



BANYAN TREE HOLDINGS LIMITED
Unaudited results for the First Quarter ended 31 March 2014

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | | Group | | |
|--|-------|-----------------------|-------------------|-------------------|
| | | 3 months ended 31 Mar | | |
| | Notes | 2014 (S\$'000) | 2013 (S\$'000) | Incr/ (Decr) % |
| Revenue | 1 | 93,898 | 96,910 | -3% |
| Other income | 2 | 1,569 | 18,132 | -91% |
| Costs and expenses | | | | |
| Cost of operating supplies | | (7,228) | (8,170) | -12% |
| Cost of properties sold | | (2,614) | (1,168) | 124% |
| Salaries and related expenses | | (31,730) | (32,979) | -4% |
| Administrative expenses | | (16,043) | (17,516) | -8% |
| Sales and marketing expenses | | (2,894) | (3,715) | -22% |
| Other operating expenses | | (15,711) | (18,272) | -14% |
| Total costs and expenses | 3 | (76,220) | (81,820) | -7% |
| Profit before interests, taxes, depreciation and amortisation | 4 | 19,247 | 33,222 | -42% |
| Depreciation of property, plant and equipment | 5 | (4,720) | (5,498) | -14% |
| Amortisation of lease rental and land use rights | | (635) | (659) | -4% |
| Profit from operations and other gains | | 13,892 | 27,065 | -49% |
| Finance income | | 495 | 601 | -18% |
| Finance costs | 6 | (6,039) | (5,430) | 11% |
| Share of results of associated companies | | 13 | 18 | -28% |
| Profit before taxation | | 8,361 | 22,254 | -62% |
| Income tax expense | 7 | (2,699) | (5,711) | -53% |
| Profit after taxation | 8 | 5,662 | 16,543 | -66% |
| Attributable to: | | | | |
| Owners of the Company | 10 | 4,020 | 14,211 | -72% |
| Non-controlling interests | 9 | 1,642 | 2,332 | -30% |
| Profit for the Period | | 5,662 | 16,543 | -66% |



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1(a)(ii) Statement of Comprehensive Income

| | Notes | Group 3 months ended 31 Mar | | |
|--|-------|--------------------------------|-------------------|----------------|
| | | 2014 (S\$'000) | 2013 (S\$'000) | Incr/ (Decr) % |
| Profit for the Period | | 5,662 | 16,543 | -66% |
| Other comprehensive income: | | | | |
| <u>Items that may be reclassified subsequently to profit or loss:</u> | | | | |
| Realisation of currency translation reserves | | - | 2,767 | -100% |
| Exchange differences arising from consolidation of foreign operations and net investment in foreign operations | | (1,637) | 37,587 | <i>nm</i> |
| Net change in fair value adjustment reserve | 11 | 3,707 | - | 100% |
| Total comprehensive income for the Period | | 7,732 | 56,897 | -86% |
| Attributable to: | | | | |
| Owners of the Company | | 5,017 | 43,871 | -89% |
| Non-controlling interests | | 2,715 | 13,026 | -79% |
| | | 7,732 | 56,897 | -86% |

1(a)(iii) Additional Disclosures

Adjustments for under or over provision of tax in respect of prior years

Included in the tax expense was adjustments for overprovision of tax relating to prior years of \$385,000 (1Q13: underprovision of S\$92,000).

| | Group 3 months ended 31 Mar | | |
|---|--------------------------------|-------------------|-------------------|
| | 2014 (S\$'000) | 2013 (S\$'000) | Incr/ (Decr) % |
| Profit from operations and other gains is stated after charging/(crediting): | | | |
| (Write back of)/Allowance for doubtful debts | (77) | 3,346 | <i>nm</i> |
| (Write back of)/Allowance for inventory obsolescence | (55) | 25 | <i>nm</i> |
| Exchange loss/(gain) | 612 | (745) | <i>nm</i> |
| Gain on disposal of property, plant and equipment/leasehold rights | (1) | (17,080) | -100% |



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1(a)(iv) Explanatory notes on performance for 1Q14

1. Revenue

Revenue decreased by S\$3.0 million from S\$96.9 million in 1Q13 to S\$93.9 million in 1Q14. This was mainly due to lower revenue from Hotel Investments and Fee-based segments by S\$3.3 million and S\$1.8 million respectively, but partially cushioned by higher revenue from Property Sales segment by S\$2.1 million.

Lower revenue from Hotel Investments segment was mainly attributable to our resorts in Thailand whose performance continued to be impacted by the political unrest in Bangkok which started in November 2013. The shortfall was however partially cushioned by higher revenue from Maldives and Seychelles due to strong demand from the leisure market.

Lower revenue from Fee-based segment was mainly due to spa/gallery operation in Thailand as a result of the political crisis as mentioned above. In addition, there were lower fund management fees mainly due to lower resorts development management fees from Banyan Tree China Hospitality Fund ("China Fund") as the construction projects in China are nearing their completion soon. The shortfall was however partially cushioned by royalty fees from completion of sale of units in Banyan Tree Signatures Pavilion, Kuala Lumpur and Banyan Tree Mayakoba, coupled with hotel management fees from newly-opened resorts in China.

Higher revenue from Property Sales segment was mainly due to higher contribution of property sales units based on the completion method of revenue recognition. In 1Q14, we recognized 4 units as compared to 2 units in the same period last year.

2. Other income

Other income decreased by S\$16.5 million from S\$18.1 million in 1Q13 to S\$1.6 million in 1Q14 as other income in 1Q13 included gain on sale of Angsana Velavaru hotel.

3. Total costs and expenses

Total costs and expenses decreased by S\$5.6 million from S\$81.8 million in 1Q13 to S\$76.2 million in 1Q14. Other than cost of properties sold which recorded an increase compared to last year, all other categories of expenses were lower than last year.

Cost of properties sold increased by S\$1.4 million from S\$1.2 million in 1Q13 to S\$2.6 million in 1Q14, in line with higher property sales units from completion.

Cost of operating supplies decreased by S\$1.0 million from S\$8.2 million in 1Q13 to S\$7.2 million in 1Q14 and other operating expenses decreased by S\$2.6 million from S\$18.3 million in 1Q13 to S\$15.7 million in 1Q14, mainly due to lower hotel occupancy related expenses, in line with lower revenue from Hotel Investments segment.

Salaries and related expenses decreased by S\$1.3 million from S\$33.0 million in 1Q13 to S\$31.7 million in 1Q14 mainly due to lower headcount.

Administrative expenses decreased by S\$1.5 million from S\$17.5 million in 1Q13 to S\$16.0 million in 1Q14 mainly due to lower provision for doubtful debts but partially offset by higher exchange loss.

Sales and marketing expenses decreased by S\$0.8 million from S\$3.7 million in 1Q13 to S\$2.9 million in 1Q14 mainly due to lower marketing expenses incurred following the political unrest in Thailand.

4. Profit before interests, taxes, depreciation and amortisation ("EBITDA")

EBITDA decreased by S\$14.0 million from S\$33.2 million in 1Q13 to S\$19.2 million in 1Q14, mainly due to lower other income as mentioned above and lower EBITDA from Fee-based segment, but partially cushioned by higher EBITDA from Property Sales segment, in line with the movement in revenue.



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5. Depreciation of property, plant and equipment

Depreciation of property, plant and equipment decreased by S\$0.8 million from S\$5.5 million in 1Q13 to S\$4.7 million in 1Q14, mainly due to certain assets being fully depreciated.

6. Finance costs

Finance costs increased by S\$0.6 million from S\$5.4 million in 1Q13 to S\$6.0 million in 1Q14 mainly due to interest incurred on new notes issuance totaling S\$120 million in July and November 2013 but partially offset by lower interest following the redemption of S\$70 million notes in March 2014.

7. Income tax expense

Income tax expense decreased by S\$3.0 million from S\$5.7 million in 1Q13 to S\$2.7 million in 1Q14 mainly due to lower profit.

8. Profit after taxation ("PAT")

Profit after taxation decreased by S\$10.8 million from S\$16.5 million in 1Q13 to S\$5.7 million in 1Q14. This was due largely to lower EBITDA, but partially cushioned by lower income tax expense.

9. Non-controlling interests

Non-controlling interests' share of profit decreased by S\$0.7 million from S\$2.3 million in 1Q13 to S\$1.6 million in 1Q14 as last year included non-controlling interest's share of gain on sale of Angsana Velavaru hotel, but partially offset by higher profits in Laguna Resorts & Hotels Public Company Limited ("LRH") in 1Q14.

10. Profit attributable to owners of the Company ("PATMI")

As a result of the foregoing, profit attributable to owners of the Company decreased by S\$10.2 million from S\$14.2 million in 1Q13 to S\$4.0 million in 1Q14.

11. Net change in fair value adjustment reserve

Net change in fair value adjustment reserve of S\$3.7 million was mainly due to upward fair value adjustment on our investment in Thai Wah Starch Public Company.



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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | Notes | Group | | | Company | | |
|--|-------|------------------------|------------------------|-------------------|------------------------|------------------------|-------------------|
| | | As at | | | As at | | |
| | | 31-Mar-14 (S\$'000) | 31-Dec-13 (S\$'000) | Incr/ (Decr) % | 31-Mar-14 (S\$'000) | 31-Dec-13 (S\$'000) | Incr/ (Decr) % |
| Non-current assets | | | | | | | |
| Property, plant and equipment | 1 | 620,906 | 622,202 | 0% | 24 | 28 | -14% |
| Land use rights | | 12,359 | 15,798 | -22% | - | - | - |
| Investment properties | | 60,694 | 60,677 | 0% | - | - | - |
| Subsidiary companies | | - | - | - | 407,751 | 428,263 | -5% |
| Associated companies | | 295 | 282 | 5% | 869 | 869 | 0% |
| Prepaid island rental | | 22,490 | 22,932 | -2% | - | - | - |
| Long-term trade receivables | | 28,456 | 28,200 | 1% | - | - | - |
| Intangible assets | | 29,385 | 28,805 | 2% | - | - | - |
| Long-term investments | 2 | 99,087 | 94,652 | 5% | - | - | - |
| Prepayments | | 3,562 | 3,600 | -1% | - | - | - |
| Other receivables | | 7,115 | 7,170 | -1% | - | - | - |
| Deferred tax assets | | 10,026 | 10,063 | 0% | - | - | - |
| | | 894,375 | 894,381 | 0% | 408,644 | 429,160 | -5% |
| Current assets | | | | | | | |
| Inventories | | 11,607 | 12,527 | -7% | - | - | - |
| Trade receivables | | 79,361 | 77,326 | 3% | 753 | 752 | 0% |
| Prepayments and other non-financial assets | | 17,345 | 18,918 | -8% | 195 | 113 | 73% |
| Other receivables | 3 | 20,462 | 29,622 | -31% | 1,477 | 3,382 | -56% |
| Amounts due from subsidiary companies | | - | - | - | 126,406 | 110,810 | 14% |
| Amounts due from associated companies | | 179 | 123 | 46% | - | - | - |
| Amounts due from related parties | | 10,185 | 8,416 | 21% | - | - | - |
| Property development costs | 4 | 177,639 | 168,858 | 5% | - | - | - |
| Cash and short-term deposits | | 113,678 | 178,807 | -36% | 14,020 | 81,596 | -83% |
| | | 430,456 | 494,597 | -13% | 142,851 | 196,653 | -27% |
| Total assets | | 1,324,831 | 1,388,978 | -5% | 551,495 | 625,813 | -12% |
| Current liabilities | | | | | | | |
| Trade payables | | 16,774 | 19,113 | -12% | - | - | - |
| Unearned income | | 11,016 | 8,389 | 31% | 112 | 112 | 0% |
| Other non-financial liabilities | | 32,746 | 34,880 | -6% | 104 | 357 | -71% |
| Other payables | 5 | 46,326 | 53,177 | -13% | 11,093 | 13,144 | -16% |
| Amounts due to subsidiary companies | | - | - | - | 61,600 | 58,292 | 6% |
| Amounts due to associated companies | | 4 | 4 | 0% | - | - | - |
| Amounts due to related parties | | 324 | 587 | -45% | - | - | - |
| Interest-bearing loans and borrowings | 6 | 43,915 | 53,508 | -18% | 7,108 | 17,108 | -58% |
| Notes payable | 7 | - | 69,197 | -100% | - | 69,197 | -100% |
| Tax payable | | 11,821 | 10,160 | 16% | 136 | 136 | 0% |
| | | 162,926 | 249,015 | -35% | 80,153 | 158,346 | -49% |
| Net current assets | | 267,530 | 245,582 | 9% | 62,698 | 38,307 | 64% |



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| | Notes | Group As at | | | Company As at | | |
|---|-------|------------------------|------------------------|-------------------|------------------------|------------------------|-------------------|
| | | 31-Mar-14 (S\$'000) | 31-Dec-13 (S\$'000) | Incr/ (Decr) % | 31-Mar-14 (S\$'000) | 31-Dec-13 (S\$'000) | Incr/ (Decr) % |
| Non-current liabilities | | | | | | | |
| Interest-bearing loans and borrowings | 6 | 177,067 | 163,459 | 8% | 54,118 | 45,394 | 19% |
| Deferred income | | 8,612 | 8,844 | -3% | - | - | - |
| Notes payable | 7 | 167,501 | 168,003 | 0% | 167,501 | 168,003 | 0% |
| Deposits received | | 1,766 | 1,594 | 11% | - | - | - |
| Other non-current liabilities | | 9,023 | 8,898 | 1% | 6,029 | 6,024 | 0% |
| Defined and other long-term employee benefits | | 2,643 | 2,578 | 3% | - | - | - |
| Deferred tax liabilities | | 91,560 | 90,639 | 1% | - | - | - |
| | | 458,172 | 444,015 | 3% | 227,648 | 219,421 | 4% |
| Total liabilities | | 621,098 | 693,030 | -10% | 307,801 | 377,767 | -19% |
| Net assets | | 703,733 | 695,948 | 1% | 243,694 | 248,046 | -2% |
| Equity attributable to owners of the Company | | | | | | | |
| Share capital | | 199,995 | 199,995 | 0% | 199,995 | 199,995 | 0% |
| Treasury shares | | (1,827) | (1,827) | 0% | (1,827) | (1,827) | 0% |
| Reserves | | 356,099 | 351,029 | 1% | 45,526 | 49,878 | -9% |
| | | 554,267 | 549,197 | 1% | 243,694 | 248,046 | -2% |
| Non-controlling interests | | 149,466 | 146,751 | 2% | - | - | - |
| Total equity | | 703,733 | 695,948 | 1% | 243,694 | 248,046 | -2% |
| | | | | | | | |



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Explanatory notes on Balance Sheet

1. Property, plant and equipment

Property, plant and equipment decreased by S\$1.3 million from S\$622.2 million as at 31 December 2013 to S\$620.9 million as at 31 March 2014. This was mainly due to depreciation charge of S\$4.7 million during the period, but partially offset by capital expenditure of S\$3.4 million expended on on-going purchases of furniture, fittings and equipment by our resorts for their operations.

2. Long-term investments

Long-term investments increased by S\$4.4 million from S\$94.7 million as at 31 December 2013 to S\$99.1 million as at 31 March 2014 mainly due to upward fair value adjustment on our investment in Thai Wah Starch Public Company.

3. Other receivables (Current)

Other receivables decreased by S\$9.1 million from S\$29.6 million as at 31 December 2013 to S\$20.5 million as at 31 March 2014 mainly due to reclassification of tender deposits to property development cost for residential land in Wenjiang, Chengdu, China ("Wenjiang") following the successful tender and payment of land. This is partially offset by deposit for land acquisition in Australia.

4. Property development costs

Property development costs increased by S\$8.7 million from S\$168.9 million as at 31 December 2013 to S\$177.6 million as at 31 March 2014. The increase was mainly due to progressive land and development costs incurred in Wenjiang.

5. Other payables

Other payables decreased by S\$6.9 million from S\$53.2 million as at 31 December 2013 to S\$46.3 million as at 31 March 2014 mainly due to payment of bonus and founder's grant.

6. Current and non-current interest-bearing loans and borrowings

Current and non-current interest-bearing loans and borrowings increased by S\$4.0 million from S\$217.0 million as at 31 December 2013 to S\$221.0 million as at 31 March 2014 due to drawdown of additional loans but partially offset by scheduled loan repayments.

7. Current and non-current notes payable

Current and non-current notes payables decreased by S\$69.7 million from S\$237.2 million as at 31 December 2013 to S\$167.5 million as at 31 March 2014 mainly due to repayment of S\$70.0 million upon maturity in March 2014.



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1(b)(ii) Aggregate amount of the group's borrowings and debts securities

| | Group | |
|---|------------------------|------------------------|
| | As at | |
| | 31-Mar-14 (S\$'000) | 31-Dec-13 (S\$'000) |
| Amount repayable in one year or less, or on demand:- | | |
| Secured | 32,267 | 35,023 |
| Unsecured | 11,648 | 87,682 |
| Sub-Total 1 | 43,915 | 122,705 |
| Amount repayable after one year:- | | |
| Secured | 127,192 | 133,459 |
| Unsecured | 217,376 | 198,003 |
| Sub-Total 2 | 344,568 | 331,462 |
| Total Debt | 388,483 | 454,167 |

Details of any collateral

The secured bank loans are secured by assets with the following net book values:

| | Group | |
|---------------------------------------|------------------------|------------------------|
| | As at | |
| | 31-Mar-14 (S\$'000) | 31-Dec-13 (S\$'000) |
| Freehold land and buildings | 314,720 | 325,471 |
| Investment properties | 27,639 | 27,639 |
| Quoted shares in a subsidiary company | 5,710 | 5,148 |
| Property development costs | 23,994 | 24,092 |
| Leasehold land and buildings | 42,347 | 43,482 |
| Other assets | 650 | 674 |
| | 415,060 | 426,506 |



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1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

| | Group | |
|--|------------------------------|------------------|
| | 3 months ended 31 Mar | |
| | 2014 | 2013 |
| | (S\$'000) | (S\$'000) |
| <i>Cash flows from operating activities</i> | | |
| Profit before taxation | 8,361 | 22,254 |
| Adjustments for: | | |
| Share of results of associated companies | (13) | (18) |
| Depreciation of property, plant and equipment | 4,720 | 5,498 |
| Gain on disposal of property, plant and equipment/leasehold rights | (1) | (17,080) |
| Finance income | (495) | (601) |
| Finance costs | 6,039 | 5,430 |
| Amortisation of lease rental and land use rights | 635 | 659 |
| (Write back of)/allowance for doubtful debts | (77) | 3,346 |
| (Write back of)/allowance for inventory obsolescence | (55) | 25 |
| Provision for employee benefits | 75 | 99 |
| Provision for Share-based payment expenses | 342 | 120 |
| Currency realignment | 169 | 2,752 |
| Operating profit before working capital changes | 19,700 | 22,484 |
| Decrease in inventories | 945 | 604 |
| Decrease/(increase) in trade and other receivables | 927 | (13,675) |
| Increase in amounts due from related parties | (1,990) | (432) |
| (Decrease)/increase in trade and other payables | (8,187) | 6,285 |
| | (8,305) | (7,218) |
| Cash flows generated from operating activities | 11,395 | 15,266 |
| Interest received | 531 | 616 |
| Interest paid | (6,708) | (6,516) |
| Tax paid | (1,012) | (2,387) |
| Payment of employee benefits | (10) | (34) |
| Net cash flows generated from operating activities | 4,196 | 6,945 |
| <i>Cash flows from investing activities</i> | | |
| Purchase of property, plant and equipment | (3,439) | (4,905) |
| Proceeds from disposal of property, plant and equipment/leasehold rights | 363 | 87,787 |
| Increase in long-term investments | - | (7,782) |
| Net cash flows (used in)/generated from investing activities | (3,076) | 75,100 |
| <i>Cash flows from financing activities</i> | | |
| Proceeds from bank loans | 13,716 | 12,000 |
| Repayment of bank loans | (7,884) | (60,159) |
| Repayments of notes payable | (70,000) | - |
| Net cash flows used in financing activities | (64,168) | (48,159) |
| Net (decrease)/increase in cash and cash equivalents | (63,048) | 33,886 |
| Net foreign exchange difference | (745) | 3,111 |
| Cash and cash equivalents at beginning of year | 176,823 | 120,824 |
| Cash and cash equivalents * at end of the period | 113,030 | 157,821 |

* made up of cash and short-term deposits, less bank overdrafts



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Explanatory notes on Consolidated Cash Flow

The Group's cash and cash equivalents decreased by S\$44.8 million or 28% from S\$157.8 million as at 31 March 2013 to S\$113.0 million as at 31 March 2014.

For the three months ended 31 March 2014, net cash flow generated from operating activities was S\$4.2 million, mainly due to profit before taxation of S\$8.4 million and adjustments for non-cash items of S\$11.3 million, but partially offset by net decrease in cash generated from working capital of S\$8.3 million, net interest paid of S\$6.2 million and income tax payments of S\$1.0 million. Non-cash items relate mainly to finance costs of S\$6.0 million and depreciation and amortization of island rental of S\$5.4 million.

The net cash flows used in investing activities was S\$3.1 million due largely to on-going purchases of furniture, fittings and equipment by our resorts for their operations.

The net cash flows used in financing activities amounted to S\$64.2 million. This was mainly due to notes repayment of S\$70 million upon maturity in March 2014 and scheduled bank repayments of S\$7.9 million, partially offset by additional loan drawdown of S\$13.7 million,



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1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| GROUP | Share capital (S\$'000) | Treasury shares (S\$'000) | Share-based payment reserve (S\$'000) | Legal reserve (S\$'000) | Property revaluation reserve (S\$'000) | Currency translation reserve (S\$'000) | Other reserves* (S\$'000) | Accumulated profits (S\$'000) | Equity attributable to owners of the Company (S\$'000) | Non-controlling interests (S\$'000) | Total equity (S\$'000) |
|---|----------------------------|------------------------------|--|----------------------------|---|---|------------------------------|----------------------------------|---|--|---------------------------|
| Balance as at 1 January 2014 | 199,995 | (1,827) | 8,801 | 9,767 | 142,865 | (54,213) | (8,384) | 252,193 | 549,197 | 146,751 | 695,948 |
| Profit after taxation | - | - | - | - | - | - | - | 4,020 | 4,020 | 1,642 | 5,662 |
| Other comprehensive income for the period | - | - | - | - | - | (1,440) | 2,437 | - | 997 | 1,073 | 2,070 |
| Total comprehensive income for the period | - | - | - | - | - | (1,440) | 2,437 | 4,020 | 5,017 | 2,715 | 7,732 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | | | | |
| Issuance of share grants pursuant to Share-based Incentive Plan | - | - | 53 | - | - | - | - | - | 53 | - | 53 |
| Total transactions with owners in their capacity as owners | - | - | 53 | - | - | - | - | - | 53 | - | 53 |
| <u>Other changes in equity</u> | | | | | | | | | | | |
| Transfer to legal reserve | - | - | - | 47 | - | - | - | (47) | - | - | - |
| Total other changes in equity | - | - | - | 47 | - | - | - | (47) | - | - | - |
| Balance as at 31 March 2014 | 199,995 | (1,827) | 8,854 | 9,814 | 142,865 | (55,653) | (5,947) | 256,166 | 554,267 | 149,466 | 703,733 |

* Other reserves is made up of merger deficit, capital reserve, fair value adjustment reserve, premium paid on acquisition of non-controlling interests and gain or loss on reissuance of treasury shares.



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| GROUP | Share capital (S\$'000) | Treasury shares (S\$'000) | Share-based payment reserve (S\$'000) | Legal reserve (S\$'000) | Property revaluation reserve (S\$'000) | Currency translation reserve (S\$'000) | Other reserves* (S\$'000) | Accumulated profits (S\$'000) | Equity attributable to owners of the Company (S\$'000) | Non-controlling interests (S\$'000) | Total equity (S\$'000) |
|--|----------------------------|------------------------------|--|----------------------------|---|---|------------------------------|----------------------------------|---|--|---------------------------|
| Balance as at 1 January 2013 | 199,995 | (2,172) | 8,893 | 9,740 | 166,690 | (63,651) | (14,117) | 239,106 | 544,484 | 167,913 | 712,397 |
| Profit after taxation | - | - | - | - | - | - | - | 14,211 | 14,211 | 2,332 | 16,543 |
| Other comprehensive income for the period | - | - | - | - | - | 29,660 | - | - | 29,660 | 10,694 | 40,354 |
| Total comprehensive income for the period | - | - | - | - | - | 29,660 | - | 14,211 | 43,871 | 13,026 | 56,897 |
| Contributions by and distributions to owners | | | | | | | | | | | |
| Issuance of share grants pursuant to Share-based Incentive Plan | - | - | 115 | - | - | - | - | - | 115 | - | 115 |
| Total transactions with owners in their capacity as owners | - | - | 115 | - | - | - | - | - | 115 | - | 115 |
| Other changes in equity | | | | | | | | | | | |
| Acquisition of non-controlling interests' shares in a subsidiary company | - | - | - | - | - | - | 9 | - | 9 | (3,367) | (3,358) |
| Transfer to legal reserve | - | - | - | 26 | - | - | - | (26) | - | - | - |
| Total other changes in equity | - | - | - | 26 | - | - | 9 | (26) | 9 | (3,367) | (3,358) |
| Balance as at 31 March 2013 | 199,995 | (2,172) | 9,008 | 9,766 | 166,690 | (33,991) | (14,108) | 253,291 | 588,479 | 177,572 | 766,051 |

* Other reserves is made up of merger deficit, capital reserve, fair value adjustment reserve, premium paid on acquisition of non-controlling interests and gain or loss on reissuance of treasury shares.



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1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| COMPANY | Share capital (S\$'000) | Treasury shares (S\$'000) | Share-based payment reserve (S\$'000) | Other reserves* (S\$'000) | Accumulated profits (S\$'000) | Total equity (S\$'000) |
|---|----------------------------|------------------------------|---|------------------------------|-------------------------------------|---------------------------|
| Balance as at 1 January 2014 | 199,995 | (1,827) | 8,801 | 5,393 | 35,684 | 248,046 |
| Total comprehensive income for the period | - | - | - | - | (4,405) | (4,405) |
| <u>Contributions by and distributions to owners</u> | | | | | | |
| Issuance of share grants pursuant to Share-based Incentive Plan | - | - | 53 | - | - | 53 |
| Total transactions with owners in their capacity as owners | - | - | 53 | - | - | 53 |
| Balance as at 31 March 2014 | 199,995 | (1,827) | 8,854 | 5,393 | 31,279 | 243,694 |
| Balance as at 1 January 2013 | 199,995 | (2,172) | 8,893 | 6,241 | 32,423 | 245,380 |
| Total comprehensive income for the period | - | - | - | - | (103) | (103) |
| <u>Contributions by and distributions to owners</u> | | | | | | |
| Issuance of share grants pursuant to Share-based Incentive Plan | - | - | 115 | - | - | 115 |
| Total transactions with owners in their capacity as owners | - | - | 115 | - | - | 115 |
| Balance as at 31 March 2013 | 199,995 | (2,172) | 9,008 | 6,241 | 32,320 | 245,392 |

* Other reserves is made up of capital reserve and gain or loss on reissuance of treasury shares.



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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There had been no changes in the company's share capital in the current reported financial period since the end of previous reported period, i.e. 31 December 2013.

As at 31 March 2014, there are 1,930,200 (1Q13: 1,255,000) shares held as treasury shares against the total number of issued shares excluding treasury shares of 759,472,080 (1Q13: 760,147,280).

Issuance of shares from vesting of share awards

During the quarter, there were no issuance of shares arising from the vesting of share awards under the Performance Share Plan (1Q13: Nil) and under the Restricted Share Plan (1Q13: Nil).

Grant and cancellation of share awards

Performance Share Plan

During the quarter, no share awards (1Q13: Nil) were granted or cancelled under the Banyan Tree Performance Share Plan. As at 31 March 2014, initial awards for 621,300 shares (As at 31 March 2013: 703,300) have been granted under the plan which will vest upon meeting specified performance conditions.

Restricted Share Plan

During the quarter, no share awards (1Q13: Nil) were granted and 57,500 shares awards (1Q13: 33,200) were cancelled under the Banyan Tree Restricted Share Plan. As at 31 March 2014, initial awards for 1,665,700 shares (As at 31 March 2013: 1,421,900) have been granted under the plan which will vest upon meeting specified performance conditions.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

| | 31-Mar-14 No. of shares | 31-Dec-13 No. of shares |
|---|------------------------------------|------------------------------------|
| Number of issued shares excluding Treasury shares | 759,472,080 | 759,472,080 |

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

| | 31-Mar-14 No. of shares | 31-Dec-13 No. of shares |
|---|------------------------------------|------------------------------------|
| At 1 January | 1,930,200 | 1,255,000 |
| Purchase of additional treasury shares | - | 1,440,000 |
| Reissued pursuant to Share-based Incentive Plan | - | (764,800) |
| | 1,930,200 | 1,930,200 |

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the group auditors.



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3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial year compared with those of the audited financial statements as at 31 December 2013.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, the effect of, the change.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with those of the audited financial statements for the year ended 31 December 2013, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2014. The adoption of the standards and interpretations does not have material impact to the financial statements in the period of initial application.

6 Earnings per ordinary share of the group for the current financial period reported and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -

(a) Based on the weighted average number of ordinary shares on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

| | 3 months ended 31 Mar | |
|---|-----------------------|------|
| | 2014 | 2013 |
| a) Based on the weighted average number of ordinary shares on issue (cents) | 0.53 | 1.87 |
| b) On fully diluted basis (cents) | 0.53 | 1.86 |

(i) The basic earnings per ordinary share for the 3 months period and the same period last year have been calculated based on the weighted average number of 759,472,080 and 760,147,280 ordinary shares respectively.

(ii) The diluted earnings per ordinary share for the 3 months period and the same period last year have been calculated based on the weighted average number of 761,805,719 and 762,299,409 ordinary shares respectively.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

| | Group As at | | Company As at | |
|--|----------------|-----------|------------------|-----------|
| | 31-Mar-14 | 31-Dec-13 | 31-Mar-14 | 31-Dec-13 |
| Net asset value per ordinary share based on issued share capital* at the end of the period (S\$) | 0.73 | 0.72 | 0.32 | 0.33 |

* 759,472,080 and 759,472,080 ordinary shares in issue as at 31 March 2014 and 31 December 2013.



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8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A) REVENUE

| | Group | | | |
|------------------------------|-----------------------|---------------|----------------|------------|
| | 3 months ended 31 Mar | | 2014 vs 2013 | |
| | 2014 | 2013 | Incr/(Decr) | |
| | SGD'000 | SGD'000 | SGD'000 | % |
| Hotel Investments | 66,764 | 70,135 | (3,371) | -5% |
| Property Sales | 5,704 | 3,589 | 2,115 | 59% |
| - Hotel Residences | 51 | 36 | 15 | 42% |
| - Laguna Property Sales | 5,653 | 3,553 | 2,100 | 59% |
| Fee-based Segment | 21,430 | 23,186 | (1,756) | -8% |
| - Hotel/Fund/Club Management | 8,536 | 8,424 | 112 | 1% |
| - Spa/Gallery Operations | 7,898 | 9,068 | (1,170) | -13% |
| - Design and Others | 4,996 | 5,694 | (698) | -12% |
| Revenue | 93,898 | 96,910 | (3,012) | -3% |
| | | | | |



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B) PROFITABILITY

| | Group | | | |
|---|------------------------------|----------------|---------------------|-------------|
| | 3 months ended 31 Mar | | 2014 vs 2013 | |
| | 2014 | 2013 | Incr/(Decr) | |
| | SGD'000 | SGD'000 | SGD'000 | % |
| Hotel Investments | 21,733 | 21,058 | 675 | 3% |
| Property Sales | 277 | (2,037) | 2,314 | nm |
| - Hotel Residences | (291) | (432) | 141 | 33% |
| - Laguna Property Sales | 795 | (1,350) | 2,145 | nm |
| - Development Project/Site Sales | (227) | (255) | 28 | 11% |
| Fee-based Segment | 888 | 2,559 | (1,671) | -65% |
| - Hotel/Fund/Club Management | 2,274 | 2,391 | (117) | -5% |
| - Spa/Gallery Operations | 1,448 | 1,852 | (404) | -22% |
| - Design and Others | (2,834) | (1,684) | (1,150) | -68% |
| Head Office Expenses | (5,220) | (6,490) | (1,270) | -20% |
| Other income (net) | 1,569 | 18,132 | (16,563) | -91% |
| Operating Profit (EBITDA) | 19,247 | 33,222 | (13,975) | -42% |
| | | | | |
| Profit attributable to owners of the Company (PATMI) | 4,020 | 14,211 | (10,191) | -72% |
| | | | | |



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C) BUSINESS SEGMENTS REVIEW

i) Hotel Investments segment

Hotel Investments segment achieved revenue of S\$66.8 million in 1Q14, a decrease of 5% or S\$3.3 million compared to S\$70.1 million in 1Q13. Lower revenue was mainly from Thailand (S\$6.2 million), but partially cushioned by higher revenue from Maldives (S\$1.5 million) and Seychelles (S\$1.1 million).

Performance of our properties in Thailand continued to be affected by the political unrest which began in November 2013 in Bangkok. Many countries have issued travel advisories to Thailand as state of emergency was in place in Bangkok from end January 2014 and was only lifted in mid March 2014. Overall revenue per available room ("Revpar") for our resorts in Thailand decreased by 15% from S\$290 to S\$247. On the contrary, our resorts in Maldives and Seychelles recorded higher revenue in the current quarter due to strong demand from the leisure market. Overall Revpar of our resorts in Maldives increased by 11% from S\$638 to S\$705. For Seychelles, Revpar increased by 26% from S\$633 to S\$798.

EBITDA increased by S\$0.6 million from S\$21.1 million in 1Q13 to S\$21.7 million in 1Q14 notwithstanding lower revenue, mainly due to lower provision for doubtful debts and cost control.

ii) Property Sales segment

Property Sales segment revenue increased by S\$2.1 million or 59% from S\$3.6 million in 1Q13 to S\$5.7 million in 1Q14. This was due to higher contribution of property sales units based on revenue recognition upon completion. In the current quarter, a total of 4 units of Laguna Village condominiums / bungalow was completed and recognized, as compared to 2 units of condominiums in the same period last year.

During the quarter, Laguna Shores project in Bintan was launched. In the first month of launch, a total of 31 units, equivalent to 43% of units launched under Phase 1 were sold with deposits received. Including sales in other locations, a total of 124 units were sold with deposits received in 1Q14 as compared to deposits received for 67 units in 1Q13, an increase of 85% and 92% in units and value terms respectively. Overall unrecognised cumulative revenue as at 1Q14 was about S\$110 million as compared to S\$50.0 million in 1Q13.

EBITDA increased by S\$2.3 million from a loss of S\$2.0 million in 1Q13 to a profit of S\$0.3 million in 1Q14, in line with higher revenue.

iii) Fee-based segment

Fee-based segment revenue decreased by S\$1.8 million or 8% from S\$23.2 million in 1Q13 to S\$21.4 million in 1Q14, mainly due to lower revenue from spa/gallery and fund management business. The spa/gallery operations were impacted by the Thai political crisis which caused a drop in our gallery retail sales and number of spa guests. In addition, there were lower resorts development management fees from China Fund as the constructions of Banyan Tree Yangshuo and Banyan Tree Huangshan are nearing their completion soon. The shortfall was however partially cushioned by royalty fees from completion of sale of Banyan Tree property units in Kuala Lumpur and Mexico, and hotel management fees contributed by newly-opened resorts such as Banyan Tree Tianjin Riverside, Banyan Tree Chongqing Beibei and Angsana Tengchong.

EBITDA decreased by S\$1.7 million from S\$2.6 million in 1Q13 to S\$0.9 million in 1Q14 mainly due to lower revenue.

If management fees of those resorts which the Group has a majority interest but were not eliminated on consolidation, EBITDA would have been S\$7.4 million in 1Q14 compared to S\$10.8 million in 1Q13.

iv) Head Office

Head office expenses decreased by S\$1.3 million or 20% from S\$6.5 million in 1Q13 to S\$5.2 million in 1Q14 mainly due to lower staff and related cost and lower travelling expenses.



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9 Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group's performance in the current quarter was below the same period last year, as anticipated in the 4Q13 results announcement under section 10.

10 A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

At the macro level, both the economies in the USA and Europe continue to recover in 2014. The political crisis in Bangkok may continue to affect our operations in the near term. Currently, hotel's forward bookings for owned hotels in Thailand for 2Q14 is 25% below the same period last year and overall is below by 11%, cushioned by hotels outside Thailand which is ahead by 9%.

On the property sales segment, sales remain active in Phuket. Deposits for a total of 124 units amounting to S\$48.2 million were received in 1Q14, ahead of 1Q13 by 92% in value terms. With favourable response towards a more affordable, lifestyle and design-driven property sales products from launches in both Phuket and Bintan, plans are currently underway to launch similar products in Lijiang and Sri Lanka. Unrecognised revenue for sales achieved to date is S\$110 million which will be recognized mainly in 2015.

As 2Q and 3Q are the low seasons of the year, the Group's performance is therefore expected to be below 1Q which was the high season of the year.

New Openings

We expect to open the following 5 new resorts in the next 12 months:

- i. Banyan Tree Yangshuo, Guilin, China
- ii. Banyan Tree Huangshan, Anhui, China
- iii. Banyan Tree Tianjin Yangliuqing, Tianjin, China
- iv. Angsana Xian Lintong, Shaanxi, China
- v. Banyan Tree Tamouda Bay, Tetouan, Morocco

Also in the next 12 months, we expect to launch 7 spas under management.



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11 If a decision regarding dividend has been made:-

(a) Current financial period reported on. State the amount per share.

Any dividend declared for the current financial period reported on? No

(b) Corresponding period of the immediately preceding financial year. State the amount per share.

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Whether the dividend is before tax, net of tax, or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books disclosure date

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared in respect of the current financial period.



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13 Interested Persons Transactions for the 3 months ended 31 March 2014

| | Interested Person Transactions | Aggregate value of all interested person transactions for Q1 (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 Q1 (excluding transactions less than S\$100,000) in S\$'000 |
|------------|---|---|---|
| [A] | Transactions with the Tropical Resorts Limited Group ("TRG") | | |
| a | Provision of Resort Management and Related Services to TRG | | 814 |
| b | Provision of Spa Management and Other Related Services to TRG | | 224 |
| c | Rental Income from TRG in respect of units in Banyan Tree Bintan and Angsana Bintan | | 578 |
| [B] | Transactions with Qatar Investment Authority Group ("QIAG") | | |
| a | Royalty from QIAG in respect of sale of condominium units at Banyan Tree Signatures Pavilion Kuala Lumpur | 399 | - |
| | Total | 399 | 1,616 |



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14. Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual

The Directors of Banyan Tree Holdings Limited (the “Company”) confirm that taking into account the matters announced and publicly disclosed by the Company prior to the date of this confirmation and the prevailing accounting policies adopted by the Company in accordance with the Singapore Financial Reporting Standards, to the best of their knowledge, nothing has come to their attention which may render the first quarter financial results false or misleading in any material respect.

BY ORDER OF THE BOARD

Jane Teah
Company Secretary
14 May 2014