



BANYAN TREE HOLDINGS LIMITED

PRESS RELEASE

10TH August 2017

2Q17 OPERATING PROFIT* OF S\$0.4 MILLION VS. LAST YEAR OPERATING LOSS OF S\$3.4 MILLION AMID TRADITIONAL LOW SEASON PERIOD

FINANCIAL HIGHLIGHTS:

2Q17:

- Revenue increased 6% to S\$69.8 million.
- Operating Profit of S\$0.4 million compared to Operating loss of S\$3.4 million last year.

1H17:

- Revenue decreased 3% to S\$160.3 million.
- Operating Profit of S\$18.9 million, 30% above last year.

Revenue increased in 2Q17 due to:

- Higher contribution from Fee-based and Hotel Investments segments.
but partially offset by:
- Lower revenue recognition from Property Sales segment due to lower value of Laguna Chengdu (Phase 1) units recognised in 2Q17.

Revenue decreased in 1H17 due to:

- Lower revenue recognition from Property Sales segment.
but partially cushioned by:
- Higher contribution from Fee-based and Hotel Investments segments.

Operating Profit increased in 2Q17 and 1H17 due to:

- Higher revenue from Fee-based and Hotel Investments segments.
- Write-back of provision for doubtful debts following payments by several hotel owners in China.
- Lower marketing expenses on hotel marketing and property sales commission.
- Lower exchange loss.

OUTLOOK:

- On Hotel Investments segment, based on hotel forward bookings for owned hotels for 3Q17, overall forward bookings is 3% below the same period last year (Thailand is 7% above and outside of Thailand is 16% below).
- On Property Sales segment, deposits for 44 units with total sales value of S\$32.3 million was received in 2Q17 compared to 30 units of S\$33.7 million in 2Q16. As at 2Q17, we have unrecognised revenue of S\$154.0 million, compared to S\$87.0 million as at 2Q16. Approximately 30% will be progressively recognised in 2nd half of 2017.
- The definitive agreement with China Vanke Co. Ltd (Vanke) is signed and completed today. This is covered under a separate announcement which is released today.
- Macro outlook¹:
 - Upbeat forecast for 2017 global economic growth.
 - Growth forecast revised upwards for Europe and China. This will bode well for our operations as both regions are our key source market.

¹ Source: IMF, World Economic Outlook Update (July 2017)

ADDENDUM

RESULTS SNAPSHOT:

2Q17 Results (in S\$' million):

	2Q17	2Q16	Change@ (%)
Revenue	69.8	65.9	6% ↑
Operating Profit *	0.4	(3.4)	nm
PATMI**	(12.3)	(14.4)	15% ↑

1H17 Results (in S\$' million):

	1H17	1H16	Change@ (%)
Revenue	160.3	165.7	3% ↓
Operating Profit *	18.9	14.6	30% ↑
PATMI**	(11.1)	(13.8)	20% ↑

* Operating Profit = EBITDA (Earnings before interests, taxes, depreciation & amortisation).

** PATMI = Profit after taxation and minority interests.

@ Variances are computed based on figures to the nearest thousands to be in line with announcement in the SGXnet.

DETAILED BUSINESS SEGMENTS REVIEW

Hotel Investments segment

Hotel Investments segment achieved revenue of S\$42.0 million in 2Q17, an increase of 10% or S\$3.7 million compared to S\$38.3 million in 2Q16. The increase in revenue was mainly from Thailand (S\$3.7 million) and Seychelles (S\$0.9 million) but partially offset by lower revenue from Maldives (S\$0.7 million).

For Thailand, the increase in revenue was mainly contributed by the continuing strong performance of Banyan Tree Phuket and Banyan Tree Bangkok. On a same store basis (excluding Cassia Phuket), Revenue per available room ("RevPAR") for Thailand resorts increased by 15% from S\$139 in 2Q16 to S\$160 in 2Q17. For Seychelles, RevPAR increased by 28% from S\$495 in 2Q16 to S\$635 in 2Q17. For Maldives, RevPAR decreased by 9% from S\$270 in 2Q16 to S\$246 in 2Q17.

For 1H17, Hotel Investments segment achieved revenue of S\$107.4 million, an increase of 4% or S\$4.3 million compared to S\$103.1 million in 1H16. The increase in revenue was mainly from Thailand (S\$5.2 million) and Seychelles (S\$1.0 million), which was partially offset by lower revenue from Maldives (S\$1.7 million) due to similar reasons mentioned earlier.

Operating Profit increased by S\$2.5 million and S\$2.6 million in 2Q17 and 1H17 respectively. This was largely due to higher revenue as mentioned earlier.

ADDENDUM

Property Sales segment

Revenue from the Property Sales segment decreased by S\$3.0 million or 21% to S\$11.5 million in 2Q17. For 1H17, revenue decreased by S\$14.4 million or 46% to S\$17.3 million.

In 2Q17, a total of 56 units of Laguna Chengdu and Laguna Park townhomes/villas were recognised. In comparison, 24 units of Laguna Park townhomes/villas, Cassia Phuket, Banyan Tree Phuket villas were recognised in 2Q16. Laguna Chengdu (Phase 1) was completed in May 2017 and we commenced recognition in 2Q17 when we progressively handed over to the buyers.

In 1H17, a total of 62 units of Laguna Park townhomes/villas, Laguna Village Residences and Laguna Chengdu (Phase 1) were recognised. In comparison, a total of 55 units of Laguna Park townhomes/villas, Cassia Phuket, Dusit villas and Banyan Tree Phuket villas were recognised in 1H16.

Despite the higher quantity recognised in 2Q17 and 1H17, overall revenue was lower due to lower selling price of Laguna Chengdu as compared to other properties that were recognised in 2Q16 and 1H16. 1H16 also has the benefit of higher recognition of Laguna Park townhomes/villas and Cassia Phuket in 1Q16 due to their completion in 4Q15 and units were substantially recognised when handed over to buyers in 1Q16.

Deposits for 44 new units sold with total sales value of S\$32.3 million was received in 2Q17 compared to deposits for 30 units in 2Q16, an increase of 47% in units but a decrease of 4% in value terms. For 1H17, deposits for 95 new units of total sales value of S\$85.9 million was received compared to deposits for 69 units in 1H16, an increase of 38% and 42% in units and value terms respectively.

Overall unrecognised revenue as at 30 June 2017 was S\$154.0 million as compared to S\$87.0 million as at 30 June 2016, of which about 30% will be progressively recognised in 2nd half of 2017.

Operating Profit decreased by S\$3.0 million and S\$5.5 million in 2Q17 and 1H17 respectively mainly due to lower revenue recognised as mentioned earlier, coupled with lower profit margin of units recognised during these periods.

Fee-based segment

Revenue from the Fee-based segment increased by S\$3.3 million or 25% to S\$16.4 million in 2Q17. This was mainly due to higher hotel management fees from resorts in China, Mauritius and Mexico, higher revenue from Spa/Gallery operations in China and higher architectural and design fees earned from projects in Thailand and Dubai based on project milestones.

For 1H17, revenue increased by S\$4.7 million or 15% to S\$35.6 million. This was mainly due to higher architectural and design fees earned from projects in China, Dubai and Japan based on project milestones.

Operating Profit increased by S\$5.9 million from a loss of S\$3.3 million to a profit of S\$2.6 million in 2Q17. For 1H17, Operating Profit increased by S\$10.3 million from a loss of S\$4.1 million to a profit of S\$6.2 million. This was mainly due to higher revenue as mentioned earlier, lower staff costs, lower foreign exchange loss and higher write-back of provision for doubtful debts.

If management fees of those resorts which the Group has a majority interest were not eliminated on consolidation, Operating Profit would have been S\$5.8 million in 2Q17 as compared to a loss of S\$0.4 million in 2Q16, and S\$14.8 million in 1H17 as compared to S\$4.7 million in 1H16.

ADDENDUM

Head Office

Head office expenses increased by S\$0.8 million or 26% to S\$3.9 million in 2Q17 mainly due to higher foreign exchange loss and higher legal and professional fees.

For 1H17, head office expenses increased by S\$1.9 million or 38% to S\$6.8 million mainly due to higher foreign exchange loss, higher provision for bonus and incentives and higher legal and professional fees.

Loss attributable to owners of the Company

For 2Q17, loss decreased by S\$2.1 million from S\$14.4 million in 2Q16 to S\$12.3 million. For 1H17, loss decreased by S\$2.7 million from S\$13.8 million in 1H16 to S\$11.1 million. This was mainly attributable to higher Operating Profit from Fee-based and Hotel Investments segments as a result of higher revenue coupled with higher non-controlling interests' share of losses. This was partially offset by lower Operating Profit from Property Sales segment, higher head office expenses, lower other income and higher income tax expense.

Cash Flow

During 1H17, the Group generated its funds mainly from operations as well as proceeds from bank borrowings.

It expended on property, plant and equipment for the resorts' operations and made payments on interests and income tax. It also made scheduled repayments of bank borrowings and repaid S\$50 million medium term notes upon maturity in May 2017.

As at 30 June 2017, the Group's cash and cash equivalents was S\$95.7 million.

About Banyan Tree Holdings Limited

Banyan Tree Holdings Limited (“Banyan Tree” or the “Group”) is a leading international operator and developer of premium resorts, hotels, residences and spas, with 41 hotels and resorts, 62 spas, 75 retail galleries, and three golf courses in 25 countries.

The Group’s primary business is centered on four brands: the award-winning **Banyan Tree** and **Angsana**, as well as newly established **Cassia** and **Dhawa**. Banyan Tree also operates the leading integrated resort in Thailand - Laguna Phuket - through the Group’s subsidiary, Laguna Resorts & Hotels Public Company Limited. Two other integrated resorts – Laguna Bintan in Indonesia and Laguna Lăng Cô in Central Vietnam – complete the status of the Group as the leading operator of integrated resorts in Asia.

As a leading operator of spas in Asia, Banyan Tree’s spas are one of the key features in their resorts and hotels. Its retail arm Banyan Tree Gallery complements and reinforces the branding of the resort, hotel and spa operations.

Since the launch of the first Banyan Tree resort, Banyan Tree Phuket, in 1994, Banyan Tree has received over 1,800 awards and accolades for the resorts, hotels and spas that the Group manages. The Group has also received recognition for its commitment to environmental protection and emphasis on corporate social responsibility.

In addition to its currently operating hotels, resorts, spas and golf courses, the Group currently has 13 hotels and resorts under construction, and another 23 under development.

www.banyantree.com www.angsana.com www.cassia.com www.dhawa.com



BANYAN TREE

BANYAN TREE HOLDINGS LIMITED

(Company Registration Number: 200003108H)

211 Upper Bukit Timah Road Singapore 588182

Tel: (65) 6849-5888

Fax: (65) 6462-0186

Website: <http://www.banyantree.com>