

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 AND FULL YEAR ENDED 31 DECEMBER 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 and full year ended 31 December 2021.

SGX’s Queries:-

Question 1: We refer to the Company's full year financial results for the period ended 31 December 2021. We note a significant decrease in non-current portion of "Amounts due from related parties" from \$17 million as at 31 December 2020 to \$2 million as at 31 December 2021. The Company explained that it was due to "fair value adjustment of imputed interest for long-term receivables and provision for loss allowance".

(a) Please disclose who are these related parties and whether they are interested persons under Chapter 9 of the Listing Manual

(b) Please provide the breakdown of the decrease of \$15 million which includes the amounts attributable to the fair value adjustment of imputed interest for long-term receivables and provision for loss allowance. Elaborate on the reasons for the fair value adjustment and provision.

(c) Does the Board expect the remaining \$2 million to be collectible? If so, please provide the basis for their opinion.

Company’s Response:

(a) These related parties are entities under the Tropical Resorts Limited Group (“TRG”), an associate of the Company’s controlling shareholder, which is classified as an interested person under Chapter 9 of the listing Manual on a consistent manner since the listing of the Group in 2006 and approved during the Annual General Meeting.

(b) The non-current portion of Amounts due from related parties was from \$17 million as at 31 December 2020 to \$2 million as at 31 December 2021, a decrease of \$15 million. Please see below the breakdown:

| | S\$'Million |
|---|--------------------|
| Fair value adjustment of imputed interest for long-term receivables (“FV Adjustment”) | (13.7) |
| Additions during the year | 0.7 |
| Provision for loss allowance | (2.0) |
| Total decrease | (15.0) |

Amounts due from related parties are trade-related and interest-free arising from management fees and rent owing to the Group. The Group provides management services to two resorts in Bintan which are owned by these related parties under a long term hotel management agreement. Due to COVID-19 pandemic and restriction of inbound travelers into Bintan, operational performance and cash flows of the Bintan resorts were heavily affected. In view of this, the Group has allowed these related parties to repay

over a longer period. In accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 9 Financial instruments, the Group performed a present value computation considering the long-term nature of the non-interest bearing amounts due from related parties and made a FV Adjustment of \$13.7million.

Connected to this, the Group adopts the general approach to calculate the allowance for expected credit losses which resulted in the Group providing for a loss allowance of \$2 million.

(c) Prior to the pandemic, these related parties were generating positive cash flows from their Bintan resorts and were able to service amounts due to the Group. With the recently announced and gradual re-opening of borders in Bintan, Indonesia, these parties should see an improvement in performance and operating cash flows and therefore there is an expectation that the remaining \$2 million will be collectible.

By Order of the Board

Moy Keen Choy
Company Secretary
7 March 2022