



BANYAN TREE HOLDINGS LIMITED

Unaudited results for the Second Quarter and Half Year ended 30 June 2018

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 30 Jun			Group 6 months ended 30 Jun		
		2018	2017	Incr/ (Decr) %	2018	2017	Incr/ (Decr) %
		(\$'000)	(\$'000)		(\$'000)	(\$'000)	
Revenue	1	68,397	69,843	-2%	166,593	160,279	4%
Other income	2	1,485	519	186%	18,585	963	nm
Costs and expenses							
Cost of operating supplies		(5,674)	(5,966)	-5%	(12,687)	(13,173)	-4%
Cost of properties sold		(8,633)	(7,783)	11%	(16,341)	(10,554)	55%
Salaries and related expenses		(20,700)	(25,495)	-19%	(46,148)	(53,364)	-14%
Administrative expenses		(7,321)	(12,258)	-40%	(21,002)	(27,533)	-24%
Sales and marketing expenses		(5,066)	(3,182)	59%	(9,268)	(6,737)	38%
Other operating expenses		(12,856)	(15,328)	-16%	(32,802)	(30,962)	6%
Total costs and expenses	3	(60,250)	(70,012)	-14%	(138,248)	(142,323)	-3%
Profit before interests, taxes, depreciation and amortisation ("Operating Profit")	4	9,632	350	nm	46,930	18,919	148%
Depreciation of property, plant and equipment		(5,360)	(5,762)	-7%	(10,550)	(11,423)	-8%
Amortisation expense		(559)	(683)	-18%	(1,102)	(1,371)	-20%
Profit/(Loss) from operations and other gains		3,713	(6,095)	nm	35,278	6,125	476%
Finance income		674	623	8%	1,276	1,236	3%
Finance costs	5	(8,005)	(7,153)	12%	(15,242)	(14,200)	7%
Share of results of associates	6	(1,204)	205	nm	222	(149)	nm
Share of results of joint ventures		-	-	-	(879)	-	100%
(Loss)/Profit before taxation		(4,822)	(12,420)	-61%	20,655	(6,988)	nm
Income tax expense	7	(820)	(1,484)	-45%	(4,840)	(4,111)	18%
(Loss)/Profit after taxation	8	(5,642)	(13,904)	-59%	15,815	(11,099)	nm
Attributable to:							
Owners of the Company	10	(5,349)	(12,264)	-56%	14,841	(11,065)	nm
Non-controlling interests	9	(293)	(1,640)	-82%	974	(34)	nm
(Loss)/Profit for the Period		(5,642)	(13,904)	-59%	15,815	(11,099)	nm



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1(a)(ii) Statement of Comprehensive Income

Notes	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
	2018 (S\$'000)	2017 (S\$'000)	Incr/ (Decr) %	2018 (S\$'000)	2017 (S\$'000)	Incr/ (Decr) %
(Loss)/Profit for the Period	(5,642)	(13,904)	-59%	15,815	(11,099)	nm
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	11 (5,047)	8,373	nm	1,878	(1,056)	nm
Total comprehensive (expense)/income for the Period	(10,689)	(5,531)	93%	17,693	(12,155)	nm
Attributable to:						
Owners of the Company	(8,755)	(8,139)	8%	13,944	(16,339)	nm
Non-controlling interests	(1,934)	2,608	nm	3,749	4,184	-10%
	(10,689)	(5,531)	93%	17,693	(12,155)	nm

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 over provision of tax relating to prior years of S\$394,000 (2Q17: under provision of S\$728,000) and over provision of S\$547,000 for 1H18 relating to prior years (1H17: under provision of S\$930,000).

	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
	2018 (S\$'000)	2017 (S\$'000)	Incr/ (Decr) %	2018 (S\$'000)	2017 (S\$'000)	Incr/ (Decr) %
Profit from operations and other gains is stated after charging/(crediting):						
Write-back of doubtful debts	-	(1,343)	-100%	(2,129)	(2,585)	-18%
Allowance for doubtful debts	429	152	182%	562	517	9%
Allowance for inventory obsolescence	33	17	94%	56	40	40%
Exchange (gain)/loss	(510)	1,296	nm	(588)	2,765	nm
Loss on disposal of property, plant and equipment	80	5	nm	282	97	191%
Fair value gain on derivatives	(242)	-	100%	(368)	-	100%



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1(a)(iv) Explanatory notes on performance for 2Q18

A. Vanke transactions

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.

As announced on 2 April 2018, Vanke and the Group have funded and acquired stakes of 93.3% and 6.7% respectively in Banyan Tree China Hospitality Fund (“China Fund”). The China Fund was subsequently injected into BTAC at the end of March 2018. In recognition of the respective contributions from Vanke and the Group for the acquisition of the China Fund, the Group’s interest in BTAC has been diluted from 50% to 22.8% and a gain on dilution of S\$16.1 million has been recognised. In addition, BTAC has been reclassified from joint ventures to associates following the dilution.

1. Revenue

Revenue decreased by S\$1.4 million from S\$69.8 million in 2Q17 to S\$68.4 million in 2Q18 as we have stop consolidating revenues of our China operations but receive license fees following the execution of the Vanke transactions as explained in note A. Excluding China operations, revenue for 2Q18 increased by S\$7.6 million from S\$59.6 million in 2Q17 to S\$67.3 million in 2Q18 mainly due to the following:

- For the Property Sales segment, revenue was higher by S\$8.0 million mainly due to completion of Phase 2 of Cassia Phuket and Cassia Bintan condominiums with sold units progressively handed over to the buyers.
- For the Fee-based segment, revenue was higher by S\$0.3 million in 2Q18 mainly due to higher recognition of architectural and design fees earned from projects in Greece, Turkey and Austria which was based on project milestones.

This was partially offset by:

- Hotel Investments segment recorded lower revenue by S\$0.7 million which was mainly contributed by hotels in Maldives and Thailand but partially cushioned by higher revenue from hotels in Seychelles and Indonesia.

2. Other income

Other income increased by S\$1.0 million from S\$0.5 million in 2Q17 to S\$1.5 million in 2Q18, mainly due to insurance claims relating to business interruption in Seychelles and fair value adjustments on call options issued to Accor S.A. and Vanke.



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1(a)(iv) Explanatory notes on performance for 2Q18 (Cont'd)

3. Total costs and expenses

Total costs and expenses decreased by S\$9.7 million from S\$70.0 million in 2Q17 to S\$60.3 million in 2Q18. This was mainly due to de-consolidation of expenses of China operations as mentioned in note A. Excluding China operations, total costs and expenses were in line with last year. Appended below are explanations for the variance:

- Cost of properties sold increased by S\$4.5 million from S\$4.2 million in 2Q17 to S\$8.7 million in 2Q18, which was in line with higher property sales revenue recognised during the period.
- Sales and marketing expenses increased by S\$2.2 million from S\$2.9 million in 2Q17 to S\$5.1 million in 2Q18 mainly due to higher expenses incurred for hotel marketing and higher property sales commissions.
- Administrative expenses decreased by S\$3.8 million from S\$11.1 million in 2Q17 to S\$7.3 million in 2Q18 mainly due to lower legal and professional fees, exchange gain in 2Q18 as compared to an exchange loss in 2Q17 and write-back of provision for compensation to buyers of Allamanda Condominiums after a settlement agreement was reached with the buyers (S\$1.2 million).
- Salaries and related expenses decreased by S\$1.5 million from S\$22.2 million in 2Q17 to S\$20.7 million in 2Q18 mainly due to lower provision for bonus and incentives.
- Other operating expenses decreased by S\$1.5 million from S\$14.3 million in 2Q17 to S\$12.8 million in 2Q18 mainly due to lower travelling expenses and repair and maintenance.

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

Operating Profit increased by S\$9.2 million from S\$0.4 million in 2Q17 to S\$9.6 million in 2Q18. This was largely due to higher operating profit from Property Sales segment as units recognised were at a higher margin, higher other income, lower salaries and related expenses and lower administrative expenses due to reasons mentioned above.

5. Finance costs

Finance costs increased by S\$0.8 million mainly due to loans taken to acquire additional shares in Laguna Resorts & Hotels Public Company Limited ("LRH") in April 2018.

6. Share of results of associates

As disclosed in note A above, the Group had started to equity account for the Group's share of results of the China entities since August 2017. As a result, Share of results of associates decreased from a profit of S\$0.2 million in 2Q17 to a loss of S\$1.2 million in 2Q18.

7. Income tax expense

On tax expenses, 2Q18 recorded tax expenses of S\$0.8 million notwithstanding losses incurred in the quarter mainly due to taxes on profit making companies within the group not able to offset against loss making companies due to absence of group relief and deferred tax assets not recognised for such loss making companies as there are no certainty of future profit. Tax expense was lower compared to last year mainly due to write-back of over provision of prior period tax expenses in 2Q18 as compared to under provision of prior year tax expenses in 2Q17. In addition, deferred tax assets not recognised in 2Q18 was lower than 2Q17 due to deconsolidation of China companies.



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1(a)(iv) Explanatory notes on performance for 2Q18 (Cont'd)

8. Loss after taxation

Loss after taxation decreased by S\$8.3 million from S\$13.9 million in 2Q17 to S\$5.6 million in 2Q18. This was mainly due to higher Operating Profit and lower income tax expense but partially offset by share of associates' losses and higher finance costs.

9. Non-controlling interests

Non-controlling interests' share of loss for 2Q18 was S\$1.3 million lower than 2Q17 mainly due to lower loss in LRH.

10. Loss attributable to owners of the Company

As a result of the foregoing, loss attributable to owners of the Company decreased by S\$6.9 million from S\$12.3 million in 2Q17 to S\$5.3 million in 2Q18.

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

In 2Q18, the exchange loss on translation of foreign operations' net assets of S\$5.0 million was mainly due to the depreciation of Thai Baht against Singapore dollar which was partially cushioned by appreciation of US dollar against Singapore dollar.

In 2Q17, the exchange gain on translation of foreign operations' net assets of S\$8.4 million was mainly due to the appreciation of Thai Baht and Chinese renminbi against Singapore dollar.



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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		
		30-Jun-18 (S\$'000)	31-Dec-17 (S\$'000)	Incr/ (Decr) %	30-Jun-18 (S\$'000)	31-Dec-17 (S\$'000)	Incr/ (Decr) %
Non-current assets							
Property, plant and equipment	1	575,792	642,013	-10%	-	-	-
Investment properties	2	47,849	70,644	-32%	-	-	-
Intangible assets		34,224	33,208	3%	2,859	2,890	-1%
Land use rights		2,445	2,445	0%	-	-	-
Subsidiaries		-	-	-	553,695	539,118	3%
Associates	3	273,810	107,249	155%	12,980	869	nm
Joint ventures	4	-	132,250	-100%	-	12,110	-100%
Long-term investments		14,862	14,862	0%	-	-	-
Deferred tax assets		18,374	16,378	12%	-	-	-
Prepaid island rental		20,333	20,432	0%	-	-	-
Prepayments		2,385	2,723	-12%	-	-	-
Long-term trade receivables		23,236	24,058	-3%	-	-	-
Other receivables		932	3,489	-73%	-	-	-
		1,014,242	1,069,751	-5%	569,534	554,987	3%
Current assets							
Property development costs		286,747	283,342	1%	-	-	-
Inventories		6,731	7,634	-12%	-	-	-
Prepayments and other non-financial assets		15,636	13,919	12%	243	120	103%
Trade receivables	5	29,235	37,122	-21%	-	-	-
Other receivables		8,135	7,646	6%	713	593	20%
Amounts due from subsidiaries		-	-	-	210,049	213,206	-1%
Amounts due from associates	6	83,086	64,963	28%	7,376	1,393	430%
Amounts due from joint ventures	6	7	6,291	-100%	-	3,156	-100%
Amounts due from related parties		26,193	23,155	13%	3	3	0%
Cash and short-term deposits		153,418	158,988	-4%	75,960	72,869	4%
		609,188	603,060	1%	294,344	291,340	1%
Assets of disposal group classified as held for sale	7	94,867	6,936	nm	-	-	-
		704,055	609,996	15%	294,344	291,340	1%
Total assets		1,718,297	1,679,747	2%	863,878	846,327	2%
Current liabilities							
Tax payable		8,570	7,106	21%	-	-	-
Unearned income		6,297	5,784	9%	-	-	-
Other non-financial liabilities	8	59,121	50,727	17%	427	534	-20%
Interest-bearing loans and borrowings	9	93,307	71,371	31%	32,600	2,600	nm
Notes payable		119,444	119,270	0%	119,444	119,270	0%
Trade payables		20,883	25,311	-17%	-	-	-
Other payables		34,752	43,172	-20%	8,548	9,049	-6%
Amounts due to subsidiaries		-	-	-	62,054	57,317	8%
Amounts due to associates	6	102,359	22,489	355%	78,320	18,009	335%
Amounts due to joint ventures	6	-	61,094	-100%	-	60,298	-100%
Amounts due to related parties		2,164	1,261	72%	12	-	100%
		446,897	407,585	10%	301,405	267,077	13%
Liabilities of disposal group classified as held for sale	7	6,594	-	100%	-	-	-
		453,491	407,585	11%	301,405	267,077	13%
Net current assets/(liabilities)		250,564	202,411	24%	(7,061)	24,263	nm



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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		
	30-Jun-18 (S\$'000)	31-Dec-17 (S\$'000)	Incr/ (Decr) %	30-Jun-18 (S\$'000)	31-Dec-17 (S\$'000)	Incr/ (Decr) %
Non-current liabilities						
Deferred tax liabilities	109,347	109,989	-1%	-	-	-
Defined and other long-term employee benefits	2,767	2,820	-2%	-	-	-
Deposits received	1,985	1,976	0%	-	-	-
Other non-financial liabilities	2,733	3,882	-30%	-	-	-
Interest-bearing loans and borrowings	192,242	150,689	28%	19,933	21,233	-6%
Notes payable	224,863	224,616	0%	224,863	224,616	0%
Other payables	2,326	654	256%	-	-	-
	536,263	494,626	8%	244,796	245,849	0%
Total liabilities	989,754	902,211	10%	546,201	512,926	6%
Net assets	728,543	777,536	-6%	317,677	333,401	-5%
Equity attributable to owners of the Company						
Share capital	241,520	241,520	0%	241,520	241,520	0%
Treasury shares	(587)	(142)	313%	(587)	(142)	313%
Reserves	412,804	359,248	15%	76,744	92,023	-17%
	653,737	600,626	9%	317,677	333,401	-5%
Non-controlling interests	74,806	176,910	-58%	-	-	-
Total equity	728,543	777,536	-6%	317,677	333,401	-5%



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Explanatory notes on Balance Sheet

1. Property, plant and equipment

Property, plant and equipment decreased by S\$66.2 million to S\$575.8 million as at 30 June 2018 mainly due to reclassification of the Group's assets in Banyan Tree Seychelles to "Assets of disposal group classified as held for sale" as mentioned in note 7.

2. Investment properties

Investment properties decreased by S\$22.8 million from S\$70.6 million to S\$47.8 million as at 30 June 2018. The decrease was mainly due to reclassification of the Group's development land in Seychelles to "Assets of disposal group classified as held for sale" as mentioned in note 7.

3. Associates

As mentioned in note A, the investment in Associates increased by S\$166.6 million from S\$107.2 million to S\$273.8 million in 2Q18 mainly due to reclassification of interest in BTAC from Joint ventures to Associates.

4. Joint ventures

Joint ventures decrease by S\$132.2 million due to share of joint ventures' results and reclassification to Associates as mentioned in note 3.

5. Trade receivables

Trade receivables reduced by S\$7.9 million to S\$29.2 million mainly due to higher collections from customers and reclassification of Banyan Tree Seychelles's Trade receivables to "Assets of disposal group classified as held for sale" as mentioned in note 7.

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

As mentioned in note 3, BTAC had been reclassified from joint ventures to associates in March 2018. As a result, net amount due to associates increased by S\$61.7 million and net amount due to joint ventures decreased by S\$54.8 million as at 30 June 2018. Included in amount due to associates were unsecured and interest free loans of S\$78.0 million.

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

On 24 July 2018, the Group announced that it had entered into a conditional Share Purchase Agreement to sell its entire assets portfolio in Seychelles which comprises the Banyan Tree resort as well as all the land plots it owns in Seychelles. As a result, the Group's assets and liabilities amounting to S\$94.9 million and S\$6.6 million have been presented in the Balance Sheet as "Assets of disposal group classified as held for sale". The increase in Assets of disposal group classified as held for sale was partially offset by reclassification to amount due from associates following injection of China Fund into BTAC as mentioned in note A.

8. Other non-financial liabilities

Other non-financial liabilities increased by S\$8.4 million to S\$59.1 million as at 30 June 2018 mainly due to deposits and progress payments from customers for property sales in Thailand.

9. Current and non-current interest-bearing loans and borrowings

Current and non-current interest-bearing loans and borrowings increased by S\$63.5 million to S\$285.5 million mainly due to drawdown of loan for acquiring additional shares in LRH which was partially offset by loan repayment during the period.



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

	Group As at	
	30-Jun-18 (S\$'000)	31-Dec-17 (S\$'000)
Amount repayable in one year or less, or on demand:-		
Secured	55,807	66,871
Unsecured	156,944	123,770
Sub-Total 1	212,751	190,641
Amount repayable after one year:-		
Secured	186,242	142,439
Unsecured	230,863	232,866
Sub-Total 2	417,105	375,305
Total Debt	629,856	565,946

Details of any collateral

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

	Group As at	
	30-Jun-18 (S\$'000)	31-Dec-17 (S\$'000)
Freehold land and buildings	350,977	353,455
Investment properties	25,974	25,973
Shares in a subsidiary	153,388	-
Property development costs	39,227	40,096
Leasehold land and buildings	14,493	14,844
Prepaid island rental	18,881	19,727
Other assets	6,659	6,102
	609,599	460,197



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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 30 Jun		Group 6 months ended 30 Jun	
	2018 (S\$'000)	2017 (S\$'000)	2018 (S\$'000)	2017 (S\$'000)
Cash flows from operating activities				
(Loss)/Profit before taxation	(4,822)	(12,420)	20,655	(6,988)
Adjustments for:				
Share of results of associates	1,204	(205)	(222)	149
Share of results of joint ventures	-	-	879	-
Depreciation of property, plant and equipment	5,360	5,762	10,550	11,423
Loss on disposal of property, plant and equipment	80	5	282	97
Finance income	(674)	(623)	(1,276)	(1,236)
Finance costs	8,005	7,153	15,242	14,200
Amortisation expense	559	683	1,102	1,371
Write-back of doubtful debts	-	(1,343)	(2,129)	(2,585)
Allowance for doubtful debts	429	152	562	517
Allowance for inventory obsolescence	33	17	56	40
Provision for employee benefits	65	64	124	126
Provision for Share-based payment expenses	149	(115)	204	(71)
Gain on dilution of joint venture	-	-	(16,113)	-
Fair value gain on derivatives	(242)	-	(368)	-
Currency realignment	2,488	(1,014)	925	(3,837)
Operating Profit/(Loss) before working capital changes	12,634	(1,884)	30,473	13,206
Decrease/(Increase) in inventories	13	(47)	(264)	147
Increase in property development costs	(2,095)	(8,880)	(5,738)	(16,320)
Decrease in trade and other receivables	2,559	9,322	10,446	21,289
Decrease/(Increase) in amounts due from related parties	12,767	(1,697)	11,236	(300)
Decrease in trade and other payables	(8,052)	(3,576)	(3,420)	(13,156)
	5,192	(4,878)	12,260	(8,340)
Cash flows generated from/(used in) operating activities	17,826	(6,762)	42,733	4,866
Interest received	654	635	1,257	1,244
Interest paid	(10,182)	(10,615)	(15,226)	(14,298)
Tax paid	(2,367)	(2,971)	(3,312)	(5,483)
Payment of employee benefits	(150)	(33)	(178)	(56)
Payment of cash settled share grants	(52)	(99)	(52)	(99)
Net cash flows generated from/(used in) operating activities	5,729	(19,845)	25,222	(13,826)
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,669)	(3,396)	(8,027)	(5,626)
Proceeds from disposal of property, plant and equipment	3	25	127	51
Increase in investment in associates	(18,800)	-	(18,800)	-
Acquisition of non-controlling interest	(57,488)	-	(57,488)	-
Dividend income from associate	1,183	745	1,183	745
Net cash flows used in investing activities	(76,771)	(2,626)	(83,005)	(4,830)
Cash flows from financing activities				
Proceeds from bank loans	96,157	40,687	102,178	89,576
Repayment of bank loans	(16,779)	(9,863)	(37,069)	(38,025)
Repayment of notes payable	-	(50,000)	-	(50,000)
Payment of dividends				
- by subsidiary to non-controlling interests	(363)	(596)	(363)	(596)
- by Company to shareholders	(8,404)	-	(8,404)	-
Purchase of treasury shares	(585)	-	(585)	-
Net cash flows generated from/(used in) financing activities	70,026	(19,772)	55,757	955
Net decrease in cash and cash equivalents	(1,016)	(42,243)	(2,026)	(17,701)
Net foreign exchange difference	(456)	573	418	(437)
Cash and cash equivalents at beginning of Period/Year	158,852	137,359	158,988	113,827
Cash and cash equivalents * at end of the Period	157,380	95,689	157,380	95,689

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



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Explanatory notes on Consolidated Cash Flow

The Group's cash and cash equivalents increased by S\$61.7 million or 64.5% from S\$95.7 million as at 30 June 2017 to S\$157.4 million as at 30 June 2018.

2Q18

For the three months ended 30 June 2018, net cash flows generated from operating activities was S\$5.7 million. This was mainly due to adjustments for non-cash items of S\$17.5 million and net increase in cash generated from working capital of S\$5.2 million but partially offset by loss before taxation of S\$4.8 million, net interest paid of S\$9.5 million and tax paid of S\$2.4 million. Non-cash items relate mainly to net finance costs of S\$7.3 million, currency realignment of S\$2.5 million, depreciation and amortisation expenses of S\$5.9 million and share of results of associates of S\$1.2 million.

Net cash flows used in investing activities was S\$76.8 million, mainly due to acquisition of additional shares in LRH S\$57.5 million and on-going purchases of furniture, fittings and equipment of S\$1.7 million by our resorts for their operations.

Net cash flows generated from financing activities amounted to S\$70.0 million, mainly due to additional bank borrowings of S\$96.2 million which includes S\$57.5 million used to finance the acquisition of additional shares in LRH. This was partially offset by scheduled repayments of bank borrowings of S\$16.8 million and dividend paid to ordinary shareholders of the Company of S\$8.4 million.

1H18

For the six months ended 30 June 2018, net cash flows generated from operating activities was S\$25.2 million. This was mainly due to profit before tax of S\$20.7 million, adjustments for non-cash items of S\$9.8 million and net increase in cash generated from working capital of S\$12.3 million but partially offset by net interest paid of S\$14.0 million and tax paid of S\$3.3 million. Non-cash items relate mainly to net finance costs of S\$14.0 million, depreciation and amortisation expenses of S\$11.7 million, share of associate/joint ventures' results of S\$0.7 million and currency realignment of S\$0.9 million, net of gain on dilution of joint venture of S\$16.1 million and write-back of doubtful debts of S\$1.6 million.

Net cash flows used in investing activities was S\$83.0 million, mainly due to acquisition of additional shares in LRH S\$57.5 million and on-going purchases of furniture, fittings and equipment of S\$8.0 million by our resorts for their operations.

Net cash flows generated from financing activities amounted to S\$55.8 million, mainly due to additional bank borrowings of S\$102.2 million which includes S\$57.5 million used to finance the acquisition of additional shares in LRH. This was partially offset by scheduled repayments of bank borrowings of S\$37.1 million and dividend paid to ordinary shareholders of the Company of S\$8.4 million.



BANYAN TREE HOLDINGS LIMITED

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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 2018	241,520	(142)	7,976	8,280	182,107	(33,865)	(19,409)	214,159	600,626	176,910	777,536
Profit after taxation	-	-	-	-	-	-	-	20,190	20,190	1,267	21,457
Other comprehensive income for the Period	-	-	-	-	-	2,509	-	-	2,509	4,416	6,925
Total comprehensive income for the Period	-	-	-	-	-	2,509	-	20,190	22,699	5,683	28,382
<u>Contributions by and distributions to owners</u>											
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	49	-	-	-	-	-	49	-	49
Total transactions with owners in their capacity as owners	-	-	49	-	-	-	-	-	49	-	49
<u>Other changes in equity</u>											
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(18)	-	-	18	-	-	-
Total other changes in equity	-	-	-	-	(18)	-	-	18	-	-	-
Balance as at 31 March 2018	241,520	(142)	8,025	8,280	182,089	(31,356)	(19,409)	234,367	623,374	182,593	805,967

* 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 Second Quarter and Half Year ended 30 June 2018

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 April 2018	241,520	(142)	8,025	8,280	182,089	(31,356)	(19,409)	234,367	623,374	182,593	805,967
Loss after taxation	-	-	-	-	-	-	-	(5,349)	(5,349)	(293)	(5,642)
Other comprehensive income for the Period	-	-	-	-	-	(3,406)	-	-	(3,406)	(1,641)	(5,047)
Total comprehensive income for the Period	-	-	-	-	-	(3,406)	-	(5,349)	(8,755)	(1,934)	(10,689)
<u>Contributions by and distributions to owners</u>											
Dividend paid on ordinary shares	-	-	-	-	-	-	-	(8,404)	(8,404)	-	(8,404)
Treasury shares reissued pursuant to Share-based Incentive Plan	-	140	(121)	-	-	-	(19)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	105	-	-	-	-	-	105	-	105
Acquisition of Treasury shares	-	(585)	-	-	-	-	-	-	(585)	-	(585)
Total contributions by and distributions to owners	-	(445)	(16)	-	-	-	(19)	(8,404)	(8,884)	-	(8,884)
<u>Changes in ownership interests in subsidiary</u>											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	48,002	-	48,002	(105,490)	(57,488)
Total changes in ownership interests in subsidiary	-	-	-	-	-	-	48,002	-	48,002	(105,490)	(57,488)
Total transactions with owners in their capacity as owners	-	(445)	(16)	-	-	-	47,983	(8,404)	39,118	(105,490)	(66,372)
<u>Other changes in equity</u>											
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(363)	(363)
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(94)	-	-	94	-	-	-
Total other changes in equity	-	-	-	-	(94)	-	-	94	-	(363)	(363)
Balance as at 30 June 2018	241,520	(587)	8,009	8,280	181,995	(34,762)	28,574	220,708	653,737	74,806	728,543

* 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 Second Quarter and Half Year ended 30 June 2018

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	-	-	-	-	-	-	-	1,199	1,199	1,606	2,805
Other comprehensive income for the Period	-	-	-	-	-	(9,399)	-	-	(9,399)	(30)	(9,429)
Total comprehensive income for the Period	-	-	-	-	-	(9,399)	-	1,199	(8,200)	1,576	(6,624)
<u>Contributions by and distributions to owners</u>											
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	30	-	-	-	-	-	30	-	30
Total transactions with owners in their capacity as owners	-	-	30	-	-	-	-	-	30	-	30
<u>Other changes in equity</u>											
Transfer to legal reserve	-	-	-	1	-	-	-	(1)	-	-	-
Total other changes in equity	-	-	-	1	-	-	-	(1)	-	-	-
Balance as at 31 March 2017	199,995	(235)	8,070	9,900	181,773	(29,233)	(16,415)	202,459	556,314	169,938	726,252

* 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 Second Quarter and Half Year ended 30 June 2018

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 April 2017	199,995	(235)	8,070	9,900	181,773	(29,233)	(16,415)	202,459	556,314	169,938	726,252
Loss after taxation	-	-	-	-	-	-	-	(12,264)	(12,264)	(1,640)	(13,904)
Other comprehensive income for the Period	-	-	-	-	-	4,125	-	-	4,125	4,248	8,373
Total comprehensive income for the Period	-	-	-	-	-	4,125	-	(12,264)	(8,139)	2,608	(5,531)
Contributions by and distributions to owners											
Treasury shares reissued pursuant to Share-based Incentive Plan	-	93	(66)	-	-	-	(27)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	(123)	-	-	-	-	-	(123)	-	(123)
Total transactions with owners in their capacity as owners	-	93	(189)	-	-	-	(27)	-	(123)	-	(123)
Other changes in equity											
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(596)	(596)
Transfer to legal reserve	-	-	-	33	-	-	-	(33)	-	-	-
Total other changes in equity	-	-	-	33	-	-	-	(33)	-	(596)	(596)
Balance as at 30 June 2017	199,995	(142)	7,881	9,933	181,773	(25,108)	(16,442)	190,162	548,052	171,950	720,002

* 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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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 2018	241,520	(142)	7,976	4,683	79,364	333,401
Total comprehensive income for the Period	-	-	-	-	(5,935)	(5,935)
<u>Contributions by and distributions to owners</u>						
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	49	-	-	49
Total transactions with owners in their capacity as owners	-	-	49	-	-	49
Balance as at 31 March 2018	241,520	(142)	8,025	4,683	73,429	327,515
Balance as at 1 April 2018	241,520	(142)	8,025	4,683	73,429	327,515
Total comprehensive income for the Period	-	-	-	-	(954)	(954)
<u>Contributions by and distributions to owners</u>						
Dividends paid on ordinary shares	-	-	-	-	(8,404)	(8,404)
Treasury shares reissued pursuant to Share-based Incentive Plan	-	140	(121)	(19)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	105	-	-	105
Acquisition of Treasury shares	-	(585)	-	-	-	(585)
Total transactions with owners in their capacity as owners	-	(445)	(16)	(19)	(8,404)	(8,884)
Balance as at 30 June 2018	241,520	(587)	8,009	4,664	64,071	317,677

* 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 Second Quarter and Half Year ended 30 June 2018

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	-	-	-	-	(11,188)	(11,188)
<u>Contributions by and distributions to owners</u>						
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	30	-	-	30
Total transactions with owners in their capacity as owners	-	-	30	-	-	30
Balance as at 31 March 2017	199,995	(235)	8,070	4,710	34,483	247,023
Balance as at 1 April 2017	199,995	(235)	8,070	4,710	34,483	247,023
Total comprehensive income for the Period	-	-	-	-	6,192	6,192
<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	-	-	(123)	-	-	(123)
Total transactions with owners in their capacity as owners	-	93	(189)	(27)	-	(123)
Balance as at 30 June 2017	199,995	(142)	7,881	4,683	40,675	253,092

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



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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, the Company purchased 1,000,000 shares by way of market acquisition (2Q17: Nil). This resulted in an increase in cumulative number of treasury shares held from 208,000 as at 31 March 2018 to 1,002,600 (after 205,400 shares awards vested under Restricted Share Plan) as at 30 June 2018 (2Q17: 208,000), and a decrease in number of issued share excluding treasury shares from 841,156,980 as at 31 March 2018 to 840,362,380 as at 30 June 2018 (2Q17: 761,194,280).

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 (2Q17: Nil). 205,400 (2Q17: 137,500) shares awards were vested under Restricted Share Plan for initial awards issued for FY2016 and FY2017.

Grant and cancellation of share awards

Performance Share Plan

During the quarter, 240,000 share awards were granted (2Q17: 180,000) and 120,000 shares awards were cancelled (2Q17: 120,000) under the Banyan Tree Performance Share Plan. As at 30 June 2018, initial awards for 585,000 shares (As at 30 June 2017: 465,000) have been granted under the plan which will vest upon meeting specified performance conditions.

Restricted Share Plan

During the quarter, 438,750 share awards were granted (2Q17: 427,500) and 178,900 shares awards were cancelled (2Q17: 281,950) under the Banyan Tree Restricted Share Plan. As at 30 June 2018, initial awards for 869,150 shares (As at 30 June 2017: 482,300) 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.

	30-Jun-18 No. of shares	31-Dec-17 No. of shares
Number of issued shares excluding Treasury shares	840,362,380	841,156,980

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.

	30-Jun-18 No. of shares	31-Dec-17 No. of shares
At 1 January	208,000	345,500
Purchase of additional treasury shares	1,000,000	-
Reissued pursuant to Share-based Incentive Plan	(205,400)	(137,500)
	1,002,600	208,000



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Unaudited results for the Second Quarter and Half Year ended 30 June 2018

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 2017.

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 2017, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2018. The adoption of the standards and interpretations does not have material impact to the financial statements in the period of initial application.

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 30 Jun		6 months ended 30 Jun	
	2018	2017	2018	2017
a) Based on the weighted average number of ordinary shares on issue (cents)	(0.64)	(1.61)	1.77	(1.45)
b) On fully diluted basis (cents)	(0.64)	(1.61)	1.60	(1.45)

(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 840,393,090 and 761,194,280 ordinary shares respectively.

The basic earnings per ordinary share for the 6 months period and the same period last year have been calculated based on the weighted average number of 840,772,925 and 761,125,910 ordinary shares respectively.



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Unaudited results for the Second Quarter and Half Year ended 30 June 2018

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: -

(b) On a fully diluted basis (detailing any adjustments made to the earnings). (Cont'd)

(ii) For the 3 months period ended 30 June 2018, 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 3 months period ended 30 June 2018.

The diluted earnings per ordinary share for the 6 months period has been calculated based on the weighted average number of 926,767,083 ordinary shares.

For the 3 months and the 6 months period ended 30 June 2017, 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 3 months and the 6 months period ended 30 June 2017.

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	
	30-Jun-18	31-Dec-17	30-Jun-18	31-Dec-17
Net asset value per ordinary share based on issued share capital* at the end of the Period (S\$)	0.78	0.71	0.38	0.40

* Ordinary shares in issue as at 30 June 2018 and 31 December 2017 are 840,362,380 and 841,156,980 shares respectively.



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Unaudited results for the Second Quarter and Half Year ended 30 June 2018

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 30 Jun		2018 vs 2017	
	2018 (S\$'000)	2017 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	38,746	41,993	(3,247)	-8%
Property Sales	15,076	11,464	3,612	32%
- Hotel Residences	8,105	45	8,060	nm
- Laguna Property Sales	6,971	11,419	(4,448)	-39%
Fee-based Segment	14,575	16,386	(1,811)	-11%
- Hotel/Fund/Club Management	4,781	5,946	(1,165)	-20%
- Spa/Gallery Operations	4,840	6,179	(1,339)	-22%
- Design and Others	4,954	4,261	693	16%
Revenue	68,397	69,843	(1,446)	-2%

	Group			
	6 months ended 30 Jun		2018 vs 2017	
	2018 (S\$'000)	2017 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	107,043	107,373	(330)	0%
Property Sales	29,882	17,265	12,617	73%
- Hotel Residences	14,665	165	14,500	nm
- Laguna Property Sales	15,217	17,100	(1,883)	-11%
Fee-based Segment	29,668	35,641	(5,973)	-17%
- Hotel/Fund/Club Management	10,336	11,125	(789)	-7%
- Spa/Gallery Operations	10,008	12,421	(2,413)	-19%
- Design and Others	9,324	12,095	(2,771)	-23%
Revenue	166,593	160,279	6,314	4%



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B) PROFITABILITY

	Group			
	3 months ended 30 Jun		2018 vs 2017	
	2018 (S\$'000)	2017 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	1,938	2,472	(534)	-22%
Property Sales	2,855	(1,338)	4,193	nm
- Hotel Residences	1,411	(1,747)	3,158	nm
- Laguna Property Sales	1,444	409	1,035	253%
Fee-based Segment	4,588	2,646	1,942	73%
- Hotel/Fund/Club Management	2,671	1,969	702	36%
- Spa/Gallery Operations	914	850	64	8%
- Design and Others	1,003	(173)	1,176	nm
Head Office Expenses	(1,234)	(3,949)	(2,715)	-69%
Other Income (net)	1,485	519	966	186%
Operating Profit (EBITDA)	9,632	350	9,282	nm
Loss attributable to owners of the Company (PATMI)	(5,349)	(12,264)	6,915	-56%

	Group			
	6 months ended 30 Jun		2018 vs 2017	
	2018 (S\$'000)	2017 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	22,948	20,597	2,351	11%
Property Sales	1,464	(2,000)	3,464	nm
- Hotel Residences	1,791	(2,695)	4,486	nm
- Laguna Property Sales	(327)	695	(1,022)	nm
Fee-based Segment	9,537	6,157	3,380	55%
- Hotel/Fund/Club Management	6,610	2,940	3,670	125%
- Spa/Gallery Operations	2,046	1,099	947	86%
- Design and Others	881	2,118	(1,237)	-58%
Head Office Expenses	(5,604)	(6,798)	(1,194)	-18%
Other Income (net)	18,585	963	17,622	nm
Operating Profit (EBITDA)	46,930	18,919	28,011	148%
Profit/(Loss) attributable to owners of the Company (PATMI)	14,841	(11,065)	25,906	nm



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C) BUSINESS SEGMENTS REVIEW

i) Hotel Investments segment

Hotel Investments segment achieved revenue of S\$38.8 million in 2Q18, a decrease of 8% or S\$3.2 million compared to S\$42.0 million in 2Q17. The decrease in revenue was mainly from Maldives (S\$1.6 million), Thailand (S\$0.8 million) and deconsolidation of China (S\$2.5 million) but partially cushioned by higher revenues from Seychelles (S\$1.1 million) and Indonesia (S\$0.4 million).

For Maldives, hotel performance was below the same period last year with Revenue per Available Room ("RevPAR") decreased by 24% from S\$224 in 2Q17 to S\$170 in 2Q18 mainly due to a reduction in tourist arrivals especially from the Chinese market following declaration of state of emergency in Maldives in 1Q18. For Thailand, the decrease in revenue was mainly from Angsana Laguna Phuket due to lower MICE and events business during this traditionally low season period. On a same store basis, RevPAR from Thailand resorts decreased by 2% from S\$157 in 2Q17 to S\$154 in 2Q18. For Seychelles, RevPAR increased by 32% from S\$577 in 2Q17 to S\$761 in 2Q18. For China, the Group had stopped recognising revenue and started to equity account the results of our China hotels following our joint venture with Vanke in August 2017.

Operating Profit decreased by S\$0.5 million in 2Q18 mainly due to lower revenue as mentioned earlier.

For 1H18, Hotel Investments segment achieved revenue of S\$107.0 million, a decrease of S\$0.3 million compared to S\$107.4 million in 1H17. The decrease in revenue was mainly from Maldives (S\$2.7 million) and China (S\$5.0 million) which was partially cushioned by increase in revenue from Thailand (S\$4.1 million) Seychelles (S\$2.0 million) and Indonesia (S\$0.8 million).

Notwithstanding lower revenue, Operating Profit increased by S\$2.4 million in 1H18 as the Group no longer consolidate the result of China hotels which recorded losses in 1H17.

ii) Property Sales segment

Revenue from the Property Sales segment increased by S\$3.6 million or 32% to S\$15.1 million in 2Q18. For 1H18, revenue increased by S\$12.6 million or 73% to S\$29.9 million.

In 2Q18, a total of 35 units of Cassia Phuket (Phase 2), Laguna Park townhomes/villas, Laguna Village residences and Cassia Bintan (Phase 2) were recognised. In comparison, a total of 12 units of Laguna Park townhomes/villas in Phuket and 44 units of Laguna Chengdu in China were recognised in 2Q17. Phase 2 of Cassia Phuket and Cassia Bintan was completed in 2017 and sold units were substantially recognised when handed over to buyers from 4Q17 to 2Q18. Despite the lower quantity recognised in 2Q18, overall revenue was higher due to the higher selling price of properties recognised in 2Q18 compared to 2Q17 which consists mainly of Laguna Chengdu which had a lower selling price.

In 1H18, a total of 64 units of Cassia Phuket (Phase 2), Laguna Park townhomes/villas, Laguna Village residences and Cassia Bintan (Phase 2) were recognised. In comparison, a total of 62 units of Laguna Chengdu, Laguna Park townhomes/villas and Laguna Villa residences were recognised in 1H17.

Deposits for 50 new units sold with total sales value of S\$34.9 million were received in 2Q18 compared to deposits for 44 units in 2Q17 of S\$32.3 million, a 14% increase in units and 8% increase in value terms. For 1H18, deposits for 138 units sold with total sales value of S\$85.7 million were received compared to 95 units in 1H17 of S\$85.9 million, an increase of 45% in units and total sales value is consistent with 1H17.

Overall unrecognised revenue as at 30 June 2018 was S\$202.3 million as compared to S\$154.0 million as at 30 June 2017, about a quarter of which will be recognised in the second half of 2018.

Operating Profit increased by S\$4.2 million from a loss of S\$1.3 million to a profit of S\$2.9 million in 2Q18 and a loss of S\$2.0 million to a profit of S\$1.5 million in 1H18. This was mainly due to higher revenue as mentioned earlier and write-back of provision for compensation to buyers of Allamanda Condominiums after a settlement agreement was reached with the buyers. However, for 1H18, Operating Profit was partially reduced by write-off of deposit paid for land purchase in Thailand and higher expenses on projects where revenue recognition had not commenced.



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iii) Fee-based segment

Revenue from the Fee-based segment decreased by S\$1.8 million or 11% in 2Q18 and S\$6.0 million or 17% in 1H18 as we have stop consolidating revenues of our China operations but receive license fees following the execution of the Vanke transactions as explained in note A.

Operating Profit increased by S\$1.9 million in 2Q18 and S\$3.4 million in 1H18 notwithstanding lower revenues. This was mainly due to lower provision for bonus and incentives and exchange gains in 2018 as compared to exchange losses in 2017 partially offset by lower profit from China operations.

If management fees of those resorts which the Group has a majority interest were not eliminated on consolidation, Operating Profit would have been S\$7.4 million in 2Q18 as compared to S\$5.8 million in 2Q17, and S\$18.6 million in 1H18 as compared to S\$14.8 million in 1H17.

iv) Head Office

Head Office expenses decreased by S\$2.7 million or 69% to S\$1.2 million in 2Q18 and S\$1.2 million or 18% to S\$5.6 million for 1H18 mainly due lower legal and professional fees, lower foreign exchange losses and lower provision for bonus and incentives.

v) (Loss)/Profit attributable to owners of the Company

Loss decreased by S\$7.0 million from S\$12.3 million in 2Q17 to S\$5.3 million in 2Q18 and profit increased by S\$25.9 million from a loss of S\$11.1 million to a profit of S\$14.8 million in 1H18 mainly attributable to higher Operating Profit from Property Sales segment as a result of higher revenue coupled with higher other income, lower salaries and related expenses, and lower administrative expenses. This was partially offset by share of losses of associates/joint ventures, higher finance costs and movements in non-controlling interests' share of profits in LRH.

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 1Q18's results commentary.



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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's latest report¹, the Global economic growth is in line with previous forecast but expansion is less even. Growth in our key markets in Europe and China is projected to slow gradually amid rising US dollar and escalating trade tensions.

On Hotel Investments segment, based on hotel forward bookings for owned hotels for 3Q18, Thailand are 2% below the same period last year due to slower MICE and events business for Angsana Laguna Phuket. This is cushioned by favorable forward bookings for hotels outside Thailand which are 18% above the same period last year. Overall, forward bookings are 6% above the same period last year.

On Property Sales segment, deposits for 50 units with total sales value of S\$34.9 million were received in 2Q18 compared to 44 units of S\$32.3 million in 2Q17. As at 30 June 2018, the Group has unrecognised revenue of S\$202.3 million, compared to S\$154.0 million as at 30 June 2017, which is an increase of 31%. Approximately 25% will be progressively recognised in the 2nd half of 2018.

On 24 July 2018, the Group announced that it had entered into a conditional Share Purchase Agreement to sell its entire assets portfolio in Seychelles which comprises the Banyan Tree resort as well as all the land plots it owns in Seychelles as part of the Group's ongoing strategy to unlock the value of its mature assets to create value for our other markets. The Group will continue to manage Banyan Tree Resorts Seychelles under a Hotel Management Agreement. Further details can be found in that announcement.

New Openings

The Group expect to open the following 6 new resorts in the next 12 months:

- i. Angsana Cayo Santa Maria, San Agustin, Cayo Las Brujas, Cuba
- ii. Angsana Corfu, Greece
- iii. Angsana Xishuangbanna, Yunnan, China
- iv. Angsana Teluk Bahang, Penang, Malaysia
- v. Royale Pavilion by Banyan Tree, Kuala Lumpur, Malaysia
- vi. Dhawa Jinshanling, Hebei, China

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

¹ Source: IMF, World Economic Outlook Update (July 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? No

(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).

Not applicable.

(d) Date payable

Not applicable.

(e) Books disclosure date

Not applicable.

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

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



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13 Interested Persons Transactions for the half year ended 30 June 2018

	Interested Person Transactions	Aggregate value of all interested person transactions for Q2 (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 Q2 (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	-	665
b	Provision of Spa Management and Other Related Services to TRG	-	123
c	Rental Income from TRG in respect of units in Banyan Tree Bintan and Angsana Bintan	-	550
d	Reimbursement of Expenses - from TRG	-	479
	Total	-	1,817

14 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.

15 Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual

The Directors of Banyan Tree Holdings Limited (the "Company") confirm that taking into account the matters announced and publicly disclosed by the Company prior to the date of this confirmation and the prevailing accounting policies adopted by the Company in accordance with the Singapore Financial Reporting Standards, to the best of their knowledge, nothing has come to their attention which may render the first quarter financial results false or misleading in any material respect.

BY ORDER OF THE BOARD

Jane Teah
Company Secretary
13 August 2018