



BANYAN TREE HOLDINGS LIMITED

PRESS RELEASE

9TH November 2017

3Q17 OPERATING PROFIT* AT S\$34.8 MILLION COMPARED TO S\$0.3 MILLION IN 3Q16

FINANCIAL HIGHLIGHTS:

3Q17:

- Revenue increased 9% to S\$68.3 million.
- Operating Profit increased by S\$34.5 million to S\$34.8 million.

Due to:

- Gains from divestment of its interest in entities (S\$40.4 million) following a joint venture with China Vanke Co., Ltd. ("Vanke").
- Higher revenue recognition mainly from Property Sales as Cassia Bintan (Phase 1) was completed and sold units were recognised in 3Q17 when the keys were handed over.

Partially offset by:

- Lower contribution from Fee-based and Hotel Investments segments.
- Higher foreign exchange loss during the period.

9M17:

- Revenue was in line with the same period last year.
- Operating Profit increased by S\$38.8 million to S\$53.7 million.

Due to:

- Gains from divestment of its interest in entities as mentioned above.
- Higher contribution from Fee-based and Hotel Investments segments.
- Write-back of provision for doubtful debts following payment by several hotel owners in China.

Partially offset by:

- Lower contribution from Property Sales segment.

OUTLOOK:

- On Hotel Investments segment, based on hotel forward bookings for owned hotels for 4Q17, overall forward bookings is 9% above the same period last year (Thailand is 15% above and outside of Thailand is 1% above).
- Property Sales momentum continues in 3Q17. Deposits for 23 units with total sales value of S\$20.4 million was received in 3Q17 compared to 15 units of S\$8.1 million in 3Q16. As at 3Q17, the Group has unrecognised revenue of S\$132.4 million, compared to S\$84.5 million as at 3Q16. Approximately 17% will be recognised in 4Q17.
- Macro outlook¹:
 - Pickup of projected growth in 2017 is strengthening.
 - Growth outcome in first half of 2017 was stronger than expected. Upward revision to projected growth for our key markets including China and Russia.

¹ Source: IMF, World Economic Outlook Update (October 2017)

ADDENDUM

RESULTS SNAPSHOT:

3Q17 Results (in S\$' million):

	3Q17	3Q16	Change[@] (%)
Revenue	68.3	62.6	9% ↑
Operating Profit *	34.8	0.3	nm
PATMI**	20.1	(10.8)	nm

9M17 Results (in S\$' million):

	9M17	9M16	Change[@] (%)
Revenue	228.6	228.3	0% ↑
Operating Profit *	53.7	14.9	260% ↑
PATMI**	9.0	(24.6)	nm

* Operating Profit = EBITDA (Earnings before interests, taxes, depreciation & amortisation).

** PATMI = Profit after taxation and minority interests.

@ Variances are computed based on figures to the nearest thousands to be in line with announcement in the SGXnet.

DETAILED BUSINESS SEGMENTS REVIEW

Hotel Investments segment

Hotel Investments segment achieved revenue of S\$39.7 million in 3Q17, a decrease of 7% or S\$2.9 million compared to S\$42.6 million in 3Q16. The decrease in revenue was mainly from Maldives (S\$3.2 million) and China (S\$2.9 million) but partially cushioned by higher revenue from Thailand (S\$1.9 million) and Seychelles (S\$1.2 million).

For Maldives, hotel performance was below same period last year, RevPAR decreased by 33% from S\$297 in 3Q16 to S\$198 in 3Q17. For China, the Group had stopped recognising revenues for our China hotels (S\$2.9 million) following a joint venture with Vanke in August 2017. For Thailand, the increase in revenue was mainly contributed by the continuing strong performance of Banyan Tree Phuket and Banyan Tree Bangkok. On a same store basis, Revenue per Available Room ("RevPAR") for Thailand resorts increased by 10% from S\$155 in 3Q16 to S\$170 in 3Q17. For Seychelles, RevPAR increased by 39% from S\$563 in 3Q16 to S\$780 in 3Q17.

For 9M17, Hotel Investments segment achieved revenue of S\$147.1 million which was an increase of S\$1.4 million compared to S\$145.7 million in 9M16. The increase in revenue was mainly from Thailand (S\$7.1 million) and Seychelles (S\$2.2 million), which was partially offset by lower revenue from Maldives (S\$4.9 million) and China (S\$3.2 million).

Operating Profit decreased by S\$1.4 million in 3Q17 and increased by S\$1.2 million in 9M17. This was largely due to lower revenue in 3Q17 and higher revenue in 9M17 as mentioned earlier.

ADDENDUM

Property Sales segment

Revenue from the Property Sales segment increased by S\$9.4 million or 2.5 fold to S\$15.5 million in 3Q17. For 9M17, revenue decreased by S\$5.1 million or 13% to S\$32.8 million.

In 3Q17, a total of 46 units of Cassia Bintan (Phase 1), Cassia Phuket, Laguna Park townhomes/villas and Laguna Village condominiums were recognised. In comparison, 9 units of Cassia Phuket, Dusit villa and Laguna Park townhomes/villas were recognised in 3Q16. Cassia Bintan (Phase 1) was completed in August 2017 and the Group commenced recognition in 3Q17 when sold units were progressively handed over to the buyers.

In 9M17, a total of 108 units of Cassia Bintan (Phase 1), Cassia Phuket, Laguna Park townhomes/villas, Laguna Village condominiums and Laguna Chengdu (Phase 1) were recognised. In comparison, a total of 64 units of Cassia Phuket, Dusit villas, Banyan Tree Phuket villas, Laguna Park townhomes/villas and Laguna Village condominiums were recognised in 9M16. Despite higher quantity recognised in 9M17, the lower value of units recognised in 9M17 contributed to lower revenue as compared to 9M16.

Deposits for 23 new units sold with total sales value of S\$20.4 million was received in 3Q17 compared to deposits for 15 units in 3Q16, an increase of 53% and 2.5 fold in units and value terms respectively. For 9M17, deposits for 100 new units of total sales value of S\$81.3 million was received compared to deposits for 69 units in 9M16, an increase of 45% and 60% in units and value terms respectively.

Overall unrecognised revenue as at 30 September 2017 was S\$132.4 million as compared to S\$84.5 million as at 30 September 2016, of which about 17% will be progressively recognised in last quarter of 2017.

Operating Profit increased by S\$2.4 million in 3Q17 and decreased by S\$3.1 million in 9M17 mainly due to higher revenue recognised in 3Q17 and lower revenue recognised in 9M17 as mentioned earlier.

Fee-based segment

Revenue from the Fee-based segment decreased by S\$0.8 million or 6% to S\$13.0 million in 3Q17. This was mainly due to lower hotel management fees, lower revenue from Spa/Gallery operations and lower architectural and design fees earned from projects based on project milestones.

For 9M17, revenue increased by S\$3.9 million or 9% to S\$48.7 million. This was mainly due to higher architectural and design fees earned from projects in China, Dubai and Japan based on project milestones, but partially offset by lower hotel management fees and lower revenue from Spa/Gallery operations.

Operating Profit decreased by S\$3.6 million from a profit of S\$0.5 million to a loss of S\$3.1 million in 3Q17. This was mainly due to lower revenue as mentioned earlier, higher provision for bonus and incentives and higher exchange loss.

For 9M17, Operating Profit increased by S\$6.8 million from a loss of S\$3.7 million to a profit of S\$3.1 million. This was mainly due to higher revenue as mentioned earlier, lower foreign exchange loss and higher write-back of provision for doubtful debts, but partially offset by higher provision for bonus and incentives.

If management fees of those resorts which the Group has a majority interest were not eliminated on consolidation, Operating Profit would have a profit of S\$14.6 million in 9M17 as compared to S\$8.2 million in 9M16.

ADDENDUM

Head Office

Head office expenses increased by S\$3.2 million or 2.2 fold to S\$5.8 million in 3Q17, and increased by S\$5.0 million or 67% to S\$12.6 million in 9M17 mainly due to higher provision for bonus and incentives and higher legal and professional fees.

Profit/(Loss) attributable to owners of the Company

For 3Q17, profit increased by S\$30.9 million from a loss of S\$10.8 million in 3Q16 to a profit of S\$20.1 million. This was mainly attributable to higher other income and higher Operating Profit from Property Sales segment as a result of higher revenue, but partially offset by lower Operating Profit from Hotel Investments and Fee-based segments, higher head office expenses and higher non-controlling interests' share of profits.

For 9M17, profit increased by S\$33.6 million from a loss of S\$24.6 million in 9M16 to a profit of S\$9.0 million. This was mainly attributable to higher other income and higher Operating Profit from Fee-based and Hotel Investments segments as a result of higher revenue. This was partially offset by lower Operating Profit from Property Sales segment, higher head office expenses and higher income tax expense.

Cash Flow

During 9M17, the Group generated its funds mainly from proceeds from bank borrowings, issuance of new shares, irredeemable convertible debenture and proceeds received from Vanke in relation to the divestment of its interest in entities to BTAC.

It expended on property, plant and equipment for the resorts' operations and made payments on interests and income tax. It also made scheduled repayments of bank borrowings and repaid S\$50 million medium term notes upon maturity in May 2017.

As at 30 September 2017, the Group's cash and cash equivalents was S\$172.0 million.

About Banyan Tree Holdings Limited

Banyan Tree Holdings Limited (“Banyan Tree” or the “Group”) is a leading international operator and developer of premium resorts, hotels, residences and spas, with 42 hotels and resorts, 62 spas, 75 retail galleries, and three golf courses in 25 countries.

The Group’s primary business is centered on four brands: the award-winning **Banyan Tree** and **Angsana**, as well as newly established **Cassia** and **Dhawa**. Banyan Tree also operates the leading integrated resort in Thailand - Laguna Phuket - through the Group’s subsidiary, Laguna Resorts & Hotels Public Company Limited. Two other integrated resorts – Laguna Bintan in Indonesia and Laguna Lăng Cô in Central Vietnam – complete the status of the Group as the leading operator of integrated resorts in Asia.

As a leading operator of spas in Asia, Banyan Tree’s spas are one of the key features in their resorts and hotels. Its retail arm Banyan Tree Gallery complements and reinforces the branding of the resort, hotel and spa operations.

Since the launch of the first Banyan Tree resort, Banyan Tree Phuket, in 1994, Banyan Tree has received over 1,971 awards and accolades for the resorts, hotels and spas that the Group manages. The Group has also received recognition for its commitment to environmental protection and emphasis on corporate social responsibility.

In addition to its currently operating hotels, resorts, spas and golf courses, the Group currently has 15 hotels and resorts under construction, and another 29 under development.

www.banyantree.com www.angsana.com www.cassia.com www.dhawa.com



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