



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Second Quarter and Half Year ended 30 June 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.

	Notes	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
		2014	2013	Incr/ (Decr)	2014	2013	Incr/ (Decr)
		(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	%
Revenue	1	68,896	81,721	-16%	162,794	178,631	-9%
Other income	2	1,596	2,067	-23%	3,165	20,199	-84%
Costs and expenses							
Cost of operating supplies		(5,598)	(7,132)	-22%	(12,826)	(15,302)	-16%
Cost of properties sold		(2,313)	(4,241)	-45%	(4,927)	(5,409)	-9%
Salaries and related expenses		(25,566)	(29,524)	-13%	(57,296)	(62,503)	-8%
Administrative expenses		(14,756)	(9,893)	49%	(30,799)	(27,409)	12%
Sales and marketing expenses		(3,428)	(3,829)	-10%	(6,322)	(7,544)	-16%
Other operating expenses		(14,660)	(16,077)	-9%	(30,371)	(34,349)	-12%
Total costs and expenses	3	(66,321)	(70,696)	-6%	(142,541)	(152,516)	-7%
Profit before interests, taxes, depreciation and amortisation	4	4,171	13,092	-68%	23,418	46,314	-49%
Depreciation of property, plant and equipment	5	(4,749)	(5,437)	-13%	(9,469)	(10,935)	-13%
Amortisation of lease rental and land use rights		(560)	(679)	-18%	(1,195)	(1,338)	-11%
(Loss)/Profit from operations and other gains		(1,138)	6,976	<i>nm</i>	12,754	34,041	-63%
Finance income		612	747	-18%	1,107	1,348	-18%
Finance costs	6	(6,196)	(5,949)	4%	(12,235)	(11,379)	8%
Share of results of associated companies		15	(20)	<i>nm</i>	28	(2)	<i>nm</i>
(Loss)/Profit before taxation		(6,707)	1,754	<i>nm</i>	1,654	24,008	-93%
Income tax credit/(expense)	7	1,255	(1,454)	<i>nm</i>	(1,444)	(7,165)	-80%
(Loss)/Profit after taxation	8	(5,452)	300	<i>nm</i>	210	16,843	-99%
Attributable to:							
Owners of the Company	10	(3,457)	1,695	<i>nm</i>	563	15,906	-96%
Non-controlling interests	9	(1,995)	(1,395)	43%	(353)	937	<i>nm</i>
(Loss)/Profit for the Period		(5,452)	300	<i>nm</i>	210	16,843	-99%



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1(a)(ii) Statement of Comprehensive Income

	Notes	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
		2014 (S\$'000)	2013 (S\$'000)	Incr/ (Decr) %	2014 (S\$'000)	2013 (S\$'000)	Incr/ (Decr) %
(Loss)/Profit for the Period		(5,452)	300	<i>nm</i>	210	16,843	-99%
Other comprehensive income:							
<u>Items that may be reclassified subsequently to profit or loss:</u>							
Realisation of currency translation reserves		-	-	<i>nm</i>	-	2,767	-100%
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	11	(16,810)	(15,841)	6%	(18,447)	21,746	<i>nm</i>
Net change in fair value adjustment reserve	12	4,315	-	100%	8,022	-	100%
Total comprehensive income for the Period		(17,947)	(15,541)	15%	(10,215)	41,356	<i>nm</i>
Attributable to:							
Owners of the Company		(13,551)	(6,190)	119%	(8,534)	37,681	<i>nm</i>
Non-controlling interests		(4,396)	(9,351)	-53%	(1,681)	3,675	<i>nm</i>
		(17,947)	(15,541)	15%	(10,215)	41,356	<i>nm</i>

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 over provision of tax relating to prior years of S\$606,000 (2Q13: Nil) and an over provision of S\$991,000 for 1H14 relating to prior years (1H13: under provision of S\$92,000).

	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
	2014 (S\$'000)	2013 (S\$'000)	Incr/ (Decr) %	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	(159)	34	<i>nm</i>	(236)	3,380	<i>nm</i>
Allowance for/(Write back of) inventory obsolescence	6	2	200%	(49)	27	<i>nm</i>
Exchange loss/(gain)	2,038	(2,261)	<i>nm</i>	2,650	(3,006)	<i>nm</i>
Loss/(Gain) on disposal of property, plant and equipment/leasehold rights	72	7	<i>nm</i>	71	(17,073)	<i>nm</i>



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1(a)(iv) Explanatory notes on performance for 2Q14 and 1H14

1. Revenue

2Q14 and 1H14

Revenue decreased by S\$12.8 million from S\$81.7 million in 2Q13 to S\$68.9 million in 2Q14 and for 1H14, revenue decreased by S\$15.8 million from S\$178.6 million in 1H13 to S\$162.8 million in 1H14. This was mainly due to lower revenue from Hotel Investments, Property Sales and Fee-based segments.

Lower revenue from Hotel Investments segment was mainly attributable to our resorts in Thailand whose performance was affected by the political unrest in Thailand since last year end which culminated in the military coup since 22nd May 2014. Consequently, many countries have issued travel advisory to Thailand. The shortfall was however partially cushioned by higher revenue from Maldives and Seychelles due to strong demand from the leisure market.

Lower revenue from Property Sales segment was mainly due to lower contribution of property sales units based on the completion method of revenue recognition. In 2Q14, we recognized 3 units as compared to 7 units in the same period last year. In 1H14, we recognized 7 units as compared to 9 units in the same period last year.

Lower revenue from Fee-based segment was mainly due to spa/gallery and golf operation in Thailand which was affected by the political unrest as mentioned above. In addition, there was lower architectural and design fees earned from projects in China based on project milestones. Fund management fees was also lower 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. Moreover, we recorded lower royalty fees from completion of sale of units in Banyan Tree Signatures Pavilion, Kuala Lumpur. The shortfall was however partially cushioned by hotel management fees from newly-opened resorts in China.

2. Other income

Other income decreased by S\$0.5 million from S\$2.1 million in 2Q13 to S\$1.6 million in 2Q14 as included in 2Q13 was a one-off compensation for the early termination of a spa management contract in Kuala Lumpur. This was however partially cushioned by higher dividend received from Thai Wah Starch Public Company in 2Q14.

For 1H14, other income decreased by S\$17.0 million from S\$20.2 million in 1H13 to S\$3.2 million in 1H14 as included in 1H13 was a gain on sale of Angsana Velavaru hotel.

3. Total costs and expenses

2Q14 and 1H14

Total costs and expenses decreased by S\$4.4 million from S\$70.7 million in 2Q13 to S\$66.3 million in 2Q14 and decreased by S\$10.0 million from S\$152.5 million in 1H13 to S\$142.5 million in 1H14. Other than administrative expenses which recorded an increase compared to last year, all other categories of expenses were lower than last year.

Cost of operating supplies decreased by S\$1.5 million from S\$7.1 million in 2Q13 to S\$5.6 million in 2Q14 and decreased by S\$2.5 million from S\$15.3 million in 1H13 to S\$12.8 million in 1H14. Other operating expenses decreased by S\$1.4 million from S\$16.1 million in 2Q13 to S\$14.7 million in 2Q14 and decreased by S\$3.9 million from S\$34.3 million in 1H13 to S\$30.4 million in 1H14. This was mainly due to lower hotel occupancy related expenses, in line with lower revenue from Hotel Investments segment.

Cost of properties sold decreased by S\$1.9 million from S\$4.2 million in 2Q13 to S\$2.3 million in 2Q14 and decreased by S\$0.5 million from S\$5.4 million in 1H13 to S\$4.9 million in 1H14, in line with lower property sales units from completion.

Salaries and related expenses decreased by S\$3.9 million from S\$29.5 million in 2Q13 to S\$25.6 million in 2Q14 and decreased by S\$5.2 million from S\$62.5 million in 1H13 to S\$57.3 million in 1H14, mainly due to lower headcount.

Sales and marketing expenses decreased by S\$0.4 million from S\$3.8 million in 2Q13 to S\$3.4 million in 2Q14 and decreased by S\$1.2 million from S\$7.5 million in 1H13 to S\$6.3 million in 1H14, mainly due to lower marketing expenses incurred following the political unrest in Thailand.



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Administrative expenses increased by S\$4.9 million from S\$9.9 million in 2Q13 to S\$14.8 million in 2Q14 mainly due to higher exchange loss. Against 1H13, administrative expenses increased by S\$3.4 million from S\$27.4 million in 1H13 to S\$30.8 million in 1H14 mainly due to the reasons mentioned earlier, but partially cushioned by lower provision for doubtful debts.

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

EBITDA decreased by S\$8.9 million from S\$13.1 million in 2Q13 to S\$4.2 million in 2Q14, mainly due to lower revenue from Hotel Investments, Property Sales and Fee-based segments as mentioned above.

EBITDA decreased by S\$22.9 million from S\$46.3 million in 1H13 to S\$23.4 million in 1H14, mainly due to lower other income as mentioned above and lower EBITDA from Hotel Investments and Fee-based segment due to lower revenue.

5. Depreciation of property, plant and equipment

Depreciation of property, plant and equipment decreased by S\$0.7 million from S\$5.4 million in 2Q13 to S\$4.7 million in 2Q14 and decreased by S\$1.4 million from S\$10.9 million in 1H13 to S\$9.5 million in 1H14, mainly due to certain assets being fully depreciated.

6. Finance costs

Finance costs increased by S\$0.3 million from S\$5.9 million in 2Q13 to S\$6.2 million in 2Q14 mainly due to interest incurred on new notes issuance in June 2014.

Finance costs increased by S\$0.8 million from S\$11.4 million in 1H13 to S\$12.2 million in 1H14 mainly due to average of S\$216 million notes outstanding in 1H14 as compared to S\$170 million in 1H13.

7. Income tax credit/(expense)

Income tax credit was S\$1.3 million in 2Q14 as compared to income tax expense of S\$1.5 million in 2Q13 mainly due to loss incurred in 2Q14 and adjustments for overprovision made in prior years.

Income tax expense decreased by S\$5.8 million from S\$7.2 million in 1H13 to S\$1.4 million in 1H14 mainly due to lower profit and adjustments for overprovision made in prior years.

8. (Loss)/Profit after taxation ("LAT"/"PAT")

Loss after taxation was S\$5.5 million in 2Q14 as compared to profit after taxation of S\$0.3 million in 2Q13. This was due largely to lower EBITDA, but partially cushioned by lower income tax expense.

Against 1H14, profit after taxation decreased by S\$16.6 million from S\$16.8 million in 1H13 to S\$0.2 million in 1H14. This was due largely to lower EBITDA, but partially cushioned by lower income tax expense and lower depreciation.

9. Non-controlling interests

Non-controlling interests' share of loss increased by S\$0.6 million from S\$1.4 million in 2Q13 to S\$2.0 million in 2Q14 mainly due to higher loss in Laguna Resorts & Hotels Public Company Limited ("LRH").

Against 1H13, non-controlling interests' share of loss was S\$0.4 million in 1H14 as compared to share of profit of S\$0.9 million in 1H13. This was mainly due to last year included a non-controlling interest's share of gain on sale of Angsana Velavaru hotel.

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

As a result of the foregoing, loss attributable to owners of the Company was S\$3.5 million in 2Q14 as compared to a profit of S\$1.7 million in 2Q13.

Against 1H13, profit attributable to owners of the Company decreased by S\$15.3 million from S\$15.9 million in 1H13 to S\$0.6 million in 1H14.



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11. Exchange differences arising from consolidation of foreign operations and net investment in foreign operations

In 2Q14 and 2Q13, the exchange loss on translation of foreign operations' net assets of S\$16.8 million and S\$15.8 million respectively, was due mainly to the depreciation of Thai Baht against Singapore Dollar.

Similarly, in 1H14, the exchange loss on translation of S\$18.4 million was due to the depreciation of Thai Baht against Singapore Dollar during the period. However, in 1H13, the exchange gain on translation of S\$21.7 million was due to the appreciation of Thai Baht, Chinese Renminbi and US Dollar against Singapore Dollar during the period.

12. Net change in fair value adjustment reserve

Net change in fair value adjustment reserve of S\$4.3 million in 2Q14 and S\$8.0 million in 1H14 was mainly due to upward fair value adjustment on LRH's 16.27% 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		
		30-Jun-14 (S\$'000)	31-Dec-13 (S\$'000)	Incr/ (Decr) %	30-Jun-14 (S\$'000)	31-Dec-13 (S\$'000)	Incr/ (Decr) %
Non-current assets							
Property, plant and equipment	1	605,161	622,202	-3%	22	28	-21%
Land use rights		11,967	15,798	-24%	-	-	-
Investment properties		59,327	60,677	-2%	-	-	-
Subsidiary companies		-	-	-	403,905	428,263	-6%
Associated companies		308	282	9%	869	869	0%
Prepaid island rental		21,995	22,932	-4%	-	-	-
Long-term trade receivables		28,135	28,200	0%	-	-	-
Intangible assets		30,023	28,805	4%	-	-	-
Long-term investments	2	101,777	94,652	8%	-	-	-
Prepayments		3,509	3,600	-3%	-	-	-
Other receivables		6,988	7,170	-3%	-	-	-
Deferred tax assets		11,138	10,063	11%	-	-	-
		880,328	894,381	-2%	404,796	429,160	-6%
Current assets							
Inventories		11,396	12,527	-9%	-	-	-
Trade receivables		72,786	77,326	-6%	742	752	-1%
Prepayments and other non-financial assets		17,582	18,918	-7%	334	113	196%
Other receivables	3	19,264	29,622	-35%	352	3,382	-90%
Amounts due from subsidiary companies		-	-	-	122,489	110,810	11%
Amounts due from associated companies		59	123	-52%	-	-	-
Amounts due from related parties		11,476	8,416	36%	-	-	-
Property development costs	4	191,735	168,858	14%	-	-	-
Cash and short-term deposits		221,983	178,807	24%	131,385	81,596	61%
		546,281	494,597	10%	255,302	196,653	30%
Total assets		1,426,609	1,388,978	3%	660,098	625,813	5%
Current liabilities							
Trade payables		14,999	19,113	-22%	-	-	-
Unearned income		10,280	8,389	23%	112	112	0%
Other non-financial liabilities		35,348	34,880	1%	104	357	-71%
Other payables	5	41,803	53,177	-21%	10,269	13,144	-22%
Amounts due to subsidiary companies		-	-	-	55,875	58,292	-4%
Amounts due to associated companies		4	4	0%	-	-	-
Amounts due to related parties		472	587	-20%	1	-	100%
Interest-bearing loans and borrowings	6	78,078	53,508	46%	19,108	17,108	12%
Notes payable	7	-	69,197	-100%	-	69,197	-100%
Tax payable		8,396	10,160	-17%	59	136	-57%
		189,380	249,015	-24%	85,528	158,346	-46%
Net current assets		356,901	245,582	45%	169,774	38,307	343%



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	Notes	Group			Company		
		As at			As at		
		30-Jun-14 (S\$'000)	31-Dec-13 (S\$'000)	Incr/ (Decr) %	30-Jun-14 (S\$'000)	31-Dec-13 (S\$'000)	Incr/ (Decr) %
Non-current liabilities							
Interest-bearing loans and borrowings	6	162,927	163,459	0%	52,841	45,394	16%
Deferred income		8,341	8,844	-6%	-	-	-
Notes payable	7	291,127	168,003	73%	291,127	168,003	73%
Deposits received		1,596	1,594	0%	-	-	-
Other non-current liabilities	8	3,677	8,898	-59%	-	6,024	-100%
Defined and other long-term employee benefits		2,607	2,578	1%	-	-	-
Deferred tax liabilities		89,343	90,639	-1%	-	-	-
		559,618	444,015	26%	343,968	219,421	57%
Total liabilities		748,998	693,030	8%	429,496	377,767	14%
Net assets		677,611	695,948	-3%	230,602	248,046	-7%
Equity attributable to owners of the Company							
Share capital		199,995	199,995	0%	199,995	199,995	0%
Treasury shares		(947)	(1,827)	-48%	(947)	(1,827)	-48%
Reserves		334,243	351,029	-5%	31,554	49,878	-37%
		533,291	549,197	-3%	230,602	248,046	-7%
Non-controlling interests		144,320	146,751	-2%	-	-	-
Total equity		677,611	695,948	-3%	230,602	248,046	-7%



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Explanatory notes on Balance Sheet

1. Property, plant and equipment

Property, plant and equipment decreased by S\$17.0 million from S\$622.2 million as at 31 December 2013 to S\$605.2 million as at 30 June 2014. This was mainly due to the decrease in opening balance of S\$14.0 million on translation adjustment and depreciation charge of S\$9.5 million during the period, but partially reduced by capital expenditure of S\$5.7 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\$7.1 million from S\$94.7 million as at 31 December 2013 to S\$101.8 million as at 30 June 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\$10.3 million from S\$29.6 million as at 31 December 2013 to S\$19.3 million as at 30 June 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.

4. Property development costs

Property development costs increased by S\$22.8 million from S\$168.9 million as at 31 December 2013 to S\$191.7 million as at 30 June 2014. The increase was mainly due to progressive land and development costs incurred on projects in Wenjiang and Gold Coast.

5. Other payables

Other payables decreased by S\$11.4 million from S\$53.2 million as at 31 December 2013 to S\$41.8 million as at 30 June 2014 mainly due to payment of bonus and founder's grant, lease rental payment for the leaseback of Angsana Velavaru hotel, repayment of interest pertaining to Medium Term Notes and settlement of second instalment payment for the purchase of Banyan Tree Seychelles and surrounding lands ("Seychelles") in March 2012. The decrease was however partially offset by the reclassification of the final instalment for the purchase of Seychelles from other non-current liabilities.

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

Current and non-current interest-bearing loans and borrowings increased by S\$24.0 million from S\$217.0 million as at 31 December 2013 to S\$241.0 million as at 30 June 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 increased by S\$53.9 million from S\$237.2 million as at 31 December 2013 to S\$291.1 million as at 30 June 2014 mainly due to the issuance of S\$125.0 million notes in June 2014 under the S\$400 million Medium Term Note programme but partially offset by repayment of S\$70.0 million upon maturity in March 2014.

8. Other non-current liabilities

Other non-current liabilities decreased by S\$5.2 million from S\$8.9 million as at 31 December 2013 to S\$3.7 million as at 30 June 2014 mainly due to the reclassification of the final instalment payment for the purchase of Seychelles to other payables as mentioned above.



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

	Group As at	
	30-Jun-14 (S\$'000)	31-Dec-13 (S\$'000)
Amount repayable in one year or less, or on demand:-		
Secured	49,391	35,023
Unsecured	28,687	87,682
Sub-Total 1	78,078	122,705
Amount repayable after one year:-		
Secured	113,677	133,459
Unsecured	340,377	198,003
Sub-Total 2	454,054	331,462
Total Debt	532,132	454,167

Details of any collateral

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

	Group As at	
	30-Jun-14 (S\$'000)	31-Dec-13 (S\$'000)
Freehold land and buildings	254,844	325,471
Investment properties	26,930	27,639
Quoted shares in a subsidiary company	5,974	5,148
Property development costs	37,660	24,092
Leasehold land and buildings	41,018	43,482
Other assets	624	674
	367,050	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		Group	
	3 months ended 30 Jun		6 months ended 30 Jun	
	2014	2013	2014	2013
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Cash flows from operating activities				
(Loss)/Profit before taxation	(6,707)	1,754	1,654	24,008
Adjustments for:				
Share of results of associated companies	(15)	20	(28)	2
Depreciation of property, plant and equipment	4,749	5,437	9,469	10,935
Loss/(Gain) on disposal of property, plant and equipment/leasehold rights	72	7	71	(17,073)
Finance income	(612)	(747)	(1,107)	(1,348)
Finance costs	6,196	5,949	12,235	11,379
Amortisation of lease rental and land use rights	560	679	1,195	1,338
(Write back of)/Allowance for doubtful debts	(159)	34	(236)	3,380
Allowance for/(Write back of) inventory obsolescence	6	2	(49)	27
Provision for employee benefits	118	137	193	236
Provision for Share-based payment expenses	279	291	621	411
Currency realignment	(2,339)	1,507	(2,170)	4,259
Operating profit before working capital changes	2,148	15,070	21,848	37,554
(Increase)/Decrease in inventories	(39)	164	906	768
Increase in trade and other receivables	(11,190)	(1,941)	(10,263)	(15,616)
Increase in amounts due from related parties	(1,094)	(264)	(3,084)	(696)
Decrease in trade and other payables	(2,564)	(7,517)	(10,751)	(1,232)
	(14,887)	(9,558)	(23,192)	(16,776)
Cash flows (used in)/generated from operating activities	(12,739)	5,512	(1,344)	20,778
Interest received	549	742	1,080	1,358
Interest paid	(5,932)	(4,875)	(12,640)	(11,391)
Tax paid	(3,590)	(2,269)	(4,602)	(4,656)
Payment of employee benefits	(86)	(181)	(96)	(215)
Payment of cash settled share grants	-	(62)	-	(62)
Net cash flows (used in)/generated from operating activities	(21,798)	(1,133)	(17,602)	5,812
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,226)	(3,420)	(5,665)	(8,325)
Proceeds from disposal of property, plant and equipment/leasehold rights	6	37	369	87,824
Payment of lease rental/extension of lease	-	(350)	-	(350)
Increase in long-term investments	-	(71)	-	(7,853)
Acquisition of non-controlling interest	-	(3,181)	-	(3,181)
Deferred cash settlement on acquisition of subsidiaries	(6,331)	(6,406)	(6,331)	(6,406)
Net cash flows (used in)/generated from investing activities	(8,551)	(13,391)	(11,627)	61,709
Cash flows from financing activities				
Proceeds from bank loans	34,005	4,370	47,721	16,370
Repayment of bank loans	(10,238)	(10,591)	(18,122)	(70,750)
Proceeds from issuance of notes payable	125,000	-	125,000	-
Repayments of notes payable	-	-	(70,000)	-
Payment of dividends				
- by subsidiary companies to non-controlling interests	(750)	(298)	(750)	(298)
- by subsidiary companies to loan stockholders	-	(297)	-	(297)
- by Company to shareholders	(7,600)	(4,954)	(7,600)	(4,954)
Net cash flows generated from/(used in) financing activities	140,417	(11,770)	76,249	(59,929)
Net increase/(decrease) in cash and cash equivalents	110,068	(26,294)	47,020	7,592
Net foreign exchange difference	(1,841)	250	(2,586)	3,361
Cash and cash equivalents at beginning of period/year	113,030	157,821	176,823	120,824
Cash and cash equivalents* at end of the period	221,257	131,777	221,257	131,777

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



BANYAN TREE HOLDINGS LIMITED

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Explanatory notes on Consolidated Cash Flow

The Group's cash and cash equivalents increased by S\$89.5 million or 68% from S\$131.8 million as at 30 June 2013 to S\$221.3 million as at 30 June 2014.

2Q14

For the three months ended 30 June 2014, net cash flow used in operating activities was S\$21.8 million, mainly due to net decrease in cash generated from working capital of S\$14.9 million, net interest paid of S\$5.4 million and income tax payments of S\$3.6 million and loss before taxation of S\$6.7 million, but partially cushioned by adjustments for non-cash items of S\$8.8 million. Net decrease in cash generated from working capital was mainly due to the acquisition of residential land in Gold Coast, Australia, for development. Non-cash items relate mainly to finance costs of S\$6.2 million and depreciation and amortization of island rental of S\$5.3 million.

The net cash flows used in investing activities was S\$8.6 million due largely to second instalment payment of S\$6.3 million for the purchase of Seychelles and on-going purchases of S\$2.2 million of furniture, fittings and equipment by our resorts for their operations.

The net cash flows generated from financing activities amounted to S\$140.4 million. This was mainly due to new notes issuance of S\$125 million in June 2014 and additional loan drawdown of S\$34.0 million, but partially offset by scheduled bank repayments of S\$10.2 million and payment of dividend to its shareholders of S\$7.6 million.

1H14

For the six months ended 30 June 2014, net cash flow used in operating activities was S\$17.6 million, mainly due to net decrease in cash generated from working capital of S\$23.2 million, net interest paid of S\$11.6 million and income tax payments of S\$4.6 million, but partially offset by profit before taxation of S\$1.7 million and adjustments for non-cash items of S\$20.2 million. Net decrease in cash generated from working capital was mainly due to the acquisition of residential land in Gold Coast, Australia, for development and payment of bonus and founder's grant. Non-cash items relate mainly to finance costs of S\$12.2 million and depreciation and amortization of island rental of S\$10.7 million.

The net cash flows used in investing activities was S\$11.6 million due largely to second instalment payment of S\$6.3 million for the purchase of Seychelles and on-going purchases of S\$5.7 million of furniture, fittings and equipment by our resorts for their operations.

The net cash flows generated from financing activities amounted to S\$76.2 million. This was mainly due to new notes issuance of S\$125 million in June 2014 and additional loan drawdown of S\$47.7 million, but partially offset by notes repayment of S\$70 million upon maturity in March 2014, scheduled bank repayments of S\$18.1 million and payment of dividend to its shareholders of S\$7.6 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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Unaudited results for the Second Quarter and Half Year ended 30 June 2014

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 April 2014	199,995	(1,827)	8,854	9,814	142,865	(55,653)	(5,947)	256,166	554,267	149,466	703,733
Profit after taxation	-	-	-	-	-	-	-	(3,457)	(3,457)	(1,995)	(5,452)
Other comprehensive income for the period	-	-	-	-	-	(12,931)	2,837	-	(10,094)	(2,401)	(12,495)
Total comprehensive income for the period	-	-	-	-	-	(12,931)	2,837	(3,457)	(13,551)	(4,396)	(17,947)
Contributions by and distributions to owners											
Dividend paid on ordinary shares	-	-	-	-	-	-	-	(7,600)	(7,600)	-	(7,600)
Treasury shares reissued pursuant to Share-based Incentive Plan	-	880	(347)	-	-	-	(533)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	175	-	-	-	-	-	175	-	175
Total transactions with owners in their capacity as owners	-	880	(172)	-	-	-	(533)	(7,600)	(7,425)	-	(7,425)
Other changes in equity											
Dividend paid to non-controlling shareholders of a subsidiary company	-	-	-	-	-	-	-	-	-	(750)	(750)
Transfer to legal reserve	-	-	-	9	-	-	-	(9)	-	-	-
Total other changes in equity	-	-	-	9	-	-	-	(9)	-	(750)	(750)
Balance as at 30 June 2014	199,995	(947)	8,682	9,823	142,865	(68,584)	(3,643)	245,100	533,291	144,320	677,611

* 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.



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Second Quarter and Half Year ended 30 June 2014

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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Unaudited results for the Second Quarter and Half Year ended 30 June 2014

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 April 2013	199,995	(2,172)	9,008	9,766	166,690	(33,991)	(14,108)	253,291	588,479	177,572	766,051
Profit after taxation	-	-	-	-	-	-	-	1,695	1,695	(1,395)	300
Other comprehensive income for the period	-	-	-	-	-	(7,885)	-	-	(7,885)	(7,956)	(15,841)
Total comprehensive income for the period	-	-	-	-	-	(7,885)	-	1,695	(6,190)	(9,351)	(15,541)
<u>Contributions by and distributions to owners</u>											
Dividend paid on ordinary shares	-	-	-	-	-	-	-	(4,954)	(4,954)	-	(4,954)
Treasury shares reissued pursuant to Share-based Incentive Plan	-	1,323	(475)	-	-	-	(848)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	234	-	-	-	-	-	234	-	234
Total transactions with owners in their capacity as owners	-	1,323	(241)	-	-	-	(848)	(4,954)	(4,720)	-	(4,720)
<u>Other changes in equity</u>											
Dividend paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	-	-	-	(297)	(297)
Total other changes in equity	-	-	-	-	-	-	-	-	-	(297)	(297)
Balance as at 30 June 2013	199,995	(849)	8,767	9,766	166,690	(41,876)	(14,956)	250,032	577,569	167,924	745,493

* 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 April 2014	199,995	(1,827)	8,854	5,393	31,279	243,694
Total comprehensive income for the period	-	-	-	-	(5,667)	(5,667)
<u>Contributions by and distributions to owners</u>						
Dividend paid on ordinary shares	-	-	-	-	(7,600)	(7,600)
Treasury shares reissued pursuant to Share-based Incentive Plan	-	880	(347)	(533)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	175	-	-	175
Total transactions with owners in their capacity as owners	-	880	(172)	(533)	(7,600)	(7,425)
Balance as at 30 June 2014	199,995	(947)	8,682	4,860	18,012	230,602

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



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Unaudited results for the Second Quarter and Half Year ended 30 June 2014

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 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
Balance as at 1 April 2013	199,995	(2,172)	9,008	6,241	32,320	245,392
Total comprehensive income for the period	-	-	-	-	(3,796)	(3,796)
<u>Contributions by and distributions to owners</u>						
Dividend paid on ordinary shares	-	-	-	-	(4,954)	(4,954)
Treasury shares reissued pursuant to Share-based Incentive Plan	-	1,323	(475)	(848)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	234	-	-	234
Total transactions with owners in their capacity as owners	-	1,323	(241)	(848)	(4,954)	(4,720)
Balance as at 30 June 2013	199,995	(849)	8,767	5,393	23,570	236,876

* 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.**

As at 30 June 2014, there are 1,392,900 (2Q13: 490,200) shares held as treasury shares against the total number of issued shares excluding treasury shares of 760,009,380 (2Q13: 760,912,080).

Issuance of shares from vesting of share awards

During the quarter, there were no share awards (2Q13: Nil) vested under the Performance Share Plan. 537,300 (2Q13: 764,800) share awards were vested under Restricted Share Plan for initial awards issued for FY2012 and FY2013. As such, 537,300 shares (2Q13: 764,800) were issued from the treasury shares to the employees, resulting in an increase in the number of issued shares excluding treasury shares from 759,472,080 since the end of previous reporting period, i.e. as at 31 March 2014, to 760,009,380 shares as at 30 June 2014.

Grant and cancellation of share awards

Performance Share Plan

During the quarter, 180,000 share awards (2Q13: 225,000) were granted and 220,000 share awards (2Q13: 307,000) were cancelled under the Banyan Tree Performance Share Plan. As at 30 June 2014, initial awards for 581,300 shares (As at 30 June 2013: 621,300) have been granted under the plan which will vest upon meeting specified performance conditions.

Restricted Share Plan

During the quarter, 1,053,200 share awards (2Q13: 1,457,900) were granted and 237,800 share awards (2Q13: 853,100) were cancelled under the Banyan Tree Restricted Share Plan. As at 30 June 2014, initial awards for 1,943,800 (As at 30 June 2013: 2,026,700) 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.**

	30-Jun-14 No. of shares	31-Dec-13 No. of shares
Number of issued shares excluding Treasury shares	760,009,380	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.**

	30-Jun-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	(537,300)	(764,800)
	1,392,900	1,930,200



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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.

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 30 Jun		6 months ended 30 Jun	
	2014	2013	2014	2013
a) Based on the weighted average number of ordinary shares on issue (cents)	(0.45)	0.22	0.07	2.09
b) On fully diluted basis (cents)	(0.45)	0.22	0.07	2.08

(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 760,009,380 and 760,903,676 ordinary shares respectively.

The basic earnings per ordinary share for the 6 months period and the same period last year have been calculated based on the weighted average number of 759,742,214 and 760,527,567 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 762,539,511 and 763,550,275 ordinary shares respectively.

The diluted earnings per ordinary share for the 6 months period and the same period last year have been calculated based on the weighted average number of 762,174,642 and 762,928,297 ordinary shares respectively.



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Unaudited results for the Second Quarter and Half Year ended 30 June 2014

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	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
Net asset value per ordinary share based on issued share capital* at the end of the period (S\$)	0.70	0.72	0.30	0.33

* 760,009,380 and 759,472,080 ordinary shares in issue as at 30 June 2014 and 31 December 2013.



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Unaudited results for the Second Quarter and Half Year ended 30 June 2014

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 30 Jun		2014 vs 2013	
	2014	2013	Incr/(Decr)	
	SGD'000	SGD'000	SGD'000	%
Hotel Investments	39,888	46,173	(6,285)	-14%
Property Sales	5,934	9,655	(3,721)	-39%
- Hotel Residences	1,745	5,324	(3,579)	-67%
- Laguna Property Sales	4,189	4,331	(142)	-3%
Fee-based Segment	23,074	25,893	(2,819)	-11%
- Hotel/Fund/Club Management	8,115	8,705	(590)	-7%
- Spa/Gallery Operations	7,256	8,485	(1,229)	-14%
- Design and Others	7,703	8,703	(1,000)	-11%
Revenue	68,896	81,721	(12,825)	-16%

	Group			
	6 months ended 30 Jun		2014 vs 2013	
	2014	2013	Incr/(Decr)	
	SGD'000	SGD'000	SGD'000	%
Hotel Investments	106,652	116,308	(9,656)	-8%
Property Sales	11,638	13,244	(1,606)	-12%
- Hotel Residences	1,796	5,360	(3,564)	-66%
- Laguna Property Sales	9,842	7,884	1,958	25%
Fee-based Segment	44,504	49,079	(4,575)	-9%
- Hotel/Fund/Club Management	16,651	17,129	(478)	-3%
- Spa/Gallery Operations	15,154	17,553	(2,399)	-14%
- Design and Others	12,699	14,397	(1,698)	-12%
Revenue	162,794	178,631	(15,837)	-9%



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B) PROFITABILITY

	Group			
	3 months ended 30 Jun		2014 vs 2013	
	2014	2013	Incr/(Decr)	
	SGD'000	SGD'000	SGD'000	%
Hotel Investments	2,247	5,086	(2,839)	-56%
Property Sales	(1,889)	876	(2,765)	nm
- Hotel Residences	468	1,692	(1,224)	-72%
- Laguna Property Sales	(1,924)	(667)	(1,257)	-188%
- Development Project/Site Sales	(433)	(149)	(284)	-191%
Fee-based Segment	4,140	6,467	(2,327)	-36%
- Hotel/Fund/Club Management	2,277	4,468	(2,191)	-49%
- Spa/Gallery Operations	944	102	842	nm
- Design and Others	919	1,897	(978)	-52%
Head Office Expenses	(1,923)	(1,404)	519	37%
Other income (net)	1,596	2,067	(471)	-23%
Operating Profit (EBITDA)	4,171	13,092	(8,921)	-68%
Profit attributable to owners of the Company (PATMI)	(3,457)	1,695	(5,152)	nm

	Group			
	6 months ended 30 Jun		2014 vs 2013	
	2014	2013	Incr/(Decr)	
	SGD'000	SGD'000	SGD'000	%
Hotel Investments	23,980	26,144	(2,164)	-8%
Property Sales	(1,612)	(1,161)	(451)	-39%
- Hotel Residences	177	1,260	(1,083)	-86%
- Laguna Property Sales	(1,129)	(2,017)	888	44%
- Development Project/Site Sales	(660)	(404)	(256)	-63%
Fee-based Segment	5,028	9,026	(3,998)	-44%
- Hotel/Fund/Club Management	4,551	6,859	(2,308)	-34%
- Spa/Gallery Operations	2,392	1,954	438	22%
- Design and Others	(1,915)	213	(2,128)	nm
Head Office Expenses	(7,143)	(7,894)	(751)	-10%
Other income (net)	3,165	20,199	(17,034)	-84%
Operating Profit (EBITDA)	23,418	46,314	(22,896)	-49%
Profit attributable to owners of the Company (PATMI)	563	15,906	(15,343)	-96%



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C) BUSINESS SEGMENTS REVIEW

i) Hotel Investments segment

Hotel Investments segment achieved revenue of S\$39.9 million in 2Q14, a decrease of 14% or S\$6.3 million compared to S\$46.2 million in 2Q13. Lower revenue was mainly from Thailand (S\$6.8 million), but partially cushioned by higher revenue from Maldives (S\$0.7 million) and Seychelles (S\$0.2 million).

Performance of our properties in Thailand continued to be affected by the political unrest in Bangkok since November 2013 which culminated in the military coup since end May 2014. This was followed by the imposition of nationwide curfew which was only fully lifted in mid June 2014. Consequently, many countries have issued travel advisory to Thailand. Overall revenue per available room ("Revpar") for our resorts in Thailand decreased by 28% from S\$143 to S\$103. 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\$349 to S\$388. For Seychelles, Revpar increased by 9% from S\$530 to S\$577.

For 1H14, Hotel Investments segment revenue decreased by 8% or S\$9.6 million from S\$116.3 million in 1H13 to S\$106.7 million mainly from Thailand (S\$13.0 million), but partially cushioned by higher revenue from Maldives (S\$2.3 million) and Seychelles (S\$1.4 million), due to similar reasons mentioned above.

EBITDA decreased by S\$2.9 million from S\$5.1 million in 2Q13 to S\$2.2 million in 2Q14 and decreased by S\$2.1 million from S\$26.1 million in 1H13 to S\$24.0 million in 1H14, in line with lower revenue.

ii) Property Sales segment

Property Sales segment revenue decreased by S\$3.8 million or 39% from S\$9.7 million in 2Q13 to S\$5.9 million in 2Q14. This was due to lower contribution of property sales units based on revenue recognition upon completion. In the current quarter, a total of 3 units of Dusit villas and Laguna Village bungalow were completed and recognized, as compared to a total of 7 units of Laguna Village condominiums / townhome, Dusit villas, Banyan Tree Phuket villa and Banyan Tree Bintan villa in the same period last year.

There were 29 new units sold with deposits received in 2Q14 compared to deposits for 16 units in 2Q13, an increase of 81% and 36% in units and value terms respectively.

For 1H14, Property Sales segment revenue decreased by S\$1.6 million or 12% from S\$13.2 million in 1H13 to S\$11.6 million in 1H14. The shortfall was due to lower contribution of property sales units based on revenue recognition upon completion. In 1H14, a total of 7 units Dusit villas and Laguna Village condominiums / bungalows were completed and recognized, as compared to a total of 9 units of Laguna Village condominiums / townhome, Dusit villas, Banyan Tree Phuket villa and Banyan Tree Bintan villa in 1H13.

For 1H14, there were 153 new units sold with deposits received in 1H14 compared to deposits for 80 units in 1H13, an increase of 91% and 92% in units and value terms respectively. Overall unrecognised cumulative revenue as at 1H14 was S\$121.2 million as compared to S\$50.9 million in 1H13.

EBITDA decreased by S\$2.8 million from a profit of S\$0.9 million in 2Q13 to a loss of S\$1.9 million in 2Q14 and decreased by S\$0.4 million from a loss of S\$1.2 million in 1H13 to a loss of S\$1.6 million in 1H14. This was mainly due to lower revenue.



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iii) Fee-based segment

Fee-based segment revenue decreased by S\$2.8 million or 11% from S\$25.9 million in 2Q13 to S\$23.1 million in 2Q14. This was mainly due to lower revenue from spa/gallery and golf operations which were affected by the Thai political unrest. Architectural and design fees was also lower for projects in China based on certain milestone achieved. In addition, fund management business recorded lower resorts development management fees from China Fund as the construction of Banyan Tree Yangshuo and Banyan Tree Huangshan are nearing their completion soon. Besides, there was lower royalty fees from completion of sale of Banyan Tree property units in Kuala Lumpur as royalty fees close to 90% of total units had already been recognized in prior periods. The overall shortfall was however partially cushioned by hotel management fees contributed by newly-opened resorts such as Banyan Tree Tianjin Riverside, Banyan Tree Chongqing Beibei and Angsana Tengchong.

For 1H14, revenue decreased by S\$4.6 million or 9% from S\$49.1 million in 1H13 to S\$44.5 million in 1H14 mainly due to lower revenue from spa/gallery and golf operations and fund management business for reasons mentioned earlier. The shortfall was however partially cushioned by higher hotel management fees mainly from new resorts in China.

EBITDA decreased by S\$2.4 million from S\$6.5 million in 2Q13 to S\$4.1 million in 2Q14 and decreased by S\$4.0 million from S\$9.0 million in 1H13 to S\$5.0 million in 1H14 mainly due to lower revenue.

If management fees of those resorts which the Group has a majority interest were not eliminated on consolidation, EBITDA would have been S\$7.2 million in 2Q14 compared to S\$10.3 million in 2Q13, and S\$14.3 million in 1H14 compared to S\$21.1 million in 1H13.

iv) Head Office

Head office expenses increased by S\$0.5 million or 37% from S\$1.4 million in 2Q13 to S\$1.9 million in 2Q14 mainly due to higher staff and related cost. For 1H14, it decreased by S\$0.8 million or 10% from S\$7.9 million in 1H13 to S\$7.1 million in 1H14 mainly due to lower professional fee and travelling expenses.

v) (LATMI) / PATMI

LATMI was S\$3.5 million in 2Q14 as compared to PATMI of S\$1.7 million in 2Q13. This was mainly attributable to lower EBITDA from Hotel Investments, Property Sales and Fee-based segments as mentioned above but partially cushioned by lower income tax expense.

For 1H14, PATMI decreased by S\$15.3 million from S\$15.9 million in 1H13 to S\$0.6 million in 1H14. This was mainly attributable to lower other income as 1H13 included gain on sale of Angsana Velavaru hotel, coupled with lower EBITDA from all three segments in 1H14 as mentioned above. The shortfall was however partially cushioned by lower depreciation and income tax expense.



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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 1Q14, as anticipated in the 1Q14 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.

2Q14 results have been in line with our expectation. At the macro level, both the economies in the USA and Europe continue to show signs of recovery. The political situation in Thailand has continued to affect our operations there.

Currently, the hotel's forward bookings for owned hotels in Thailand for 3Q14 is 28% below the same period last year and overall is below by 16%, cushioned by hotels outside Thailand which is in line with last year. Therefore, 3Q14 operating profit may continue to be below the same period last year as it is also our low season period. Overall, the performance for FY14 is expected to be below last year.

On the property sales segment, sales momentum continues in 2Q14. Deposits for a total of 29 units amounting to sales value of S\$15.6 million were received in 2Q14, ahead of 2Q13 by 36% in value terms. We expect this trend to continue in the 2nd half. Unrecognised revenue for sales achieved to date is S\$121.2 million, more than 2-fold increase over the same period last year, and will predominantly be recognized in 2015.

New Openings

We expect to open the following 4 new resorts in the next 12 months:

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

Also in the next 12 months, we expect to launch 6 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 30 June 2014

	Interested Person Transactions	Aggregate value of all interested person transactions for Q2 (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 Q2 (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	-	732
b	Provision of Spa Management and Other Related Services to TRG	-	179
c	Rental Income from TRG in respect of units in Banyan Tree Bintan and Angsana Bintan	-	426
d	Reimbursement of Expenses - from TRG	-	479
[C]	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	255	-
	Total	255	1,816



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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 second quarter financial results false or misleading in any material respect.

BY ORDER OF THE BOARD

Jane Teah
Company Secretary
13 August 2014