



BANYAN TREE HOLDINGS LIMITED
PRESS RELEASE

15TH May 2019

1Q19 OPERATING PROFIT* OF S\$21.5 MILLION VS S\$37.3 MILLION

- **ABSENCE OF ONE-OFF GAINS FROM DILUTION OF INTEREST IN CHINA ENTITIES**

FINANCIAL HIGHLIGHTS:

1Q19:

- Revenue decreased 17% to S\$81.2 million.
- Operating Profit decreased by S\$15.8 million to S\$21.5 million.
- Operating Profit in-line with 1Q18 excluding one-off gains from dilution of the Group's interest in China entities.

Revenue decreased due to:

- Lower revenue from Hotel Investments segment:
 - Non-consolidation of revenue from Banyan Tree Seychelles following its sale in November 2018.
 - On-going renovations at Banyan Tree Phuket.
 - Partially cushioned by improved performance from our hotels in Maldives.
- Lower revenue recognition from Property Sales segment as Cassia Phuket and Cassia Bintan were substantially completed and recognised in 1Q18.

Operating Profit decreased due to:

- One-off gains from dilution of the Group's interest in China entities in 1Q18.
- Lower revenue from Hotel Investments and Property Sales segment.

Partially cushioned by:

- Lower operating expenses.
- Higher foreign exchange gains.

OUTLOOK:

- 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.
- Macro outlook¹:

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.

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

ADDENDUM

RESULTS SNAPSHOT:

1Q19 Results (in S\$' million):

	1Q19	1Q18	Change[@] (%)
Revenue	81.2	98.2	17% ↓
Operating Profit *	21.5	37.3	42% ↓
PATMI**	5.2	20.2	74% ↓

* 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\$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.

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.

ADDENDUM

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.

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.

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.

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.

Cash Flow

During 1Q19, the Group generated its funds mainly from operations.

It made schedule repayments of bank borrowings, expended on property, plant and equipment for the resorts' operations and made payments on interests and income tax during the period.

As at 31 March 2019, the Group's cash and cash equivalents was S\$200.8 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 47 hotels and resorts, 64 spas, 76 retail galleries, and three golf courses in 23 countries as at 31 March 2019.

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 2,396 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 23 hotels and resorts under construction, and another 37 under design 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>