



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the First Quarter ended 31 March 2019

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 31 Mar		
		2019 (S\$'000)	2018 (S\$'000)	Incr/ (Decr) %
Revenue	1	81,219	98,196	-17%
Other income	2	587	17,100	-97%
Costs and expenses				
Cost of operating supplies		(6,949)	(7,013)	-1%
Cost of properties sold		(3,470)	(7,708)	-55%
Salaries and related expenses		(22,347)	(25,448)	-12%
Administrative expenses		(8,152)	(15,677)	-48%
Sales and marketing expenses		(3,226)	(4,202)	-23%
Other operating expenses		(16,119)	(19,946)	-19%
(Impairment loss)/Write-back of impairment loss on financial assets		(88)	1,996	nm
Total costs and expenses	3	(60,351)	(77,998)	-23%
Profit before interests, taxes, depreciation and amortisation ("Operating Profit")	4	21,455	37,298	-42%
Depreciation of property, plant and equipment and right-of-use assets	5	(6,734)	(5,190)	30%
Amortisation expense		(186)	(543)	-66%
Profit from operations and other gains		14,535	31,565	-54%
Finance income		1,548	602	157%
Finance costs	6	(7,727)	(7,237)	7%
Share of results of associates	7	1,055	1,426	-26%
Share of results of joint ventures	7	-	(879)	-100%
Profit before taxation		9,411	25,477	-63%
Income tax expense	8	(3,603)	(4,020)	-10%
Profit after taxation	9	5,808	21,457	-73%
Attributable to:				
Owners of the Company	11	5,232	20,190	-74%
Non-controlling interests	10	576	1,267	-55%
Profit for the Period		5,808	21,457	-73%



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1(a)(ii) Statement of Comprehensive Income

	Notes	Group 3 months ended 31 Mar		
		2019 (S\$'000)	2018 (S\$'000)	Incr/ (Decr) %
Profit for the Period		5,808	21,457	-73%
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	12	9,321	6,925	35%
<u>Items that will not be reclassified to profit or loss:</u>				
Actuarial loss arising from defined benefit plan, net of deferred tax		(126)	-	100%
Total comprehensive income for the Period		15,003	28,382	-47%
Attributable to:				
Owners of the Company		12,627	22,699	-44%
Non-controlling interests		2,376	5,683	-58%
		15,003	28,382	-47%

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 under provision of tax relating to prior years of S\$16,000 (1Q18: over provision of S\$153,000).

	Group 3 months ended 31 Mar		
	2019 (S\$'000)	2018 (S\$'000)	Incr/ (Decr) %
Profit from operations and other gains is stated after charging/(crediting):			
Write-back of doubtful debts	(18)	(2,205)	-99%
Allowance for doubtful debts	106	209	-49%
Allowance for inventory obsolescence	42	23	83%
Exchange gain	(1,906)	(78)	nm
Loss on disposal of property, plant and equipment	3	202	-99%
Fair value gain on derivatives	-	(126)	-100%



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1(a)(iv) Explanatory notes on performance for 1Q19

1. Revenue

Revenue decreased by S\$17.0 million from S\$98.2 million in 1Q18 to S\$81.2 million in 1Q19 mainly due to lower revenue from all operating segments.

Hotel Investments segment reported lower revenue as we stopped consolidating results from our hotel in Seychelles after we disposed it in November 2018. In addition, Thailand performance was affected by on-going renovations at Banyan Tree Phuket.

For the Property Sales segment, lower 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 substantively recognised when progressively handed over to the buyers from 4Q17 to 1Q18. In 1Q19, we recognised 10 units as compared to 29 units in the same period last year.

For the Fee-based segment, lower revenue was mainly contributed by lower licensing fees from our hotels in China.

2. Other income

Other income decreased by S\$16.5 million from S\$17.1 million in 1Q18 to S\$0.6 million in 1Q19, mainly due to absence of gains from dilution of the Group's interest in Banyan Tree Assets (China) Holdings Pte. Ltd. ("BTAC") from 50% to 22.8% in 1Q18.

3. Total costs and expenses

Total costs and expenses decreased by S\$17.6 million from S\$78.0 million in 1Q18 to S\$60.4 million in 1Q19 due to a decrease across all expense categories.

Administrative expenses decreased by S\$7.5 million mainly due to higher foreign exchange gain, lower legal and professional fees and lower operating lease expenses due to adoption of SFRS(I) 16 as mentioned in page 15 paragraph 5 of this announcement.

Salaries and related expenses decreased by S\$3.1 million mainly due to lower provision for bonus and incentives.

Cost of properties sold decreased by S\$4.2 million, which was in line with lower property sales revenue recognised during the period.

Other operating expenses decreased by S\$3.8 million mainly due to lower travel agent commissions. In addition, there was a write-off of deposits for land purchase in 1Q18 of S\$2.7 million but no such expense in 1Q19.

Sales and marketing expenses decreased by S\$1.0 million mainly due to lower marketing expenses incurred for hotels and property sales.

(Impairment loss)/Write-back of impairment loss on financial assets recorded a loss of S\$0.1 million in 1Q19 vs. a write-back of S\$2.0 million in 1Q18 mainly due to lower write-back of impairment in trade receivables in 1Q19.

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

Operating Profit decreased by S\$15.8 million from S\$37.3 million in 1Q18 to S\$21.5 million in 1Q19. This was due to absence of one-off gain recorded in other income as mentioned above. Excluding the one-off gain, Operating Profit was in line with 1Q18 notwithstanding lower revenue due to lower operating expenses as mentioned above.



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1(a)(iv) Explanatory notes on performance for 1Q19 (Cont'd)

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

Depreciation of property, plant and equipment and right-of-use assets increased by S\$1.5 million mainly due to depreciation of right-of-use assets under SFRS(I) 16 as mentioned in page 15 paragraph 5 of this announcement.

6. Finance costs

Finance costs increased by S\$0.5 million mainly due to loans taken to acquire additional shares in Laguna Resorts & Hotels Public Company Limited ("LRH") in April 2018. In addition, we recognised interest expense on lease liabilities relating to right-of-use assets under SFRS(I) 16 as mentioned in page 15 paragraph 5 of this announcement. This was partially offset by lower interest on medium term notes as a total of S\$120 million were repaid upon maturity in July and November 2018.

7. Share of results of associates/joint ventures

Share of associates/joint ventures' results increased by S\$0.5 million mainly because we stopped equity accounting the losses of BTAC after it ceased to be an associate of the Group in November 2018.

8. Income tax expense

Income tax expense decreased by S\$0.4 million mainly due to higher recognition of deferred tax assets and lower adjustment of non-deductible expenses for tax purposes.

9. Profit after taxation

Profit after taxation decreased by S\$15.7 million from S\$21.5 million in 1Q18 to S\$5.8 million in 1Q19. This was mainly due to lower Operating Profit and higher depreciation and amortisation expenses but partially cushioned by higher share of profits of associates/joint ventures and lower income tax expense.

10. Non-controlling interests

Non-controlling interests' share of profit for 1Q19 was S\$0.7 million lower than 1Q18 mainly due to lower profits in LRH during the period.

11. Profit attributable to owners of the Company

As a result of the foregoing, profit attributable to owners of the Company decreased by S\$15.0 million from S\$20.2 million in 1Q18 to S\$5.2 million in 1Q19.

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

In 1Q19, the exchange gain on translation of foreign operations' net assets of S\$9.3 million was mainly due to the appreciation of Thai Baht against Singapore dollar.

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.



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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-19 (S\$'000)	31-Dec-18 (S\$'000)	Incr/ (Decr) %	31-Mar-19 (S\$'000)	31-Dec-18 (S\$'000)	Incr/ (Decr) %
Non-current assets							
Property, plant and equipment	1	614,835	599,435	3%	-	-	-
Right-of-use assets	2	42,405	-	100%	-	-	-
Investment properties		56,617	51,801	9%	-	-	-
Intangible assets		35,213	33,351	6%	3,050	2,828	8%
Land use rights		2,442	2,201	11%	-	-	-
Subsidiaries		-	-	-	558,633	559,473	0%
Associates		160,919	161,079	0%	4,990	6,137	-19%
Joint ventures		-	-	-	-	-	-
Long-term investments		102,002	102,002	0%	-	-	-
Deferred tax assets		19,476	18,951	3%	-	-	-
Prepaid island rental		19,568	20,029	-2%	-	-	-
Prepayments		281	292	-4%	-	-	-
Long-term receivables		41,716	43,130	-3%	12,553	12,553	0%
Other receivables		3,876	1,375	182%	-	-	-
		1,099,350	1,033,646	6%	579,226	580,991	0%
Current assets							
Property development costs	3	290,473	279,977	4%	-	-	-
Inventories		5,937	6,229	-5%	-	-	-
Prepayments and other non-financial assets		16,280	19,630	-17%	684	291	135%
Trade receivables		38,584	38,057	1%	3,480	3,254	7%
Other receivables		15,549	18,983	-18%	2,608	7,292	-64%
Contract assets		1,703	1,752	-3%	-	-	-
Amounts due from subsidiaries		-	-	-	208,125	196,282	6%
Amounts due from associates		3,166	3,070	3%	21	22	-5%
Amounts due from related parties		28,157	26,276	7%	-	-	-
Cash and short-term deposits		200,825	206,181	-3%	149,400	162,087	-8%
		600,674	600,155	0%	364,318	369,228	-1%
Total assets		1,700,024	1,633,801	4%	943,544	950,219	-1%
Current liabilities							
Tax payable		13,874	11,700	19%	-	73	-100%
Other non-financial liabilities		11,742	13,502	-13%	440	879	-50%
Interest-bearing loans and borrowings		83,415	90,486	-8%	22,600	23,600	-4%
Notes payable		124,769	124,690	0%	124,769	124,690	0%
Trade payables		22,714	24,363	-7%	-	-	-
Other payables		125,498	126,720	-1%	68,104	69,287	-2%
Contract liabilities	4	54,970	46,767	18%	-	-	-
Lease liabilities	2	7,720	-	100%	-	-	-
Amounts due to subsidiaries		-	-	-	64,971	68,576	-5%
Amounts due to associates		17,897	17,882	0%	17,831	17,831	0%
Amounts due to related parties		2,342	2,352	0%	12	12	0%
		464,941	458,462	1%	298,727	304,948	-2%
Net current assets		135,733	141,693	-4%	65,591	64,280	2%



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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			Company		
	31-Mar-19 (S\$'000)	31-Dec-18 (S\$'000)	Incr/ (Decr) %	31-Mar-19 (S\$'000)	31-Dec-18 (S\$'000)	Incr/ (Decr) %
Non-current liabilities						
Deferred tax liabilities	116,037	113,445	2%	-	-	-
Defined and other long-term employee benefits	3,767	3,336	13%	-	-	-
Deposits received	2,114	2,068	2%	-	-	-
Other non-financial liabilities	3,606	3,598	0%	-	-	-
Interest-bearing loans and borrowings	237,648	230,630	3%	47,983	48,633	-1%
Notes payable	99,970	99,926	0%	99,970	99,926	0%
Other payables	2,581	2,581	0%	-	-	-
Lease liabilities	52,602	-	100%	-	-	-
Amounts due to subsidiaries	-	-	-	182,471	180,866	1%
	518,325	455,584	14%	330,424	329,425	0%
Total liabilities	983,266	914,046	8%	629,151	634,373	-1%
Net assets	716,758	719,755	0%	314,393	315,846	0%
Equity attributable to owners of the Company						
Share capital	241,520	241,520	0%	241,520	241,520	0%
Treasury shares	(1,149)	(1,149)	0%	(1,149)	(1,149)	0%
Reserves	400,390	405,757	-1%	74,022	75,475	-2%
	640,761	646,128	-1%	314,393	315,846	0%
Non-controlling interests	75,997	73,627	3%	-	-	-
Total equity	716,758	719,755	0%	314,393	315,846	0%



Explanatory notes on Balance Sheet

1. Property, plant and equipment

Property, plant and equipment increased by S\$15.4 million to S\$614.8 million as at 31 March 2019. 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 and Indonesian rupiah. It was partially offset by depreciation charged during the period.

2. Right-of-use assets/lease liabilities

As mentioned in page 15 paragraph 5 of this announcement, the Group had adopted SFRS(I) 16 Leases for the first time and as a result, it had recognised right-of-use assets and lease liabilities relating to present value of future operating lease payments for the duration of the operating leases.

3. Property development costs

Property development costs increased by S\$10.5 million to S\$290.5 million as at 31 March 2019. This was mainly due to progressive development costs incurred on projects in Thailand and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht and Indonesian rupiah against Singapore dollar. It was partially offset by transfers to cost of properties sold following property sales recognition during the period.

4. Contract liabilities

Contract liabilities increased by S\$8.2 million to S\$55.0 million as at 31 March 2019 mainly due to deposits received from property sales buyers.



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

	Group As at	
	31-Mar-19 (S\$'000)	31-Dec-18 (S\$'000)
Amount repayable in one year or less, or on demand:-		
Secured	67,415	75,236
Unsecured	140,769	139,940
Sub-Total 1	208,184	215,176
Amount repayable after one year:-		
Secured	207,648	197,630
Unsecured	129,970	132,926
Sub-Total 2	337,618	330,556
Total Debt	545,802	545,732

Details of any collateral

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

	Group As at	
	31-Mar-19 (S\$'000)	31-Dec-18 (S\$'000)
Freehold land and buildings	372,365	365,240
Investment properties	33,678	28,847
Shares in a subsidiary	111,218	109,246
Property development costs	28,467	33,081
Leasehold land and buildings	14,046	14,345
Prepaid island rental	18,613	19,437
Other assets	7,983	6,409
	586,370	576,605



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

	Group	
	3 months ended 31 Mar	
	2019 (S\$'000)	2018 (S\$'000)
<i>Cash flows from operating activities</i>		
Profit before taxation	9,411	25,477
Adjustments for:		
Share of results of associates	(1,055)	(1,426)
Share of results of joint ventures	-	879
Depreciation of property, plant and equipment and right-of-use assets	6,734	5,190
Loss on disposal of property, plant and equipment	3	202
Finance income	(1,548)	(602)
Finance costs	7,727	7,237
Amortisation expense	186	543
Write-back of doubtful debts	(18)	(2,205)
Allowance for doubtful debts	106	209
Allowance for inventory obsolescence	42	23
Provision for employee benefits	241	59
Provision for Share-based payment expenses	94	55
Gain on dilution of joint venture	-	(16,113)
Fair value gain on derivatives	-	(126)
Currency realignment	748	(1,563)
Operating Profit before working capital changes	22,671	17,839
Decrease/(Increase) in inventories	376	(277)
Increase in property development costs	(6,630)	(3,643)
Decrease in contract assets, trade and other receivables	3,007	7,887
Decrease/(Increase) in amounts due from related parties	486	(1,531)
(Decrease)/Increase in contract liabilities, trade and other payables	(5,859)	4,632
	(8,620)	7,068
Cash flows generated from operating activities	14,051	24,907
Interest received	1,415	603
Interest paid	(3,785)	(5,044)
Tax paid	(1,699)	(945)
Payment of employee benefits	(23)	(28)
Net cash flows generated from operating activities	9,959	19,493
<i>Cash flows from investing activities</i>		
Purchase of property, plant and equipment	(11,450)	(6,358)
Proceeds from disposal of property, plant and equipment	12	124
Additions to intangible assets	(238)	-
Net cash flows used in investing activities	(11,676)	(6,234)
<i>Cash flows from financing activities</i>		
Proceeds from bank loans	25,569	6,021
Repayment of bank loans	(30,009)	(20,290)
Net cash flows used in financing activities	(4,440)	(14,269)
Net decrease in cash and cash equivalents	(6,157)	(1,010)
Net foreign exchange difference	801	874
Cash and cash equivalents at beginning of Period	206,181	158,988
Cash and cash equivalents * at end of the Period	200,825	158,852

* 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\$41.9 million or 26% from S\$158.9 million as at 31 March 2018 to S\$200.8 million as at 31 March 2019.

For the three months ended 31 March 2019, net cash flows generated from operating activities was S\$10.0 million. This was mainly due to profit before taxation of S\$9.4 million as well as adjustments for non-cash items of S\$13.3 million, but partially offset by net cash used for working capital of S\$8.6 million, net interest paid of S\$2.4 million and tax paid of S\$1.7 million. Non-cash items related mainly to net finance costs of S\$6.2 million and depreciation of property plant and equipment and right-of-use assets of S\$6.7 million.

Net cash flows used in investing activities was S\$11.7 million, mainly due to on-going purchases of furniture, fittings and equipment by our resorts for their operations.

Net cash flows used in financing activities amounted to S\$4.4 million. This was mainly due to scheduled repayments of bank borrowings of S\$30.0 million, net of additional bank borrowings of S\$25.6 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 2019, as previously reported	241,520	(1,149)	8,187	8,280	177,497	(40,770)	26,402	226,161	646,128	73,627	719,755
Effect of adopting SFRS(I) 16	-	-	-	-	-	-	-	(18,080)	(18,080)	(6)	(18,086)
Balance as at 1 January 2019, as restated	241,520	(1,149)	8,187	8,280	177,497	(40,770)	26,402	208,081	628,048	73,621	701,669
Profit after taxation	-	-	-	-	-	-	-	5,232	5,232	576	5,808
Other comprehensive income for the Period	-	-	-	-	-	7,521	-	(126)	7,395	1,800	9,195
Total comprehensive income for the Period	-	-	-	-	-	7,521	-	5,106	12,627	2,376	15,003
Contributions by and distributions to owners											
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	86	-	-	-	-	-	86	-	86
Total transactions with owners in their capacity as owners	-	-	86	-	-	-	-	-	86	-	86
Other changes in equity											
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(163)	-	-	163	-	-	-
Total other changes in equity	-	-	-	-	(163)	-	-	163	-	-	-
Balance as at 31 March 2019	241,520	(1,149)	8,273	8,280	177,334	(33,249)	26,402	213,350	640,761	75,997	716,758

* 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)
Balance as at 1 January 2018, as previously reported	241,520	(142)	7,976	8,280	182,107	(33,865)	(19,409)	214,159	600,626	176,910	777,536
Effect of adopting SFRS(I)**	-	-	-	-	-	-	(2,849)	2,849	-	-	-
Balance as at 1 January 2018	241,520	(142)	7,976	8,280	182,107	(33,865)	(22,258)	217,008	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
Total comprehensive income for the Period	-	-	-	-	-	2,509	-	20,190	22,699	5,683	28,382
Contributions by and distributions to owners											
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	49	-	-	-	-	-	49	-	49
Total transactions with owners in their capacity as owners	-	-	49	-	-	-	-	-	49	-	49
Other changes in equity											
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(18)	-	-	18	-	-	-
Total other changes in equity	-	-	-	-	(18)	-	-	18	-	-	-
Balance as at 31 March 2018	241,520	(142)	8,025	8,280	182,089	(31,356)	(22,258)	237,216	623,374	182,593	805,967

* 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.

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



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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 2019	241,520	(1,149)	8,187	4,664	62,624	315,846
Total comprehensive income for the Period	-	-	-	-	(1,539)	(1,539)
<u>Contributions by and distributions to owners</u>						
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	86	-	-	86
Total transactions with owners in their capacity as owners	-	-	86	-	-	86
Balance as at 31 March 2019	241,520	(1,149)	8,273	4,664	61,085	314,393
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 2018	241,520	(142)	7,976	4,683	79,364	333,401
Total comprehensive income for the Period	-	-	-	-	(5,935)	(5,935)
<u>Contributions by and distributions to owners</u>						
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	49	-	-	49
Total transactions with owners in their capacity as owners	-	-	49	-	-	49
Balance as at 31 March 2018	241,520	(142)	8,025	4,683	73,429	327,515

* 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 2018 to the current reported financial period. The number of issued shares excluding treasury shares remained at 839,362,380 as at 31 March 2019.

As at 31 March 2019, there are 2,002,600 (1Q18: 208,000) shares held as treasury shares against the total number of issued shares excluding treasury shares of 839,362,380 (1Q18: 841,156,980).

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 (1Q18: Nil) and under Restricted Share Plan (1Q18: Nil).

Grant and cancellation of share awards

Performance Share Plan

During the quarter, no share awards were granted (1Q18: Nil) nor cancelled (1Q18: Nil) under the Banyan Tree Performance Share Plan. As at 31 March 2019, initial awards for 585,000 shares (As at 31 March 2018: 465,000) 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 (1Q18: Nil) nor cancelled (1Q18: Nil) under the Banyan Tree Restricted Share Plan. As at 31 March 2019, initial awards for 910,350 shares (As at 31 March 2018: 456,900) have been granted under the plan which will vest upon meeting specified performance conditions.

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

	31-Mar-19 No. of shares	31-Dec-18 No. of shares
Number of issued shares excluding Treasury shares	839,362,380	839,362,380

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-19 No. of shares	31-Dec-18 No. of shares
At 1 January	2,002,600	208,000
Purchase of additional treasury shares	-	2,000,000
Reissued pursuant to Share-based Incentive Plan	-	(205,400)
	2,002,600	2,002,600

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.



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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 paragraph 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 2018.

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.

Adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) 16 leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees - leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group adopted SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On the adoption of SFRS(I) 16, the Group had measured the right-of-use asset at its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019.

In addition, the Group elected the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases.
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019.
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

On the adoption of SFRS(I) 16, the Group had recognised right-of-use assets of \$44.8 million and lease liabilities of \$62.9 million for its leases previously classified as operating leases with a corresponding decrease in the opening retained earnings of \$18.1 million as of 1 January 2019.



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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	
	2019	2018
a) Based on the weighted average number of ordinary shares on issue (cents)	0.62	2.40
b) On fully diluted basis (cents)	0.62	2.12

(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 839,362,380 and 841,156,980 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 840,749,030 and 952,994,494 ordinary shares respectively.

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-19	31-Dec-18	31-Mar-19	31-Dec-18
Net asset value per ordinary share based on issued share capital* at the end of the Period (S\$)	0.76	0.77	0.37	0.38

* Ordinary shares in issue as at 31 March 2019 and 31 December 2018 are 839,362,380 and 839,362,380 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		2019 vs 2018	
	2019 (S\$'000)	2018 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	60,200	68,297	(8,097)	-12%
Property Sales	6,535	14,806	(8,271)	-56%
- Hotel Residences	719	6,560	(5,841)	-89%
- Laguna Property Sales	5,816	8,246	(2,430)	-29%
Fee-based Segment	14,484	15,093	(609)	-4%
- Hotel/Fund/Club Management	5,062	5,555	(493)	-9%
- Spa/Gallery Operations	5,061	5,168	(107)	-2%
- Design and Others	4,361	4,370	(9)	0%
Revenue	81,219	98,196	(16,977)	-17%

B) PROFITABILITY

	Group			
	3 months ended 31 Mar		2019 vs 2018	
	2019 (S\$'000)	2018 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	19,884	21,010	(1,126)	-5%
Property Sales	(438)	(1,391)	953	-69%
- Hotel Residences	(1,021)	380	(1,401)	nm
- Laguna Property Sales	583	(1,771)	2,354	nm
Fee-based Segment	3,965	4,949	(984)	-20%
- Hotel/Fund/Club Management	2,470	3,939	(1,469)	-37%
- Spa/Gallery Operations	1,651	1,132	519	46%
- Design and Others	(156)	(122)	(34)	28%
Head Office Expenses	(2,543)	(4,370)	(1,827)	-42%
Other Income (net)	587	17,100	(16,513)	-97%
Operating Profit (EBITDA)	21,455	37,298	(15,843)	-42%
Profit attributable to owners of the Company (PATMI)	5,232	20,190	(14,958)	-74%



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C) BUSINESS SEGMENTS REVIEW

i) Hotel Investments segment

Hotel Investments segment achieved revenue of S\$60.2 million in 1Q19, a decrease of 12% or S\$8.1 million compared to S\$68.3 million in 1Q18. The decrease in revenue was mainly from Seychelles (S\$5.7 million) and Thailand (S\$3.7 million), but partially cushioned by higher revenue from Maldives (S\$1.0 million).

For Seychelles, we stopped consolidating their results after we disposed our entire assets portfolio in November 2018. For Thailand, hotel performance was below the same period last year mainly due to inventory shortage caused by ongoing renovations at Banyan Tree Phuket. Revenue per Available Room ("RevPAR") for Thailand resorts decreased by 17% from S\$273 in 1Q18 to S\$226 in 1Q19. Maldives performance improved with RevPAR increased by 14% from S\$437 in 1Q18 to S\$499 in 1Q19 as tourist arrivals in 1Q18 was impacted by the declaration of state of emergency for 45 days in that quarter.

Operating Profit decreased by S\$1.1 million in 1Q19 largely due to lower revenue as mentioned earlier but partially cushioned by lower operating lease expenses as we had stopped recording operating lease expense but instead record depreciation expense under SFRS(I) 16 as mentioned in page 15 paragraph 5 of this announcement.

ii) Property Sales segment

Revenue from the Property Sales segment decreased by S\$8.3 million or 56% to S\$6.5 million in 1Q19. In 1Q19, a total of 10 units of Cassia Phuket, Cassia Bintan and Laguna Park townhomes/villas were recognised. In comparison, 29 units of Cassia Phuket, Laguna Park townhomes/villas and Cassia Bintan were recognised in 1Q18. Cassia Bintan (Phase 2) and Cassia Phuket (Phase 2) condominiums was completed in 1Q18 and 4Q17 respectively and sold units were substantively recognised when progressively handed over to the buyers from 4Q17 to 1Q18.

Deposits for 86 new units sold with total sales value of S\$44.4 million was received in 1Q19 compared to deposits for 99 units in 1Q18 of S\$56.4 million, a decrease of 13% in units and 21% decrease in value terms.

Overall unrecognised revenue as at 31 March 2019 was S\$222.1 million as compared to S\$209.8 million as at 31 March 2018, of which about 40% will be recognised in the next few quarters of 2019.

Notwithstanding lower revenue, Operating loss was lower by S\$1.0 million from a loss of S\$1.4 million in 1Q18 to a loss of S\$0.4 million in 1Q19 as 1Q18 expenses included a write-off of deposit paid for land purchase in Thailand and no such expense in 1Q19. In addition, in 1Q19, there were lower expenses incurred on projects where revenue recognition had not commenced.

iii) Fee-based segment

Revenue from the Fee-based segment decreased by S\$0.6 million or 4% in 1Q19. This was mainly due to lower license fees from our China operations.

Operating Profit decreased by S\$1.0 million in 1Q19 mainly due to lower revenues as mentioned above and lower write-back of provision for doubtful debts which was partially cushioned by lower provision for bonus and incentives.

If management fees of those resorts which the Group has a majority interest were not eliminated on consolidation, Operating Profit would have been S\$9.0 million in 1Q19 as compared to S\$10.9 million in 1Q18.

iv) Head Office

Head office expenses decreased by S\$1.8 million mainly due to higher foreign exchange gains and lower provision for bonus and incentives.



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v) Other income

Other income decreased by S\$16.5 million from S\$17.1 million in 1Q18 to S\$0.6 million in 1Q19, mainly due to absence of gains from dilution of the Group's interest in BTAC from 50% to 22.8% in 1Q18.

vi) Profit attributable to owners of the Company

Profit decreased by S\$15.0 million from S\$20.2 million in 1Q18 to S\$5.2 million in 1Q19 mainly attributable to lower Operating Profit due to lower other income. This was partially cushioned by higher share of profits of associates/joint ventures, lower income tax expenses and lower non-controlling interests' share of profits.

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

No forecast on 1Q19 results was disclosed to shareholders in 4Q18'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.

According to International Monetary Fund's latest report¹, global growth is set to moderate in the first half of 2019, and expected to pick up in the second half of 2019 for our key markets in China and Europe.

On Hotel Investments segment, based on hotel forward bookings for owned hotels for 2Q19, overall forward bookings is 11% above the same period last year (hotels in Thailand is 6% above and hotels outside of Thailand is 26% above).

On Property Sales segment, deposits for 86 units with total sales value of S\$44.4 million was received in 1Q19 compared to 99 units in 1Q18 of S\$56.4 million. As at 31 March 2019, the Group has unrecognised revenue of S\$222.1 million compared to S\$209.8 million as at 31 March 2018. About 40% will be progressively recognised in the next few quarters of 2019.

New Openings

The Group expect to open the following 9 new resorts in the next 12 months:

- i. Angsana Corfu, Greece
- ii. Angsana Teluk Bahang, Penang, Malaysia
- iii. Angsana Siem Reap, Cambodia
- iv. Angsana Tengchong, Yunnan, China
- v. Dhawa Tengchong, Yunnan, China
- vi. Banyan Tree Doha, Doha, Qatar
- vii. Angsana Leishan, Guizhou, China
- viii. Banyan Tree Krabi, Krabi, Thailand
- ix. Ru Lian Wellness Hengqin, Zhuhai, China

Also in the next 12 months, the Group expect to launch 8 spas under management.

¹ Source: IMF, World Economic Outlook Update (April 2019)



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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 2019

	Interested Person Transactions	Aggregate value of all interested person transactions for Q1 (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate in S\$'000	Aggregate value of all interested person transactions conducted under Shareholders' Mandate for Q1(excluding transactions less than S\$100,000) in S\$'000
	[A] Transactions with the Tropical Resorts Limited Group ("TRG")		
a	Provision of Resort Management and Related Services to TRG	-	713
b	Provision of Spa Management and Other Related Services to TRG	-	218
c	Rental Income from TRG in respect of units in Banyan Tree Bintan and Angsana Bintan	-	572
d	Reimbursement of Expenses - from TRG	-	782
	[B] Transactions with Controlling Shareholder		
a	Provision of Hotel/Resort Management and Related Services to Banyan Tree Kuala Lumpur	110	-
	Total	110	2,285

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

Shelly Yeo
Company Secretary
15 May 2019