



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Second Quarter and Half Year ended 30 June 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 30 Jun			Group 6 months ended 30 Jun		
		2019	2018	Incr/ (Decr) %	2019	2018	Incr/ (Decr) %
		(\$'000)	(\$'000)		(\$'000)	(\$'000)	
Revenue	1	51,766	68,397	-24%	132,985	166,593	-20%
Other income	2	4,061	1,485	173%	4,648	18,585	-75%
Costs and expenses							
Cost of operating supplies		(5,305)	(5,674)	-7%	(12,254)	(12,687)	-3%
Cost of properties sold		(2,076)	(8,633)	-76%	(5,546)	(16,341)	-66%
Salaries and related expenses		(17,747)	(20,700)	-14%	(40,094)	(46,148)	-13%
Administrative expenses		(6,482)	(6,892)	-6%	(14,634)	(22,569)	-35%
Sales and marketing expenses		(3,074)	(5,066)	-39%	(6,300)	(9,268)	-32%
Other operating expenses		(13,534)	(12,856)	5%	(29,653)	(32,802)	-10%
(Impairment loss)/Write-back of impairment loss on financial assets		(1,890)	(429)	341%	(1,978)	1,567	nm
Total costs and expenses	3	(50,108)	(60,250)	-17%	(110,459)	(138,248)	-20%
Profit before interests, taxes, depreciation and amortisation ("Operating Profit")	4	5,719	9,632	-41%	27,174	46,930	-42%
Depreciation of property, plant and equipment and right-of-use assets	5	(6,813)	(5,360)	27%	(13,547)	(10,550)	28%
Amortisation expense		(190)	(559)	-66%	(376)	(1,102)	-66%
(Loss)/Profit from operations and other gains		(1,284)	3,713	nm	13,251	35,278	-62%
Finance income	6	2,399	674	256%	3,947	1,276	209%
Finance costs	7	(6,955)	(8,005)	-13%	(14,682)	(15,242)	-4%
Share of results of associates	8	(2,520)	(1,204)	109%	(1,465)	222	nm
Share of results of joint ventures		-	-	-	-	(879)	-100%
(Loss)/Profit before taxation		(8,360)	(4,822)	73%	1,051	20,655	-95%
Income tax expense	9	(77)	(820)	-91%	(3,680)	(4,840)	-24%
(Loss)/Profit after taxation	10	(8,437)	(5,642)	50%	(2,629)	15,815	nm
Attributable to:							
Owners of the Company	11	(7,918)	(5,349)	48%	(2,686)	14,841	nm
Non-controlling interests		(519)	(293)	77%	57	974	-94%
(Loss)/Profit for the Period		(8,437)	(5,642)	50%	(2,629)	15,815	nm



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1(a)(ii) Statement of Comprehensive Income

	Notes	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
		2019 (S\$'000)	2018 (S\$'000)	Incr/ (Decr) %	2019 (S\$'000)	2018 (S\$'000)	Incr/ (Decr) %
(Loss)/Profit for the Period		(8,437)	(5,642)	50%	(2,629)	15,815	nm
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	9,480	(5,047)	nm	18,801	1,878	nm
<u>Items that will not be reclassified to profit or loss:</u>							
Actuarial loss arising from defined benefit plan, net of deferred tax		(1)	-	100%	(127)	-	100%
Total comprehensive income/(expense) for the Period		1,042	(10,689)	nm	16,045	17,693	-9%
Attributable to:							
Owners of the Company		(295)	(8,755)	-97%	12,332	13,944	-12%
Non-controlling interests		1,337	(1,934)	nm	3,713	3,749	-1%
		1,042	(10,689)	nm	16,045	17,693	-9%

1(a)(iii) Additional Disclosures

Adjustments for under or over provision of tax in respect of prior years

Included in the tax expense were adjustments for over provision of tax relating to prior years of S\$145,000 (2Q18: over provision of S\$394,000) and over provision of S\$129,000 for 1H19 relating to prior years (1H18: over provision of S\$547,000).

	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
	2019 (S\$'000)	2018 (S\$'000)	Incr/ (Decr) %	2019 (S\$'000)	2018 (S\$'000)	Incr/ (Decr) %
Profit from operations and other gains is stated after charging/(crediting):						
Write-back of loss allowance	(142)	-	100%	(160)	(2,129)	-92%
Provision for loss allowance	2,032	429	374%	2,138	562	280%
Allowance for inventory obsolescence	3	33	-91%	45	56	-20%
Exchange loss/(gain)	285	(510)	nm	(1,621)	(588)	176%
Loss on disposal of property, plant and equipment	442	80	453%	445	282	58%
Fair value gain on derivatives	-	(242)	-100%	-	(368)	-100%



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1(a)(iv) Explanatory notes on performance for 2Q19

1. Revenue

Revenue decreased by S\$16.6 million from S\$68.4 million in 2Q18 to S\$51.8 million in 2Q19 contributed mainly by lower revenue from Property Sales and Hotel Investments segments.

For the Property Sales segment, lower revenue was mainly due to timing difference in recognition of property sales. In 2Q19, the Group recognised 7 units as compared to 35 units in the same period last year. Lower revenue recognition was mainly due to Cassia Phuket (Phase 2) and Cassia Bintan (Phase 2) condominiums which were completed in 4Q17 and 1Q18 respectively and sold units were progressively handed over to the buyers from 4Q17 to 2Q18. However, with three projects namely Cassia Phuket (Phase 3) condominiums, Laguna Park townhomes/villas (Phase 2) and Banyan Tree 3 Beds Pool Villas expected to be completed in 4Q19, based on sales achieved to date, revenue of close to S\$84.0 million will be recognised when sold units are progressively handed over to the buyers during that period.

Hotel Investments segment reported lower revenue as the Group stopped consolidating results from its hotel in Seychelles after the Group disposed it in November 2018. In addition, Thailand performance was affected by ongoing renovations at Banyan Tree Phuket. It was partially cushioned by better performance from the Group's resorts in Maldives.

2. Other income

Other income increased by S\$2.6 million from S\$1.5 million in 2Q18 to S\$4.1 million in 2Q19, mainly due to fair value gain on investment properties in Thailand (S\$3.7 million). It was partially offset by absence of insurance claims relating to business interruption in Seychelles and fair value adjustments on call options issued to Accor S.A. and Vanke in 2Q18.

3. Total costs and expenses

Total costs and expenses decreased by S\$10.2 million from S\$60.3 million in 2Q18 to S\$50.1 million in 2Q19. With the exception of other operating expenses, all other categories of expenses have recorded a decrease.

Cost of properties sold decreased by S\$6.6 million, which was in line with lower property sales revenue recognised during the period.

Salaries and related expenses decreased by S\$3.0 million mainly due to lower provision for bonus and incentives.

Sales and marketing expenses decreased by S\$2.0 million mainly due to lower marketing expenses incurred for hotels and property sales.

Administrative expenses decreased by S\$0.4 million mainly due to lower legal and professional fees and lower operating lease expenses from the adoption of SFRS(I) 16 as mentioned in page 18 paragraph 5 of this announcement. This was partially offset by loss on disposal of property, plant and equipment and foreign exchange loss in 2Q19 as compared to foreign exchange gain in 2Q18.

Cost of operating supplies decreased by S\$0.4 million, which was in line with lower revenue from Spa/Gallery operations.

Impairment loss on financial assets increased by S\$1.5 million mainly due to higher impairment in trade receivables.

Other operating expenses increased by S\$0.7 million mainly due to higher traveling expenses and higher expenses expended on online booking system.

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

Operating Profit decreased by S\$3.9 million from S\$9.6 million in 2Q18 to S\$5.7 million in 2Q19. This was largely due to lower operating profit from Property Sales segment due to lower revenue as mentioned above and higher head office expenses, partially cushioned by higher other income and lower operating expenses.



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1(a)(iv) Explanatory notes on performance for 2Q19 (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 18 paragraph 5 of this announcement.

6. Finance Income

Finance income increased by S\$1.7 million mainly due to progressive accounting reversal of one-off fair value adjustment on imputed interest for long-term receivables under instalments arrangement which was recorded in 4Q18.

7. Finance costs

Finance costs decreased by S\$1.1 million mainly due to lower interest on medium term notes as a total of S\$120.0 million were repaid upon maturity in July and November 2018. It was partially offset by higher interest expense as the Group recognised interest expense on lease liabilities relating to right-of-use assets under SFRS(I) 16 as mentioned in page 18 paragraph 5 of this announcement.

8. Share of results of associates

Share of associates' losses increased by S\$1.3 million mainly due to higher share of losses from Banyan Tree Indochina Hospitality Fund, higher share of losses from China operations and share of progressive accounting reversal of fair value adjustment on imputed interest income recorded in 4Q18. It was partially cushioned by absence of losses of Banyan Tree Assets (China) Holdings Pte. Ltd. ("BTAC") as the Group stopped equity accounting BTAC's results after it ceased to be an associate of the Group in November 2018.

9. Income tax expense

On tax expenses, 2Q19 recorded tax expenses of S\$0.1 million, notwithstanding losses incurred in the quarter, mainly due to taxes on profit making companies within the Group not able to offset against some of the loss making companies due to absence of cross-border group relief and deferred tax assets not recognised for some of the loss making companies as there are no certainty of future profit. Tax expense was lower compared to last year mainly due to lower operating profit and lower withholding tax expense.

10. Loss after taxation

Loss after taxation increased by S\$2.8 million from S\$5.6 million in 2Q18 to S\$8.4 million in 2Q19. This was mainly due to lower Operating Profit, higher depreciation and amortisation expenses, and higher share of losses of associates, partially cushioned by lower net finance costs and lower income tax expense.

11. Loss attributable to owners of the Company

As a result of the foregoing, loss attributable to owners of the Company increased by S\$2.6 million from S\$5.3 million in 2Q18 to S\$7.9 million in 2Q19.

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

In 2Q19, the exchange gain on translation of foreign operations' net assets of S\$9.5 million was mainly due to the appreciation of Thai baht against Singapore dollar.

In 2Q18, the exchange loss on translation of foreign operations' net assets of S\$5.0 million was mainly due to the depreciation of Thai baht against Singapore dollar which was partially cushioned by appreciation of US dollar 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		
		30-Jun-19 (S\$'000)	31-Dec-18 (S\$'000)	Incr/ (Decr) %	30-Jun-19 (S\$'000)	31-Dec-18 (S\$'000)	Incr/ (Decr) %
Non-current assets							
Property, plant and equipment	1	623,384	599,435	4%	-	-	-
Right-of-use assets	2	40,632	-	100%	-	-	-
Investment properties	3	62,129	51,801	20%	-	-	-
Intangible assets		36,565	33,351	10%	3,452	2,828	22%
Land use rights		2,561	2,201	16%	-	-	-
Subsidiaries		-	-	-	560,421	559,473	0%
Associates		161,948	161,079	1%	5,913	6,137	-4%
Long-term investments		102,083	102,002	0%	-	-	-
Deferred tax assets		21,615	18,951	14%	-	-	-
Prepaid island rental		19,426	20,029	-3%	-	-	-
Prepayments		486	292	66%	-	-	-
Long-term receivables		39,531	43,130	-8%	12,553	12,553	0%
Other receivables		4,399	1,375	220%	-	-	-
		1,114,759	1,033,646	8%	582,339	580,991	0%
Current assets							
Property development costs	4	311,119	279,977	11%	-	-	-
Inventories		5,701	6,229	-8%	-	-	-
Prepayments and other non-financial assets		21,280	19,630	8%	467	291	61%
Trade receivables	5	30,866	38,057	-19%	3,697	3,254	14%
Other receivables		15,814	18,983	-17%	1,991	7,292	-73%
Contract assets		793	1,752	-55%	-	-	-
Amounts due from subsidiaries		-	-	-	209,731	196,282	7%
Amounts due from associates		3,316	3,070	8%	17	22	-23%
Amounts due from related parties		28,841	26,276	10%	-	-	-
Cash and short-term deposits		53,988	206,181	-74%	12,615	162,087	-92%
		471,718	600,155	-21%	228,518	369,228	-38%
Total assets		1,586,477	1,633,801	-3%	810,857	950,219	-15%
Current liabilities							
Tax payable		12,322	11,700	5%	20	73	-73%
Other non-financial liabilities		11,452	13,502	-15%	451	879	-49%
Interest-bearing loans and borrowings	6	108,906	90,486	20%	27,600	23,600	17%
Notes payable	7	99,837	124,690	-20%	99,837	124,690	-20%
Trade payables	8	17,259	24,363	-29%	-	-	-
Other payables	9	115,129	126,720	-9%	63,531	69,287	-8%
Contract liabilities	10	65,704	46,767	40%	-	-	-
Lease liabilities	2	7,586	-	100%	-	-	-
Amounts due to subsidiaries		-	-	-	18,844	68,576	-73%
Amounts due to associates		17,866	17,882	0%	17,831	17,831	0%
Amounts due to related parties		5,765	2,352	145%	12	12	0%
		461,826	458,462	1%	228,126	304,948	-25%
Net current assets		9,892	141,693	-93%	392	64,280	-99%



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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		
		As at			As at		
		30-Jun-19	31-Dec-18	Incr/ (Decr) %	30-Jun-19	31-Dec-18	Incr/ (Decr) %
		(\$'000)	(\$'000)		(\$'000)	(\$'000)	
Non-current liabilities							
Deferred tax liabilities	11	119,258	113,445	5%	-	-	-
Defined and other long-term employee benefits		4,221	3,336	27%	-	-	-
Deposits received		2,095	2,068	1%	-	-	-
Other non-financial liabilities		3,493	3,598	-3%	-	-	-
Interest-bearing loans and borrowings	6	233,157	230,630	1%	47,333	48,633	-3%
Notes payable	7	-	99,926	-100%	-	99,926	-100%
Other payables		2,581	2,581	0%	-	-	-
Lease liabilities	2	51,363	-	100%	-	-	-
Amounts due to subsidiaries		-	-	-	229,345	180,866	27%
		416,168	455,584	-9%	276,678	329,425	-16%
Total liabilities		877,994	914,046	-4%	504,804	634,373	-20%
Net assets		708,483	719,755	-2%	306,053	315,846	-3%
Equity attributable to owners of the Company							
Share capital		241,520	241,520	0%	241,520	241,520	0%
Treasury shares		(900)	(1,149)	-22%	(900)	(1,149)	-22%
Reserves		390,934	405,757	-4%	65,433	75,475	-13%
		631,554	646,128	-2%	306,053	315,846	-3%
Non-controlling interests		76,929	73,627	4%	-	-	-
Total equity		708,483	719,755	-2%	306,053	315,846	-3%



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Explanatory notes on Balance Sheet

1. Property, plant and equipment

Property, plant and equipment increased by S\$23.9 million to S\$623.4 million as at 30 June 2019. The increase was mainly due to on-going purchases of furniture, fittings and equipment, resorts renovation 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 depreciation charged during the period.

2. Right-of-use assets/lease liabilities

As mentioned in page 18 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. Investment properties

Investment properties increased by S\$10.3 million from S\$51.8 million to S\$62.1 million as at 30 June 2019. The increase was mainly due to fair value gain on investment properties in Thailand and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht against Singapore dollar.

4. Property development costs

Property development costs increased by S\$31.1 million to S\$311.1 million as at 30 June 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 against Singapore dollar. It was partially offset by transfers to cost of properties sold following property sales recognition during the period.

5. Trade receivables

Trade receivables decreased by S\$7.2 million to S\$30.9 million due to lower revenue as mentioned earlier and higher provision for loss allowance.

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

Current and non-current interest-bearing loans and borrowings increased by S\$20.9 million to S\$342.1 million mainly due to loans drawdown and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht against Singapore dollar but partially offset by repayments during the period.

7. Current and non-current notes payable

Current and non-current note payables decreased by S\$124.8 million from S\$224.6 million to S\$99.8 million as at 30 Jun 2019 mainly due to repayment of \$125.0 million medium term notes upon maturity in June 2019.

8. Trade payables

Trade payables decreased by S\$7.1 million from S\$24.4 million to S\$17.3 million as at 30 June 2019 mainly due to lower purchases for hotel operations and higher payment for construction payables.

9. Other payables (current)

Other payables decreased by S\$11.6 million from S\$126.7 million to S\$115.1 million as at 30 June 2019 mainly due to lower provision of bonus and incentives and lower accrual for interest and operating expenses.



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Explanatory notes on Balance Sheet (Cont'd)

10. Contract liabilities

Contract liabilities increased by S\$18.9 million to S\$65.7 million as at 30 June 2019 mainly due to deposits received from property sales buyers.

11. Deferred tax liabilities

Deferred tax liabilities increased by S\$5.8 million to S\$119.3 million as at 30 June 2019 mainly due to revaluation gains on investment properties and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht against Singapore dollar.

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

	Group As at	
	30-Jun-19 (S\$'000)	31-Dec-18 (S\$'000)
Amount repayable in one year or less, or on demand:-		
Secured	87,906	75,236
Unsecured	120,837	139,940
Sub-Total 1	208,743	215,176
Amount repayable after one year:-		
Secured	203,156	197,630
Unsecured	30,000	132,926
Sub-Total 2	233,156	330,556
Total Debt	441,899	545,732

Details of any collateral

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

	Group As at	
	30-Jun-19 (S\$'000)	31-Dec-18 (S\$'000)
Freehold land and buildings	378,428	365,240
Investment properties	31,315	28,847
Shares in a subsidiary	113,190	109,246
Property development costs	29,063	33,081
Leasehold land and buildings	13,908	14,345
Prepaid island rental	18,094	19,437
Other assets	7,508	6,409
	591,506	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		Group	
	3 months ended 30 Jun	2018	6 months ended 30 Jun	2018
	2019	(S\$'000)	2019	2018
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Cash flows from operating activities				
(Loss)/Profit before taxation	(8,360)	(4,822)	1,051	20,655
Adjustments for:				
Share of results of associates	2,520	1,204	1,465	(222)
Share of results of joint ventures	-	-	-	879
Depreciation of property, plant and equipment and right-of-use assets	6,813	5,360	13,547	10,550
Loss on disposal of property, plant and equipment	442	80	445	282
Finance income	(2,399)	(674)	(3,947)	(1,276)
Finance costs	6,955	8,005	14,682	15,242
Amortisation expense	190	559	376	1,102
Write-back of loss allowance	(142)	-	(160)	(2,129)
Provision for loss allowance	2,032	429	2,138	562
Allowance for inventory obsolescence	3	33	45	56
Provision for employee benefits	382	65	623	124
Provision for Share-based payment expenses	108	149	202	204
Gain on dilution of joint venture	-	-	-	(16,113)
Fair value gain on derivatives	-	(242)	-	(368)
Net fair value gain on investment properties	(3,736)	-	(3,736)	-
Currency realignment	390	2,488	1,138	925
Operating Profit before working capital changes	5,198	12,634	27,869	30,473
Decrease/(Increase) in inventories	331	13	707	(264)
Increase in property development costs	(11,858)	(2,095)	(18,488)	(5,738)
Decrease in contract assets, trade and other receivables	4,584	2,559	7,591	10,446
Decrease in amounts due from related parties	256	12,767	742	11,236
Decrease in contract liabilities, trade and other payables	(7,408)	(8,052)	(13,267)	(3,420)
	(14,095)	5,192	(22,715)	12,260
Cash flows (used in)/generated from operating activities	(8,897)	17,826	5,154	42,733
Interest received	1,004	654	2,419	1,257
Interest paid	(9,315)	(10,182)	(13,100)	(15,226)
Tax paid	(2,899)	(2,367)	(4,598)	(3,312)
Payment of employee benefits	(21)	(150)	(44)	(178)
Payment of cash settled share grants	(82)	(52)	(82)	(52)
Net cash flows (used in)/generated from operating activities	(20,210)	5,729	(10,251)	25,222
Cash flows from investing activities				
Purchase of property, plant and equipment	(5,096)	(1,669)	(16,546)	(8,027)
Proceeds from disposal of property, plant and equipment	4	3	16	127
Increase in investment in associates	-	(18,800)	-	(18,800)
Increase in long-term investments	(81)	-	(81)	-
Acquisition of non-controlling interest	-	(57,488)	-	(57,488)
Dividend income from associate	1,220	1,183	1,220	1,183
Purchase of investment properties	(4,360)	-	(4,360)	-
Additions to intangible assets	(419)	-	(657)	-
Net cash flows used in investing activities	(8,732)	(76,771)	(20,408)	(83,005)
Cash flows from financing activities				
Proceeds from bank loans	28,973	96,157	54,542	102,178
Repayment of bank loans	(13,241)	(16,779)	(43,250)	(37,069)
Repayment of notes payable	(125,000)	-	(125,000)	-
Payment of dividends				
- by subsidiary to non-controlling interests	(405)	(363)	(405)	(363)
- by Company to shareholders	(8,818)	(8,404)	(8,818)	(8,404)
Purchase of treasury shares	-	(585)	-	(585)
Net cash flows (used in)/generated from financing activities	(118,491)	70,026	(122,931)	55,757
Net decrease in cash and cash equivalents	(147,433)	(1,016)	(153,590)	(2,026)
Net foreign exchange difference	596	(456)	1,397	418
Cash and cash equivalents at beginning of Period/Year	200,825	158,852	206,181	158,988
Cash and cash equivalents * at end of the Period	53,988	157,380	53,988	157,380

* 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 decreased by S\$103.4 million or 66% from S\$157.4 million as at 30 June 2018 to S\$54.0 million as at 30 June 2019.

2Q19

For the three months ended 30 June 2019, net cash flows used in operating activities was S\$20.2 million. This was mainly due to loss before taxation of S\$8.4 million, net decrease in cash generated from working capital of S\$14.1 million, net interest paid of S\$8.3 million and tax paid of S\$2.9 million. It was partially cushioned by adjustments for non-cash items of S\$13.6 million. Non-cash items relate mainly to depreciation and amortisation expenses of S\$7.0 million, net finance costs of S\$4.6 million, share of results of associates of S\$2.5 million, provision for loss allowance of S\$2.0 million and currency realignment of S\$0.4 million, but offset by net fair value gain on investment properties of S\$3.7 million.

Net cash flows used in investing activities was S\$8.7 million, mainly due to resort renovation, on-going purchases of furniture, fittings and equipment by the Group's resorts for their operations and purchase of investment properties.

Net cash flows used in financing activities amounted to S\$118.5 million, mainly due to repayment of S\$125.0 million medium term notes upon maturity in June 2019, scheduled repayments of bank borrowings of S\$13.2 million and dividend paid to ordinary shareholders of the Company of S\$8.8 million. This was partially cushioned by additional bank borrowings of S\$29.0 million.

1H19

For the six months ended 30 June 2019, net cash flows used in operating activities was S\$10.3 million. This was mainly due to net decrease in cash generated from working capital of S\$22.7 million, net interest paid of S\$10.7 million and tax paid of S\$4.6 million. It was partially cushioned by adjustments for non-cash items of S\$26.8 million and profit before taxation of S\$1.1 million. Non-cash items relate mainly to depreciation and amortisation expenses of S\$13.9 million, net finance costs of S\$10.7 million, provision for loss allowance of S\$2.1 million, currency realignment of S\$1.1 million and share of results of associates of S\$1.5 million, but offset by net fair value gain on investment properties of S\$3.7 million.

Net cash flows used in investing activities was S\$20.4 million, mainly due to resort renovation, on-going purchases of furniture, fittings and equipment by the Group's resorts for their operations and purchase of investment properties.

Net cash flows used in financing activities amounted to S\$122.9 million, mainly due to repayment of S\$125.0 million medium term notes upon maturity in June 2019, scheduled repayments of bank borrowings of S\$43.3 million and dividend paid to ordinary shareholders of the Company of S\$8.8 million. This was partially cushioned by additional bank borrowings of S\$54.5 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 April 2019, as previously reported	241,520	(1,149)	8,273	8,280	177,334	(33,249)	26,402	213,350	640,761	75,997	716,758
Effect of adopting SFRS(I) 16	-	-	-	-	-	-	-	(102)	(102)	-	(102)
Balance as at 1 April 2019, as restated	241,520	(1,149)	8,273	8,280	177,334	(33,249)	26,402	213,248	640,659	75,997	716,656
Profit after taxation	-	-	-	-	-	-	-	(7,918)	(7,918)	(519)	(8,437)
Other comprehensive income for the Period	-	-	-	-	-	7,624	-	(1)	7,623	1,856	9,479
Total comprehensive income for the Period	-	-	-	-	-	7,624	-	(7,919)	(295)	1,337	1,042
Contributions by and distributions to owners											
Dividend paid on ordinary shares	-	-	-	-	-	-	-	(8,818)	(8,818)	-	(8,818)
Treasury shares reissued pursuant to Share-based Incentive Plan	-	249	(248)	-	-	-	(1)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	8	-	-	-	-	-	8	-	8
Total transactions with owners in their capacity as owners	-	249	(240)	-	-	-	(1)	(8,818)	(8,810)	-	(8,810)
Other changes in equity											
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(405)	(405)
Transfer to accumulated profits upon disposal of asset	-	-	-	-	28	-	-	(28)	-	-	-
Total other changes in equity	-	-	-	-	28	-	-	(28)	-	(405)	(405)
Balance as at 30 June 2019	241,520	(900)	8,033	8,280	177,362	(25,625)	26,401	196,483	631,554	76,929	708,483

* 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, as restated	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
<u>Contributions by and distributions to owners</u>											
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
<u>Other changes in equity</u>											
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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Unaudited results for the Second Quarter and Half Year ended 30 June 2019

GROUP	Share capital (S\$'000)	Treasury shares (S\$'000)	Share-based payment reserve (S\$'000)	Legal reserve (S\$'000)	Property revaluation reserve (S\$'000)	Currency translation reserve (S\$'000)	Other reserves* (S\$'000)	Accumulated profits (S\$'000)	Equity attributable to owners of the Company (S\$'000)	Non-controlling interests (S\$'000)	Total equity (S\$'000)
Balance as at 1 April 2018, as previously reported	241,520	(142)	8,025	8,280	182,089	(31,356)	(19,409)	234,367	623,374	182,593	805,967
Effect of adopting SFRS(I)**	-	-	-	-	-	-	(2,849)	2,849	-	-	-
Balance as at 1 April 2018, as restated	241,520	(142)	8,025	8,280	182,089	(31,356)	(22,258)	237,216	623,374	182,593	805,967
Loss after taxation	-	-	-	-	-	-	-	(5,349)	(5,349)	(293)	(5,642)
Other comprehensive income for the Period	-	-	-	-	-	(3,406)	-	-	(3,406)	(1,641)	(5,047)
Total comprehensive income for the Period	-	-	-	-	-	(3,406)	-	(5,349)	(8,755)	(1,934)	(10,689)
<u>Contributions by and distributions to owners</u>											
Dividends paid on ordinary shares	-	-	-	-	-	-	-	(8,404)	(8,404)	-	(8,404)
Treasury shares reissued pursuant to Share-based Incentive Plan	-	140	(121)	-	-	-	(19)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	105	-	-	-	-	-	105	-	105
Acquisition of Treasury shares	-	(585)	-	-	-	-	-	-	(585)	-	(585)
Total contributions by and distributions to owners	-	(445)	(16)	-	-	-	(19)	(8,404)	(8,884)	-	(8,884)
<u>Changes in ownership interests in subsidiary</u>											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	48,002	-	48,002	(105,490)	(57,488)
Total changes in ownership interests in subsidiary	-	-	-	-	-	-	48,002	-	48,002	(105,490)	(57,488)
Total transactions with owners in their capacity as owners	-	(445)	(16)	-	-	-	47,983	(8,404)	39,118	(105,490)	(66,372)
<u>Other changes in equity</u>											
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(363)	(363)
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(94)	-	-	94	-	-	-
Total other changes in equity	-	-	-	-	(94)	-	-	94	-	(363)	(363)
Balance as at 30 June 2018	241,520	(587)	8,009	8,280	181,995	(34,762)	25,725	223,557	653,737	74,806	728,543

* 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
Balance as at 1 April 2019	241,520	(1,149)	8,273	4,664	61,085	314,393
Total comprehensive income for the Period	-	-	-	-	470	470
<u>Contributions by and distributions to owners</u>						
Dividends paid on ordinary shares	-	-	-	-	(8,818)	(8,818)
Treasury shares reissued pursuant to Share-based Incentive Plan	-	249	(248)	(1)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	8	-	-	8
Total transactions with owners in their capacity as owners	-	249	(240)	(1)	(8,818)	(8,810)
Balance as at 30 June 2019	241,520	(900)	8,033	4,663	52,737	306,053

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



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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
Balance as at 1 April 2018	241,520	(142)	8,025	4,683	73,429	327,515
Total comprehensive income for the Period	-	-	-	-	(954)	(954)
<u>Contributions by and distributions to owners</u>						
Dividends paid on ordinary shares	-	-	-	-	(8,404)	(8,404)
Treasury shares reissued pursuant to Share-based Incentive Plan	-	140	(121)	(19)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	105	-	-	105
Acquisition of Treasury shares	-	(585)	-	-	-	(585)
Total transactions with owners in their capacity as owners	-	(445)	(16)	(19)	(8,404)	(8,884)
Balance as at 30 June 2018	241,520	(587)	8,009	4,664	64,071	317,677

* 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.

As at 30 June 2019, there are 1,570,000 (2Q18: 1,002,600) shares held as treasury shares against the total number of issued shares excluding treasury shares of 839,794,980 (2Q18: 840,362,380).

Issuance of shares from vesting of share awards

During the quarter, 39,600 share awards (2Q18: Nil) were vested under the Performance Share Plan for initial awards issued for FY2016. 393,000 share awards (2Q18: 205,400) were vested under the Restricted Share Plan for initial awards issued for FY2016, 2017 and 2018.

Grant and cancellation of share awards

Performance Share Plan

During the quarter, 213,300 share awards were granted (2Q18: 240,000) and 278,700 share awards were cancelled (2Q18: 120,000) under the Banyan Tree Performance Share Plan. As at 30 June 2019, initial awards for 480,000 shares (As at 30 June 2018: 585,000) have been granted under the plan which will vest upon meeting specified performance conditions.

Restricted Share Plan

During the quarter, 393,300 share awards were granted (2Q18: 438,750) and 53,850 share awards were cancelled (2Q18: 178,900) under the Banyan Tree Restricted Share Plan. As at 30 June 2019, initial awards for 856,800 shares (As at 30 June 2018: 869,150) have been granted under the plan which will vest upon meeting specified performance conditions.

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

	30-Jun-19 No. of shares	31-Dec-18 No. of shares
Number of issued shares excluding Treasury shares	839,794,980	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.

	30-Jun-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	(432,600)	(205,400)
	1,570,000	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 S\$44.8 million and lease liabilities of S\$62.9 million for its leases previously classified as operating leases with a corresponding decrease in the opening retained earnings of S\$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 30 Jun		6 months ended 30 Jun	
	2019	2018	2019	2018
a) Based on the weighted average number of ordinary shares on issue (cents)	(0.94)	(0.64)	(0.32)	1.77
b) On fully diluted basis (cents)	(0.94)	(0.64)	(0.32)	1.60

(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 839,794,980 and 840,393,090 ordinary shares respectively.

The basic earnings per ordinary share for the 6 months period and the same period last year have been calculated based on the weighted average number of 839,579,875 and 840,772,925 ordinary shares respectively.

(ii) For the 3 months period ended 30 June 2019 and 30 June 2018, contingently issuable shares under the Banyan Tree Performance Share Plan had been excluded from the calculation of diluted earnings per share as their effects would be anti-dilutive (i.e. loss per share would have been reduced in the event that dilutive potential shares issued are converted into ordinary shares). Thus, the dilutive earnings per share was the same as the basic earnings per share for the 3 months period ended 30 June 2019 and 30 June 2018.

For the 6 months period ended 30 June 2019, contingently issuable shares under the Banyan Tree Performance Share Plan had been excluded from the calculation of diluted earnings per share as their effects would be anti-dilutive (i.e. loss per share would have been reduced in the event that dilutive potential shares issued are converted into ordinary shares). Thus, the dilutive earnings per share was the same as the basic earnings per share for the 6 months period ended 30 June 2019.

The diluted earnings per ordinary share for the 6 months period ended 30 June 2018 have been calculated based on the weighted average number of 926,767,083 ordinary shares.

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	
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
Net asset value per ordinary share based on issued share capital* at the end of the Period (S\$)	0.75	0.77	0.36	0.38

* Ordinary shares in issue as at 30 June 2019 and 31 December 2018 are 839,794,980 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 30 Jun		2019 vs 2018	
	2019	2018	Incr/(Decr)	
	(S\$'000)	(S\$'000)	(S\$'000)	%
Hotel Investments	33,606	38,746	(5,140)	-13%
Property Sales	4,453	15,076	(10,623)	-70%
- Hotel Residences	615	8,105	(7,490)	-92%
- Laguna Property Sales	3,838	6,971	(3,133)	-45%
Fee-based Segment	13,707	14,575	(868)	-6%
- Hotel/Fund/Club Management	4,981	4,781	200	4%
- Spa/Gallery Operations	4,395	4,840	(445)	-9%
- Design and Others	4,331	4,954	(623)	-13%
Revenue	51,766	68,397	(16,631)	-24%

	Group			
	6 months ended 30 Jun		2019 vs 2018	
	2019	2018	Incr/(Decr)	
	(S\$'000)	(S\$'000)	(S\$'000)	%
Hotel Investments	93,806	107,043	(13,237)	-12%
Property Sales	10,988	29,882	(18,894)	-63%
- Hotel Residences	1,334	14,665	(13,331)	-91%
- Laguna Property Sales	9,654	15,217	(5,563)	-37%
Fee-based Segment	28,191	29,668	(1,477)	-5%
- Hotel/Fund/Club Management	10,043	10,336	(293)	-3%
- Spa/Gallery Operations	9,456	10,008	(552)	-6%
- Design and Others	8,692	9,324	(632)	-7%
Revenue	132,985	166,593	(33,608)	-20%



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B) PROFITABILITY

	Group			
	3 months ended 30 Jun		2019 vs 2018	
	2019	2018	Incr/(Decr)	
	(S\$'000)	(S\$'000)	(S\$'000)	%
Hotel Investments	1,805	1,938	(133)	-7%
Property Sales	(1,551)	2,855	(4,406)	nm
- Hotel Residences	(1,613)	1,411	(3,024)	nm
- Laguna Property Sales	62	1,444	(1,382)	-96%
Fee-based Segment	3,565	4,588	(1,023)	-22%
- Hotel/Fund/Club Management	2,373	2,671	(298)	-11%
- Spa/Gallery Operations	572	914	(342)	-37%
- Design and Others	620	1,003	(383)	-38%
Head Office Expenses	(2,161)	(1,234)	927	75%
Other Income (net)	4,061	1,485	2,576	173%
Operating Profit (EBITDA)	5,719	9,632	(3,913)	-41%
Loss attributable to owners of the Company (PATMI)	(7,918)	(5,349)	2,569	48%

	Group			
	6 months ended 30 Jun		2019 vs 2018	
	2019	2018	Incr/(Decr)	
	(S\$'000)	(S\$'000)	(S\$'000)	%
Hotel Investments	21,689	22,948	(1,259)	-5%
Property Sales	(1,989)	1,464	(3,453)	nm
- Hotel Residences	(2,634)	1,791	(4,425)	nm
- Laguna Property Sales	645	(327)	972	nm
Fee-based Segment	7,530	9,537	(2,007)	-21%
- Hotel/Fund/Club Management	4,843	6,610	(1,767)	-27%
- Spa/Gallery Operations	2,223	2,046	177	9%
- Design and Others	464	881	(417)	-47%
Head Office Expenses	(4,704)	(5,604)	(900)	-16%
Other Income (net)	4,648	18,585	(13,937)	-75%
Operating Profit (EBITDA)	27,174	46,930	(19,756)	-42%
(Loss)/Profit attributable to owners of the Company (PATMI)	(2,686)	14,841	(17,527)	nm



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C) BUSINESS SEGMENTS REVIEW

i) Hotel Investments segment

Hotel Investments segment achieved revenue of S\$33.6 million in 2Q19, a decrease of 13% or S\$5.1 million compared to S\$38.7 million in 2Q18. The decrease in revenue was mainly from Seychelles (S\$5.6 million) and Thailand (S\$1.1 million), but partially cushioned by higher revenue from Maldives (S\$1.2 million) and Indonesia (S\$0.2 million).

For Seychelles, the Group stopped consolidating their results after the Group disposed its 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 13% from S\$125 in 2Q18 to S\$109 in 2Q19. Maldives performance improved with RevPAR increased by 12% from S\$170 in 2Q18 to S\$191 in 2Q19 contributed by higher occupancy.

Notwithstanding lower revenue, Operating Profit in 2Q19 was largely in line with 2Q18 mainly due to lower provision for bonus and incentives and lower operating lease expenses as the Group had stopped recording operating lease expense but instead recorded depreciation expense under SFRS(I) 16 as mentioned in page 18 paragraph 5 of this announcement.

For 1H19, Hotel Investments segment achieved revenue of S\$93.8 million, a decrease of 12% or S\$13.2 million compared to S\$107.0 million in 1H18. The decrease in revenue was mainly from Seychelles (S\$11.4 million) and Thailand (S\$4.9 million) which was partially cushioned by increase in revenue from Maldives (S\$2.2 million) and Indonesia (S\$0.5 million).

Operating Profit decreased by S\$1.3 million in 1H19 mainly due to lower revenue but partially cushioned by lower provision for bonus and incentives and lower operating lease expenses as mentioned earlier.

ii) Property Sales segment

Revenue from the Property Sales segment decreased by S\$10.6 million or 70% to S\$4.5 million in 2Q19. For 1H19, revenue decreased by S\$18.9 million or 63% to S\$11.0 million.

In 2Q19, a total of 7 units of Cassia Phuket, Cassia Bintan and Laguna Park townhomes/villas were recognised. In comparison, a total of 35 units of Cassia Phuket, Cassia Bintan, Laguna Park townhomes/villas and Laguna Village Residences were recognised in 2Q18. Lower revenue was mainly due to timing difference of recognition as 2Q18 recorded revenue recognition of Cassia Phuket (Phase 2) and Cassia Bintan (Phase 2) condominiums which were completed in 4Q17 and 1Q18 respectively and sold units were progressively recognised when handed over to buyers from 4Q17 to 2Q18.

In 1H19, a total of 17 units of Cassia Phuket, Cassia Bintan and Laguna Park townhomes/villas were recognised. In comparison, 64 units of Cassia Phuket, Cassia Bintan, Laguna Park townhomes/villas and Laguna Village residences were recognised in 1H18.

Deposits for 11 new units sold with total sales value of S\$6.6 million were received in 2Q19 compared to deposits for 50 units in 2Q18 of S\$34.9 million, a 78% decrease in units and 81% decrease in value terms. For 1H19, deposits for 88 units sold with total sales value of S\$50.5 million were received compared to 138 units in 1H18 of S\$85.7 million, a 36% decrease in units and 41% decrease in value term.

Overall unrecognised revenue as at 30 June 2019 was S\$221.5 million as compared to S\$202.3 million as at 30 June 2018. Barring unforeseen circumstances, the Group expects completion of Cassia Phuket (Phase 3), Laguna Park townhomes/villas (Phase 2) and Banyan Tree 3 Beds Pool Villas in 4Q19, and revenue of close to S\$84.0 million from these 3 projects are expected to be recognised during that period.

Operating Profit decreased by S\$4.5 million from a profit of S\$2.9 million to a loss of S\$1.6 million in 2Q19 and decreased by S\$3.5 million from a profit of S\$1.5 million to a loss of S\$2.0 million in 1H19. This was mainly due to lower revenue as mentioned earlier. In addition in 2Q18, there was a one-off write-back of provision for compensation to buyers of Allamanda Condominiums after a settlement agreement was reached with the buyers.



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iii) Fee-based segment

Revenue from the Fee-based segment decreased by S\$0.9 million or 6% to S\$13.7 million in 2Q19 and decreased by S\$1.5 million or 5% to S\$28.2 million in 1H19. This was mainly due to lower architectural and design fees earned from projects based on project milestones and lower revenue from Spa/Gallery operations.

Operating Profit decreased by S\$1.0 million in 2Q19 mainly due to lower revenue as mentioned above and lower foreign exchange gain. For 1H19, Operating Profit decreased by S\$2.0 million or 21% to S\$7.5 million. This was mainly due to lower revenue as mentioned above, lower write-back of loss allowance, lower provision for bonus and incentives and lower foreign exchange gain.

If management fees of those resorts which the Group has a majority interest were not eliminated on consolidation, Operating Profit would have been S\$5.7 million in 2Q19 as compared to S\$7.4 million in 2Q18, and S\$14.7 million in 1H19 as compared to S\$18.6 million in 1H18.

iv) Head Office

Head office expenses increased by S\$0.9 million to S\$2.2 million in 2Q19 mainly due to higher provision for loss allowance, partially cushioned by lower provision for bonus and incentives and lower staff cost.

Head office expenses decreased by S\$0.9 million to S\$4.7 million in 1H19 mainly due to higher foreign exchange gain and lower provision for bonus and incentives, partially offset by higher provision for loss allowance.

v) Other income

Other income increased by S\$2.6 million from S\$1.5 million in 2Q18 to S\$4.1 million in 2Q19, mainly due to fair value gain on investment properties in Thailand (S\$3.7 million), partially offset by absence of insurance claims relating to business interruption in Seychelles and fair value adjustments on call options issued to Accor S.A. and Vanke in 2Q18.

For 1H19, other income decreased by S\$13.9 million mainly due to absence of gains from dilution of the Group's interest in BTAC from 50% to 22.8% recorded in 1Q18, partially cushioned by fair value gain on investment properties as mentioned earlier.

vi) (Loss)/Profit attributable to owners of the Company

Loss increased by S\$2.6 million from S\$5.3 million in 2Q18 to S\$7.9 million in 2Q19 mainly attributable to lower Operating Profit largely due to Property Sales segment, higher depreciation of property, plant and equipment and right-of-use assets, higher share of losses of associates and higher head office expenses. This was partially cushioned by higher other income, lower net finance costs and lower income tax expenses.

For 1H19, profit decreased by S\$17.5 million from a profit of S\$14.8 million in 1H18 to a loss of S\$2.7 million mainly attributable to lower Operating Profit from all segments, lower other income, higher depreciation of property, plant and equipment and right-of-use assets, and higher share of losses of associates/joint ventures. This was partially cushioned by lower head office expenses, lower net finance costs, lower income tax expenses and lower non-controlling interests' share of profits in Laguna Resorts & Hotels Public Company Limited ("LRH").



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

There were no forecast made in 1Q19's results 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 remains subdued and forecasts are lower than previous report due to ongoing US-China trade tension which will affect the Group's key markets in China and Europe.

On Hotel Investments segment, based on hotel forward bookings for owned hotels for 3Q19, overall forward bookings is 6% below the same period last year (hotels in Thailand are 8% below and hotels outside of Thailand are in line).

On Property Sales segment, revenue recognition is largely dependent on completion and handing over of completed units to buyers. As at 30 June 2019, the Group has unrecognised revenue of S\$221.5 million compared to S\$202.3 million as at 30 June 2018. The Group expects revenue recognition of about 40% (S\$90 million) in 2H19. Of this S\$90 million, S\$84 million will be from Cassia Phuket (Phase 3), Laguna Park townhomes/villas (Phase 2) and Banyan Tree 3 Beds Pool Villas which barring unforeseen circumstances will be completed and recognised in 4Q19.

New Openings

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

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

Also in the next 12 months, the Group expects to launch 9 spas under management.

¹ Source: IMF, World Economic Outlook Update (July 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 half year ended 30 June 2019

	Interested Person Transactions	Aggregate value of all interested person transactions for Q2 (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate in S\$'000	Aggregate value of all interested person transactions conducted under Shareholders' Mandate for Q2 (excluding transactions less than S\$100,000) in S\$'000
[A]	Transactions with the Tropical Resorts Limited Group ("TRG")		
a	Provision of Resort Management and Related Services to TRG	-	624
b	Provision of Spa Management and Other Related Services to TRG	-	170
c	Rental Income from TRG in respect of units in Banyan Tree Bintan and Angsana Bintan	-	483
d	Reimbursement of Expenses - from TRG	-	834
[B]	Transactions with Controlling Shareholder		
a	Provision of Hotel/Resort Management and Related Services to Banyan Tree Kuala Lumpur	1,133	-
	Total	1,133	2,111

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

BY ORDER OF THE BOARD

Shelly Yeo
Company Secretary
14 August 2019