

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2016

31. Cash and short-term deposits

	Group		Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<i>Loans and receivables</i>				
Cash on hand and at bank	82,654	98,044	5,986	9,674
Short-term deposits, unsecured	26,113	67,619	22,066	59,447
	<u>108,767</u>	<u>165,663</u>	<u>28,052</u>	<u>69,121</u>

Significant foreign currency denominated balances

US Dollars	21,575	19,393	2,983	4,681
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Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The range of interest rates as at 31 December 2016 for the Group and the Company were 0.13% to 2.00% (2015: 0.13% to 2.50%) and 0.40% to 1.59% (2015: 0.25% to 1.59%) respectively.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2016	2015
	\$'000	\$'000
Cash and short-term deposits	108,767	165,663
Cash and short-term deposits under assets of disposal group classified as held for sale (Note 32)	5,060	—
	<u>113,827</u>	<u>165,663</u>
Bank overdrafts (Note 34)	—	(187)
Cash and cash equivalents	<u>113,827</u>	<u>165,476</u>

32. Disposal group classified as held for sale

On 23 January 2017, the Company entered into binding term sheets with China Vanke Co., Ltd (Vanke) to create a joint venture entity, Banyan Tree China (BTC). The purpose is to consolidate the Group's assets in China as well as to co-develop brands owned by the Group in China. As at 31 December 2016, the Group's assets and liabilities to be transferred to BTC have been presented in the balance sheet as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale". The disposal is expected to be completed in year 2017.

The major classes of assets and liabilities classified as held for sale as at 31 December 2016 are as follows:

	Group 2016 \$'000
Property, plant and equipment (Note 12)	51,434
Land use rights (Note 15)	7,612
Long-term investments	11,856
Prepayments	338
Deferred tax assets	1,900
Prepayments and other non-financial assets	627
Other receivables	83
Property development costs	110,357
Cash and cash equivalents (Note 31)	5,060
Assets of disposal group classified as held for sale	<u>189,267</u>
Other non-financial liabilities	5,402
Other payables	4,020
Interest-bearing loans and borrowings - Current liabilities	5,275
Interest-bearing loans and borrowings - Non-current liabilities	10,860
Liabilities of disposal group classified as held for sale	<u>25,557</u>
Net assets of disposal group classified as held for sale	<u>163,710</u>

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33. Other non-financial liabilities - current

	Group		Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Advances received from customers	19,183	29,061	—	—
Deferred membership fee	837	710	—	—
Goods and services tax/value-added tax payable	7,059	6,928	403	336
Others	5,722	4,686	111	126
	32,801	41,385	514	462

34. Interest-bearing loans and borrowings

		Group		Company	
	Maturity	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
<i>Financial liabilities at amortised cost</i>					
Current liabilities					
Secured bank loans	2017	54,981	54,313	6,608	2,608
Unsecured bank loans	2017	43,000	35,250	35,000	30,000
Bank overdrafts	—	—	187	—	—
		97,981	89,750	41,608	32,608
Non-current liabilities					
Secured bank loans	2018-2023	125,687	148,144	7,572	10,179
Unsecured bank loans	—	—	23,000	—	20,000
		125,687	171,144	7,572	30,179
Total		223,668	260,894	49,180	62,787

Notes to the financial statements
For the financial year ended 31 December 2016

34. Interest-bearing loans and borrowings (cont'd)

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

	Group	
	2016	2015
	\$'000	\$'000
Freehold land and buildings (Note 12)	363,666	265,552
Investment properties (Note 13)	24,835	24,225
Leasehold buildings (Note 12)	38,638	44,795
Property development costs	53,585	63,654
Other assets	1,065	1,227
	481,789	399,453

The secured bank loans of the Company are secured by freehold land and buildings of its subsidiaries, amounting to \$50,719,000 (2015: \$50,170,000).

35. Notes payable

Notes payable are unsecured, interest bearing and payable semi-annually.

			Group and Company	
	Interest rate	Maturity	2016	2015
			\$'000	\$'000
Fixed rate notes:				
- \$50 million	6.250%	30 May 2017	49,875	49,574
- \$70 million	5.750%	31 July 2018	69,650	69,430
- \$50 million	5.350%	26 November 2018	49,764	49,635
- \$125 million	4.875%	3 June 2019	124,236	123,920
- \$100 million	4.850%	5 June 2020	99,392	99,213
			392,917	391,772

			Group and Company	
			2016	2015
			\$'000	\$'000
Notes payable are repayable as follows:				
Within 12 months			49,031	—
Between 2 to 5 years			343,886	391,772
			392,917	391,772

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Notes to the financial statements
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36. Other payables - current

	Group		Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<i>Financial liabilities at amortised cost</i>				
Accrued operating expenses	34,626	36,995	5,073	4,918
Accrued service charges	1,952	1,680	—	—
Deposits	8	402	—	—
Sundry creditors	1,372	1,992	126	252
	37,958	41,069	5,199	5,170

37. Deferred income

	Government grants	Others	Total
	\$'000	\$'000	\$'000
Cost			
At 1 January 2015	10,318	712	11,030
Write off for the year	—	(743)	(743)
Net exchange differences	194	31	225
At 31 December 2015 and 1 January 2016	10,512	—	10,512
Net exchange differences	(436)	—	(436)
At 31 December 2016	10,076	—	10,076
Accumulated amortisation			
At 1 January 2015	1,565	241	1,806
Amortisation for the year (Note 4)	266	—	266
Write off for the year	—	(247)	(247)
Net exchange differences	27	6	33
At 31 December 2015 and 1 January 2016	1,858	—	1,858
Amortisation for the year (Note 4)	253	—	253
Net exchange differences	(76)	—	(76)
At 31 December 2016	2,035	—	2,035
Net carrying amount:			
At 31 December 2016	8,041	—	8,041
At 31 December 2015	8,654	—	8,654

Included in deferred income is an amount of \$8,041,000 (2015: \$8,654,000) relating to government grants received for the acquisition of land use rights for tourism-related development activities undertaken by the Group's subsidiaries in People's Republic of China ("PRC") to promote the tourism industry. There are no unfulfilled conditions or contingencies attached to these grants.

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 December 2016

38. Deferred tax

	Group		Company			
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities:						
Differences in depreciation for tax purposes	(2,625)	(2,653)	(100)	102	—	—
Revaluation to fair value:						
- Freehold land and buildings	(64,404)	(54,004)	44	5,082	—	—
- Investment properties	(6,480)	(6,126)	194	22	—	—
- Available-for-sale financial assets	—	(1,484)	—	—	—	—
Temporary differences arising from revenue recognition	(33,603)	(33,088)	146	7,329	—	—
Provisions	(55)	(54)	1	(55)	—	—
Other items	51	(414)	(411)	(1,555)	—	—
	(107,116)	(97,823)			—	—
Deferred tax assets:						
Differences in depreciation for tax purposes	675	541	(115)	104	—	—
Temporary differences arising from revenue recognition	168	237	63	35	—	—
Provisions	1,393	1,135	(217)	(328)	—	—
Unutilised tax losses	9,724	12,426	534	(8,896)	—	—
Other items	4,112	3,937	(65)	(3,666)	—	—
	16,072	18,276			—	—
Deferred tax expense			74	(1,826)		

38. Deferred tax (cont'd)

Unrecognised tax losses

The Group has tax losses of \$33,955,000 as at 31 December 2016 (2015: \$22,056,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. These tax losses are subject to the agreement of the taxation authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

	Group	
	2016	2015
	\$'000	\$'000
Year of expiry:		
Within 1 year	907	1,084
Between 2 to 5 years	27,345	18,361
No expiry	5,703	2,611
	33,955	22,056

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2015: \$Nil) has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries as:

- The Group has determined that the majority of the undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. The tax impact arising from any potential distribution will not be significant to the Group.

Such temporary differences for which no deferred tax liability has been recognised aggregate to \$143,953,000 (2015: \$121,167,000). The unrecognised deferred tax liability is estimated to be \$14,869,000 (2015: \$12,506,000).

Tax consequences of proposed dividends

There are no income tax consequences (2015: \$Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements

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39. Defined and other long-term employee benefits

The subsidiaries in Thailand operate two unfunded benefit schemes, Legal Severance Pay ("LSP") and Long Service Award ("LSA") for qualifying employees.

The subsidiaries in Indonesia are required to provide a minimum pension benefit ("MPB") under the Indonesian Labour Law, which represents an underlying defined benefit obligation.

The following tables summarise the components of net benefit expense recognised in profit or loss and amounts recognised in the balance sheets for the plans.

Group

	LSP		LSA		MPB		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net benefit expense								
Current service cost	91	145	103	147	46	–	240	292
Interest cost on benefit obligation	22	55	28	46	–	–	50	101
Net actuarial loss recognised in the year	–	–	–	32	–	–	–	32
Net benefit expense	113	200	131	225	46	–	290	425
Net actuarial loss/(gain) recognised in other comprehensive income	–	527	–	–	(12)	–	(12)	527

Changes in present value of the LSP, LSA and MPB obligations are as follows:

	LSP		LSA		MPB		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
At 1 January	1,740	1,269	1,315	1,332	–	–	3,055	2,601
Interest cost	22	55	28	46	–	–	50	101
Current service cost	91	145	103	147	46	–	240	292
Benefits paid	(211)	(211)	(271)	(208)	–	–	(482)	(419)
Actuarial loss/(gain) on obligation	–	527	–	32	(12)	–	(12)	559
Exchange differences	42	(45)	31	(34)	3	–	76	(79)
At 31 December	1,684	1,740	1,206	1,315	37	–	2,927	3,055

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2016

39. Defined and other long-term employee benefits (cont'd)

The principal assumptions used in determining the Group's employee benefits are as follows:

	2016	2015
Discount rates	2.75%	2.75%
Future salary increases	3.00%	3.00%
Gold price (per Baht weight of gold)	BHT 19,000	BHT 19,000
Gold inflation	3.00%	3.00%
Attrition rate	Based on LRH Group's withdrawal experiences in prior years	

Amounts for the LSP and LSA obligations for the current and previous two periods are as follows:

	2016 \$'000	2015 \$'000	2014 \$'000
Group			
LSP and LSA obligation	2,890	3,055	2,601
Experience adjustments on the plan liabilities	—	1,781	—

40. Share capital

	Group and Company			
	2016		2015	
	No. of shares	\$'000	No. of shares	\$'000
Issued and fully paid up				
At 1 January and 31 December	761,402,280	199,995	761,402,280	199,995

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (except for treasury shares) carry one vote per share without restrictions. The ordinary shares of the Company have no par value.

41. Treasury shares and reserves

(a) *Treasury shares*

	Group and Company			
	2016		2015	
	No. of shares	\$'000	No. of shares	\$'000
At 1 January	(680,500)	(463)	(1,392,900)	(947)
Reissued pursuant to Share-based Incentive Plan	335,000	228	712,400	484
At 31 December	(345,500)	(235)	(680,500)	(463)

Treasury shares relate to ordinary shares of the Company that is held by the Company. In 2007, the Company acquired 3,000,000 shares in the Company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was \$5,191,475 and this was presented as a component within shareholders' equity.

As of 31 December 2016, there are 345,500 (2015: 680,500) treasury shares held by the Company.

The Company reissued 335,000 (2015: 712,400) treasury shares pursuant to Share-based Incentive Plan at a weighted average exercise price of \$0.587 (2015: \$0.513) per share.

(b) *Share-based payment reserve*

The share-based payment reserve represents the equity-settled share grants granted to employees (Note 42). The reserve is made up of (i) the issue of free shares to employees in 2006 and (ii) the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share grants, less value of share grants issued to employees and value of share grants that are expired.

(c) *Legal reserve*

The legal reserve is set up in accordance with the Public Limited Companies Act B.E. 2535 under Section 116 in Thailand and the Foreign Enterprise Law applicable to subsidiaries in the PRC.

The Group is required to set aside a statutory reserve of at least 5% of its net profit until the reserve reaches 10% of its registered share capital for its listed subsidiary in Thailand.

At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the Statutory Reserve Fund ("SRF") until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

41. Treasury shares and reserves (cont'd)

(d) *Property revaluation reserve*

The property revaluation reserve is used to record increases in the fair value of revalued properties, net of deferred tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

(e) *Currency translation reserve*

The currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries.

(f) *Other reserves*

Other reserves include the following:

(i) *Merger deficit*

The merger deficit comprises the difference between the consideration paid, in the form of the acquiring Company's shares and nominal value of the issued share capital of subsidiaries acquired.

(ii) *Capital reserve*

The capital reserve comprises a waiver of debt by the joint venture on amounts due by the Company and accounting of assets in subsidiaries at their fair values as at the acquisition date and cannot be used for dividend payments.

(iii) *Fair value adjustment reserve*

The fair value adjustment reserve records the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are derecognised or impaired.

(iv) *Gain/(loss) on reissuance of treasury shares*

This represents the gain or loss arising from the purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

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41. Treasury shares and reserves (cont'd)

(f) *Other reserves (cont'd)*

A breakdown of the Group's and Company's other reserves is as follows:

Group	Merger deficit \$'000	Capital reserve \$'000	Fair value adjust- ment reserve \$'000	Premium paid on acquisition of non- controlling interests \$'000	Loss on reissuance of treasury shares \$'000	Total other reserves \$'000
At 1 January 2016	(18,038)	7,852	6,910	(3,329)	(3,111)	(9,716)
Other comprehensive income for the year	—	—	(6,668)	—	—	(6,668)
Total comprehensive income for the year	—	—	(6,668)	—	—	(6,668)
<u>Contributions by and distributions to owners</u>						
Treasury shares reissued pursuant to Share-based Incentive Plan	—	—	—	—	(31)	(31)
Total transactions with owners in their capacity as owners	—	—	—	—	(31)	(31)
At 31 December 2016	(18,038)	7,852	242	(3,329)	(3,142)	(16,415)

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements
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41. Treasury shares and reserves (cont'd)

(f) Other reserves (cont'd)

Group	Merger deficit \$'000	Capital reserve \$'000	Fair value adjustment reserve \$'000	Premium paid on acquisition of non-controlling interests \$'000	Loss on reissuance of treasury shares \$'000	Total other reserves \$'000
At 1 January 2015	(18,038)	7,852	10,496	(3,075)	(2,992)	(5,757)
Other comprehensive income for the year	–	–	(3,586)	–	–	(3,586)
Total comprehensive income for the year	–	–	(3,586)	–	–	(3,586)
<u>Contributions by and distributions to owners</u>						
Treasury shares reissued pursuant to Share-based Incentive Plan	–	–	–	–	(119)	(119)
Total contributions by and distributions to owners	–	–	–	–	(119)	(119)
<u>Changes in ownership interests in subsidiary</u>						
Acquisition of non-controlling interests without a change in control	–	–	–	(254)	–	(254)
Total changes in ownership interests in subsidiary	–	–	–	(254)	–	(254)
Total transactions with owners in their capacity as owners	–	–	–	(254)	(119)	(373)
At 31 December 2015	(18,038)	7,852	6,910	(3,329)	(3,111)	(9,716)

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Notes to the financial statements
For the financial year ended 31 December 2016

41. Treasury shares and reserves (cont'd)

(f) *Other reserves (cont'd)*

Company	Capital reserve \$'000	Loss on reissuance of treasury shares \$'000	Total Other reserves \$'000
At 1 January 2016	7,852	(3,111)	4,741
<u>Contributions by and distributions to owners</u>			
Treasury shares reissued pursuant to Share-based Incentive Plan	–	(31)	(31)
Total transactions with owners in their capacity as owners	–	(31)	(31)
At 31 December 2016	7,852	(3,142)	4,710
At 1 January 2015	7,852	(2,992)	4,860
<u>Contributions by and distributions to owners</u>			
Treasury shares reissued pursuant to Share-based Incentive Plan	–	(119)	(119)
Total transactions with owners in their capacity as owners	–	(119)	(119)
At 31 December 2015	7,852	(3,111)	4,741

42. Equity compensation benefits

Banyan Tree Share Option Scheme, Banyan Tree Performance Share Plan and Banyan Tree Share Award Scheme 2016

On 28 April 2006, the shareholders of the Company approved the adoption of two share-based incentive schemes for its Directors and employees, the Banyan Tree Share Option Scheme (the "Share Option Scheme") and a performance share plan known as the Banyan Tree Performance Share Plan (the "Plan") (collectively the "Schemes"). The Schemes have expired on 27 April 2016 and the Company adopted the Banyan Tree Share Award Scheme 2016 (the "Share Award Scheme") at the annual general meeting of the Company on 28 April 2016 to replace the Plan. Under the Share Option Scheme (prior to expiry), eligible participants may be granted options to acquire shares in the Company whereas under the Plan (prior to expiry) and the Share Award Scheme, the Company's shares may be issued to eligible participants. The Schemes and the Share Award Scheme provide eligible participants with an opportunity to participate in the equity of the Company and motivate them towards better performance. The Schemes and the Share Award Scheme form an integral and important component of the compensation plan. Ho KwonPing, the Executive Chairman and controlling shareholder*, was/is not entitled to participate in the Schemes and the Share Award Scheme.

At the date of this report, the Share Award Scheme is the only share incentive scheme of the Company in force and administered by the Nominating and Remuneration Committee ("NRC") which comprises three Independent Directors with Chia Chee Ming Timothy, as the Chairman and Elizabeth Sam and Chan Heng Wing as members.

The total number of shares which may be issued and/or transferred pursuant to awards granted under the Share Award Scheme, when added to the total number of shares issued and issuable and/or existing shares transferred and transferable in respect of all awards granted under the Share Award Scheme and all shares, options or awards granted under any share scheme of the Company then in force, shall not exceed 5% of the total number of issued shares (excluding treasury shares) on the day preceding the relevant date of the award.

The Company has not issued any option to any eligible participant pursuant to the Share Option Scheme (expired).

The Plan comprises the Performance Share Plan ("PSP") and the Restricted Share Plan ("RSP"). Plan participants who have attained the grade of level 5 and above are eligible to participate in the Plan. PSP is targeted at a Plan participant who is a key member of Senior Management with the ability to drive the growth of the Company through innovation, creativity and superior performance whereas RSP is intended to enhance the Group's overall compensation packages and strengthen the Group's ability to attract and retain high performing talent. The selection of a Plan participant and the number of shares which are subject of each award to be granted to a Plan participant in accordance with the Plan shall be determined at the absolute discretion of the NRC, which shall take into account criteria such as rank, job performance, level of responsibility and potential for future development and his contribution to the success and development of the Group. A Plan participant may be granted an award under the PSP and RSP although differing performance targets are likely to be set for each award.

42. Equity compensation benefits (cont'd)

Banyan Tree Share Option Scheme, Banyan Tree Performance Share Plan and Banyan Tree Share Award Scheme 2016 (cont'd)

Awards represent the right of a Plan participant to receive fully paid shares, their equivalent cash value or combinations thereof free of charge, upon the participant achieving prescribed performance target(s) and/or time-based service conditions. Awards are released once the NRC is satisfied that the prescribed performance target(s) and/or time-based service conditions have been achieved.

The Company has not issued any award under the Plan to any of its controlling shareholders. Since the commencement of the Plan, no participant has been awarded 5% or more of the total shares available under the Plan.

* The term "controlling shareholder" shall have the meaning ascribed to it in the SGX-ST Listing Manual.

The details of the Plan existed as at 31 December 2016 are set out as follows:

	PSP	RSP
Plan Description	Award of fully-paid ordinary shares of the Company or their cash equivalent, conditional on performance targets set at the start of a three-year performance period.	Award of fully-paid ordinary shares of the Company or their cash equivalent, conditional on the Group's performance over a one-year performance period.
Date of Grant:		
FY 2016 Grant	1 April 2016	1 April 2016
FY 2015 Grant	1 April 2015	1 April 2015
FY 2014 Grant	1 April 2014	1 April 2014
FY 2013 Grant	1 April 2013	1 April 2013
Performance Period:		
FY 2016 Grant	1 January 2016 to 31 December 2018	1 January 2016 to 31 December 2016
FY 2015 Grant	1 January 2015 to 31 December 2017	1 January 2015 to 31 December 2015
FY 2014 Grant	1 January 2014 to 31 December 2016	1 January 2014 to 31 December 2014
FY 2013 Grant	1 January 2013 to 31 December 2015	1 January 2013 to 31 December 2013

42. Equity compensation benefits (cont'd)

Banyan Tree Share Option Scheme, Banyan Tree Performance Share Plan and Banyan Tree Share Award Scheme 2016 (cont'd)

The details of the Plan existed as at 31 December 2016 are set out as follows: (cont'd)

	PSP	RSP
Plan Description	Award of fully-paid ordinary shares of the Company or their cash equivalent, conditional on performance targets set at the start of a three-year performance period.	Award of fully-paid ordinary shares of the Company or their cash equivalent, conditional on the Group's performance over a one-year performance period.
Performance Conditions: FY 2016 Grant, FY 2015 Grant, FY 2014 Grant and FY 2013 Grant	• Absolute Total Shareholder Return ("TSR") outperform Cost of Equity ("COE") • Relative TSR against FTSE ST Mid Cap Index • Relative TSR against selected hospitality listed peers	• Return on Invested Capital ("ROIC") • EBITDA[#]
Vesting Period: FY 2016 Grant, FY 2015 Grant, FY 2014 Grant and FY 2013 Grant	Vesting based on achieving stated performance conditions over a three-year performance period.	Based on achieving stated performance conditions over a one-year performance period, 33 1/3% of award will vest. Balance will vest over the subsequent two years with fulfilment of service requirements.
Payout:	0% to 200% depending on the achievement of pre-set performance targets over the performance period.	0% to 150% depending on the achievement of pre-set performance targets over the performance period.

EBITDA denotes Earnings before Interest, Taxes, Depreciation and Amortisation

42. Equity compensation benefits (cont'd)

Banyan Tree Share Option Scheme, Banyan Tree Performance Share Plan and Banyan Tree Share Award Scheme 2016 (cont'd)

A prospective Monte Carlo simulation model involving projection of future outcomes using statistical distributions of random variables including share price and volatility of returns was used to value the conditional share awards. The simulation model was based on the following key assumptions for FY 2016 Grant:

	PSP	RSP
Historical Volatility		
Banyan Tree Holdings Limited ("BTH")	32.553%	32.553%
FTSE Mid Cap Index	12.169%	Not applicable
Risk-free interest rates		
Singapore Sovereign	1.665%	1.393% - 1.665%
Term	36 months	12 to 36 months
BTH expected dividend yield	0%	0%
Share price at grant date	\$0.530	\$0.530

For non-market conditions, achievement factors have been estimated based on feedback from the NRC for the purpose of accrual for the RSP until the achievement of the targets can be reasonably ascertained.

42. Equity compensation benefits (cont'd)

The details of shares awarded, cancelled and released during the financial year pursuant to the Plan are as follows:

PSP

Grant date	Balance as at 1 January 2016 ¹	Shares granted during financial year ¹	Shares cancelled during financial year ²	Shares released during financial year	Balance as at 31 December 2016 ¹	Estimated fair value at grant date
1 April 2013						
Non-Executive Director (Ariel P Vera ³)	75,000	—	(75,000)	—	—	\$0.470
Other Participants	150,000	—	(150,000)	—	—	\$0.470
1 April 2014						
Other Participants	180,000	—	—	—	180,000	\$0.533
1 April 2015						
Other Participants	180,000	—	—	—	180,000	\$0.390
1 April 2016						
Other Participants	—	225,000	—	—	225,000	\$0.463
Total	585,000	225,000	(225,000)	—	585,000	

¹ The number of shares comprised in awards granted by the Company under the Banyan Tree Performance Share Plan, subject to performance conditions being met. It also represents the number of shares required if participants are to be awarded at 100% of the grant, however, the shares to be awarded at the vesting date may range from 0% to 200% depending on the level of achievement of pre-set performance conditions over the performance period.

² The number of shares cancelled due to forfeiture arising from not achieving the pre-set performance conditions or resignation during the performance period.

³ Share grants awarded during his employment as Group Managing Director of the Company. He retired on 31 December 2013.

Banyan Tree Holdings Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 31 December 2016**

42. Equity compensation benefits (cont'd)

RSP

Grant date	Balance as at 1 January 2016 ¹	Shares granted during financial year ¹	Shares cancelled during financial year ²	Shares released during financial year	Balance as at 31 December 2016 ¹	Estimated fair value at grant date
1 April 2013						
Non-Executive Director (Ariel P Vera ³)	22,500	—	—	(22,500)	—	\$0.601 - \$0.613
Other Participants	262,900	—	(10,500)	(252,400)	—	\$0.601 - \$0.613
1 April 2014						
Other Participants	431,900	—	(56,300)	(203,000)	172,600	\$0.620 - \$0.640
1 April 2015						
Other Participants	1,163,550	—	(1,163,550)	—	—	\$0.488 - \$0.506
1 April 2016						
Other Participants	—	472,500	(37,500)	—	435,000	\$0.530
Total	1,880,850	472,500	(1,267,850)	(477,900)	607,600	

¹ The number of shares comprised in awards granted by the Company under the Banyan Tree Performance Share Plan, subject to performance conditions being met. It also represents the number of shares required if participants are to be awarded at 100% of the grant, however, the shares to be awarded at the vesting date may range from 0% to 150% depending on the level of achievement of pre-set performance conditions over the performance period.

² The number of shares cancelled due to forfeiture arising from not achieving the pre-set performance conditions or resignation during the performance period.

³ Vesting of shares pursuant to share grants awarded during his employment as Group Managing Director of the Company. He retired on 31 December 2013.

The number of contingent shares granted but not released as at 31 December 2016 were 585,000 and 607,600 (2015: 585,000 and 1,880,850) for PSP and RSP respectively. Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 1,170,000 and 825,100 (2015: 1,170,000 and 2,462,625) for PSP and RSP respectively.

42. Equity compensation benefits (cont'd)

Founder's Grant

On 2 May 2006, the independent shareholders of the Company approved the incentive for the Executive Chairman, Ho KwonPing, which has been included in his employment agreement. Pursuant to the incentive, Mr Ho shall be entitled to, for each financial year for a period of ten years beginning from the financial year ended 31 December 2010, an amount equivalent to 5% of the profit before tax of the Group, such amount to be payable in cash or in shares at the sole discretion of the Company (the "Founder's Grant"). The Founder's Grant aims to secure the continuing commitment of Mr Ho to the Group and to reward him for founding, leading and building up the Group. The Group reported a profit before tax and before provision of the expense for Founder's Grant of \$747,442 (2015 loss before tax and before provision of the expense for Founder's Grant: \$19,464,731) for the financial year ended 31 December 2016. Accordingly, the amount payable pursuant to the Founder's Grant is \$37,372 (2015 Founder's Grant paid: \$Nil).

43. Commitments and contingencies

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2016 \$'000	2015 \$'000
Capital commitments in respect of property, plant and equipment	18,612	11,174

(b) Operating lease commitments

Future minimum lease payments payable under non-cancellable operating leases as at the end of the reporting period are as follows:

	Group	
	2016 \$'000	2015 \$'000
Payable:		
Within 1 year	14,241	14,469
Between 2 to 5 years	47,588	50,241
After 5 years	64,843	73,543
	112,431	123,784
	126,672	138,253

43. Commitments and contingencies (cont'd)

(b) *Operating lease commitments (cont'd)*

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2016 amounted to \$16,419,000 (2015: \$23,468,000).

Certain subsidiaries entered into agreements with villa owners whereby these villa owners will lease the villas back to the subsidiaries' hotels for operation. In consideration for such arrangement, the subsidiaries are committed to pay fees contingent upon revenue earned in accordance with the terms specified in the agreements.

Minimum contingent rent expenses recognised as an expense in profit or loss for the financial year ended 31 December 2016 amounted to \$6,254,000 (2015: \$3,731,000).

(c) *Contingent liabilities*

Guarantees

As at the end of the reporting period, the Company had issued the following outstanding guarantees:

	Company	
	2016 \$'000	2015 \$'000
Guarantees issued on banking facilities of subsidiaries	28,295	29,024

At the end of the reporting period, the Company has provided financial support amounting to \$94,044,000 (2015: \$215,598,000) to its subsidiaries in net current liabilities or net liabilities position to enable these companies to continue their operations and meet their liabilities as and when they fall due.

Litigation

A case was brought to the Phuket Provincial Court on 8 October 2009, in which four affiliated companies of Laguna Resorts and Hotels Public Company Limited (LRH) and ten directors are the defendants. The plaintiffs referred in the plaint that they purchased units in Allamanda 1 Condominium during 1991-1995. The plaintiffs alleged that the Sale and Purchase Agreement ("Agreement") called for a common area of approximately 20 Rais, but the Allamanda 1 Condominium was registered with only 9 Rais 2 Ngans 9 Square Wahs. The plaintiffs alleged that therefore the defendants have breached the Sale and Purchase Agreement.

As a result, the plaintiffs request that the defendants completely deliver the common area as specified by the Agreement by transfer of the land totaling 10 Rais 3 Ngans 97.1 Square Wahs to Allamanda (1) Juristic Person, as the tenth plaintiff, or to be jointly liable for the compensation of Baht 132 million in case the transfer of land cannot be made. The plaintiffs also request for additional compensation in the amount of Baht 56 million for unlawful use of the land which is supposed to be common property of Allamanda 1 Condominium.

43. Commitments and contingencies (cont'd)

(c) *Contingent liabilities (cont'd)*

Litigation (cont'd)

The total amount of the claim is approximately \$7.5 million (Baht 188 million) with interest at the rate of 7.5% per annum from the date the claim was lodged until the defendants have made full payment. The plaintiffs also claimed that the former and current directors of those LRH's subsidiaries as the fifth to fourteenth defendants, were the representatives of those LRH's subsidiaries being the first to fourth defendants, and therefore must also be jointly liable with those LRH's subsidiaries.

The defendants have lodged its statement of defense and believe that the plaintiffs' claims are invalid and therefore no provision has been made in the financial statements.

The plaintiffs filed a petition with the Court seeking the Court's interim injunction of which the defendants shall not dispose or amend the status of the nine plots of land in dispute with the land registry office during the trial. On 20 January 2012, the Court granted the interim injunction.

The Court of First Instance on 27 June 2014 ordered the defendants to transfer 10 Rai 3 Ngan 97.1 Square Wah, compensate Baht 5.9 million including 7.5% interest per annum from the date the claim was lodged until payment has been made in full, Baht 16,000 per day from the date the claim was lodged until the transfer of aforementioned land has been completed, and a further Baht 0.5 million for legal fees to the plaintiffs. On 23 January 2015, the defendants lodged an appeal on the judgment at the Court of First Instance and the Court ordered the acceptance of the appeal application of the defendants.

On 26 June 2015, the plaintiffs have submitted the answer statement to the Company's appeal and the petition for objection of stay of execution upon the judgment. On 15 October 2015, the Phuket Provincial Court read out the order of Appeal Court in relation to the objection. Appeal Court ordered the Company to place deposit for money damages that Court of First Instance has awarded the plaintiffs. Amount of deposit is Baht 36 million approximately. The Court set the next hearing on 18 December 2015 to consider details of the deposit such as value and location. On 18 December 2015, the Defendant offered 19 plots of land in Chiang Rai as deposit and the Court has accepted it.

On April 19, 2016, the Appeal Court issued its judgment ordering the defendants to transfer eight plots of land out of nine plots of land as awarded by the Phuket Provincial Court totaling 4 Rai 1 Ngan 90.9 Square Wah to be common property of Allamanda 1 Condominium. The Appeal Court also ruled that the defendants did not unlawfully use the land, so the defendants do not have to compensate the plaintiffs. Moreover, the Appeal Court dismissed the plaint against the fifth to fourteenth defendants as directors.

On 16 September 2016, the plaintiffs submitted the request of submitting the appeal to the Supreme Court and the appeal statement. On 4 October 2016, the defendants submitted the request of submitting the appeal to the Supreme Court and the appeal statement. On 25 October 2016, the defendants submitted the counter-statement to object to the plaintiff's request of submitting the appeal.

The subsidiaries of LRH have set aside provision of \$1.6 million (Baht 39 million) for liabilities arising as a result of this case.

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2016

44. Related party transactions

Other than that disclosed in the financial statements, the Group had the following significant related party transactions on terms agreed during the financial year:

	Group	
	2016	2015
	\$'000	\$'000
(a) Related parties:		
- Management and service fee income	923	1,067
- Rental income	2,283	2,327
- Reservation fee income	178	177
- Spa gallery income	75	81
- Royalty income	526	538
- Interest income	127	—
- Others	35	—
(b) Compensation of key management personnel:		
- Salaries and employee benefits	4,376	4,306
- Central Provident Fund contributions	124	130
- Share-based payment expenses	64	113
- Other short-term benefits ¹	754	1,787
Total compensation paid to key management personnel	5,318	6,336
<i>Comprise amounts paid to:</i>		
• Directors of the Company	1,954	1,926
• Other key management personnel	3,364	4,410
	5,318	6,336

¹ Other short-term benefits include amount payable to Ho KwonPing under the Founder's Grant of \$37,372 (2015: \$Nil).

45. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including long-term investments, cash and short-term deposits and investment securities), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the balance sheets; and
- a nominal amount of \$28,295,000 (2015: \$29,024,000) relating to corporate guarantees provided by the Company for the bank loans taken by its subsidiaries.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Banyan Tree Holdings Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 31 December 2016**

45. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Excessive risk concentration (cont'd)

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. The Group does not apply hedge accounting.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segment and geographical profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Note	2016		2015	
		\$'000	% of total	\$'000	% of total
Group					
By geographical regions:					
South East Asia		23,495	33	26,421	27
Indian Oceania		334	—	1,338	1
Middle East		1,412	2	2,487	3
North East Asia		24,079	33	34,840	36
Rest of the world		22,928	32	32,257	33
		72,248	100	97,343	100
By industry sectors:					
Hotel Investments		14,485	20	13,279	14
Property Sales		38,475	53	38,071	39
Fee-based Segment		19,288	27	45,993	47
		72,248	100	97,343	100
Trade receivables					
Non-current	20	29,093		31,117	
Current	26	43,155		66,226	
		72,248		97,343	

45. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

Included in trade receivables are amounts due from a third party of \$14,034,000 (2015: \$13,897,000). The third party is in the business of selling club memberships. A subsidiary of the Group provides management services to manage the club operation on behalf of the third party.

The receivables from this third party of \$11,527,000 (2015: \$12,417,000) bears an interest rate of 6% per annum (2015: 6%), is unsecured and repayable in equal instalments over 13.5 to 15 years, commencing from 2008. The remaining amount due from the third party is interest-free, unsecured and repayable between 2 to 5 years.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and short-term deposits, long-term investments and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 26.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group maintains sufficient cash and short-term deposits, and internally generated cash flows to finance their activities. Management finances the Group's liquidity through internally generated cash flows and minimises liquidity risk by keeping committed stand-by credit facilities available.

At the end of the reporting period, approximately 23.8% (2015: 13.8%) of the Group's notes payable, interest-bearing loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements. 20.5% (2015: 7.2%) of the Company's notes payable, interest-bearing loans and borrowings will mature in less than one year at the end of the reporting period.

The following table summarises the maturity profiles of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments except for financial liabilities where the timing of repayment cannot be reliably estimated as disclosed in the respective notes above.

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 December 2016

45. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

	Note	2016 Effective rate %	1 year \$'000	2 to 5 years \$'000	After 5 years \$'000	Total \$'000
Group 2016						
Financial assets						
Trade receivables	20/26	—	41,815	17,640	1,266	60,721
Trade receivables	20/26	6.00	2,002	8,007	4,290	14,299
Other receivables	21/27	—	8,931	—	—	8,931
Other receivables	21	3.80 – 6.18	—	6,548	5,136	11,684
Amounts due from associates	29	—	203	—	—	203
Amounts due from related parties	30	—	21,999	—	—	21,999
Cash and short-term deposits	31	—	108,767	—	—	108,767
Total undiscounted financial assets			183,717	32,195	10,692	226,604
Financial liabilities						
Trade payables		—	(19,368)	—	—	(19,368)
Other payables	36	—	(37,958)	—	—	(37,958)
Other payables		—	—	—	(612)	(612)
Amounts due to associates	29	—	(5)	—	—	(5)
Amounts due to related parties	30	—	(864)	—	—	(864)
Loans and borrowings						
- S\$ floating rate loan	34	COF + 1.75	(12,020)	—	—	(12,020)
- S\$ floating rate loan	34	COF + 2.00	(6,923)	(7,196)	(1,160)	(15,279)
		6 mths SIBOR +				
- S\$ floating rate loan	34	3.25	(20,855)	—	—	(20,855)
- S\$ floating rate loan	34	SIBOR + 2.00	(5,024)	—	—	(5,024)
- S\$ floating rate loan	34	SIBOR + 3.25	(3,077)	—	—	(3,077)
- S\$ floating rate loan	34	3.96	(3,001)	—	—	(3,001)
		MLR – 1.00 to				
- BHT floating rate loan	34	MLR – 1.50	(29,658)	(104,794)	(14,164)	(148,616)
- BHT floating rate loan	34	3.63	(19,068)	—	—	(19,068)
- BHT floating rate loan	34	3.65	(2,073)	—	—	(2,073)
- BHT floating rate loan	34	5.00	(210)	—	—	(210)
- RMB floating rate loan	34	4.90	(4,308)	—	—	(4,308)
Fixed rate debentures	34	5.15	(1,012)	(20,848)	—	(21,860)
Notes payable	35	4.85 – 6.25	(68,946)	(370,154)	—	(439,100)
Total undiscounted financial liabilities			(234,370)	(502,992)	(15,936)	(753,298)
Total net undiscounted financial liabilities			(50,653)	(470,797)	(5,244)	(526,694)

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Notes to the financial statements
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45. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Group 2015	Note	2015 Effective rate %	1 year \$'000	2 to 5 years \$'000	After 5 years \$'000	Total \$'000
Financial assets						
Trade receivables	20/26	—	65,002	18,734	1,190	84,926
Trade receivables	20/26	6.00	1,944	7,775	6,110	15,829
Other receivables	21/27	—	13,889	—	4,722	18,611
Amounts due from associates	29	—	38	—	—	38
Amounts due from related parties	30	—	18,642	—	—	18,642
Cash and short-term deposits	31	—	165,663	—	—	165,663
Total undiscounted financial assets			265,178	26,509	12,022	303,709
Financial liabilities						
Trade payables		—	(24,186)	—	—	(24,186)
Other payables	36	—	(41,069)	—	—	(41,069)
Other payables		—	—	—	(572)	(572)
Amounts due to associates	29	—	(32)	—	—	(32)
Amounts due to related parties	30	—	(1,102)	—	—	(1,102)
Loans and borrowings						
- Bank overdraft	34	8.37	(203)	—	—	(203)
- S\$ floating rate loan	34	3 mths SIBOR + 3.50	(31,200)	—	—	(31,200)
- S\$ floating rate loan	34	6 mths SIBOR + 3.25	(876)	(20,876)	—	(21,752)
- S\$ floating rate loan	34	COF + 2.00	(2,800)	(8,999)	(2,235)	(14,034)
- S\$ floating rate loan	34	SIBOR + 3.25	(5,454)	(3,010)	—	(8,464)
- BHT floating rate loan	34	MLR – 1.00 to MLR – 1.50	(25,073)	(99,324)	(37,169)	(161,566)
- BHT floating rate loan	34	4.70	(817)	—	—	(817)
- BHT floating rate loan	34	3.65	(20,616)	—	—	(20,616)
- BHT floating rate loan	34	6.62	(832)	—	—	(832)
- RMB floating rate loan	34	5.70	(3,622)	(4,573)	—	(8,195)
- RMB floating rate loan	34	5.40	(8,987)	(4,369)	—	(13,356)
Fixed rate debentures	34	5.15	(992)	(21,244)	—	(22,236)
Notes payable	35	4.85 – 6.25	(20,769)	(439,099)	—	(459,868)
Total undiscounted financial liabilities			(188,630)	(601,494)	(39,976)	(830,100)
Total net undiscounted financial assets/(liabilities)			76,548	(574,985)	(27,954)	(526,391)

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Notes to the financial statements
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45. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

	Note	2016 Effective rate %	1 year \$'000	2 to 5 years \$'000	After 5 years \$'000	Total \$'000
Company						
2016						
Financial assets						
Other receivables	27	—	70	—	—	70
Amounts due from subsidiaries	28	—	207,538	—	—	207,538
Cash and short-term deposits	31	—	28,052	—	—	28,052
Total undiscounted financial assets			235,660	—	—	235,660
Financial liabilities						
Other payables	36	—	(5,199)	—	—	(5,199)
Amounts due to subsidiaries	28	—	(46,699)	—	—	(46,699)
Loans and borrowings						
- S\$ floating rate loan	34	COF + 1.75	(12,020)	—	—	(12,020)
- S\$ floating rate loan	34	COF + 2.00	(6,923)	(7,196)	(1,160)	(15,279)
		6 mths SIBOR +				
- S\$ floating rate loan	34	3.25	(20,855)	—	—	(20,855)
- S\$ floating rate loan	34	3.96	(3,001)	—	—	(3,001)
Notes payable	35	4.85 – 6.25	(68,946)	(370,154)	—	(439,100)
Total undiscounted financial liabilities			(163,643)	(377,350)	(1,160)	(542,153)
Total net undiscounted financial assets/(liabilities)			72,017	(377,350)	(1,160)	(306,493)

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Notes to the financial statements
For the financial year ended 31 December 2016

45. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

	Note	2015 Effective rate %	1 year \$'000	2 to 5 years \$'000	After 5 years \$'000	Total \$'000
Company						
2015						
Financial assets						
Other receivables	27	—	147	—	—	147
Amounts due from subsidiaries	28	—	198,317	—	—	198,317
Cash and short-term deposits	31	—	69,121	—	—	69,121
Total undiscounted financial assets			267,585	—	—	267,585
Financial liabilities						
Other payables	36	—	(5,170)	—	—	(5,170)
Amounts due to subsidiaries	28	—	(50,812)	—	—	(50,812)
Loans and borrowings						
- S\$ floating rate loan	34	3 mths SIBOR + 3.50	(31,200)	—	—	(31,200)
- S\$ floating rate loan	34	6 mths SIBOR + 3.25	(876)	(20,876)	—	(21,752)
- S\$ floating rate loan	34	COF + 2.00	(2,800)	(8,999)	(2,235)	(14,034)
Notes payable	35	4.85 – 6.25	(20,769)	(439,099)	—	(459,868)
Total undiscounted financial liabilities			(111,627)	(468,974)	(2,235)	(582,836)
Total net undiscounted financial assets/(liabilities)			155,958	(468,974)	(2,235)	(315,251)

BHT: Thai Baht
RMB: Chinese Renminbi
SIBOR: Singapore inter-bank offered rate
MLR: Minimum lending rate
COF: Cost of fund of lending bank

45. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

The table below shows the maximum amount of financial guarantee contracts, allocated to the earliest period in which the guarantee could be called.

	1 year \$'000	2 to 5 years \$'000	After 5 years \$'000	Total \$'000
Company				
2016				
Financial guarantees	28,295	—	—	28,295
2015				
Financial guarantees	29,024	—	—	29,024

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing financial liabilities.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. At the end of the reporting period, approximately 67% (2015: 63%) of the Group's interest-bearing financial liabilities are at fixed rates of interest. The table in Note 45 (b) summarises the interest-bearing financial liabilities of the Group and the Company.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 75 (2015: 75) basis points lower/higher with all other variables held constant, the Group's profit before taxation would have been \$1,529,000 (2015: \$1,813,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate interest-bearing financial liabilities.

45. Financial risk management objectives and policies (cont'd)

(d) *Foreign currency risk*

The Group has transactional currency exposures arising from sales that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD, United States Dollars (USD), Thai Baht (Baht) and Chinese Renminbi (RMB). The foreign currencies in which these transactions are denominated are mainly USD. As at 31 December 2016, approximately 20% (2015: 40%) of the Group's trade receivables are denominated in foreign currencies.

In addition, the Group has a Currency Management Plan which aims to mitigate impact on the Group's revenue from unfavourable exchange rates movements. The plan requires all operating entities in the Group to list its major wholesalers and their respective currencies. All contracts should endeavour to be in the currency of the market source. Market source refers to the country of origin or domicile of the business. The contracts are then reviewed and managed on a quarterly basis to mitigate the exposure of the Group's operations to foreign currency fluctuation.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Thailand, PRC and Maldives. The Group's net investments in Thailand, PRC and Maldives are not hedged as currency positions in Thai Baht, Chinese Renminbi and United States Dollar are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in the USD and RMB exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		Profit before taxation	
		2016	2015
		\$'000	\$'000
USD/Baht	- strengthened 5% (2015: 5%)	63	150
	- weakened 5% (2015: 5%)	(63)	(150)
USD/SGD	- strengthened 5% (2015: 5%)	1,871	2,326
	- weakened 5% (2015: 5%)	(1,871)	(2,326)
RMB/SGD	- strengthened 5% (2015: 5%)	10	1
	- weakened 5% (2015: 5%)	(10)	(1)

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46. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2016 and 2015.

As disclosed in Note 41(c), subsidiaries of the Group are required to set aside Legal Reserves in accordance to the Public Limited Companies Act B.E. 2535 under Section 116 in Thailand and the Foreign Enterprise Law applicable to the subsidiaries in the People's Republic of China (PRC). The imposed capital requirement has been complied with by the subsidiaries for the financial years ended 31 December 2016 and 2015.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio below 100%. The Group includes within net debt, interest-bearing loans and borrowings, notes payable less cash and short-term deposits. Total capital refers to the total equity of the Group.

	Group	
	2016	2015
	\$'000	\$'000
Interest-bearing loans and borrowings (Note 34)	223,668	260,894
Notes payable (Note 35)	392,917	391,772
Less: Cash and short-term deposits (Note 31)	(108,767)	(165,663)
Net debt	507,818	487,003
Total capital	732,846	699,461
Gearing ratio	69%	70%

47. Fair value of assets and liabilities

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

		Group 2016			
		Fair value measurements at the end of the reporting period using			
Note		Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobser- vable inputs (Level 3) \$'000	Total \$'000
Assets measured at fair value					
Financial assets:					
Available-for-sale financial assets					
- Equity shares (quoted)	18	2	–	–	2
Total available-for-sale financial assets		2	–	–	2
Financial assets as at 31 December 2016					
		2	–	–	2

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47. Fair value of assets and liabilities (cont'd)

(b) *Assets and liabilities measured at fair value (cont'd)*

		Group 2016			
		Fair value measurements at the end of the reporting period using			
Note		Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
Assets measured at fair value					
Non-financial assets:					
<u>Investment properties</u>					
Freehold land					
	- Thailand, Phuket	—	—	9,771	9,771
	- Northern Thailand	—	—	7,620	7,620
	- Seychelles	—	—	24,616	24,616
Freehold buildings					
	- Thailand, Phuket	—	—	1,066	1,066
	- Thailand, Bangkok	—	—	27,523	27,523
Total investment properties	13	—	—	70,596	70,596
<u>Property, plant and equipment</u>					
Freehold land					
	- Singapore	—	—	44,843	44,843
	- Thailand, Phuket	—	—	241,578	241,578
	- Thailand, Bangkok	—	—	39,338	39,338
	- Morocco	—	—	6,806	6,806
	- Sri Lanka	—	—	6,874	6,874
	- Seychelles	—	—	14,147	14,147
Freehold buildings					
	- Singapore	—	—	5,402	5,402
	- Thailand, Phuket	—	—	107,348	107,348
	- Thailand, Bangkok	—	—	48,720	48,720
	- Morocco	—	—	13,144	13,144
	- Sri Lanka	—	—	441	441
	- Seychelles	—	—	53,747	53,747
Total property, plant and equipment		—	—	582,388	582,388
Non-financial assets as at 31 December 2016		—	—	652,984	652,984

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47. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

		Group 2015			
		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobser- vable inputs (Level 3) \$'000	Total \$'000
Assets measured at fair value					
Financial assets:					
Available-for-sale financial assets					
- Equity shares (quoted)	18	20,509	—	—	20,509
- Equity shares (unquoted)	18	—	—	50,290	50,290
Total available-for-sale financial assets		20,509	—	50,290	70,799
Financial assets as at 31 December 2015		20,509	—	50,290	70,799

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47. Fair value of assets and liabilities (cont'd)

(b) *Assets and liabilities measured at fair value (cont'd)*

		Group 2015			
		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
Assets measured at fair value					
Non-financial assets:					
<u>Investment properties</u>					
Freehold land					
- Thailand, Phuket		—	—	8,513	8,513
- Northern Thailand		—	—	6,186	6,186
- Seychelles		—	—	23,902	23,902
Freehold buildings					
- Thailand, Phuket		—	—	2,202	2,202
- Thailand, Bangkok		—	—	26,809	26,809
Total investment properties	13	—	—	67,612	67,612
<u>Property, plant and equipment</u>					
Freehold land					
- Singapore		—	—	44,454	44,454
- Thailand, Phuket		—	—	202,383	202,383
- Thailand, Bangkok		—	—	29,016	29,016
- Morocco		—	—	12,961	12,961
- Sri Lanka		—	3,136	—	3,136
- Seychelles		—	—	13,737	13,737
Freehold buildings					
- Singapore		—	—	5,243	5,243
- Thailand, Phuket		—	—	99,326	99,326
- Thailand, Bangkok		—	—	46,794	46,794
- Morocco		—	—	7,559	7,559
- Seychelles		—	—	53,386	53,386
Total property, plant and equipment		—	3,136	514,859	517,995
Non-financial assets as at 31 December 2015					
		—	3,136	582,471	585,607

47. Fair value of assets and liabilities (cont'd)

(c) **Level 2 fair value measurements**

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Property, plant and equipment

The valuation of property, plant and equipment are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

(d) **Level 3 fair value measurements**

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 December 2016 \$'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Investment properties:				
<u>Freehold land</u>				
Thailand, Phuket	9,771	Market value approach	Yield adjustments*	21.4%
Northern Thailand	7,620	Market value approach	Yield adjustments*	30.9% to 50.2%
Seychelles	24,616	Residual approach	Yield adjustments* 10 years operating cash flow	10.1% to 14.7% -USD1.7 million to USD48.8 million (USD43.5 million)
			Discount rate	10.8%
			Inflation	3.0%

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47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair value at 31 December 2016 \$'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Investment properties (cont'd):				
<u>Freehold buildings</u>				
Thailand, Phuket	1,066	Discounted cash flow	Growth rate	3.0%
			Discount rate	13.0%
			10 years net cash flow	Baht 18.9 million to Baht 37.2 million (Baht 29.8 million)
Thailand, Bangkok	27,523	Discounted cash flow	Growth rate	3.0% to 10.0%
			Discount rate	11.0%
			10 years operating cash flow	Baht 21.2 million to Baht 49.9 million (Baht 36.5 million)
Property, plant and equipment:				
<u>Freehold land</u>				
Singapore	44,843	Market value approach	Yield adjustments*	15.0% to 24.0%
Thailand, Phuket	241,578	Market value approach	Yield adjustments*	2.8% to 87.1% (32.4%)
Thailand, Bangkok	39,338	Market value approach	Yield adjustments*	23.1%
Morocco	6,806	Market value approach	Yield adjustments*	11.0% to 12.0%

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47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair value at 31 December 2016 \$'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Property, plant and equipment (cont'd):				
<u>Freehold land (cont'd)</u>				
Seychelles	13,466	Discounted cash flow	10 years operating cash flow Discount rate Terminal yield	USD1.6 million to USD5.1 million (USD4.0 million) 8.8% to 11.8% (10.3%) 6.8% to 9.3% (7.8%)
Seychelles	681	Market value approach	Yield adjustments*	10.9% to 13.6%
Sri Lanka	6,874	Market value approach	Yield adjustments*	Rs 550,000 perch to Rs 1,250,000 perch (Rs 908,000 perch)
<u>Freehold buildings</u>				
Singapore	5,402	Market value approach	Yield adjustments*	15.0% to 24.0%
Thailand, Phuket	107,348	Fair value approach	Standard construction cost per Sq meter	Baht 600 to Baht 75,000 per Sq meter (Baht 11,448)
Thailand, Bangkok	48,720	Fair value approach	Standard construction cost per Sq meter	Baht 1,000 to Baht 47,000 per Sq meter (Baht 23,346)
Morocco	13,144	Market value approach	Yield adjustments*	11.0% to 12.0%

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47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

- (i) *Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)*

Description	Fair value at 31 December 2016 \$'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Property, plant and equipment (cont'd):				
<u>Freehold buildings</u> (cont'd)				
Seychelles	51,618	Discounted cash flow	10 years operating cash flow	USD1.6 million to USD5.1 million (USD4.0 million)
			Discount rate	8.8% to 11.8% (10.3%)
			Terminal yield	6.8% to 9.3% (7.8%)
Seychelles	2,129	Market value approach	Yield adjustments*	10.9% to 13.6%
Sri Lanka	441	Replacement cost approach	Standard construction cost per Sq feet	Rs 2,000 psf to Rs 6,000 psf (Rs 5,076 psf)

- * The yield adjustments are made for any difference in the nature, location or condition of the specific property.

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47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair value at 31 December 2015 \$'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Available-for-sale financial assets:				
Equity shares (unquoted)	50,290	Adjusted net asset	<u>Hotels</u> 16 years operating cash flow Room growth projection Discount rate	USD1.8 million to USD12.0 million (USD6.9 million) 3.3% to 3.5% 10.0% to 13.0%
Investment properties:				
<u>Freehold land</u>				
Thailand, Phuket	8,513	Market value approach	Yield adjustments*	21.4%
Northern Thailand	6,186	Market value approach	Yield adjustments*	34.0% to 71.8%
Seychelles	23,902	Residual approach	Yield adjustments* 10 years operating cash flow Discount rate Inflation	10.2% to 14.6% -USD1.5 million to USD57.2 million (USD44.5 million) 10.0% 3.0%

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47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

- (i) *Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)*

Description	Fair value at 31 December 2015 \$'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Investment properties (cont'd):				
<u>Freehold buildings</u>				
Thailand, Phuket	2,202	Discounted cash flow	Growth rate	3.0%
			Discount rate	13.0%
			10 years net cash flow	Baht 22.5 million to Baht 35.3 million (Baht 30.2 million)
Thailand, Bangkok	26,809	Discounted cash flow	Growth rate	3.0% to 10.0%
			Discount rate	11.0%
			10 years operating cash flow	Baht 20.5 million to Baht 45.9 million (Baht 35.1 million)
Property, plant and equipment:				
<u>Freehold land</u>				
Singapore	44,454	Market value approach	Yield adjustments*	15.0% to 20.0%
Thailand, Phuket	202,383	Market value approach	Yield adjustments*	29.6% to 75.1% (59.0%)
Thailand, Bangkok	29,016	Market value approach	Yield adjustments*	9.0%
Morocco	12,961	Market value approach	Yield adjustments*	11.0% to 12.0%

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47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

- (i) *Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)*

Description	Fair value at 31 December 2015 \$'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Property, plant and equipment (cont'd):				
<u>Freehold land (cont'd)</u>				
Seychelles	13,076	Discounted cash flow	10 years operating cash flow Discount rate Terminal yield	USD1.6 million to USD5.1 million (USD4.0 million) 8.8% to 11.8% (10.3%) 6.8% to 9.3% (7.8%)
Seychelles	661	Market value approach	Yield adjustments*	10.9% to 13.6%
<u>Freehold buildings</u>				
Singapore	5,243	Market value approach	Yield adjustments*	15.0% to 20.0%
Thailand, Phuket	99,326	Fair value approach	Standard construction cost per Sq meter	Baht 468 to Baht 35,000 per Sq meter (Baht 11,258)
Thailand, Bangkok	46,794	Fair value approach	Standard construction cost per Sq meter	Baht 1,000 to Baht 45,000 per Sq meter (Baht 21,560)
Morocco	7,559	Market value approach	Yield adjustments*	11.0% to 12.0%
Seychelles	51,256	Discounted cash flow	10 years operating cash flow Discount rate Terminal yield	USD1.6 million to USD5.1 million (USD4.0 million) 8.8% to 11.8% (10.3%) 6.8% to 9.3% (7.8%)

47. Fair value of assets and liabilities (cont'd)

(d) **Level 3 fair value measurements (cont'd)**

- (i) *Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)*

Description	Fair value at 31 December 2015 \$'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Property, plant and equipment (cont'd):				
<u>Freehold buildings</u> (cont'd)				
Seychelles	2,130	Market value approach	Yield adjustments*	10.9% to 13.6%

- * The yield adjustments are made for any difference in the nature, location or condition of the specific property.

Significant increases/(decreases) in net cash flow and standard construction cost in isolation would result in a significantly higher/(lower) fair value measurement.

Significant increases/(decreases) in discount rate and yield adjustment in isolation would result in a significantly lower/(higher) fair value measurement.

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47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(ii) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)													
	Property, plant and equipment				Investment properties				Available-for-sale					
	Freehold land				Freehold buildings				Freehold land				Freehold buildings	
	Singapore \$'000	Morocco \$'000	Seychelles \$'000	Thailand, Bangkok \$'000	Sri Lanka \$'000	Singapore \$'000	Morocco \$'000	Seychelles \$'000	Thailand, Bangkok \$'000	Sri Lanka \$'000	Seychelles \$'000	Thailand, Phuket \$'000	Thailand, Bangkok \$'000	Equity shares (unquoted)
Group 2016														
Opening balance	44,454	12,961	13,737	29,016	—	5,243	7,559	53,386	99,326	46,794	23,902	8,513	26,809	632,761
Transferred in from Level 2	—	—	—	—	3,135	—	—	—	—	—	—	—	—	—
Total gains or losses for the period	—	—	—	—	—	—	—	—	—	—	—	—	—	—
- Included in profit or loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—
- Included in other comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchases, issues, sales and settlements	389	(6,185)	—	9,398	3,699	338	5,920	—	(373)	1,399	—	—	—	53,823
- Purchases	—	—	—	—	—	—	23	21	322	293	—	—	387	1,046
- Sales	—	—	—	—	—	—	—	—	(36)	—	—	—	—	(36)
- Transferred to property development costs	—	—	—	—	—	—	—	—	(775)	—	—	—	—	(990)
- Transferred from construction-in-progress	—	—	—	—	—	—	—	351	9,326	1,073	—	—	—	11,719
- Transferred to investment in associates	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Depreciation	—	—	—	—	—	(179)	(180)	(1,559)	(2,890)	(2,053)	—	—	—	(55,080)
Exchange differences	—	30	410	924	40	—	15	1,548	2,225	1,214	714	238	687	(6,864)
Closing balance	44,843	6,806	14,147	39,338	6,874	5,402	13,144	53,747	107,348	48,720	24,616	9,771	27,523	652,984

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47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

- (ii) *Movements in Level 3 assets and liabilities measured at fair value (cont'd)*

Transfers between fair value hierarchy

Transfers into Level 3

During the financial year ended 31 December 2016, the Group transferred property, plant and equipment in Sri Lanka from Level 2 to Level 3 of the fair value hierarchy. The carrying amount of the assets transferred was \$3,135,000.

The reason for the transfer from Level 2 to Level 3 is that significant inputs to the valuation models for the property ceased to be observable. Prior to the transfer, the fair value of the property, plant and equipment was determined using observable market transactions for the same or similar properties. Since the transfer, the property has been valued using valuation models incorporating significant non market-observable inputs.

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(ii) *Movements in Level 3 assets and liabilities measured at fair value (cont'd)*

Fair value measurements using significant unobservable inputs (Level 3)																	
Property, plant and equipment					Investment properties					Available-for-sale							
Group 2015	Freehold land			Freehold buildings			Freehold land			Equity shares (unquoted)							
	Singapore \$'000	Morocco \$'000	Seychelles \$'000	Thailand, Phuket \$'000	Thailand, Bangkok \$'000	Singapore \$'000	Morocco \$'000	Seychelles \$'000	Thailand, Phuket \$'000	Thailand, Bangkok \$'000	Vietnam \$'000	Total \$'000					
Opening balance	44,454	13,167	12,873	205,598	29,760	5,419	7,833	47,082	93,745	49,483	22,548	8,731	6,345	1,579	27,836	54,855	631,108
Total gains or losses for the period																	
- Included in profit or loss																	
- Included in other comprehensive income																	
Purchases, issues, sales and settlements																	
- Purchases																	
- Sales				(7)													
- Transferred from property development costs				1,986													
- Transferred from construction-in-progress																	
Depreciation																	
Exchange differences		(206)	809	(5,194)	(744)												
Closing balance	44,454	12,961	13,737	202,383	29,016	5,243	7,559	53,386	99,326	46,794	23,902	8,513	6,186	2,202	26,809	50,290	632,761

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(ii) *Movements in Level 3 assets and liabilities measured at fair value (cont'd)*

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

- Total gains or losses for the period included in profit or loss:
- Other income
- Net gain/(loss) from fair value adjustment of investment properties
- Net loss on fair value adjustment of available-for-sale financial assets
- Other comprehensive income:
- Net surplus on revaluation of land and buildings
- Net change in fair value adjustment reserve of available-for-sale financial assets

For the financial year ended 31 December 2016

(ii) *Movements in Level 3 assets and liabilities measured at fair value (cont'd)*

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

- Net surplus on revaluation of land and buildings
- Net loss on fair value adjustment of available-for-sale financial assets

47. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(iii) Valuation policies and procedures

The Group Chief Financial Officer ("CFO"), who is assisted by Vice President, Corporate Finance (collectively referred to as the "CFO office") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the CFO office reports to the Group's Audit and Risk Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and FRS 113 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

47. Fair value of assets and liabilities (cont'd)

(e) *Assets and liabilities not carried at fair value but for which fair value is disclosed*

		Fair value measurements at the end of the reporting period using			
		Group		Company	
	Note	Quoted prices in active markets for identical assets (Level 1) \$'000	Carrying amount \$'000	Quoted prices in active markets for identical assets (Level 1) \$'000	Carrying amount \$'000
2016					
Assets					
Subsidiaries	16	–	–	91,323	71,619
Associates	17	33,042	31,098	–	–
2015					
Assets					
Subsidiaries	16	–	–	85,058	71,619

(f) *Assets and liabilities not carried at fair value and whose carrying amounts are reasonable approximation of fair values*

Management has determined that the carrying amounts of cash and short-term deposits, current trade and other receivables, current amounts due to and from subsidiaries, associates and related parties, and current trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are short-term in nature or are repriced frequently.

Long-term trade receivables, investment securities, notes payable, interest-bearing loans and borrowings and deferred cash settlement classified within other payables carry interest which approximates market interest rate. Accordingly, their notional amounts approximate their fair values.

(g) *Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair values*

Fair value information has not been disclosed for the Group's financial instruments not carried at fair value and whose carrying amounts are not reasonable approximation of fair values, because the fair values cannot be measured reliably.

The loans due from subsidiaries and third parties (classified within non-current assets) have no repayment terms and are repayable only when the cash flows of the borrowers permit. The non-current deposits classified within non-current assets have no terms of maturity. Accordingly, management is of the view that the fair values of these loans and deposits cannot be determined reliably as the timing of the future cash flows arising from the loans and deposits cannot be estimated reliably.

Fair value information has not been disclosed for the Group's investment in unquoted equity shares that are carried at cost because fair value cannot be measured reliably. These unquoted equity shares represent ordinary shares in companies that are not quoted on any markets and do not have comparable industry peers that are listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant.

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2016

47. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments

Set out below is a comparison by category of carrying amounts of all the Group's and Company's financial instruments that are carried in the financial statements:

Group	Note	Loans and receivables \$'000	Available- for-sale \$'000	Non- financial assets \$'000	Total \$'000
Year ended 31 December 2016					
Non-current assets					
Property, plant and equipment	12	—	—	657,746	657,746
Investment properties	13	—	—	70,596	70,596
Intangible assets	14	—	—	33,202	33,202
Land use rights	15	—	—	2,982	2,982
Associates	17	—	—	93,884	93,884
Long-term investments	18	—	14,887	—	14,887
Deferred tax assets	38	—	—	16,072	16,072
Prepaid island rental	19	—	—	22,839	22,839
Prepayments		—	—	3,555	3,555
Long-term trade receivables	20	29,093	—	—	29,093
Other receivables	21	11,168	—	—	11,168
		40,261	14,887	900,876	956,024
Current assets					
Property development costs	23	—	—	251,795	251,795
Inventories	24	—	—	9,398	9,398
Prepayments and other non- financial assets	25	—	—	18,683	18,683
Trade receivables	26	43,155	—	—	43,155
Other receivables	27	8,931	—	—	8,931
Amounts due from associates	29	203	—	—	203
Amounts due from related parties	30	21,999	—	—	21,999
Cash and short-term deposits	31	108,767	—	—	108,767
		183,055	—	279,876	462,931
Assets of disposal group classified as held for sale	32	5,143	11,856	172,268	189,267
		188,198	11,856	452,144	652,198
Total assets		228,459	26,743	1,353,020	1,608,222

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2016

47. Fair value of assets and liabilities (cont'd)

(h) *Classification of financial instruments (cont'd)*

Group	Note	Liabilities at amortised cost \$'000	Non- financial liabilities \$'000	Total \$'000
Year ended 31 December 2016				
Current liabilities				
Tax payable		–	7,039	7,039
Unearned income		–	10,589	10,589
Other non-financial liabilities	33	–	32,801	32,801
Interest-bearing loans and borrowings	34	97,981	–	97,981
Notes payable		49,031	–	49,031
Trade payables		19,368	–	19,368
Other payables	36	37,958	–	37,958
Amounts due to associates	29	5	–	5
Amounts due to related parties	30	864	–	864
		205,207	50,429	255,636
Liabilities of disposal group classified as held for sale	32	20,155	5,402	25,557
		225,362	55,831	281,193
Non-current liabilities				
Deferred income	37	–	8,041	8,041
Deferred tax liabilities	38	–	107,116	107,116
Defined and other long-term employee benefits	39	–	2,927	2,927
Deposits received		–	1,814	1,814
Other non-financial liabilities		–	4,100	4,100
Interest-bearing loans and borrowings	34	125,687	–	125,687
Notes payable	35	343,886	–	343,886
Other payables		612	–	612
		470,185	123,998	594,183
Total liabilities		695,547	179,829	875,376

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2016

47. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments (cont'd)

Group	Note	Loans and receivables \$'000	Available- for-sale \$'000	Held-to- maturity \$'000	Non- financial assets \$'000	Total \$'000
Year ended 31 December 2015						
Non-current assets						
Property, plant and equipment	12	—	—	—	657,348	657,348
Investment properties	13	—	—	—	67,612	67,612
Intangible assets	14	—	—	—	34,965	34,965
Land use rights	15	—	—	—	11,411	11,411
Associates	17	—	—	—	160	160
Long-term investments	18	—	106,750	—	—	106,750
Deferred tax assets	38	—	—	—	18,276	18,276
Prepaid island rental	19	—	—	—	22,995	22,995
Prepayments		—	—	—	3,447	3,447
Long-term trade receivables	20	31,117	—	—	—	31,117
Other receivables	21	4,722	—	—	—	4,722
		35,839	106,750	—	816,214	958,803
Current assets						
Property development costs	23	—	—	—	335,823	335,823
Inventories	24	—	—	—	10,573	10,573
Prepayments and other non-financial assets	25	—	—	—	20,809	20,809
Trade receivables	26	66,226	—	—	—	66,226
Other receivables	27	13,889	—	—	—	13,889
Amounts due from associates	29	38	—	—	—	38
Amounts due from related parties	30	18,642	—	—	—	18,642
Investment securities	22	—	—	2,512	—	2,512
Cash and short-term deposits	31	165,663	—	—	—	165,663
		264,458	—	2,512	367,205	634,175
Total assets		300,297	106,750	2,512	1,183,419	1,592,978

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2016

47. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments (cont'd)

Group	Note	Liabilities at amortised cost \$'000	Non- financial liabilities \$'000	Total \$'000
Year ended 31 December 2015				
Current liabilities				
Tax payable		—	8,683	8,683
Unearned income		—	8,747	8,747
Other non-financial liabilities	33	—	41,385	41,385
Interest-bearing loans and borrowings	34	89,750	—	89,750
Trade payables		24,186	—	24,186
Other payables	36	41,069	—	41,069
Amounts due to associates	29	32	—	32
Amounts due to related parties	30	1,102	—	1,102
		156,139	58,815	214,954
Non-current liabilities				
Deferred income	37	—	8,654	8,654
Deferred tax liabilities	38	—	97,823	97,823
Defined and other long-term employee benefits	39	—	3,055	3,055
Deposits received		—	1,699	1,699
Other non-financial liabilities		—	3,844	3,844
Interest-bearing loans and borrowings	34	171,144	—	171,144
Notes payable	35	391,772	—	391,772
Other payables		572	—	572
		563,488	115,075	678,563
Total liabilities		719,627	173,890	893,517

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2016

47. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments (cont'd)

Company	Note	Loans and receivables \$'000	Non-financial assets \$'000	Total \$'000
Year ended 31 December 2016				
Non-current assets				
Property, plant and equipment	12	—	1	1
Intangible assets	14	—	2,471	2,471
Subsidiaries	16	329,785	183,769	513,554
Associates	17	—	869	869
		329,785	187,110	516,895
Current assets				
Prepayments and other non-financial assets	25	—	134	134
Other receivables	27	70	—	70
Amounts due from subsidiaries	28	207,538	—	207,538
Amounts due from related parties		1	—	1
Cash and short-term deposits	31	28,052	—	28,052
		235,661	134	235,795
Total assets		565,446	187,244	752,690
Liabilities				
Company	Note	Liabilities at amortised cost \$'000	Non-financial liabilities \$'000	Total \$'000
Year ended 31 December 2016				
Current liabilities				
Other non-financial liabilities	33	—	514	514
Interest-bearing loans and borrowings	34	41,608	—	41,608
Notes payable	35	49,031	—	49,031
Other payables	36	5,199	—	5,199
Amounts due to subsidiaries	28	46,699	—	46,699
		142,537	514	143,051
Non-current liabilities				
Interest-bearing loans and borrowings	34	7,572	—	7,572
Notes payable	35	343,886	—	343,886
		351,458	—	351,458
Total liabilities		493,995	514	494,509

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 December 2016

47. Fair value of assets and liabilities (cont'd)

(h) Classification of financial instruments (cont'd)

Company	Note	Loans and receivables \$'000	Non-financial assets \$'000	Total \$'000
Year ended 31 December 2015				
Non-current assets				
Property, plant and equipment	12	—	6	6
Intangible assets	14	—	2,524	2,524
Subsidiaries	16	317,626	183,769	501,395
Associates	17	—	869	869
		317,626	187,168	504,794
Current assets				
Prepayments and other non-financial assets	25	—	160	160
Other receivables	27	147	—	147
Amounts due from subsidiaries	28	198,317	—	198,317
Cash and short-term deposits	31	69,121	—	69,121
		267,585	160	267,745
Total assets		585,211	187,328	772,539
Year ended 31 December 2015				
Current liabilities				
Other non-financial liabilities	33	—	462	462
Interest-bearing loans and borrowings	34	32,608	—	32,608
Other payables	36	5,170	—	5,170
Amounts due to subsidiaries	28	50,812	—	50,812
		88,590	462	89,052
Non-current liabilities				
Interest-bearing loans and borrowings	34	30,179	—	30,179
Notes payable	35	391,772	—	391,772
		421,951	—	421,951
Total liabilities		510,541	462	511,003

48. Segment information

For management purposes, the Group is organised into business units based on the nature of products and services provided, with each reportable operating segment representing strategic business units that offers different products and serves different markets. The reportable operating segments are as follows:

The Hotel Investments Segment relates to hotel and restaurant operations.

The Property Sales Segment comprises hotel residences, Laguna property sales and development project/site sales. Hotel residences business relates mainly to the sale of hotel villas or suites which are part of hotel operations, to investors under a compulsory leaseback scheme. Laguna property sales business relates to the development and sale of properties which are standalone vacation homes in Laguna Phuket. Development project/site sales relates to pure development land sales or development land sales which are fully or partially developed with infrastructure.

The Fee-based Segment comprises the management of hotels and resorts, the management of an asset-backed destination club, the management of private-equity funds, the management and operation of spas, the sales of merchandise, the provision of architectural and design services, the management and ownership of golf courses, and rental of retail outlets and offices.

The Head Office Segment relates to expenses incurred by corporate office.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained below, is measured differently from operating profit or loss in the consolidated financial statements.

Geographical information

Revenue derived from management of hotels and resorts, and provision of architectural and design services are reported based on the geographical location of the Group's customers while all other revenue streams are based on the geographical location of the Group's assets. Non-current assets are based on the geographical location of the Group's assets.

The South East Asia segment comprises countries such as Thailand, Indonesia, Malaysia and Vietnam.

The Indian Oceania segment comprises countries such as Seychelles, Maldives, Sri Lanka and India.

The Middle East segment comprises countries such as Dubai and Egypt.

The North East Asia segment comprises countries such as China, Japan, Hong Kong and Macau.

The rest of the world segment comprises countries such as Australia, Guam, Morocco, West Indies, Americas and Europe.

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2016

48. Segment information (cont'd)

Allocation basis and transfer pricing

Segments' results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Income taxes are managed on a group basis and are not allocated to operating segments. Unallocated income comprises of other sources of income which are not directly attributable to the identified operating segments.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Segment accounting policies are the same as the policies of the Group as described in Note 2. The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Information about major customers

There is no concentration of revenue derived from any one single customer for both years ended 31 December 2016 and 2015.

(a) *Operating segments*

The following tables present revenue and results information regarding the Group's reportable operating segments for the years ended 31 December 2016 and 2015:

	Hotel Invest- ments \$'000	Property Sales \$'000	Fee- based Segment \$'000	Head Office \$'000	Total \$'000
Year ended 31 December 2016					
Revenue:					
Segment revenue					
Sales	197,783	51,305	93,832	–	342,920
Inter-segment sales	(372)	–	(32,983)	–	(33,355)
Sales to external customers	197,411	51,305	60,849	–	309,565
Results:					
Segment results	7,503	3,144	(2,687)	(10,979)	(3,019)
Unallocated income					29,652
Profit from operations and other gains					26,633
Finance income	141	1,562	905	1,066	3,674
Finance costs	(5,305)	(3,633)	(300)	(20,392)	(29,630)
Share of results of associates	–	–	33	–	33
Profit before taxation					710
Income tax expense					(7,660)
Loss for the year					(6,950)

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 December 2016

48. Segment information (cont'd)

(a) Operating segments (cont'd)

	Hotel Invest- ments \$'000	Property Sales \$'000	Fee- based Segment \$'000	Head Office \$'000	Total \$'000
Year ended 31 December 2015					
Revenue:					
Segment revenue					
Sales	197,063	94,210	123,893	–	415,166
Inter-segment sales	(374)	–	(44,104)	–	(44,478)
Sales to external customers	196,689	94,210	79,789	–	370,688
Results:					
Segment results	(432)	14,691	(2,106)	(12,201)	(48)
Unallocated income					6,350
Profit from operations and other gains					6,302
Finance income	231	831	134	1,155	2,351
Finance costs	(5,485)	(2,166)	(658)	(19,774)	(28,083)
Share of results of associates	–	–	41	(76)	(35)
Loss before taxation					(19,465)
Income tax expense					(6,495)
Loss for the year					(25,960)

Banyan Tree Holdings Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 31 December 2016**

48. Segment information (cont'd)

(a) Operating segments (cont'd)

The following tables present certain assets, liabilities and other information regarding the Group's reportable operating segments for the years ended 31 December 2016 and 2015:

	Hotel Invest- ments \$'000	Property Sales \$'000	Fee- based Segment \$'000	Head Office \$'000	Total \$'000
Year ended 31 December 2016					
Assets and liabilities:					
Segment assets	676,310	456,131	260,972	104,853	1,498,266
Associates	56,308	—	168	37,408	93,884
Deferred tax assets	6,600	6,769	2,315	388	16,072
Total assets					1,608,222
Segment liabilities	55,775	55,464	26,446	6,951	144,636
Interest-bearing loans and borrowings	110,815	59,674	4,000	49,179	223,668
Notes payable	—	—	—	392,917	392,917
Current and deferred tax liabilities	72,105	38,251	3,367	432	114,155
Total liabilities					875,376
Other segment information:					
Capital expenditure	15,065	187	550	86	15,888
Depreciation of property, plant and equipment	18,812	511	2,718	300	22,341
Amortisation expense	2,511	—	—	211	2,722
Other non-cash items	293	—	(1,141)	3,216	2,368

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 December 2016

48. Segment information (cont'd)

(a) Operating segments (cont'd)

	Hotel Invest- ments \$'000	Property Sales \$'000	Fee- based Segment \$'000	Head Office \$'000	Total \$'000
Year ended 31 December 2015					
Assets and liabilities:					
Segment assets	700,119	435,569	236,640	202,214	1,574,542
Associates	1	—	159	—	160
Deferred tax assets	8,505	7,480	2,199	92	18,276
Total assets					1,592,978
Segment liabilities	50,584	41,479	35,259	7,023	134,345
Interest-bearing loans and borrowings	123,095	68,675	6,337	62,787	260,894
Notes payable	—	—	—	391,772	391,772
Current and deferred tax liabilities	63,730	34,173	8,027	576	106,506
Total liabilities					893,517
Other segment information:					
Capital expenditure	21,871	12	1,130	456	23,469
Depreciation of property, plant and equipment	18,286	420	2,724	396	21,826
Amortisation expense	2,455	—	—	427	2,882
Other non-cash items	288	(61)	10,843	343	11,413

Banyan Tree Holdings Limited and its Subsidiaries**Notes to the financial statements****For the financial year ended 31 December 2016****48. Segment information (cont'd)****(b) Geographical information**

The following tables present revenue information based on the geographical location of customers or resorts and non-current assets information based on the geographical location of assets:

	Revenue		Non-current assets	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Singapore	760	307	77,405	78,416
South East Asia	210,194	247,127	632,867	484,156
Indian Oceania	64,548	74,930	141,023	137,173
Middle East	899	2,322	—	—
North East Asia	26,125	38,938	10,756	75,240
Rest of the world	7,039	7,064	22,753	22,953
	309,565	370,688	884,804	797,938

Non-current assets information presented above consist of property, plant and equipment, investment properties, intangible assets, land use rights, associates, prepaid island rental and prepayments as presented in the consolidated balance sheet.

49. Dividends

Company	
2016 \$'000	2015 \$'000

Declared and paid during the financial year:

Dividends on ordinary shares:

- Final exempt (one-tier) dividend for 2015: Nil cent
(2014: 0.13 cent) per share

— 989

50. Authorisation of financial statements

The financial statements for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Directors on 16 March 2017.



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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 31 Dec			Group Year ended 31 Dec		
		2017 (S\$'000)	2016 (S\$'000)	Incr/ (Decr) %	2017 (S\$'000)	2016 (S\$'000)	Incr/ (Decr) %
Revenue	1	88,947	81,291	9%	317,511	309,565	3%
Other income	2	8,990	26,741	-66%	50,928	29,652	72%
Costs and expenses							
Cost of operating supplies		(6,917)	(7,288)	-5%	(25,338)	(25,663)	-1%
Cost of properties sold		(10,355)	(7,210)	44%	(28,888)	(27,765)	4%
Salaries and related expenses		(20,255)	(23,508)	-14%	(101,387)	(99,929)	1%
Administrative expenses		(18,826)	(11,595)	62%	(61,472)	(53,115)	16%
Sales and marketing expenses		(6,408)	(5,224)	23%	(16,208)	(19,453)	-17%
Other operating expenses		(14,190)	(16,433)	-14%	(60,477)	(61,596)	-2%
Total costs and expenses	3	(76,951)	(71,258)	8%	(293,770)	(287,521)	2%
Profit before interests, taxes, depreciation and amortisation ("Operating Profit")	4	20,986	36,774	-43%	74,669	51,696	44%
Depreciation of property, plant and equipment		(5,624)	(5,898)	-5%	(22,515)	(22,341)	1%
Amortisation expense		(607)	(704)	-14%	(2,599)	(2,722)	-5%
Profit from operations and other gains		14,755	30,172	-51%	49,555	26,633	86%
Finance income		778	738	5%	2,571	3,674	-30%
Finance costs	5	(6,918)	(7,883)	-12%	(28,181)	(29,630)	-5%
Share of results of associates	6	863	21	nm	346	33	nm
Share of results of joint ventures	6	(1,256)	-	100%	(1,632)	-	100%
Profit before taxation		8,222	23,048	-64%	22,659	710	nm
Income tax expense	7	(2,860)	(5,829)	-51%	(7,802)	(7,660)	2%
Profit/(Loss) after taxation	8	5,362	17,219	-69%	14,857	(6,950)	nm
Attributable to:							
Owners of the Company	10	3,916	8,446	-54%	12,929	(16,196)	nm
Non-controlling interests	9	1,446	8,773	-84%	1,928	9,246	-79%
Profit/(Loss) for the Period/Year		5,362	17,219	-69%	14,857	(6,950)	nm



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

1(a)(ii) Statement of Comprehensive Income

	Notes	Group 3 months ended 31 Dec			Group Year ended 31 Dec		
		2017 (S\$'000)	2016 (S\$'000)	Incr/ (Decr) %	2017 (S\$'000)	2016 (S\$'000)	Incr/ (Decr) %
Profit/(Loss) for the Period/Year		5,362	17,219	-69%	14,857	(6,950)	nm
Other comprehensive income:							
<u>Items that may be reclassified subsequently to profit or loss:</u>							
Realisation of currency translation reserves		-	-	-	1,970	-	100%
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	11	(5,183)	30,912	nm	(11,752)	16,006	nm
Net change in fair value adjustment reserve, net of deferred tax		-	7,006	-100%	-	9,540	-100%
Net change in fair value adjustment reserve reclassified to profit or loss		-	(22,763)	-100%	-	(22,763)	-100%
<u>Items that will not be reclassified to profit or loss:</u>							
Adjustment on property revaluation reserve, net of deferred tax		379	38,736	-99%	379	38,736	-99%
Actuarial (loss)/gain arising from defined benefit plan, net of deferred tax		(1)	9	nm	(1)	9	nm
Total comprehensive income for the Period/Year		557	71,119	-99%	5,453	34,578	-84%
Attributable to:							
Owners of the Company		(979)	53,299	nm	(724)	15,726	nm
Non-controlling interests		1,536	17,820	-91%	6,177	18,852	-67%
		557	71,119	-99%	5,453	34,578	-84%

1(a)(iii) Additional Disclosures

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

Included in the tax expense was adjustments for overprovision of tax relating to prior years of S\$683,000 (4Q16: overprovision of S\$128,000) and overprovision of S\$257,000 for FY17 relating to prior years (FY16: overprovision of S\$45,000).

	Group 3 months ended 31 Dec			Group Year ended 31 Dec		
	2017 (S\$'000)	2016 (S\$'000)	Incr/ (Decr) %	2017 (S\$'000)	2016 (S\$'000)	Incr/ (Decr) %
Profit from operations and other gains is stated after charging/(crediting):						
Allowance for doubtful debts	3,020	1,663	82%	1,375	2,368	-42%
Allowance for inventory obsolescence	2	8	-75%	59	62	-5%
Exchange (gain)/loss	(704)	(3,216)	-78%	3,628	797	355%
Gain on disposal of investment in subsidiaries	-	-	-	(40,413)	-	100%
Loss on disposal of property, plant and equipment	2,844	106	nm	3,061	170	nm
Gain on disposal of land use rights	(205)	-	100%	(205)	-	100%
Impairment on intangible assets	2,162	-	100%	2,162	-	100%
Fair value gain on derivatives	(7,483)	-	100%	(6,411)	-	100%



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

1(a)(iv) Explanatory notes on performance for 4Q17

A. Vanke transaction

As announced on 10 August 2017, the Group had executed and completed the definitive agreement with China Vanke Co., Ltd ("Vanke") to create Banyan Tree Assets (China) Holdings Pte. Ltd. ("BTAC"), a 50:50 joint venture incorporated in Singapore between the Group and Vanke, to consolidate the ownership of its Banyan Tree-branded hotels and assets in China. BTAC had in turn invested in and holds 40% stake in each of Banyan Tree's operating companies incorporated in Singapore, Banyan Tree Services (China) Pte. Ltd. ("BTSC") and Banyan Tree Hotel Management (China) Pte. Ltd. ("BTMC").

The Group had since deconsolidated certain entities and recognised the gain on the interest divested. In addition, the Group's retained interest in these entities had been reclassified to investment in Joint ventures/Associates.

The results of the Joint ventures/Associates were equity accounted by the Group from August 2017. Please refer to the Group's SGX-Net announcement dated 10 August 2017 for more details on the execution and completion of the definitive agreements with Vanke.

1. Revenue

Revenue increased by S\$7.6 million from S\$81.3 million in 4Q16 to S\$88.9 million in 4Q17 mainly due to higher revenue from Property Sales and Hotel Investments segments.

For the Property Sales segment, higher revenue was mainly due to higher recognition of Laguna Park townhomes/villas and completion of Cassia Phuket (Phase 2) condominiums in 4Q17 and sold units were progressively handed over to the buyers. In 4Q17, we recognised 31 units as compared to 18 units in the same period last year.

For the Hotel Investments segment, higher revenue in 4Q17 was mainly contributed by hotels in Thailand and Seychelles. In addition, Cassia Bintan was opened to paying guests in September 2017. This was partially offset by lower revenue from hotels in Maldives and China. Following the execution of the Vanke transaction as explained in note A above, the results of the entities divested were equity accounted for by the Group from August 2017, which resulted in the decrease in revenue in China.

2. Other income

Other income decreased by S\$17.7 million from S\$26.7 million in 4Q16 to S\$9.0 million in 4Q17, mainly due to reclassification of net fair value gains from "Fair value adjustment reserve" in equity to Other income after Thai Wah Public Company Limited became the Group's Associate in December 2016. This was partially cushioned by fair value gain on debentures issued to Accor S.A. upon conversion into ordinary shares of the Company and gain on disposal of land use rights in 4Q17.



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

1(a)(iv) Explanatory notes on performance for 4Q17 (Cont'd)

3. Total costs and expenses

Total costs and expenses increased by S\$5.7 million from S\$71.3 million in 4Q16 to S\$77.0 million in 4Q17. This was largely attributable to increase in administrative expenses, cost of properties sold and sales and marketing expenses, which was partially cushioned by decrease in salaries and related expenses, other operating expenses and cost of operating supplies.

Administrative expenses increased by S\$7.2 million mainly due to lower foreign exchange gain, loss on disposal of property, plant and equipment, impairment of intangible assets, higher provision for doubtful debts and higher legal and professional fees. It was partially cushioned by reversal of fair value loss on convertible debentures previously provided in 3Q17.

Cost of properties sold increased by S\$3.2 million, which was in line with higher property sales revenue recognised during the period.

Sales and marketing expenses increased by S\$1.2 million mainly due to higher commission for property sales.

Salaries and related expenses decreased by S\$3.3 million mainly due to lower headcounts after the Vanke transaction as explained in note A.

Other operating expenses decreased by S\$2.2 million mainly due to lower repair and maintenances and lower travelling expenses.

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

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

Operating Profit decreased by S\$15.8 million from S\$36.8 million in 4Q16 to S\$21.0 million in 4Q17. This was largely due to lower other income but partially cushioned by higher Operating Profit from Hotel Investments and Property Sales segments due to higher revenue.

5. Finance costs

Finance cost decreased by S\$1.0 million from S\$7.9 million in 4Q16 to S\$6.9 million in 4Q17, which was mainly due to repayment of S\$50 million medium term notes upon maturity in May 2017 and lower bank commitment fees during the period.

6. Share of results of associates/joint ventures

As disclosed in note A above, the Group had started to equity account for the Group's share of results of the entities since August 2017.

7. Income tax expense

Income tax expense decreased by S\$3.0 million mainly due to lower withholding tax, higher reversal of overprovision of income tax expense. In addition, in 4Q16, there was write off of deferred tax assets arising from expiry of recognised tax losses.



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

1(a)(iv) Explanatory notes on performance for 4Q17 (Cont'd)

8. Profit after taxation

Profit after taxation decreased by S\$11.8 million from S\$17.2 million in 4Q16 to S\$5.4 million in 4Q17. This was mainly due to lower Operating Profit and share of losses of joint ventures, but partially cushioned by lower depreciation of property, plant and equipment, lower finance costs, share of profits of associates and lower income tax expense as mentioned earlier.

9. Non-controlling interests

Non-controlling interests' share of profit decreased by S\$7.4 million from S\$8.8 million in 4Q16 to S\$1.4 million in 4Q17 mainly due to lower profits in Laguna Resorts & Hotels Public Company Limited ("LRH") during the period.

10. Profit attributable to owners of the Company

As a result of the foregoing, profit attributable to owners of the Company decreased by S\$4.5 million from S\$8.4 million in 4Q16 to S\$3.9 million in 4Q17.

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

In 4Q17, the exchange loss on translation of foreign operations' net assets of S\$5.2 million was mainly due to the depreciation of U.S. dollar and Australian dollar against Singapore dollar.

In 4Q16, the exchange gain on translation of foreign operations' net assets of S\$30.9 million was mainly due to the appreciation of Thai baht, U.S. dollar and Chinese renminbi against Singapore dollar.



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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		
		31-Dec-17 (S\$'000)	31-Dec-16 (S\$'000)	Incr/ (Decr) %	31-Dec-17 (S\$'000)	31-Dec-16 (S\$'000)	Incr/ (Decr) %
Non-current assets							
Property, plant and equipment	1	642,013	657,746	-2%	-	1	-100%
Investment properties		70,644	70,596	0%	-	-	-
Intangible assets		33,208	33,202	0%	2,890	2,471	17%
Land use rights		2,445	2,982	-18%	-	-	-
Subsidiaries		-	-	-	539,118	513,554	5%
Associates	2	107,249	93,884	14%	869	869	0%
Joint ventures	2	132,250	-	100%	12,110	-	100%
Long-term investments		14,862	14,887	0%	-	-	-
Deferred tax assets		16,378	16,072	2%	-	-	-
Prepaid island rental		20,432	22,839	-11%	-	-	-
Prepayments		2,723	3,555	-23%	-	-	-
Long-term trade receivables	3	24,058	29,093	-17%	-	-	-
Other receivables	4	3,489	11,168	-69%	-	-	-
		1,069,751	956,024	12%	554,987	516,895	7%
Current assets							
Property development costs	5	283,342	251,795	13%	-	-	-
Inventories		7,634	9,398	-19%	-	-	-
Prepayments and other non-financial assets		13,919	18,683	-25%	120	134	-10%
Trade receivables	6	37,122	43,155	-14%	-	-	-
Other receivables		7,646	8,931	-14%	593	70	nm
Amounts due from subsidiaries		-	-	-	213,206	207,538	3%
Amounts due from associates	7	64,963	203	nm	1,393	-	100%
Amounts due from joint ventures	7	6,291	-	100%	3,156	-	100%
Amounts due from related parties		23,155	21,999	5%	3	1	200%
Cash and short-term deposits		158,988	108,767	46%	72,869	28,052	160%
		603,060	462,931	30%	291,340	235,795	24%
Assets of disposal group classified as held for sale	8	6,936	189,267	-96%	-	-	-
		609,996	652,198	-6%	291,340	235,795	24%
Total assets		1,679,747	1,608,222	4%	846,327	752,690	12%
Current liabilities							
Tax payable		7,106	7,039	1%	-	-	-
Unearned income		5,784	10,589	-45%	-	-	-
Other non-financial liabilities	9	50,727	32,801	55%	534	514	4%
Interest-bearing loans and borrowings		71,371	97,981	-27%	2,600	41,608	-94%
Notes payable	10	119,270	49,031	143%	119,270	49,031	143%
Trade payables	11	25,311	19,368	31%	-	-	-
Other payables	12	43,172	37,958	14%	9,049	5,199	74%
Amounts due to subsidiaries		-	-	-	57,317	46,699	23%
Amounts due to associates	7	22,489	5	nm	18,009	-	100%
Amounts due to joint ventures	7	61,094	-	100%	60,298	-	100%
Amounts due to related parties		1,261	864	46%	-	-	-
		407,585	255,636	59%	267,077	143,051	87%
Liabilities of disposal group classified as held for sale	8	-	25,557	-100%	-	-	-
		407,585	281,193	45%	267,077	143,051	87%
Net current assets		202,411	371,005	-45%	24,263	92,744	-74%



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Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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 As at			Company As at		
		31-Dec-17 (S\$'000)	31-Dec-16 (S\$'000)	Incr/ (Decr) %	31-Dec-17 (S\$'000)	31-Dec-16 (S\$'000)	Incr/ (Decr) %
Non-current liabilities							
Deferred income	13	-	8,041	-100%	-	-	-
Deferred tax liabilities		109,989	107,116	3%	-	-	-
Defined and other long-term employee benefits		2,820	2,927	-4%	-	-	-
Deposits received		1,976	1,814	9%	-	-	-
Other non-financial liabilities		3,882	4,100	-5%	-	-	-
Interest-bearing loans and borrowings		150,689	125,687	20%	21,233	7,572	180%
Notes payable	10	224,616	343,886	-35%	224,616	343,886	-35%
Other payables		654	612	7%	-	-	-
		494,626	594,183	-17%	245,849	351,458	-30%
Total liabilities		902,211	875,376	3%	512,926	494,509	4%
Net assets		777,536	732,846	6%	333,401	258,181	29%
Equity attributable to owners of the Company							
Share capital	14	241,520	199,995	21%	241,520	199,995	21%
Treasury shares		(142)	(235)	-40%	(142)	(235)	-40%
Reserves		359,248	364,724	-2%	92,023	58,421	58%
		600,626	564,484	6%	333,401	258,181	29%
Non-controlling interests		176,910	168,362	5%	-	-	-
Total equity		777,536	732,846	6%	333,401	258,181	29%



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

Explanatory notes on Balance Sheet

1. Property, plant and equipment

Property, plant and equipment decreased by S\$15.7 million to S\$642.0 million as at 31 December 2017. The decrease was mainly due to depreciation charge during the period, reclassification of land to Property development costs for Angsana Beachfront Residences project and disposal of property, plant and equipment. This was partially cushioned by on-going purchases of furniture, fittings and equipment and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht.

2. Associates and Joint ventures

Associates and Joint ventures increased by S\$13.4 million and S\$132.3 million respectively as a result of capitalisation of investments, amounts due from and retained interest in Associates and Joint ventures following the transaction with Vanke as mentioned in note A.

3. Long-term trade receivables

Long-term trade receivables decreased by S\$5.0 million to S\$24.1 million mainly due to reclassification to short-term trade receivables for receivables under instalment payment plans.

4. Other receivables

Other receivables decreased by S\$7.7 million to S\$3.5 million mainly due to divestment of its interest in entities as mentioned in note A and provision for doubtful debts.

5. Property development costs

Property development costs increased by S\$31.5 million to S\$283.3 million as at 31 December 2017. This was mainly due to progressive development costs incurred on projects in Thailand, Australia and Bintan, and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht against Singapore dollar.

6. Trade receivables

Trade receivables decreased by S\$6.0 million to S\$37.1 million as at 31 December 2017. This was mainly due to divestment of its interest in entities as mentioned in note A and higher collections from customers during the period.

7. Amount due from/(to) associates/joint ventures

As mentioned in note A, BTAC, BTSC and BTMC became the Group's associates/joint ventures in August 2017 and amount due from/(to) subsidiaries which were previously eliminated are now accounted for as amount due from/(to) associates/joint ventures. As a result, net amount due from associates increased by S\$42.3 million and net amount due to joint ventures increased by S\$54.8 million as at 31 December 2017. Included in amount due to associates/joint ventures were unsecured and interest free loans of S\$78.0 million.

8. Assets/Liabilities of disposal group classified as held for sale

Net assets of disposal group classified as held for sale decreased by S\$156.8 million to S\$6.9 million as at 31 December 2017. This was mainly due to reclassification to "Associates and Joint ventures" as mentioned in note A.



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Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

Explanatory notes on Balance Sheet (Cont'd)

9. Other non-financial liabilities

Other non-financial liabilities increased by S\$17.9 million to S\$50.7 million as at 31 December 2017 mainly due to advances from customers for property sales in Thailand.

10. Current and non-current notes payable

Current and non-current notes payable decreased by S\$49.0 million to S\$343.9 million mainly due to repayment of S\$50 million medium term notes upon maturity in May 2017.

11. Trade payables

Trade payables increased by S\$5.9 million to S\$25.3 million mainly due to construction cost payables incurred for Cassia Bintan project during the period.

12. Other payables

Other payables increased by S\$5.2 million to S\$43.2 million mainly due to higher provision for bonus and incentives, and payables during the period.

13. Deferred income

Deferred income decreased by S\$8.0 million to nil as at 31 December 2017 mainly due to divestment of its interest in entities as mentioned in note A.

14. Share Capital

Share capital increased by S\$41.5 million due to issuance of 40 million ordinary shares to Vanke under a share placement exercise and issuance of 40 million ordinary shares to Accor S.A. on 19 December 2017 following the conversion of debenture.



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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

	Group As at	
	31-Dec-17 (S\$'000)	31-Dec-16 (S\$'000)
Amount repayable in one year or less, or on demand:-		
Secured	66,871	54,981
Unsecured	123,770	92,031
Sub-Total 1	190,641	147,012
Amount repayable after one year:-		
Secured	142,439	125,687
Unsecured	232,866	343,886
Sub-Total 2	375,305	469,573
Total Debt	565,946	616,585

Details of any collateral

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

	Group As at	
	31-Dec-17 (S\$'000)	31-Dec-16 (S\$'000)
Freehold land and buildings	353,455	363,666
Investment properties	25,973	24,835
Property development costs	40,096	41,168
Leasehold land and buildings	14,844	38,638
Prepaid island rental	19,727	-
Other assets	6,102	13,482
	460,197	481,789



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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 3 months ended 31 Dec		Group Year ended 31 Dec	
	2017 (S\$'000)	2016 (S\$'000)	2017 (S\$'000)	2016 (S\$'000)
Cash flows from operating activities				
Profit before taxation	8,222	23,048	22,659	710
Adjustments for:				
Share of results of associates	(863)	(21)	(346)	(33)
Share of results of joint ventures	1,256	-	1,632	-
Depreciation of property, plant and equipment	5,624	5,898	22,515	22,341
Loss on disposal of property, plant and equipment	2,844	106	3,061	170
Gain on disposal of land use rights	(205)	-	(205)	-
Impairment on intangible assets	2,162	-	2,162	-
Finance income	(778)	(738)	(2,571)	(3,674)
Finance costs	6,918	7,883	28,181	29,630
Amortisation expense	607	704	2,599	2,722
Allowance for doubtful debts	3,020	1,663	1,375	2,368
Allowance for inventory obsolescence	2	8	59	62
Provision for employee benefits	64	63	260	290
Provision for Share-based payment expenses	(1)	97	9	68
Gain on disposal of subsidiaries	-	-	(40,413)	-
Fair value gain on derivatives	(7,483)	-	(6,411)	-
Net fair value gain on investment properties	(212)	(741)	(212)	(741)
Net change in the value of available-for-sale financial assets	-	(22,366)	-	(22,366)
Currency realignment	(1,234)	7,388	(7,352)	5,510
Operating Profit before working capital changes	19,943	22,992	27,002	37,057
(Increase)/Decrease in inventories	(623)	246	608	1,218
Increase in property development costs	(4,382)	(11,857)	(32,164)	(22,462)
(Increase)/Decrease in trade and other receivables	(9,659)	(6,957)	29,011	23,880
Decrease/(Increase) in amounts due from related parties	5,503	(1,627)	(19,248)	(3,345)
Increase/(Decrease) in trade and other payables	13,538	8,850	30,803	(5,374)
	4,377	(11,345)	9,010	(6,083)
Cash flows generated from operating activities	24,320	11,647	36,012	30,974
Interest received	780	739	2,562	3,751
Interest paid	(9,219)	(11,278)	(28,202)	(29,738)
Tax paid	245	(730)	(8,672)	(9,284)
Payment of employee benefits	(106)	(171)	(435)	(482)
Payment of cash settled share grants	-	-	(33)	(78)
Payment of lease rental/extension of lease	-	(1,382)	(1,517)	(1,382)
Net cash flows generated from/(used in) operating activities	16,020	(1,175)	(285)	(6,239)
Cash flows from investing activities				
Purchase of property, plant and equipment	(3,980)	(6,105)	(12,609)	(15,888)
Proceeds from disposal of property, plant and equipment	498	6	561	33
Proceeds from disposal of land use rights	3,013	-	3,013	-
Increase in long-term investments	-	(3,814)	-	(3,814)
Dividend income from associate	-	-	745	-
Subsequent expenditure on investment properties	(431)	(387)	(431)	(387)
Proceeds from disposal of subsidiaries, net of cash disposed	-	-	65,769	-
Additions to intangible assets	(474)	-	(474)	-
Net cash flows (used in)/generated from investing activities	(1,374)	(10,300)	56,574	(20,056)
Cash flows from financing activities				
Proceeds from bank loans	-	41,155	96,098	82,018
Repayment of bank loans	(27,717)	(45,448)	(103,656)	(106,259)
Repayment of notes payable	-	-	(50,000)	-
Payment of dividends	-	-	-	-
- by subsidiary to non-controlling interests	-	-	(596)	(1,159)
- by subsidiaries to loan stockholders	(41)	(40)	(41)	(40)
Proceeds from issue of new shares	-	-	23,978	-
Proceeds from issue of convertible debenture	-	-	24,000	-
Net cash flows used in financing activities	(27,758)	(4,333)	(10,217)	(25,440)
Net (decrease)/increase in cash and cash equivalents	(13,112)	(15,808)	46,072	(51,735)
Net foreign exchange difference	117	2,318	(911)	86
Cash and cash equivalents at beginning of Period/Year	171,983	127,317	113,827	165,476
Cash and cash equivalents * at end of the Period/Year	158,988	113,827	158,988	113,827

* made up of cash and short-term deposits, cash of disposal group held for sale less bank overdrafts.



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

Explanatory notes on Consolidated Cash Flow

The Group's cash and cash equivalents increased by S\$45.2 million or 39.7% from S\$113.8 million as at 31 December 2016 to S\$159.0 million as at 31 December 2017.

4Q17

For the three months ended 31 December 2017, net cash flows generated from operating activities was S\$16.0 million. This was mainly due to adjustments for non-cash items of S\$11.7 million, profit before taxation of S\$8.2 million and net increase in cash generated from working capital of S\$4.4 million. It was partially offset by net interest paid of S\$8.4 million. Non-cash items related mainly to depreciation and amortisation expenses of S\$6.2 million, net finance costs of S\$6.1 million, allowance for doubtful debts of S\$3.0 million, impairment on intangible assets of S\$2.2 million and loss on disposal of plant and equipment of S\$2.8 million net of fair value gain on derivatives of S\$7.5 million.

Net cash flows used in investing activities was S\$1.4 million, mainly due to on-going purchases of furniture, fittings and equipment of S\$4.0 million by our resorts for their operations and subsequent expenditure on investment properties of S\$0.4 million, but partially cushioned by proceeds from disposal of land use rights and property, plant and equipment of S\$3.5 million.

Net cash flows used in financing activities amounted to S\$27.8 million mainly due to scheduled repayments of bank borrowings.

FY17

For the full year ended 31 December 2017, net cash flows used in operating activities was S\$0.3 million. This was mainly due to net interest paid of S\$25.6 million, income tax payments of S\$8.7 million and lease rental payments of S\$1.5 million. It was partially cushioned by profit before taxation of S\$22.7 million, net increase in cash generated from working capital of S\$9.0 million and adjustments for non-cash items of S\$4.3 million. Non-cash items related mainly to net finance costs of S\$25.6 million, depreciation and amortisation expenses of S\$25.1 million, loss on disposal of plant and equipment of S\$3.1 million, impairment on intangible assets of S\$2.2 million and allowance for doubtful debts of S\$1.4 million, net of gain on disposal of subsidiaries of S\$40.4 million, currency realignment of S\$7.4 million and fair value gain on derivatives of S\$6.4 million.

Net cash flows generated from investing activities was S\$56.6 million mainly due to proceeds received from Vanke, net of cash disposed, in relation to the divestment of its interest in entities as explained in note A and proceeds from disposal of land use rights and property, plant and equipment of S\$3.6 million. It was partially offset by on-going purchases of furniture, fittings and equipment of S\$12.6 million by the resorts for their operations.

Net cash flows used in financing activities amounted to S\$10.2 million. This was mainly due to scheduled repayments of bank borrowings of S\$103.7 million and repayment of S\$50.0 million medium term notes upon maturity in May 2017. It was partially cushioned by additional bank borrowings of S\$96.1 million, proceeds from issuance of new shares of S\$24.0 million and irredeemable convertible debenture of S\$24.0 million. The debenture was converted to new shares in December 2017.



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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 2017	199,995	(235)	8,040	9,899	181,773	(19,834)	(16,415)	201,261	564,484	168,362	732,846
Profit after taxation	-	-	-	-	-	-	-	9,013	9,013	482	9,495
Other comprehensive income for the Period	-	-	-	-	-	(8,758)	-	-	(8,758)	4,159	(4,599)
Total comprehensive income for the Period	-	-	-	-	-	(8,758)	-	9,013	255	4,641	4,896
<u>Contributions by and distributions to owners</u>											
Treasury shares reissued pursuant to Share-based Incentive Plan	-	93	(66)	-	-	-	(27)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	2	-	-	-	-	-	2	-	2
Issue of new shares	23,978	-	-	-	-	-	-	-	23,978	-	23,978
Total transactions with owners in their capacity as owners	23,978	93	(64)	-	-	-	(27)	-	23,980	-	23,980
<u>Other changes in equity</u>											
Disposal of subsidiary	-	-	-	(1,653)	-	-	-	-	(1,653)	-	(1,653)
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(3)	-	-	3	-	-	-
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(596)	(596)
Transfer to legal reserve	-	-	-	34	-	-	-	(34)	-	-	-
Total other changes in equity	-	-	-	(1,619)	(3)	-	-	(31)	(1,653)	(596)	(2,249)
Balance as at 30 September 2017	223,973	(142)	7,976	8,280	181,770	(28,592)	(16,442)	210,243	587,066	172,407	759,473

* 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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Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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 October 2017	223,973	(142)	7,976	8,280	181,770	(28,592)	(16,442)	210,243	587,066	172,407	759,473
Profit after taxation	-	-	-	-	-	-	-	3,916	3,916	1,446	5,362
Other comprehensive income for the Period	-	-	-	-	379	(5,273)	-	(1)	(4,895)	90	(4,805)
Total comprehensive income for the Period	-	-	-	-	379	(5,273)	-	3,915	(979)	1,536	557
<u>Contributions by and distributions to owners</u>											
Issue of new shares	17,547	-	-	-	-	-	-	-	17,547	-	17,547
Total contributions by and distributions to owners	17,547	-	-	-	-	-	-	-	17,547	-	17,547
<u>Changes in ownership interests in subsidiary</u>											
Disposal of non-controlling interests without a change in control	-	-	-	-	-	-	(2,967)	-	(2,967)	2,967	-
Total changes in ownership interests in subsidiary	-	-	-	-	-	-	(2,967)	-	(2,967)	2,967	-
Total transactions with owners in their capacity as owners	17,547	-	-	-	-	-	(2,967)	-	14,580	2,967	17,547
<u>Other changes in equity</u>											
Dividends paid to loan stockholders of a subsidiary	-	-	-	-	-	-	-	(41)	(41)	-	(41)
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(42)	-	-	42	-	-	-
Total other changes in equity	-	-	-	-	(42)	-	-	1	(41)	-	(41)
Balance as at 31 December 2017	241,520	(142)	7,976	8,280	182,107	(33,865)	(19,409)	214,159	600,626	176,910	777,536

* 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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Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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 2016	199,995	(463)	8,316	9,898	155,462	(31,862)	(9,716)	217,162	548,792	150,669	699,461
Loss after taxation	-	-	-	-	-	-	-	(24,642)	(24,642)	473	(24,169)
Other comprehensive income for the Period	-	-	-	-	-	(14,597)	1,666	-	(12,931)	559	(12,372)
Total comprehensive income for the Period	-	-	-	-	-	(14,597)	1,666	(24,642)	(37,573)	1,032	(36,541)
<u>Contributions by and distributions to owners</u>											
Treasury shares reissued pursuant to Share-based Incentive Plan	-	228	(197)	-	-	-	(31)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	(48)	-	-	-	-	-	(48)	-	(48)
Expiry of share grants pursuant to Share-based Incentive Plan	-	-	(85)	-	-	-	-	85	-	-	-
Total transactions with owners in their capacity as owners	-	228	(330)	-	-	-	(31)	85	(48)	-	(48)
<u>Other changes in equity</u>											
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(1,159)	(1,159)
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(114)	-	-	114	-	-	-
Transfer to legal reserve	-	-	-	1	-	-	-	(1)	-	-	-
Total other changes in equity	-	-	-	1	(114)	-	-	113	-	(1,159)	(1,159)
Balance as at 30 September 2016	199,995	(235)	7,986	9,899	155,348	(46,459)	(8,081)	192,718	511,171	150,542	661,713

* 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.



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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 October 2016	199,995	(235)	7,986	9,899	155,348	(46,459)	(8,081)	192,718	511,171	150,542	661,713
Profit after taxation	-	-	-	-	-	-	-	8,446	8,446	8,773	17,219
Other comprehensive income for the Period	-	-	-	-	26,553	26,625	(8,334)	9	44,853	9,047	53,900
Total comprehensive income for the Period	-	-	-	-	26,553	26,625	(8,334)	8,455	53,299	17,820	71,119
<u>Contributions by and distributions to owners</u>											
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	54	-	-	-	-	-	54	-	54
Total transactions with owners in their capacity as owners	-	-	54	-	-	-	-	-	54	-	54
<u>Other changes in equity</u>											
Dividends paid to loan stockholders of a subsidiary	-	-	-	-	-	-	-	(40)	(40)	-	(40)
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(128)	-	-	128	-	-	-
Total other changes in equity	-	-	-	-	(128)	-	-	88	(40)	-	(40)
Balance as at 31 December 2016	199,995	(235)	8,040	9,899	181,773	(19,834)	(16,415)	201,261	564,484	168,362	732,846

* 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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Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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 2017	199,995	(235)	8,040	4,710	45,671	258,181
Total comprehensive income for the Period	-	-	-	-	69,939	69,939
<u>Contributions by and distributions to owners</u>						
Treasury shares reissued pursuant to Share-based Incentive Plan	-	93	(66)	(27)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	2	-	-	2
Issue of new shares	23,978	-	-	-	-	23,978
Total transactions with owners in their capacity as owners	23,978	93	(64)	(27)	-	23,980
Balance as at 30 September 2017	223,973	(142)	7,976	4,683	115,610	352,100
Balance as at 1 October 2017	223,973	(142)	7,976	4,683	115,610	352,100
Total comprehensive income for the Period	-	-	-	-	(36,246)	(36,246)
<u>Contributions by and distributions to owners</u>						
Issue of new shares	17,547	-	-	-	-	17,547
Total transactions with owners in their capacity as owners	17,547	-	-	-	-	17,547
Balance as at 31 December 2017	241,520	(142)	7,976	4,683	79,364	333,401

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



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Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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 2016	199,995	(463)	8,316	4,741	48,947	261,536
Total comprehensive income for the Period	-	-	-	-	(19,066)	(19,066)
<u>Contributions by and distributions to owners</u>						
Treasury shares reissued pursuant to Share-based Incentive Plan	-	228	(197)	(31)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	(48)	-	-	(48)
Expiry of share grants pursuant to Share-based Incentive Plan	-	-	(85)	-	85	-
Total transactions with owners in their capacity as owners	-	228	(330)	(31)	85	(48)
Balance as at 30 September 2016	199,995	(235)	7,986	4,710	29,966	242,422
Balance as at 1 October 2016	199,995	(235)	7,986	4,710	29,966	242,422
Total comprehensive income for the Period	-	-	-	-	15,705	15,705
<u>Contributions by and distributions to owners</u>						
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	54	-	-	54
Total transactions with owners in their capacity as owners	-	-	54	-	-	54
Balance as at 31 December 2016	199,995	(235)	8,040	4,710	45,671	258,181

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

**BANYAN TREE HOLDINGS LIMITED**

Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

- 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.**

During the quarter, there were 40,000,000 new shares being issued (4Q16: Nil), resulting in an increase in the number of issued shares excluding treasury shares from 801,156,980 since the end of the previous reporting period, i.e. as at 30 September 2017, to 841,156,980 shares as at 31 December 2017.

As at 31 December 2017, there are 208,000 (4Q16: 345,500) shares held as treasury shares against the total number of issued shares excluding treasury shares of 841,156,980 (4Q16: 761,056,780).

As of 31 December 2017, 55,470,807 (4Q16: Nil) new shares of the Company may be issued upon the exercise of the initial option, additional issuance and additional option held by China Vanke Co., Ltd as described in the Company's announcements dated 15 and 27 September 2017.

As of 31 December 2017, up to 55,433,507 (4Q16: Nil) new shares of the Company may be issued upon the exercise of the option held by Accor S.A. as described in the Company's announcements dated 27 July 2017 and 2 August 2017.

Issuance of shares from vesting of share awards

During the quarter, there was no issuance of shares arising from the vesting of share awards under the Performance Share Plan (4Q16: Nil) and under Restricted Share Plan (4Q16: Nil).

Grant and cancellation of share awardsPerformance Share Plan

During the quarter, no share awards were granted (4Q16: Nil) nor cancelled (4Q16: Nil) under the Banyan Tree Performance Share Plan. As at 31 December 2017, initial awards for 465,000 shares (As at 31 December 2016: 405,000) have been granted under the plan which will vest upon meeting specified performance conditions.

Restricted Share Plan

During the quarter, no share awards were granted (4Q16: Nil) nor cancelled (4Q16: 23,950) under the Banyan Tree Restricted Share Plan. As at 31 December 2017, initial awards for 456,900 shares (As at 31 December 2016: 478,850) 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.**

	31-Dec-17 No. of shares	31-Dec-16 No. of shares
Number of issued shares excluding Treasury shares	841,156,980	761,056,780



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Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

- 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.**

	31-Dec-17 No. of shares	31-Dec-16 No. of shares
At 1 January	345,500	680,500
Reissued pursuant to Share-based Incentive Plan	(137,500)	(335,000)
	208,000	345,500

- 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.

- 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 Note 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 2016.

- 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.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 December 2016, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2017. The adoption of the standards and interpretations does not have material impact to the financial statements in the period of initial application.



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Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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 31 Dec		Year ended 31 Dec	
	2017	2016	2017	2016
a) Based on the weighted average number of ordinary shares on issue (cents)	0.49	1.11	1.67	(2.13)
b) On fully diluted basis (cents)	0.41	1.11	1.56	(2.13)

(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 806,809,154 and 761,056,780 ordinary shares respectively.

The basic earnings per ordinary share for the 12 months period and the same period last year have been calculated based on the weighted average number of 773,095,771 and 760,973,488 ordinary shares respectively.

(ii) The diluted 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 952,994,494 and 762,011,930 ordinary shares respectively.

The diluted earnings per ordinary share for the 12 months period has been calculated based on the weighted average number of 826,691,426 ordinary shares.

For the 12 months period ended 31 December 2016, 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 12 months period ended 31 December 2016.

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	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Net asset value per ordinary share based on issued share capital* at the end of the Period (S\$)	0.71	0.74	0.40	0.34

* Ordinary shares in issue as at 31 December 2017 and 31 December 2016 are 841,156,980 and 761,056,780 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 31 Dec		2017 vs 2016	
	2017	2016	Incr/(Decr)	
	(S\$'000)	(S\$'000)	(S\$'000)	%
Hotel Investments	54,413	51,752	2,661	5%
Property Sales	18,585	13,434	5,151	38%
- Hotel Residences	4,097	6,111	(2,014)	-33%
- Laguna Property Sales	14,488	7,323	7,165	98%
Fee-based Segment	15,949	16,105	(156)	-1%
- Hotel/Fund/Club Management	5,337	6,529	(1,192)	-18%
- Spa/Gallery Operations	5,433	6,600	(1,167)	-18%
- Design and Others	5,179	2,976	2,203	74%
Revenue	88,947	81,291	7,656	9%

	Group			
	Year ended 31 Dec		2017 vs 2016	
	2017	2016	Incr/(Decr)	
	(S\$'000)	(S\$'000)	(S\$'000)	%
Hotel Investments	201,500	197,411	4,089	2%
Property Sales	51,395	51,305	90	0%
- Hotel Residences	14,043	19,347	(5,304)	-27%
- Laguna Property Sales	37,352	31,958	5,394	17%
Fee-based Segment	64,616	60,849	3,767	6%
- Hotel/Fund/Club Management	21,056	22,974	(1,918)	-8%
- Spa/Gallery Operations	22,987	24,423	(1,436)	-6%
- Design and Others	20,573	13,452	7,121	53%
Revenue	317,511	309,565	7,946	3%



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B) PROFITABILITY

	Group			
	3 months ended 31 Dec		2017 vs 2016	
	2017 (S\$'000)	2016 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	8,343	7,431	912	12%
Property Sales	4,229	1,887	2,342	124%
- Hotel Residences	653	1,333	(680)	-51%
- Laguna Property Sales	3,576	554	3,022	nm
Fee-based Segment	4,451	3,653	798	22%
- Hotel/Fund/Club Management	2,251	2,965	(714)	-24%
- Spa/Gallery Operations	388	2,302	(1,914)	-83%
- Design and Others	1,812	(1,614)	3,426	nm
Head Office Expenses	(5,027)	(2,938)	2,089	71%
Other Income (net)	8,990	26,741	(17,751)	-66%
Operating Profit (EBITDA)	20,986	36,774	(15,788)	-43%
Profit attributable to owners of the Company (PATMI)	3,916	8,446	(4,530)	-54%

	Group			
	Year ended 31 Dec		2017 vs 2016	
	2017 (S\$'000)	2016 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	30,949	28,876	2,073	7%
Property Sales	2,850	3,655	(805)	-22%
- Hotel Residences	(1,730)	1,778	(3,508)	nm
- Laguna Property Sales	4,580	1,877	2,703	144%
Fee-based Segment	7,535	(19)	7,554	nm
- Hotel/Fund/Club Management	4,778	3,867	911	24%
- Spa/Gallery Operations	1,337	4,131	(2,794)	-68%
- Design and Others	1,420	(8,017)	9,437	nm
Head Office Expenses	(17,593)	(10,468)	7,125	68%
Other Income (net)	50,928	29,652	21,276	72%
Operating Profit (EBITDA)	74,669	51,696	22,973	44%
Profit/(Loss) attributable to owners of the Company (PATMI)	12,929	(16,196)	29,125	nm



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C) BUSINESS SEGMENTS REVIEW

i) Hotel Investments segment

Hotel Investments segment achieved revenue of S\$54.4 million in 4Q17, an increase of 5% or S\$2.6 million compared to S\$51.8 million in 4Q16. The increase in revenue was mainly from Thailand (S\$4.8 million), Seychelles (S\$0.9 million), Indonesia (S\$0.3 million) and Morocco (S\$0.2 million), but partially offset by lower revenue from China (S\$2.9 million) and Maldives (S\$0.7 million).

For Thailand, the increase in revenue was mainly contributed by the continuing strong performance of Banyan Tree Phuket, Banyan Tree Bangkok and Angsana Laguna Phuket. On a same store basis, Revenue per Available Room ("RevPAR") for Thailand resorts increased by 19% from S\$197 in 4Q16 to S\$234 in 4Q17. For Seychelles, RevPAR increased by 13% from S\$610 in 4Q16 to S\$689 in 4Q17. For Indonesia, the increase in revenue was mainly due to Cassia Bintan opened to paying guests in September 2017. For Maldives, hotel performance was below the same period last year with RevPAR decreased by 5% from S\$378 in 4Q16 to S\$359 in 4Q17 mainly due to over supply of rooms which resulted in intense competition. For China, the Group had stopped recognising revenues for our China hotels (S\$2.9 million) following our joint venture with Vanke in August 2017.

For FY17, Hotel Investments segment achieved revenue of S\$201.5 million which was an increase of S\$4.1 million compared to S\$197.4 million in FY16. The increase in revenue was mainly from Thailand (S\$11.9 million), Seychelles (S\$3.1 million), Indonesia (S\$0.5 million) and Morocco (S\$0.3 million). It was partially offset by lower revenue from China (S\$6.1 million) and Maldives (S\$5.6 million) with similar reasons as explained above.

Operating Profit increased by S\$0.9 million in 4Q17 and increased by S\$2.1 million in FY17. This was largely due to higher revenue in 4Q17 and FY17 as mentioned earlier.

ii) Property Sales segment

Revenue from the Property Sales segment increased by S\$5.2 million or 38% to S\$18.6 million in 4Q17. For FY17, revenue was in line with last year.

In 4Q17, a total of 31 units of Cassia Phuket (Phase 2), Laguna Park townhomes/villas and Laguna Village residences were recognised. In comparison, a total of 18 units of Laguna Park townhomes/villas, Cassia Phuket (Phase 1), Banyan Tree Grand Residences and Laguna Village townhomes were recognised in 4Q16. Cassia Phuket (Phase 2) was completed in December 2017 and the Group commenced recognition in 4Q17 when sold units were progressively handed over to the buyers.

In FY17, a total of 139 units Cassia Bintan (Phase 1), Cassia Phuket, Laguna Park townhomes/villas, Laguna Village residences and Laguna Chengdu (Phase 1) were recognised. In comparison, a total of 82 units of Laguna Park townhomes/villas, Cassia Phuket, Dusit villas, Banyan Tree Grand Residences, Laguna Village townhomes/condominiums and Banyan Tree Phuket villas were recognised in FY16. Despite higher quantity recognised in FY17, the lower value of units recognised in FY17 resulted in revenue similar to FY16.

Deposits for 101 new units sold with total sales value of S\$63.6 million was received in 4Q17 compared to deposits for 28 units in 4Q16 of S\$17.9 million, 3.6 fold increase in units and value terms. For FY17, deposits for 195 new units of total sales value of S\$137.8 million was received. This was more than doubled 93 units of S\$95.8 million in FY16.

Overall unrecognised revenue as at 31 December 2017 was S\$166.2 million as compared to S\$86.8 million as at 31 December 2016, of which about 30% will be progressively recognised in 2018.

Operating Profit increased by S\$2.3 million in 4Q17 mainly due to higher revenue recognised in 4Q17 as mentioned earlier. For FY17, Operating Profit decreased by S\$0.8 million mainly due to lower profit margin for the units recognised in FY17 as compared to FY16.



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iii) Fee-based segment

Revenue from the Fee-based segment of S\$15.9 million in 4Q17 was in line with 4Q16. This was mainly due to lower hotel management fees and lower revenue from Spa/Gallery operations as the Group no longer consolidate China operations revenue but receive license fees following the execution of the Vanke transaction as explained in note A. This was partially cushioned by higher architectural and design fees earned from projects in Thailand based on project milestones.

For FY17, revenue increased by S\$3.8 million or 6% to S\$64.6 million. This was mainly due to higher architectural and design fees earned from projects in Thailand, China, Dubai and Japan based on project milestones, but partially offset by lower hotel management fees from UAE and lower revenue from Spa/Gallery operations in China and Maldives.

Operating Profit increased by S\$0.8 million in 4Q17 mainly due to higher profit from architectural and design fees but partially offset by lower profit due to lower hotel management fees and lower revenue from Spa/Gallery Operations as mentioned above. For FY17, Operating Profit increased to S\$7.5 million from breakeven in FY16. This was mainly due to higher revenue as mentioned earlier, lower provision for doubtful debts, but partially offset by higher foreign exchange loss during the period.

If management fees of those resorts which the Group has a majority interest were not eliminated on consolidation, Operating Profit would have been S\$8.7 million in 4Q17 as compared to S\$7.5 million in 4Q16, and S\$23.2 million in FY17 as compared to S\$15.6 million in FY16.

iv) Head Office

Head office expenses increased by S\$2.1 million or 71% to S\$5.0 million in 4Q17 mainly due to impairment of intangible assets, higher provision for doubtful debts and higher legal and professional fees, but partially cushioned by reversal of fair value loss on convertible debentures and call options provided in last quarter, lower staff costs and exchange gain in 4Q17 as compared to exchange losses in 4Q16.

Head office expenses increased by S\$7.1 million or 68% to S\$17.6 million in FY17 mainly due to impairment of intangible assets, higher provision for doubtful debts, higher provision for bonus and incentives and higher legal and professional fees, but partially cushioned by exchange gain in FY17 as compared to exchange losses in FY16.

v) Other income

Other income decreased by S\$17.7 million from S\$26.7 million in 4Q16 to S\$9.0 million in 4Q17, mainly due to reclassification of net fair value gains from "Fair value adjustment reserve" in equity to Other income and compensation due to early termination of hotel management agreement in 4Q16. This was partially cushioned by gain on disposal of land use rights and fair value gain on debentures upon conversion into ordinary shares of the Company in 4Q17.

Other income increased by S\$21.2 million from S\$29.7 million in FY16 to S\$50.9 million in FY17. This was mainly due to gains arising from the Group's divestment of its interest in the entities as mentioned in note A, but partially offset by lower Other income recorded in 4Q17 as explained above.

vi) Profit attributable to owners of the Company

Profit decreased by S\$4.5 million from S\$8.4 million in 4Q16 to S\$3.9 million in 4Q17 mainly attributable to lower other income, higher head office expenses and share of losses of joint ventures. This was partially cushioned by higher Operating Profit from Property Sales and Hotel Investments segments as a result of higher revenue, lower finance costs, share of profits of associates, lower income tax expenses and lower non-controlling interests' share of profits.

For FY17, profit increased by S\$29.1 million from a loss of S\$16.2 million in FY16 to a profit of S\$12.9 million. This was mainly attributable to higher other income, higher Operating Profit from Fee-based and Hotel Investments segments as a result of higher revenue and lower non-controlling interests' share of profits. This was partially offset by higher head office expenses, share of losses of joint ventures and lower Operating Profit from Property Sales segment.



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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 3Q17'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.

Based on International Monetary Fund latest report¹, global economic activity continues to firm up. The pickup in growth has been broad based, with notable upward revision to projected growth for our key markets in Europe and China.

On Hotel Investments segment, based on hotel forward bookings for owned hotels for 1Q18, overall forward bookings is 15% above the same period last year (hotels in Thailand is 20% above and hotels outside of Thailand is 5% above).

On Property Sales segment, we launched Cassia Phuket (Phase 3) in 4Q17 and received deposits for close to 50% of the available units for sale as at year end. In total, deposits for 101 units with total sales value of S\$63.6 million was received in 4Q17 compared to 28 units of S\$17.9 million in 4Q16. As at 31 December 2017, the Group have unrecognised revenue of S\$166.2 million, compared to S\$86.8 million as at 31 December 2016, of which about 30% will be progressively recognised in 2018.

On 26 February 2018 before the market opens, the Group announces its intention to acquire all the remaining ordinary shares (i.e. an aggregate of 57,084,525 shares) in its subsidiary, LRH which the Group does not already own. Details can be found in the announcement.

New Openings

The Group expect to open the following 7 new resorts in the next 12 months:

- i. Angsana Zhuhai Phoenix Bay, Guangdong, China
- ii. Angsana Cayo Santa Maria, San Agustin, Cayo Las Brujas, Cuba
- iii. Dhawa Jinshaling, Hebei, China
- iv. Banyan Tree Anji, Zhejiang, China
- v. Banyan Tree Kuala Lumpur, Malaysia
- vi. Royale Pavilion by Banyan Tree, Kuala Lumpur, Malaysia
- vii. Angsana Corfu, Greece

Also in the next 12 months, the Group expect to launch 8 spas under management.

¹ Source: IMF, World Economic Outlook Update (January 2018)



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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?

The directors are pleased to recommend a first and final one-tier tax exempt cash dividend of 1.0 cent per ordinary share to be paid in respect of the financial year ended 31 December 2017.

Payment of the said dividend is subject to approval of shareholders at the forthcoming Annual General Meeting.

(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).

The dividend is tax exempted and is not taxable in the hands of shareholders.

(d) Date payable

To be advised at a later date.

(e) Books disclosure date

To be advised at a later date.

12 If no dividend has been declared (recommended), a statement to that effect.

Not applicable.



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13 Interested Persons Transactions for the 3 months ended 31 December 2017

	Interested Person Transactions	Aggregate value of all interested person transactions for Q4 (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 Q4 (excluding transactions less than S\$100,000) in S\$'000	Aggregate value of all interested person transactions during the financial year (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 during the financial year (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	-	731	-	2,613
b	Provision of Spa Management and Other Related Services to TRG	-	137	-	575
c	Rental Income from TRG in respect of units in Banyan Tree Bintan and Angsana Bintan	-	592	-	2,254
d (i)	Reimbursement of Expenses – to TRG	-	103	-	232
d (ii)	Reimbursement of Expenses – from TRG	-	567	-	768
	Total	-	2,130	-	6,642



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PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 14 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding financial year.**

Business Segments

	Hotel Investments (S\$'000)	Property Sales (S\$'000)	Fee-based Segment (S\$'000)	Head office expenses (S\$'000)	Total (S\$'000)
Year ended 31 December 2017					
Revenue					
<u>Segment revenue</u>					
Sales	201,927	51,395	99,812	-	353,134
Intersegment sales	(427)	-	(35,196)	-	(35,623)
	201,500	51,395	64,616	-	317,511
Unallocated income					50,928
Total revenue					368,439
Results					
Segment results	9,423	2,332	4,965	(18,093)	(1,373)
Unallocated income					50,928
Profit from operations					49,555
Finance income					2,571
Finance costs					(28,181)
Share of results of associates					346
Share of results of joint ventures					(1,632)
Profit before taxation					22,659
Income tax expense					(7,802)
Profit after taxation for the year					14,857



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14 Business Segments (Cont'd)

	Hotel Investments (S\$'000)	Property Sales (S\$'000)	Fee-based Segment (S\$'000)	Head office expenses (S\$'000)	Total (S\$'000)
Year ended 31 December 2016					
Revenue					
<u>Segment revenue</u>					
Sales	197,783	51,305	93,832	-	342,920
Intersegment sales	(372)	-	(32,983)	-	(33,355)
	197,411	51,305	60,849	-	309,565
Unallocated income					29,652
Total revenue					339,217
Results					
Segment results	7,503	3,144	(2,687)	(10,979)	(3,019)
Unallocated income					29,652
Profit from operations					26,633
Finance income					3,674
Finance costs					(29,630)
Share of results of associates					33
Profit before taxation					710
Income tax expense					(7,660)
Loss after taxation for the year					(6,950)

15 In the review of performance, the factors leading to any material changes in the contributions to turnover and earnings by the business or geographical segments.

Please refer to section 8.

16 A breakdown of sales as follows:-

	YTD 31-Dec-17 (S\$'000)	YTD 31-Dec-16 (S\$'000)	Incr/(Decr) %
a) Sales reported for first half year	160,279	165,673	-3%
b) Operating loss after tax before deducting non-controlling interests reported for first half year	(11,099)	(12,183)	-9%
c) Sales reported for second half year	157,232	143,892	9%
d) Operating profit after tax before deducting non-controlling interests reported for second half year	25,956	5,233	396%



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17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

No dividend has been declared in respect of the current financial period.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).

	Age	Family relationship with any director, and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ho KwonCjan	62	Brother of Ho KwonPing (Executive Chairman & Substantial Shareholder)	Senior Vice President and Group Chief Designer - Senior designer, involved in overseeing design and project teams in the architectural subsidiary of Banyan Tree Holdings Limited since 2013	NIL
Chiang See Ngoh Claire	67	Spouse of Ho KwonPing	Senior Vice President, Chairperson, China Business Development, Managing Director, Retail Operations and Chairperson, Banyan Tree Global Foundation - Oversees the Group's retail business since 2005 - Directs and guides the Group's corporate social responsibility efforts in its mission to "Embrace the Environment, Empower the People" since 2009 - Focuses on acquisition of new management contracts in China and Advisor to the Group on Human Capital Development since 2010	NIL
Ho Ren Yung	33	Daughter of Ho KwonPing and Chiang See Ngoh Claire	Assistant Vice President/ Director, Banyan Tree Spa and Gallery - Responsible for the overall financial and operational performance of Spa and Gallery since 2017 - Align Spa and Gallery as core value drivers for BTHR's positive financial growth through restructuring and cross functional projects - Development of new operating concepts and products in growth segments of the wellness, hospitality and spa industry	NIL

19 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.

BY ORDER OF THE BOARD

Jane Teah
Company Secretary
26 February 2018