

BANYAN TREE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
 (Company Registration Number 200003108H)

**RESPONSE TO QUERY 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 2022 (“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 query raised by SGX on the Company’s Condensed Interim Financial Statements for the six months and full year ended 31 December 2022.

SGX’s Query:-**Question:**

In respect of the Group’s current “other payables” amounting to S\$128.8 million, which increased from S\$115million as at 31 Dec 2021, please disclose:

- (i) a breakdown of the other payables;
- (ii) the aging and nature of these other payables; and
- (iii) whether the counterparties are related parties

Company’s Response:

- (i) Breakdown of other payables are as follows:

	2022	2021	Incr/(decr)
	S\$'mil	S\$'mil	S\$'mil
Accrued operating expenses	45.5	31.6	13.9
Loans from Banyan Tree Assets (China) Holdings Pte Ltd (“BTAC”)	79.0	79.0	-
Accrued services charges	2.1	1.3	0.8
Sundry creditors	2.1	3.0	(0.9)
Refundable Deposits	0.1	0.1	-
	<u>128.8</u>	<u>115.0</u>	<u>13.8</u>

(ii) Accrued operating expenses are expenses incurred in the ordinary course of business and are payable within the next 12 months. Increase of S\$13.9 million was mainly due to the increase in total costs and expenses for the year which is consistent with the increase in revenue. The increase includes provision for bonuses, agent commission payable on property sales and accruals for other operating expenses.

Loans from BTAC as disclosed in Note 37 of Financial Statements of the Group’s Annual Report 2021, can be settled simultaneously against Redeemable Convertible Preference Shares (“RCPS”) of S\$72 million and receivables from BTAC of S\$7 million which are recorded respectively under current Investments (Note 23) and current Other receivables (Note 28). BTAC is majority owned (94.8%) by a subsidiary of China Vanke Co., Ltd. The Group had originally agreed with the holding company of BTAC that the RCPS issued will be redeemed on or before 31 December 2022. During the financial year, both parties were in active dialogues to discuss the redemption of the RCPS. As a result of COVID-19 enforced lockdowns in China, coupled with multiple levels of internal approvals required by the counterparty, the redemption of RCPS was not completed by 31 December 2022. Both parties are committed to complete the redemption and had re-assessed the timeline and agreed on 10 November 2022 to further extend the completion date to on or before 30 June 2023, via an addendum to the original agreement.

Accrued services charges are fees collected from hotel guests which will be paid to hotel staff in the following quarter. Increase in accrued service charges were in line with increase in hotel investment revenue.

Sundry creditors are non-trade in nature and includes reimbursements to employees which are typically paid in the following quarter.

Refundable deposits were rental deposits from tenants which will be refundable at end of the lease terms within the next 12 months.

(iii) None of the counterparties are related parties.

By Order of the Board

Eddy See Hock Lye
Chief Executive Officer
6 March 2023