wing
Tham Kui Seng
Lim Tse Ghow Olivier
Karen Tay Koh
Zhang Xu
Gaurav Bhushan
Chew Van Hoong Jason
Mohamed Al-Hashmi (Alternate Director to Chew Van Hoong Jason)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of 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, Banyan Tree Share Award Scheme 2016 and the Founder’s Grant.

Banyan Tree Share Option Scheme, Banyan Tree Performance Share Plan and Banyan Tree Share Award Scheme 2016

There are three 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”) (collectively, the “Schemes”) and the Banyan Tree Share Award Scheme 2016 (the “Share Award Scheme”). The Schemes have expired on 27 April 2016 and the Company adopted the Share Award Scheme on 28 April 2016 to replace the Plan. Ho KwonPing, the Executive Chairman and controlling shareholder*, was/is not entitled to participate in the Schemes and Share Award Scheme.

At the date of this statement, the Share Award Scheme is the only share incentive scheme of the Company in force and administered by the Nominating and Remuneration Committee (“NRC”) which comprises Chia Chee Ming Timothy, Chan Heng Wing and Lim Tse Ghow Olivier, all of whom are Independent Directors of the Company.

Under the Share Option Scheme (prior to expiry), eligible participants may be granted options to acquire shares in the Company whereas under the Plan (prior to expiry), the Company’s shares may be issued to eligible participants. The Schemes and Share Award Scheme enable eligible participants to participate in the equity of the Company with the aim of motivating them towards better performance.

More information about the Schemes and the Share Award Scheme and details of performance shares and awards granted to eligible participants during the financial year under the Plan and the Share Award Scheme, can be found in Note 42 to the financial statements.

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* The term “controlling shareholder” shall have the meaning ascribed to it in the SGX-ST Listing Manual.

Founder's Grant

Ho KwonPing is entitled to, for each financial year for a period of ten years beginning from the financial year ended 31 December 2010, an amount equivalent to 5% of the profit before tax of the Group, such amount to be payable in cash or in shares at the sole discretion of the Company (the "Founder's Grant"). Ho KwonPing shall be paid a total amount of $734,492 in cash pursuant to the Founder's Grant in respect of financial year ended 31 December 2019. Ho KwonPing has requested for payment to be deferred till end 2020. The Board of Directors has approved the deferred payment. Details of the Founder's Grant can be found in Note 42 to the financial statements.

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 ("Companies Act"), an interest in shares and debentures of the Company and related corporations (other than wholly-owned subsidiaries), 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**	**As at 21 January 2020**	**At the beginning of financial year**	**At the end of financial year**	**As at 21 January 2020**
Banyan Tree Holdings Limited ("BTH") (Incorporated in Singapore)						
Ordinary shares						
Ho KwonPing	–	–	–	301,948,882	301,948,882	301,948,882
Ariel P Vera	1,120,500	1,120,500	1,120,500	–	–	–
Chia Chee Ming Timothy	257,000	257,000	257,000	–	–	–
Debentures						
Chan Heng Wing[1]	$250,000	–	–	–	–	–
Fang Ai Lian[2]	$500,000	$500,000	$500,000	–	–	–
Bangtao Laguna Limited (formerly known as Bangtao Development Limited) (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	1	1	1	–	–	–
Phuket Grande Resort Limited (formerly known as Phuket Resort Development Limited) (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	1	1	1	–	–	–
Twin Waters Limited (formerly known as Twin Waters Development Company Limited) (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	2	2	2	–	–	–

[1] Series 09 Notes under BTH S$700 million Multicurrency Debt Issuance Programme have matured and have been fully repaid and cancelled by BTH on 3 June 2019.

[2] Series 10 Notes issued by BTH under its S$700 million Multicurrency Debt Issuance Programme.

Directors' interests in shares and debentures (cont'd)

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

Except as disclosed in the financial statements, 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 date of appointment if later, or at the end of the financial year.

Audit and Risk Committee ("ARC")

As at the date of this statement, the members of the ARC are as follows:

Fang Ai Lian (Chairman)
Tham Kui Seng
Karen Tay Koh

All ARC members are Non-Executive Independent Directors.

The ARC has adopted a Charter that is approved by the Board of Directors (the "Board") and which clearly set out its responsibilities as follows:

1. assisting the Board in the discharge of its statutory responsibilities on financial and accounting matters;

2. review of the audit plans, and the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

3. review of the co-operation given by the Company's officers to the external auditors;

4. making recommendations to the Board on (a) the proposals to the shareholders on the appointment, re-appointment and removal of external auditors, and (b) the remuneration and terms of engagement of the external auditors;

5. review of the significant financial reporting issues and judgements so as to ensure the integrity of any financial information presented to the Company's shareholders; including financial statements of the Group and any announcements relating to the Group's financial performance;

6. review of the assurance from the Executive Chairman, the President & Group Managing Director and the Vice President, Group Corporate Finance on the financial records and financial statements;

7. review of interested person transactions;

8. review at least annually of adequacy and effectiveness of the Company's internal controls and risk management systems, 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;

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; and

10. review of the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The ARC performed the functions specified in the Companies Act. The functions performed are detailed in the Corporate Governance Report.

Auditor

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

On behalf of the Board of Directors,

Ho KwonPing
Director

Fang Ai Lian
Director

Singapore
16 March 2020

Independent Auditor's Report

For the financial year ended 31 December 2019

Independent Auditor's Report to the Members of Banyan Tree Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the financial statements of Banyan Tree Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2019, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (cont'd)

1. *Adequacy of loss allowance for long-term receivables (non-property sales) and long-term amount due from associates*

As at 31 December 2019, the Group has long-term receivables (non-property sales) of approximately $18.3 million and long-term amount due from associates of approximately $41.0 million (the "Receivables"). The Receivables represent approximately 3.4% of the Group's total assets. Management has assessed if these amounts can be recovered and estimated the amount of loss allowance required when recovery of the full amount is doubtful. The loss allowance of the Receivables is determined by making debtor-specific assessments of expected impairment loss for long overdue receivables and applies the general approach as detailed in Note 2.18 to provide for loss allowance. The assessment of the expected loss allowance requires significant management judgment. As such, we determined this to be a key audit matter.

We assessed the Group's processes and controls for identifying and monitoring of the Receivables. We performed audit procedures, amongst others, requesting confirmations from certain debtors, assessing the facts and circumstances surrounding the outstanding Receivables, and reviewing for evidence of collection by way of receipts from debtors after the year end. We also inquired with management if there is any dispute with the debtors. We evaluated the reasonableness of management's estimate of the future repayment by the debtors, by taking into consideration the debtor's past payment history, nature of business, economic environment and growth strategies as well as management's understanding and assessment of the debtors' plan. In addition, we assessed the reasonableness of the loss rates applied by management, taking into consideration the latest available financial results of the debtors and current economic information in markets where the debtors operate.

The results of our evaluation show that management's assessment of the Group's allowance for the expected losses of the Receivables is reasonable.

We also assessed the adequacy of the Group's disclosures on the Receivables in Notes 19 and 22 and the related risks such as credit risk and liquidity risk in Notes 45(a) and 45(b) to the financial statements.

2. *Fair value measurement of freehold land and buildings and investment properties*

As at 31 December 2019, the carrying values of freehold land and buildings and investment properties amounted to approximately $600.3 million and $63.5 million respectively. The valuation of freehold land and buildings and investment properties are complex and dependent on a range of estimates (amongst others, discount rates, yield adjustments, and growth rates) made by management. As such, we determined this to be a key audit matter.

The management engaged professional independent valuers to support the determination of the fair value of freehold land and buildings and investment properties. Our audit work in assessing the reasonableness of management's judgments and estimations of these fair values, included among others, considered the objectivity, independence and competency of the external valuers. We held discussions with management and external valuers to understand the valuation models and the basis for the key assumptions used. We assessed the appropriateness of the key assumptions on discount rates, yield adjustments, and growth rates used by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. We also assessed the reasonableness of the fluctuations in the fair value of freehold land and buildings and investment properties.

Based on the work performed, we considered the methodology and key assumptions used by management to be appropriate.

We also assessed the adequacy of the disclosures related to freehold land and buildings and investment properties in Notes 13, 14 and 47 to the financial statements.

Independent Auditor's Report to the Members of Banyan Tree Holdings Limited (cont'd)

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor’s Report to the Members of Banyan Tree Holdings Limited (cont’d)

Auditor’s Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor’s report is Simon Yeo.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

16 March 2020

Consolidated Income Statement

For the financial year ended 31 December 2019

	Note	Group 2019 $'000	 2018 $'000
Revenue	3	**346,954**	329,046
Other income	4	**5,827**	43,168
		352,781	372,214
Costs and expenses			
Cost of operating supplies		**(23,970)**	(25,056)
Cost of properties sold		**(64,052)**	(46,470)
Salaries and related expenses	5	**(83,035)**	(89,455)
Administrative expenses		**(45,118)**	(46,720)
Sales and marketing expenses		**(15,897)**	(19,779)
Other operating expenses	6	**(60,537)**	(63,728)
Impairment (losses)/gains on financial assets	10	**(3,944)**	2,127
		(296,553)	(289,081)
Profit before interests, taxes, depreciation and amortisation		**56,228**	83,133
Depreciation of property, plant and equipment and right-of-use assets	13/37	**(22,945)**	(20,104)
Amortisation expense		**(764)**	(2,262)
Profit from operations and other gains	7	**32,519**	60,767
Finance income	8	**7,720**	2,769
Finance costs	9	**(26,762)**	(49,091)
Share of results of associates		**479**	11,403
Share of results of joint ventures		–	(879)
Profit before taxation		**13,956**	24,969
Income tax expense	11	**(11,427)**	(10,576)
Profit after taxation		**2,529**	14,393
Attributable to:			
Owners of the Company		**651**	13,471
Non-controlling interests		**1,878**	922
		2,529	14,393
Earnings per share attributable to owners of the Company (in cents):			
Basic	12	**0.08**	1.60
Diluted	12	**0.08**	1.52

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 2019

	Group	
	2019 $'000	**2018** $'000
Profit after taxation	**2,529**	14,393
Other comprehensive income/(expense):		
Items that may be reclassified subsequently to profit or loss		
Realisation of currency translation reserves	–	(4.848)
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	**26,967**	2,389
	26,967	(2,459)
Items that will not be reclassified to profit or loss		
Adjustment on property revaluation reserve, net of deferred tax	**37,161**	–
Net fair value loss on equity instruments at fair value through other comprehensive income	**(5,301)**	(2,069)
Actuarial loss arising from defined benefit plan, net of deferred tax	**(121)**	(363)
Share of other comprehensive income of an associate	**(8)**	–
	31,731	(2,432)
Other comprehensive income/(expense) for the financial year, net of tax	**58,698**	(4,891)
Total comprehensive income for the financial year	**61,227**	9,502
Total comprehensive income attributable to:		
Owners of the Company	**49,172**	4,186
Non-controlling interests	**12,055**	5,316
	61,227	9,502

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

Balance Sheets

As at 31 December 2019

		Group		Company	
	Note	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Non-current assets					
Property, plant and equipment	13	**699,126**	599,435	–	–
Right-of-use assets	37	**19,559**	–	–	–
Investment properties	14	**63,504**	51,801	–	–
Intangible assets	15	**35,239**	33,351	**3,414**	2,828
Land use rights	16	**2,559**	2,201	–	–
Subsidiaries	17	–	–	**630,067**	559,473
Associates	19	**161,236**	161,079	**3,488**	6,137
Long-term investments	20	**100,697**	102,002	–	–
Deferred tax assets	38	**23,369**	18,951	–	–
Prepaid island rental	21	**19,020**	20,029	–	–
Prepayments		**385**	292	–	–
Long-term receivables	22	**50,288**	43,130	**12,553**	12,553
Other receivables	23	**5,599**	1,375	–	–
		1,180,581	1,033,646	**649,522**	580,991
Current assets					
Property development costs	24	**318,187**	279,977	–	–
Inventories	25	**5,967**	6,229	–	–
Prepayments and other non-financial assets	26	**17,855**	19,630	**251**	291
Trade receivables	27	**40,305**	38,057	**4,008**	3,254
Other receivables	28	**16,247**	18,983	**1,915**	7,292
Contract assets	3	**2,638**	1,752	–	–
Amounts due from subsidiaries	29	–	–	**182,467**	196,282
Amounts due from associates	30	**4,631**	3,070	**19**	22
Amounts due from related parties	31	**26,656**	26,276	–	–
Cash and short-term deposits	32	**130,802**	206,181	**88,124**	162,087
		563,288	600,155	**276,784**	369,228
Total assets		**1,743,869**	1,633,801	**926,306**	950,219

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

		Group		Company	
	Note	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current liabilities					
Tax payable		**10,400**	11,700	–	73
Other non-financial liabilities	33	**15,593**	13,502	**732**	879
Interest-bearing loans and borrowings	34	**177,966**	90,486	**63,600**	23,600
Notes payable	35	**99,926**	124,690	**99,926**	124,690
Trade payables		**31,120**	24,363	–	–
Other payables	36	**120,401**	126,720	**65,713**	69,287
Contract liabilities	3	**55,034**	46,767	–	–
Lease liabilities	37	**1,428**	–	–	–
Amounts due to subsidiaries	29	–	–	**20,522**	68,576
Amounts due to associates	30	**17,899**	17,882	**17,831**	17,831
Amounts due to related parties	31	**2,657**	2,352	**15**	12
		532,424	458,462	**268,339**	304,948
Net current assets		**30,864**	141,693	**8,445**	64,280
Non-current liabilities					
Deferred tax liabilities	38	**136,080**	113,445	–	–
Defined and other long-term employee benefits	39	**4,236**	3,336	–	–
Deposits received		**2,108**	2,068	–	–
Other non-financial liabilities		**3,696**	3,598	–	–
Interest-bearing loans and borrowings	34	**281,660**	230,630	**46,033**	48,633
Notes payable	35	–	99,926	–	99,926
Other payables		**2,810**	2,581	–	–
Lease liabilities	37	**33,442**	–	–	–
Amounts due to subsidiaries		–	–	**136,073**	180,866
		464,032	455,584	**182,106**	329,425
Total liabilities		**996,456**	914,046	**450,445**	634,373
Net assets		**747,413**	719,755	**475,861**	315,846
Equity attributable to owners of the Company					
Share capital	40	**241,520**	241,520	**241,520**	241,520
Treasury shares	41	**(900)**	(1,149)	**(900)**	(1,149)
Reserves	41	**433,615**	405,757	**235,241**	75,475
		674,235	646,128	**475,861**	315,846
Non-controlling interests		**73,178**	73,627	–	–
Total equity		**747,413**	719,755	**475,861**	315,846

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 2019

Group	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Legal reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Other reserves $'000 Note 41(f)	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
2019											
At 1 January 2019 as previously reported	241,520	(1,149)	8,187	8,280	177,497	(40,770)	26,402	226,161	646,128	73,627	719,755
Effect of adopting SFRS(I) 16	–	–	–	–	–	–	–	(12,195)	(12,195)	(6)	(12,201)
At 1 January 2019, as restated	241,520	(1,149)	8,187	8,280	177,497	(40,770)	26,402	213,966	633,933	73,621	707,554
Profit after taxation	–	–	–	–	–	–	–	651	651	1,878	2,529
Other comprehensive income for the financial year	–	–	–	–	32,161	21,790	(5,301)	(129)	48,521	10,177	58,698
Total comprehensive income for the financial year	–	–	–	–	32,161	21,790	(5,301)	522	49,172	12,055	61,227
Contributions by and distributions to owners											
Dividends paid on ordinary shares	–	–	–	–	–	–	–	(8,818)	(8,818)	–	(8,818)
Treasury shares reissued pursuant to Share-based Incentive Plan	–	249	(248)	–	–	–	(1)	–	–	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	172	–	–	–	–	–	172	–	172
Total transactions with owners in their capacity as owners	–	249	(76)	–	–	–	(1)	(8,818)	(8,646)	–	(8,646)
Other changes in equity											
Dividends paid to loan stockholders of a subsidiary	–	–	–	–	–	–	–	(224)	(224)	–	(224)
Dividends paid to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	–	–	(12,498)	(12,498)
Transfer to accumulated profits upon disposal of asset	–	–	–	–	(935)	–	–	935	–	–	–
Total other changes in equity	–	–	–	–	(935)	–	–	711	(224)	(12,498)	(12,722)
At 31 December 2019	241,520	(900)	8,111	8,280	208,723	(18,980)	21,100	206,381	674,235	73,178	747,413

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 2019

Group	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Legal reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Other reserves $'000 Note 41(f)	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
2018											
At 1 January 2018 as previously reported	241,520	(142)	7,976	8,280	182,107	(33,865)	(19,409)	214,159	600,626	176,910	777,536
Effect of adopting SFRS(I) *	–	–	–	–	–	–	(2,849)	2,849	–	–	–
At 1 January 2018, as restated	241,520	(142)	7,976	8,280	182,107	(33,865)	(22,258)	217,008	600,626	176,910	777,536
Profit after taxation	–	–	–	–	–	–	–	13,471	13,471	922	14,393
Other comprehensive income for the financial year	–	–	–	–	–	(6,905)	(2,069)	(311)	(9,285)	4,394	(4,891)
Total comprehensive income for the financial year	–	–	–	–	–	(6,905)	(2,069)	13,160	4,186	5,316	9,502
Contributions by and distributions to owners											
Dividends paid on ordinary shares	–	–	–	–	–	–	–	(8,404)	(8,404)	–	(8,404)
Treasury shares reissued pursuant to Share-based Incentive Plan	–	140	(121)	–	–	–	(19)	–	–	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	332	–	–	–	–	–	332	–	332
Acquisition of Treasury shares	–	(1,147)	–	–	–	–	–	–	(1,147)	–	(1,147)
Total contributions by and distributions to owners	–	(1,007)	211	–	–	–	(19)	(8,404)	(9,219)	–	(9,219)
Changes in ownership interests in subsidiary											
Acquisition of non-controlling interests without a change in control	–	–	–	–	–	–	48,002	–	48,002	(105,490)	(57,488)
Decrease in non-controlling interests without a without a change in control	–	–	–	–	–	–	2,746	–	2,746	(2,746)	–
Total changes in ownership interests in subsidiary	–	–	–	–	–	–	50,748	–	50,748	(108,236)	(57,488)
Total transactions with owners in their capacity as owners	–	(1,007)	211	–	–	–	50,729	(8,404)	41,529	(108,236)	(66,707)
Other changes in equity											
Disposal of subsidiaries	–	–	–	–	(4,287)	–	–	4,287	–	–	–
Dividends paid to loan stockholders of a subsidiary	–	–	–	–	–	–	–	(213)	(213)	–	(213)
Dividends paid to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	–	–	(363)	(363)
Transfer to accumulated profits upon disposal of asset	–	–	–	–	(323)	–	–	323	–	–	–
Total other changes in equity	–	–	–	–	(4,610)	–	–	4,397	(213)	(363)	(576)
At 31 December 2018	241,520	(1,149)	8,187	8,280	177,497	(40,770)	26,402	226,161	646,128	73,627	719,755

* The reclassification relates to prior year accumulated fair value gain or loss and impairment of assets available for sale from opening accumulated profits to other reserves for the adoption of SFRS(I) 9.

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 2019

Company	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Other reserves $'000 Note 41(f)	Accumulated profits $'000	Total equity $'000
At 1 January 2019	**241,520**	**(1,149)**	**8,187**	**4,664**	**62,624**	**315,846**
Profit after taxation	–	–	–	–	**168,661**	**168,661**
Total comprehensive income for the financial year	–	–	–	–	**168,661**	**168,661**
Contributions by and distributions to owners						
Dividends paid on ordinary shares	–	–	–	–	**(8,818)**	**(8,818)**
Treasury shares reissued pursuant to Share-based Incentive Plan	–	**249**	**(248)**	**(1)**	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	**172**	–	–	**172**
Total transactions with owners in their capacity as owners	–	**249**	**(76)**	**(1)**	**(8,818)**	**(8,646)**
At 31 December 2019	**241,520**	**(900)**	**8,111**	**4,663**	**222,467**	**475,861**
At 1 January 2018	241,520	(142)	7,976	4,683	79,364	333,401
Loss after taxation	–	–	–	–	(8,336)	(8,336)
Total comprehensive loss for the financial year	–	–	–	–	(8,336)	(8,336)
Contributions by and distributions to owners						
Dividends paid on ordinary shares	–	–	–	–	(8,404)	(8,404)
Treasury shares reissued pursuant to Share-based Incentive Plan	–	140	(121)	(19)	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	332	–	–	332
Acquisition of Treasury shares	–	(1,147)	–	–	–	(1,147)
Total transactions with owners in their capacity as owners	–	(1,007)	211	(19)	(8,404)	(9,219)
At 31 December 2018	241,520	(1,149)	8,187	4,664	62,624	315,846

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 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Profit before taxation		**13,956**	24,969
Adjustments for:			
Share of results of associates		**(479)**	(11,403)
Share of results of joint ventures		–	879
Depreciation of property, plant and equipment and right-of-use assets	13/37	**22,945**	20,104
Loss on disposal of property, plant and equipment, net	7	**154**	294
Write-off of property, plant and equipment	7	**882**	18
Write-off of investment property	7	**415**	–
Impairment loss on property, plant and equipment	7	**5,811**	–
Impairment loss on intangible assets	7	–	284
Finance income	8	**(7,720)**	(2,769)
Finance costs	9	**26,762**	49,091
Amortisation expense		**764**	2,262
Impairment losses/(gains) on financial assets	10	**3,944**	(2,127)
Allowance for inventory obsolescence	7	**46**	92
Defined and other long-term employee benefits expense	39	**785**	520
Share-based payment expenses	5	**245**	337
Gain on disposal of subsidiaries	4	–	(12,459)
Gain on disposal of joint venture	18	–	(25,155)
Fair value gain on derivatives	4	–	(368)
Net fair value gain on investment properties	14	**(3,736)**	(2,118)
Currency realignment		**115**	(2,362)
		50,933	15,120
Operating profit before working capital changes		**64,889**	40,089
Decrease in inventories		**549**	384
Increase in property development costs		**(21,987)**	(3,463)
Increase in trade and other receivables and contract assets		**(20,546)**	(3,608)
Decrease in amounts due from related parties		**3,116**	12,007
Increase in trade and other payables, and contract liabilities		**3,608**	11,734
		(35,260)	17,054
Cash flows generated from operating activities		**29,629**	57,143
Interest received		**3,908**	2,453
Interest paid		**(24,037)**	(32,093)
Tax paid		**(8,644)**	(7,311)
Payment of employee benefits	39	**(262)**	(537)
Payment of cash-settled share grants		**(82)**	(52)
Payment of lease rental	21	**-**	(1,302)
Net cash flows generated from operating activities		**512**	18,301

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 2019

	Note	2019 $'000	2018 $'000
Cash flows from investing activities			
Purchase of property, plant and equipment	13	**(47,863)**	(27,543)
Proceeds from disposal of property, plant and equipment		**579**	317
Additions to land use rights	16	**(120)**	–
Increase in investment in associates	19	**(123)**	(18,800)
Increase in long-term investments		**(81)**	–
Acquisition of non-controlling interest	17	–	(57,488)
Dividend income from an associate		**1,220**	1,183
Purchase of investment properties	14	**(3,680)**	(728)
Proceeds from disposal of subsidiaries, net of cash disposed	17	–	87,062
Proceeds from disposal of joint venture	18	–	78,607
Additions to intangible assets	15	**(657)**	–
Net cash flows (used in)/generated from investing activities		**(50,725)**	62,610
Cash flows from financing activities			
Proceeds from bank loans		**265,124**	225,108
Repayment of bank loans		**(143,113)**	(129,308)
Repayment of notes payable		**(125,000)**	(120,000)
Payment of principal portion of lease liabilities		**(2,698)**	–
Payment of dividends			
- by subsidiaries to non-controlling interests		**(12,498)**	(363)
- by subsidiaries to loan stockholders		**(224)**	(213)
- by Company to shareholders		**(8,818)**	(8,404)
Purchase of treasury shares		–	(1,147)
Net cash flows used in financing activities		**(27,227)**	(34,327)
Net (decrease)/increase in cash and cash equivalents		**(77,440)**	46,584
Net foreign exchange difference		**2,061**	609
Cash and cash equivalents at beginning of the financial year		**206,181**	158,988
Cash and cash equivalents at end of the financial year	32	**130,802**	206,181

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 and domiciled 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 subsidiaries are set out in Note 17 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 (International) ("SFRS(I)").

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 $) and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for the annual financial periods beginning on or after 1 January 2019. The adoption of these standards except for SFRS(I) 16, did not have any material effect on the financial performance or position of the Group and the Company.

SFRS(I) 16 Leases

SFRS(I) 16 supersedes FRS17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under SFRS(I) 16 is substantially unchanged from FRS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in FRS 17. Therefore, SFRS(I) 16 did not have an impact for leases where the Group is the lessor.

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the cumulative effect of initially applying this standard was recognised as an adjustment to the opening balance of retained earnings at the date of initial application. The Group elected to use the transition practical expedient not to reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying FRS 17 and SFRS(I) INT 4 at the date of initial application.

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

SFRS(I) 16 Leases (cont'd)

The effect of adoption of SFRS(I) 16 as at 1 January 2019 (increase/(decrease)) is, as follows:

	Group $'000
Assets	
Right-of-use assets (Note 37)	20,478
Deferred tax assets	2,166
Prepaid island rental (Note 21)	(1,207)
Prepayments and other non-financial assets	(141)
Total assets	**21,296**
Liabilities	
Lease liabilities (Note 37)	33,497
Total liabilities	**33,497**
Total adjustment on equity:	
Retained earnings	(12,195)
Non-controlling interests	(6)
	(12,201)

The Group has lease contracts for land and buildings. Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.25 Leases for the accounting policy before 1 January 2019.

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.25 Leases for the accounting policy before 1 January 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

2. Summary of significant accounting policies (cont'd)

2.2 **Changes in accounting policies** (cont'd)

Leases previously accounted for as operating leases (cont'd)

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 January 2019:

- Right-of-use assets of $20,478,000 were recognised and presented separately in the balance sheets.
- Prepaid island rental of $1,207,000 and prepayments and other non-financial assets of $141,000 related to previous operating leases were derecognised.
- Additional lease liabilities of $33,497,000 were recognised.
- Deferred tax assets increased by $2,166,000 because of the deferred tax impact of the changes in assets and liabilities.
- The net effect of these adjustments had been adjusted to retained earnings $(12,195,000) and non-controlling interest $(6,000).

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

	Group $'000
Operating lease commitments as at 31 December 2018 (Note 43(b))	73,663
Less: Commitments relating to short-term leases	(429)
	73,234
Weighted average incremental borrowing rate as at 1 January 2019	6.79%
Discounted operating lease commitments as at 1 January 2019	33,497
Lease liabilities as at 1 January 2019	33,497

2.3 **Standards issued but not yet effective**

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 3: *Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*	1 January 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the other standards above will have no material impact to the financial statements in the year of initial application.

2. Summary of significant accounting policies (cont'd)

2.4 Significant accounting estimates and judgments

Estimates, assumptions concerning the future and judgments 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 end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment of intangible 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. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Further details of the key assumptions applied in the impairment assessment of goodwill and trademarks including a sensitivity analysis, are given in Note 15 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 2019 are disclosed in Note 13 to the financial statements. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges could be revised.

(iii) Provision for loss allowance for trade and non-trade receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effects in the economic conditions in which the debtor operates in.

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 trade and non-trade receivables at the end of each reporting period are disclosed in Note 47(h) to the financial statements.

The Group uses the general and simplified approaches to calculate the allowance for expected credit losses ("ECLs") for its trade and non-trade receivables. Under the general approach, the Group would assess if there is any significant increase in credit risk of the debtors, by evaluating qualitative and quantitative factors that are indicative of the risk of default (including but not limited to the latest available financial results, repayment history, economic environment and cash flow projections, if available, and applying the loss rates). The loss allowance is measured on the 12-month expected credit loss basis, if it is assessed that there has not been a significant increase in credit risk of the debtors since initial recognition.

2.4 Significant accounting estimates and judgments (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(iii) Provision for loss allowance for trade and non-trade receivables (cont'd)

For the simplified approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward looking information. At every reporting date, historical default rates are updated and changes in the forward looking estimates are analysed.

The assessment of the estimated future repayments, historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and non-trade receivables is disclosed in Note 45(a).

The carrying amount of trade and non-trade receivables as at 31 December 2019 are disclosed in Notes 27, 22, 19, 31, 3, 30, 23 and 28.

(iv) 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 judgment 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.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on the unused tax losses. The carrying values of recognised tax losses and unrecognised tax losses at 31 December 2019 are $35,599,000 (2018: $44,003,000) and $34,004,000 (2018: $33,500,000).

(v) Revaluation of freehold and investment properties

The Group carries its freehold and investment properties at fair value, with changes in fair values being recognised in other comprehensive income and profit or loss respectively.

The Group engaged professional independent valuers to determine the fair values for its freehold properties and investment properties in Singapore, Thailand, Sri Lanka and Morocco on a regular basis. The fair value is determined using recognised valuation techniques which require the use of estimates such as market comparables, future cash flows and discount rates applicable to these assets. These estimates are based on local market conditions existing at each valuation date.

The carrying amount, key assumptions and valuation techniques used to determine the fair value of the freehold and investment properties of the Group are stated in Notes 13, 14 and 47 respectively.

(vi) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select the appropriate valuation model and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The inputs to this model are derived from market data where possible, but where not feasible, a degree of judgment is required in establishing fair values. For details of the valuation method and key assumptions used, refer to Notes 47(d) and 20.

2. Summary of significant accounting policies (cont'd)

2.4 **Significant accounting estimates and judgments** (cont'd)

(b) Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Investment in associates

Management has assessed and is of the view that the Group exercises significant influence over associates, as disclosed in Note 19, notwithstanding that the Group holds less than 20% voting power in these companies. The Group is deemed to exercise significant influence by virtue of its representation on the board/governing committees of these entities.

(ii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment 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 2019 are $10,400,000 (2018: $11,700,000) and $112,711,000 (2018: $94,494,000) respectively.

(iii) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment 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.

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries 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 rate of exchange ruling at the end of the reporting period. 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 measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

2. Summary of significant accounting policies (cont'd)

2.5 **Foreign currency** (cont'd)

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.6 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

2.7 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements 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, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are 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.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities for the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interests;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. Summary of significant accounting policies (cont'd)

2.7 **Basis of consolidation and business combinations** (cont'd)

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.8 **Transactions with non-controlling interests**

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.9 **Joint ventures and associates**

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

2. Summary of significant accounting policies (cont'd)

2.9 Joint ventures and associates (cont'd)

Under the equity method, the investments in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from associates or joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains or losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

Where the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.21. 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 other than freehold land and buildings are measured at cost or valuation less accumulated depreciation and any accumulated impairment losses. The Group segregates land 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 and buildings, the Group adopts the revaluation model. Fair value is determined based on appraisal undertaken by professional independent valuers, using market-based evidence.

Valuations are performed with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the end of the reporting period.

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 profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the property revaluation reserve.

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 lives of the assets 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 residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

2. Summary of significant accounting policies (cont'd)

2.11 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.10 up to the date of change in use.

2.12 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives except those classified as other intangible assets are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

(a) 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.

(b) Other intangible assets

Sales commission costs arising from property sales are recognised as an intangible asset when the Group can demonstrate that these are incremental costs directly attributable to securing a property sales contract and are recoverable in the gross margin of the contract. Incremental cost is one that would not have been incurred if the Group had not secured the property sales contract.

2.12 Intangible assets (cont'd)

(b) Other intangible assets (cont'd)

Following initial recognition of the sales commission costs as an intangible asset, it is carried at cost and expensed off to profit or loss upon the recognition of revenue from property sales.

(c) Club membership

Club membership was acquired separately and is amortised on a straight-line basis over its remaining useful life of underlying assets.

2.13 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 an annual impairment testing for an asset 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 of disposal 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. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 previously. Reversal of an impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through profit or loss 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.

2.14 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. Summary of significant accounting policies (cont'd)

2.14 **Financial instruments** (cont'd)

(a) ***Financial assets*** (cont'd)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at fair value and subsequently at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) *Fair value through other comprehensive income ("FVOCI")*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) *Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

De-recognition

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

- The contractual rights to receive cash flows from the asset has expired; or

2.14 **Financial instruments** (cont'd)

(a) ***Financial assets*** (cont'd)

De-recognition (cont'd)

- The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in 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 de-recognition 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 had been recognised directly in other comprehensive income for debt instruments is recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities include trade payables, which are normally settled on 30 to 90 days' terms, other payables, amounts due to subsidiaries, associates and related parties, interest-bearing loans and borrowings, and notes payable.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) ***Derivative financial instruments***

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and subsequently re-measured at their fair values at the end of each reporting period.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from the changes in fair value are recognised in profit or loss.

2.15 **Long-term investments**

Investment securities under long-term investments are classified as equity investments at FVOCI.

2. Summary of significant accounting policies (cont'd)

2.16 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. These also include bank overdrafts that form an integral part of the Group's cash management.

2.17 Property development costs

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured 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.

Non-refundable commissions paid to sales or marketing agents on the sale are capitalised and amortised to profit or loss when the Group recognises the related revenue.

Net realisable value of the development properties is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.18 Impairment of financial assets

The Group recognises an allowance for ECLs for all non-trade financial assets at amortised costs. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages under the general approach. For credit exposures which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, contract assets, amounts due from associates (trade) and amounts due from related parties (trade), the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on geographical locations, aging of the debts and historical information that reflects high levels of default risk (e.g. in financial difficulty, outstanding legal law suits and amounts in dispute).

The Group considers a financial asset in default when contractual payments are 90 days past due or if there are significant deterioration in credit rating. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Summary of significant accounting policies (cont'd)

2.19 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 weighted average 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.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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.

2.20 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.

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that 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 incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) 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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.18 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2. Summary of significant accounting policies (cont'd)

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 the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(c) *Share-based payment*

Performance share plan and restricted share plan

The Group's Performance Share Plan ("PSP") and Restricted Share Plan ("RSP") are both equity-settled and cash-settled share-based payment transactions.

The cost of these equity-settled share-based payment transactions is measured by reference to the fair value at the date of grant. This cost is recognised in profit or loss, 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 shares that will ultimately vest. At the end of each reporting period, the Group revises its estimates of the number of PSP and RSP shares that are expected to vest on vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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 profit or loss over the vesting period with recognition of a corresponding liability. At the end of each reporting period, the Group revises its estimates of the number of PSP and RSP shares that are expected to vest on vesting date. Any revision of this estimate is included in profit or loss 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 changes in fair value recognised in profit or loss 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 or RSP, 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 or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation.

2.24 **Employee benefits** (cont'd)

(d) Post employment benefits and other long term employment benefits plans

The subsidiaries in Thailand operate two unfunded benefit schemes, Legal Severance Pay ("LSP") and Long Service Award ("LSA") for qualifying employees.

The LSP scheme is a defined benefit plan which pays employees a lump sum benefit computed based on their number of years of service and their basic salary upon retirement or early termination of their employment contracts.

The LSA scheme is a long-term employee benefit which rewards employees in cash and/or in gold. To be entitled to the award, employees will have to complete certain number of years of service with the Group.

The benefit schemes are assessed using the projected unit credit actuarial valuation method. The cost of providing for the employee benefits are charged to profit or loss so as to spread the service cost over the service lives of employees in accordance with the actuarial valuation carried out during the year. The provision for the employee benefits is measured as the present value of the estimated future cash outflows by reference to the interest rates of government bonds in Thailand that have terms to maturity approximating the terms of the related liabilities. Actuarial gains and losses arising from LSP are recognised in other comprehensive income and for those arising from LSA to be recognised in profit or loss in the year these gains and losses arise.

The unvested past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested, immediately following the introduction of, or changes to, a scheme, past service costs are recognised immediately.

(e) Defined benefits plans

The subsidiaries in Indonesia are required to provide a minimum pension benefit ("MPB") under the Indonesian Labour Law, which represents an underlying defined benefit obligation. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high-quality long-term bonds that are denominated in Indonesian rupiah in which the benefits will be paid and that have terms of maturity similar to the related pension liability.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier between:

(i) the date of the plan amendment or curtailment, and

(ii) the date the related restructuring costs and termination benefits are recognised.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The following changes in the net defined benefit obligation are recognised in the profit or loss:

(i) Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements, and

(ii) Net interest expense or income.

2. Summary of significant accounting policies (cont'd)

2.25 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

Policy applicable from 1 January 2019

The Group applies a single recognition and measurement approach for all leases, except for leases of 'low value' assets and short-term leases. The Group recognises lease liabilities to make a lease payment and right-of-use assets representing the right to use the underlying assets during the lease term.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	–	34 to 44 years
Buildings	–	2 to 4 years

If the ownership of the lease asset transfers to the Group at the end of the lease or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment of non-financial assets is set out in Note 2.13.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payments occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (eg. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The weighted average incremental borrowing rate used by the Group is disclosed in Note 2.2.

2.25 Leases (cont'd)

(a) As lessee (cont'd)

Policy applicable from 1 January 2019 (cont'd)

(iii) Short-term leases and leases of 'low value' assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Policy applicable prior to 1 January 2019

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 profit or loss. 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 profit or loss 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 in which the Group does not transfer 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 on the same basis as rental income. The accounting policy for rental income is set out in Note 2.27(i).

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 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) Hotel investments

Revenue from hotel investments 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 at a point in time when the services are rendered.

2. Summary of significant accounting policies (cont'd)

2.27 Revenue (cont'd)

(b) Property sales

- *Sale of completed development property*

  A development property is regarded as sold when the significant risks and returns have been transferred to the buyer at a point in time, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

- *Sale of development property under construction*

  Where development property is under construction and agreement has been reached to sell such property when construction is completed, revenue is recognised at a point in time when the significant risks and rewards of ownership of the property have been transferred to the buyer (i.e. revenue is recognised at a point in time).

(c) Management services

Management services comprises the management of hotels and resorts, the management of an asset-backed club, the management of private-equity funds and the management of golf courses.

Revenue from management services is recognised at a point in time as and when performance obligations relating to the relevant services are rendered. This is based on allocating the transaction price, including estimating stand-alone selling prices of each of the services provided.

(d) Spa operation

Revenue from operating spas is recognised at a point in time as and when the relevant services are rendered.

(e) Merchandise sales

Revenue is recognised at a point in time when the significant risks and rewards of ownership of the goods have been transferred 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.

Payment of the transaction price is due immediately at the point the customer purchases the goods for retail customer. Otherwise, invoices are issued on a monthly basis and are payable within 30 days.

(f) Project and design services

Revenue from the provision of project design and design services is recognised over time based on completion of certain performance obligation according to the stage of completion as certified by qualified professionals.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified project milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advance payments from the customer.

(g) Dividend income

Dividend income is recognised in profit or loss when the Group's right to receive payment is established.

(h) Interest income

Interest income is recognised using the effective interest method.

(i) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

2. Summary of significant accounting policies (cont'd)

2.28 Taxes

(a) Current income tax

Current income 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 at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period 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; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 assets is reviewed at the end of each reporting period 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 the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction of goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.28 Taxes (cont'd)

(c) Sales tax

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

- Where the sales tax incurred on 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.

2.29 Share capital and share issuance 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.

2.30 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 transaction costs, is recognised in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.31 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

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

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.32 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Revenue

(a) Disaggregation of revenue

Revenue of the Group represents revenue from operation and management of hotels, property sales and fee-based segment after eliminating intercompany transactions. The amount of each significant category of revenue recognised during the year is as follows:

Segments	Hotel investments		Property sales		Fee-based segment		Total revenue	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Primary geographical markets								
Singapore	–	–	–	–	**964**	768	**964**	768
South East Asia	**134,374**	135,888	**114,223**	76,959	**40,874**	39,907	**289,471**	252,754
Indian Oceania	**37,569**	55,192	–	–	**706**	1,972	**38,275**	57,164
Middle East	–	–	–	–	**583**	697	**583**	697
North East Asia	–	–	–	–	**9,048**	9,199	**9,048**	9,199
Rest of the world	**1,747**	1,444	–	–	**6,866**	7,020	**8,613**	8,464
	173,690	192,524	**114,223**	76,959	**59,041**	59,563	**346,954**	329,046
Major product or service lines								
Hotel investments	**173,690**	192,524	–	–	–	–	**173,690**	192,524
Property sales	–	–	**114,223**	76,959	–	–	**114,223**	76,959
Management services	–	–	–	–	**31,230**	31,328	**31,230**	31,328
Spa operation	–	–	–	–	**11,057**	12,531	**11,057**	12,531
Project and design services	–	–	–	–	**4,498**	3,961	**4,498**	3,961
Merchandise sales	–	–	–	–	**8,201**	7,533	**8,201**	7,533
Rental income	–	–	–	–	**4,055**	4,210	**4,055**	4,210
	173,690	192,524	**114,223**	76,959	**59,041**	59,563	**346,954**	329,046
Timing of transfer of goods or services								
At a point in time	**173,690**	192,524	**114,223**	76,959	**50,179**	51,068	**338,092**	320,551
Over time	–	–	–	–	**8,862**	8,495	**8,862**	8,495
	173,690	192,524	**114,223**	76,959	**59,041**	59,563	**346,954**	329,046

3. Revenue (cont'd)

(b) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group	
	2019 $'000	2018 $'000
Long-term receivables – Trade (Note 22)	**50,288**	43,130
Trade receivables (Note 27)	**40,305**	38,057
Contract assets	**2,638**	1,752
Contract liabilities	**(55,034)**	(46,767)

The Group has recognised write back on impairment losses on receivables arising from contracts with customers amounting to $67,000 (2018: $2,290,000).

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for project and design services. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer services to customers for which the Group has received advances from customers for project and design services, hotel operations and property sales.

Contract liabilities are recognised as revenue as the Group performs under the contract.

(i) ***Significant changes in contract assets are explained as follows:***

	Group	
	2019 $'000	2018 $'000
Contract asset reclassified to receivables	**(1,752)**	(286)

(ii) ***Significant changes in contract liabilities are explained as follows:***

	Group	
	2019 $'000	2018 $'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	**30,834**	39,510

(c) Transaction price allocated to remaining performance obligations

Property sales

The Group expects to recognise $178,222,000 (2018: $189,910,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2019 within the next 3 years.

3. Revenue (cont'd)

(c) Transaction price allocated to remaining performance obligations (cont'd)

Management services

Other than revenue from the management of hotels and resorts, the Group expects to recognise $3,831,000 (2018: $1,366,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2019 within the next 3 years.

Spa operation

The Group expects to recognise $1,116,000 (2018: $1,422,000) as management fees relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2019 within the next 3 years.

Project and design services

The Group expects to recognise $2,849,000 (2018: $4,024,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2019 within the next 3 years.

The above amounts have not included the following:

- Performance obligations for which the Group has applied the practical expedient not to disclose information about its remaining performance obligations if:
    - The performance obligation is part of a contract that has an original expected duration of one year or less, or
    - The Group recognises revenue from the management of hotels and resorts based on the underlying hotel performance completed to date.
- Variable consideration that is constrained and therefore is not included in the transaction price.

4. Other income

	Group	
	2019 $'000	**2018** $'000
Management and service fees	**205**	111
Insurance claims	–	575
Net fair value gain on investment properties (Note 14)	**3,736**	2,118
Gain on disposal of investment in subsidiaries (Note 17)	–	12,459
Gain on disposal of joint venture (Note 18)	–	25,155
Net fair value gain on derivatives	–	368
Rental income	**797**	795
Others	**1,089**	1,587
	5,827	43,168

5. Salaries and related expenses

	Group	
	2019 $'000	2018 $'000
Salaries, wages and other related costs	**79,164**	85,193
Defined and other long-term employee benefits expense (Note 39)	**785**	520
Share-based payment expenses	**245**	337
Contributions to defined contribution plans	**2,841**	3,405
The above amounts include salaries and related expenses of key management personnel	**83,035**	89,455

6. Other operating expenses

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

	Group	
	2019 $'000	2018 $'000
Utilities and communication	**15,508**	15,917
Repair and maintenance	**11,362**	11,172
Printing and stationery	**1,697**	1,803
Travelling and transportation	**2,954**	1,818
Commission expenses	**9,344**	8,883
Laundry and valet	**2,166**	2,063
Guest expendable supplies	**5,058**	5,356

7. Profit from operations and other gains

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

	Group	
	2019 $'000	2018 $'000
Audit fees:		
- Auditor of the Company	**428**	410
- Other auditors	**717**	715
Non-audit fees:		
- Auditor of the Company	**14**	20
- Other auditors	**9**	9
Allowance for inventory obsolescence (Note 25)	**46**	92
Write-off of property, plant and equipment (Note 13)	**882**	18
Write-off of investment property (Note 14)	**415**	–
Impairment loss on property, plant and equipment (Note 13)	**5,811**	–
Impairment loss on intangible assets (Note 15)	–	284
Exchange (gain)/loss	**(2,275)**	239
Loss on disposal of property, plant and equipment, net	**154**	294

8. Finance income

	Group	
	2019 $'000	**2018** $'000
Interest received and receivable from:		
- Banks	**1,686**	935
- Related parties	**2**	1
- Interest accretion on amount due from associates (Note 19)	**3,033**	–
- Others	**2,999**	1,833
	7,720	2,769

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

9. Finance costs

	Group	
	2019 $'000	**2018** $'000
Interest expense on:		
- Bank loans, notes payable and bank overdrafts carried at amortised cost	**26,111**	31,606
- Lease liabilities (Note 37)	**2,290**	–
- Modification loss on amounts due from associates (Note 19)	–	18,905
	28,401	50,511
Less: interest expense capitalised in:		
- Property development costs (Note 24)	**(1,639)**	(1,420)
	26,762	49,091

10. Impairment losses/(gains) on financial assets

The following items have been included in arriving at impairment losses/(gains):

	Group	
	2019 $'000	**2018** $'000
Impairment losses/(gains) on financial assets:		
- Long-term receivables (Note 22)	**3,618**	–
- Amount due from associates (Note 30)	**82**	(85)
- Trade receivables (Note 27)	**165**	(2,290)
- Other receivables	–	242
- Amount due from related parties (Note 31)	**79**	6
	3,944	(2,127)

Included in the Long-term receivables and Trade receivables are impairment losses from amount due from Banyan Tree Assets (China) Holdings Pte Ltd. ("BTAC") of $3,593,000 (2018: $Nil).

11. Income tax expense

Major components of income tax expense

Major components of income taxes for the financial years ended 31 December 2019 and 2018 are:

	Group	
	2019 $'000	**2018** $'000
Consolidated income statement:		
Current income tax		
Current income taxation	**4,243**	5,271
(Over)/Under provision in respect of prior years	**(691)**	785
	3,552	6,056
Deferred income tax		
Origination and reversal in temporary differences	**4,987**	741
Benefits from previously unrecognised tax losses	**(774)**	–
Expiry or write-off of previously recognised deferred tax assets	**808**	476
	5,021	1,217
Withholding tax expense		
Current year provision	**2,855**	2,881
(Over)/Under provision in respect of prior years	**(1)**	422
	2,854	3,303
Income tax expense recognised in profit or loss	**11,427**	10,576
Statement of comprehensive income:		
Deferred tax credit related to other comprehensive income:		
- Adjustment on property revaluation reserve	**9,045**	–
- Actuarial loss on Legal Severance Pay	–	(95)

11. Income tax expense (cont'd)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2019 and 2018 respectively are as follows:

	Group	
	2019 $'000	**2018** $'000
Accounting profit before taxation	**13,956**	24,969
Income tax using Singapore tax rate of 17% (2018: 17%)	**2,373**	4,245
Effect of different tax rates in other countries	**760**	(117)
Expenses not deductible for tax purposes	**4,086**	8,921
Tax exempt income	**(28)**	(7,871)
(Over)/Under provision in respect of prior years	**(691)**	785
Deferred tax assets not recognised	**1,346**	2,624
Withholding tax	**2,854**	3,303
Expiry or write-off of previously recognised deferred tax assets	**808**	476
Share of results of associates	**(81)**	(1,939)
Share of results of joint ventures	–	149
Income tax expense recognised in profit or loss	**11,427**	10,576

Group royalty fees income derived from Indonesia, Thailand and Maldives is subject to withholding tax at 15%, 8% and 10% respectively (2018: 15%, 8% and 10%). The Group also incurred withholding tax on rental income and dividend income received from Indonesia and Thailand at 20% and 10% respectively (2018: 20% and 10%).

12. Earnings per share

Basic earnings per share are calculated by dividing profit after taxation for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit after taxation for the year that is attributable to owners 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.

Potential ordinary shares are weighted for the period they are outstanding. Potential ordinary shares that are cancelled or allowed to lapse during the period are included in the calculation of diluted earnings per share only for the portion of the period during which they are outstanding. Potential ordinary shares that are converted into ordinary shares during the period are included in the calculation of diluted earnings per share from the beginning of the period to the date of conversion; from the date of conversion, the resulting ordinary shares are included in both basic and diluted earnings per share.

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

	Group	
	2019 $'000	**2018** $'000
Profit after taxation attributable to owners of the Company used in computation of basic and diluted earnings per share	**651**	13,471
	No. of shares	**No. of shares**
Weighted average number of ordinary shares for basic earnings per share computation	**839,688,312**	840,528,002
Effect of dilution:		
- Contingently issuable shares under Banyan Tree Share Award Scheme 2016	**1,228,302**	1,252,564
- Call option issued to Accor to purchase additional shares	–	25,666,473 *
- Call option issued to Vanke SPV to purchase additional shares	–	16,413,280 *
Weighted average number of ordinary shares for diluted earnings per share computation	**840,916,614**	883,860,319

* Call option issued to Accor and to Vanke SPV have lapsed on 19 June 2018 and 19 April 2018 respectively. The potential ordinary shares that would have resulted from the exercise of the options were included in the calculation of diluted earnings per share only for the portion of the period during which they are outstanding in 2018.

13. Property, plant and equipment

Group	Freehold land $'000	Freehold buildings $'000	Leasehold buildings $'000	Furniture, fittings and equipment $'000	Computers $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
Cost or valuation:								
At 1 January 2018	349,529	292,489	40,507	175,330	15,876	11,181	583	885,495
Additions	–	1,543	1,251	6,287	1,416	799	16,247	27,543
Disposals	–	–	(555)	(3,903)	(1,781)	(100)	(33)	(6,372)
Disposal of subsidiaries	(13,395)	(58,271)	–	(6,880)	(283)	(295)	–	(79,124)
Write-off	–	–	–	(1,015)	(540)	(3)	–	(1,558)
Transfer from property development costs	–	2,547	–	562	–	–	–	3,109
Transfer in/(out)	–	4,838	(33)	2,232	595	87	(7,719)	–
Net exchange differences	6,210	6,492	(405)	4,401	195	247	(176)	16,964
At 31 December 2018 and 1 January 2019	**342,344**	**249,638**	**40,765**	**177,014**	**15,478**	**11,916**	**8,902**	**846,057**
Additions	**427**	**3,210**	**943**	**5,803**	**1,300**	**683**	**35,497**	**47,863**
Disposals	–	**(22)**	**(2,350)**	**(1,543)**	**(661)**	**(233)**	**(511)**	**(5,320)**
Write-off	–	–	–	**(1,427)**	**(762)**	**(69)**	**(778)**	**(3,036)**
Revaluation surplus	**45,085**	**1,009**	–	–	–	–	–	**46,094**
Elimination of accumulated depreciation on revaluation	–	**(1,729)**	–	–	–	–	–	**(1,729)**
Transfer (to)/from property development costs	**(6,577)**	**10,412**	–	**762**	–	–	–	**4,597**
Transfer in/(out)	–	**17,946**	**483**	**14,255**	**620**	**1,999**	**(35,303)**	–
Net exchange differences	**21,208**	**14,178**	**464**	**14,008**	**679**	**643**	**613**	**51,793**
At 31 December 2019	**402,487**	**294,642**	**40,305**	**208,872**	**16,654**	**14,939**	**8,420**	**986,319**

Transfer (to)/from property development costs relates to freehold buildings and other related assets that the Group will be using for its hospitality business.

13. Property, plant and equipment (cont'd)

Group (cont'd)	**Freehold land** $'000	**Freehold buildings** $'000	**Leasehold buildings** $'000	**Furniture, fittings and equipment** $'000	**Computers** $'000	**Motor vehicles** $'000	**Construction-in-progress** $'000	**Total** $'000
Accumulated depreciation and impairment losses:								
At 1 January 2018	–	74,148	18,959	126,941	13,485	9,949	–	243,482
Depreciation charge for the financial year	–	7,930	922	9,362	1,385	505	–	20,104
Disposals	–	–	(294)	(3,646)	(1,769)	(99)	–	(5,808)
Disposal of subsidiaries	–	(8,889)	–	(5,327)	(274)	(56)	–	(14,546)
Write-off	–	–	–	(999)	(540)	(1)	–	(1,540)
Transfer to property development costs	–	(890)	–	–	–	–	–	(890)
Net exchange differences	–	1,679	341	3,440	144	216	–	5,820
At 31 December 2018 and 1 January 2019	–	**73,978**	**19,928**	**129,771**	**12,431**	**10,514**	–	**246,622**
Depreciation charge for the financial year	–	**7,886**	**967**	**10,390**	**1,684**	**504**	–	**21,431**
Disposals	–	**(14)**	**(2,187)**	**(1,498)**	**(656)**	**(232)**	–	**(4,587)**
Write-off	–	–	–	**(1,329)**	**(756)**	**(69)**	–	**(2,154)**
Impairment loss	**2,127**	**3,684**	–	–	–	–	–	**5,811**
Elimination of accumulated depreciation on revaluation	–	**(1,729)**	–	–	–	–	–	**(1,729)**
Transfer to property development costs	–	**(386)**	–	**(536)**	–	–	–	**(922)**
Net exchange differences	–	**11,256**	**(103)**	**10,549**	**485**	**534**	–	**22,721**
At 31 December 2019	**2,127**	**94,675**	**18,605**	**147,347**	**13,188**	**11,251**	–	**287,193**
Net carrying amount:								
At 31 December 2018	342,344	175,660	20,837	47,243	3,047	1,402	8,902	599,435
At 31 December 2019	**400,360**	**199,967**	**21,700**	**61,525**	**3,466**	**3,688**	**8,420**	**699,126**

13. Property, plant and equipment (cont'd)

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.

Revaluation of freehold land and buildings

Freehold land and buildings in Singapore were revalued on 8 October 2019 and 31 December 2017 by professional independent valuers.

Freehold land and buildings in Thailand were revalued by a professional independent valuer on 29 November 2019.

The hotel properties in Morocco, which comprise of freehold land and buildings, were appraised by a professional independent valuer on 31 December 2019.

The hotel properties in Sri Lanka, which comprise of freehold land and buildings, were appraised by a professional independent valuer on 1 September 2019.

Revaluation and details of valuation techniques and inputs used are disclosed in Note 47.

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	
	2019 $'000	**2018** $'000
Freehold land		
- Cost and net carrying amount	**91,513**	88,655
Freehold buildings		
- Cost	**291,594**	243,088
- Accumulated depreciation	**(101,542)**	(84,763)
- Net carrying amount	**190,052**	158,325
Furniture, fittings and equipment		
- Cost	**199,977**	170,799
- Accumulated depreciation	**(145,723)**	(130,420)
- Net carrying amount	**54,254**	40,379

13. Property, plant and equipment (cont'd)

As at 31 December 2019, certain properties with net carrying amount amounting to $477,603,000 (2018: $379,585,000) were mortgaged to banks to secure credit facilities for the Group (Note 34).

Company	**Furniture, fittings and equipment** $'000	**Computers** $'000	**Total** $'000
Cost:			
At 1 January 2018, 31 December 2018 and 1 January 2019	17	197	214
Disposals	–	(14)	(14)
At 31 December 2019	17	183	200
Accumulated depreciation:			
At 1 January 2018, 31 December 2018 and 1 January 2019	17	197	214
Disposals	–	(14)	(14)
At 31 December 2019	17	183	200
Net carrying amount:			
At 31 December 2018	–	–	–
At 31 December 2019	–	–	–

14. Investment properties

	Group	
	2019 $'000	**2018** $'000
Balance sheet:		
At 1 January	51,801	70,644
Additions (subsequent expenditure)	3,680	728
Disposal of subsidiaries (Note 17)	–	(23,307)
Write-off of investment property (Note 7)	(415)	–
Transfer from property development costs	765	–
Net gain from fair value adjustments recognised in profit or loss (Note 4)	3,736	2,118
Net exchange differences	3,937	1,618
At 31 December	63,504	51,801
Income statement:		
Rental income from investment properties		
- Minimum lease payments	3,365	3,555
Direct operating expense (including repairs and maintenance) arising from:		
- Rental generating properties	1,972	2,120
- Non-rental generating properties	51	47

14. Investment properties (cont'd)

Valuation of investment properties

Investment properties in Thailand are stated at fair value, which has been determined based on valuation report dated 31 December 2019. The revaluations were performed by a professional independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

Freehold land and buildings were revalued using the market value approach.

Details of valuation techniques and inputs used are disclosed in Note 47.

Properties pledged as security

Certain investment properties amounting to $35,787,000 (2018: $28,847,000) are mortgaged to secure bank loans (Note 34).

The investment properties held by the Group as at 31 December 2019 are as follows:

Description and Location	Existing Use	Tenure
Shopping centre with more than 50 leased outlets, Phuket, Thailand	Shops	Freehold
53 office units in a 24-storey office tower, Bangkok, Thailand	Offices	Freehold
Land located at the shopping centre, Phuket, Thailand	Land for shopping centre	Freehold
Land located in northern Thailand	Land awaiting development	Freehold

15. Intangible assets

Group	Goodwill $'000	Trademarks $'000	Club membership $'000	Other intangible assets $'000	Total $'000
Cost:					
At 1 January 2018	2,603	24,300	3,095	10,506	40,504
Additions	–	–	–	1,600	1,600
Net exchange differences	–	–	–	180	180
At 31 December 2018 and 1 January 2019	**2,603**	**24,300**	**3,095**	**12,286**	**42,284**
Additions	–	–	**657**	**1,454**	**2,111**
Net exchange differences	–	–	–	**588**	**588**
At 31 December 2019	**2,603**	**24,300**	**3,752**	**14,328**	**44,983**
Accumulated amortisation and impairment losses:					
At 1 January 2018	–	–	205	7,091	7,296
Amortisation	–	–	62	1,133	1,195
Impairment loss	–	–	–	284	284
Net exchange differences	–	–	–	158	158
At 31 December 2018 and 1 January 2019	–	–	**267**	**8,666**	**8,933**
Amortisation	–	–	**71**	**374**	**445**
Net exchange differences	–	–	–	**366**	**366**
At 31 December 2019	–	–	**338**	**9,406**	**9,744**
Net carrying amount:					
At 31 December 2018	2,603	24,300	2,828	3,620	33,351
At 31 December 2019	**2,603**	**24,300**	**3,414**	**4,922**	**35,239**

Other intangible assets

Other intangible assets include sales commission incurred that are directly attributable to securing property sales contracts. The sales commission will be amortised as the Group recognises the related revenue.

15. Intangible assets (cont'd)

Company	**Club membership** $'000
Cost:	
At 1 January 2018	3,095
Additions	–
At 31 December 2018 and 1 January 2019	**3,095**
Additions	**657**
At 31 December 2019	**3,752**
Accumulated amortisation and impairment losses:	
At 1 January 2018	205
Amortisation	62
At 31 December 2018 and 1 January 2019	**267**
Amortisation	**71**
At 31 December 2019	**338**
Net carrying amount:	
At 31 December 2018	2,828
At 31 December 2019	**3,414**

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") for impairment testing.

The recoverable amount of the 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.

Key assumptions used for value in use calculations:

	Thai Wah Plaza Limited	
	2019	**2018**
Growth rate	**1.5%**	3.7%
Discount rate	**7.9%**	8.9%

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 represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is derived from its weighted average cost of capital ("WACC") which takes into account both debt and equity. The cost of equity is derived from the expected return on investment and the cost of debt is based on servicing obligations over the interest-bearing borrowings. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are derived annually based on publicly available market data.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

15. Intangible assets (cont'd)

Impairment testing of trademarks

The trademarks comprise of "Banyan Tree" and "Angsana" brands. Trademarks have been allocated to individual CGUs, which are the Group's reportable operating segments, for impairment testing as follows:

- Property Sales Segment;
- Fee-based Segment

Carrying amounts of trademarks are allocated to each of the Group's CGUs based on a valuation performed by a professional and independent valuer at acquisition date, using the projected discounted cash flows on future royalties from each of the reportable operating segments. The allocated amounts to each CGU are as follows:

	Property Sales Segment		**Fee-based Segment**		**Total**	
	2019 $'000	**2018** $'000	**2019** $'000	**2018** $'000	**2019** $'000	**2018** $'000
Carrying amount of trademarks	**630**	630	**23,670**	23,670	**24,300**	24,300

The recoverable amount for all the individual reportable operating segment is determined based on value in use calculation using cash flow projections based 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 7.15% (2018: 9.74%). The growth rate used to extrapolate the cash flows of each business segment beyond the five-year period is 2% (2018: 2%). Management determined the budgeted growth rate based on past performance and its expectation for market development. The discount rate, which reflects the WACC rate used, is consistent with forecasts used in industry reports. The discount rate reflects specific risks relating to the relevant companies.

The following describes each key assumption 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.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Impairment loss recognised

During the financial year ended 31 December 2019, an impairment loss of $Nil (2018: $284,000) was recognised to write-down the carrying amount of other intangible assets due to uncertainties in recovering from counter parties.

16. Land use rights

	Group	
	2019 $'000	2018 $'000
Cost:		
At 1 January	**2,478**	2,721
Additions	**120**	–
Net exchange differences	**232**	(243)
At 31 December	**2,830**	2,478
Accumulated amortisation:		
At 1 January	**277**	276
Amortisation for the financial year	**2**	2
Net exchange differences	**(8)**	(1)
At 31 December	**271**	277
Net carrying amount	**2,559**	2,201
Amount to be amortised:		
- Within 1 year	**31**	2
- Between 2 to 5 years	**122**	88
- After 5 years	**2,406**	2,111

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

	Tenure	
Location	**2019**	**2018**
People's Republic of China		
Zhongdian Jiantang Hotel	**29 years**	30 years
Indonesia		
PT. Heritage Resorts & Spas	**27 years**	28 years
PT. Cassia Resorts Investments	**23 years**	24 years

17. Subsidiaries

	Company	
	2019 $'000	2018 $'000
Unquoted shares, at cost	**267,189**	267,157
Quoted shares, at cost	–	71,619
	267,189	338,776
Capital contribution through issue of ordinary shares to employees of subsidiaries at no consideration under FRS 102 Share-based Payment	**5,863**	5,863
Impairment losses	**(49,061)**	(7,356)
	223,991	337,283
Loans and receivables		
Loans to subsidiaries	**412,439**	228,538
Less: Expected credit losses/Allowance for doubtful debts	**(6,363)**	(6,348)
	406,076	222,190
	630,067	559,473
Market value of quoted shares	–	190,998

In appointing the auditing firms for the Company and subsidiaries, the Group have complied with Listing Rules 712, 715 and 716.

During the financial year ended 31 December 2019, an impairment loss of $41,705,000 (2018: $Nil) was recognised to write-down the carrying amount due to decrease in net asset value of certain subsidiaries.

Included in the loans made to subsidiaries is an unsecured loan of $101,602,000 (2018: $100,605,000) bearing interest at a rate of 5.4% to 7.0% (2018: 5.4% to 7.0%) with no fixed terms of repayment. Except for this loan, the loans made to subsidiaries are interest-free, unsecured and the settlement of the amounts were neither planned nor likely to occur in the foreseeable future. As agreed with its subsidiaries, the Company will not demand repayment of the loan and its subsidiaries will have the discretion to determine when the loans will be repaid.

The current terms of the loan are as follows: loans to subsidiaries are unsecured, interest-free and repayable on demand.

Receivables that are impaired

The Company's loans to subsidiaries that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Company	
	2019 $'000	2018 $'000
Loans to subsidiaries - nominal amounts	**68,363**	34,950
Less: Expected credit losses	**(6,363)**	(6,348)
	62,000	28,602

17. Subsidiaries (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of amount due from subsidiaries is as follows:

	Company	
	2019 $'000	**2018** $'000
Movement in allowance accounts:		
At 1 January	**6,348**	6,361
Charge for the financial year	**15**	720
Write-off for the financial year	–	(733)
At 31 December	**6,363**	6,348

Disposal of subsidiary in 2019

On 13 August 2019, 29 August 2019 and 11 October 2019, the Group entered into sale agreements to dispose 100% interest in its subsidiary, Laguna Resorts & Hotels Public Company Limited to its subsidiaries at its market value, due to internal restructuring.

Acquisition of ownership interest in subsidiary, without loss of control in 2018

On 9 April 2018, the Group acquired an additional 20.53% equity interest in Laguna Resorts & Hotels Public Company Limited ("LRH") from its non-controlling interests for a cash consideration of $57,488,000. The carrying value of the net assets of LRH at 9 April 2018 was $513,833,000 and the carrying value of the additional interest acquired was $105,490,000. The difference of $48,002,000 between the consideration and the carrying value of the additional interest acquired has been recognised as "Premium paid on acquisition of non-controlling interests" within the statement of changes in equity.

The following summarises the effect of the change in the Group's ownership interest in LRH on the equity attributable to owners of the Company:

	Group
	2018 $'000
Consideration paid for acquisition of non-controlling interests	57,488
Decrease in equity attributable to non-controlling interests	(105,490)
Increase in equity attributable to owners of the Company	48,002

Decrease in non-controlling interests without a change in control in 2018

As disclosed in 2017, Banyan Tree China Pte. Ltd. ("BTCN"), a subsidiary of the Group holds interests in a joint venture. BTCN had issued certain amount of new shares to a fellow subsidiary ("Transaction A"). It was deemed that the Group disposed 3.7% equity interest in BTCN to non-controlling interests of the fellow subsidiary and Transaction A had been accounted for as an equity transaction with non-controlling interests. In 2018, the Group has acquired an additional equity interest from the non-controlling interests of the fellow subsidiary ("Transaction B"), resulting in the increase in equity interest in BTCN. Transaction B had been accounted for as an equity transaction with non-controlling interests, resulting in:

	Group
	2018 $'000
Decrease in equity attributable to non-controlling interests	(2,746)
Increase in equity attributable to owners of the Company	2,746

17. Subsidiaries (cont'd)

Disposal of subsidiaries in 2018

On 23 July 2018, the Group entered into a sale agreement to dispose 100% of its interest in its wholly-owned subsidiaries, Hill View Resorts (Seychelles) Limited, Jayanne (Seychelles) Limited and Lindere Villas (Seychelles) Limited, (collectively, the "Seychelles Group") at its carrying value. The disposal was completed on 5 November 2018, on which date control of Seychelles Group was passed to the acquirer.

The value of assets and liabilities of Seychelles Group recorded in the consolidated financial statements as at 5 November 2018, and the effects of the disposal were:

	Group
	2018 $'000
Property, plant and equipment	64,578
Investment properties (Note 14)	23,307
Inventories	1,066
Prepayments and other non-financial assets	628
Trade receivables	1,593
Other receivables	2,031
Amounts due from subsidiaries	1,396
Cash and short-term deposits	6,125
	100,724
Other non-financial liabilities	(995)
Trade payables	(1,622)
Other payables	(5,536)
Amounts due to subsidiaries	(51,126)
Deferred tax liabilities	(2,404)
	(61,683)
Carrying value of net assets	39,041
Cash consideration	93,187
Cash and cash equivalents of the subsidiaries	(6,125)
Net cash inflow on disposal of subsidiaries	87,062
Gain on disposal:	
Cash consideration	93,187
Settlement of debts	(49,724)
Deferred cash receivable	7,091
Net assets derecognised	(39,041)
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity on loss of control of subsidiaries	4,848
Additional expenses for disposal of subsidiaries	(3,902)
Gain on disposal (Note 4)	12,459

17. Subsidiaries (cont'd)

Details of the subsidiaries at the end of the financial year are as follows:

	Name of subsidiary	Principal activities	Place of Incorporation	Cost of investment		Effective equity held by the Group	
				2019 $'000	2018 $'000	2019 %	2018 %
(i)	***Held by the Company***						
(1)	Banyan Tree Hotels & Resorts Pte Ltd.	Provision of resort, spa, project and golf management services	Singapore	**5,466**	5,466	**100**	100
(1)	Banyan Tree Investments Pte. Ltd.	Property holding	Singapore	**15,673**	15,673	**100**	100
(8)	Banyan Tree Capital Pte. Ltd.	Business management and consultancy services	Singapore	**500**	500	**100**	100
(8)	Prestige Global Services Pte. Ltd.	Own and manage intellectual property for and on behalf of Banyan Tree Group	Singapore	**	**	**100**	100
(1)	Banyan Tree Indochina Holdings Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
(8)	Banyan Tree Indochina Management (Singapore) Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
(1)	Banyan Tree Services Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
(8)	Brand Management Pte. Ltd.	Provision of Consultancy services	Singapore	**	**	**100**	100
(1) (23)	Banyan Tree China Pte. Ltd.	Investment holding	Singapore	**152,678**	152,678	**98.53**	98.53
(8)	ACAP International Investments Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
(1) (18)	Hill View Resorts Holdings Pte. Ltd.	Investment holding	Singapore	**25,692**	–	**100**	–
(2) ***	Laguna Resorts & Hotels Public Company Limited	Hotel and Property development business	Thailand	–	71,619	–*	86.28
(16) (17)	Banyan Tree Assets (Thailand) Company Limited	Holding company	Thailand	**91**	–	**100**	–

17. Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of Incorporation	Cost of investment		Effective equity held by the Group	
			2019 $'000	2018 $'000	2019 %	2018 %
(i) Held by the Company (cont'd)						
(9) (12) Tibet Lhasa Banyan Tree Resorts Limited	Construction and management of hotels and spas	China	**5,097**	5,097	**100**	100
(2) Banyan Tree Properties (HK) Limited	Investment holding	Hong Kong	**	**	**100**	100
(2) Maldives Bay Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	**49,934**	49,934	**100**	100
(2) Maldives Cape Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	**	**	**100**	100
(18) Hill View Resorts Holdings Limited	Investment holding	British Virgin Islands	–	25,751	–	100
(2) Banyan Tree Resorts & Spas (Morocco) S.A.	Provision of management, operation services and ancillary services related to the hospitality industry	Morocco	**9,883**	9,883	**100**	100
(3) Beruwela Walk Inn Limited	Operation of Hotel resorts	Sri Lanka	**856**	856	**100**	100
(2) PT. Heritage Resorts & Spas	Tourism management consultancy services	Indonesia	**1,319**	1,319	**100**	100
			267,189	338,776		

17. Subsidiaries (cont’d)

Name of subsidiary	Principal activities	Place of Incorporation	Effective equity held by the Group	
			2019 %	2018 %
(ii) Held through subsidiaries				
(1) Hotelspa Pte. Ltd.	Investment holding	Singapore	**100**	100
(1) Banyan Tree Gallery (Singapore) Pte Ltd	Sale of merchandise	Singapore	**93.00**	93.00
(8) Banyan Tree Dunhuang (S) Pte. Ltd.	Investment holding	Singapore	**100**	100
(8) (21) Global Investments Pte. Ltd.	Investment holding	Singapore	–	100
(8) (22) Banyan Tree Indochina Pte. Ltd.	Business Management and consultancy services	Singapore	–	100
(1) Architrave Design & Planning Services Pte. Ltd.	Provision of design, planning and consultancy services for hotels, resorts and spas	Singapore	**100**	100
(1) GPS Development Services Pte. Ltd.	Provision of purchasing and project services for hotels, resorts and spas	Singapore	**100**	100
(1) Banyan Tree Marketing Group Pte. Ltd.	Provision of marketing services	Singapore	**100**	100
(1) BT Development Singapore Pte. Ltd.	Investment holding	Singapore	**100**	100
(8) Banyan Tree Management (S) Pte. Ltd.	Hotel management	Singapore	**100**	100
(1) Banyan Tree Spas Pte. Ltd.	Operation of spas	Singapore	**100**	100
(1) Banyan Tree Businesses Pte. Ltd.	Investment holding	Singapore	**100**	100
(1) (18) Lindere Villas Pte. Ltd.	Investment holding	Singapore	**100**	–
(2) Banyan Tree Mkg (HK) Limited	Provision of marketing services	Hong Kong	**100**	100
(2) *** Laguna Resorts & Hotels Public Company Limited	Hotel and Property development business	Thailand	**86.28***	–
(2) Banyan Tree Resorts & Spas (Thailand) Company Limited	Provision of spa services	Thailand	**100**	100
(2) Banyan Tree Hotels & Resorts (Thailand) Limited	Provision of hotel management services	Thailand	**100**	100
(2) TWR - Holdings Limited	Investment holding and property development	Thailand	**86.28**	86.28
(2) Laguna Holiday Club Limited	Holiday club membership and property development	Thailand	**86.28**	86.28
(16) Laguna (3) Limited	Owns land on which a hotel is situated	Thailand	**86.28**	86.28
(2) Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	**93.00**	93.00
(16) Pai Samart Development Company Limited	Holds land plots for future development	Thailand	**86.28**	86.28

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of Incorporation	Effective equity held by the Group	
				2019 %	2018 %
	(ii) Held through subsidiaries (cont'd)				
(16)	Mae Chan Property Company Limited	Holds land plots for future development	Thailand	**86.28**	86.28
(2)	Phuket Grande Resort Limited (formerly known as Phuket Resort Development Limited)	Property development and hotel operations	Thailand	**86.28**	86.28
(2)	Laguna Grande Limited	Operation of golf club and property development	Thailand	**86.28**	86.28
(2)	Laguna Banyan Tree Limited	Hotel operations, property development, sales and marketing service for holiday club membership	Thailand	**86.28**	86.28
(16) (10)	Talang Development Company Limited	Property development	Thailand	**43.14**	43.14
(2)	Twin Waters Limited (formerly known as Twin Waters Development Company Limited)	Property development	Thailand	**86.28**	86.28
(16)	Bangtao (1) Limited	Owns land on which the golf course is situated	Thailand	**86.28**	86.28
(16)	Bangtao (2) Limited	Owns land on which the golf course is situated	Thailand	**86.28**	86.28
(16)	Bangtao (3) Limited	Property development	Thailand	**86.28**	86.28
(16)	Bangtao (4) Limited	Owns land on which the golf course is situated	Thailand	**86.28**	86.28
(2)	Bangtao Laguna Limited (formerly known as Bangtao Development Limited).	Owns land on which a hotel is situated and Property development	Thailand	**86.28**	86.28
(2)	Bangtao Grande Limited	Hotel operations and property development	Thailand	**86.28**	86.28
(2) (10)	Laguna Service Company Limited	Provision of utilities and other services to hotels owned by the subsidiaries	Thailand	**62.90**	62.90
(2)	Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	**86.28**	86.28
(2)	Thai Wah Tower Company Limited	Lease of office building space	Thailand	**86.28**	86.28
(2)	Thai Wah Tower (2) Company Limited	Owns land on which a hotel is situated	Thailand	**86.28**	86.28
(2) (10)	Laguna Excursions Limited	Travel operations	Thailand	**42.28**	42.28
(2)	Laguna Lakes Limited	Property development	Thailand	**81.97**	81.97
(2)	Laguna Village Limited	Dormant company	Thailand	**86.28**	86.28
(5)	Zhongdian Jiantang Hotel Limited	Hotel services	China	**80**	80

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of Incorporation	Effective equity held by the Group	
				2019 %	2018 %
	(ii) Held through subsidiaries (cont'd)				
(9) (14)	Dunhuang Banyan Tree Hotel Company Limited	Develop, own and operate hotels and resorts in China	China	**100**	100
(9)	Tianjin Banyan Tree Capital Investment Management Co., Ltd.	Investment management and related consulting services	China	**100**	100
(9) (17) ** ****	Rong Yuan (Shanghai) Business Management Co., Ltd.	Provision of marketing and management consulting services	China	**100**	–
(5)	BT Development No. 1 Pty Ltd	Development of residential property	Australia	**100**	100
(2)	Banyan Tree Resorts Limited	Provision of resort management services	Hong Kong	**100**	100
(2)	Banyan Tree Spa (HK) Limited	Provision of spa management services	Hong Kong	**100**	100
(4)	Cheer Golden Limited	Investment holding	Hong Kong	**86.28**	86.28
(2)	Triumph International Holdings Limited	Investment holding	Hong Kong	**80**	80
(2)	Northpoint Investments Limited	Investment holding	Hong Kong	**100**	100
(2)	Banyan Tree Investment Holdings (HK) Limited	Investment holding	Hong Kong	**100**	100
(2)	Vabbinvest Maldives Pvt Ltd	Operation of holiday resorts	Maldives	**100**	100
(11)	Banyan Tree Hotels & Resorts Korea Limited	Provision of hotel management services	Korea	**100**	100
(8)	Banyan Tree Indochina (GP) Company Limited	Manage and operate the Banyan Tree Indochina Hospitality Fund, L.P.	Cayman Islands	**100**	100
(11)	Jayanne International Limited	Investment holding	British Virgin Islands	**100**	100
(11)	Club Management Limited	Provision of resort and hotel management and operation services and ancillary services related to the hospitality industry	British Virgin Islands	**100**	100
(18)	Lindere Villas Limited	Investment holding	British Virgin Islands	–	100
(15)	PT. AVC Indonesia	Holiday club membership and golf club operations	Indonesia	**86.28**	86.28
(2)	PT. Management Banyan Tree Resorts & Spas	Provision of consultation and management services of the international hotels marketing	Indonesia	**100**	100
(2)	PT. Banyan Tree Management	Provision of hotel management services	Indonesia	**100**	100
(2)	PT Cassia Resorts Investments	Hotel operations and property development	Indonesia	**100**	100
(5)	PT Leisure Development Bintan	Hotel operations and property development	Indonesia	**100**	**100**

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of Incorporation	Effective equity held by the Group	
				2019 %	2018 %
	(ii) Held through subsidiaries (cont'd)				
(2)	Banyan Tree MX S.A. De C.V.	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	**100**	100
(5)	Banyan Tree Servicios S.A. De C.V.	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	**100**	100
(11) (20)	Banyan Tree Guam Limited	Business office operation service and operation of spa facilities	Guam	–	100
(2)	Banyan Tree Spas Sdn. Bhd.	Operation of spas	Malaysia	**100**	100
(11)	Banyan Tree Japan Yugen Kaisha	Operation of spas	Japan	**100**	100
(2)	Banyan Tree (Private) Limited	Operation of spas	Sri Lanka	**100**	100
(6)	Heritage Spas South Africa (Pty) Ltd	Operation and investment in resorts, spas and retail outlets	South Africa	**100**	100
(2) (19)	Heritage Spas Dubai LLC	Operation of spas	Dubai	–	100
(2)	Maldives Angsana Pvt Ltd	Operation of holiday resorts	Maldives	**100**	100
(5)	Keelbay Pty Ltd	Development of residential property	Australia	**100**	100
(7)	Banyan Tree Mkg (UK) Ltd	Provision of marketing services	United Kingdom	**100**	100
(2)	BT Investments Holdings Phils. Inc.	Investment holding	Philippines	**97.85**	97.85
(2)	Banyan Tree Hotels (Cyprus) Ltd	Provision of management consultancy and hotel design services	Cyprus	**100**	100
(13)	Green Transportation SARL AU	Provision of tourist transportation activities	Morocco	**100**	100

17. Subsidiaries (cont'd)

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global in the respective countries.

(3) Audited by Tudor V.P. & Co.

(4) Audited by RSM Nelson Wheeler.

(5) Not required to be audited as the company is exempted from audit.

(6) Audited by Mazars.

(7) Audited by MHA MacIntyre Hudson.

(8) Audited by A Garanzia LLP.

(9) Audited by Ruihua Certified Public Accountant.

(10) These companies are subsidiaries of LRH which in turn are subsidiaries of the Group. Management of the Group is of the view that these companies should be consolidated as subsidiaries in the consolidated financial statements as the Group has control over them through LRH.

(11) Not required to be audited under the laws of country of incorporation.

(12) Audited by Tibet Zhongrong Certified Public Accountant in 2018.

(13) Not required to be audited as the company has not commenced operation as at 31 December 2019.

(14) Audited by Dunhuang Fang Zheng Certified Public Accountant in 2018.

(15) Audited by RSM AAJ Associates.

(16) Audited by SD Audit and Consultancy Limited.

(17) Incorporated/Acquired during the year.

(18) Re-domiciled from British Virgin Islands to Singapore with effect from 1 October 2019.

(19) Liquidation with effect from 10 February 2019.

(20) Dissolved with effect from 30 June 2019.

(21) Struck off with effect from 7 March 2019.

(22) Struck off with effect from 12 December 2019.

(23) Effective interest held by the company is 89.31%. Including all the effective interest held by the subsidiaries, the Group effective interest is 98.53%.

* Investment transferred from being held by the holding company to be held by various subsidiaries during the year.

** Cost of investment is less than $1,000.

*** As at 31 December 2019, 0.01% (2018: 13.16%) of the issued and paid up capital of Laguna Resorts & Hotels Public Company Limited ("LRH") is held by Thai Trust Fund Management Company Limited ("TTFMC") and Thai NVDR Company Limited (a subsidiary wholly-owned by the Stock Exchange of Thailand issuing "Non-Voting Depository Receipt" ("TNVDR"). Pursuant to the provisions of their prospectus, TTFMC and TNVDR will not attend nor vote in any shareholders' meeting of LRH other than delisting.

Of the effective equity held by the Group of 86.28% (2018: 86.28%) in LRH, Nil % (2018: 10.90%) is held in trust by TTFMC. Taking into account of the issued and paid up capital of LRH held by TTFMC and TNVDR, the voting rights held by the Group in the subsidiary amount to 86.29% (2018: 86.81%) and the voting rights held by the non-controlling interest in the subsidiary amount to 13.71% (2018: 13.19%).

Of the effective equity held by the non-controlling interest of 13.72% (2018: 13.72%) in LRH, Nil % (2018: 1.60%) and 0.01% (2018: 0.66%) is held by TTFMC and TNVDR respectively. Taking into account of the issued and paid up capital of LRH held by TTFMC and TNVDR, the voting rights held by the non-controlling interest in the subsidiary amount to 13.71% (2018: 13.19%).

Due to the internal restructuring, LRH's shares have been disposed by the Company to be held directly through the Group's subsidiaries instead of through TTFMC and TNVDR. This has resulted in the drop in the percentage of shareholdings by TTFMC and TNVDR.

**** Incorporated during the year as a wholly owned subsidiary of the Group with registered capital of USD100,000. As of 31 December 2019, the Group has not paid for the registered capital.

17. Subsidiaries (cont'd)

Interest in subsidiary with material non-controlling interest (NCI)

The Group has the following subsidiary that has NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid to NCI $'000
31 December 2019:					
Laguna Resorts & Hotels Public Company Limited	Thailand	**13.72%**	**1,894**	**73,536**	**12,498**
31 December 2018					
Laguna Resorts & Hotels Public Company Limited	Thailand	13.72%	943	73,977	363

Summarised financial information about subsidiary with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

Summarised balance sheet

	Laguna Resorts & Hotels Public Company Limited	
	2019 $'000	**2018** $'000
Current		
Assets	**266,457**	228,839
Liabilities	**(200,218)**	(138,210)
Net current assets	**66,239**	90,629
Non-current		
Assets	**812,823**	666,572
Liabilities	**(326,446)**	(219,197)
Net non-current assets	**486,377**	447,375
Net assets	**552,616**	538,004

17. Subsidiaries (cont'd)

Summarised financial information about subsidiary with material NCI (cont'd)

Summarised statement of comprehensive income

	Laguna Resorts & Hotels Public Company Limited	
	2019 $'000	2018 $'000
Revenue	**269,267**	227,920
Profit before taxation	**23,769**	7,606
Income tax expense	**(8,512)**	(5,339)
Profit after taxation	**15,257**	2,267
Other comprehensive income	**(370)**	(3)
Total comprehensive income	**14,887**	2,264
Other summarised information		
Net cash flows generated from/(used in) operations	**2,405**	(17,037)
Acquisition of significant property, plant and equipment	**(41,445)**	(24,446)

18. Joint ventures

On 20 November 2018, the Group entered into a sale agreement to dispose 18.6% of its shareholding in BTAC to Vanke. Following the disposal, the Group no longer has a significant influence in BTAC. As a result, the Group's retained 4.2% interest in BTAC and the redeemable convertible preference shares ("RCPS") has been reclassified from cost of investment in associates to long-term investments.

Summarised below are the effects of the disposal:

	Group
	2018 $'000
Cash consideration	78,607
Net cash inflow on disposal of joint venture	78,607
Gain on disposal:	
Cash consideration	78,607
Cash contribution for acquisition of China Fund	(18,800)
Proportional capitalisation of investment in China Fund	61,849
Carrying value of the investment derecognised	(92,792)
Additional expenses for disposal of joint venture	(3,709)
Gain on disposal (Note 4)	25,155

19. Associates

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Quoted and unquoted equity shares, at cost	**114,193**	110,349	**869**	869
Share of post-acquisition reserves, net of dividend received	**10,255**	10,997	–	–
Impairment loss	**(679)**	(679)	–	–
Net exchange differences	**(3,535)**	(1,660)	–	–
	120,234	119,007	**869**	869
Long-term amount due from associates – non-trade	**41,002**	42,072	**2,619**	5,268
	161,236	161,079	**3,488**	6,137
Fair value of investment in an associate for which there is a published price quotation	**16,618**	30,798	–	–

Included within quoted and unquoted equity shares, at cost is an aggregate amount of $17,831,000 (2018: $17,831,000) of RCPS which can be offset against the amounts due to associates.

The Group has pledged 10 million ordinary shares of Thai Wah Public Company Limited with a bank to secure a long-term loan of the Group as at 31 December 2019 and 31 December 2018.

As disclosed in 2018, the Group recognised amounts due from associates of $60,977,000 which were repayable on demand as at 31 December 2017. In the financial year 2018, these amounts were renegotiated to be repayable in interest free instalments from the operating cash flow of these entities over future periods. As per SFRS (I) 9, the modification of these terms has triggered the de-recognition of the existing instrument and recognition of a new instrument. This instrument has been measured at fair value upon initial recognition according to the following inputs:

Market interest rate	5.33%
Previous carrying value	$60,977,000
New instrument carrying value at fair value upon initial recognition	$42,072,000
Modification loss (recorded within finance costs in 2018) (Note 9)	$18,905,000

Accordingly, the associates have recognised a gain on the modification of terms of the previous instrument, and the Group has correspondingly recognised their share of 40% of the gain ($7,562,000 of modification gain has been recognised within the share of results of the associates in 2018).

Subsequent to the modification loss, as at 31 December 2019, the Group has performed an assessment on the cash flow repayment projection on the amounts due from associates of $41,002,000 (2018: $42,072,000), and $3,033,000 interest accretion has been recognised for the financial year ended 31 December 2019.

Significant foreign currency denominated balances

	Group	
	2019 $'000	2018 $'000
US Dollars	**664**	900

19. Associates (cont'd)

The details of the material associates at the end of the financial year are as follows:

Name of associate	Principal activities	Place of Incorporation	Effective equity held by the Group	
			2019 %	2018 %
Held through subsidiaries				
[2] [3] Thai Wah Public Company Limited	Manufacture and distribution of vermicelli, tapioca starch and other food products	Thailand	**8.65**	8.65
[1] [3] Banyan Tree Indochina Hospitality Fund, L.P.	Business of a real estate development fund, focused on the hospitality sector in Vietnam	Cayman Islands	**17.02**	17.02

[1] Audited by Ernst & Young LLP, Singapore.

[2] Audited by member firms of Ernst & Young Global in the respective countries.

[3] The results of these associates were equity accounted for in the consolidated financial statements notwithstanding that the Group holds less than 20% of the voting power in these companies. The Group is deemed to exercise significant influence by virtue of its representation on the board/ governing committees of these entities. The Group's direct interest in these associates differ from the corresponding effective interest as these associates are held by subsidiaries with non-controlling interests.

The summarised financial information in respect of Thai Wah Public Company Limited and Indochina fund and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Thai Wah Public Company Limited		Banyan Tree Indochina Hospitality Fund, L.P.	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Assets and liabilities:				
Current assets	**145,927**	132,629	**59**	51
Non-current assets	**208,158**	164,419	**303,802**	298,149
Current liabilities	**(44,408)**	(33,351)	**(1,652)**	(1,867)
Non-current liabilities	**(71,385)**	(17,319)	–	–
Non-controlling interests	**(12,355)**	(23,600)	–	–
Net assets	**225,937**	222,778	**302,209**	296,333
Proportion of the Group's ownership	**10.03%**	10.03%	**17.80%**	17.80%
Group's share of net assets	**22,662**	22,345	**53,793**	52,747
Goodwill on acquisition	**4,425**	4,130	–	–
Difference between fair value and cost of identifiable assets and liabilities	**7,076**	6,861	–	–
Other adjustments	–	–	–	(5)
Carrying amount of the investment	**34,163**	33,336	**53,793**	52,742

The Group has not recognised its share of losses and deficit in the currency translation reserve relating to one of its associates, Tropical Resorts Limited where its share of deficit in equity has exceeded the Group's interest in this associate. At the end of the reporting period, the Group's cumulative share of unrecognised losses and currency translation deficit were $10,270,000 (2018: $10,467,000) and $227,000 (2018: currency translation surplus $1,342,000) respectively. The Group's share of the current year's unrecognised profit was $197,000 (2018: losses of $1,951,000).

The Group has no obligation in respect of these losses.

19. Associates (cont'd)

Aggregate information about the Group's investments in associates that are not individually material, not adjusted for the proportion of ownership interests held by the Group, are as follows:

	Group	
	2019 $'000	2018 $'000
Assets and liabilities*:		
Current assets	**97,931**	97,811
Non-current assets	**159,032**	170,437
Total assets	**256,963**	268,248
Current liabilities	**(168,760)**	(179,621)
Non-current liabilities	**(117,536)**	(92,800)
Total liabilities	**(286,296)**	(272,421)
Results:		
Revenue	**51,205**	52,825
Loss for the financial year	**(100)**	(25,319)
Other comprehensive (loss)/income	**(1,570)**	1,691
Total comprehensive loss	**(1,670)**	(23,628)

* Included in assets and liabilities and total comprehensive income of associates is Tropical Resorts Limited's net liabilities position of $90,481,000 as at 31 December 2019 (2018: $80,507,000) and total comprehensive loss of $2,803,000 (2018: $27,148,000).

20. Long-term investments

	Group	
	2019 $'000	2018 $'000
At fair value through other comprehensive income		
Equity securities (quoted)	**2**	2
Equity securities (unquoted)	**100,695**	102,000
	100,697	102,002

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of each of the investments in equity instruments designated at FVOCI at the end of the reporting period is as follows:

	Group	
	2019 $'000	2018 $'000
At fair value through other comprehensive income		
- Equity securities (quoted)		
Others	**2**	2
- Equity securities (unquoted)		
Mayakoba Thai S.A. De C.V. ("Mayakoba")	**10,521**	10,521
La Punta Resorts S.A. De C.V. ("La Punta")	**1,720**	4,254
BTAC	**88,454**	87,225
	100,697	102,002

20. Long-term investments (cont'd)

Included within BTAC, at fair value is an aggregate amount of $72,149,000 of redeemable convertible preference shares ("RCPS") which can be offset against amounts due to BTAC. This investment in BTAC has been reclassified from investment in joint venture. As at 31 December 2019, an amount of $11,854,000 (2018: $11,854,000) of capital injection commitment is outstanding from the majority shareholder of BTAC.

The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

As at 31 December 2019, the Group has carried out an assessment on the fair value of the investment in Mayakoba and La Punta using the discount rate and growth rate of 10.4% and 5.0% (2018: 13.3% and 5%) respectively, and a fair value loss of $2,534,000 (2018: $2,069,000) for La Punta had been recognised in fair value adjustment reserve through other comprehensive income.

On 30 December 2019, a subsidiary of the Group ("BTCN") entered into an agreement with Tritonia Company Limited ("TCL") and BTAC to convert a portion of the outstanding debt owing by BTAC to BTCN into ordinary shares ("Capitalisation Agreement"). A total amount of S$4,635,000 owing by BTAC to BTCN was converted into 21 ordinary shares owned by BTCN in BTAC representing 1% ownership interest in BTAC effectively on 31 December 2019.

As a result of the Capitalisation Agreement, the Group recorded a fair value loss of S$679,000 in profit and loss as a result of the de-recognition of the financial liability on 30 December 2019. As at 31 December 2019, the Group has carried out an assessment on the fair value of investment in BTAC (5.2% ownership interest in BTAC as at 31 December 2019) and recorded a fair value loss of $2,767,000 in fair value reserve through other comprehensive income.

21. Prepaid island rental

	Group	
	2019 $'000	2018 $'000
At 1 January	**22,034**	22,478
Net exchange differences	**(327)**	420
Payment of island rental during the financial year	**-**	1,302
	21,707	24,200
Less: Amortisation of prepaid island rental during the financial year	**(691)**	(2,166)
Less: Amount reclassified to lease liabilities (Note 2.2)	**(1,207)**	–
At 31 December	**19,809**	22,034
Amount chargeable within 1 year (Note 26)	**789**	2,005
Amount chargeable after 1 year	**19,020**	20,029
	19,809	22,034

The above amounts were paid to the owners of the Vabbinfaru Island and Ihuru Island as finance lease component of the lease arrangements.

At the end of the reporting period, the lease periods are as follows:

Island	Lease period 2019	Lease period 2018
Maldives		
Vabbinfaru Island	1 May 1993 - 9 Apr 2045	1 May 1993 - 9 Apr 2045
Ihuru Island *	16 Oct 2000 - 15 Oct 2044	16 Oct 2000 - 15 Oct 2044

* The prepaid island rental has been reclassified to lease liabilities under SFRS (I) 16 leases.

22. Long-term receivables

	Group	
	2019 $'000	**2018** $'000
Loans and receivables		
- trade (property sales) (i)	**49,943**	29,586
- trade (non-property sales) (ii) (iii)	**18,343**	26,855
Long-term receivables (current and non-current)	**68,286**	56,441
Long-term receivables are repayable as follows:		
Within 12 months		
- trade (property sales) (i)	**14,063**	8,477
- trade (non-property sales) (ii) (iii)	**4,909**	4,834
Less: Expected credit losses (non-property sales)	**(974)**	–
Long-term receivables (current) (Note 27)	**17,998**	13,311
Between 2 to 5 years		
- trade (property sales) (i)	**35,880**	21,109
- trade (non-property sales) (ii) (iii)	**16,898**	21,797
Less: Expected credit losses (non-property sales)	**(3,186)**	(548)
After 5 years		
- trade (non-property sales) (ii) (iii)	**696**	772
Long-term receivables (non-current)	**50,288**	43,130

22. Long-term receivables (cont'd)

Long-term receivables consist of:

(i) Trade receivables from property sales bear interest at rates ranging from 3% to 7%, Minimum Lending Rate ("MLR") plus 0.5% per annum (2018: 3% to 7%, MLR plus 0.5% per annum) and are repayable over an instalment period of 3 to 10 years (2018: 3 to 10 years).

(ii) The Group has purchased certain properties on behalf of a third party who is in the business of selling club memberships. A subsidiary of the Group acts as the manager of these properties on behalf of the third party. As at 31 December 2019, the trade receivables (non-property sales) due from the third party are $1,323,000 (current) (2018: $1,248,000) and $6,147,000 (non-current) (2018: $7,228,000). Included in this amount due from the third party, $6,865,000 (2018: $7,827,000) bears an interest rate of 6% per annum (2018: 6%), is unsecured and repayable over 13.5 to 15 years, commencing from 2008. The remaining amount due from the third party is interest-free, unsecured and are not expected to be repaid within the next 12 months.

(iii) Included in the Trade (non-property sales) is a net amount of $2,688,000 (current) (2018: $3,586,000) and $8,063,000 (non-current) (2018: $14,344,000) which bear interest rate of 5.33%, and the non-current portion is repayable over a period of 2 years.

Significant foreign currency denominated balances

	Group	
	2019 $'000	**2018** $'000
US Dollars	**1,308**	918

Expected credit losses

The movement in allowance for expected credit losses of long-term receivables (current and non-current) is as follows:

	Group	
	2019 $'000	**2018** $'000
Movement in allowance accounts:		
At 1 January	**548**	538
Charge for the financial year (Note 10)	**3,618**	–
Exchange differences	**(6)**	10
At 31 December	**4,160**	548

Receivables subject to offsetting arrangements

During the period ended 31 December 2019 and 31 December 2018, none of the Group's trade receivables and trade payables are subject to offsetting arrangements.

23. Other receivables – non-current

	Group	
	2019 $'000	**2018** $'000
Loans and receivables		
Deposits	**5,599**	1,375
	5,599	1,375

Included in the deposits is an amount of $1,704,000 of long-term restricted deposit pledged with a financial institution as security for bank guarantee and short-term facilities of a subsidiary.

24. Property development costs

	Group	
	2019 $'000	**2018** $'000
Properties under development		
Cost incurred to date	**224,796**	224,885
Less: Write-down to realisable value	**(4,276)**	(3,991)
	220,520	220,894
Properties held for sale	**97,667**	59,083
	318,187	279,977
Amounts expected to be recovered:		
No more than 12 months	**78,112**	54,549
More than 12 months	**240,075**	225,428
	318,187	279,977

During the financial year, borrowing costs of $1,639,000 (2018: $1,420,000) arising from borrowings obtained specifically for the development property were capitalised under properties under development. The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.7% to 4.9% (2018: 4.8%), which is the effective interest rate of the specific borrowing.

24. Property development costs (cont'd)

Details of the properties as at 31 December 2019 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 Phuket Double Pool Villas	Phuket, Thailand	100	Held for sale	1,353	Completed	86.28
Cassia Phuket Phase 1	Phuket, Thailand	100	Held for sale	2,371	Completed	86.28
Cassia Phuket Phase 2	Phuket, Thailand	100	Held for sale	2,110	Completed	86.28
Cassia Phuket Phase 3	Phuket, Thailand	100	Held for sale	1,188	Completed	86.28
Laguna Park 2 Townhouse and Villas	Phuket, Thailand	57	Under construction	17,023	August 2021	86.28
Laguna Village Residences	Phuket, Thailand	37	Under construction	10,736	December 2024	86.28
Banyan Tree Grand Residence Phase 1	Phuket, Thailand	26	Under construction	14,424	December 2024	86.28
Angsana Beach Front	Phuket, Thailand	27	Under construction	15,039	June 2021	86.28
Angsana Oceanview Residences	Phuket, Thailand	16	Under construction	7,367	September 2020	86.28
Dhawa apartments	Phuket, Thailand	27	Under construction	5,217	July 2020	86.28
Banyan Tree Residences, Brisbane	Brisbane, Australia	–	Under construction	27,375	–	100
Northpoint, Australia	Northpoint, Australia	–	Under construction	4,424	–	100
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	6,080	Completed	100
Cassia Bintan Phase 1	Bintan, Indonesia	100	Held for sale	475	Completed	100
Cassia Bintan Phase 2	Bintan, Indonesia	100	Held for sale	3,997	Completed	100
Cassia Bintan Phase 3	Bintan, Indonesia	100	Held for sale	4,258	Completed	100

24. Property development costs (cont'd)

Details of the properties as at 31 December 2018 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** %
Laguna Park Townhouse and Villas	Phuket, Thailand	100	Held for sale	3,005	Completed	86.28
Banyan Tree Phuket Double Pool Villas	Phuket, Thailand	100	Held for sale	1,353	Completed	86.28
Laguna Village Lofts	Phuket, Thailand	100	Held for sale	2,448	Completed	86.28
Cassia Phuket Phase 1	Phuket, Thailand	100	Held for sale	2,371	Completed	86.28
Cassia Phuket Phase 2	Phuket, Thailand	100	Held for sale	2,216	Completed	86.28
Cassia Phuket Phase 3	Phuket, Thailand	21	Under construction	14,387	October 2019	86.28
Laguna Park 2 Townhouse and Villas	Phuket, Thailand	–	Under construction	8,070	December 2019	86.28
Laguna Village Residences	Phuket, Thailand	–	Under construction	10,736	December 2019	86.28
Banyan Tree Grand Residence Phase 1	Phuket, Thailand	34	Under construction	12,954	December 2024	86.28
Angsana Beach Front	Phuket, Thailand	–	Under construction	15,039	December 2020	86.28
Angsana Oceanview Residences	Phuket, Thailand	–	Under construction	7,367	December 2020	86.28
Banyan Tree Residences, Brisbane	Brisbane, Australia	–	Under construction	27,375	March 2022	100
Northpoint, Australia	Northpoint, Australia	–	Under construction	4,424	–	100
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	6,080	Completed	100
Cassia Bintan Phase 1	Bintan, Indonesia	100	Held for sale	745	Completed	100
Cassia Bintan Phase 2	Bintan, Indonesia	100	Held for sale	3,997	Completed	100
Cassia Bintan Phase 3	Bintan, Indonesia	100	Held for sale	4,258	Completed	100

25. Inventories

	Group	
	2019 $'000	**2018** $'000
Balance sheet:		
Food and beverage, at cost	**1,545**	1,560
Trading goods and supplies, at cost	**2,769**	2,835
Materials, at cost	**1,653**	1,834
	5,967	6,229
Income statement inclusive of the following charge:		
- Inventories recognised as an expense in cost of sales	**23,970**	25,056
- Inventories written down (Note 7)	**46**	92

26. Prepayments and other non-financial assets - current

	Group		Company	
	2019 $'000	**2018** $'000	**2019** $'000	**2018** $'000
Prepayments	**5,730**	4,480	**241**	283
Prepaid island rental – current portion (Note 21)	**789**	2,005	–	–
Advances to suppliers	**2,391**	6,836	–	–
Goods and services tax/value-added tax receivable	**3,004**	3,585	–	–
Deposit for purchase of land	**3,333**	–	–	–
Others	**2,608**	2,724	**10**	8
	17,855	19,630	**251**	291

27. Trade receivables

	Group	
	2019 $'000	**2018** $'000
Loans and receivables		
Trade receivables	**24,867**	28,287
Less: Expected credit losses	**(2,560)**	(3,541)
	22,307	24,746
Current portion of long-term trade receivables (Note 22)	**18,972**	13,311
Less: Expected credit losses (Note 22)	**(974)**	–
	17,998	13,311
	40,305	38,057

Other than the current portion of long-term trade receivables (Note 22), 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.

Significant foreign currency denominated balances

	Group	
	2019 $'000	**2018** $'000
US Dollars	**3,350**	3,777

Expected credit losses

The movement in allowance for expected credit losses of trade receivables is as follows:

	Group	
	2019 $'000	**2018** $'000
Movement in allowance accounts:		
At 1 January	**3,541**	6,351
Charge for the financial year (Note 10)	**165**	–
Write-back of allowance for the financial year (Note 10)	–	(2,290)
Write-off for the financial year	**(1,058)**	(535)
Exchange differences	**(88)**	15
At 31 December	**2,560**	3,541

Receivables subject to offsetting arrangements

The Group regularly provides spa treatment services to in-house guests of Vineyard Hotel & Spa. The Group will be regularly charged by Vineyard Hotel & Spa for rental, utilities and other miscellaneous expenses incurred on behalf of the Group. Both parties have an arrangement to settle the net amount due to or from each other on a 30 days' term basis.

27. Trade receivables (cont'd)

The Group's trade receivables and trade payables that are offset are as follows:

	2019 $'000		
	Gross carrying amounts	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Description			
Trade receivables	**43**	**(43)**	–
Trade payables	**60**	**(43)**	**17**

	2018 $'000		
	Gross carrying amounts	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Description			
Trade receivables	113	(113)	–
Trade payables	114	(113)	1

28. Other receivables - current

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Loans and receivables				
Deposits	**324**	1,141	**3**	75
Interest receivable	**67**	336	**65**	220
Staff advances	**94**	159	–	–
Insurance recoverable	**18**	60	–	–
Deferred cash receivable	**1,302**	6,985	**1,302**	6,985
Other recoverable expenses	**3,993**	489	**545**	12
Other receivables	**10,449**	9,813	–	–
	16,247	18,983	**1,915**	7,292

According to the sales and purchase agreement for the disposal of the Group's interest in Seychelles Group, part of the total sales consideration is deferred and recorded as deferred cash receivable.

Significant foreign currency denominated balances

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
RMB	**6,562**	6,766	–	–

29. Amounts due from/(to) subsidiaries

	Company	
	2019 $'000	2018 $'000
Loans and receivables		
Amounts due from subsidiaries		
- non-trade	**186,303**	200,138
Less: Expected credit losses	**(3,836)**	(3,856)
	182,467	196,282
Financial liabilities at amortised cost		
Amounts due to subsidiaries (Current)		
- non-trade	**(20,522)**	(68,576)
Movement in allowance accounts		
At 1 January	**3,856**	3,856
Write-back of allowance for the financial year	**(20)**	–
At 31 December	**3,836**	3,856

Included in the amounts due from subsidiaries are unsecured loans of $30,250,000 (2018: $30,850,000), bearing interest at a rate of 3.95% and 4.24% (2018: 3.90% and 5.35%) and repayable on demand. Except for this loan, the amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

30. Amounts due from/(to) associates

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Loans and receivables				
Amounts due from associates				
- trade	**4,643**	2,996	–	–
- non-trade	**93**	97	**19**	22
	4,736	3,093	**19**	22
Less: Expected credit losses	**(105)**	(23)	–	–
	4,631	3,070	**19**	22
Financial liabilities at amortised cost				
Amounts due to associates				
- trade	**(39)**	(27)	–	–
- non-trade	**(17,860)**	(17,855)	**(17,831)**	(17,831)
	(17,899)	(17,882)	**(17,831)**	(17,831)

Included in the amounts due to associates are unsecured loans of $17,831,000 (2018: $17,831,000) that are non-interest bearing which can be offset against RCPS. Except for this loan, the amounts due from/(to) associates are unsecured, non-interest bearing and repayable on demand.

30. Amounts due from/(to) associates (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of amounts due from associates is as follows:

	Group	
	2019 $'000	2018 $'000
Movement in allowance accounts:		
At 1 January	**23**	108
Charge for the financial year (Note 10)	**82**	–
Write-back of allowance for the financial year (Note 10)	–	(85)
At 31 December	**105**	23

Significant foreign currency denominated balances

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
US Dollars	**2,757**	2,131	–	–

31. Amounts due from/(to) related parties

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Loans and receivables				
Amounts due from related parties				
- trade	**26,076**	25,982	–	–
- non-trade	**581**	305	–	–
	26,657	26,287	–	–
Less: Expected credit losses	**(1)**	(11)	–	–
	26,656	26,276	–	–
Financial liabilities at amortised cost				
Amounts due to related parties				
- trade	**(381)**	(202)	–	–
- non-trade	**(2,276)**	(2,150)	**(15)**	(12)
	(2,657)	(2,352)	**(15)**	(12)

The amounts due from/(to) related parties are unsecured, non-interest bearing and repayable on demand.

31. Amounts due from/(to) related parties (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of amounts due from related parties is as follows:

	Group	
	2019 $'000	2018 $'000
Movement in allowance accounts:		
At 1 January	**11**	5
Charge for the financial year (Note 10)	**79**	6
Write-off for the financial year	**(90)**	–
Exchange differences	**1**	–
At 31 December	**1**	11

Significant foreign currency denominated balances

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
US Dollars	**17,867**	14,243	**(12)**	(12)

32. Cash and short-term deposits

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Loans and receivables				
Cash on hand and at bank	**57,476**	52,507	**14,799**	9,004
Short-term deposits, unsecured	**73,326**	153,674	**73,325**	153,083
	130,802	206,181	**88,124**	162,087

Significant foreign currency denominated balances

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
US Dollars	**13,108**	11,072	**7,919**	4,075

Cash at bank earns interest at floating rates based on daily bank deposit rates.

32. Cash and short-term deposits (cont'd)

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The range of interest rates for the year ended 31 December 2019 for the Group and the Company were 1.40% to 2.15% (2018: 0.38% to 2.26%) and 1.60% to 2.15% (2018: 0.86% to 2.26%) respectively.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2019 $'000	2018 $'000
Cash and short-term deposits	**130,802**	206,181
Cash and cash equivalents	**130,802**	206,181

33. Other non-financial liabilities - current

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Goods and services tax/ value-added tax payable	**7,086**	6,997	**463**	394
Others	**8,507**	6,505	**269**	485
	15,593	13,502	**732**	879

34. Interest-bearing loans and borrowings

		Group		Company	
	Maturity	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Financial liabilities at amortised cost					
Current liabilities					
Secured bank loans	2020	**126,026**	75,236	**30,600**	23,600
Unsecured bank loans	2020	**51,940**	15,250	**33,000**	–
		177,966	90,486	**63,600**	23,600
Non-current liabilities					
Secured bank loans	2021–2027	**269,600**	197,630	**46,033**	18,633
Unsecured bank loans	2022	**12,060**	33,000	**–**	30,000
		281,660	230,630	**46,033**	48,633
Total		**459,626**	321,116	**109,633**	72,233

34. Interest-bearing loans and borrowings (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes					
	2018 $'000	**Cash flows** $'000	**Accretion of interest/ Amortisation of transaction costs** $'000	**Foreign exchange movement** $'000	**Adoption of SFRS(I)16** $'000	**New leases** $'000	**Other*** $'000	**2019** $'000
Interest bearing loans and borrowings - secured								
- Current	75,236	**17,970**	**1,310**	**4,245**	–	–	**27,265**	**126,026**
- Non-current	197,630	**88,291**	–	**10,944**	–	–	**(27,265)**	**269,600**
Interest bearing loans and borrowings - unsecured								
- Current	15,250	**36,690**	–	–	–	–	–	**51,940**
- Non-current	33,000	**(20,940)**	–	–	–	–	–	**12,060**
Notes payable (Note 35)								
- Current	124,690	**(125,000)**	**310**	–	–	–	**99,926**	**99,926**
- Non-current	99,926	–	–	–	–	–	**(99,926)**	–
Leases (Note 37)								
- Current	–	**(2,698)**	**2,290**	**33**	**106**	**508**	**1,189**	**1,428**
- Non-current	–	–	–	**(222)**	**33,390**	**1,463**	**(1,189)**	**33,442**
Total	545,732	**(5,687)**	**3,910**	**15,000**	**33,496**	**1,971**	–	**594,422**

* Other relates to reclassification of non-current portion of loans and borrowings.

34. Interest-bearing loans and borrowings (cont'd)

	2017 $'000	Cash flows $'000	Non-cash changes Accretion of interest/ Amortisation of transaction costs $'000	Non-cash changes Foreign exchange movement $'000	Other* $'000	2018 $'000
Interest bearing loans and borrowings - secured						
- Current	66,871	(25,816)	(1,245)	1,491	33,935	75,236
- Non-current	142,439	86,116	–	3,010	(33,935)	197,630
Interest bearing loans and borrowings - unsecured						
- Current	4,500	5,500	–	–	5,250	15,250
- Non-current	8,250	30,000	–	–	(5,250)	33,000
Notes payable (Note 35)						
- Current	119,270	(120,310)	730	–	125,000	124,690
- Non-current	224,616	310	–	–	(125,000)	99,926
Total	565,946	(24,200)	(515)	4,501	–	545,732

* Other relates to reclassification of non-current portion of loans and borrowings.

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

	Group 2019 $'000	Group 2018 $'000
Freehold land and buildings (Note 13)	462,992	365,240
Investment properties (Note 14)	35,787	28,847
Leasehold buildings (Note 13)	14,611	14,345
Shares in a subsidiary	–	109,246
Property development costs	119,478	33,081
Prepaid island rental	18,562	19,437
Investment in associates	3,867	3,773
Long-term restricted deposit pledged (Note 23)	1,704	-
Other assets	3,092	2,636
	660,093	576,605

The secured bank loans of the Company amounting to $76,633,000 (2018: $42,233,000) are secured by freehold land and buildings, and property development cost of the Group's subsidiaries.

The Group has pledged Nil ordinary shares (2018: 84,176,461) of LRH with a bank to secure a long-term loan of the Group, amounting to $Nil (2018: $54,575,000).

35. Notes payable

Notes payable are unsecured, interest bearing and payable semi-annually.

			Group and Company	
	Interest Rate	**Maturity**	**2019** $'000	**2018** $'000
Fixed rate notes:				
- $125 million	4.875%	3 June 2019	**-**	124,868
- $100 million	4.850%	5 June 2020	**99,926**	99,748
			99,926	224,616

	Group and Company	
	2019 $'000	**2018** $'000
Notes payable are repayable as follows:		
Within 12 months	**99,926**	124,690
Between 2 to 5 years	–	99,926
	99,926	224,616

36. Other payables – current

	Group		Company	
	2019 $'000	**2018** $'000	**2019** $'000	**2018** $'000
Financial liabilities at amortised cost				
Accrued operating expenses	**33,798**	37,102	**5,402**	8,626
Accrued service charges	**2,117**	1,889	–	–
Deposits	**1,711**	6,480	–	–
Loans from an investment	**79,005**	79,006	**60,295**	60,295
Sundry creditors	**3,770**	2,243	**16**	366
	120,401	126,720	**65,713**	69,287

Included in the loans from an investment is an amount of $60,295,000, non-interest bearing, which can be offset against RCPS.

36. Other payables – current (cont'd)

Derivatives

Vanke call and put option

A subsidiary of the Group ("BTCN") entered into a shareholder's agreement ("BTAC Shareholder's Agreement") with TCL, which allows TCL to exercise a call option ("First Call Option") to purchase up to 99% of the Group's interest then held in BTAC on the date falling on and after 6 months after the second completion as defined in BTAC Shareholder's Agreement, and BTCN to exercise a put option ("First Put Option") to dispose up to 99% of the Group's interest then held in BTAC on and from the earlier of (i) BTAC having acquired China Fund Assets* and BTMC having acquired remaining 10% interest in Banyan Tree Hotels Management (Tianjin) Co., Ltd ("CHMC") before 30 September 2018, or (ii) 30 September 2018.

On 20 November 2018, BTCN exercised the First Put Option to dispose 18.6% shares in BTAC to TCL. After exercising the First Put Option, BTCN retained 4.2% interest in BTAC. On the same day, BTCN entered into a supplemental agreement to the shareholders' agreement ("BTAC Supplemental Shareholder's Agreement") with TCL which allows TCL to exercise a call option ("Second Call option") to purchase up to 99% of the Group's interest then held in BTAC and BTCN to exercise a put option ("Second Put Option") to dispose up to 99% of the Group's interest then held in BTAC on the date falling on or after the 8th anniversary of 20 November 2018.

As disclosed in Note 20, on 30 December 2019, BTCN has increased its interest in BTAC to 5.2%, and the Second Put Option remains valid on the revised BTCN's interest in BTAC as at 31 December 2019.

As at 31 December 2019 and 2018, the Group has assessed that the fair value of all Vanke call and put options are immaterial.

* China Fund Assets refer to all projects, equity interests and other assets held by China Fund (other than 10% shareholding interest in CHMC held by China Fund).

37. Leases

The Group has lease contracts for land and buildings used in its operations. Leases of land generally have lease terms between 34 and 44 years and buildings generally have lease terms of 2 to 4 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of office equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Group	
	Land and buildings $'000	**Total** $'000
As at 1 January 2019	20,478	20,478
Additions	679	679
Depreciation charge for the financial year	(1,514)	(1,514)
Exchange difference	(84)	(84)
As at 31 December 2019	19,559	19,559

37. Leases (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group
	2019 $'000
As at 1 January	**33,497**
Additions	**1,972**
Accretion of interest (Note 9)	**2,290**
Payments	**(2,698)**
Exchange difference	**(191)**
As at 31 December	**34,870**
Current	**1,428**
Non-current	**33,442**

The maturity analysis of lease liabilities are disclosed in Note 45.

The following are the amounts recognised in profit or loss:

	Group
	2019 $'000
Depreciation expense of right-of-use assets	**1,514**
Interest expense on lease liabilities (Note 9)	**2,290**
Expense relating to short-term leases (included in Administrative expenses)	**315**
Variable lease payments (included in Other operating expenses and administrative expenses)	**2,778**
Total amount recognised in profit or loss	**6,897**

The Group had total cash outflows for leases of $2,698,000 in 2019 (2018: $1,302,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of $679,000 and $1,972,000 respectively in 2019.

38. Deferred tax

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Deferred tax liabilities:						
Differences in depreciation for tax purposes	**(78)**	(80)	**160**	2	–	–
Revaluation to fair value:						
- Freehold land and buildings	**(77,525)**	(64,517)	**(723)**	(180)	–	–
- Investment properties	**(10,071)**	(7,396)	**2,098**	484	–	–
Temporary differences arising from revenue recognition	**(43,770)**	(36,373)	**4,692**	2,560	–	–
Provisions	**(114)**	(159)	**(63)**	108	–	–
Other items	**(4,522)**	(4,920)	**(732)**	325	–	–
	(136,080)	(113,445)			–	–
Deferred tax assets:						
Differences in depreciation for tax purposes	**1,013**	778	**(181)**	32	–	–
Temporary differences arising from revenue recognition	**17**	16	**–**	(1)	–	–
Provisions	**2,404**	1,829	**(441)**	(436)	–	–
Unutilised tax losses	**6,758**	8,830	**3,288**	96	–	–
Other items	**13,177**	7,498	**(3,077)**	(1,773)	–	–
	23,369	18,951			–	–
Deferred tax expense			**5,021**	1,217		

38. Deferred tax (cont'd)

Unrecognised tax losses

The Group has tax losses of $34,004,000 as at 31 December 2019 (2018: $33,500,000) 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 taxation authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

	Group	
	2019 $'000	**2018** $'000
Year of expiry:		
Within 1 year	**2,836**	2,907
Between 2 to 5 years	**11,645**	11,049
No expiry	**19,523**	19,544
	34,004	33,500

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2018: $Nil) has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries as the Group has determined that the majority of the undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. The tax impact arising from any potential distribution will not be significant to the Group.

Such temporary differences for which no deferred tax liability has been recognised aggregate to $143,235,000 (2018: $145,372,000). The unrecognised deferred tax liability is estimated to be $14,608,000 (2018: $14,682,000).

Tax consequences of proposed dividends

There are no income tax consequences (2018: $Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

39. Defined and other long-term employee benefits

The subsidiaries in Thailand operate two unfunded benefit schemes, Legal Severance Pay ("LSP") and Long Service Award ("LSA") for qualifying employees.

The subsidiaries in Indonesia are required to provide a minimum pension benefit ("MPB") under the Indonesian Labour Law, which represents an underlying defined benefit obligation.

The following tables summarise the components of net benefit expense recognised in profit or loss and amounts recognised in the balance sheets for the plans.

	LSP		LSA		MPB		Total	
Group	**2019** $'000	**2018** $'000	**2019** $'000	**2018** $'000	**2019** $'000	**2018** $'000	**2019** $'000	**2018** $'000
Net benefit expense								
Current service cost	**506**	95	**84**	107	**24**	11	**614**	213
Interest cost on benefit obligation	**27**	25	**25**	23	**–**	–	**52**	48
Net actuarial (gain)/ loss recognised in the year	**–**	–	**(52)**	259	**–**	–	**(52)**	259
Past service cost	**156**	–	**–**	–	**15**	–	**171**	–
Net benefit expense	**689**	120	**57**	389	**39**	11	**785**	520
Net actuarial loss/(gain) recognised in other comprehensive income	**129**	476	**–**	–	**(8)**	(18)	**121**	458

Changes in present value of the LSP, LSA and MPB obligations are as follows:

	LSP		LSA		MPB		Total	
Group	**2019** $'000	**2018** $'000	**2019** $'000	**2018** $'000	**2019** $'000	**2018** $'000	**2019** $'000	**2018** $'000
At 1 January	**2,146**	1,750	**1,142**	1,021	**48**	49	**3,336**	2,820
Interest cost	**27**	25	**25**	23	**–**	–	**52**	48
Current service cost	**506**	95	**84**	107	**24**	11	**614**	213
Benefits paid	**(65)**	(244)	**(197)**	(293)	**–**	–	**(262)**	(537)
Actuarial loss/(gain) on obligation	**129**	476	**(52)**	259	**(8)**	(18)	**69**	717
Past service cost	**156**	–	**–**	–	**15**	–	**171**	–
Exchange differences	**170**	44	**78**	25	**8**	6	**256**	75
At 31 December	**3,069**	2,146	**1,080**	1,142	**87**	48	**4,236**	3,336

39. Defined and other long-term employee benefits (cont'd)

The principal assumptions used in determining the Group's employee benefits are as follows:

	2019	2018
Discount rates	**2.75%**	2.75%
Future salary increases	**3.25%**	3.25%
Gold price (per Baht weight of gold)	**BHT 18,500**	BHT 18,500
Gold inflation	**3.00%**	3.00%
Attrition Rate	Based on LRH Group's withdrawal experiences in prior years	

Amounts for the LSP and LSA obligations for the current and previous two periods are as follows:

Group	2019 $'000	2018 $'000	2017 $'000
LSP and LSA obligations	**4,149**	3,288	2,771
Experience adjustments on the plan liabilities			
Effect of changes in demographic assumptions	–	34	–
Effect of changes in financial assumptions	–	19	–
Effect of experience adjustments	–	950	–

40. Share capital

	Group and Company			
	2019		2018	
	No. of shares	$'000	No. of shares	$'000
Issued and fully paid up				
At 1 January and 31 December	**841,364,980**	**241,520**	841,364,980	241,520

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

41. Treasury shares and reserves

(a) Treasury shares

	Group and Company			
	2019		2018	
	No. of shares	$'000	No. of shares	$'000
At 1 January	**(2,002,600)**	**(1,149)**	(208,000)	(142)
Acquired during the financial year	**–**	**–**	(2,000,000)	(1,147)
Reissued pursuant to Share-based Incentive Plan	**432,600**	**249**	205,400	140
At 31 December	**(1,570,000)**	**(900)**	(2,002,600)	(1,149)

Treasury shares relate 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.

The Company acquired Nil (2018: 2,000,000) shares in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was $Nil (2018: $1,147,000) and this was presented as a component within the shareholders' equity.

As of 31 December 2019, there are 1,570,000 (2018: 2,002,600) treasury shares held by the Company.

The Company reissued 432,600 (2018: 205,400) treasury shares pursuant to Share-based Incentive Plan at a weighted average exercise price of $0.570 (2018: $0.587) per share.

(b) 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, less value of share grants issued to employees and value of share grants that are expired.

(c) Legal reserve

The legal reserve is set up in accordance with 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 in Thailand.

(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 subsidiaries.

41. Treasury shares and reserves (cont'd)

(f) Other reserves

Other reserves include the following:

(i) *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 subsidiaries acquired.

(ii) *Capital reserve*

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

(iii) *Fair value adjustment reserve*

The fair value adjustment reserve records the cumulative fair value changes, net of tax, of equity instruments until they are derecognised.

(iv) *Premium paid on acquisition of non-controlling interests*

Premium paid on acquisition of non-controlling interests represents the effects of changes in interest in subsidiaries when there is no change in control.

(v) *Loss on reissuance of treasury shares*

This represents the 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.

A breakdown of the Group's and Company's other reserves is as follows:

Group	**Merger deficit** $'000	**Capital reserve** $'000	**Fair value adjustment reserve** $'000	**Premium paid on acquisition of non-controlling interests** $'000	**Loss on reissuance of treasury shares** $'000	**Total other reserves** $'000
At 1 January 2019	(18,038)	7,852	(4,676)	44,452	(3,188)	26,402
Other comprehensive income for the financial year	–	–	(5,301)	–	–	(5,301)
Total comprehensive income for the financial year	–	–	(5,301)	–	–	(5,301)
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	–	–	–	–	(1)	(1)
Total transactions with owners in their capacity as owners	–	–	–	–	(1)	(1)
At 31 December 2019	(18,038)	7,852	(9,977)	44,452	(3,189)	21,100

41. Treasury shares and reserves (cont'd)

(f) Other reserves (cont'd)

Group	Merger deficit $'000	Capital reserve $'000	Fair value adjustment reserve $'000	Premium paid on acquisition of non-controlling interests $'000	Loss on reissuance of treasury shares $'000	Total other reserves $'000
At 1 January 2018, as previously reported	(18,038)	7,852	242	(6,296)	(3,169)	(19,409)
Effect of adopting SFRS(I)	–	–	(2,849)	–	–	(2,849)
At 1 January 2018, as restated	(18,038)	7,852	(2,607)	(6,296)	(3,169)	(22,258)
Other comprehensive income for the financial year	–	–	(2,069)	–	–	(2,069)
Total comprehensive income for the financial year	–	–	(2,069)	–	–	(2,069)
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	–	–	–	–	(19)	(19)
Total distributions by and distributions to owners	–	–	–	–	(19)	(19)
Changes in ownership interests in subsidiary						
Acquisition of non-controlling interests without a change in control	–	–	–	48,002	–	48,002
Decrease in non-controlling interests without a change in control	–	–	–	2,746	–	2,746
Total changes in ownership interests in subsidiary	–	–	–	50,748	–	50,748
Total transactions with owners in their capacity as owners	–	–	–	50,748	(19)	50,729
At 31 December 2018	(18,038)	7,852	(4,676)	44,452	(3,188)	26,402

41. Treasury shares and reserves (cont'd)

(f) **Other reserves** (cont'd)

Company	Capital reserve $'000	Loss on reissuance of treasury shares $'000	Total other reserves $'000
At 1 January 2019	**7,852**	**(3,188)**	**4,664**
Contributions by and distributions to owners			
Treasury shares reissued pursuant to Share-based Incentive Plan	–	**(1)**	**(1)**
Total transactions with owners in their capacity as owners	–	**(1)**	**(1)**
At 31 December 2019	**7,852**	**(3,189)**	**4,663**
At 1 January 2018	7,852	(3,169)	4,683
Contributions by and distributions to owners			
Treasury shares reissued pursuant to Share-based Incentive Plan	–	(19)	(19)
Total transactions with owners in their capacity as owners	–	(19)	(19)
At 31 December 2018	7,852	(3,188)	4,664

42. Equity compensation benefits

Banyan Tree Share Option Scheme, Banyan Tree Performance Share Plan and Banyan Tree Share Award Scheme 2016

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") (collectively the "Schemes"). The Schemes have expired on 27 April 2016 and the Company adopted the Banyan Tree Share Award Scheme 2016 (the "Share Award Scheme") at the annual general meeting of the Company on 28 April 2016 to replace the Plan. Under the Share Option Scheme (prior to expiry), eligible participants may be granted options to acquire shares in the Company whereas under the Plan (prior to expiry) and the Share Award Scheme, the Company's shares may be issued to eligible participants. The Schemes and the Share Award Scheme provide eligible participants with an opportunity to participate in the equity of the Company and motivate them towards better performance. The Schemes and the Share Award Scheme form an integral and important component of the compensation plan. Ho KwonPing, the Executive Chairman and controlling shareholder*, was/is not entitled to participate in the Schemes and the Share Award Scheme.

At the date of this report, the Share Award Scheme is the only share incentive scheme in force in the Company. This is administered by the Nominating and Remuneration Committee ("NRC") which comprises three Independent Directors, Chia Chee Ming Timothy, as Chairman and Chan Heng Wing and Lim Tse Ghow Olivier as member.

The total number of shares which may be issued and/or transferred pursuant to awards granted under the Share Award Scheme, when added to the total number of shares issued and issuable and/or existing shares transferred and transferable in respect of all awards granted under the Share Award Scheme and all shares, options or awards granted under any share scheme of the Company then in force, shall not exceed 5% of the total number of issued shares (excluding treasury shares) on the day preceding the relevant date of the award.

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* The term "controlling shareholder" shall have the meaning ascribed to it in the SGX-ST Listing Manual.

42. Equity compensation benefits (cont'd)

Banyan Tree Share Option Scheme, Banyan Tree Performance Share Plan and Banyan Tree Share Award Scheme 2016 (cont'd)

The Company has not issued any option to any eligible participant pursuant to the Share Option Scheme (expired).

The Plan comprises the Performance Share Plan ("PSP") and the Restricted Share Plan ("RSP"). The Plan and Share Award Scheme participants who have attained from grade of level 5 and from grade of Vice President respectively are eligible to participate. PSP is targeted at a participant who is a key member of Senior Management with the ability 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 participant and the number of shares which are subject of each award to be granted to a participant in accordance with the Plan and Share Award Scheme 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 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 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 award under the Plan and Share Award Scheme to any of its controlling shareholders. Since the commencement of the Plan and Share Award Scheme, no participant has been awarded 5% or more of the total shares available.

The details of the Plan and Share Award Scheme existed as at 31 December 2019 are set out as follows:

	PSP	RSP
Plan and Share Award Scheme 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 one-year performance period.
Date of Grant:		
FY 2019 Grant	1 April 2019	1 April 2019
FY 2018 Grant	2 April 2018	2 April 2018
FY 2017 Grant	3 April 2017	3 April 2017
FY 2016 Grant	1 April 2016	1 April 2016
Performance Period:		
FY 2019 Grant	1 January 2019 to 31 December 2021	1 January 2019 to 31 December 2019
FY 2018 Grant	1 January 2018 to 31 December 2020	1 January 2018 to 31 December 2018
FY 2017 Grant	1 January 2017 to 31 December 2019	1 January 2017 to 31 December 2017
FY 2016 Grant	1 January 2016 to 31 December 2018	1 January 2016 to 31 December 2016

42. Equity compensation benefits (cont'd)

Banyan Tree Share Option Scheme, Banyan Tree Performance Share Plan and Banyan Tree Share Award Scheme 2016 (cont'd)

The details of the Plan and Share Award Scheme existed as at 31 December 2019 are set out as follows: (cont'd)

	PSP	RSP
Performance Conditions:		
FY 2019 Grant[1], FY 2018 Grant[1], FY 2017 Grant[1] and FY 2016 Grant	• Absolute Total Shareholder Return ("TSR") as multiple of Cost of Equity ("COE") • Relative TSR against FTSE ST Mid Cap Index • Relative TSR against selected hospitality listed peers	• Return on Invested Capital ("ROIC") • EBITDA[#]
Vesting Period:		
FY 2019 Grant, FY 2018 Grant, FY 2017 Grant and FY 2016 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 fulfilment 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.
[1] Relative TSR against index is not part of performance conditions.

42. Equity compensation benefits (cont'd)

Banyan Tree Share Option Scheme, Banyan Tree Performance Share Plan and Banyan Tree Share Award Scheme 2016 (cont'd)

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 2019 Grant:

	PSP	**RSP**
Historical Volatility		
Banyan Tree Holdings Limited ("BTH")	26.84%	26.84%
Benchmark Index[1]	30.01%	Not applicable
Risk-free interest rates		
Singapore Sovereign	1.90%	1.90% - 1.93%
Term	36 months	12 to 36 months
BTH expected dividend yield	1.83%	1.83%
Share price at grant date	$0.575	$0.575

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.

[1] Comprises of selected hospitality peer companies.

42. Equity compensation benefits (cont'd)

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

PSP	Balance as at 1 January 2019[1]	Shares granted during financial year[1]	Shares cancelled during financial year[2]	Shares released during financial year	Balance as at 31 December 2019[1]	Estimated fair value at grant date
Grant date						
1 April 2016						
Other Participants	225,000	–	(171,000)	(54,000)	–	$0.463
3 April 2017						
Other Participants	285,000	–	(60,000)	–	225,000	$0.386
2 April 2018						
Other Participants	360,000	–	(60,000)	–	300,000	$0.555
1 April 2019						
Other Participants	–	393,300	(33,300)	–	360,000	$0.445
Total	870,000	393,300	(324,300)	(54,000)	885,000	

[1] The number of shares comprised in awards granted by the Company under the Banyan Tree Performance Share Plan and Banyan Tree Share Award Scheme 2016, subject to performance conditions being met. It also represents the number of shares required if participants are to be awarded at 100% of the grant, however, the shares to be awarded at the vesting date may range from 0% to 200% depending on the level of achievement of pre-set performance conditions over the performance period.

[2] The number of shares cancelled due to forfeiture arising from not achieving the pre-set performance conditions or resignation during the performance period.

42. Equity compensation benefits (cont'd)

The details of shares awarded, cancelled and released during the financial year pursuant to the Plan and Share Award Scheme are as follows (cont'd):

RSP	Balance as at 1 January 2019[1]	Shares granted during financial year[1]	Shares cancelled during financial year[2]	Shares released during financial year	Balance as at 31 December 2019[1]	Estimated fair value at grant date
Grant date						
1 April 2016						
Other Participants	31,400	–	(200)	(31,200)	–	$0.530
3 April 2017						
Other Participants	528,700	–	(43,700)	(262,400)	222,600	$0.480
2 April 2018						
Other Participants	581,250	128,350	(69,100)	(234,900)	405,600	$0.570
1 April 2019						
Other Participants	–	637,050	(55,800)	–	581,250	$0.550
Total	1,141,350	765,400	(168,800)	(528,500)	1,209,450	

[1] The number of shares comprised in awards granted by the Company under the Banyan Tree Performance Share Plan and Banyan Tree Share Award Scheme 2016, subject to performance conditions being met. It also represents the number of shares required if participants are to be awarded at 100% of the grant, however, the shares to be awarded at the vesting date may range from 0% to 150% depending on the level of achievement of pre-set performance conditions over the performance period.

[2] The number of shares cancelled due to forfeiture arising from not achieving the pre-set performance conditions or resignation during the performance period.

The number of contingent shares granted but not released as at 31 December 2019 were 885,000 and 1,209,450 (2018: 870,000 and 1,141,350) for PSP and RSP respectively. Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 1,770,000 and 1,500,075 (2018: 1,740,000 and 1,431,975) for PSP and RSP respectively.

Founder's Grant

On 2 May 2006, the independent shareholders of the Company approved the incentive for the Executive Chairman, Ho KwonPing, which has been included in his employment agreement. Pursuant to the incentive, Mr Ho shall be entitled to, for each financial year for a period of ten years beginning from the financial year ended 31 December 2010, an amount equivalent to 5% of the profit before tax of the Group, such amount to be payable in cash or in shares at the sole discretion of the Company (the "Founder's Grant"). The Founder's Grant aims to secure the continuing commitment of Mr Ho to the Group and to reward him for founding, leading and building up the Group. The Group reported a profit before tax and before provision of the expense for Founder's Grant of $14,689,846 (2018: profit before tax and before provision of the expense for Founder's Grant of $26,283,310) for the financial year ended 31 December 2019. Accordingly, the amount payable pursuant to the Founder's Grant is $734,492 (2018 Founder's Grant paid: $1,314,166).

43. Commitments and contingencies

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2019 $'000	**2018** $'000
Capital commitments in respect of property, plant and equipment	**70,028**	44,794

(b) Operating lease commitments

Future minimum lease payments payable under non-cancellable operating leases as at the end of the reporting period are as follows:

	Group
	2018 $'000
Payable:	
Within 1 year	3,592
Between 2 to 5 years	10,970
After 5 years	59,101
	70,071
	73,663

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2018 amounted to $3,429,000.

Certain subsidiaries entered into agreements with villa owners whereby these villa owners will lease the villas back to the subsidiaries' hotels for operation. In consideration for such arrangement, the subsidiaries are committed to pay fees contingent upon revenue earned in accordance with the terms specified in the agreements.

Minimum contingent rent expenses recognised as an expense in profit or loss for the financial year ended 31 December 2018 amounted to $2,354,000.

(c) Contingent liabilities

Guarantees

As at the end of the reporting period, the Company had issued the following outstanding guarantees:

	Company	
	2019 $'000	**2018** $'000
Guarantees issued for banking facilities to subsidiaries	**81,103**	105,351

At the end of the reporting period, the Company has provided financial support amounting to $87,329,000 (31 December 2018: $82,397,000) to its subsidiaries in net current liabilities or net liabilities position to enable these companies to continue their operations and meet their liabilities as and when they fall due.

44. Related party transactions

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	
		2019 $'000	2018 $'000
(a)	**Joint ventures:**		
	- Interest income	–	110
	- Others	–	9
(b)	**Associates:**		
	- Management and service fee income	**1,231**	1,207
	- Reservation fee income	**234**	190
	- Architectural income	**436**	574
	- Spa gallery income	**755**	753
	- Royalty income	**315**	379
	- China Licensing fee	**3,487**	3,329
	- Others	**35**	66
	- Interest income	–	252
	- Interest expense	–	(6)
(c)	**Related parties:**		
	- Management and service fee income	**1,143**	948
	- Rental income	**2,535**	2,578
	- Reservation fee income	**203**	206
	- Architectural income	**284**	298
	- Spa gallery income	**1**	3
	- Royalty income	**625**	611
	- Others	**28**	–
(d)	**Compensation of key management personnel:**		
	- Salaries and employee benefits	**4,456**	4,260
	- Central Provident Fund contributions	**125**	124
	- Share-based payment expenses	**78**	47
	- Other short-term benefits[1]	**1,479**	2,093
	Total compensation paid to key management personnel	**6,138**	6,524
Comprise amounts paid to:			
• Directors of the Company		**2,827**	3,417
• Other key management personnel		**3,311**	3,107
		6,138	6,524

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[1] Other short-term benefits include amount payable to Ho KwonPing under the Founder's Grant of $734,492 (2018: $1,314,166).

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 and foreign currency risk. The Board reviews and agrees policies and procedures for the management of these risks, which are executed by the President and Group Managing Director. 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 long-term receivables, trade receivables, contract assets, amounts due from associates and amounts due from related parties. For other financial assets (including cash and short-term deposits), 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.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has generally determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be financial asset with an investment grade credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrower in the group and changes in the operating results of the borrower.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

45. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Debt securities at amortised cost, debt securities at fair value through other comprehensive income and loans at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from external credit rating companies, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision	Basis for calculating interest revenue
Grade I	Customer has a low risk of default and capacity to meet contractual cash flows.	12-month expected credit losses	Gross carrying amount
Grade II	Customer debts for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if debts repayments are 30 days past due and/or there is an indication that the customers are in financial difficulty.	Lifetime expected credit losses	Gross carrying amount
Grade III	Existence of objective evidences that the customers are in financial difficulty and/or debts amount are in dispute and/or past 360 days past due.	Lifetime expected credit losses	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

45. Financial risk management objectives and policies (cont'd)

(a) **Credit risk** (cont'd)

(ii) Financial assets at amortised cost

The loss allowance provision for financial assets at amortised cost as follows:

	Group	
	Financial assets at amortised cost	
	2019 $'000	**2018** $'000
As at 1 January	**4,124**	7,002
Loss allowance measured at:		
12-month ECL	**161**	(79)
Lifetime ECL		
- Trade amounts	**3,783**	(2,799)
Write-offs	**(1,148)**	–
Exchange difference	**(94)**	–
As at 31 December	**6,826**	4,124

The gross carrying amount of financial assets at amortised cost is as follows:

		2019 $'000	**2018** $'000
12-month ECL	Financial assets at amortised cost	**70,019**	87,991
Lifetime ECL	Financial assets at amortised cost	**124,173**	90,907
Total		**194,192**	178,898

The gross carrying amount of trade receivables, long-term receivables, long-term amount due from associates, amount due from related parties, contract assets, amount due from associates and other receivables of the Group are disclosed in Notes 27, 22, 19, 31, 3, 30, 23 and 28.

The gross carrying amount of loans of the Company as at 31 December 2019, without taking into account of any collaterals held or other credit enhancements which represents the maximum exposure to loss, is $428,123,000 (2018: $244,219,000).

45. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

(iii) Long-term receivables, trade receivables, contract assets, amounts due from associates and amounts due from related parties

The Group provides for lifetime expected credit losses for all trade-related balances including long-term receivables, trade receivables, contract assets, amounts due from associates and amounts due from related parties using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on similar loss pattern and geographical region. The loss allowance provision as at 31 December 2019 and 31 December 2018 is determined as follows, the expected credit losses below also incorporate forward looking information based on specific economic data.

Summarised below is the information about the credit risk exposure on the Group's trade-related balances using provision matrix, grouped by geographical region:

South East Asia:

31 December 2019	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	**2,638**	**42,567**	**474**	**8,038**	**2,157**	**15,188**	**71,061**
Loss allowance provision	–	–	–	**4**	–	**3**	**7**

31 December 2018	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	1,752	42,808	202	5,909	2,827	1,642	55,140
Loss allowance provision	–	548	–	14	2	2	566

North East Asia:

31 December 2019	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	–	**30,470**	**411**	**478**	**2,153**	**774**	**34,286**
Loss allowance provision	–	**3,631**	**68**	**37**	**184**	**733**	**4,653**

31 December 2018	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	–	13,380	1,011	1,122	3,069	1,575	20,157
Loss allowance provision	–	14	28	30	286	1,079	1,437

Other geographical areas:

31 December 2019	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	–	**15,793**	**618**	**829**	**684**	**901**	**18,825**
Loss allowance provision	–	**574**	**144**	**176**	**456**	**323**	**1,673**

(a) **Credit risk** (cont'd)

(iii) ***Long-term receivables, trade receivables, contract assets, amounts due from associates and amounts due from related parties*** (cont'd)

Summarised below is the information about the credit risk exposure on the Group's trade-related balances using provision matrix, grouped by geographical region: (cont'd)

Other geographical areas: (cont'd)

31 December 2018	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	–	11,818	327	715	1,408	1,342	15,610
Loss allowance provision	–	511	67	121	769	618	2,086

Information regarding loss allowance movements for trade-related balances are detailed in the corresponding notes below.

Grand Total:

31 December 2019	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	**2,638**	**88,830**	**1,503**	**9,345**	**4,994**	**16,863**	**124,173**
Loss allowance provision	–	**4,205**	**212**	**217**	**640**	**1,059**	**6,333**

31 December 2018	Contract assets $'000	Current $'000	91 – 120 days $'000	121 – 180 days $'000	181 – 365 days $'000	> 365 days $'000	Total $'000
Gross carrying amount	1,752	68,006	1,540	7,746	7,304	4,559	90,907
Loss allowance provision	–	1,073	95	165	1,057	1,699	4,089

Exposure to credit risk

At the end of the reporting period, 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; and
- a nominal amount of $81,103,000 (2018: $105,351,000) relating to corporate guarantees provided by the Company for the bank loans taken by its subsidiaries.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. The Group does not apply hedge accounting.

45. Financial risk management objectives and policies (cont'd)

(a) **Credit risk** (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segment and geographical profile of its trade receivables, amounts due from associates and related parties on an ongoing basis excluding other receivables of $21,846,000 (2018: $20,358,000) and contract assets of $2,638,000 (2018: $1,752,000). The credit risk concentration profile of the Group's trade receivables, amounts due from associates, joint ventures and related parties at the end of the reporting period is as follows:

		2019		**2018**	
Group	**Note**	$'000	% of total	$'000	% of total
By geographical regions:					
South East Asia		**59,965**	**36**	57,695	38
Indian Oceania		**892**	**1**	998	1
Middle East		**1,144**	**1**	2,666	2
North East Asia		**87,766**	**54**	78,988	51
Rest of the world		**13,115**	**8**	12,258	8
		162,882	**100**	152,605	100
By industry sectors:					
Hotel Investments		**25,544**	**16**	22,030	15
Property Sales		**23,070**	**14**	20,134	13
Fee-based Segment		**98,084**	**60**	86,936	57
Head Office		**16,184**	**10**	23,505	15
		162,882	**100**	152,605	100
Trade receivables					
Non-current	22	**50,288**		43,130	
Current	27	**40,305**		38,057	
		90,593		81,187	

45. Financial risk management objectives and policies (cont'd)

(a) **Credit risk** (cont'd)

Credit risk concentration profile (cont'd)

	Note	2019 $'000	2018 $'000
Amounts due from associates			
Current	30	**4,631**	3,070
Non-current	19	**41,002**	42,072
		45,633	45,142
Amounts due from related parties			
Current	31	**26,656**	26,276

Financial assets that are neither past due nor impaired

Trade and other receivables and amounts due from associates and related parties that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and short-term deposits, and long-term investments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 27.

(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 mismatches of the maturities of financial assets and liabilities. 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 short-term deposits, and internally generated cash flows to finance their activities. Management finances the Group's liquidity through internally generated cash flows and refinancing and minimises liquidity risk by keeping committed stand-by credit facilities available.

At the end of the reporting period, approximately 49.7% (2018: 39.4%) 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. 78.1% (2018: 50.0%) of the Company's notes payable, interest-bearing loans and borrowings will mature in less than one year at the end of the reporting period.

The following table summarises the maturity profiles of the Group's and the Company's financial assets and liabilities at the end of the reporting period 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 (cont'd)

(b) **Liquidity risk** (cont'd)

Group	Note	2019 Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2019						
Financial assets						
Long-term receivables	22	5.33	–	9,294	–	9,294
Trade receivables	22/27	–	36,294	35,994	562	72,850
Trade receivables	22/27	6.00	1,689	6,083	139	7,911
Trade receivables	27	5.33	2,879	–	–	2,879
Other receivables	23/28	–	16,247	–	5,599	21,846
Amounts due from associates	30	–	4,631	–	–	4,631
Amounts due from associates	19	5.33	3,033	27,572	27,338	57,943
Amounts due from related parties	31	–	26,656	–	–	26,656
Cash and short-term deposits	32	–	130,802	–	–	130,802
Total undiscounted financial assets			222,231	78,943	33,638	334,812
Financial liabilities						
Trade payables		–	(31,120)	–	–	(31,120)
Other payables	36	–	(120,401)	–	–	(120,401)
Other payables		–	–	–	(2,810)	(2,810)
Lease liabilities	37	5.00 – 7.00	(4,032)	(13,753)	(55,941)	(73,726)
Amounts due to associates	30	–	(17,899)	–	–	(17,899)
Amounts due to related parties	31	–	(2,657)	–	–	(2,657)
Loans and borrowings						
- S$ floating rate loan	34	COF + 1.75	(18,748)	–	–	(18,748)
- S$ floating rate loan	34	COF + 2.00	(32,392)	(12,454)	(6,116)	(50,962)
- S$ floating rate loan	34	SIBOR + 2.00	(10,406)	–	–	(10,406)
- S$ floating rate loan	34	SIBOR + 2.30	(5,205)	–	–	(5,205)
- S$ floating rate loan	34	SIBOR + 2.50	(10,443)	–	–	(10,443)
- S$ floating rate loan	34	SIBOR + 3.25	(6,896)	(13,020)	–	(19,916)
- S$ floating rate loan	34	SIBOR + 3.30	(3,157)	–	–	(3,157)
- S$ floating rate loan	34	SOR + 2.25	(4,122)	(29,020)	–	(33,142)
- S$ floating rate loan	34	SOR + 2.50	(1,194)	(31,195)	–	(32,389)
- US$ floating rate loan	34	6.45	(3,372)	(19,990)	–	(23,362)
- BHT floating rate loan	34	MLR - 0.75 to MLR - 1.50	(50,834)	(124,297)	(98,558)	(273,689)
- BHT floating rate loan	34	3.80	(51,241)	–	–	(51,241)
- BHT floating rate loan	34	6.37	(957)	–	–	(957)
Notes payable	35	4.85	(102,021)	–	–	(102,021)
Total undiscounted financial liabilities			(477,097)	(243,729)	(163,425)	(884,251)
Total net undiscounted financial liabilities			(254,866)	(164,786)	(129,787)	(549,439)

45. Financial risk management objectives and policies (cont'd)

(b) **Liquidity risk** (cont'd)

Group	Note	2018 Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2018						
Financial assets						
Long-term receivables	22	5.33	–	16,832	–	16,832
Trade receivables	22/27	–	33,223	21,209	830	55,262
Trade receivables	22/27	6.00	1,690	6,760	801	9,251
Trade receivables	27	5.33	3,777	–	–	3,777
Other receivables	23/28	–	18,983	–	1,375	20,358
Amounts due from associates	30	–	3,070	–	–	3,070
Amounts due from associates	19	5.33	–	15,442	45,535	60,977
Amounts due from related parties	31	–	26,276	–	–	26,276
Cash and short-term deposits	32	–	206,181	–	–	206,181
Total undiscounted financial assets			293,200	60,243	48,541	401,984
Financial liabilities						
Trade payables		–	(24,363)	–	–	(24,363)
Other payables	36	–	(126,720)	–	–	(126,720)
Other payables		–	–	–	(2,581)	(2,581)
Amounts due to associates	30	–	(17,882)	–	–	(17,882)
Amounts due to related parties	31	–	(2,352)	–	–	(2,352)
Loans and borrowings						
- S$ floating rate loan	34	COF + 2.00	(24,995)	(12,381)	(12,764)	(50,140)
- S$ floating rate loan	34	SIBOR + 2.00 to SIBOR + 3.25	(15,898)	(3,025)	–	(18,923)
- S$ floating rate loan	34	SOR + 2.50	(1,331)	(32,663)	–	(33,994)
- US$ floating rate loan	34	7.32	(7,277)	(31,403)	–	(38,680)
- BHT floating rate loan	34	MLR - 0.75 to MLR - 1.50	(36,844)	(153,296)	(22,093)	(212,233)
- BHT floating rate loan	34	3.63	(19,586)	–	–	(19,586)
Notes payable	35	4.85 to 4.88	(132,389)	(102,021)	–	(234,410)
Total undiscounted financial liabilities			(409,637)	(334,789)	(37,438)	(781,864)
Total net undiscounted financial (liabilities)/assets			(116,437)	(274,546)	11,103	(379,880)

45. Financial risk management objectives and policies (cont'd)

(b) **Liquidity risk** (cont'd)

Group	Note	2019 Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2019						
Financial assets						
Long-term receivables	22	5.33	–	15,898	–	15,898
Trade receivables	27	–	4,008	–	–	4,008
Other receivables	28	–	1,915	–	–	1,915
Amounts due from subsidiaries	17/29	3.95 to 7.00	31,532	129,117	–	160,649
Amounts due from subsidiaries	17/29	–	152,217	–	310,837	463,054
Amounts due from associates	30	–	19	–	–	19
Amounts due from associates	19	5.33	–	1,732	1,718	3,450
Cash and short-term deposits	32	–	88,124	–	–	88,124
Total undiscounted financial assets			277,815	146,747	312,555	737,117
Financial liabilities						
Other payables	36	–	(65,713)	–	–	(65,713)
Amounts due to subsidiaries	29	–	(20,522)	–	(136,073)	(156,595)
Amounts due to associates	30	–	(17,831)	–	–	(17,831)
Amounts due to related parties	31	–	(15)	–	–	(15)
Loans and borrowings						
- S$ floating rate loan	34	COF + 1.75	(18,748)	–	–	(18,748)
- S$ floating rate loan	34	COF + 2.00	(32,392)	(12,454)	(6,116)	(50,962)
- S$ floating rate loan	34	SIBOR + 2.3	(5,205)	–	–	(5,205)
- S$ floating rate loan	34	SIBOR + 2.5	(10,443)	–	–	(10,443)
- S$ floating rate loan	34	SOR + 2.50	(1,194)	(31,195)	–	(32,389)
Notes payable	35	4.85	(102,021)	–	–	(102,021)
Total undiscounted financial liabilities			(274,084)	(43,649)	(142,189)	(459,922)
Total net undiscounted financial assets			3,731	103,098	170,366	277,195

45. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Group	Note	2018 Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2018						
Financial assets						
Long-term receivables	22	5.33	–	15,898	–	15,898
Trade receivables	27	–	3,254	–	–	3,254
Other receivables	28	–	7,292	–	–	7,292
Amounts due from subsidiaries	17/29	5.38 to 7.00	32,488	128,002	–	160,490
Amounts due from subsidiaries	17/29	–	165,432	–	127,913	293,345
Amounts due from associates	30	–	22	–	–	22
Amounts due from associates	19	5.33	–	1,696	5,000	6,696
Cash and short-term deposits	32	–	162,087	–	–	162,087
Total undiscounted financial assets			370,575	145,596	132,913	649,084
Financial liabilities						
Other payables	36	–	(69,287)	–	–	(69,287)
Amounts due to subsidiaries	29	–	(68,576)	–	(180,866)	(249,442)
Amounts due to associates	30	–	(17,831)	–	–	(17,831)
Amounts due to related parties	31	–	(12)	–	–	(12)
Loans and borrowings						
- S$ floating rate loan	34	COF + 2.00	(24,995)	(12,381)	(12,764)	(50,140)
- S$ floating rate loan	34	SOR + 2.50	(1,331)	(32,663)	–	(33,994)
Notes payable	35	4.85 to 4.88	(132,389)	(102,021)	–	(234,410)
Total undiscounted financial liabilities			(314,421)	(147,065)	(193,630)	(655,116)
Total net undiscounted financial assets/(liabilities)			56,154	(1,469)	(60,717)	(6,032)

BHT: Thai Baht
SIBOR: Singapore inter-bank offered rate
MLR: Minimum lending rate
COF: Cost of fund of lending bank
SOR: Swap offered rate

45. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

The table below shows the maximum amount of financial guarantee contracts, allocated to the earliest period in which the guarantee could be called.

Company	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
31 December 2019				
Financial guarantees	**81,103**	–	–	**81,103**
31 December 2018				
Financial guarantees	105,351	–	–	105,351

(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 end of the reporting period, approximately 18% (2018: 41%) 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 end of the reporting period, if interest rates had been 75 (2018: 75) basis points lower/higher with all other variables held constant, the Group's profit before taxation would have been $3,447,000 (2018: $2,408,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate interest-bearing financial liabilities.

45. Financial risk management objectives and policies (cont'd)

(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 2019, approximately 19% (2018: 23%) of the Group's 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, PRC and Maldives. The Group's net investments in Thailand, PRC and Maldives are not hedged as currency positions in Thai Baht, Chinese Renminbi and United States Dollar are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in the USD and RMB exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		Profit before taxation	
		2019 $'000	**2018** $'000
USD/Baht	- strengthened 5% (2018: 5%)	**21**	98
	- weakened 5% (2018: 5%)	**(21)**	(98)
USD/SGD	- strengthened 5% (2018: 5%)	**1,692**	1,674
	- weakened 5% (2018: 5%)	**(1,692)**	(1,674)
RMB/SGD	- strengthened 5% (2018: 5%)	**326**	336
	- weakened 5% (2018: 5%)	**(326)**	(336)

46. Capital management

Capital includes debt and equity items as disclosed in the table below.

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 dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2019 and 2018.

As disclosed in Note 41(c), subsidiaries 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 subsidiaries for the financial years ended 31 December 2019 and 2018.

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 less cash and short-term deposits. Total capital refers to the total equity of the Group.

	Group	
	2019 $'000	**2018** $'000
Interest-bearing loans and borrowings (Note 34)	**459,626**	321,116
Notes payable (Note 35)	**99,926**	224,616
Less: Cash and short-term deposits (Note 32)	**(130,802)**	(206,181)
Net debt	**428,750**	339,551
Total capital	**747,413**	719,755
Gearing ratio	**57%**	47%

47. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1	-	Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
Level 2	-	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3	-	Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

		Group 2019			
		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value					
Financial assets:					
Equity securities at FVOCI					
- Equity shares (quoted)	20	**2**	–	–	**2**
- Equity shares (unquoted)	20	–	–	**28,546**	**28,546**
Total equity securities at FVOCI		**2**	–	**28,546**	**28,548**
Financial assets as at 31 December 2019		**2**	–	**28,546**	**28,548**

47. Fair value of assets and liabilities (cont'd)

(b) **Assets and liabilities measured at fair value** (cont'd)

		Group 2019			
		Fair value measurements at the end of the reporting period using			
	Note	**Quoted prices in active markets for identical instruments (Level 1)** $'000	**Significant observable inputs other than quoted prices (Level 2)** $'000	**Significant unobservable inputs (Level 3)** $'000	**Total** $'000
Assets measured at fair value (cont'd)					
Non-financial assets:					
Investment properties					
Freehold land					
- Thailand, Phuket		–	–	13,585	13,585
- Northern Thailand		–	–	9,122	9,122
Freehold buildings					
- Thailand, Phuket		–	–	782	782
- Thailand, Bangkok		–	–	40,015	40,015
Total investment properties	14	–	–	63,504	63,504
Property, plant and equipment					
Freehold land					
- Singapore		–	–	46,786	46,786
- Thailand, Phuket		–	–	299,320	299,320
- Thailand, Bangkok		–	–	44,257	44,257
- Morocco		–	–	4,615	4,615
- Sri Lanka		–	–	5,382	5,382
Freehold buildings					
- Singapore		–	–	4,654	4,654
- Thailand, Phuket		–	–	132,743	132,743
- Thailand, Bangkok		–	–	55,826	55,826
- Morocco		–	–	6,440	6,440
- Sri Lanka		–	–	304	304
Total property, plant and equipment	13	–	–	600,327	600,327
Non-financial assets as at 31 December 2019		–	–	663,831	663,831

47. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

		Group 2018			
		Fair value measurements at the end of the reporting period using			
	Note	**Quoted prices in active markets for identical instruments (Level 1)** $'000	**Significant observable inputs other than quoted prices (Level 2)** $'000	**Significant unobservable inputs (Level 3)** $'000	**Total** $'000
Assets measured at fair value					
Financial assets:					
Equity securities at FVOCI					
- Equity shares (quoted)	20	2	–	–	2
- Equity shares (unquoted)	20	–	–	29,851	29,851
Total equity securities at FVOCI		2	–	29,851	29,853
Financial assets as at 31 December 2018		2	–	29,851	29,853

47. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

		Group 2018			
		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value (cont'd)					
Non-financial assets:					
Investment properties					
Freehold land					
- Thailand, Phuket		–	–	10,260	10,260
- Northern Thailand		–	–	8,025	8,025
Freehold buildings					
- Thailand, Phuket		–	–	1,006	1,006
- Thailand, Bangkok		–	–	32,510	32,510
Total investment properties	14	–	–	51,801	51,801
Property, plant and equipment					
Freehold land					
- Singapore		–	–	45,153	45,153
- Thailand, Phuket		–	–	243,635	243,635
- Thailand, Bangkok		–	–	41,307	41,307
- Morocco		–	–	6,863	6,863
- Sri Lanka		–	–	5,386	5,386
Freehold buildings					
- Singapore		–	–	5,099	5,099
- Thailand, Phuket		–	–	109,305	109,305
- Thailand, Bangkok		–	–	51,281	51,281
- Morocco		–	–	9,644	9,644
- Sri Lanka		–	–	331	331
Total property, plant and equipment	13	–	–	518,004	518,004
Non-financial assets as at 31 December 2018		–	–	569,805	569,805

47. Fair value of assets and liabilities (cont'd)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

The valuation of derivatives are based on a variety of commonly used valuation methods and makes assumptions based on market conditions existing at each reporting date. The valuation models incorporate various market observable inputs including the risk free rate, volatility of quoted equity instruments and quoted price of equity instruments.

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 December 2019 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
At FVOCI:				
La Punta Resorts S.A. De C.V.	**1,720**	Discounted cash flow	Growth rate Discount rate	5.0% 10.4%
Mayakoba Thai S.A. De C.V.	**10,521**	Discounted cash flow	Growth rate Discount rate	5.0% 10.4%
Investment properties:				
<u>Freehold land</u>				
Thailand, Phuket	**13,585**	Market value approach	Yield adjustments*	53.2%
Northern Thailand	**9,122**	Market value approach	Yield adjustments*	28.9% to 39.6%
<u>Freehold buildings</u>				
Thailand, Phuket	**782**	Replacement cost approach	Standard construction cost per Sq feet	Baht 1,000 to Baht 25,000 per Sq meter (Baht 19,666)
Thailand, Bangkok	**40,015**	Market value approach	Yield adjustments*	10.0%

47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements* (cont'd)

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3): (cont'd)

Description	Fair value at 31 December 2019 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements (cont'd)				
Property, plant and equipment:				
Freehold land				
Singapore	**46,786**	Market value approach	Yield adjustments*	6.0% to 30.0%
Thailand, Phuket	**299,320**	Market value approach	Yield adjustments*	10.0% to 82.3% (33.6%)
Thailand, Bangkok	**44,257**	Market value approach	Yield adjustments*	10.8%
Morocco	**4,615**	Market value approach	Yield adjustments*	5.90%
Sri Lanka	**5,382**	Market value approach	Yield adjustments*	Rs 550,000 perch to Rs 1,250,000 perch (Rs 908,000 perch)
Freehold buildings				
Singapore	**4,654**	Market value approach	Yield adjustments*	6.0% to 30.0%
Thailand, Phuket	**124,270**	Replacement cost approach	Standard construction cost per Sq meter	Baht 600 to Baht 75,000 per Sq meter (Baht 12,666)
	8,473	Market value approach	Yield adjustments*	0.48% to 6.59%
Thailand, Bangkok	**55,826**	Replacement cost approach	Standard construction cost per Sq meter	Baht 1,000 to Baht 47,000 per Sq meter (Baht 23,346)
Morocco	**6,440**	Market value approach	Yield adjustments*	5.90%
Sri Lanka	**304**	Replacement cost approach	Standard construction cost per Sq feet	Rs 2,000 psf to Rs 6,000 psf (Rs 5,076 psf)

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

47. Fair value of assets and liabilities (cont'd)

(d) **Level 3 fair value measurements** (cont'd)

(i) ***Information about significant unobservable inputs used in Level 3 fair value measurements*** (cont'd)

Unquoted equity instrument – Long-term investment in BTAC

The fair value of the unquoted equity shares in BTAC is determined by reference to the recent transaction price among unrelated willing buyer and seller. The key unobservable inputs include adjustments made to the most recent transaction price among unrelated willing buyer and seller.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3): (cont'd)

Description	**Fair value at 31 December 2018** $'000	**Valuation techniques**	**Unobservable inputs**	**Range (weighted average)**
Recurring fair value measurements				
At FVOCI:				
La Punta Resorts S.A. De C.V.	4,254	Discounted cash flow	Growth rate Discount rate	5.0% 13.3%
Mayakoba Thai S.A. De C.V.	10,521	Discounted cash flow	Growth rate Discount rate	5.0% 13.3%
Investment properties:				
Freehold land				
Thailand, Phuket	10,260	Market value approach	Yield adjustments*	35.5%
Northern Thailand	8,025	Market value approach	Yield adjustments*	34.5% to 35.7%
Freehold buildings				
Thailand, Phuket	1,006	Discounted cash flow	Growth rate Discount rate 10 years operating cash flow	10.0% 9.0% Baht 16.4 million to Baht 22.4 million (Baht 19.2 million)
Thailand, Bangkok	32,510	Discounted cash flow	Growth rate Discount rate 10 years operating cash flow	3.0% to 10.0% 11.0% Baht 18.6 million to Baht 55.8 million (Baht 39.7 million)

47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) ***Information about significant unobservable inputs used in Level 3 fair value measurements*** (cont'd)

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3): (cont'd)

Description	Fair value at 31 December 2018 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements (cont'd)				
Property, plant and equipment:				
Freehold land				
Singapore	45,153	Market value approach	Yield adjustments*	15.0% to 24.0%
Thailand, Phuket	243,635	Market value approach	Yield adjustments*	2.8% to 87.1% (32.4%)
Thailand, Bangkok	41,307	Market value approach	Yield adjustments*	23.1%
Morocco	6,863	Market value approach	Yield adjustments*	11.0% to 12.0%
Sri Lanka	5,386	Market value approach	Yield adjustments*	Rs 550,000 perch to Rs 1,250,000 perch (Rs 908,000 perch)
Freehold buildings				
Singapore	5,099	Market value approach	Yield adjustments*	15.0% to 24.0%
Thailand, Phuket	109,305	Fair value approach	Standard construction cost per Sq meter	Baht 600 to Baht 75,000 per Sq meter (Baht 11,448)
Thailand, Bangkok	51,281	Fair value approach	Standard construction cost per Sq meter	Baht 1,000 to Baht 47,000 per Sq meter (Baht 23,346)
Morocco	9,644	Market value approach	Yield adjustments*	11.0% to 12.0%
Sri Lanka	331	Replacement cost approach	Standard construction cost per Sq feet	Rs 2,000 psf to Rs 6,000 psf (Rs 5,076 psf)

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

47. Fair value of assets and liabilities (cont'd)

(d) **Level 3 fair value measurements** (cont'd)

(i) ***Information about significant unobservable inputs used in Level 3 fair value measurements*** (cont'd)

Unquoted equity instrument – Long-term investment in BTAC

The fair value of the unquoted equity shares in BTAC is determined by reference to the recent transaction price among unrelated willing buyer and seller. The key unobservable inputs include adjustments made to the most recent transaction price among unrelated willing buyer and seller.

Significant increases/(decreases) in net cash flow, standard construction cost and yield adjustments in isolation would result in a significantly higher/(lower) fair value measurement.

Significant increases/(decreases) in discount rate in isolation would result in a significantly lower/(higher) fair value measurement.

47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(ii) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)					Fair value measurements using significant unobservable inputs (Level 3)										
	Property, plant and equipment					Property, plant and equipment					Investment properties				Financial assets at FVOCI	
	Freehold land					Freehold buildings					Freehold land		Freehold buildings		Equity shares (unquoted)	
Group 2019	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Sri Lanka** $'000	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Sri Lanka** $'000	**Thailand, Phuket** $'000	**Northern Thailand** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	$'000	**Total** $'000
Opening balance	45,153	6,863	243,635	41,307	5,386	5,099	9,644	109,305	51,281	331	10,260	8,025	1,006	32,510	102,000	671,805
Total gains or losses for the period																
- Included in profit or loss	–	(2,127)	–	–	–	–	(3,193)	(491)	–	–	2,488	503	(628)	1,373	–	(2,075)
- Included in other comprehensive income	1,440	–	43,592	–	53	(65)	–	(262)	1,351	(15)	–	–	–	–	(5,301)	40,793
Purchases, issues, sales and settlements																
- Purchases	–	–	427	–	–	–	271	2,699	240	–	–	–	–	3,680	81	7,398
- Capitalisation of receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3,956	3,956
- Sales	–	–	–	–	–	–	–	(7)	–	–	–	–	–	–	–	(7)
- Write off	–	–	–	–	–	–	–	–	–	–	–	–	(415)	–	–	(415)
- Transferred from property development costs	–	–	–	–	–	–	–	10,797	–	–	–	–	765	–	–	11,562
- Transferred from construction-in-progress	–	–	–	–	–	–	92	16,279	1,575	–	–	–	–	–	–	17,946
Depreciation	–	–	–	–	–	(188)	(312)	(5,073)	(2,305)	(9)	–	–	–	–	–	(7,887)
Exchange differences	193	(121)	11,666	2,950	(57)	(192)	(62)	(504)	3,684	(3)	837	594	54	2,452	(41)	21,450
Closing balance	46,786	4,615	299,320	44,257	5,382	4,654	6,440	132,743	55,826	304	13,585	9,122	782	40,015	100,695	764,526

47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(ii) Movements in Level 3 assets and liabilities measured at fair value (cont'd)

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3): (cont'd)

	Fair value measurements using significant unobservable inputs (Level 3)						Fair value measurements using significant unobservable inputs (Level 3)												
	Property, plant and equipment						Property, plant and equipment						Investment properties					Financial assets at FVOCI	
	Freehold land						Freehold buildings						Freehold land			Freehold buildings		Equity shares (unquoted)	
Group 2018	**Singapore** $'000	**Morocco** $'000	**Seychelles** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Sri Lanka** $'000	**Singapore** $'000	**Morocco** $'000	**Seychelles** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Sri Lanka** $'000	**Seychelles** $'000	**Thailand, Phuket** $'000	**Northern Thailand** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	$'000	**Total** $'000
Opening balance	45,153	6,814	13,141	237,836	40,323	6,262	5,287	9,725	48,405	106,432	48,098	394	22,865	10,015	7,822	1,080	28,862	–	638,514
Adoption of SFRS(I)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	16,844	16,844
Total gains or losses for the period																			
- Included in profit or loss	–	–	–	–	–	–	–	–	–	–	–	–	–	–	13	(100)	2,204	–	2,117
- Included in other comprehensive income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,069)	(2,069)
Purchases, issues, sales and settlements																			
- Purchases	–	–	–	–	–	–	–	33	570	940	–	–	–	–	–	–	728	–	2,271
- Disposal of subsidiaries	–	–	(13,395)	–	–	–	–	–	(49,382)	–	–	–	(23,307)	–	–	–	–	–	(86,084)
- Transferred (to)/from property development costs	–	–	–	–	–	–	–	–	–	(775)	4,212	–	–	–	–	–	–	–	3,437
- Transferred from construction-in-progress	–	–	–	–	–	–	–	–	–	4,838	–	–	–	–	–	–	–	–	4,838
- Transferred from joint venture	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	87,225	87,225
Depreciation	–	–	–	–	–	–	(188)	(581)	(735)	(4,207)	(2,209)	(10)	–	–	–	–	–	–	(7,930)
Exchange differences	–	49	254	5,799	984	(876)	–	467	1,142	2,077	1,180	(53)	442	245	190	26	716	–	12,642
Closing balance	45,153	6,863	–	243,635	41,307	5,386	5,099	9,644	–	109,305	51,281	331	–	10,260	8,025	1,006	32,510	102,000	671,805

47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(ii) ***Movements in Level 3 assets and liabilities measured at fair value*** (cont'd)

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3): (cont'd)

	Fair value measurements using significant unobservable inputs (Level 3)					**Fair value measurements using significant unobservable inputs (Level 3)**									
	Property, plant and equipment					**Property, plant and equipment**					**Investment properties**				
	Freehold land					**Freehold buildings**					**Freehold land**		**Freehold buildings**		
Group 2019	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Sri Lanka** $'000	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Sri Lanka** $'000	**Thailand, Phuket** $'000	**Northern Thailand** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Total** $'000
Total gains or losses for the period included in profit or loss:															
- Other income															
Net gain/(loss) from fair value adjustment of investment properties	–	–	–	–	–	–	–	–	–	–	**2,488**	**503**	**(628)**	**1,373**	**3,736**
- Impairment loss	–	**(2,127)**	–	–	–	–	**(3,193)**	**(491)**	–	–	–	–	–	–	**(5,811)**
	–	**(2,127)**	–	–	–	–	**(3,193)**	**(491)**	–	–	**2,488**	**503**	**(628)**	**1,373**	**(2,075)**
Other comprehensive income:															
- Net surplus/(deficit) on revaluation of land and buildings	**1,440**	–	**43,592**	–	**53**	**(65)**	–	**(262)**	**1,351**	**(15)**	–	–	–	–	**46,094**
	1,440	–	**43,592**	–	**53**	**(65)**	–	**(262)**	**1,351**	**(15)**	–	–	–	–	**46,094**

	Fair value measurements using significant unobservable inputs (Level 3)					**Fair value measurements using significant unobservable inputs (Level 3)**									
	Property, plant and equipment					**Property, plant and equipment**					**Investment properties**				
	Freehold land					**Freehold buildings**					**Freehold land**		**Freehold buildings**		
Group 2018	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Sri Lanka** $'000	**Singapore** $'000	**Morocco** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Sri Lanka** $'000	**Thailand, Phuket** $'000	**Northern Thailand** $'000	**Thailand, Phuket** $'000	**Thailand, Bangkok** $'000	**Total** $'000
Total gains or losses for the period included in profit or loss:															
- Other income															
Net gain/(loss) from fair value adjustment of investment properties	–	–	–	–	–	–	–	–	–	–	–	13	(100)	2,213	2,126
	–	–	–	–	–	–	–	–	–	–	–	13	(100)	2,213	2,126

47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(iii) Valuation policies and procedures

The President and Group Managing Director ("President"), who is assisted by Vice President, Corporate Finance (collectively referred to as the "President office"), oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the President office reports to the Group's Audit and Risk Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage professional independent valuers who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by professional independent valuers, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, professional independent valuers are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, professional independent valuers are required to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(e) Assets and liabilities not carried at fair value but for which fair value is disclosed

		Fair value measurements at the end of the reporting period using			
		Group		Company	
	Note	Quoted prices in active markets for identical assets (Level 1) $'000	Carrying amount $'000	Quoted prices in active markets for identical assets (Level 1) $'000	Carrying amount $'000
2019					
Assets					
Associates	19	**16,618**	**34,163**	–	–
2018					
Assets					
Subsidiaries	17	–	–	190,998	71,619
Associates	19	30,798	33,336	–	–

47. Fair value of assets and liabilities (cont'd)

(f) Assets and liabilities 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, current amounts due to and from subsidiaries, associates and related parties, and current trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are short-term in nature or are repriced frequently.

Long-term receivables, notes payable and interest-bearing loans and borrowings carry interest which approximates market interest rate. Accordingly, their notional amounts approximate their fair values.

(g) 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 subsidiaries, associates and third parties (classified within non-current assets) have no repayment terms and are repayable only when the cash flows of the borrowers permit. The non-current deposits classified within non-current assets have no terms of maturity. Accordingly, management is of the view that the fair values of these loans and deposits cannot be determined reliably as the timing of the future cash flows arising from the loans and deposits cannot be estimated reliably.

47. Fair value of assets and liabilities (cont'd)

(h) 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	Financial assets at amortised cost $'000	Financial assets at FVOCI $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2019					
Non-current assets					
Property, plant and equipment	13	–	–	699,126	699,126
Right-of-use assets	37	–	–	19,559	19,559
Investment properties	14	–	–	63,504	63,504
Intangible assets	15	–	–	35,239	35,239
Land use rights	16	–	–	2,559	2,559
Associates	19	41,002	–	120,234	161,236
Long-term investments	20	–	100,697	–	100,697
Deferred tax assets	38	–	–	23,369	23,369
Prepaid island rental	21	–	–	19,020	19,020
Prepayments		–	–	385	385
Long-term receivables	22	50,288	–	–	50,288
Other receivables	23	5,599	–	–	5,599
		96,889	100,697	982,995	1,180,581
Current assets					
Property development costs	24	–	–	318,187	318,187
Inventories	25	–	–	5,967	5,967
Prepayments and other non-financial assets	26	–	–	17,855	17,855
Trade receivables	27	40,305	–	–	40,305
Other receivables	28	16,247	–	–	16,247
Contract assets	3	2,638	–	–	2,638
Amounts due from associates	30	4,631	–	–	4,631
Amounts due from related parties	31	26,656	–	–	26,656
Cash and short-term deposits	32	130,802	–	–	130,802
		221,279	–	342,009	563,288
Total assets		318,168	100,697	1,325,004	1,743,869

47. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments (cont'd)

Group	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Fair value through Profit or Loss $'000	Total $'000
Year ended 31 December 2019					
Current liabilities					
Tax payable		–	10,400	–	10,400
Other non-financial liabilities	33	–	15,593	–	15,593
Interest-bearing loans and borrowings	34	177,966	–	–	177,966
Notes payable	35	99,926	–	–	99,926
Trade payables		31,120	–	–	31,120
Other payables	36	120,401	–	–	120,401
Contract liabilities	3	–	55,034	–	55,034
Lease liabilities	37	1,428	–	–	1,428
Amounts due to associates	30	17,899	–	–	17,899
Amounts due to related parties	31	2,657	–	–	2,657
		451,397	81,027	–	532,424
Non-current liabilities					
Deferred tax liabilities	38	–	136,080	–	136,080
Defined and other long-term employee benefits	39	–	4,236	–	4,236
Deposits received		–	2,108	–	2,108
Other non-financial liabilities		–	3,696	–	3,696
Interest-bearing loans and borrowings	34	281,660	–	–	281,660
Other payables		2,810	–	–	2,810
Lease liabilities	37	33,442	–	–	33,442
		317,912	146,120	–	464,032
Total liabilities		769,309	227,147	–	996,456

47. Fair value of assets and liabilities (cont'd)

(h) **Classification of financial instruments** (cont'd)

Group	**Note**	**Financial assets at amortised cost** $'000	**Financial assets at FVOCI** $'000	**Non-financial assets** $'000	**Total** $'000
Year ended 31 December 2018					
Non-current assets					
Property, plant and equipment	13	–	–	599,435	599,435
Investment properties	14	–	–	51,801	51,801
Intangible assets	15	–	–	33,351	33,351
Land use rights	16	–	–	2,201	2,201
Associates	19	42,072	–	119,007	161,079
Long-term investments	20	–	102,002	–	102,002
Deferred tax assets	38	–	–	18,951	18,951
Prepaid island rental	21	–	–	20,029	20,029
Prepayments		–	–	292	292
Long-term receivables	22	43,130	–	–	43,130
Other receivables	23	1,375	–	–	1,375
		86,577	102,002	845,067	1,033,646
Current assets					
Property development costs	24	–	–	279,977	279,977
Inventories	25	–	–	6,229	6,229
Prepayments and other non-financial assets	26	–	–	19,630	19,630
Trade receivables	27	38,057	–	–	38,057
Other receivables	28	18,983	–	–	18,983
Contract assets	3	1,752	–	–	1,752
Amounts due from associates	30	3,070	–	–	3,070
Amounts due from related parties	31	26,276	–	–	26,276
Cash and short-term deposits	32	206,181	–	–	206,181
		294,319	–	305,836	600,155
Total assets		380,896	102,002	1,150,903	1,633,801

47. Fair value of assets and liabilities (cont'd)

(h) **Classification of financial instruments** (cont'd)

Group	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Fair value through Profit or Loss $'000	Total $'000
Year ended 31 December 2018					
Current liabilities					
Tax payable		–	11,700	–	11,700
Other non-financial liabilities	33	–	13,502	–	13,502
Interest-bearing loans and borrowings	34	90,486	–	–	90,486
Notes payable	35	124,690	–	–	124,690
Trade payables		24,363	–	–	24,363
Other payables	36	126,720	–	–	126,720
Contract liabilities	3	–	46,767	–	46,767
Amounts due to associates	30	17,882	–	–	17,882
Amounts due to related parties	31	2,352	–	–	2,352
		386,493	71,969	–	458,462
Non-current liabilities					
Deferred tax liabilities	38	–	113,445	–	113,445
Defined and other long-term employee benefits	39	–	3,336	–	3,336
Deposits received		–	2,068	–	2,068
Other non-financial liabilities		–	3,598	–	3,598
Interest-bearing loans and borrowings	34	230,630	–	–	230,630
Notes payable	35	99,926	–	–	99,926
Other payables		2,581	–	–	2,581
		333,137	122,447	–	455,584
Total liabilities		719,630	194,416	–	914,046

47. Fair value of assets and liabilities (cont’d)

(h) Classification of financial instruments (cont'd)

Company	Note	Financial assets at amortised cost $’000	Non-financial assets $’000	Total $’000
Year ended 31 December 2019				
Non-current assets				
Intangible assets	15	–	3,414	3,414
Subsidiaries	17	406,076	223,991	630,067
Associates	19	2,619	869	3,488
Long-term receivables		12,553	–	12,553
		421,248	228,274	649,522
Current assets				
Prepayments and other non-financial assets	26	–	251	251
Trade receivables		4,008	–	4,008
Other receivables	28	1,915	–	1,915
Amounts due from subsidiaries	29	182,467	–	182,467
Amounts due from associates	30	19	–	19
Cash and short-term deposits	32	88,124	–	88,124
		276,533	251	276,784
Total assets		697,781	228,525	926,306

47. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments (cont'd)

Company	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Total $'000
Year ended 31 December 2019				
Current liabilities				
Other non-financial liabilities	33	–	**732**	**732**
Interest-bearing loans and borrowings	34	**63,600**	–	**63,600**
Notes payable	35	**99,926**	–	**99,926**
Other payables	36	**65,713**	–	**65,713**
Amounts due to subsidiaries	29	**20,522**	–	**20,522**
Amounts due to associates	30	**17,831**	–	**17,831**
Amounts due to related parties	31	**15**	–	**15**
		267,607	**732**	**268,339**
Non-current liabilities				
Interest-bearing loans and borrowings	34	**46,033**	–	**46,033**
Amounts due to subsidiaries		**136,073**	–	**136,073**
		182,106	–	**182,106**
Total liabilities		**449,713**	**732**	**450,445**

47. Fair value of assets and liabilities (cont'd)

(h) **Classification of financial instruments** (cont'd)

Company	**Note**	**Financial assets at amortised cost** $'000	**Non-financial assets** $'000	**Total** $'000
Year ended 31 December 2018				
Non-current assets				
Intangible assets	15	–	2,828	2,828
Subsidiaries	17	222,190	337,283	559,473
Associates	19	5,268	869	6,137
Long-term receivables		12,553	–	12,553
		240,011	340,980	580,991
Current assets				
Prepayments and other non-financial assets	26	–	291	291
Trade receivables		3,254	–	3,254
Other receivables	28	7,292	–	7,292
Amounts due from subsidiaries	29	196,282	–	196,282
Amounts due from associates	30	22	–	22
Cash and short-term deposits	32	162,087	–	162,087
		368,937	291	369,228
Total assets		608,948	341,271	950,219

47. Fair value of assets and liabilities (cont'd)

(h) **Classification of financial instruments** (cont'd)

Company	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Total $'000
Year ended 31 December 2018				
Current liabilities				
Tax payable		–	73	73
Other non-financial liabilities	33	–	879	879
Interest-bearing loans and borrowings	34	23,600	–	23,600
Notes payable	35	124,690	–	124,690
Other payables	36	69,287	–	69,287
Amounts due to subsidiaries	29	68,576	–	68,576
Amounts due to associates	30	17,831	–	17,831
Amounts due to related parties	31	12	–	12
		303,996	952	304,948
Non-current liabilities				
Interest-bearing loans and borrowings	34	48,633	–	48,633
Notes payable	35	99,926	–	99,926
Amounts due to subsidiaries		180,866	–	180,866
		329,425	–	329,425
Total liabilities		633,421	952	634,373

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 strategic business units that offers different products and serves different markets. The reportable operating segments are as follows:

The Hotel investments segment relates to hotel and restaurant operations.

The Property sales segment comprises hotel residences, Laguna property sales and development project/site sales. Hotel residences business relates mainly to the sale of hotel villas or suites, which are part of hotel operations, to investors under a leaseback scheme. Laguna property sales business relates to the development and sale of properties which are standalone vacation homes in Laguna Phuket. Development project/site sales relates to pure development land sales or development land sales which are fully or partially developed with infrastructure.

The Fee-based segment comprises the management of hotels and resorts, the management of an asset-backed destination club, the management of private-equity funds, the management and operation of spas, the sales of merchandise, the provision of architectural and design services, the management and ownership of golf courses, 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

Revenue derived from management of hotels and resorts, and provision of architectural and design services are reported based on the geographical location of the Group's customers while all other revenue streams are based on the geographical location of the Group's assets. Non-current assets are based on the geographical location of the Group's assets.

The South East Asia segment comprises countries such as Thailand, Indonesia, Malaysia and Vietnam.

The Indian Oceania segment comprises countries such as Seychelles, Maldives, Sri Lanka and India.

The Middle East segment comprises countries such as Dubai, Kuwait and Qatar.

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, Guam, Morocco, Americas and Europe.

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.

48. Segment information (cont'd)

Information about major customers

There is no concentration of revenue derived from any one single customer for both years ended 31 December 2019 and 2018.

(a) Operating segments

The following tables present revenue and results information regarding the Group's reportable operating segments for the financial years ended 31 December 2019 and 2018:

	Hotel investments $'000	Property sales $'000	Fee-based segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2019					
Revenue:					
Segment revenue					
Sales	173,877	114,223	83,025	–	371,125
Inter-segment sales	(187)	–	(23,984)	–	(24,171)
Sales to external customers	173,690	114,223	59,041	–	346,954
Results:					
Segment results	(2,349)	27,971	13,630	(12,560)	26,692
Unallocated income					5,827
Profit from operations and other gains					32,519
Finance income	121	2,049	53	5,497	7,720
Finance costs	(8,587)	(2,063)	(3,032)	(13,080)	(26,762)
Share of results of associates	(29)	–	–	508	479
Profit before taxation					13,956
Income tax expense					(11,427)
Profit for the financial year					2,529

48. Segment information (cont'd)

(a) **Operating segments** (cont'd)

	Hotel investments $'000	Property sales $'000	Fee-based segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2018					
Revenue:					
Segment revenue					
Sales	192,956	76,959	82,793	–	352,708
Inter-segment sales	(432)	–	(23,230)	–	(23,662)
Sales to external customers	192,524	76,959	59,563	–	329,046
Results:					
Segment results	13,254	4,922	11,996	(12,573)	17,599
Unallocated income					43,168
Profit from operations and other gains					60,767
Finance income	125	1,317	46	1,281	2,769
Finance costs	(6,366)	(1,901)	(2,924)	(37,900)	(49,091)
Share of results of associates	–	–	66	11,337	11,403
Share of results of joint ventures	–	–	–	(879)	(879)
Profit before taxation					24,969
Income tax expense					(10,576)
Profit for the financial year					14,393

48. Segment information (cont'd)

(a) **Operating segments** (cont'd)

The following tables present certain assets, liabilities and other information regarding the Group's reportable operating segments for the financial years ended 31 December 2019 and 2018:

	Hotel investments $'000	**Property sales** $'000	**Fee-based segment** $'000	**Head Office** $'000	**Total** $'000
Year ended 31 December 2019					
Assets and liabilities:					
Segment assets	601,028	459,152	294,073	205,011	1,559,264
Associates	–	–	247	160,989	161,236
Deferred tax assets	8,573	13,067	1,670	59	23,369
Total assets					1,743,869
Segment liabilities	94,105	67,337	32,424	96,558	290,424
Interest-bearing loans and borrowings	211,571	100,230	2,160	145,665	459,626
Notes payable	–	–	–	99,926	99,926
Current and deferred tax liabilities	81,112	53,113	8,229	4,026	146,480
Total liabilities					996,456
Other segment information:					
Capital expenditure	46,370	158	1,204	251	47,983
Depreciation of property, plant and equipment and right-of-use assets	19,606	952	2,014	373	22,945
Amortisation expense	693	–	–	71	764
Other non-cash items	104	–	225	3,615	3,944

48. Segment information (cont'd)

(a) Operating segments (cont'd)

	Hotel investments $'000	Property sales $'000	Fee-based segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2018					
Assets and liabilities:					
Segment assets	521,847	374,111	267,296	290,517	1,453,771
Associates	–	–	274	160,805	161,079
Deferred tax assets	8,681	9,025	1,067	178	18,951
Total assets					1,633,801
Segment liabilities	44,632	63,787	35,676	99,074	243,169
Interest-bearing loans and borrowings	105,103	77,135	57,262	81,616	321,116
Notes payable	–	–	–	224,616	224,616
Current and deferred tax liabilities	67,453	44,842	7,987	4,863	125,145
Total liabilities					914,046
Other segment information:					
Capital expenditure	26,014	1,022	243	264	27,543
Depreciation of property, plant and equipment	17,467	580	1,844	213	20,104
Amortisation expense	2,168	–	–	94	2,262
Other non-cash items	79	–	(833)	(1,474)	(2,228)

48. Segment information (cont'd)

(b) Geographical information

The following tables present revenue information based on the geographical location of customers or resorts and non-current assets information based on the geographical location of assets:

	Revenue		Non-current assets	
	2019 $'000	**2018** $'000	**2019** $'000	**2018** $'000
Singapore	**964**	768	**81,213**	79,425
South East Asia	**289,471**	252,754	**783,363**	661,149
Indian Oceania	**38,275**	57,164	**57,168**	40,139
Middle East	**583**	697	–	–
North East Asia	**9,048**	9,199	**26,497**	27,675
Rest of the world	**8,613**	8,464	**11,385**	17,728
	346,954	329,046	**959,626**	826,116

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment properties, intangible assets, land use rights, associates, prepaid island rental and prepayments as presented in the consolidated balance sheet.

49. Dividends

	Company	
	2019 $'000	**2018** $'000
Proposed but not recognised as a liability as at 31 December		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final exempt (one-tier) dividend for 2019: Nil cent (2018: 1.05 cents) per share	–	8,813

50. Events occurring after the reporting period

In recent months, a novel coronavirus ("Covid-19") had caused an outbreak of pneumonia in Wuhan and other parts of China. On 30 January 2020, the WHO declared Covid-19 as a global health emergency. On 11 March 2020, the WHO declared Covid-19 a pandemic. The business environment in 2020 will be challenging due to the recent Covid-19 outbreak which will weigh on the Group's hotel- and resort-related businesses in the near- to mid-term as international tourism is expected to shrink with cancellations and a slowdown in forward bookings. The estimate of the financial impact cannot be reasonably determined at this juncture.

On 16 March 2020, a wholly-owned subsidiary of the Group, Banyan Tree Hotels & Resorts Pte. Ltd. ("BTHR") entered into a joint venture agreement ("JVA") with Myanmar Treasure Hotel & Resort Group Company Limited ("HH") to carry out hotel management business in Myanmar. BTHR and HH (or their respective designated subsidiaries) shall incorporate a new company ("JVCO") in Singapore with an initial issued and paid-up share capital of $100,000, in which each of BTHR and HH (or their respective designated subsidiaries) shall hold 50% of the shares. The parties' share capital contribution shall be in proportion to their shareholding. JVCO shall in turn incorporate a subsidiary in Myanmar ("MYR-Sub"), which shall be the vehicle that carries out hotel management business in Myanmar. BTHR shall contribute its hotel management expertise and knowhow to the joint venture, and HH shall allow MYR-Sub to manage certain hotel properties of HH located in Myanmar, with such relationship being governed by the terms and conditions in the JVA.

On 16 March 2020, Siam Commercial Bank granted LRH an in-principle approval for a one year moratorium for term loans with total principal repayment of $18,281,000. Accordingly, loan tenure for the respective loans will be extended for one year, and current interest-bearing loans and borrowings of $14,990,000 as at 31 December 2019 would be reclassified to non-current.

The financial statements for the year ended 31 December 2019 have not been adjusted for the financial effects of the above transactions.

51. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 16 March 2020.

Additional Information

Worldwide Resorts

Banyan Tree

AFRICA

Banyan Tree Seychelles
P. O. Box 2086
Anse Intendance
Mahé
Republic of Seychelles
Tel : +248 438 3500
Fax : +248 438 3600
seychelles@banyantree.com

Amadeus - PH SEZ030
Galileo - PH 12661
Sabre - PH 62616
Worldspan - PH 603

Banyan Tree Tamouda Bay
Route Nationale 13, POB 526
93100 Fnideq, Morocco
Tel : +00 212 539 669 999
Fax : +00 212 539 669 985
reservations-tamoudabay@banyantree.com

Amadeus - PH TTUBTH
Galileo - PH B9256
Sabre - PH 305950
Worldspan - PH TNGBT

AMERICAS

Banyan Tree Cabo Marqués
Blvd. Cabo Marqués, Lote 1
Col. Punta Diamante
Acapulco, Guerrero 39907
Mexico
Tel : +52 744 980 0685
cabomarques@banyantree.com

Amadeus - BY ACAABO
Galileo - BY F8555
Sabre - BY 384580
Worldspan - BY ANACA

Banyan Tree Mayakoba
Carretera Federal Chetumal-Puerto
Juárez Km. 298 Playa del Carmen
Quintana Roo
Mexico
Tel : +1855 421 1507
+01800 953 0565
Fax : +52 984 877 3689
reservations-mayakoba@banyantree.com

Amadeus - BY PCMMAY
Galileo - BY F8556
Sabre - BY 383336
Worldspan - BY YAPCM

ASIA PACIFIC

Banyan Tree Anji
Baimu Nong, Baishuiwan Village,
Tianhuangping Town,
Anji County, Huzhou City,
Zhejiang Province 313311
People's Republic of China
Tel : +86 572 5891818
Fax : +86 572 5891819
anji@banyantree.com
Amadeus - BY HZCNJI
Galileo - BY E7662
Sabre - BY 320523
Worldspan - BY ANHZC

Banyan Tree Bangkok
21/100 South Sathon Road
Sathon, Bangkok 10120
Thailand
Tel : +66 (0) 2 679 1200
Fax : +66 (0) 2 679 1199
bangkok@banyantree.com

Amadeus - BY BKK800
Galileo - BY 12675
Sabre - BY 29728
Worldspan - BY 1800

Banyan Tree Bintan
Jalan Teluk Berembang
Laguna Bintan Resorts, Lagoi 29155
Indonesia
Tel : +62 770 693 100/
+62 770 692 956
Fax : +62 770 693 200
reservations-bintan@banyantree.com

Amadeus - BY SINBTB
Galileo - BY 67415
Sabre - BY 22153
Worldspan - BY SINBT

Banyan Tree Chongqing Beibei
No. 101 Hot Spring Road
Chengjiang, Beibei District
Chongqing 400700
People's Republic of China
Tel : +86 023 6030 8888
Fax : +86 023 6030 9999
reservations-chongqingbeibei@banyantree.com

Amadeus - BY CKGCHB
Galileo - BY 36816
Sabre - BY 187057
Worldspan - BY CKGBT

Banyan Tree Club & Spa Seoul
60, JangChungdan-Ro
Jung-Gu, Seoul 100-857
South Korea
Tel : +82 2 2250 8000
Fax : +82 2 2250 8009
clubandspa-seoul@banyantree.com

Amadeus - BY SELBTS
Galileo - BY 9764
Sabre - BY 18431
Worldspan - BY SELBT

Banyan Tree Hangzhou
2 Westbrook Resort
Zijingang Road, Hangzhou
Zhejiang Province 310030
People's Republic of China
Tel : +86 571 8586 0000
Fax : +86 571 8586 2222
hangzhou@banyantree.com

Amadeus - BY HGHBTH
Galileo - BY 83242
Sabre - BY 59881
Worldspan - BY HGHBT

Banyan Tree Huangshan
No.1 Banyan Tree Road
Hongcun Town, Yi County
Huangshan
Anhui Province 245531
People's Republic of China
Tel : +86 559 226 5000
Fax : +86 559 226 5999
huangshan@banyantree.com

Amadeus - BY TXNHSH
Galileo - BY B6211
Sabre - BY 284268
Worldspan - BY BTCNH

Banyan Tree Jiuzhaigou
No.1 Baohai Road
Baohua Town
Jiuzhaigou County, Aba,
Sichuan Province 623400
People's Republic of China
Tel : +86 837 889 8888
Fax : +86 837 777 6577
jiuzhaigou@banyantree.com

Amadeus - BY JZHBAN
Galileo - BY E4880
Sabre - BY 319808
Worldspan - BY ANJZH

Banyan Tree Kuala Lumpur
2 Jalan Conlay, 50450
Kuala Lumpur,
Malaysia
Tel : +603 2113 1888
Fax : +603 2113 1999
kualalumpur@banyantree.com
Amadeus - BY KULBAN
Galileo - BY E7248
Sabre - BY 322193
Worldspan - BY BYKUL

Banyan Tree Lăng Cô, Central Vietnam
Cu Du Village
Loc Vinh Commune
Phu Loc District
Thua Thien Hue Province
Vietnam
Tel : +84 234 3695 888
Fax : +84 234 3695 999
reservations-langco@banyantree.com

Amadeus - BY DADLRR
Galileo - BY 49463
Sabre - BY 165309
Worldspan - BY BTLAN

Banyan Tree Lijiang
Yuerong Road, Shuhe
Gucheng District, Lijiang,
Yunnan Province 674100
People's Republic of China
Tel : +86 888 533 1111
Fax : +86 888 533 6666
lijiang@banyantree.com

Amadeus - BY LJG899
Galileo - BY 12616
Sabre - BY 4867
Worldspan - BY 1899

Banyan Tree Macau
Galaxy Macau™ Resort
Avenida Marginal
Flor de Lotus Cotai, Macau
China
Tel : +853 8883 6888
Fax : +853 8883 0123
macau@banyantree.com

Amadeus - BY MFMBTM
Galileo - BY 88408
Sabre - BY 138120
Worldspan - BY MFMBT

Banyan Tree Phuket
33, 33/27 Moo 4
Srisoonthorn Road
Cherngtalay, Amphur Talang
Phuket 83110
Thailand
Tel : +66 (0) 76 372 400
Fax : +66 (0) 76 325 552
phuket@banyantree.com

Amadeus - BY HKT887
Galileo - BY 12654
Sabre - BY 177
Worldspan - BY 1887

Banyan Tree Spa Sanctuary Phuket
33, 33/27 Moo 4
Srisoonthorn Road
Cherngtalay, Amphur Talang
Phuket 83110
Thailand
Tel : +66 (0) 76 372 400
Fax : +66 (0) 76 325 552
phuket@banyantree.com

Amadeus - BY HKT887
Galileo - BY 12654
Sabre - BY 177
Worldspan - BY 1887

DoublePool Villas by Banyan Tree, Phuket
33, 33/27 Moo 4
Srisoonthorn Road
Cherngtalay, Amphur Talang
Phuket 83110
Thailand
Tel : +66 (0) 76 372 400
Fax : +66 (0) 76 325 552
phuket@banyantree.com

Amadeus - BY HKT887
Galileo - BY 12654
Sabre - BY 177
Worldspan - BY 1887

Banyan Tree Ringha
Hong Po Village
Jian Tang Town
Shangrila County
Diqing, Tibetan Autonomous Prefecture
Yunnan Province 674400
People's Republic of China
Tel : +86 887 828 8822
Fax : +86 887 828 8911
ringha@banyantree.com

Amadeus - BY KMGBTR
Galileo - BY 14853
Sabre - BY 7158
Worldspan - BY KMGBT

Banyan Tree Samui
99/9 Moo 4, Maret, Samui
Surat Thani 84310
Thailand
Tel : +66 077 915 333
Fax : +66 077 915 388
samui@banyantree.com

Amadeus - BY USMBTS
Galileo - BY 62546
Sabre - BY 12424
Worldspan - BY USMBT

Worldwide Resorts

Banyan Tree Sanya
No. 6 Luling Road, Luhuitou Bay,
Sanya, Hainan Province 572000
People's Republic of China
Tel : +86 898 8860 9988
Fax : +86 898 8860 1188
sanya@banyantree.com

Amadeus - BY SYXBTT
Galileo - BY 81509
Sabre - BY 79610
Worldspan - BY SYXBT

Banyan Tree Shanghai On The Bund
19 Gong Ping Road
Hongkou District
Shanghai 200082
People's Republic of China
Tel : +86 212 509 1188
Fax : +86 215 509 1199
shanghaionthebund@
banyantree.com

Amadeus - BY SHASTB
Galileo - BY 52477
Sabre - BY 166891
Worldspan - BY TCNSO

Banyang Tree Tengchong
Mayugu International Hot
Springs Resorts
Beihai Town, Tengchong County
Yunnan Province 679100
People's Republic of China
Tel : +86 875 899 9888
Fax : +86 875 899 8999
tengchong@banyantree.com

Amadeus - BY BSDANG
Galileo - BY 32883
Sabre - BY 185650
Worldspan - BY TCZAN

Banyan Tree Tianjin Riverside
No. 34 Haihe East Road
Hebei District
Tianjin Province 300010
People's Republic of China
Tel : +86 22 5861 9999
Fax : +86 22 5861 9998
gs-tianjin@banyantree.com

Amadeus - BY TSNTIA
Galileo - BY 50809
Sabre - BY 168407
Worldspan - BY TSNTR

Banyan Tree Ungasan
Jl. Melasti, Banjar Kelod
Ungasan, Bali 80364
Indonesia
Tel : +62 361 300 7000
Fax : +62 361 300 7777
ungasan@banyantree.com

Amadeus - BY DPSBTU
Galileo - BY 71042
Sabre - BY 58289
Worldspan - BY DPSBT

Banyan Tree Yangshuo
No. 168 Zhengdong Street
Fuli Town
Yangshuo County, Guilin City
Guangxi Province 541905
People's Republic of China
Tel : +86 773 322 8888
Fax : +86 773 322 8999
reservations-yangshuo@
banyantree.com

Amadeus - BY KWLBTY
Galileo - BY B0865
Sabre - BY 271059
Worldspan - BY BTCNY

SOUTH ASIA

Banyan Tree Vabbinfaru
Vabbinfaru Island
North Malé Atoll
Republic of Maldives
Tel : +960 664 3147
Fax : +960 664 3843
reservations-vabbinfaru@
banyantree.com

Amadeus - BY MLE896
Galileo - BY 12644
Sabre - BY 39760
Worldspan - BY 1896

Angsana

AFRICA

Angsana Balaclava Mauritius
Turtle Bay
Balaclava
Republic of Mauritius
Tel : +230 204 1888
Fax : +230 204 1986
balaclava@angsana.com

Amadeus - BY MRUABB
Galileo - BY 57595
Sabre - BY 143709
Worldspan - BY MRUAB

Angsana Riads Collection Morocco
Riad Dar Zaouia
N. 1 Riad Zitoun Jdid Derb
Nakouss Derb Zaouia
40000 Marrakech
Morocco
Tel : +212 524 388 905/6
Fax : +212 524 386 611
marrakech@angsana.com

Amadeus - BY RAKANN
Galileo - BY 13790
Sabre - BY 81704
Worldspan - BY RAKAN

Angsana Riads Si Said*
N. 1-2-4 Derb Abbes El Fassi
Riad Zitoun Jdid, Medina
40000 Marrakech
Morocco
Amadeus - BY RAKANN
Galileo - BY 13790
Sabre - BY 81704
Worldspan - BY RAKAN

* Key area for guest check-in

AMERICAS

Angsana Cayo Santa Maria
Cayo Las Brujas, Caibarien,
Villa Clara, Cuba
reservas@dhawa.co.cu

ASIA PACIFIC

Angsana Bintan
Jalan Teluk Berembang
Laguna Bintan Resorts
Lagoi 29155
Indonesia
Tel : +62 770 693 111
+62 770 692 957
Fax : +62 770 693 222
reservations-bintan@angsana.com

Amadeus - BY SINANG
Galileo - BY 11741
Sabre - BY 55936
Worldspan - BY 80378

Angsana Hangzhou
8 Westbrook Resort
Zijingang Road
Hangzhou
Zhejiang Province 310030
People's Republic of China
Tel : +86 571 8500 2000
Fax : +86 571 8500 2111
hangzhou@angsana.com

Amadeus - BY HGHAHH
Galileo - BY 33066
Sabre - BY 142420
Worldspan - BY HGHAH

Angsana Laguna Phuket
10 Moo 4 Srisoonthorn Road
Phuket 83110
Thailand
Tel : +66 76 358 500
Fax : +66 76 324 108
reservations-lagunaphuket@
angsana.com

Amadeus - BY HKTALP
Galileo - BY 69833
Sabre - BY 33348
Worldspan - BY HKTAL

Angsana Lăng Cô, Central Vietnam
Cu Du Village,
Loc Vinh Commune,
Phu Loc District,
Thua Thien Hue Province
Vietnam
Tel : +84 234 3695 800
Fax : +84 234 3695 900
reservations-langco@angsana.com

Amadeus - BY DADALL
Galileo - BY 58225
Sabre - BY 165714
Worldspan - BY DADAL

Angsana Villas Resort Phuket
142/3 Moo.6, Cherngtaly, Thalang
Phuket 83110
Thailand
Tel : +66 76 336 900
Fax : +66 76 336 970
reservations-villasresort@
angsana.com

Amadeus - BY HKTTLP
Galileo - BY 67747
Sabre - BY 10325
Worldspan - BY ANTLP

Angsana Xi'an Lintong
No. 8 East Yue Chun Road,
Lintong District, Xi'an,
Shaanxi Province 710600
People's Republic of China
Tel : +86 029 8387 8888
Fax : +86 029 8387 6666
reservations-xianlintong@
angsana.com

Amadeus - BY SIAANG
Galileo - BY B6121
Sabre - BY 284134
Worldspan - BY ANCNX

Angsana Xishuangbanna
Manxing Lake Menghai,
Xingshuangbanna Dai
Autonomous Prefecture
Yunnan Province 666200
People's Republic of China
Tel : +86 (0)691 899 6888
Fax : +86 (0)691 899 8777
xishuangbanna@angsana.com

Amadeus - BY JHGNNA
Galileo - BY F2081
Sabre - BY 325316
Worldspan - BY SAJHG

Angsana Zhuhai Phoenix Bay
No. 9 Quanxing East Road,
Hi-Tech Zone, Zhuhai,
Guangdong Province 519000
People's Republic of China
Tel : +86 (0)756 6331 999
Fax : +86 (0)756 6331 000
zhuhai@angsana.com

Amadeus - BY ZUHANA
Galileo - BY E4909
Sabre - BY 320092
Worldspan - BY PHZUH

Maison Souvannaphoum Hotel by Angsana
Rue Chao Fa Ngum
Banthatluang, PO Box 741
Luang Prabang,
Laos
Tel : +856 71 254 609
Fax : +856 71 212 577
maison@angsana.com

Amadeus - BY LPQMSH
Galileo - BY 20916
Sabre - BY 38056
Worldspan - BY VTEMS

SOUTH ASIA

Angsana Bangalore
Northwest Country
Main Doddaballapur Road
Rajankunte Bangalore 560064
India
Tel : +91 80 2846 8892
Fax : +91 80 2846 8897
bangalore@angsana.com

Angsana Ihuru
North Malé Atoll
Republic of Maldives
Tel : +960 664 3502
Fax : +960 664 5933
reservations-ihuru@angsana.com

Amadeus - BY MLEANG
Galileo - BY 37922
Sabre - BY 60405
Worldspan - BY MLEIH

Worldwide Resorts

Angsana Velavaru
South Nilandhe Atoll (Dhaalu Atoll)
Republic of Maldives
Tel : +960 676 0028
Fax : +960 676 0061
reservations-maldives@angsana.com

Amadeus - BY MLEANN
Galileo - BY 13765
Sabre - BY 74305
Worldspan - BY MLEAN

Cassia

ASIA PACIFIC

Cassia Bintan
Jalan Teluk Berembang
Laguna Bintan Resorts
Lagoi 29155
Indonesia
Tel : +62 770 692 959
Fax : +65 6462 2463
reservations-bintan@cassia.com

Amadeus - BY TNJCAS
Galileo - BY E4822
Sabre - BY 320041
Worldspan - BY CATNJ

Cassia Phuket
64 Moo 4 Srisoonthorn Road
Tambon, Cherngtalay, Amphur
Thalang, Phuket 83110,
Thailand
Tel : +66 76 356999
reservations-phuket@cassia.com

Amadeus - BY HKTCAT
Galileo - BY B6859
Sabre - BY 284831
Worldspan - BY CATHP

Dhawa

AMERICAS

Dhawa Cayo Santa Maria
Cayo Las Brujas Caibarien, Villa Clara
Cuba
dhawa-cuba.com
Tel : +53 42 350893

ASIA PACIFIC

Dhawa Jinshanling
Jinshanling Great Wall Scenic Hub,
Chengde City,
Hebei Province 068254
People’s Republic of China
Tel : +86 314 596 9999
reservations-jinshanling@dhawa.com

Other hotels & resorts

ASIA PACIFIC

Pavilion Hotel Kuala Lumpur
Managed by Banyan Tree
170, Jalan Bukit Bintang,
Kuala Lumpur 55100
Malaysia
Tel : +603 2117 2888
Fax : +603 2117 2999
pavilionhotel-kualalumpur@
banyantree.com

Amadeus - BY KULBNY
Galileo - BY N0001
Sabre - BY 324277
Worldspan - BY BNKUL

Worldwide Offices

Corporate Office

Banyan Tree Hotels & Resorts
Group Marketing Services
211 Upper Bukit Timah Road
Singapore 588182
Tel : +65 6849 5888
corporate@banyantree.com

Worldwide Sales

ASIA PACIFIC

China - Beijing
Tel : +86 10 5920 8353
sales-beijing@banyantree.com
sales-beijing@angsana.com

China - Guangzhou
Tel : +86 20 2826 1896
Fax : +86 20 2826 1897
sales-guangzhou@banyantree.com
sales-guangzhou@angsana.com

China - Hong Kong
Tel : +852 9718 6360
sales-Hong Kong@banyantree.com
sales-Hong Kong@angsana.com

China - Shanghai
Tel : +86 21 2321 3181

China - Taiwan
Tel : +886 2 2546 9833
Fax : +886 2 2546 9849
sales-taiwan@banyantree.com
sales-taiwan@angsana.com

Japan
Tel : +81 3 6403 5748
Fax : +81 3 6869 4737
sales-tokyo@banyantree.com
sales-tokyo@angsana.com

EUROPE

Germany, Austria & Switzerland
Tel : +49 179 5181 180
sales-germany@banyantree.com
sales-germany@angsana.com

United Kingdom
Tel : +44 7538 633 637
sales-london@banyantree.com
sales-london@angsana.com

Worldwide Reservations Toll-Free Numbers

AMERICAS

United States
Tel : 180 0591 0439

Mexico
Tel : 00 188 8213 4992

Other Countries
Tel : +140 7284 4284

ASIA PACIFIC

Australia
Tel : 18 0005 0019

China
Tel : 400 921 9789 (Banyan Tree)
400 921 9567 (Angsana)

Hong Kong
Tel : 80 0903 881

Japan
Tel : 01 2077 8187

Singapore
Tel : 1800 232 5599 (Banyan Tree)
1800 849 5788 (Angsana)

Other Countries
Tel : +65 6232 5505

EUROPE

Germany
Tel : 00 800 3002 0000

United Kingdom
Tel : 00 800 3002 0000

Other Countries
Tel : +49 69 6641 9608

MIDDLE EAST

United Arab Emirates
Tel : 800 065 0586

Corporate Information

BOARD OF DIRECTORS

Ho KwonPing (Executive Chairman)
Ariel P Vera
Chia Chee Ming Timothy
Fang Ai Lian
Chan Heng Wing
Tham Kui Seng
Lim Tse Ghow Olivier
Karen Tay Koh
Zhang Xu
Gaurav Bhushan
Chew Van Hoong Jason
Mohamed Al-Hashmi (Alternate Director to Chew Van Hoong Jason)

AUDIT & RISK COMMITTEE

Fang Ai Lian (Chairman)
Tham Kui Seng
Karen Tay Koh

NOMINATING & REMUNERATION COMMITTEE

Chia Chee Ming Timothy (Chairman)
Chan Heng Wing
Lim Tse Ghow Olivier

MANAGEMENT TEAM

Claire Chiang
Ho KwonCjan
Eddy See Hock Lye
Shankar Chandran
Dharmali Kusumadi
Stuart Reading
Alan Chin
Cindy Lee
Rosalynn Tay
Ho Ren Yung
Philip Lim
Shelly Yeo
Hokan Limin
Kuan Chiet
Sachiko Shiina
Gavin Herholdt
Carolyn Zhang
Peter Wang
Henry Ngai
Anthony Loh
Bobby Ong
Jonathan Ye

REGISTERED ADDRESS

Banyan Tree Holdings Limited
211 Upper Bukit Timah Road
Singapore 588182
Tel : +65 6849 5888
Fax : +65 6462 0186

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01
Singapore Land Tower
Singapore 048623

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583

Partner in charge
(since financial year ended 31 December 2016)
Simon Yeo

SOLICITOR

WongPartnership LLP

BANKERS

Shanghai Pudong Development Bank Co., Ltd. Singapore Branch
Malayan Banking Berhad
Qatar National Bank (Q.P.S.C.)
The Siam Commercial Bank Public Company Limited
The Hong Kong and Shanghai Banking Corporation Limited

COMPANY SECRETARY

Shelly Yeo
Tel : +65 6849 5888
Fax : +65 6462 0186
shelly.yeo@banyantree.com

BUSINESS DEVELOPMENT

bd@banyantree.com

GROWTH AND DEMAND

211 Upper Bukit Timah Road
Singapore 588182
Tel : +65 6849 5888
pr@banyantree.com

Statistics of Shareholdings

as at 16 March 2020

Share Capital

Issued and Paid-up Capital	$247,972,514
Class of Shares	Ordinary Shares
Voting Rights	One vote per share except for treasury shares

Distribution of Shareholdings

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 - 99	19	0.61	628	0.00
100 - 1,000	421	13.43	372,325	0.04
1,001 - 10,000	1,727	55.11	9,283,496	1.11
10,001 - 1,000,000	949	30.28	45,233,498	5.39
1,000,001 AND ABOVE	18	0.57	784,904,979	93.46
	3,134	**100.00**	**839,794,980***	**100.00**

* The total number of issued shares excludes the 1,570,000 treasury shares. Percentage of 1,570,000 treasury shares against total number of issued shares (excluding treasury shares) is 0.19%.

Substantial Shareholders[1]

	Direct interests No. of shares	%[2]	Deemed interests No. of shares	%[2]
Ho KwonPing[3]	-	-	301,948,882	35.96
Claire Chiang[4]	-	-	293,319,882	34.93
Ho KwonCjan[5]	16,000,000	1.91	49,629,000	5.91
Bibace Investments Ltd[6]	-	-	286,519,882	34.12
Bibace Management Company Limited (acting as trustee of The Bibace Trust)[7]	-	-	286,519,882	34.12
Bibace Management Company Limited (acting as trustee of Merit Trust)[7]	-	-	286,519,882	34.12
Bibace Management Company Limited (acting as trustee of Ho Ren Hua Family Line Trust)[7]	-	-	286,519,882	34.12
Bibace Management Company Limited (acting as trustee of Ho Ren Yung Family Line Trust)[7]	-	-	286,519,882	34.12
Bibace Management Company Limited (acting as trustee of Ho Ren Chun Family Line Trust)[7]	-	-	286,519,882	34.12
Banyan Tree Global Foundation Limited[8]	-	-	286,519,882	34.12
Qatar Holding LLC[9]	-	-	205,870,443	24.51
Qatar Investment Authority[10]	-	-	205,870,443	24.51

[1] As shown in the Register of Substantial Shareholders and based on the notifications and information received by the Company.

[2] Percentage shareholding is based on issued share capital as at 16 March 2020 (excluding treasury shares).

[3] Ho KwonPing, a named beneficiary of The Bibace Trust, is deemed to have an interest in the shares held by HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited (acting as nominees for Bibace Investments Ltd ("**Bibace**")) as a result of The Bibace Trust's shareholding interest in Bibace. He is also deemed to have an interest in the shares held by Recourse Investments Ltd. and Raffles Nominees (Pte.) Limited (acting as nominee for KAP Holdings Ltd.) as well as the Shares held by Raffles Nominees (Pte.) Limited (acting as nominee for Li-Ho Holdings (Private) Limited).

[4] Claire Chiang, a named beneficiary of The Bibace Trust, is deemed to have an interest in the shares held by HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited (acting as nominees for Bibace) as a result of The Bibace Trust's shareholding interest in Bibace. She is also deemed to have an interest in the shares held by Recourse Investments Ltd. and Raffles Nominees (Pte.) Limited (acting as nominee for KAP Holdings Ltd.).

[5] Ho KwonCjan is deemed to have an interest in the shares held by ICD (HK) Limited, Freesia Investments Ltd and Raffles Nominees (Pte.) Limited (acting as nominee for Li-Ho Holdings (Private) Limited).

[6] Bibace is deemed to have an interest in the shares held by its nominees, HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited.

[7] Bibace Management Company Limited (acting as trustee of The Bibace Trust) is deemed to have an interest in the shares in which Bibace has an interest as a result of The Bibace Trust's shareholding interest in Bibace. Bibace Management Company Limited (acting as trustee of each of the Merit Trust, the Ho Ren Hua Family Line Trust, the Ho Ren Yung Family Line Trust and the Ho Ren Chun Family Line Trust) is deemed to have an interest in the same shares as it is a named beneficiary of The Bibace Trust in these capacities.

[8] Banyan Tree Global Foundation Limited, a named beneficiary of The Bibace Trust, is deemed to have an interest in the shares held by HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited (acting as nominees for Bibace) as a result of The Bibace Trust's shareholding interest in Bibace.

[9] Qatar Holding LLC ("QH") is deemed to have an interest in the shares held through third party nominees.

[10] Qatar Investment Authority is deemed to have an interest in the shares held by its wholly-owned subsidiary, QH.

Statistics of Shareholdings

as at 16 March 2020

Twenty Largest Shareholders
(As shown in the Register of Members and Depository Register)

No.	Name	No. of shares	%
1	HSBC (Singapore) Nominees Pte Ltd	325,022,282	38.70
2	DBSN Services Pte. Ltd.	205,987,243	24.53
3	Citibank Nominees Singapore Pte Ltd	48,812,172	5.81
4	UOB Kay Hian Private Limited	40,695,200	4.85
5	BNP Paribas Nominees Singapore Pte. Ltd.	37,608,000	4.48
6	ICD (HK) Limited	31,000,000	3.69
7	DBS Nominees (Private) Limited	26,825,936	3.19
8	Raffles Nominees (Pte.) Limited	23,774,835	2.83
9	Ho KwonCjan	16,000,000	1.91
10	Freesia Investments Ltd	10,000,000	1.19
11	Recourse Investments Ltd.	6,000,000	0.71
12	Phillip Securities Pte Ltd	3,648,900	0.43
13	BPSS Nominees Singapore (Pte.) Ltd.	1,991,845	0.24
14	United Overseas Bank Nominees (Private) Limited	1,951,500	0.23
15	Maybank Kim Eng Securities Pte. Ltd	1,893,866	0.23
16	Ang Koon San Sunny	1,488,000	0.18
17	Ariel P Vera	1,120,500	0.13
18	OCBC Nominees Singapore Private Limited	1,084,700	0.13
19	DB Nominees (Singapore) Pte Ltd	849,000	0.10
20	Leong Hong Cheong	800,000	0.10
	Total	**786,553,979**	**93.66**

As at 16 March 2020, approximately 31.96% 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.

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 Twentieth Annual General Meeting ("**AGM**") of the Company will be held at The Straits Room, Level 4, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178, on Wednesday, 6 May 2020 at 10.30 am to transact the business set out below. The proceedings of the AGM will also be broadcast via "live" webcast, details of which will be separately announced by the Company on SGXNet.

Ordinary Business

1 To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2019 and the Independent Auditor's Report thereon.

2 To re-elect the following Directors who are retiring by rotation in accordance with Regulations 100 and 101 of the Constitution of the Company (the "**Constitution**") and who, being eligible, offer themselves for re-election:
i. Mr Tham Kui Seng
ii. Mr Zhang Xu

(Mr Lim Tse Ghow Olivier and Mr Ariel P Vera are also due to retire by rotation at the AGM but they have decided not to seek re-election thereat.)

3 To re-elect Mrs Karen Tay Koh, a Director who will cease to hold office in accordance with Regulation 106 of the Constitution and who, being eligible, offers herself for re-election.

4 To approve payment of Directors' Fees of S$610,845 for the financial year ended 31 December 2019 (FY2018: S$655,825).

5 To re-appoint Ernst & Young LLP as the Auditor of the Company to hold office until the next AGM and to authorise the Directors of the Company to fix their remuneration.

Special Business

6 To consider and, if thought fit, to pass the following ordinary resolutions, with or without modifications:

6.1 That authority be and is hereby given to the Directors, pursuant to Section 161 of the Companies Act (Chapter 50 of Singapore) (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 6.1 may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution 6.1 was in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution 6.1 (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 6.1) shall not exceed 50 per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) 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 6.1) shall not exceed 20 per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution 6.1 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 6.1 is passed; and

(ii) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising the authority conferred by this Resolution 6.1, 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 (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 Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 6.1 shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

6.2 That the Directors be and are hereby authorised to:

(a) grant awards in accordance with the provisions of the Banyan Tree Share Award Scheme 2016; and

(b) allot and issue from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the vesting of awards under the Banyan Tree Share Award Scheme 2016,

provided that the total number of Shares which may be issued and/or transferred pursuant to awards granted under the Banyan Tree Share Award Scheme 2016, when added to the total number of Shares issued and issuable and/or existing Shares transferred and transferrable in respect of all awards granted under the Banyan Tree Share Award Scheme 2016 and all Shares, options and awards granted under any share scheme of the Company then in force, shall not exceed five per cent. (5%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant date of the award, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is the earlier.

6.3 That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual, for the Company, its subsidiaries and its associated companies which are entities at risk as defined under Chapter 9 of the Listing Manual, to enter into any of the transactions falling within the types of interested person transactions described in Appendix 1 to the Letter to Shareholders dated 14 April 2020 (the "**Letter**"), with any person who falls within the classes of interested persons described in Appendix 1 to the Letter, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders and in accordance with the review procedures for interested person transactions as set out in Appendix 1 to the Letter (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next AGM of the Company is held or required by law to be held, whichever is the earlier;

(c) the Audit and Risk Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the SGX-ST from time to time; and

(d) the Directors be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

6.4 That:

(a) for the purposes of the Companies Act, the authority conferred on the Directors to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) (each a "**Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Listing Manual as may for the time being be applicable, be and is hereby approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM is held or required by law to be held; and

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Maximum Limit**" means that number of Shares representing not more than one per cent. (1%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings); and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding related expenses) which shall not exceed:

(i) in the case of a Market Purchase, 105 per cent. (105%) of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120 per cent. (120%) of the Highest Last Dealt Price,

where:

"**Relevant Period**" means the period commencing from the date on which this Resolution is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days (a "**Market Day**" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days and the day on which the purchase or acquisition is made;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

7 To transact any other business as may properly be transacted at an AGM.

By Order of the Board

Shelly Yeo
Company Secretary
Singapore, 14 April 2020

Notice of Annual General Meeting

MEASURES TAKEN IN LIGHT OF SAFE DISTANCING REGULATIONS

In light of the escalating COVID-19 situation across the world and the tightened safe distancing regulations issued by the Singapore Government, including the Infectious Diseases (Measures to Prevent Spread of COVID-19) Regulations 2020 (the "**Regulations**") which (as at the date of this notice) require that physical attendance at a general meeting must be limited to 10 individuals, the Company will broadcast the proceedings of the AGM via "live" webcast (the "**Webcast**").

The Company will make an announcement on SGXNet to provide instructions for shareholders who wish to view the Webcast in due course, once the arrangements have been finalised, and to inform shareholders of how they may submit questions relating to matters to be tabled at the AGM to the Company.

For so long as the Regulations apply, physical attendance at a general meeting must be limited to 10 individuals. The Regulations currently apply up to 30 April 2020, however, there is a risk that the authorities may extend this period beyond such date. If the Regulations continue to apply on the date of the AGM, as the Company envisages that the necessary personnel who will be present at the meeting venue to conduct the AGM will already reach the said limit, the Company will regretfully not be able to grant admission to any individual who turns up in person. **Shareholders are therefore strongly encouraged to register to view the AGM via the Webcast instead, and to appoint the Chairman of the AGM as their proxy to cast their votes on their behalf at the AGM by completing and depositing the proxy form with the Company by the stipulated deadline.** The Company will make an announcement on SGXNet to provide instructions for shareholders who wish to view the Webcast in due course, once the arrangements have been finalised, and to inform shareholders of how they may submit questions relating to matters to be tabled at the AGM to the Company.

Shareholders should note that the manner of conduct of the AGM may be subject to further changes based on the evolving COVID-19 situation, any legislative amendments and any directives or guidelines from government agencies or regulatory authorities. In particular, in line with the Regulations, the Company reserves the right to refuse entry to any individual who is febrile or who exhibits any specified symptom, or who refuses to comply with any other prescribed safe-distancing measures under the Regulations. Any changes to the manner of conduct of the AGM will be announced by the Company on SGXNet.

Explanatory Notes

In relation to Ordinary Resolution 2(i), Mr Tham Kui Seng will, upon re-election as Director, continue to serve as a member of the Audit & Risk Committee ("**ARC**") and will be considered independent for the purposes of Rule 704(8) of the Listing Manual.

In relation to Ordinary Resolution 2(ii), Mr Zhang Xu will, upon re-election as Director, continue to serve as a Non-Executive and Non-Independent Director.

In relation to Ordinary Resolution 3, Mrs Karen Tay Koh will, upon re-election as Director, continue to serve as a member of the ARC and will be considered independent for the purposes of Rule 704(8) of the Listing Manual.

Ordinary Resolution 4, if passed, relates to the payment of Directors' fees for the financial year ended 31 December 2019. Directors' fees are for services rendered by the Non-Executive Directors on the Board as well as the various Board Committees. The amount also includes complimentary accommodation, spa and gallery benefits provided to the Non-Executive Directors.

Detailed information on the Directors who are proposed to be re-elected can be found under the "Board of Directors" and "Corporate Governance Report" in the Company's Annual Report 2019.

Statement pursuant to Regulation 61 of the Company's Constitution

Ordinary Resolution 6.1, if passed, will empower the Directors, from the date of the passing of Ordinary Resolution 6.1 to the date of the next AGM, 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. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 20 per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) for issues other than on a *pro rata* basis to shareholders. 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 and subsidiary holdings) at the time that Ordinary Resolution 6.1 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 6.1 is passed; and (b) any subsequent bonus issue, consolidation or sub-division of Shares.

Ordinary Resolution 6.2, if passed, will empower the Directors, from the date of this AGM until the next AGM, or the date by which the next AGM is required by law to be held or when varied or revoked by the Company in a general meeting, whichever is the earlier, to grant awards, and to allot and issue new Shares, pursuant to the Banyan Tree Share Award Scheme 2016, provided that the total number of Shares which may be issued and/or transferred pursuant to awards granted under the Banyan Tree Share Award Scheme 2016, when added to the total number of Shares issued and issuable and/or existing Shares transferred and transferrable in respect of all awards granted under the Banyan Tree Share Award Scheme 2016 and all Shares, options and awards granted under any share scheme of the Company then in force, shall not exceed five per cent. (5%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant date of the award.

Ordinary Resolution 6.3, if passed, will authorise the Interested Person Transactions as described in the Letter and recurring in the year, and will empower the Directors to do all acts necessary to give effect to the IPT Mandate. This authority shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM is held or is required by law to be held, whichever is the earlier.

Ordinary Resolution 6.4, if passed, will empower the Directors to exercise all powers of the Company to purchase or otherwise acquire (whether by way of Market Purchases or Off-Market Purchases) Shares on the terms of the Share Buyback Mandate as set out in the Letter. This authority shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM is held or is required by law to be held, whichever is the earlier.

Apart from using its internal sources of funds, the Company may obtain or incur borrowings to finance its purchases or acquisitions of Shares. The Directors do not propose to exercise the Share Buyback Mandate to such extent that it would result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The amount of financing required for the Company to purchase its Shares pursuant to the Share Buyback Mandate and the impact on the Company's financial position, cannot be realistically ascertained as at the date of this Notice as this will depend on factors such as the aggregate number of Shares purchased and the purchase prices paid at the relevant times.

An illustration of the financial impact of the Share purchases by the Company pursuant to the Share Buyback Mandate on the audited financial statements of the Group for the financial year ended 31 December 2019 is set out in the Letter.

Notes

1. Ordinarily, (a) a member of the Company entitled to attend and vote at the AGM, and who is not a Relevant Intermediary, is entitled to appoint not more than two (2) proxies to attend and vote instead of him and (b) a member of the Company who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different class of Share or Shares held by such member and in each case such proxy need not be a member of the Company.

   However, in light of the Regulations and the joint statement by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 March 2020, and in view that the Regulations may be extended to the date of the AGM, members of the Company are strongly encouraged to appoint the Chairman of the AGM to act as his/her proxy to vote for him/her on his/her behalf at the AGM.

   "**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

2. The instrument appointing a proxy or proxies must be lodged by mail at the registered office of the Company at 211 Upper Bukit Timah Road, Singapore 588182, or by electronic mail at ir@banyantree.com, in each case not less than 72 hours before the time appointed for the AGM. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company - (i) consents to the collection, use and disclosure of personal data by the Company, its agents and/or service providers for: (1) processing, administering and/or analysing information of proxy(ies) and/or representative(s) appointed by the member for the AGM (including any adjournment thereof) (2) preparing and/or compiling attendance lists, minutes and/or other documents relating to the AGM (including any adjournment thereof), (3) the Company (and/or its agents or its service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines, (4) purposes as set out in Company's Privacy Policy as set out at www.banyantree.com/en/privacy-policy (collectively, the "**Purposes**"); (ii) represents and warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company, its agents and/or service providers, the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure, by the Company, its agents and/or service providers, of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) shall indemnify the Company in respect of any claims, actions, proceedings, penalties, liabilities, claims, demands, losses, damages, costs and expenses brought against Company or suffered or incurred by Company as a result of the member's breach of warranty set forth herein.

Proxy Form

IMPORTANT:
1. For investors who have used their CPF monies to buy ordinary shares in the capital of Banyan Tree Holdings Limited ("**Shares**"), this Annual Report is forwarded to them at the request of their CPF Agent Banks 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.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2020.

Banyan Tree Holdings Limited
(Incorporated in the Republic of Singapore)
(Company Registration No. 200003108H)

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 (Ordinary Shares)	%

and/or (please delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares (Ordinary Shares)	%

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting (the "**AGM**") of the Shareholders of the Company to be held on Wednesday, 6 May 2020 at The Straits Room, Level 4, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178, at 10.30 am 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 or abstention 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, OR IF THE NAMED PERSONS ARE REFUSED ENTRY TO THE MEETING VENUE OR ARE OTHERWISE NOT PRESENT, I/WE APPOINT THE CHAIRMAN OF THE AGM AS 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 AT THE AGM AND AT ANY ADJOURNMENT THEREOF.**

Resolution No.	Resolutions relating to:		No. of Votes For*	No. of Votes Against*	No. of Votes Abstain*
As Ordinary Business					
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2019 and the Independent Auditor's Report thereon				
2	Re-election of Directors pursuant to Regulations 100 and 101 of the Constitution of the Company (the "**Constitution**")	(i) Mr Tham Kui Seng			
		(ii) Mr Zhang Xu			
3	Re-election of Mrs Karen Tay Koh as Director pursuant to Regulation 106 of the Constitution				
4	Approval of Directors' Fees				
5	Re-appointment of Ernst & Young LLP as Auditor				
As Special Business					
6.1	Authority to issue new Shares				
6.2	Authority to grant awards and allot and issue Shares pursuant to vesting of awards under the Banyan Tree Share Award Scheme 2016				
6.3	The Proposed Renewal of the Shareholders' Mandate for Interested Person Transactions				
6.4	The Proposed Renewal of the Share Buyback Mandate				

* If you wish to exercise all your Votes "For", "Against" or to "Abstain", please indicate with a "√" within the box provided. Alternatively, please indicate the number of Votes as appropriate.

Dated this________________day of______________2020

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 Shares held by you. If you only have Shares entered against your name in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act, Chapter 289 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 (in both the Register of Members and the Depository Register).

2. Ordinarily, the following provisions apply:

   (a) A member of the Company entitled to attend and vote at the AGM, and who is not a Relevant Intermediary, is entitled to appoint one (1) or two (2) 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. (100%) of the shareholding and the second named proxy shall be deemed as an alternate to the first named proxy.

   (b) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where more than one (1) proxy is appointed, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. In relation to a Relevant Intermediary who wishes to appoint more than two (2) proxies, it should annex to the instrument appointing a proxy or proxies the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of Shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF investors as its proxies shall comply with this Note.

   (c) "**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**").

   However, in light of the Infectious Diseases (Measures to Prevent Spread of COVID-19) Regulations 2020 (the "Regulations") and the joint statement by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 March 2020, and in view that the Regulations may be extended to the date of the AGM, members of the Company are strongly encouraged to appoint the Chairman of the AGM to act as his/her proxy to vote for him/her on his/her behalf at the AGM.

3. The instrument appointing a proxy or proxies must be deposited by mail at the registered office of the Company at 211 Upper Bukit Timah Road, Singapore 588182, or by electronic mail at ir@banyantree.com, in each case not less than 72 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.

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 is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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