



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the First Quarter ended 31 March 2018

**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	2018 (S\$'000)	2017 (S\$'000)	Incr/ (Decr) %
<b>Revenue</b>	1	98,196	90,436	9%
Other income	2	17,100	444	nm
<b>Costs and expenses</b>				
Cost of operating supplies		(7,013)	(7,207)	-3%
Cost of properties sold		(7,708)	(2,771)	178%
Salaries and related expenses		(25,448)	(27,869)	-9%
Administrative expenses		(13,681)	(15,275)	-10%
Sales and marketing expenses		(4,202)	(3,555)	18%
Other operating expenses		(19,946)	(15,634)	28%
<b>Total costs and expenses</b>	3	(77,998)	(72,311)	8%
<b>Profit before interests, taxes, depreciation and amortisation ("Operating Profit")</b>	4	37,298	18,569	101%
Depreciation of property, plant and equipment		(5,190)	(5,661)	-8%
Amortisation expense		(543)	(688)	-21%
<b>Profit from operations and other gains</b>		31,565	12,220	158%
Finance income		602	613	-2%
Finance costs		(7,237)	(7,047)	3%
Share of results of associates	5	1,426	(354)	nm
Share of results of joint ventures	5	(879)	-	100%
<b>Profit before taxation</b>		25,477	5,432	369%
Income tax expense	6	(4,020)	(2,627)	53%
<b>Profit after taxation</b>	7	21,457	2,805	nm
<b>Attributable to:</b>				
Owners of the Company	9	20,190	1,199	nm
Non-controlling interests	8	1,267	1,606	-21%
<b>Profit for the Period</b>		21,457	2,805	nm



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1(a)(ii) Statement of Comprehensive Income

	Notes	Group 3 months ended 31 Mar		
		2018 (S\$'000)	2017 (S\$'000)	Incr/ (Decr) %
<b>Profit for the Period</b>		21,457	2,805	<i>nm</i>
<b>Other comprehensive income:</b>				
<b><u>Items that may be reclassified subsequently to profit or loss:</u></b>				
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	10	6,925	(9,429)	<i>nm</i>
Total comprehensive income/(expense) for the Period		28,382	(6,624)	<i>nm</i>
<b>Attributable to:</b>				
Owners of the Company		22,699	(8,200)	<i>nm</i>
Non-controlling interests		5,683	1,576	261%
		28,382	(6,624)	<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\$153,000 (1Q17: under provision of S\$202,000).

	Group 3 months ended 31 Mar		
	2018 (S\$'000)	2017 (S\$'000)	Incr/ (Decr) %
<b>Profit from operations and other gains is stated after charging/(crediting):</b>			
Write-back of doubtful debts	(2,205)	(1,242)	78%
Allowance for doubtful debts	209	365	-43%
Allowance for inventory obsolescence	23	23	0%
Exchange (gain)/loss	(78)	1,469	<i>nm</i>
Loss on disposal of property, plant and equipment	202	92	120%
Fair value gain on derivatives	(126)	-	100%



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#### 1(a)(iv) Explanatory notes on performance for 1Q18

##### A. Vanke transactions

As announced on 10 August 2017, the Group had executed and completed the definitive agreement with China Vanke Co., Ltd (“Vanke”) to create Banyan Tree Assets (China) Holdings Pte. Ltd. (“BTAC”), a 50:50 joint venture incorporated in Singapore between the Group and Vanke, to consolidate the ownership of its Banyan Tree-branded hotels and assets in China. BTAC had in turn invested in and holds 40% stake in each of Banyan Tree’s operating companies incorporated in Singapore, Banyan Tree Services (China) Pte. Ltd. (“BTSC”) and Banyan Tree Hotel Management (China) Pte. Ltd. (“BTMC”).

The Group had since deconsolidated certain entities and recognised the gain on the interest divested. In addition, the Group’s retained interest in these entities had been reclassified to investment in Joint ventures/Associates.

The results of the Joint ventures/Associates were equity accounted by the Group from August 2017. Please refer to the Group’s SGX-Net announcement dated 10 August 2017 for more details on the execution and completion of the definitive agreements with Vanke.

As announced on 2 April 2018, Vanke and the Group have funded and acquired stakes of 93.3% and 6.7% respectively in Banyan Tree China Hospitality Fund (“China Fund”). The China Fund was subsequently injected into BTAC at the end of March 2018. In recognition of the respective contributions from Vanke and the Group for the acquisition of the China Fund, the Group’s interest in BTAC has been diluted from 50% to 22.8% and a gain on dilution of S\$16.1 million has been recognised. In addition, BTAC has been reclassified from joint ventures to associates following the dilution.

##### 1. Revenue

Revenue increased by S\$7.8 million from S\$90.4 million in 1Q17 to S\$98.2 million in 1Q18 mainly due to higher revenue from Property Sales and Hotel Investments segments but partially offset by lower revenue from Fee-based segment.

For the Property Sales segment, higher revenue was mainly due to completion of Cassia Bintan (Phase 2) and Cassia Phuket (Phase 2) condominiums in 1Q18 and 4Q17 respectively. Sold units were progressively handed over to the buyers. In 1Q18, we recognised 29 units as compared to 6 units in the same period last year.

For the Hotel Investments segment, higher revenue was mainly contributed by hotels in Thailand and Seychelles. This was partially offset by lower revenue from hotels in Maldives and China. Following the execution of the Vanke transactions as explained in note A above, the results of the entities divested were equity accounted for by the Group from August 2017, which resulted in the decrease in revenue in China.

For Fee-based segment, lower revenue was mainly contributed by lower revenue from Spa/Gallery operations and lower architectural and design fees earned from projects in China, Dubai and Japan based on project milestones but this was partially cushioned by higher hotel management fees.

##### 2. Other income

Other income increased by S\$16.7 million from S\$0.4 million in 1Q17 to S\$17.1 million in 1Q18, mainly due to gains from dilution of the Group’s interest in BTAC from 50% to 22.8% as explained in note A.



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**1(a)(iv) Explanatory notes on performance for 1Q18 (Cont'd)**

3. Total costs and expenses

Total costs and expenses increased by S\$5.7 million from S\$72.3 million in 1Q17 to S\$78.0 million in 1Q18. This was largely attributable to increase in cost of properties sold, other operating expenses and sales and marketing expenses, which was partially cushioned by decrease in salaries and related expenses and administrative expenses.

Cost of properties sold increased by S\$4.9 million, which was in line with higher property sales revenue recognised during the period.

Other operating expenses increased by S\$4.3 million mainly due to higher travelling expenses, higher utilities, higher travel agent commissions and deposits for land purchase written-off.

Salaries and related expenses decreased by S\$2.4 million mainly due to lower headcounts after the Vanke transactions as explained in note A.

Administrative expenses decreased by S\$1.6 million mainly due to write-back of provision for doubtful debts and lower foreign exchange loss.

Sales and marketing expenses increased by S\$0.6 million mainly due to higher marketing expenses incurred for hotels and property sales.

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

Operating Profit increased by S\$18.7 million from S\$18.6 million in 1Q17 to S\$37.3 million in 1Q18. This was largely due to higher other income and higher Operating Profit from Hotel Investments segment due to higher revenue, higher write-back of provision for doubtful debts and lower exchange losses. This was partially offset by lower Operating Profit from Property Sales segment due to deposits for land purchase written-off and higher head office expenses.

5. Share of results of associates/joint ventures

As disclosed in note A above, the Group had started to equity account for the Group's share of results of the entities since August 2017. As a result, Share of results of associates/joint ventures increased from a loss of S\$0.4 million in 1Q17 to a profit of S\$0.5 million in 1Q18.

6. Income tax expense

Income tax expense increased by S\$1.4 million mainly due to higher profit generated from operations and higher withholding tax.

7. Profit after taxation

Profit after taxation increased by S\$18.7 million from S\$2.8 million in 1Q17 to S\$21.5 million in 1Q18. This was mainly due to higher Operating Profit, lower depreciation of property, plant and equipment and share of profits of associates/joint ventures but partially offset by higher income tax expense.

8. Non-controlling interests

Non-controlling interests' share of profit for 1Q18 was S\$0.3 million lower than 1Q17 mainly due to lower profits in Laguna Resorts & Hotels Public Company Limited ("LRH") during the period.



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**1(a)(iv) Explanatory notes on performance for 1Q18 (Cont'd)**

9. Profit attributable to owners of the Company

As a result of the foregoing, profit attributable to owners of the Company increased by S\$19.0 million from S\$1.2 million in 1Q17 to S\$20.2 million in 1Q18.

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

In 1Q18, the exchange gain on translation of foreign operations' net assets of S\$6.9 million was mainly due to the appreciation of Thai Baht against Singapore dollar.

In 1Q17, the exchange loss on translation of foreign operations' net assets of S\$9.4 million was mainly due to the depreciation of U.S. dollar and Chinese renminbi against Singapore dollar.



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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 As at			Company As at		
		31-Mar-18 (S\$'000)	31-Dec-17 (S\$'000)	Incr/ (Decr) %	31-Mar-18 (S\$'000)	31-Dec-17 (S\$'000)	Incr/ (Decr) %
<b>Non-current assets</b>							
Property, plant and equipment	1	652,079	642,013	2%	-	-	-
Investment properties		71,317	70,644	1%	-	-	-
Intangible assets		33,751	33,208	2%	2,875	2,890	-1%
Land use rights		2,445	2,445	0%	-	-	-
Subsidiaries		-	-	-	536,058	539,118	-1%
Associates	2	276,315	107,249	158%	12,980	869	nm
Joint ventures	3	-	132,250	-100%	-	12,110	-100%
Long-term investments		14,862	14,862	0%	-	-	-
Deferred tax assets		17,175	16,378	5%	-	-	-
Prepaid island rental		19,827	20,432	-3%	-	-	-
Prepayments		2,333	2,723	-14%	-	-	-
Long-term trade receivables		23,205	24,058	-4%	-	-	-
Other receivables		814	3,489	-77%	-	-	-
		1,114,123	1,069,751	4%	551,913	554,987	-1%
<b>Current assets</b>							
Property development costs	4	289,169	283,342	2%	-	-	-
Inventories		7,966	7,634	4%	-	-	-
Prepayments and other non-financial assets		15,478	13,919	11%	358	120	198%
Trade receivables		37,755	37,122	2%	-	-	-
Other receivables		6,785	7,646	-11%	893	593	51%
Amounts due from subsidiaries		-	-	-	215,477	213,206	1%
Amounts due from associates	5	78,590	64,963	21%	5,876	1,393	322%
Amounts due from joint ventures	5	5	6,291	-100%	4	3,156	-100%
Amounts due from related parties		24,117	23,155	4%	2	3	-33%
Cash and short-term deposits		158,852	158,988	0%	75,528	72,869	4%
		618,717	603,060	3%	298,138	291,340	2%
Assets of disposal group classified as held for sale	6	-	6,936	-100%	-	-	-
		618,717	609,996	1%	298,138	291,340	2%
<b>Total assets</b>		<b>1,732,840</b>	<b>1,679,747</b>	<b>3%</b>	<b>850,051</b>	<b>846,327</b>	<b>0%</b>
<b>Current liabilities</b>							
Tax payable		9,997	7,106	41%	-	-	-
Unearned income		5,278	5,784	-9%	-	-	-
Other non-financial liabilities	7	59,139	50,727	17%	317	534	-41%
Interest-bearing loans and borrowings	8	68,515	71,371	-4%	7,600	2,600	192%
Notes payable		119,357	119,270	0%	119,357	119,270	0%
Trade payables		24,011	25,311	-5%	-	-	-
Other payables		45,135	43,172	5%	10,645	9,049	18%
Amounts due to subsidiaries		-	-	-	60,974	57,317	6%
Amounts due to associates	5	101,971	22,489	353%	78,320	18,009	335%
Amounts due to joint ventures	5	-	61,094	-100%	-	60,298	-100%
Amounts due to related parties		1,674	1,261	33%	-	-	-
		435,077	407,585	7%	277,213	267,077	4%
<b>Net current assets</b>		<b>183,640</b>	<b>202,411</b>	<b>-9%</b>	<b>20,925</b>	<b>24,263</b>	<b>-14%</b>



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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. (Cont'd)

	Group As at			Company As at		
	31-Mar-18 (S\$'000)	31-Dec-17 (S\$'000)	Incr/ (Decr) %	31-Mar-18 (S\$'000)	31-Dec-17 (S\$'000)	Incr/ (Decr) %
<b>Non-current liabilities</b>						
Deferred tax liabilities	113,225	109,989	3%	-	-	-
Defined and other long-term employee benefits	2,919	2,820	4%	-	-	-
Deposits received	2,023	1,976	2%	-	-	-
Other non-financial liabilities	4,208	3,882	8%	-	-	-
Interest-bearing loans and borrowings	142,313	150,689	-6%	20,583	21,233	-3%
Notes payable	224,740	224,616	0%	224,740	224,616	0%
Other payables	2,368	654	262%	-	-	-
	491,796	494,626	-1%	245,323	245,849	0%
<b>Total liabilities</b>	926,873	902,211	3%	522,536	512,926	2%
<b>Net assets</b>	805,967	777,536	4%	327,515	333,401	-2%
<b>Equity attributable to owners of the Company</b>						
Share capital	241,520	241,520	0%	241,520	241,520	0%
Treasury shares	(142)	(142)	0%	(142)	(142)	0%
Reserves	381,996	359,248	6%	86,137	92,023	-6%
	623,374	600,626	4%	327,515	333,401	-2%
Non-controlling interests	182,593	176,910	3%	-	-	-
<b>Total equity</b>	805,967	777,536	4%	327,515	333,401	-2%



## Explanatory notes on Balance Sheet

1. Property, plant and equipment

Property, plant and equipment increased by S\$10.1 million to S\$652.1 million as at 31 March 2018. The increase was mainly due to on-going purchases of furniture, fittings and equipment and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht. It was partially offset by depreciation charged during the period.

2. Associates

As mentioned in Note A, the investment in Associates increased by S\$169.1 million from S\$107.2 million to S\$276.3 million in 1Q18 mainly due to reclassification of interest in BTAC from Joint ventures to Associates.

3. Joint ventures

Joint ventures decrease by S\$132.2 million due to share of joint ventures' results and reclassification to Associates as mentioned in note 2.

4. Property development costs

Property development costs increased by S\$5.8 million to S\$289.2 million as at 31 March 2018. This was mainly due to progressive development costs incurred on projects in Thailand and Bintan, and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht against Singapore dollar. It was partially offset by downward exchange adjustments on opening balances due to depreciation of Australian dollar against Singapore dollar.

5. Amount due from/(to) associates/joint ventures

As mentioned in note 2, BTAC had been reclassified from joint ventures to associates in March 2018. As a result, net amount due to associates increased by S\$65.9 million and net amount due to joint ventures decreased by S\$54.8 million as at 31 March 2018. Included in amount due to associates were unsecured and interest free loans of S\$78.0 million.

6. Assets of disposal group classified as held for sale

Assets of disposal group classified as held for sale decreased by S\$6.9 million to Nil as at 31 March 2018. This was mainly due to reclassification to amount due from associates following injection of China Fund into BTAC as mentioned in note A.

7. Other non-financial liabilities

Other non-financial liabilities increased by S\$8.4 million to S\$59.1 million as at 31 March 2018 mainly due to advances from customers for property sales in Thailand.

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

Current and non-current interest-bearing loans and borrowings decreased by S\$11.2 million to S\$210.8 million mainly due to loan repayment during the period.





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

	Group As at	
	31-Mar-18 (S\$'000)	31-Dec-17 (S\$'000)
<b>Amount repayable in one year or less, or on demand:-</b>		
Secured	59,015	66,871
Unsecured	128,857	123,770
<b>Sub-Total 1</b>	<b>187,872</b>	<b>190,641</b>
<b>Amount repayable after one year:-</b>		
Secured	136,313	142,439
Unsecured	230,740	232,866
<b>Sub-Total 2</b>	<b>367,053</b>	<b>375,305</b>
<b>Total Debt</b>	<b>554,925</b>	<b>565,946</b>

**Details of any collateral**

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

	Group As at	
	31-Mar-18 (S\$'000)	31-Dec-17 (S\$'000)
Freehold land and buildings	359,871	353,455
Investment properties	26,607	25,973
Property development costs	40,182	40,096
Leasehold land and buildings	14,216	14,844
Prepaid island rental	18,782	19,727
Other assets	7,737	6,102
	<b>467,395</b>	<b>460,197</b>



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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**

	<b>Group</b>	
	<b>3 months ended 31 Mar</b>	
	<b>2018</b>	<b>2017</b>
	<b>(S\$'000)</b>	<b>(S\$'000)</b>
<b><i>Cash flows from operating activities</i></b>		
Profit before taxation	25,477	5,432
Adjustments for:		
Share of results of associates	(1,426)	354
Share of results of joint ventures	879	-
Depreciation of property, plant and equipment	5,190	5,661
Loss on disposal of property, plant and equipment	202	92
Finance income	(602)	(613)
Finance costs	7,237	7,047
Amortisation expense	543	688
Write-back of doubtful debts	(2,205)	(1,242)
Allowance for doubtful debts	209	365
Allowance for inventory obsolescence	23	23
Provision for employee benefits	59	62
Provision for Share-based payment expenses	55	44
Gain on dilution of joint venture	(16,113)	-
Fair value gain on derivatives	(126)	-
Currency realignment	(1,563)	(2,823)
Operating Profit before working capital changes	<b>17,839</b>	<b>15,090</b>
(Increase)/Decrease in inventories	(277)	194
Increase in property development costs	(3,643)	(7,440)
Decrease in trade and other receivables	7,887	11,967
(Increase)/Decrease in amounts due from related parties	(1,531)	1,397
Increase/(Decrease) in trade and other payables	4,632	(9,580)
	<b>7,068</b>	<b>(3,462)</b>
<b>Cash flows generated from operating activities</b>	<b>24,907</b>	<b>11,628</b>
Interest received	603	609
Interest paid	(5,044)	(3,683)
Tax paid	(945)	(2,512)
Payment of employee benefits	(28)	(23)
<b>Net cash flows generated from operating activities</b>	<b>19,493</b>	<b>6,019</b>
<b><i>Cash flows from investing activities</i></b>		
Purchase of property, plant and equipment	(6,358)	(2,757)
Proceeds from disposal of property, plant and equipment	124	553
<b>Net cash flows used in investing activities</b>	<b>(6,234)</b>	<b>(2,204)</b>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from bank loans	6,021	48,889
Repayment of bank loans	(20,290)	(28,162)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(14,269)</b>	<b>20,727</b>
Net (decrease)/increase in cash and cash equivalents	(1,010)	24,542
Net foreign exchange difference	874	(1,010)
Cash and cash equivalents at beginning of Period	158,988	113,827
<b>Cash and cash equivalents * at end of the Period</b>	<b>158,852</b>	<b>137,359</b>

\* made up of cash and short-term deposits, cash of disposal group held for sale less bank overdrafts.



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### **Explanatory notes on Consolidated Cash Flow**

The Group's cash and cash equivalents increased by S\$21.5 million or 15.6% from S\$137.4 million as at 31 March 2017 to S\$158.9 million as at 31 March 2018.

For the three months ended 31 March 2018, net cash flows generated from operating activities was S\$19.5 million. This was mainly due to profit before taxation of S\$25.5 million as well as net increase in cash generated from working capital of S\$7.1 million, but partially offset by adjustments for non-cash items of S\$7.6 million, net interest paid of S\$4.4 million and tax paid of S\$0.9 million. Non-cash items related mainly to gain on dilution of joint venture of S\$16.1 million, write-back of doubtful debts of S\$2.2 million, currency realignment of S\$1.6 million and share of results of associates and joint ventures of S\$0.5 million, net of depreciation and amortisation expenses of S\$5.7 million and net finance cost of S\$6.6 million.

Net cash flows used in investing activities was S\$6.2 million, mainly due to on-going purchases of furniture, fittings and equipment of S\$6.4 million by our resorts for their operations.

Net cash flows used in financing activities amounted to S\$14.3 million. This was mainly due to scheduled repayments of bank borrowings of S\$20.3 million, which was partially cushioned by additional bank borrowings of S\$6.0 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 2018	241,520	(142)	7,976	8,280	182,107	(33,865)	(19,409)	214,159	600,626	176,910	777,536
Profit after taxation	-	-	-	-	-	-	-	20,190	20,190	1,267	21,457
Other comprehensive income for the Period	-	-	-	-	-	2,509	-	-	2,509	4,416	6,925
<b>Total comprehensive income for the Period</b>	-	-	-	-	-	2,509	-	20,190	22,699	5,683	28,382
<b>Contributions by and distributions to owners</b>											
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	49	-	-	-	-	-	49	-	49
<b>Total transactions with owners in their capacity as owners</b>	-	-	49	-	-	-	-	-	49	-	49
<b>Other changes in equity</b>											
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(18)	-	-	18	-	-	-
<b>Total other changes in equity</b>	-	-	-	-	(18)	-	-	18	-	-	-
<b>Balance as at 31 March 2018</b>	<b>241,520</b>	<b>(142)</b>	<b>8,025</b>	<b>8,280</b>	<b>182,089</b>	<b>(31,356)</b>	<b>(19,409)</b>	<b>234,367</b>	<b>623,374</b>	<b>182,593</b>	<b>805,967</b>

\* Other reserves are 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)
<b>Balance as at 1 January 2017</b>	199,995	(235)	8,040	9,899	181,773	(19,834)	(16,415)	201,261	564,484	168,362	732,846
Profit after taxation	-	-	-	-	-	-	-	1,199	1,199	1,606	2,805
Other comprehensive income for the Period	-	-	-	-	-	(9,399)	-	-	(9,399)	(30)	(9,429)
<b>Total comprehensive income for the Period</b>	-	-	-	-	-	(9,399)	-	1,199	(8,200)	1,576	(6,624)
<b>Contributions by and distributions to owners</b>											
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	30	-	-	-	-	-	30	-	30
<b>Total transactions with owners in their capacity as owners</b>	-	-	30	-	-	-	-	-	30	-	30
<b>Other changes in equity</b>											
Transfer to legal reserve	-	-	-	1	-	-	-	(1)	-	-	-
<b>Total other changes in equity</b>	-	-	-	1	-	-	-	(1)	-	-	-
<b>Balance as at 31 March 2017</b>	199,995	(235)	8,070	9,900	181,773	(29,233)	(16,415)	202,459	556,314	169,938	726,252

\* Other reserves are 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)
<b>Balance as at 1 January 2018</b>	241,520	(142)	7,976	4,683	79,364	333,401
Total comprehensive income for the Period	-	-	-	-	(5,935)	(5,935)
<b><u>Contributions by and distributions to owners</u></b>						
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	49	-	-	49
<b>Total transactions with owners in their capacity as owners</b>	-	-	49	-	-	49
<b>Balance as at 31 March 2018</b>	241,520	(142)	8,025	4,683	73,429	327,515
<b>Balance as at 1 January 2017</b>	199,995	(235)	8,040	4,710	45,671	258,181
Total comprehensive income for the Period	-	-	-	-	(11,188)	(11,188)
<b><u>Contributions by and distributions to owners</u></b>						
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	30	-	-	30
<b>Total transactions with owners in their capacity as owners</b>	-	-	30	-	-	30
<b>Balance as at 31 March 2017</b>	199,995	(235)	8,070	4,710	34,483	247,023

\* Other reserves are 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 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 from the end of the previous reported financial period, i.e. 31 December 2017 to the current reported financial period. The number of issued shares excluding treasury shares remained at 841,156,980 as at 31 March 2018.

As at 31 March 2018, there are 208,000 (1Q17: 345,500) shares held as treasury shares against the total number of issued shares excluding treasury shares of 841,156,980 (1Q17: 761,056,780).

As at 31 March 2018, 55,470,807 (1Q17: Nil) new shares of the Company may be issued upon the exercise of the initial option, additional issuance and additional option held by China Vanke Co., Ltd as described in the Company's announcements dated 15 and 27 September 2017.

As at 31 March 2018, up to 55,433,507 (1Q17: Nil) new shares of the Company may be issued upon the exercise of the option held by Accor S.A. as described in the Company's announcements dated 27 July 2017 and 2 August 2017.

**Issuance of shares from vesting of share awards**

During the quarter, there was no issuance of shares arising from the vesting of share awards under the Performance Share Plan (1Q17: Nil) and under Restricted Share Plan (1Q17: Nil).

**Grant and cancellation of share awards**

Performance Share Plan

During the quarter, no share awards were granted (1Q17: Nil) nor cancelled (1Q17: Nil) under the Banyan Tree Performance Share Plan. As at 31 March 2018, initial awards for 465,000 shares (As at 31 March 2017: 405,000) have been granted under the plan which will vest upon meeting specified performance conditions.

Restricted Share Plan

During the quarter, no share awards were granted (1Q17: Nil) nor cancelled (1Q17: 4,600 cancelled) under the Banyan Tree Restricted Share Plan. As at 31 March 2018, initial awards for 456,900 shares (As at 31 March 2017: 474,250) 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-18 No. of shares	31-Dec-17 No. of shares
Number of issued shares excluding Treasury shares	841,156,980	841,156,980

**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-18 No. of shares	31-Dec-17 No. of shares
At 1 January	208,000	345,500
Reissued pursuant to Share-based Incentive Plan	-	(137,500)
	208,000	208,000



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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 period compared with those of the audited financial statements as at 31 December 2017.

**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 period compared with those of the audited financial statements for the year ended 31 December 2017, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2018. 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	
	2018	2017
a) Based on the weighted average number of ordinary shares on issue (cents)	2.40	0.16
b) On fully diluted basis (cents)	2.12	0.16

(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 841,156,980 and 761,056,780 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 952,994,494 and 762,011,879 ordinary shares respectively.





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**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital 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-18	31-Dec-17	31-Mar-18	31-Dec-17
Net asset value per ordinary share based on issued share capital* at the end of the Period (S\$)	0.74	0.71	0.39	0.40

\* Ordinary shares in issue as at 31 March 2018 and 31 December 2017 are 841,156,980 and 841,156,980 shares respectively.



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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		2018 vs 2017	
	2018 (S\$'000)	2017 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	68,297	65,380	2,917	4%
Property Sales	14,806	5,801	9,005	155%
- Hotel Residences	6,560	120	6,440	nm
- Laguna Property Sales	8,246	5,681	2,565	45%
Fee-based Segment	15,093	19,255	(4,162)	-22%
- Hotel/Fund/Club Management	5,555	5,179	376	7%
- Spa/Gallery Operations	5,168	6,242	(1,074)	-17%
- Design and Others	4,370	7,834	(3,464)	-44%
<b>Revenue</b>	<b>98,196</b>	<b>90,436</b>	<b>7,760</b>	<b>9%</b>

B) PROFITABILITY

	Group			
	3 months ended 31 Mar		2018 vs 2017	
	2018 (S\$'000)	2017 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	21,010	18,125	2,885	16%
Property Sales	(1,391)	(662)	(729)	110%
- Hotel Residences	380	(948)	1,328	nm
- Laguna Property Sales	(1,771)	286	(2,057)	nm
Fee-based Segment	4,949	3,511	1,438	41%
- Hotel/Fund/Club Management	3,939	971	2,968	306%
- Spa/Gallery Operations	1,132	249	883	355%
- Design and Others	(122)	2,291	(2,413)	nm
Head Office Expenses	(4,370)	(2,849)	1,521	53%
Other Income (net)	17,100	444	16,656	nm
<b>Operating Profit (EBITDA)</b>	<b>37,298</b>	<b>18,569</b>	<b>18,729</b>	<b>101%</b>
<b>Profit attributable to owners of the Company (PATMI)</b>	<b>20,190</b>	<b>1,199</b>	<b>18,991</b>	<b>nm</b>



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## C) BUSINESS SEGMENTS REVIEW

### i) Hotel Investments segment

Hotel Investments segment achieved revenue of S\$68.3 million in 1Q18, an increase of 4% or S\$2.9 million compared to S\$65.4 million in 1Q17. The increase in revenue was mainly from Thailand (S\$4.9 million), Seychelles (S\$1.0 million), but partially offset by deconsolidation of China (S\$2.5 million) and lower revenue from Maldives (S\$1.0 million).

For Thailand, the increase in revenue was mainly contributed by the continuing strong performance of Banyan Tree Phuket, Banyan Tree Bangkok and Angsana Laguna Phuket. On a same store basis, Revenue per Available Room ("RevPAR") for Thailand resorts increased by 13% from S\$242 in 1Q17 to S\$273 in 1Q18. For Seychelles, RevPAR increased by 27% from S\$645 in 1Q17 to S\$819 in 1Q18. For Maldives, hotel performance was below the same period last year with RevPAR decreased by 8% from S\$470 in 1Q17 to S\$434 in 1Q18 as travel to the country was affected by the declaration of state of emergency for 45 days in the quarter. For China, the Group had stopped recognising revenue and started to equity account the results of our China hotels following our joint venture with Vanke in August 2017.

Operating Profit increased by S\$2.9 million in 1Q18 largely due to higher revenue as mentioned earlier.

### ii) Property Sales segment

Revenue from the Property Sales segment increased by S\$9.0 million or 155% to S\$14.8 million in 1Q18. In 1Q18, a total of 29 units of Cassia Phuket (Phase 2), Laguna Park townhomes/villas and Cassia Bintan (Phase 2) were recognised. In comparison, a total of 6 units of Laguna Park townhomes/villas and Laguna Village residences were recognised in 1Q17. Cassia Phuket (Phase 2) was completed in December 2017 and sold units were substantially recognised when handed over to buyers from 4Q17 to 1Q18.

Deposits for 99 new units sold with total sales value of S\$56.4 million was received in 1Q18 compared to deposits for 55 units in 1Q17 of S\$59.9 million, an increase of 80% in units but a decrease of 6% in value terms.

Overall unrecognised revenue as at 31 March 2018 was S\$209.8 million as compared to S\$142.4 million as at 31 March 2017, of which about 29% will be recognised in the next few quarters of 2018.

Notwithstanding higher revenue, Operating Profit decreased by S\$0.7 million in 1Q18 mainly due to write-off of deposit paid for land purchase in Thailand and higher expenses on projects where revenue recognition had not commenced.

### iii) Fee-based segment

Revenue from the Fee-based segment decreased by S\$4.2 million or 22% in 1Q18. This was mainly due to lower architectural and design fees earned from projects in China, Dubai and Japan based on project milestones and lower revenue from Spa/Gallery operations as the Group no longer consolidate China operations revenue but receive license fees following the execution of the Vanke transactions as explained in note A. This was partially cushioned by higher hotel management fees.

Notwithstanding lower revenue, Operating Profit increased by S\$1.4 million in 1Q18 mainly due to write-back of provision for doubtful debts, lower exchange losses and non-consolidation of expenses for China operations following execution of the Vanke transactions as explained in note A.

If management fees of those resorts which the Group has a majority interest were not eliminated on consolidation, Operating Profit would have been S\$10.9 million in 1Q18 as compared to S\$9.0 million in 1Q17.

### iv) Head Office

Head office expenses increased by S\$1.5 million or 53% to S\$4.4 million in 1Q18 mainly due to provision for founder's grant and higher travelling expenses.



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**v) Profit attributable to owners of the Company**

Profit increased by S\$19.0 million from S\$1.2 million in 1Q17 to S\$20.2 million in 1Q18 mainly attributable to higher other income, higher Operating Profit from Hotel Investments segment as a result of higher revenue coupled with higher write-back of provision for doubtful debts and lower foreign exchange losses. In addition, higher share of profits was also recorded by associates/joint ventures. This was partially offset by higher head office expenses and higher income tax expenses.

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

No forecast on 1Q18 results was disclosed to shareholders in 4Q17's commentary.

**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.**

Based on International Monetary Fund's latest report<sup>1</sup>, the global economic upswing that began around middle of 2016 has become broader and stronger. Global growth was substantially above previous forecast with faster growth in Europe and China, our two key markets.

On Hotel Investments segment, based on hotel forward bookings for owned hotels for 2Q18, overall forward bookings is 2% above the same period last year (hotels in Thailand is 7% above and hotels outside of Thailand is 6% below).

On Property Sales segment, deposits for 99 units with total sales value of S\$56.4 million was received in 1Q18 compared to 55 units of S\$59.9 million in 1Q17. As at 31 March 2018, the Group has unrecognised revenue of S\$209.8 million compared to S\$142.4 million as at 31 March 2017, which is an increase of 47%. About 30% will be progressively recognised in the next few quarters of 2018.

On 9 April 2018, the Group completed the Voluntary Tender Offer ("VTO") for remaining shares of LRH not already owned by the Group. After the VTO, the Group's stake in LRH increased by 20.53% from 65.75% to 86.28%. The Group has been operating in Thailand for many years and is familiar with the market. The acquisition will further increase the Group's share of economic interests in LRH.

New Openings

The Group expect to open the following 7 new resorts in the next 12 months:

- i. Angsana Zhuhai Phoenix Bay, Guangdong, China
- ii. Angsana Cayo Santa Maria, San Agustin, Cayo Las Brujas, Cuba
- iii. Dhawa Jinshanling, Hebei, China
- iv. Banyan Tree Anji, Zhejiang, China
- v. Banyan Tree Kuala Lumpur, Malaysia
- vi. Royale Pavilion by Banyan Tree, Kuala Lumpur, Malaysia
- vii. Angsana Corfu, Greece

Also in the next 12 months, the Group expect to launch 10 spas under management.

<sup>1</sup> Source: IMF, World Economic Outlook Update (April 2018)



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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 2018**

	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
<b>[A]</b>	<b>Transactions with the Tropical Resorts Limited Group ("TRG")</b>		
a	Provision of Resort Management and Related Services to TRG	-	746
b	Provision of Spa Management and Other Related Services to TRG	-	190
c	Rental Income from TRG in respect of units in Banyan Tree Bintan and Angsana Bintan	-	648
d (i)	Reimbursement of Expenses - to TRG	-	-
d (ii)	Reimbursement of Expenses - from TRG	-	458
	<b>Total</b>	-	<b>2,042</b>

**14 Confirmation that the issuer has procured undertakings from all its directors and executive officers**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**15 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 2018