

BANYAN TREE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number 200003108H)

RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE LIMITED (“SGX”) ON COMPANY’S ANNOUNCEMENT OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021 (“Announcement”)

The Board of Directors (the “Board”) of Banyan Tree Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) would like to announce the following in response to the queries raised by SGX on the Company’s Condensed Interim Financial Statements for the six months ended 30 June 2021.

SGX’s Queries:-

Question 1:

Excluding the revolving credit facility of \$91 million of which the Company states that there is no indication that the RCFs would not be rolled over, the Group has another \$104 million of loans due within the next 12 months. Please elaborate on how the Company intends to finance these short term loans due within the next 12 months noting that cash and short term deposits amounted to \$70 million as at 30 June 2021.

Company’s Response:

With regards to the short term loans of S\$104 million, S\$54 million was repaid on 17 August 2021 out of net sales proceeds of S\$73 million from sale of development land in Queensland as mentioned in item 10, page 51 of the Announcement. Net cash generated of S\$19 million from the sale will add to our existing cash and short term deposits. For the remaining S\$50 million of short term loans, we are in various stage of discussions with our lenders to term out or roll-over approximately S\$25 million beyond 12 months. The balance of S\$25 million will be repaid from our cash and short term deposits.

Question 2:

We note that the yield adjustment that the Company uses for its fair value measurement for its investment properties varies widely from 7.3% to 55.7%. Please clarify how the yield adjustment affects the fair value measurement and why this range is so large.

Company’s Response:

Investment properties are properties that are owned by the Group to earn rentals or for capital appreciation.

As disclosed in Note 9 page 33 of the Announcement, the Group had engaged professional independent valuers to determine the fair value of the investment properties as at 30 June 2021. There was no adjustment made by Management to the values stated in the valuation reports.

SFRS (I) 13: *Fair value measurement* requires the entity to describe the valuation techniques and quantitative information about the significant unobservable inputs used in Level 3 measurements. The valuers determined the property values based on market prices of comparable properties, adjusted for differences (“Yield Adjustments”) such as nature, size, location or condition of specific properties. A higher Yield Adjustment would mean there is a higher variance in the comparability in the valuation of our investment properties against that of the comparable properties.

The Group’s land in Northern Thailand is in remote locations and as such, there is limited direct and identical comparable property transactions. The valuer had adjusted the values of comparable properties in Northern

Thailand used in the valuation of the Group's land by 28.9% to 55.7% to reflect the differences in the site conditions and location of the Group's land against the comparable properties. The land in Northern Thailand constitutes 10% of the Group's total investment properties as at 30 June 2021. Our mature assets in Phuket and Bangkok, Thailand which represent majority of the Group's investment properties comprise a Yield Adjustment between 7.3% and 9.3%. As compared to 31 December 2020, there was no change in the Yield Adjustments for all investment properties.

By Order of the Board

Moy Keen Choy
Company Secretary
24 August 2021