

No. L011/2018

March 2, 2018

Subject: Receiving of the Voluntary Tender Offer document (Form 247-4)

**To: President
The Stock Exchange of Thailand**

Enclosure: Voluntary Tender Offer documents (Form 247-4)

Laguna Resorts & Hotels Public Company Limited (the "**Company**") would like to inform you that, today March 2, 2018, the Company has received the Tender Offer documents (Form 247-4) from Banyan Tree Holdings Limited and Banyan Tree Resorts & Spas (Thailand) Company Limited (the "**Group of Offerors**"), who currently hold 54.22 percent in aggregate of the issued and paid-up shares and voting rights of the Company, for the acquisition of all remaining 76,312,552 ordinary shares in the Company representing 45.78 percent of the total issued and paid up shares and voting rights, the details of which are set out in the enclosure.

Please be informed accordingly.

Yours faithfully,

(Mr. Kuan Chiet)

Vice President – Finance & Administration

(Translation)

Tender Offer to Purchase Securities

of



Laguna Resorts & Hotels Public Company Limited

by

1. Banyan Tree Holdings Limited and
2. Banyan Tree Resorts & Spas (Thailand) Company Limited

Group of Offerors



Asia Plus Advisory Company Limited

Financial Advisor and Tender Offer Preparer



SCB Securities Company Limited

Tender Offer Agent

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DISCLAIMER

The English translation of this Tender Offer Document has been prepared solely for the convenience of the foreign shareholders of Laguna Resorts & Hotels Public Company Limited and should not be relied upon as a definitive and official Tender Offer Document for securities of Laguna Resorts & Hotels Public Company Limited. The Thai version of the Tender Offer Document is the definitive and official document and shall prevail in all respects in the event of any inconsistency with the English translation.

Tender Offer to Purchase Securities of Laguna Resorts & Hotels Public Company Limited

(Tender Offer Price and Tender Offer Period as specified in the Tender Offer Document are final and will not be changed unless the conditions under Clause 8 are met)

Dear Securities Holders of Laguna Resorts & Hotels Public Company Limited

We, Banyan Tree Holdings Limited and Banyan Tree Resorts & Spas (Thailand) Company Limited (“**Group of Offerors**”), hereby make a voluntary tender offer for the securities of Laguna Resorts & Hotels Public Company Limited (“**the Business**” or “**LRH**”) with the details as follows:

Part 1

Essence of the Tender Offer

1. Submission Date:

2 March 2018

2. The Tender Offerors Name:

2.1 Banyan Tree Holdings Limited (“**Banyan Tree Holdings**” or “**BTH**”) and

2.2 Banyan Tree Resorts & Spas (Thailand) Company Limited (“**Banyan Tree Resorts & Spas**” or “**BTR & Spa**”)

Collectively referred to as “**the Group of Offerors**”. In this connection, Banyan Tree Resorts & Spas has been appointed by the Group of Offerors to be the sole purchaser of all LRH shares tendered in this Tender Offer pursuant to the Memorandum of Understanding regarding the Tender Offer of all Remaining Shares in LRH among the Group of Offerors (which can be referred to in Appendix G).

3. The Tender Offer Preparer Name:

Asia Plus Advisory Company Limited (“**Asia Plus Advisory**” or “**Tender Offer Preparer**”)

4. Objective of the Tender Offer

Banyan Tree Holdings Limited, a listed company on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), is a major shareholder through the direct shareholding and indirect shareholding via BTR & Spa, holding 54.22 percent in aggregate of the total issued and paid-up shares and voting rights of the Business. BTH has intended to increase its economic interest in LRH. Therefore, the Board of Directors of BTH has passed the resolution to approve Banyan Tree Holdings and Banyan Tree Resorts & Spas (Thailand) to make a voluntary tender offer of all remaining LRH’s shares. The Group of Offerors has no plan to delist shares of LRH from the Stock Exchange of Thailand (“**SET**”) within the next 12 months after the completion date of the Tender Offer Period, and also has no policy to change its business structure, significant management teams and the member of Board of Directors of the Business.

Whereby, Banyan Tree Holdings Limited; holding 74,632,342 shares or 44.78 percent of the Business's total paid-up shares and voting rights; and Banyan Tree Resorts & Spas (Thailand) Company Limited; holding 15,737,807 shares or 9.44 percent of the Business's total paid-up shares and voting rights; commence the status of being persons acting in concert for this voluntary tender offer according to the aforementioned purpose, thereby having obliged to jointly propose the Tender Offer according to the Notification of Capital Market Supervisory Board TorJor. 7/2552 Re: Acting in concert as a result of the nature of a relationship or behavior and requirements under Sections 246 and 247. Banyan Tree Resorts & Spas (Thailand) has been appointed by the Group of Offerors as a sole purchaser of all securities of the Business in this Tender Offer.

5. Types and class of securities offered to be purchased

As of the submission date, the Business has only one type of securities which is ordinary shares totaling of 166,682,701 shares, of par value of Baht 10 per share whereby each share carries one vote.

As of the submission date, the Group of Offerors holds 90,370,149 shares of LRH equal to 54.22 percent of total paid-up shares and voting rights of the Business. Therefore, the Group of Offerors makes a voluntary tender offer for all remaining of 76,312,552 ordinary shares of the Business equals to 45.78 percent of total paid-up shares and voting rights of the Business.

Summary of the Group of Offerors holds in LRH

Shareholders	Shares	Percentage in comparison with	
		Total issued shares	Total voting rights
The Group of Offerors			
1. Banyan Tree Holdings Limited	74,632,342	44.78	44.78
2. Banyan Tree Resorts & Spas (Thailand)	15,737,807	9.44	9.44
Total of the Group of Offerors	90,370,149	54.22	54.22
Other shareholders	76,312,552	45.78	45.78
Total	166,682,701	100.00	100.00

6. Offer Price

The Tender Offer Price is Baht 40.00 (Forty Baht) per share ("Tender Offer Price"). The shareholders who accept this Tender Offer (the "Offeree") will bear the commission fee at the rate of 0.25 percent of the Tender Offer Price, together with the applicable value added tax (VAT) at the rate of 7 percent on such portion of the commission fee. Thus, the net proceed of the Tender Offer Price payable to the Offerees is Baht 39.89 (Thirty Nine Baht Eighty Nine Satang) per share. Whereby such Tender Offer Price is

() The final offer that shall not be changed (except as per the conditions specified all alternatives)

() Not the final offer and may be changed by the Group of Offerors.

In calculating the net proceed to each Offeree, SCB Securities Company Limited (“**the Tender Offer Agent**”) shall multiply the net offering price by the number of shares tendered and round the amount to two decimal points. If the number in the third decimal point is greater than or equal to five, such number will be round up, while the number less than five shall be disregarded.

The Tender Offer Agent will deduct withholding tax of 15 percent of the capital gains of the Offeree who is a foreign juristic person not carrying on business in Thailand and residing in a country that has no double tax treaty with Thailand, or residing in a country that is the party to a double tax treaty with Thailand but such double tax treaty does not exempt such foreign juristic person from withholding tax on the capital gains realized from the sale of securities in Thailand. The withholding tax will be calculated on capital gains from the sale of shares (i.e. the difference between the Tender Offer Price and the original cost the Offeree had paid for such tendered shares).

The Offeree must declare the original cost of such tendered shares and submit proper evidence thereof to the Tender Offer Agent (For additional details, please refer to Part 4 Clause 1.2 and Appendix B.3 Confirmation of Securities Cost Form for Ordinary Shares or Appendix D.3 Confirmation of Securities Cost Form for Non-Voting Depository Receipt; NVDRs). In the event that any Offeree fails to declare such original cost or does not submit the proper evidence thereof, together with the Confirmation of Securities Cost Form, the Tender Offer Agent will determine the amount of withholding tax on the basis of the entire proceeds to be received by the Offeree from the sale of shares and will deduct the tax accordingly.

The Offeree who is a Thai juristic person must pay withhold tax of 3 percent of the brokerage fee, as well as issue a withholding tax certificate to SCB Securities Company Limited, who is acting as the Tender Offer Agent.

7. Tender Offer Period

Tender Offer Period will be a total of 25 business days during 9.00 am to 4.00 pm from 5 March 2018 to 9 April 2018. Whereby such offer period is

() The final offer period that shall not be extended (except as per the conditions specified in Clause 8)

() Not the final offer period and may be extended by the Group of Offerors.

8. Conditions for amendment to the Tender Offer

() No Conditions

() Conditions for amendment to the tender offer are as follows:

- () The Group of Offerors may lower the tender offer price or extend the offer period if any event or action causing material adverse effect to the Business's status or assets occurs during the Tender Offer Period.
- () The Group of Offerors may amend the Tender Offer or extend the Tender Offer Period to compete with another offeror who submits a tender offer for securities of the Business during the Tender Offer Period.

9. Conditions for cancellation of the Tender Offer

The Group of Offerors may cancel the Tender Offer upon the occurrence of one of the following events:

- 9.1 An occurrence of any event or action after the Tender Offer Document has been submitted to the Office of the Securities and Exchange Commission ("the SEC") but within the Tender Offer Period which causes or may cause material adverse effect to the Business's status, assets, or business and such events or actions do not result from the acts of the Group of Offerors or any act for which the Group of Offerors may have to be liable; or
- 9.2 The taking of any action by the Business after the Tender Offer Document has been submitted to the SEC but within the Tender Offer Period which results in a significant decrease in the Business's share value; or
- 9.3 The taking of any action by the Business which results to the Tender Offer per those prescribed in the Notification of Capital Market Supervisory Board TorChor. 14/2554 Re: Act or Omission to Act which is Likely to Affect Tender Offer of Business date 25 July 2011 and its amendments.

10. Tender Offer Revocation Period during the Tender Offer Period

The Offeree may revoke its acceptance to the Tender Offer on any business day of the Tender Agent from 9.00 a.m. to 4.00 p.m., commencing on 5 March 2018 to 30 March 2018 (or totaling 20 business days after the start of the Tender Offer Period). The Offeree must follow the Tender Offer Cancellation procedures as prescribed in Appendix C.1.

11. Allocation of the purchased amount in case where the amount tendered is more or less than the amount offered to purchase (Only for the case of Partial Tender Offer per Clause 5 of the Notification of the Capital Market Supervisory Board TorJor. 12/2554)

Not applicable since the Group of Offerors offers to purchase all shares of the Business.

12. Source of Funds for the Tender Offer

In the event that all shareholders, who are not the Group of Offerors, express their intention to accept the Tender Offer to sell all 76,312,552 ordinary shares of the Business equaling 45.78 percent of total paid-up

shares and voting rights of the Business, the Group of Offerors will require a total amount of Baht 3,052,502,080 for the Tender Offer for all remaining shares of the Business.

The source of funds for this Tender Offer will be loan from a financial institution of Baht 3,052,502,080. BTR & Spa, one of the Group of Offerors who, will be the sole purchaser of all LRH's shares tendered by the Offerees pursuant to the Memorandum of Understanding regarding the Tender Offer of all Remaining Shares in LRH among the Group of Offerors (please refer to Appendix G for more details). The Group of Offerors has received a confirmation letter from The Siam Commercial Bank Public Company Limited dated 23 February 2018 stipulating that the Group of Offerors has been supported with the total credit facility of Baht 3,700,000,000 for this Tender Offer. This source of fund will be available to the Group of Offerors until the Tender Offer for all shares is completed.

Asia Plus Advisory Company Limited, as the Tender Offer Preparer, has reviewed the Group of Offerors' source of fund as Appendix A and considered that the Group of Offerors has sufficient funds to execute the Tender Offer.

13. Name of the Tender Offer Agent

Name : SCB Securities Company Limited
Address : 19 SCB Park Plaza 3 (Plaza East), 21st Floor, Ratchadapisek Road, Jatujak,
Bangkok 10900
Telephone : 0-2949-1999
Settlement date : 11 April 2018

Part 2

Details of the Group of Offerors

1. Details of the Group of Offerors

1) Banyan Tree Holdings Limited ("BTH")

1.1 General Information

Name	:	Banyan Tree Holdings Limited
Registered Number	:	200003108H
Address	:	211 Upper Bukit Timah Road, Wah-Chang House, Singapore 588182
Telephone	:	+65 6849 5888
Facsimile	:	+65 6462 0186

1.2 Business Information and Others

1.2.1 Business Overview

Banyan Tree Holdings Limited ("BTH") is a limited liability company which is incorporated and domiciled in the Republic of Singapore and is listed on SGX-ST since 14 June 2006. BTH is a leading international operator and developer of premium resorts, hotels residences and spas. As at 9 February 2018, BTH group has 41 resorts and hotels, 60 spas, 72 retail galleries and 3 golf courses in 25 countries. BTH Group's primary business is centered on four brands: "Banyan Tree", "Angsana", "Cassia" and "Dhawa".

As of 20 February 2018, the market capitalization of BTH is approximately 483.7 million Singapore Dollar or approximately 11,564 million Baht (Exchange rate as of 20 February 2018, 1 Singapore Dollar equal to 23.91 Baht)

Other information of BTH group are accessible to <https://www.banyantree.com> or investor.banyantree.com/

1.2.2 Registered and Paid-up Capital

As of the submission date, BTH has registered and paid-up capital of 247,972,514 Singapore Dollar comprising of ordinary shares totaling 841,364,980 shares. (As of 31 December 2017, BTH has registered and paid-up capital of 247,972,514 Singapore Dollar comprising of ordinary shares totaling 841,364,980 shares.)

1.2.3 List of Shareholders and Substantial Shareholders

List of shareholders of BTH as of 2 February 2018:

Shareholders	Shares	Percentage in comparison with total no. of shares	Percentage in comparison with total voting rights*
1. HSBC (SINGAPORE) NOMS PTE LTD	325,287,982	38.66	38.67
2. DBSN SERVICES PTE LTD	205,987,243	24.48	24.49
3. CITIBANK NOMS S'PORE PTE LTD	55,766,794	6.63	6.63
4. UOB KAY HIAN PTE LTD	40,793,600	4.85	4.85
5. BNP PARIBAS NOMS S'PORE PL	37,566,000	4.46	4.47
6. ICD (HK) LIMITED	31,000,000	3.68	3.69
7. RAFFLES NOMINEES (PTE) LTD	22,129,435	2.63	2.63
8. HO KWONCJAN	16,000,000	1.90	1.90
9. DBS NOMINEES PTE LTD	13,572,223	1.61	1.61
10. FREESIA INVESTMENTS LTD	10,000,000	1.19	1.19
Top 10 shareholders	758,103,277	90.10	90.13
Minority shareholders	83,261,703	9.90	9.87[^]
Total	841,364,980	100.00	100.00

Source: Based on the shareholding list obtained from The Central Depository (Pte) Ltd as at 2 February 2018.

Remark: * Based on the total number of issued shares of 841,156,980 excluding the 208,000 treasury shares.

[^]Percentage is computed based on total number of issued shares of 83,053,703 excluding the 208,000 treasury shares.

List of Substantial Shareholders¹ of BTH as of 2 February 2018:

	Direct Interests No. of Shares	Percentage ²	Deemed Interests No. of Shares	Percentage ²
Ho KwonPing ³	-	-	301,948,882	35.90
Claire Chiang ⁴	-	-	293,319,882	34.87
Ho KwonCjan ⁵	16,000,000	1.90	49,629,000	5.90
Bibace Investments Ltd ⁶	-	-	286,519,882	34.06
Bibace Management Company Limited (acting as trustee of The Bibace Trust) ⁷	-	-	286,519,882	34.06

	Direct Interests No. of Shares	Percentage ²	Deemed Interests No. of Shares	Percentage ²
Bibace Management Company Limited (acting as trustee of Merit Trust) ⁷	-	-	286,519,882	34.06
Bibace Management Company Limited (acting as trustee of Ho Ren Hua Family Line Trust) ⁷	-	-	286,519,882	34.06
Bibace Management Company Limited (acting as trustee of Ho Ren Yung Family Line Trust) ⁷	-	-	286,519,882	34.06
Bibace Management Company Limited (acting as trustee of Ho Ren Chun Family Line Trust) ⁷	-	-	286,519,882	34.06
Banyan Tree Global Foundation Limited ⁸	-	-	286,519,882	34.06
Qatar Holding LLC ⁹	-	-	205,870,443	24.47
Qatar Investment Authority ¹⁰	-	-	205,870,443	24.47

¹ As shown in the Register of Substantial Shareholders and based on the notifications and information received by the Company.

² Percentage shareholding is based on issued share capital of 841,156,980 shares (excluding treasury shares of 208,000).

- ³ Ho KwonPing, a named beneficiary of The Bibace Trust, is deemed to have an interest in the shares held by HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited (acting as nominees for Bibace Investments Ltd ("**Bibace**")) as a result of The Bibace Trust's shareholding interest in Bibace. He is also deemed to have an interest in the shares held by Recourse Investments Ltd. and Raffles Nominees (Pte.) Limited (acting as nominee for KAP Holdings Ltd.) as well as the Shares held by Raffles Nominees (Pte.) Limited (acting as nominee for Li-Ho Holdings (Private) Limited).
- ⁴ Claire Chiang, a named beneficiary of The Bibace Trust, is deemed to have an interest in the shares held by HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited (acting as nominees for Bibace) as a result of The Bibace Trust's shareholding interest in Bibace. She is also deemed to have an interest in the shares held by Recourse Investments Ltd. and Raffles Nominees (Pte.) Limited (acting as nominee for KAP Holdings Ltd.).
- ⁵ Ho KwonCjan is deemed to have an interest in the shares held by ICD (HK) Limited, Freesia Investments Ltd and Raffles Nominees (Pte.) Limited (acting as nominee for Li-Ho Holdings (Private) Limited).
- ⁶ Bibace is deemed to have an interest in the shares held by its nominees, HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited.
- ⁷ Bibace Management Company Limited (acting as trustee of The Bibace Trust) is deemed to have an interest in the shares in which Bibace has an interest as a result of The Bibace Trust's shareholding interest in Bibace. Bibace Management Company Limited (acting as trustee of each of the Merit Trust, the Ho Ren Hua Family Line Trust, the Ho Ren Yung Family Line Trust and the Ho Ren Chun Family Line Trust) is deemed to have an interest in the same shares as it is a named beneficiary of The Bibace Trust in these capacities.
- ⁸ Banyan Tree Global Foundation Limited, a named beneficiary of The Bibace Trust, is deemed to have an interest in the shares held by HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited (acting as nominees for Bibace) as a result of The Bibace Trust's shareholding interest in Bibace.
- ⁹ Qatar Holding LLC ("QH") is deemed to have an interest in the shares held through third party nominees.
- ¹⁰ Qatar Investment Authority is deemed to have an interest in the shares held by its wholly-owned subsidiary, QH.

1.2.4 The Latest List of the Board of Directors of BTH

As of 20 February 2018, the BTH's Board of Directors are:

Name	Position
1. Mr. Ho KwonPing	Executive Chairman
2. Mr. Ariel P Vera	Non-Independent & Non-Executive Director
3. Mr. Zhang Xu	Non-Independent & Non-Executive Director
4. Mr. Gaurav Bhushan	Non-Independent & Non-Executive Director
5. Mr. Chia Chee Ming Timothy	Independent Non-Executive Director
6. Ms. Ho Ai Lian (Mrs. Fang Ai Lian)	Independent Non-Executive Director
7. Mrs. Elizabeth Sam	Independent Non-Executive Director
8. Mr. Chan Heng Wing	Independent Non-Executive Director
9. Mr. Tham Kui Seng	Independent Non-Executive Director
10. Mr. Lim Tse Ghow Olivier	Independent Non-Executive Director

The authorized signatories are any 2 directors or any 1 director together with the Group Managing Director to sign jointly without the company seal.

1.2.5 Summary of BTH's Financial Position and Performance

BTH's financial position and performance for the year ended 2015-2017 as follows:

Singapore Dollar (in millions)	Consolidated Financial Statements		
	2015*	2016*	2017**
Total Assets	1,592.98	1,608.22	1,679.75
Total Liabilities	893.52	875.38	902.21
Total Equity	699.46	732.85	777.54
Paid-up Capital	200.00	200.00	241.52
Total Revenues	377.04	339.22	368.44
Total Expenses	346.03	287.52	293.77
(Loss)/Profit before taxation	(19.47)	0.71	22.66
(Loss)/Profit after taxation	(25.96)	(6.95)	14.86
(Loss)/Profit attributable to owners of the Company	(27.52)	(16.20)	12.93
(Deficits)/Earnings per Share (in cents)	(3.62)	(2.13)	1.67
Dividend per Share (in cents) [^]	-	-	1.00
Net Book Value per Share (in cents)	72.14	74.17	71.40

Source: *BTH's audited financial statements;

**BTH's unaudited financial statements released to SGX-ST on 26 February 2018

[^]Subject to BTH's Shareholder approval during the annual general meeting on 26 April 2018

1.2.6 Significant Obligation according to the latest note to financial statement

None

1.2.7 Information in relating to criminal records

None

1.2.8 Pending Legal Matters

None

2) Banyan Tree Resorts & Spas (Thailand) Company Limited (“BTR & Spa”)

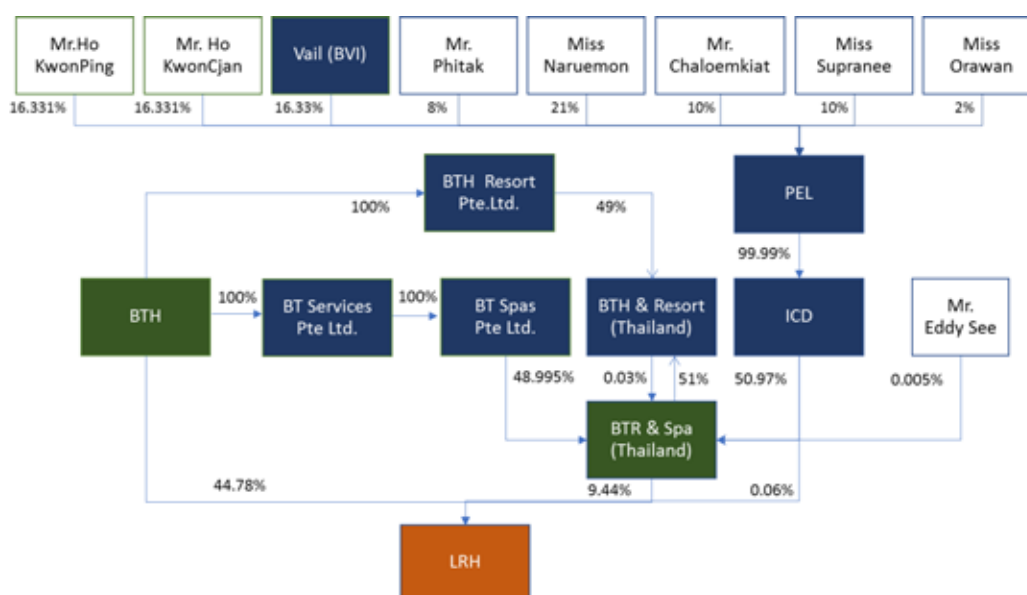
2.1 General Information

Name : Banyan Tree Resort & Spas (Thailand) Company Limited
Registered Number : 0105539111132
Address : 21/100 Thai Wah Tower 2, South Sathorn Road, Tungmahamek, Bangkok, Thailand
Telephone : 0 2677 3100
Facsimile : 0 2677 3023

2.2 Business Information and Others

2.2.1 Business Overview

Banyan Tree Resorts & Spas (Thailand) Company Limited (“BTR & Spa”) is a Thai registered company, established on 4 October 1996 with current registered and paid-up capital of Baht 20,041,000 for operating in Spa business. Its holding structure is as follow:



Remark:

1. Vail is an investment holding company incorporated in the Commonwealth of The Bahamas. Currently, Vail has registered capital of US\$1.00. Ho KwonCjan (“HKC”) is the sole director and Vail is considered an associate of HKC. HKC and his associate, Vail are entitled to control more than 20 percent of the voting shares in PEL.
2. BTH is a SGX-ST listed company.
3. BTH and BTR & Spa (Thailand) is the Group of Offerors to make this voluntary Tender Offer.
4. Please refer to section 2.2.3 below for more information.

2.2.2 Registered and Paid-up Capital

As of the submission date, BTR & Spa has registered and paid-up capital of Baht 20,041,000, divided into 200,410 shares of par value of Baht 100 per share.

2.2.3 List of Shareholders

List of shareholders of BTR & Spa as of 20 February 2018:

Shareholders of BTR & Spa	Shares	Percentage in comparison with total no. of shares	Percentage in comparison with total voting rights
1. International Commercial Development Company Limited ("ICD")	102,149	50.970	9.422
2. Banyan Tree Spas Pte. Ltd.*	98,191	48.995	90.571
3. Banyan Tree Hotels & Resorts (Thailand) Company Limited ("BTH & Resort")	60	0.030	0.006
4. Mr. Eddy See Hock Lye	10	0.005	0.001
Total	200,410	100.000	100.000

Remark: Banyan Tree Spas Pte. Ltd is a company incorporated in Singapore and an indirectly wholly-owned subsidiary of BTH.

ICD is a property development company and is a Thai registered company, established on 9 August 1961. Currently, ICD has registered capital of Baht 179,400,000 divided into 230,000 shares of par value of Baht 780 per share. List of shareholders of ICD as of 20 February 2018 are as follow:

Shareholders of ICD	Shares	Percentage in comparison with total no. of shares	Percentage in comparison with total voting rights
1. Platinum Enterprise Limited ("PEL")	229,997	99.9987	99.9987
2. Mr. Ho KwonCjan	1	0.004	0.004
3. Mr. Ho KwonPing	1	0.004	0.004
4. Mr. Chalermkeit Chalermpronkit	1	0.004	0.004
Total	230,000	100.00	100.00

PEL is a Thai registered company, established on 23 July 2008. Currently, PEL has registered capital of Baht 169,000,000 divided into 169,000 shares of par value of Baht 1,000 per share. List of shareholders of PEL as of 20 February 2018 are as follow:

Shareholders of PEL	Shares	Percentage in comparison with total no. of shares	Percentage in comparison with total voting rights
1. Miss Naruemon Srisuma	35,490	21.0000	21.0000
2. Vail Enterprise Group Corp. ("Vail")	27,604	16.3337	16.3337
3. Mr. Ho KwonCjan	27,603	16.3331	16.3331
4. Mr. Ho KwonPing	27,603	16.3331	16.3331
5. Mr. Chalermkeit Chalermpronkit	16,900	10.0000	10.0000
6. Miss Supranee Kanoksrikarin	16,900	10.0000	10.0000
7. Mr. Phitak Boonpojanasontorn	13,520	8.0000	8.0000
8. Miss Orawan Charoenpatchayakul	3,380	2.0000	2.0000
Total	169,000	100.0000	100.0000

Vail is an investment holding company incorporated in the Commonwealth of The Bahamas. Currently, Vail has registered capital of US\$1.00. HKC is the sole director and Vail is considered an associate of HKC. HKC and his associate, Vail are entitled to control more than 20 percent of the voting shares in PEL.

In addition, BTH & Resort, which holds 0.03 percent of total issued and paid-up capital of BTR & Spa, is a Thai registered company. BTH & Resort has registered on 27 March 2012 to do the business of the provision of hotel management services. Currently, BTH & Resort has registered capital of Baht 12,100,000 divided into 2,420,000 shares of par value of Baht 5.00. List of shareholders of BTH & Resort as of 20 February 2018 are as follow:

Shareholders of BTH & Resort	Shares	Percentage in comparison with total no. of shares	Percentage in comparison with total voting rights
1. BTR & Spa	1,234,196	50.9998	9.427
2. Banyan Tree Hotels & Resorts Pte. Ltd. (formerly known as Banyan Tree Corporate Pte. Ltd.)**	1,185,800	49.0000	90.573
3. Mr. Shankar Chandran	2	0.0001	0.000
4. Mr. Eddy See Hock Lye	2	0.0001	0.000
Total	2,420,000	100.0000	100.0000

Remark: ** Banyan Tree Hotels & Resorts Pte. Ltd. (formerly known as Banyan Tree Corporate Pte. Ltd.) is a wholly-owned subsidiary of Banyan Tree Holdings Limited.

2.2.4 The Latest List of the Board of Directors of the Offeror and its Shareholders

As of 20 February 2018, BTR & Spa's Board of Directors:

Name	Position
1. Mr. Ho KwonCjan	Director
2. Mr. David Seet Yew How	Director
3. Mr. Shankar Chandran	Director
4. Mrs. Suwanna Numnun	Director
5. Mr. Eddy See Hock Lye	Director
6. Mrs. Kingkam Olarnjanin	Director
7. Mr. Kuan Chiet	Director

The authorized directors are 2 directors jointly sign with company seal.

As of 20 February 2018, ICD's Board of Directors:

Name	Position
1. Miss Manee Lueprasert	Director
2. Mr. Ho KwonPing	Director
3. Mr. Ho KwonCjan	Director
4. Miss Supranee Kanoksrikanin	Director
5. Mr. Chalermkeit Chalermpronkit	Director

The authorized directors are 2 directors jointly sign with company seal.

As of 20 February 2018, PEL's Board of Directors:

Name	Position
1. Miss Sirivan Skulkerevathana	Director
2. Miss Manee Lueprasert	Director
3. Miss Areewan Sriwichupong	Director
4. Mr. Ho KwonPing	Director
5. Mr. Ho KwonCjan	Director

The authorized directors are 2 directors jointly sign with company seal.

As of 20 February 2018, BTH & Resort's Board of Directors:

Name	Position
1. Mr. Eddy See Hock Lye	Director
2. Mr. Shankar Chandran	Director

Name	Position
3. Mr. Dharmali Kusumadi	Director
4. Mrs. Suwanna Numnun	Director
5. Miss Ungkhana Tosilanon	Director

The authorized director is any 1 director to sign singly.

2.2.5 Summary of the Offeror's and its Shareholders' Financial Position and Performance

BTR & Spa's audited financial position and performance for the year ended 2014-2016 as follows:

Million Baht	Consolidated Financial Statements		
	2014	2015	2016
Total Assets	633.98	515.23	544.90
Total Liabilities	751.39	775.86	812.66
Total Equity	(117.41)	(260.63)	(267.76)
Paid-up Capital	20.04	20.04	20.04
Total Revenues	173.43	164.57	181.55
Total Expenses	197.97	211.16	205.12
Net Loss	(26.76)	(48.56)	(24.99)
Deficits per Share (in Baht)	(133.50)	(242.30)	(124.69)
Dividend per Share (in Baht)	-	-	-
Net Book Value per Share (in Baht)	(585.86)	(1,300.50)	(1,336.04)

Source : The financial statement audited by the auditor of BTR & Spa

ICD's audited financial position and performance for the year ended 2014-2016 as follows:

Million Baht	2014	2015	2016
Total Assets	458.59	500.76	606.53
Total Liabilities	128.00	127.70	127.84
Total Equity	330.60	373.07	478.68
Paid-up Capital	179.40	179.40	179.40
Total Revenues	22.56	20.17	27.07
Total Expenses	4.65	3.82	3.29
Net Profit	15.70	14.38	21.22
Earnings per Share (in Baht)	68.25	62.52	92.26
Dividend per Share (in Baht)	18.00	18.00	18.00

Million Baht	2014	2015	2016
Net Book Value per Share (in Baht)	1,437.37	1,622.03	2,081.23

Source : The financial statement audited by the auditor of ICD

PEL's audited financial position and performance for the year ended 2014-2016 as follows:

Million Baht	2014	2015	2016
Total Assets	170.17	170.36	170.53
Total Liabilities	0.02	0.02	0.02
Total Equity	170.16	170.34	170.51
Paid-up Capital	169.00	169.00	169.00
Total Revenues	4.15	4.15	4.15
Total Expenses	0.02	0.02	0.02
Net Profit	4.13	4.13	4.13
Earnings per Share (in Baht)	24.44	24.42	24.43
Dividend per Share (in Baht)*	50.00	50.00	50.00
Net Book Value per Share (in Baht)	1,006.86	1,007.92	1,008.99

* Only preferred share

Source : The financial statement audited by the auditor of PEL

BTH & Resort's audited financial position and performance for the year ended 2014-2016 as follows:

Million Baht	Consolidated Financial Statements		
	2014	2015	2016
Total Assets	106.03	149.98	211.72
Total Liabilities	30.79	59.46	91.63
Total Equity	75.24	90.52	120.09
Paid-up Capital	12.10	12.10	12.10
Total Revenues	115.06	116.33	134.20
Total Expenses	96.30	96.06	96.29
Net Profit	14.80	15.89	30.19
Earnings per Share (in Baht)	6.11	6.57	12.48
Dividend per Share (in Baht)	-	-	-
Net Book Value per Share (in Baht)	31.09	37.40	49.62

Source : The financial statement audited by the auditor of BTH & Resort

2.2.6 Significant Obligation according to the latest note to financial statement

None

2.2.7 Information in relating to criminal records

None

2.2.8 Pending Legal Matters

None

2. Detail of the Tender Offer Preparer

Name : Asia Plus Advisory Company Limited
Address : 11th Floor, Sathorn City Tower, 175 South Sathorn Road, Thungmahamek,
Sathorn, Bangkok 10120
Telephone : 0 2680 4000
Facsimile : 0 2670 9291

3. Details of Legal Advisor

Name : Baker & Mckenzie Ltd.
Address : 990 Abdulrahim Place Bldg, Rama IV Road, Silom, Bang Rak, Bangkok
10500
Telephone : 0 2636 2000
Facsimile : 0 2636 2111

4. Relationship between the Group of Offerors and the Company/ Major Shareholders/ Directors of the Business

4.1 Summary of a contract/ agreement/ Memorandum of Understanding made by the Group of Offerors prior to submission of the Tender Offer for the purpose of buying and selling the Business' securities in material aspects, regardless of whether the contract/ agreement/ Memorandum of Understanding is made for the purpose of buying or selling securities in this Tender Offer

- None –

4.2 Shareholding, either direct or indirect, by the Group of Offerors or its authorized persons (In case the Group of Offerors is a juristic person) in the Business or the Business's major shareholders (In case the Business's major shareholder is a juristic person)

As of the submission date of the Tender Offer, The Group of Offerors currently holds a total of 90,370,149 shares, or 54.22 percent of the Business's total paid-up shares and voting rights.

4.3 Shareholding, either direct or indirect, by the Business or its major shareholders or directors in the Offeror

4.3.1 Shareholding by the Business in the Offeror

- None –

4.3.2 Shareholding by major shareholders of the Business in the Group of Offerors

As of the submission date of the Tender Offer, BTH; the Business's major shareholder and member of the Group of Offerors; is an ultimate economic benefits owner in BTR & Spa which is appointed to be the sole purchaser of all securities of the Business in this tender offer.

4.3.3 Shareholding by directors of the Business in the Group of Offerors

As of 20 February 2018, Shares holding either directly or indirectly by each Director and Management in the Business are as follows:

	Position in the Offeror	Position in the Business	Shareholding in the Group of Offerors ^{/1}	Percentage of	
				Total paid up shares in the Group of Offerors	Total Voting rights of the Group of Offerors
BTH					
Mr. Ho KwonPing	Executive Chairman	Chairman	301,948,882	35.89	35.90
Mr. Shankar Chandran	Managing Director	Director & Managing Director	167,700	0.02	0.02
Mr. Ariel P Vera	Non-Executive & Non-Independent Director	Non-Executive Director	1,120,500	0.13	0.13
Mr. Ho KwonCjan	Group Chief Designer	Director	65,629,000	7.80	7.80
Mr. Eddy See Hock Lye	Group Managing Director	Director	356,500	0.04	0.04
Mr. Ho Ren Hua	-	Director	378,000	0.04	0.04

	Position in the Offeror	Position in the Business	Shareholding in the Group of Offerors ^{/1}	Percentage of	
				Total paid up shares in the Group of Offerors	Total Voting rights of the Group of Offerors
Mr. Stuart D. Reading	SVP, Property Development	Director	65,400	0.01	0.01
Mr. Vudhiphol Suriyabhivadh	-	Independent Director	100,000	0.01	0.01
Dr. Jingjai Hanchanlash	-	Independent Director	100,000	0.01	0.01
BTR & Spa					
Mr. Eddy See Hock Lye	Director	Director	10	0.005	0.005

Remark: ^{/1}Including directly and indirectly the person under Section 258 and close relatives.

4.4 Other Relationships

As of the submission date of the Tender Offer, the Group of Offerors and the Business has jointly directors totaling 5 persons as follow:

Name	Position in		
	The Business	BTH	BTR & Spa
1. Mr. Ho KwonPing	Chairman	Chairman	-
2. Mr. Ariel P Vera	Non-Executive Director	Non Executive & Non-Independent Director	-
3. Mr. Ho KwonCjan	Director	-	Director
4. Mr. Eddy See Hock Lye	Director	-	Director
5. Mr. Shankar Chandran	Director & Managing Director	-	Director

5 Other relevant information for the securities holders' decision making

5.1 Securities held by the Group of Offerors

5.1.1 Ordinary Share

Name	Shares	Percentage of	
		Total paid up shares in the Business	Total paid up shares in the Business
I The Group of Offerors	90,370,149	54.22	54.22
1) <i>Banyan Tree Holdings Limited</i>	74,632,342	44.78	44.78
2) <i>Banyan Tree Resorts & Spas (Thailand) Company Limited</i>	15,737,807	9.44	9.44
II Persons in the same group as the Group of Offerors	-	-	-
III Persons under Section 258 of the persons specified in I and II	1,157,862	0.69	0.69
1) <i>International Commercial Development Company Limited</i>	105,100	0.06	0.06
2) <i>Maybank Kim Eng Securities Pte. Ltd.*</i>	1,052,762	0.63	0.63
IV Other agreements for acquisition of additional shares of persons specified in I and III	-	-	-
Total	91,528,011	54.91	54.91

Remark : * Such Company holds the Business's shares for and on behalf of Banyan Tree Hotels & Resorts Pte. Ltd. (formerly known as Banyan Tree Corporate Pte. Ltd.), a wholly-owned subsidiary of BTH.

5.1.2 Convertible Securities

- None -

5.2 Source of Funds for the Tender Offer

In the event that all shareholders, except the Group of Offerors, express their intention to accept the tender to offer to sell the remaining 76,312,552 shares, representing 45.78 percent of the Business' paid-up shares and voting rights of the Business, the Offeror will require a total amount of Baht 3,052,502,080 to purchase all such remaining shares in the Business. BTR & Spa, one of the Group of Offerors, who will be the sole purchaser of all LRH's shares tendered by the Offerees and responsible for the payment of this Tender Offer pursuant to the Memorandum of Understanding regarding the Tender Offer of all Remaining Shares in LRH among the Group of Offerors (please refer to Appendix G for more details). The Siam Commercial Bank Public Company Limited issued a certification letter date 23 February 2018 stating that the Group of Offerors has been supported with total credit facility of Baht 3,700,000,000 for this Tender Offer. This source of fund will be available to the Group of Offerors until the Tender Offer for all shares is completed.

Asia Plus Advisory Company Limited, as the Tender Offer Preparer, has reviewed the certification letter from the bank (Appendix A) and considered that the Group of Offerors has sufficient funds to execute the Tender Offer.

5.3 Share Divestment Plan

As of the submission date of the Tender Offer, The Group of Offerors has no plan to sell or transfer significant amount of the Business' shares within 12-month period from the last day of the Tender Offer Period, unless the internal changing of major shareholder and/or business structure and/or liquidity management. The Group of Offerors may sell or transfer shares of the Business within the Group of Offerors including the person under Section 258 of the Securities and Exchange Act B.E 2535 or in the event that the Offer is obligated to do so by any relevant laws and/or regulations to maintain a listed company status regarding the free float requirement of the SET.

5.4 Other Information

- None –

Part 3

Details of the Business

1. Company Profile

1.1 Business Overview

Laguna Resorts & Hotels Public Company Limited (“The Business” or “LRH”) was founded in 1983. It shortly thereafter acquired a large parcel of land on the site of an abandoned tin mine at Bangtao Bay, Phuket, Thailand which was later developed to become the Laguna Phuket integrated resort complex. The Business has been listed on the SET since 1993. As of 31 December 2017, the Business has paid-up capital of Baht 1,666,827,010 divided into 166,682,701 shares of par value of Baht 10 per share.

The key businesses of the Business are hotel operations, property development operations and office rental. The Business’s major business investment largely revolves around the operation and management of the integrated resort of Laguna Phuket, located on the island of Phuket in Thailand, as well as its investments in the Banyan Tree Bangkok. Moreover, its subsidiaries also engage in operating golf clubs, sales of merchandise, office and retail shop rental and sales of holiday club memberships.

1.2 Summary of financial information and operating performance

The summary of the audited financial position and operation of the Business for the year ended 31 December 2015-2017

Unit: million Baht	2015		2016		2017	
	Company	Consolidated	Company	Consolidated	Company	Consolidated
Total assets	6,594.84	20,091.27	6,749.01	20,725.35	6,4766.04	20,883.71
Total liabilities	1,212.37	8,416.10	1,184.40	8,040.05	860.78	8,223.03
Total equities	5,382.47	11,675.17	5,564.61	12,685.30	5,615.25	12,660.68
Registered capital	2,116.75	2,116.75	2,116.75	2,116.75	2,116.75	2,116.75
Paid-up capital	1,666.83	1,666.83	1,666.83	1,666.83	1,666.83	1,666.83
Total revenues	210.90	5,658.23	989.72	5,341.66	363.33	4,857.56
Total expenses	212.60	5,131.20	281.56	4,590.18	210.64	4,546.19
(Loss)/Profit attributable to owners of the Company	(22.27)	175.263	652.14	380.25	93.98	59.54
Basic earnings per share (in Baht)	(0.13)	1.05	3.91	2.28	0.56	0.36

Unit: million Baht	2015		2016		2017	
	Company	Consolidated	Company	Consolidated	Company	Consolidated
Dividend per share (in Baht)	0.36	0.36	0.38	0.38	0.38	0.38
Book Value per share (in Baht)	32.29	70.04	33.38	76.10	33.69	75.96

Source: Audited financial statements of LRH by the auditor. Shareholders may gather more financial information from the websites of the SEC (www.sec.or.th), or the SET (www.set.or.th).

1.3 Shareholding Structure of the Business

(1) List of Top 10 major shareholders as of 29 December 2017, the latest book closing date are as follow

Name	Number of Shares	Percentage of	
		Total paid-up shares	Total voting rights
1. Banyan Tree Holdings Limited	91,422,911	54.85	54.85
1.1 Banyan Tree Holdings Limited	74,632,342		
1.2 Banyan Tree Resorts & Spas (Thailand) Company Limited *	15,737,807		
1.3 Maybank Kim Eng Securities Pte. Ltd. **	1,052,762		
2. Thai Trust Fund Management Company Limited of LRH 1 ***	22,487,465	13.49	13.49
3. Thai NVDR Company Limited	13,661,458	8.20	8.20
4. Mr. Suvit Laohapholwattana	5,183,900	3.11	3.11
5. Mr. Watshira Tayanaraporn	4,250,000	2.55	2.55
6. Thai Wah Public Company Limited	3,480,200	2.09	2.09
7. Goldman Sachs International	2,947,800	1.77	1.77
8. Dusit Thani Public Company Limited	1,250,000	0.75	0.75
9. The Viriyah Insurance Public Company Limited	1,103,725	0.66	0.66
10. State Street Europe Limited	1,053,202	0.63	0.63
Top 10 Shareholders	146,840,661	88.10	88.10
Minority shareholders	19,842,040	11.90	11.90
Total	166,682,701	100.00	100.00

Remark:

* a company which is under the control of Banyan Tree Holdings Limited.

** holds the Business's shares for and on behalf of Banyan Tree Hotels & Resorts Pte. Ltd. (formerly known as Banyan Tree Corporate Pte. Ltd.), a wholly-owned subsidiary of Banyan Tree Holdings Limited.

*** Banyan Tree Holdings Limited holds 18,175,265 units in Thai Trust Fund Management Company Limited.

(2) Expected shareholding structure after the Tender Offer

Under the assumption that all shareholders, except the Group of Offeror, accept the Tender Offer; the expected shareholding structure would be as follows:

Name	Number of Shares	Percentage of	
		Total paid-up shares	Total voting rights
The Group of Offerors			
1. Banyan Tree Holdings Limited	74,632,342	44.78	44.78
2. Banyan Tree Resorts & Spas (Thailand) Company Limited	92,050,359	55.22	55.22
Total	166,682,701	100.00	100.00

1.4 List of Board of Directors on the latest directors registered of the Business and expected list of directors after the completion of the Tender Offer

After the completion of the tender offer, The Group of Offerors has no change the member of the board of director. Therefore, List of the Business's director are as follow:

Name	Position
1. Mr. Ho KwonPing	Chairman of the Board
2. Mr. Shankar Chandran	Director & Managing Director
3. Mr. Surapon Supratya	Non-Executive Director
4. Mr. Ariel P Vera	Non-Executive Director
5. Mr. Ho KwonCjan	Director
6. Mr. Eddy See Hock Lye	Director
7. Mr. Ho Ren Hua	Director
8. Mr. Stuart D. Reading	Director
9. Miss Srinthorn Ounayakovit	Independent Director
10. Mr. Vudhiphol Suriyabhivadh	Independent Director & Chairman of the Audit and Risk Committee
11. Dr. Jingjai Hanchanlash	Independent Director & Audit and Risk Committee
12. Mr. Thongchai Ananthothai	Independent Director & Audit and Risk Committee

1.5 The highest and lowest price of the Business's shares in each quarter over the past 3 years

Year	Quarter	Price (Baht per share)	
		Highest	Lowest
2015	Jan – Mar	32.00	28.25
	Apr – Jun	30.00	27.25
	Jul – Sep	28.25	24.80
	Oct – Dec	27.50	22.80
2016	Jan – Mar	25.75	23.00
	Apr – Jun	27.00	24.00
	Jul – Sep	29.00	23.90
	Oct – Dec	25.00	22.00
2017	Jan – Mar	28.75	24.60
	Apr – Jun	29.25	25.00
	Jul – Sep	29.00	25.00
	Oct – Dec	27.50	22.90
2018	Jan – 23 Feb	32.50	22.50

Source : SETSMART, Trading Data as of 23 February 2018

2 Business Plan After Business Takeover

2.1 Company Status

Upon completion of the Tender Offer, the Business still maintains the listing status on the SET. The Group of Offerors has no intention to delist the Business from the SET within the next 12 months after the completion date of the Tender Offer Period except in the event that the Group of Offerors has duties and responsibilities pursuant to the laws, regulations, and other relevant and rules that are enforced during the time of such 12-month period.

However, in the event that, the portion of free float is less than 15 percent according to criteria to maintain listing status of listed companies, the Tender Offeror shall determine the plan to disperse shares in SET or the Offeror together with the Business shall determine the plan to disperse shares to minority shareholders in a timely manner in order to comply with the SET's free float and listing requirement.

2.2 Business Plans and Policies

The Group of Offerors has no intention to materially change the core business policy and operation of the Business including the dividend policy, business structure, financial structure and personnel restructuring plan within the next 12 months after the completion date of Tender Offer Period.

2.3 Related Party Transactions

In 2016 and 2017 the Business had business transactions with BTH and BTR & Spa as follow:

No.	Payee	Payer	Details of Transaction	Amount (MB)	
				2017	2016
1.	TWPL	BTR & Spa	Credit card commission receipts	1	1
2.	BTR & Spa	BGL	Inter Resort Charges is a function of collection from customer and remittance to the provider of the service.	12	15
3.	BTR & Spa	LBTL	Inter Resort Charges is a function of collection from customer and remittance to the provider of the service.	45	47
4.	BTR & Spa	LVL	Inter Resort Charges is a function of collection from customer and remittance to the provider of the service.	1	1
5.	BTR & Spa	PKRD	Inter Resort Charges is a function of collection from customer and remittance to the provider of the service.	0	1
6.	BTR & Spa	TWPL	Inter Resort Charges is a function of collection from customer and remittance to the provider of the service.	22	21
7.	LRH	BTR & Spa	Technical Assistant Agreement for providing management services for Information Technology, Human Resource, and maid services.	1	1
8.	BTG(T)	BTR & Spa	Sale of goods	1	1
9.	BTG(T)	BTR & Spa	Reimbursement of expenses	1	2
10.	LBTL	BTR & Spa	Reimbursement of expenses mainly for sharing staff expenses and other expenses related to Spa at Laguna Phuket.	6	7
11.	TWPL	BTR & Spa	Reimbursement of utilities and other expenses related to rental agreement and sharing common department's expenses	5	6
12.	BTR & Spa	BTG(T)	Reimbursement of utilities and other expenses related to rental agreement and sharing common department's expenses	11	4
13.	BTR & Spa	LBTL	Reimbursement of sales and marketing costs incurred by Banyan Tree group which relate specifically to the promotion of the Banyan Tree Phuket	4	5
14.	BGL	BTR & Spa	Rent and service income	3	3

No.	Payee	Payer	Details of Transaction	Amount (MB)	
				2017	2016
15.	LBTL	BTR & Spa	Rent and service income	14	14
16.	TWPL	BTR & Spa	Rent and service income	10	9
17.	LSC	BTR & Spa	Service charges on laundry, staff bus, etc. charged to Banyan Tree Spa – Phuket	5	7

Source : Company information and 56-1 form

Abbreviations:

BTR & Spa	:	Banyan Tree Resorts & Spas (Thailand) Company Limited
TWPL	:	Thai Wah Plaza Limited
BGL	:	Bangtao Grande Limited
LBTL	:	Laguna Banyan Tree Limited
LVL	:	Laguna Village Limited
PKRD	:	Phuket Resort Development Limited
LRH	:	Laguna Resorts & Hotels Public Company Limited
BTG(T)	:	Banyan Tree Gallery (Thailand) Pte Ltd
LSC	:	Laguna Service Company Limited

Part 4

Additional Information of the Tender Offer

1. **Tender Offer Acceptance Procedures**

For the acceptance of the tender offer, the Offeree who intends to tender their ordinary shares (“**Ordinary Shares**”) of Laguna Resorts & Hotels Public Company Limited, must comply with the following procedures:

1.1 Read the “**Procedure to Accept the Tender Offer of the Securities**” as per the Appendix B.1 for Ordinary Shares and Appendix D.1 for NVDR in its entirety. Complete the “**Acceptance Form for a Tender Offer to Purchase Securities of Laguna Resorts & Hotels Public Company Limited**” as per Appendix B.2 for Ordinary Shares or the “**Acceptance Form for a Tender Offer to Purchase Securities – NVDR of Laguna Resorts & Hotels Public Company Limited**” as per Appendix D.2 for NVDR (“**Tender Offer Acceptance Form**”) completely and accurately along with the Offeree’s signature.

1.2 **Enclose the following documents:**

- (1) In the case that the Ordinary Shares are in certificate form, the securities certificate(s) must be endorsed with the signature of the Offeree in the column headed “signature of the transferor” on the back of each share certificate(s) (The Tender Offer Agent will accept only the certificate(s) whose name appears the same as the Offeree or the securities holders whose name appears on the certificates combined with all completed supporting documents for the transfer of the Offeree only). Submit the endorsed securities certificate(s) with 2 copies of duly signed documents per Clause 1.2 (4) to Clause (5), as the case may be, stated below (in the case of a certified copy of the Lifetime National Identification Card, please also attach the certified copy of the House Registration with the page presenting the address and the name of the Offeree). In the case the securities are in certificate form(s), the Offeree must submit the document per Clause 1.1 at least 2 business days prior to the last date of Tender Offer acceptance period as the Tender Offer Agent will take such certificate(s) for verification by, and depositing with, the Thailand Securities Depository Company Limited (“**TSD**”), which acts as the securities registrar. If the certificate(s) is rejected for deposit by the TSD, the Tender Offer Agent will contact the Offeree to reclaim their certificate(s).

In the case that the ordinary share certificate(s) are lost, the Offeree must contact TSD to issue new ordinary share certificate(s) and tender those newly issued ordinary share certificate(s) to the Tender Offer Agent. However, it takes approximately 2 weeks to issue new ordinary share certificate(s).

Hence, the Offeree is advised to contact TSD to issue new certificate(s) at least 2 weeks prior to the last day of the Tender Offer Period

- In the case where the suffix, the name, or the last name of the Offeree as appearing in the certificate(s) does not match the Identification Card or Civil Servant Identification or State Enterprise Employee Card, as the case may be, please complete the “**Amendment of Securities Holder Information Form**” issued by the TSD (as per Appendix E) and attach the official documents of such amendment and certified true copy. The new information must match with the information as appearing on the Identification Card, Civil Servant Identification Card or State Enterprise Employee Card as the case may be.
- In case of an inheritance trustee, a certified copy of the court order appointing the trustee that is not more than 1 year from the acceptance of the Tender Offer, certified copy of death certificate, certified copy of identification card or other identification documents of the trustee, the certified copy of House Registration of the trustee that is certified and endorsed at the back of the securities by the trustee are required.
- In the case of minors, the parents (father and mother) must endorse at the back of the certificate(s), and attach the certified copy of the parents’ Identification Cards and the certified copy of House Registration of the parents and minor.

Note: The Tender Offer Acceptance Form will be completed only if the certificate(s) of securities are certified and deposited by the TSD. In the case of rejection by TSD, payment will not be made, and the Offeree will be notified to collect the ordinary share certificate from the Tender Offer Agent.

(2) In the case that the securities are deposited with the TSD in scripless form, the Offeree must contact his/ her securities broker that the securities to be tendered are deposited along with 1 copy of the duly signed documents per Clause 1.2 (3) to Clause (5), as the case may be, to inform the Offeree’s intention to tender his/her securities, and ask such broker to transfer the securities to the following account:

- For Thai shareholders (Local Securities)

Account name : “บริษัทหลักทรัพย์ไทยพาณิชย์ จำกัด เพื่อการทำเทnderออฟเฟอร์”

Account number : 023-000000013-7

- For foreign shareholders

Account name : “SCB Securities Company Limited For Tender Offer”

Account number : 023-000000013-7

The Offeree who wishes to sell his/her securities shall submit the Tender Offer Acceptance Form with related documents to the securities broker with which that he/she has a brokerage account. Such securities broker will gather all documents and subsequently send them to the Tender Offer Agent.

- (3) **In the case of NVDR**, the Offeree shall contact the securities company which his/her NVDR is deposited and attach 1 copy of the Tender Offer Acceptance Form as specified in Clause 1.2 (3) to (5), as the case may be, in order to show intention to sell and instruct the securities company to transfer the NVDR to the account, namely, **“SCB Securities Co., Ltd For Tender Offer” account number of 023-000000013-7**. The Tender Offer Agent cordially request for the Offeree’s coordination to bring the NVDR Transfer Receipt of such intention to prove the NVDR transfer along with the Tender Offer Acceptance Form as per Clause 1.1 at least 2 business days prior to the last day of the Tender Offer Period due to the required procedure that the Tender Offer Agent will have to transfer the securities and NVDR with Thai NVDR Company Limited in order to proceed with the tender offer process.

Shareholders who show intention to sell NVDR can send Tender Offer Acceptance Form and required documents to the securities company that the offeree has brokerage account. The securities company will gather and submit all the documents to the Tender Offer Agent.

- (4) **Required Document(s) Needed in Case the Offeree is;**

1. In the case of individual

- **Thai Individual.** A certified copy of the valid Identification Card or Civil Servant Identification Card or State Enterprise Employee Card is required (in case of Civil Servant Identification or State Enterprise Employee Card, a certified copy of the House Registration with the page the Offeree’s name appears on the copy or any official document with the 13-digit national identification number). (In the case of lifetime Identification Card, a certified copy of the House Registration with the page the Offeree’s name appears on the copy is required) (In the case of minors, the parents’ consent (father and mother) is required along with the certified copy of the valid Identification Card of the parents and a certified copy of the House Registration with the page the names of the parents and minor appears on the copy)
- **Foreign Individual.** A certified copy of a valid Alien Certificate or Passport is required.

2. In the case of a Juristic Person

■ Thai Juristic Person

- A copy of the most updated company affidavit issued by the Ministry of Commerce issued not more than 1 year prior to the last date of the Tender Offer Period and VAT Certificate, certified by an authorized signatory(ies) of the juristic person and with the company's seal affixed (if any) are required; and
- A certified copy of the Identification Card, or Civil Servant Identification Card, or State Enterprise Employee Card of the authorized person is required (in case of Civil Servant Identification or State Enterprise Employee Card, a certified copy of the House Registration is required and the Offeree's name must appear on the copy). In the case of a foreign authorized person; a certified copy of Alien Certificate or Passport of the person who certified the aforementioned documents is required.

■ Foreign Juristic Person

- A certified copy of the certificate of incorporation and the affidavit issued by an authorized officer of the juristic person or regulatory body of the country where the juristic person is domiciled, which certifies the name of the juristic person, the person authorized to bind the juristic person, head office location, and any condition to the power of such authorization to bind the juristic person that is issued not more than 1 year prior to the last day of the Tender Offer Period and VAT Certificate, all certified by authorized person(s) is required; and
- A certified copy of valid Alien Certificate or Passport of the authorized person(s) who certified the aforementioned document(s) is required.

All of the aforementioned certified documents must be certified by a Notary Public or by any other agency with authority in a country where such documents were prepared or certified and then have the signature and seal of the officer of the Notary Public or other agency authenticated by an official of the Royal Thai Embassy or of the Thai Consulate in a country where such documents were prepared or certified, and issued not more than 1 year prior to the last date of the Tender Offer Period.

In the case the Offeree is a foreign juristic person whose business is not carried on in Thailand and resides in a country which has no double tax treaty agreement with Thailand or in a country that is the party to a double tax treaty with Thailand, but such double tax treaty does

not exempt the foreign juristic person from withholding tax on the capital gains realized from the sale of securities in Thailand, the Offeree is required to declare the cost basis for the securities for withholding tax purposes by completing and submitting a “**Confirmation of Securities Cost Form**” (“**Cost Declaration Form**”) as per Appendix B.3 for the securities (Ordinary Shares) or Appendix D.3 for NVDR, as the case may be, and with the securities that declare such costs for the withholding tax.

If the Offeree fails to declare the cost basis or fails to submit proper evidence of the cost basis along with the Cost Declaration Form or tendered NVDR, as the case may be, the 15 percent withholding tax will be calculated based on the offered price multiplied by the number of tendered securities of the Business or tendered NVDR in its entirety.

(5) Offeree Who Cannot Submit the Tender Offer Acceptance Form by Him / Herself

Please attach a “**Power of Attorney**” appointing the authorized representative as stated in Appendix B.4 for securities or Appendix D.4 for NVDR with affixed stamp duty and certified copy of identification documents as elaborated in Clause 1.2 (4) of the securities holder and the authorized representative, as the case may be.

In the case the power of attorney is given to a Custodian to exercise the Offeree’s right on his / her behalf, the Power of Attorney document of the Custodian is required whereby the document as aforementioned in Clause 1.1 and 1.2 will be signify by the Custodian along with the document specifying the authorized person of such Custodian and certified copy of identification documents as elaborated in Clause 1.2 (4) of such authorized person.

(6) Other Documents, Which the Tender Offer Agent Will Notify

In the case of questions regarding the Tender Offer Acceptance Procedure, please contact
SCB Securities Company Limited
21st Floor, 19 SCB Park Plaza 3 (Plaza East)
Ratchadapisek Road, Jatujak, Jatujak, Bangkok 10900
Telephone: 0-2949-1999

1.3 Submission of the Tender Offer Acceptance Form

(1) In the case that ordinary shares are in certificate(s) form:

The Offeree shall submit a completed Tender Offer Acceptance Form, as the case may be as stipulated in Clause 1.1, which is completed along with the relevant supporting documents as aforementioned in Clause 1.2 from 9:00 am to 4:00 pm from 5 March 2018 to 9 April 2018 on every business day of the

Tender Offer Agent. The Tender Offer Agent cordially asks for your coordination to submit the Tender Offer Acceptance Form as per Clause 1.1 and all supporting documents as per Clause 1.2 at the office of the Tender Offer Agent at least 2 business days prior to the last date of the Tender Offer Period unless there is any extension of the Tender Offer Period to be announced by the Group of Offerors as the Tender Offer Agent must bring the certificate(s) to the TSD who is the securities registrar for verification and depository. In the case of any certificates being rejected by TSD, the Offeree will be notified to retrieve the securities certificate from the Tender Offer Agent at the following address:

SCB Securities Company Limited
21st Floor, 19 SCB Park Plaza 3 (Plaza East)
Ratchadapisek Road, Jatujak, Jatujak, Bangkok 10900
Telephone: 0-2949-1999

The Tender Offer Agent will submit the securities certificates to the TSD for verification as soon as possible. Nonetheless, if the transfer of ownership of the securities certificate cannot be completed within the period before the submission of a report of the result of the Tender Offer, the tender of such securities will be revoked as such failure of the transfer of ownership will be deemed to have been caused by the Offeree.

*****The Tender Offer Agent will not accept any documents submitted by mail*****

(2) In the case that securities are in scripless form:

In the case the Offeree has his / her securities deposited with the TSD through his/her account opened with any securities broker, the Offeree must contact such broker to collect the Tender Offer Acceptance Form as specify in Clause 1.1 along with the supporting documents as specified under Clause 1.2 to the Tender Offer Agent at the address specified in Clause 1.3 (1). The Offeree may submit the Tender Offer Acceptance Form along with all relevant supporting documents to such broker at the date and time each broker has indicated so that such broker can submit all documents to the Tender Offer Agent within the Tender Offer Period.

(3) In the case of NVDR

In the case of NVDR, the Offeree shall comply with the procedure of Tender Offer Acceptance for NVDR as per Appendix D.1. The Tender Offer Agent cordially ask for the Offeree's coordination to bring the Tender Offer Acceptance Form as per Clause 1.1 along with the supporting documents as per Clause 1.2 at least 2 business days prior to the last day of the Tender Offer Period due to the required procedure that the Tender Offer Agent will have to transfer the securities and NVDR with Thai NVDR Company Limited in order to proceed with the tender offer process.

1.4 In the case the tendered securities are under pledged or any other encumbrances, the Offeree must take action to release the pledged or any other encumbrances before accepting this Tender Offer.

1.5 In the case the Offeree does not comply with Tender Offer Acceptance Procedure or does not complete the aforementioned certified documents required, Tender Offer Agent reserves the right to revise the Tender Offer Acceptance Procedure as set out in this documents as appropriate in case there is any difficulties, impediments or restriction during the procedures in order to fairly facilitate the Offeree

2. Procedure For the Purchase of Securities

All tendered securities will be purchased except in the case of a Tender Offer cancellation as specified in Clause 9 of Part 1.

3. Settlement and Payment Procedure

SCB Securities Company Limited as the Tender Offer Agent, will make payment to the Offeree, who does not cancel their acceptance of Tender Offer within the permitted period, on the 2nd business day following the last day of the Tender Offer Period ("**Settlement Date**"), which is on 11 April 2018 or on the 2nd business day following the last day of the extended Tender Offer Period in case of an extension of the Tender Offer Period by way of wire transfer through The Siam Commercial Bank Public Company Limited or by cheque issued by The Siam Commercial Bank Public Company Limited, Ratchayothin Branch, on the 2nd business day following the last day of the extended Tender Offer Period in case of an extension of the Tender Offer Period. The details of payment procedures are as follows:

3.1 Automatic transfer to an account with The Siam Commercial Bank Public Company Limited

The account must be a savings or current account opened with The Siam Commercial Bank Public Company Limited only. The name of the account holder must be the same as that of the Offeree stated in the Tender Offer Acceptance Form. The amount will be available in the account by 2:00 p.m. on the Settlement Date. In the case the Tender Offer Agent cannot transfer the payment to the Offeree's account due to any reason, the Tender Offer Agent reserves the right to make payment by cheque issued by The Siam Commercial Bank Public Company Limited, Ratchayothin Branch, in which the Tender Offer Agent will inform the Offeree to collect the cheque or deliver by registered mail, as the case may be, as detailed in Clause 3.2.

If the Offeree chooses to receive payment by wire transfer through The Siam Commercial Bank Public Company Limited, the Offeree must provide either a certified copy of the first page of the savings deposit passbook which shows the account name and account number or a certified copy of the current account statement.

3.2 The Offeree collects the cheque from the Tender Offer Agent

The Tender Offer Agent shall make the payment by cheque issued by The Siam Commercial Bank Public Company Limited, Ratchayothin Branch, to Offeree's account only. In the case the Offeree resides in other provinces than Bangkok, it may take approximately 15 days to cash in the cheque or as per the procedure of each financial institution. The Offeree may select the cheque collection by one of the following two methods:

(1) In the case the Offeree chooses to collect the cheque in person

The Offeree can collect the cheque at the office of Tender Offer Agent on 11 April 2018 or on the 2nd business day following the last day of the extended Tender Offer Period in case of an extension of the Tender Offer Period onward from 10:00 a.m. to 4:00 p.m. (business days only) at the address mentioned in Clause 1.3 (1).

In the case the Offeree sends a representative to collect the cheque, the representative must present a Power of Attorney along with supporting documents as stated in Clause 1.2 (5).

If the Offeree fails to collect the cheque within 2 May 2018 or in case that Tender Offer Period is extended, within 21 days or the following day if the 21st day is not a business day, the Tender Offer Agent will deliver the cheque by registered mail to the address indicated in the Tender Offer Acceptance Form on the following business day.

(2) In the case the Offeree chooses to receive the cheque by registered mail at the address specified in the Tender Acceptance Form

The Tender Offer Agent will deliver the cheque to the Offeree's address as indicated in the Tender Offer Acceptance Form by registered mail on 11 April 2018 or on the 2nd business day following the last day of the extended Tender Offer Period in case that Tender Offer Period is extended. The Offeree may receive the cheque later than the 2nd business day from the Settlement Date or date of the registered mail.

The Tender Offer Agent will make payment by cheque issued by The Siam Commercial Bank Public Company Limited, Ratchayothin Branch. In the case the Offeree resides in rural areas, it may take time to cash in the cheque as per the procedure of each financial institution.

In any case where the Tender Offer Agent has proceeded with the delivery of cheque by registered mail to the Offeree at the address specified in the Tender Offer Acceptance Form, it will be considered that the Offeree has received such payment and the Offeree may not claim any interest or damages from the Tender Offer Agent.

Note: In the case of a securities certificate(s), the Tender Offer Agent will make payment to the Offeree on the condition that the securities certificate(s) has been verified and accepted for deposit by TSD. In the case of rejection by TSD, payment will not be made and the Offeree will be notified to retrieve the securities certificate from the Tender Offer Agent at the address specified in Clause 1.3 (1) on the next business day post notification from the Tender Offer Agent.

4. Rights of Securities Holders Who Confirmed Their Tender Offer

The Group of Offerors will make payment to the Offerees through the Tender Offer Agent for all securities tendered according to the payment date and payment procedure in Clause 3.

4.1 In the case of reduction of the tender offer price upon the occurrence of any event as outlined in Clause 8 of Part 1, the Tender Offeror will pay the decreased price to all Offerees except for the securities that the Offeree has expressed his / her intention to tender prior to the announcement of the amendment by the Group of Offerors that are irrevocable. The Group of Offerors shall pay for such securities in full.

4.2 In the event of an increased offer price, the Group of Offerors will pay the increased price to all Offerees.

5. Cancellation of the Tender Offer

The Offeree may cancel their acceptance of the tender offer at the Tender Offer Agent's office as specified in Clause 1.3 (1) from 9:00 a.m. to 4:00 p.m. on every business day from 5 March 2018 to 30 March 2018, totaling 20 business days and/or including the period that may be extended. The cancellation procedures are as follows:

5.1 Complete and sign the "Tender Offer Cancellation Form of Laguna Resorts & Hotels Public Company Limited" ("Tender Offer Cancellation Form") as enclosed in Appendix C.2. for Ordinary Shares along with the signature of the Offeree.

5.2 Enclose the evidence upon receipt of securities certificate(s) or receipt of transfer of scripless securities or receipt of NVDR transfer and Tender Offer Acceptance Form.

5.3 Attached the supporting documents for the cancellation as follows:

5.3.1 In the case the Offeree who wish to cancel is an individual

Thai Individual. A certified copy of the valid Identification Card or Civil Servant Identification Card or State Enterprise Employee Card is required (in case of Civil Servant Identification or State Enterprise Employee Card, a certified copy of the House Registration with the page the Offeree's name appears on the copy or any official document with the 13-digit national identification number). (In the case of lifetime Identification Card, a certified copy of the House Registration with the page the Offeree's name

appears on the copy is required) (In the case of minor, the parents' consent (father and mother) is required along with the certified copy of the valid Identification Card of the parents and a certified copy of the House Registration with the page the names of the parents and minor appears on the copy)

Foreign Individual. A certified copy of a valid Alien Certificate or Passport is required.

5.3.2 In the case the Offeree who wishes to cancel is a juristic person

Thai Juristic Person. A copy of the most updated company affidavit issued by the Ministry of Commerce issued not more than 1 year prior to the last date of the Tender Offer Period, certified by an authorized signatory(ies) of the juristic person and with the company's seal affixed (if any) are required and a certified copy of the Identification Card, or Civil Servant Identification Card, or State Enterprise Employee Card of the authorized person is required (in case of Civil Servant Identification or State Enterprise Employee Card, a certified copy of the House Registration is required and the authorized signatory(ies)'s name must appear on the copy). In the case of a foreign authorized person; a certified copy of Alien Certificate or Passport of the person who certified the aforementioned documents is required.

Foreign Juristic Person

Foreign Juristic Person Incorporated in Thailand. A certified copy of the certificate of incorporation and the affidavit issued by an authorized officer of the juristic person or regulatory body of the country where the juristic person is domicile, which certifies the name of the juristic person, the person authorized to bind the juristic person, head office location, and any condition to the power of such authorization to bind the juristic person that is not more than 1 year prior to the last day of the Tender Offer Period, all certified by authorized person(s) is required and a certified copy of a valid Alien Certificate or Passport of the authorized person(s) who certified the aforementioned document(s) is required.

Foreign Juristic Person Incorporated Outside Thailand. All of the aforementioned certified documents must be certified by a Notary Public or by any other agency with authority in a country where such documents were prepared or certified and then have the signature and seal of officer of the Notary Public or other agency authenticated by an officer of the Royal Thai Embassy or of the Thai Consulate in a country where such documents were prepared or certified, which is issued not more than 1 year prior to the last date of the Tender Offer Period.

5.4 In the case that the Offeree is represented by an authorized representative, a "Power of Attorney" appointing the authorized person as stated in Appendix C.3 affixed with stamp duty and the certified copy of

identification documents as per Clause 5.3, as the case may be, of personal authorizing and the authorized person.

In the case the power of attorney is granted to the Custodian to exercise the Offeree's right, a copy of "Power of Attorney" appointing the Custodian must be attached whereby the documents stipulated in Clause 5 must be signed by the Custodian along with the Custodian's document specifying the authorized person with the identification document as mentioned in Clause 5.3 of such authorized person.

- 5.5 Submit a completed "**Tender Offer Cancellation Form**" together with the required supporting documents as mentioned earlier at the Office of the Tender Offer Agent specified in Clause 1.3 (1).
- 5.6 When the Tender Offer Agent receives the Tender Offer Cancellation Form and other necessary documents as previously mentioned that are submitted within the cancellation period, the Tender Offer Agent will proceed as follows:
- Return of securities certificate(s): The Tender Offer Agent will return the securities certificate(s) to the Offeree or its authorized person on the next business day following the submission date. The Offeree or its representative can contact the Tender Offer Agent per address specified in Clause 1.3 (1) to retrieve the securities certificate(s).
 - Return of scripless securities: The Offeree is required to pay a fee transfer of Baht 50 per transaction. The Tender Offer Agent will transfer the securities through TSD to the Offeree's broker account as specified in the Tender Offer Cancellation Form on the next business day following the submission date.

Note: The Offeree making a cancellation shall receive securities only in the form in which such securities are tendered, and cannot request to change the form for all securities.

The Offeree who expresses his / her intention to tender NVDR will receive his / her tendered NVDR through TSD.

6. Procedure of Returning the Securities to the Offerees in the Case That Tender Offer Process Has Been Canceled

If the Tender Offer is canceled due to conditions specified in Part 1 Clause 9, the Group of Offerors will send the letter notifying the cancellation of the Tender Offer along with the reasons of the cancellation to Laguna Resorts & Hotels Public Company Limited's securities holders, whose names appear on the most recent securities holder register, on the next business day after the end of the last business day that the SEC has not objected the Group of Offeror's cancellation (The SEC can object the cancellation within 3 business days following SEC receives the

Group of Offerors' notice). The Group of Offerors will also announce the cancellation of the Tender Offer through the SET whereby the securities holders will be updated on such cancellation announcement. Afterward, the Tender Offer Agent will proceed as follows:

6.1 In the case of a securities certificate:

In case where the Tender Offer is canceled during the first 20 business day of Tender Offer Period of Laguna Resorts & Hotels Public Company Limited, Tender Offer Agent will return the securities certificates to the Offeree and the Offeree can collect the securities certificate at the Tender Offer Agent's office as specified in Clause 1.3 (1) on the next business day following the Group of Offerors announce the cancellation of the Tender Offer.

In case where the Tender Offer is canceled after the first 20 business day of Tender Offer Period of Laguna Resorts & Hotels Public Company Limited, Tender Offer Agent will return the securities certificates to the Offeree by registered mail prescribed in Tender Offer Acceptance Form. The return of securities certificates will take no longer than 45 days since the date that the Group of Offerors cancel the Tender Offer.

The Offeree must comply with procedures specified by the Tender Offer Agent and shall be responsible for all the expenses incurred in relation to the return of securities in certificate form.

6.2 In the case of scripless securities and NVDR:

The Tender Offer Agent will transfer the securities through TSD system to the Offeree's brokerage account as specified in the Tender Offer Acceptance Form within the next business day following the day that The Group of Offerors announces the cancellation of the Tender Offer.

Note: The Offeree making a cancellation shall receive securities only in the form in which such securities are tendered, and cannot request to change the form for all securities.

7. Determination of the Tender Offer Price

7.1 Methods of the offer price determination

The Group of the Offerors has determined the Offer Price of 40.00 Baht with reference to the 30-day weighted average historical closing price of the Business's shares prior to 23 February 2018, which is 28.67 Baht per share, and marked up with the premium of 39.50 percent. The Group of Offerors use the 30-day average as they reflect the current market price of LRH.

7.2 The highest price at which the Group of Offerors or the persons under Section 258 acquired shares during the period of 90 days before the submission date of the Tender Offer to the SEC

- None -

8. Acquisition of shares prior to the Tender Offer (Only for the case of Partial Tender Offer per Clause 5 of the Notification of the Capital Market Supervisory Board TorJor. 12/2554)

Not applicable since the Group of Offerors offer to purchase all shares of the Business.

Part 5**Certification of the Information**

We, hereby certify that:

- (1) We are committed to execute this Tender Offer;
- (2) The offer price in this Tender Offer complies with the provision of the Notification of Capital Market Supervisory Board TorJor. 12/2554;
- (3) We intend to proceed with the plan which we have indicated in this Tender Offer; and
- (4) All information contained in this Tender Offer is completed and accurate with no misleading information in any material respect and no concealment is made on any material information that should be disclosed.

- Mr. Ho KwonPing -

- Mr. Eddy See Hock Lye -

(Mr. Ho KwonPing)

(Mr. Eddy See Hock Lye)

Executive Chairman

Group Managing Director

Banyan Tree Holdings Limited

The Group of Tender Offerors

- Mrs. Suwanna Numnun -

- Mrs. Kingkarn Olarnjanin -

(Mrs. Suwanna Numnun)

(Mrs. Kingkarn Olarnjanin)

Director

Director

Banyan Tree Resorts & Spas (Thailand) Company Limited

The Group of Tender Offerors

We, as a preparer of this Tender Offer, have complied with requirements set out in the Notification of the SEC Re: Approval for Financial Advisor and a Scope of Work, and hereby certify that;

- (1) We have reviewed and considered that the information regarding the Group of the Offerors to extent that we are confident that the information disclosed in this Tender Offer Document is correct, accurate, and complete, and there is no information that may lead to misunderstanding in any material aspect, and no concealment is made on any material information that should be disclosed;
- (2) We have reviewed the financial evidence and considered that the Group of Offerors can fulfill the obligations under the Tender Offer;
- (3) We have reviewed the Group of Offerors' business policy and plan for the Company as stated in Clause 2 of Part 3 regarding details of the Group of Offerors and consider that;
 - a) The Group of the Offerors can carry out the policies and plans for business operations as mentioned;
 - b) Assumptions for determining the policies and plans for business operation are reasonable; and
 - c) The effects on the Company or the securities holders are clearly and adequately explained;
- (4) We have examined evidence on the acquisition of LRH's shares by the Group of Offerors and/or persons prescribed under Section 258 during the 90-day period prior to the submission date of the Tender Offer. We have examined the offer price and considered that it conforms to the regulation under the Notification of Capital Market Supervisory Board TorJor. 12/2554; and
- (5) We have carefully and prudently studied and reviewed the completeness and accuracy of the information contained in this Tender Offer and view that the information is complete and correct and there is no misleading information in any material aspects and no concealment is made of any material information that should be disclosed.

-Dr. Kongkiat Opaswongkarn-

-Mr. Lec Sicoravit-

(Dr. Kongkiat Opaswongkarn)

(Mr. Lec Sicoravit)

Chairman

President

Asia Plus Advisory Company Limited

The Tender Offer Preparer

Appendix A

Confirmation on Source of Fund for Tender Offer



47590184641000

เขียนที่ ธนาคารไทยพาณิชย์ จำกัด (มหาชน)

ที่ รส. 47690227907000

วันที่ 23 กุมภาพันธ์ 2561

เรียน เลขธิการ สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์

เรื่อง การรับรองให้การสนับสนุนด้านการเงินในการทำเสนอซื้อหลักทรัพย์

ตามที่ Banyan Tree Holdings Limited และ บริษัท บันยัน ทรี รีสอร์ท แอนด์ สปา (ไทยแลนด์) จำกัด (รวมเรียกว่า "ผู้ทำคำเสนอซื้อ") จะเข้าทำคำเสนอซื้อหลักทรัพย์ที่เหลือทั้งหมดของบริษัท ลา구나 รีสอร์ท แอนด์ โฮเทล จำกัด (มหาชน) ("กิจการ") (ไม่นับรวมหุ้นส่วนที่ถือโดยผู้ทำคำเสนอซื้อ) โดยผู้ทำคำเสนอซื้อต้องแสดงหนังสือรับรองการสนับสนุนด้านการเงินของธนาคารแก่ สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ เพื่อประกอบการทำคำเสนอซื้อหลักทรัพย์ทั้งหมดของกิจการนั้น

ข้าพเจ้า ธนาคารไทยพาณิชย์ จำกัด (มหาชน) ("ธนาคาร") ในฐานะสถาบันการเงิน ขอรับรองต่อสำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ว่า ธนาคารยินดีให้การสนับสนุนด้านการเงินแก่ผู้ทำคำเสนอซื้อในการทำเสนอซื้อหลักทรัพย์ที่เหลือทั้งหมดของกิจการ (ไม่นับรวมหุ้นส่วนที่ถือโดยผู้ทำคำเสนอซื้อ) ภายในวงเงินไม่เกิน -3,700,000,000.00- บาท (-สามพันเจ็ดร้อยล้านบาทถ้วน-) ทั้งนี้ ภายใต้ระเบียบ และเงื่อนไขของธนาคารที่ได้ตกลงไว้กับผู้ทำคำเสนอซื้อ โดยหนังสือรับรองนี้มีผลบังคับใช้นับจากวันที่ออกหนังสือฉบับนี้จนกระทั่งถึงวันชำระราคาในการทำคำเสนอซื้อหลักทรัพย์ของกิจการ

ขอแสดงความนับถือ

ธนาคารไทยพาณิชย์ จำกัด (มหาชน)


14/9/61
(นายพิชิต เชื้อชิด)


14/9/61
(นางปณิดา นันทวงษ์)

ตำแหน่ง เจ้าหน้าที่อาวุโสควบคุมปฏิบัติการคำสั่งเงินเชื่อธุรกิจ

ผู้จัดการทีมควบคุมปฏิบัติการคำสั่งเงินเชื่อธุรกิจ 1

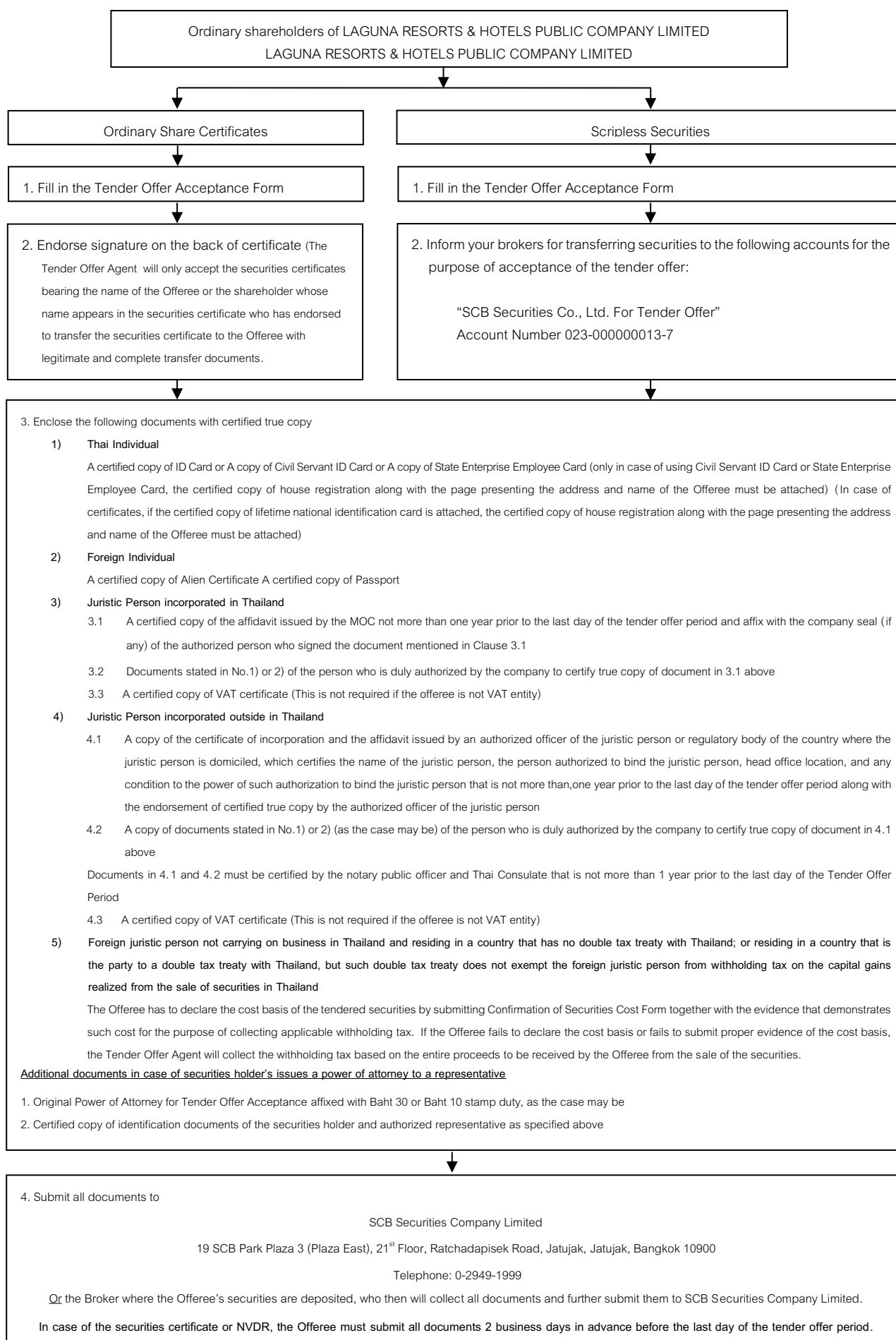
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OPHO-2018-02-005121

Appendix B

Tender Offer Acceptance Procedure and Forms

- B.1 Tender Offer Acceptance Procedure
- B.2 Tender Offer Acceptance Form
- B.3 Confirmation of Securities Cost Form
- B.4 Power of Attorney for Tender Offer Acceptance

Tender Offer Acceptance Procedures



ACCEPTANCE FORM FOR A TENDER OFFER TO PURCHASE SECURITIES OF
LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED

To Offeror and SCB Securities Company Limited "Tender Offer Agent"
I/We (Mr./ Mrs./ Miss/ Company)
Address
Postal code
Tel. no.
Fax no.

Type of Seller
[] Thai Individual
[] Foreign Individual
[] Thai Juristic Person
[] Foreign Juristic Person Operating Business in Thailand
[] Foreign Juristic Person not Operating Business in Thailand

hereby accept to sell
[] ordinary shares of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED at the price of Baht 40.00 (Forty Baht) per share and
the net price after commission fee of 0.25 percent of the offering price and VAT (7 percent of commission fee) will equal to Baht 39.89 (Thirty Nine Baht Eighty Nine Satang)
per share or a total value of Baht

Table with columns: Ordinary share certificate, Securities transfer through TSD, Name of securities holder, Securities certificate No., Transfer from broker no. (Participant No.), Transfer slip no., Transfer date, Number of securities. Includes a Total row.

Payment Method

- [] Collect payment cheque in person at SCB Securities Company Limited from April 11, 2018 during 10:00 a.m. to 4:00 p.m.
[] Please send payment cheque to the above address by registered mail
[] Transfer to The Siam Commercial Bank Plc. Branch..... Type of Account..... Account No. [] [] [] [] [] [] [] [] [] []

I / We hereby appoint SCB Securities Co., Ltd. As my / our proxy to sell, transfer, deliver and arrange the payment procedure and process any other necessary deeds relevant to the
terms and conditions stated in the Tender Offer document, and will not revoke the sale of such securities in any circumstance except for the cancellation under the terms and conditions
stated in the Tender Offer document.

I/We hereby attached the required document(s) for the selling transaction including endorsing the Securities certificate with the holder's signature and/or the document of share transfer
into the account of "SCB SECURITIES CO., LTD. FOR TENDER OFFER" Account No. 023-00000013-7, and certified copy of the identification card and/or certified copy of company
affidavit (in case of Juristic person) as per details indicated in the Tender Offer document.

I/We certify, represent and warrants that I am/we are the legal and beneficial owner(s) of all such Securities of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED free from any
mortgage or encumbrance of whatever nature, or third party rights ("Encumbrance"); and I/we sell such as beneficial owner(s) there of free from any and all Encumbrances. I/We hereby
acknowledge that this form will be completed when TSD completes the transfer of such Securities to the Tender Offer Agent.

I/We hereby have completed KYC/CDD process from the securities company which I/We deposit the securities and have submitted the Acceptance Form of Tender Offer to Purchase Securities, with my/our signature(s) to confirm
the completion of KYC/CDD process within the past 2 years, with securities company that submits the Acceptance Form of Tender Offer to Purchase Securities and other documents on my/our behalf(ves).

In case where the amount of the transaction is greater than Baht 100,000 where the seller is not the Beneficial Owner*, please specify

* Beneficial Owner means a natural person who ultimately owns or controls a customer or a person on whose behalf a transaction is being conducted, including those persons who have ultimate effective control over a juristic
person or through legal arrangement, according to the relevant Ministerial Regulation prescribing Rules and Procedures for Customer Due Diligence

Signed..... Proxy
(.....)
Signed..... Seller
(.....)
Date

Receipt of Acceptance for Tender Offer Form/ Securities Certificate/ Transfer slip for Tender Offer

Receipt No.
Date

SCB Securities Company Limited has received the Tender Offer Acceptance Form of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED with the following documents;

- [] Ordinary Share certificate [] Transfer slip through TSD

Total..... Units

From Mr./ Mrs./ Miss/ Company By way of the following payment method:

- [] Transfer to The Siam Commercial Bank Plc. [] Collect payment cheque in person [] Receive payment cheque by mail to the above address

Signed Recipient
(.....)

Confirmation of Securities Cost Form

(For foreign juristic person not carrying on business in Thailand and residing in a country that has no double tax treaty with Thailand, or residing in a country that is the party to a double tax treaty with Thailand but such double tax treaty does not exempt such foreign juristic person from withholding tax on the capital gain realized from the sale of securities in Thailand.)

Date

To SCB Securities Company Limited (the "Tender Offer Agent")

I/We Nationality.....

Tax Identification No. (if any) would like to declare the securities cost of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED, which are the securities being offered hereto as follows:

For Tender of Ordinary Shares at the amount of shares

Date	No. of Securities Certificates/ No. of Transfer Slip (Date of Transfer)	Name of Securities holders as appearing in the Registration	No. of Securities	Cost per Share (Baht)
Total				

I/We hereby, attached
totally(if any), as evidence (s) of cost for withholding tax calculation.

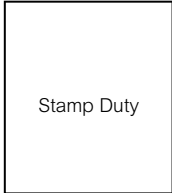
I/we hereby certify that the statements given above are accurate.

Signed..... Offeree
(.....)

Foreign juristic person, who does not carry on business in Thailand and residing in a country that has no double tax treaty with Thailand, or who resides in a country that is the party to a double tax treaty with Thailand, but such double tax treaty does not exempt the foreign juristic person from withholding tax on the capital gains realized from the sale of securities in Thailand, has to declare securities cost by submitting the Confirmation of Securities Cost Form attached with the evidence of such cost. If the form is not submitted or proper evidence of the cost basis is not enclosed with the form, the withholding tax will be imposed on the entire proceeds to be received by the Offeree from the sale of securities.



POWER OF ATTORNEY



Made at

Date

I/We Age
Nationality Resides at (address that can be reached by mail)
Postal code.....

as the holder of securities of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED,
at the amount of shares/units

hereby authorized Age Nationality Resides at (address that can be reached by mail)
Postal code to act as my/our proxy

- to submit Tender Offer Acceptance Form and deliver securities of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED,
to provide assistance in the cheque collection process,

through SCB Securities Company Limited (the "Tender Offer Agent") and to be authorized to do and execute all such other matter in connection with the aforesaid mentioned on my behalf until its completion.

Any acts taken by my/our proxy shall be deemed to be taken by myself/ourselves in every respect.

Signed.....Grantor
(.....)

Signed..... Proxy
(.....)

Signed..... Witness
(.....)

Signed..... Witness
(.....)

Remarks (Please attached the following):

- 1. Certified true copies of ID or Certificate of Incorporation of the Grantor and authorized representative are required to be attached herewith
2. Certified true copies of ID or Certificate of the Proxy
3. Affix a Baht 10 stamp duty in case of authorizing the Proxy to sell, transfer and deliver shares and affix Baht 10 stamp duty in case of authorizing the Proxy to assist in the cheque collection, and affix a Baht 30 stamp duty in the case of authorizing the Proxy to provide both assistance

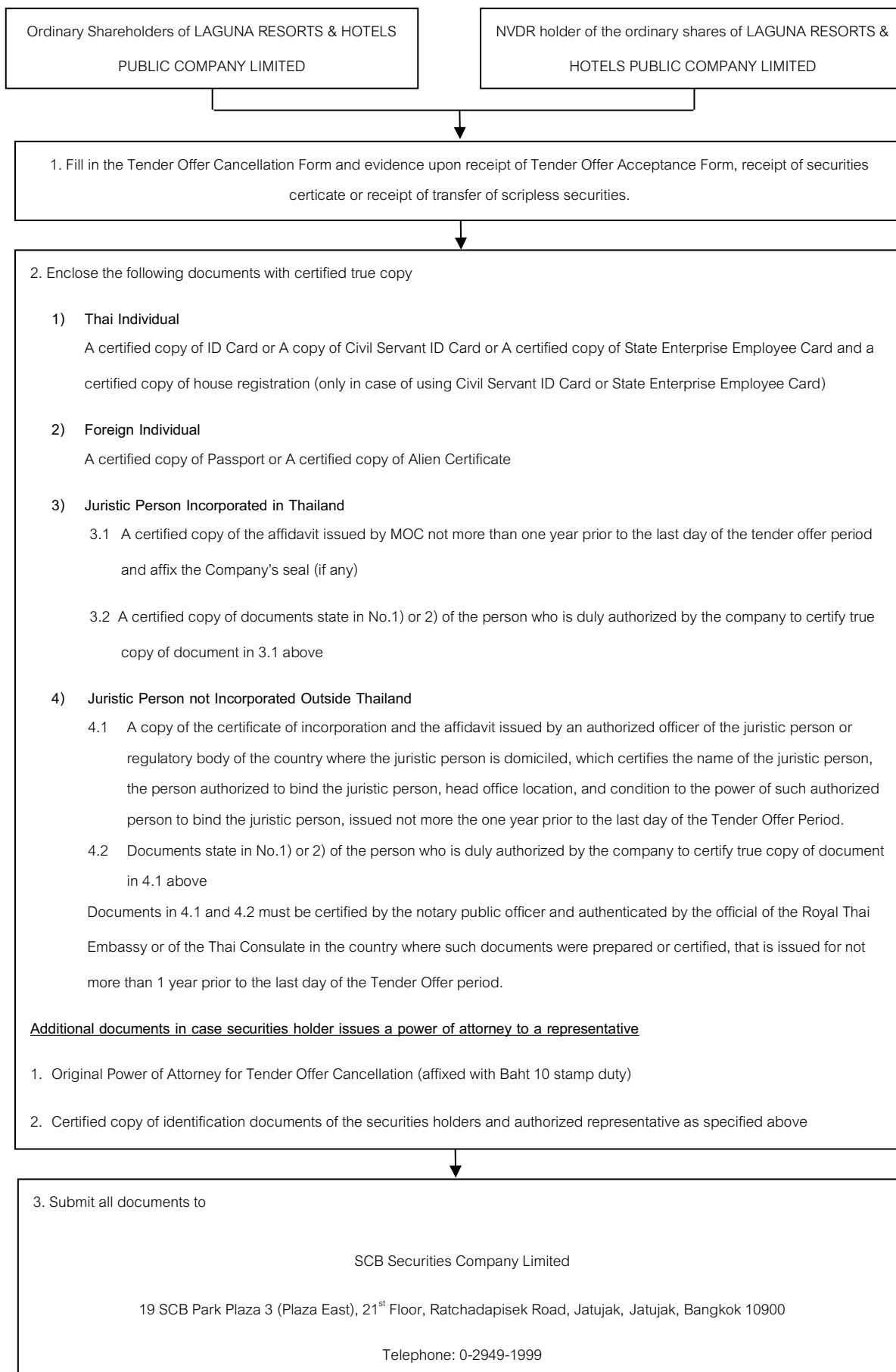


Appendix C

Tender Offer Cancellation Procedure and Forms

- C.1 Tender Offer Cancellation Procedure
- C.2 Tender Offer Cancellation Form
- C.3 Power of Attorney for Tender Offer Cancellation

**Tender Offer Cancellation Procedures of
LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED**



Tender Offer Cancellation Form
LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED

Cancellation Form No.
 Date

To The Tender Offeror and SCB Securities Company Limited ("Tender Offer Agent")
 I/We (Mr./Mrs./Ms./Company)
 Address (that can be reached by mail).....
 Postal Code Home Tel. no. Office Tel. no..... hereby cancel the offer to sell

..... ordinary shares or unit of NVDR of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED.
 I/We submitted the Tender Offer Acceptance Form of the securities of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED on
 (Date) Acceptance Form No.

I/We would like to receive the securities or NVDR in the same method as tendered by

- Securities/NVDR certificate (the certificate will be collectible at SCB Securities Co., Ltd. on the business day following the date of submission of the Tender Offer Cancellation Form)
- Scripless/NVDR: (I/We, herewith, attached Baht 50 for securities transferring fee).Transfer securities through TSD by transferring to the following account

Broker's Name Broker's Number
 Account Name Account Number

The aforementioned Broker will deposit the securities transferred from the Tender Offer Agent to my securities trading account opened with the Broker. SCB Securities Co., Ltd. will transfer the securities through TSD into securities trading account specified above on the business day following the date of submission of the Tender Offer Cancellation Form.

I/We hereby agree to accept the terms and conditions stated above.

Signed.....Offeree
 (.....)

Delivery of securities/NVDR certificates

SCB Securities Company Limited, the Tender Offer Agent, has delivered the securities/NVDR certificates as stated above to the Offeree who cancel their acceptance of the tender offer, and the Offeree has received the securities/NVDR certificate.

SignedDeliverer
 (.....)

Signed.....recipient/Offeree
 (.....)



Receipt of Tender Offer Cancellation Form of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED

Cancellation Form No.
 Date

SCB Securities Company Limited ("Tender Offer Agent") has received the Tender Offer Cancellation Form of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED from Mr./Mrs./Ms./Company).....

Amount of cancellation
 ordinary shares or NVDR and the Receipt of the Tender Offer Acceptance Form No.....

The securities will be returned to the person who intend to cancel by

- Securities/NVDR certificate (the certificate will be collectible at SCB Securities Co., Ltd. on the business day following the date of submission of the Tender Offer Cancellation Form)
- Scripless/NVDR: (I/We, herewith, attached Baht 50 for securities transferring fee.) Transfer securities through TSD by transferring to the following account

Broker's NameBroker's Number
 Account NameAccount Number

The aforementioned Broker will deposit the securities transferred from the Tender Offer Agent to my securities trading account opened with the Broker. SCB Securities Co., Ltd. will transfer the securities through TSD into securities trading account specified above on the business day following the date of submission of the Tender Offer Cancellation Form.

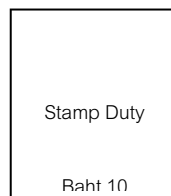
Signed..... Recipient
 (.....)

For more information please contact Tel. 0-2949-1999

Settlements Department, SCB Securities Co., Ltd.



POWER OF ATTORNEY



Made at

Date

I/WeAge Nationality
resides at (Address that can be reached by mail)

..... Postal code.....

hereby authorized..... Age Nationality

resides at (Address that can be reached by mail)

..... Postal code.....

to act as my/our proxy to cancel the Tender Offer Acceptance Form of

Ordinary shares/NVDR at the amount of shares

of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED which I/We intended to sell to Banyan Tree Holdings Limited and Banyan Tree Resorts & Spas (Thailand) Company Limited ("Group of Offeror") through SCB Securities Company Limited ("Tender Offer Agent") and to be authorized to do and execute all such other matters in connection with the aforesaid mentioned on my behalf until its completion.

Any acts taken by my/our proxy shall be deemed to be taken by myself/ourselves in every respect.

Signed.....Grantor

(.....)

Signed..... Proxy

(.....)

Signed..... Witness

(.....)

Signed..... Witness

(.....)

Note The following documents which are certified true copy is required to be attached herewith:

- 1. Certified true copies of identification documents or Certificate of Incorporation of the Grantor and authorized representative;
2. Certified true copies of identification documents of the Proxy.

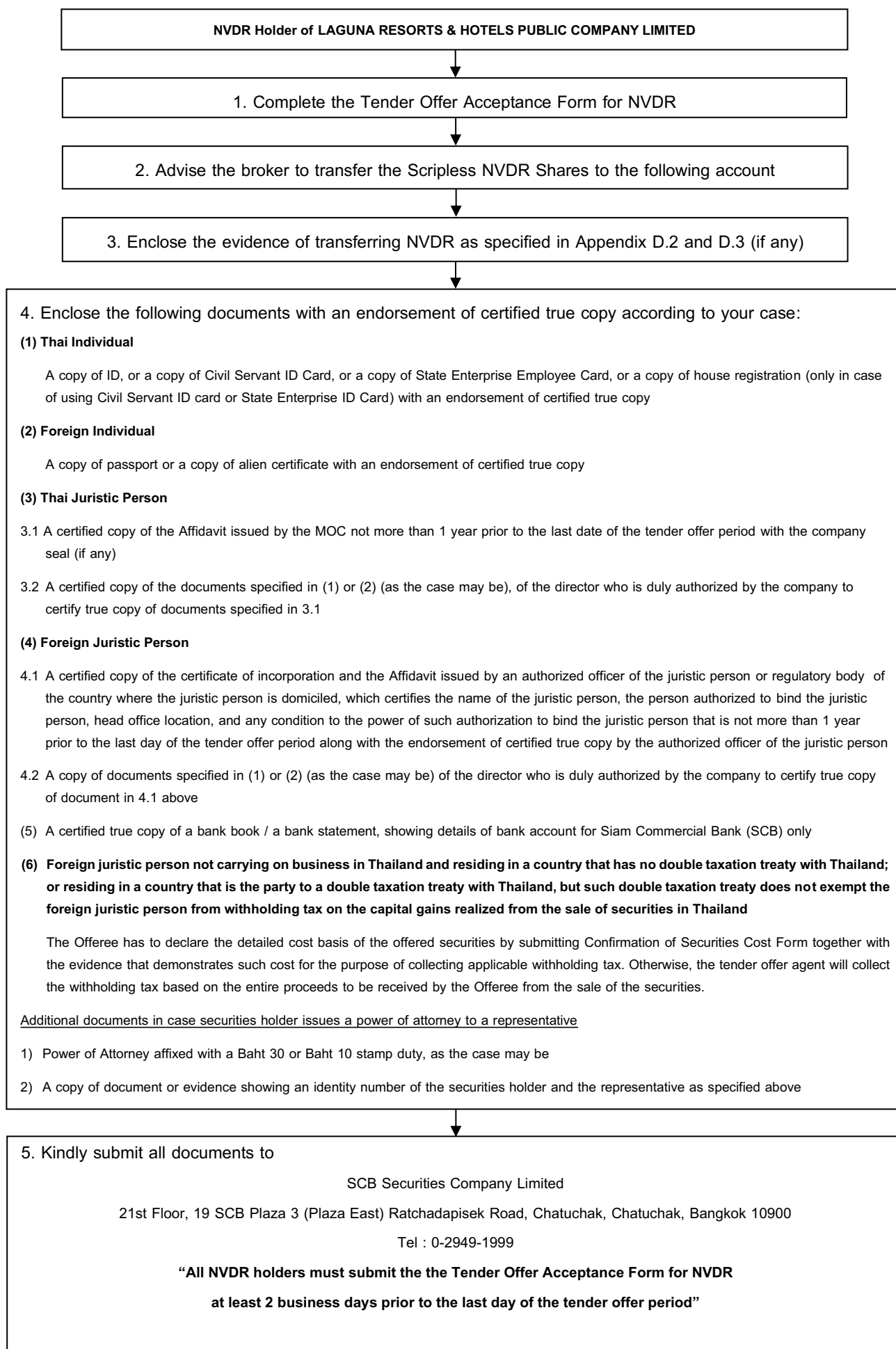


Appendix D

Tender Offer Acceptance Procedure and Forms for NVDR

- D.1 Tender Offer Acceptance Procedure for NVDR
 - D.2 Tender Offer Acceptance Form for NVDR
 - D.3 Confirmation of Securities Cost Form for NVDR
 - D.4 Power of Attorney for Tender Offer Acceptance
-

Tender Offer Acceptance Procedure for NVDR



Tender Offer Acceptance Form for NVDR of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED

Date _____ Acceptance Form No. _____

To : The Offeror and SCB Securities Co., Ltd. ("**Tender Offer Agent**")

I/We (Mr./Mrs./Miss/Company) _____

Address _____

Telephone No. _____ Facsimile No. _____ Occupation _____

TYPE OF SELLER

<input type="checkbox"/> Thai Individual	ID card / Civil Servant ID / State Enterprise Employee card No. _____
<input type="checkbox"/> Foreign Individual	Foreign Identity / Passport No. _____
<input type="checkbox"/> Thai Juristic Person	Company Registration No. _____ VAT Certificate <input type="checkbox"/> Yes Certificate No. <input type="checkbox"/> NO _____
<input type="checkbox"/> Foreign Juristic Person	Company Registration No. _____ VAT Certificate <input type="checkbox"/> Yes Certificate No. <input type="checkbox"/> NO _____

I/We hereby accept the Tender Offer to sell _____ (_____) NVDRs of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED at the offer price of Baht 40.00 (Forty Baht) per share, subject to the brokerage fee of 0.25 percent of the Offer Price and the value added tax of 7 percent of the brokerage fee, bringing the net offer price to be Baht 39.89 (Thirty Nine Baht Eighty Nine Satang) per share, or total amount of Baht _____ subject to all terms and conditions stated in the Tender Offer document.

I/We acknowledge that the acceptance of the Tender Offer and the sale hereunder is irrevocable, and I/We hereby agree to comply with all terms and conditions set forth in the Tender Offer document.

I/We hereby appoint SCB Securities Co., Ltd. as my/our proxy to sell, transfer, deliver and arrange the payment procedure and process any other necessary deeds relevant to the terms and conditions stated in the Tender Offer document.

<input type="checkbox"/> Transfer of Scripless NVDR (ordinary shares)			
Transfer Date	Transfer Slip No.	TSD Participant No.	No. of NVDRs (units)
Total NVDRs			

Payment Conditions:

- I/We will collect the payment cheque in person at SCB Securities Co., Ltd. from April 11, 2018 during 10:00 a.m. to 4:30 p.m.
- Please deliver the payment cheque to the address shown above via registered mail
- Transfer payment to my savings or current account at the Siam Commercial Bank Plc., Branch _____ Type of Account _____
Account No. [][][][][][][][][][][][][][][][] (the account name has to be the same as the offeree name and attach certified true copy of a saving passbook or current account statement with this form)

I/We hereby attach the following documents for selling transaction including the evidence of NVDRs transfer to account "SCB Securities Co., Ltd. For Tender Offer" Account No. 023-00000013-7, together with a certified true copy of the identification card and/or a certified true copy of proof of registered company (in the case of a Juristic Person) as per details indicated in the Tender Offer document.

I/We certify, represent and warrants that I am/we are the legal and beneficial owner(s) of all such sold NVDRs of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED free from any mortgage or encumbrance of whatever nature, or third party rights ("**Encumbrance**"); and I/we sell such sold NVDRs as beneficial owner(s) thereof free from any and all Encumbrances. I/We hereby acknowledge that this form will be completed when TSD completes the transfer of such sold NVDRs to the Tender Offer Agent.

I/We hereby have completed KYC/CDD process from the securities company which I/We deposit the securities and have submitted the Acceptance Form of Tender Offer to Purchase Securities, with my/our signature(s) to confirm the completion of KYC/CDD process within the past 2 years, with securities company that submits the Acceptance Form of Tender Offer to Purchase Securities and other documents on my/our behalf(ves).

In case where the amount of the transaction is greater than Baht 100,000 where the seller is not the Beneficial Owner*, please specify _____

* Beneficial Owner means a natural person who ultimately owns or controls a customer or a person on whose behalf a transaction is being conducted, including those persons who have ultimate effective control over a juristic person or through legal arrangement, according to the relevant Ministerial Regulation prescribing Rules and Procedures for Customer Due Diligence

Signed _____ Offeree
(_____)



Transfer of Scripless NVDR and Tender Offer Acceptance Form Receipt

Acceptance Form No. _____
Date _____

SCB Securities Co., Ltd. ("**Tender Offer Agent**") has received the Tender Offer Acceptance Form for NVDRs of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED and the Transfer of Scripless NVDRs with the document to transfer _____ NVDRs from (Mr./Mrs./Miss/Company) _____

The Offeree will receive the money by:

- Collect the payment cheque in person at SCB Securities Co., Ltd. during 10:00 a.m. to 4:30 p.m.
- Have the cheque sent to the specified address via registered mail
- Transfer payment to my savings or current account at The Siam Commercial Bank Plc.

Signed _____ Recipient
(_____)



Confirmation of Securities Cost Form for NVDR

(Only for Foreign Juristic Person not carrying on business in Thailand and residing in a country that has no double tax treaty with Thailand; or residing in a country that is the party to a double tax treaty with Thailand, but such double tax treaty does not exempt the foreign juristic person from withholding tax on the capital gains realized from the sale of securities in Thailand)

Date

To SCB Securities Co., Ltd. ("The Tender Offer Agent")

I/We Nationality
 Tax Identification No. (if any) would like to declare the securities cost of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED which are NVDRs being tendered and offered for sale hereunder as follows:

Transfer of Scripless NVDR (ordinary shares) units

Transfer Date	NVDR certificate no./Transfer slip no.	No. of NVDRs	Cost per unit (Baht)
Total			

I/We hereby, attached
 totally(if any), as evidence(s) of cost of the securities tendered for the purpose of withholding tax calculation.

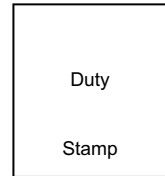
I/We hereby certify that the above statements are true and correct in all respects.

Signed Offeree
 (.....)

Foreign juristic person, who does not carry on business in Thailand and residing in a country that has no double tax treaty with Thailand, or who resides in a country that is the party to a double tax treaty with Thailand, but such double tax treaty does not exempt the foreign juristic person from withholding tax on the capital gains realized from the sale of securities in Thailand, has to declare securities cost by submitting the Confirmation of Securities Cost Form attached with the evidence of such cost. If this form is submitted with proper evidence of the cost basis, only the Offeree's gain on the sale (if any) will be subject to withholding tax. If the form is not submitted or proper evidence of the cost basis is not enclosed with the form, the withholding tax will be imposed on the entire proceeds to be received by the Offeree from the sale of securities.



POWER OF ATTORNEY



Written at

Date

By this Power of Attorney, I/we Age years

Nationality Resides at (address that can be reached by mail)

.....

hold(s) NVDR (ordinary shares) units of LAGUNA RESORTS & HOTELS PUBLIC COMPANY

LIMITED hereby appoint(s) Mr./Miss/Mrs

Age years Nationality Resides at (address that can be reached by mail)

.....

.....

to act as my/our Proxy

to submit the Tender Offer Acceptance Form and deliver NVDRs of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED

to provide assistance in the cheque collection process, and to be authorized to do and execute any and all such other acts in connection with the aforementioned matters on my/our behalf until its completion.

All acts taken by my/our Proxy under this Power of Attorney shall be deemed done by myself/ourselves in all respects.

IN WITNESS WHEREOF, this Power of Attorney has been duly executed in the presence of the witnesses on the date herein above written.

Signed.....Grantor

(.....)

Signed.....Proxy

(.....)

Signed.....Witness

(.....)

Signed.....Witness

(.....)

Remarks (please attach the following documents):

- Copies of identification documents of the grantor and of the authorized representative as specified in Sub-Section (1) – (4) of Section 4, in Appendix D.1, where applicable.
- Affix a 10 Baht stamp duty in case of authorizing the Proxy to sell, transfer and deliver NVDRs of LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED and affix a 10 Baht stamp duty in case of authorizing the Proxy to assist in the cheque collection process, and affix a 30 Baht stamp duty in case of authorizing the Proxy to provide both assistances.

Appendix E

Amendment of Securities Holder Information Form



แบบคำขอแก้ไขข้อมูลผู้ถือหลักทรัพย์

Request Form for Rectifying Items in the Securities Holder Record

อากรแสตมป์
Revenue stamp
(กรณีมอบอำนาจ)
(in case authorized)

เรียน กรรมการผู้จัดการ บริษัท ศูนย์รับฝากหลักทรัพย์ (ประเทศไทย) จำกัด

To Chief Executive Officer of Thailand Securities Depository Co., Ltd.

ข้าพเจ้า (I/We) (ชื่อไทย).....
(ชื่ออังกฤษ).....

บัตรประจำตัวประชาชน / ทะเบียนนิติบุคคลเลขที่ (Identification No./Company Registration No.).....
มีความประสงค์ขอแก้ไขข้อมูลผู้ถือหลักทรัพย์ดังต่อไปนี้ (To inform the rectification of shareholder's information as the following)

โปรดระบุ	ข้อมูลเดิม (Previous Information)	ข้อมูลใหม่ที่ต้องการ (New Information)
<input type="radio"/>	คำนำหน้าชื่อ (Prefix) .....	.....
<input type="radio"/>	ชื่อ (First Name) .....	.....
<input type="radio"/>	นามสกุล (Last Name) .....	.....
<input type="radio"/>	ที่อยู่ (Mailing Address) .....	.....
<input type="radio"/>	รหัสไปรษณีย์ (Postal/Zip Code) .....	.....
<input type="radio"/>	โทรศัพท์บ้าน (Home Telephone No.).....	.....
<input type="radio"/>	โทรศัพท์ที่ทำงาน (Office Telephone No.).....	.....
<input type="radio"/>	โทรศัพท์เคลื่อนที่ (Mobile Telephone No.).....	.....
<input type="radio"/>	โทรสาร. (Fax No.).....	.....
<input type="radio"/>	Email Address.....	.....
<input type="radio"/>	อื่นๆ (Others).....	.....

กรณีผู้ถือหลักทรัพย์มอบหมายให้บุคคลอื่นดำเนินการแทน (In case a proxy is assigned)

ข้าพเจ้า ขอมอบอำนาจให้,ดำเนินการยื่นแบบคำขอ แทนข้าพเจ้า

Here by authorizeas our representative ,with full authority to send a petition

ลงชื่อ ผู้ถือหลักทรัพย์ / ผู้มอบอำนาจ ลงชื่อ ผู้รับมอบอำนาจ (ถ้ามี)
Signature the shareholder / Grantor Signature Grantee (if any)
(.....) (.....)

หมายเหตุ การมอบอำนาจให้บุคคลอื่นมาดำเนินการแทน ต้องนำบัตรประจำตัวประชาชน (ตัวจริง) และสำเนา
ของผู้มอบอำนาจ และผู้รับมอบอำนาจมาแสดงด้วย เอกสารประกอบแบบคำขอฯ (โปรดดูรายละเอียดด้านหลัง) ⇨

Please note: Required documents in case of attaching the power of attorney, the original and a copy of grantor's I.D. card and grantee's I.D. card.

Required Documents (Please turn over) ⇨

สำหรับเจ้าหน้าที่ (For official use only)	
วันที่(Date)..... เลขที่รายการ (Transaction No.).....	ผู้ตรวจรับ (Checker)..... ได้ตรวจสอบหลักฐานแสดงตนฉบับจริงของผู้ถือหลักทรัพย์แล้ว I have already checked all original documents. ลงชื่อ (Signature).....เจ้าหน้าที่ (Officer)

บริษัท ศูนย์รับฝากหลักทรัพย์ (ประเทศไทย) จำกัด
THAILAND SECURITIES DEPOSITORY CO., LTD

62 อาคารพาณิชย์สามัคคีประจักษ์ไทย ถนนสีหราชวินิต แขวงระนอง เขตคลองเตย กรุงเทพฯ 10110 โทร/โทรสาร 0-2229-2800
62 The Stock Exchange of Thailand Building, Fachadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel.0 2229 2800
TSD Call Center:0-2229-2888 Fax:0-2654-5426-7 E-mail:TSDCallCenter@set.or.th www.tsd.co.th



Your Partner in Success

เอกสารประกอบการแก้ไขข้อมูลผู้ถือหลักหลักทรัพย์

Document to be submitted for Rectifying Items in the Securities Holder Record

1. การแก้ไขข้อมูลจะมีผล เมื่อนายทะเบียนได้รับหนังสือไม่น้อยกว่า 5 วันทำการก่อนวันปิดสมุดทะเบียน ในกรณีที่ท่านฝากหลักทรัพย์ไว้กับบริษัทสมาชิก(โบรกเกอร์) การแจ้งขอแก้ไขข้อมูลต่าง ๆ โปรดติดต่อกับบริษัทสมาชิกของท่านโดยตรง (Corrections will be effective when the registrar has received the documents not less than 5 working days prior to the book closing date. In case where the securities owner deposits the securities with broker/custodian, please contact your correspond broker/custodian.)

2. ที่อยู่ของผู้ถือหลักทรัพย์ควรเป็นที่อยู่ที่สะดวกต่อการรับเอกสารโดยวิธีไปรษณีย์ลงทะเบียน แต่ไม่ระบุที่อยู่เป็นตู้ไปรษณีย์ ตามที่กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์กำหนดได้ (Address of the shareholder must be convenient enough for receiving documents by registered mail. Address specifying post office number as assigned by Commercial and Registration department of the Ministry of Commerce must not be given.)

เอกสารที่เขียนประกอบกับหนังสือฉบับนี้ในแต่ละกรณี (Other Documents to be submitted along with this document under various conditions)

1. เอกสารแสดงตน ของผู้ถือหลักทรัพย์ (Related attached documents)

กรณีผู้ถือหลักทรัพย์เป็นบุคคลธรรมดา ((For Juristic persons)

สัญชาติไทย (Thai Nationality)

- บัตรประจำตัวประชาชน (ตัวจริง) และสำเนา ที่ได้ลงลายมือชื่อรับรองความถูกต้องโดยเจ้าของบัตร (The original and a copy of I.D. card with original signature)

สัญชาติอื่นที่มีสัญชาติไทย (Other Nationalities)

- ใบต่างตัว หรือหนังสือเดินทาง พร้อมสำเนาที่ได้ลงลายมือชื่อรับรองความถูกต้องโดยเจ้าของบัตร (The original and a copy of the signatory's alien identity card or his/her passport, certified true with his/her original signature.)

(กรณี ไม่สามารถยื่นหนังสือเดินทางฉบับจริง ต้องให้เจ้าหน้าที่ Notary Public รับรองความถูกต้องของสำเนาหนังสือเดินทางพร้อมทั้งให้สถานทูตไทย หรือกงสุลไทย ทำการรับรองลายมือชื่อและตราประทับของเจ้าหน้าที่ Notary Public) (In case can not show the original passport, it has to be certified by a notary officer. The signatory certificate and notary public stamp by the Thai Embassy or Consulate of Thailand are required.)

กรณีผู้ถือหลักทรัพย์เป็นนิติบุคคล For Juristic persons

สัญชาติไทย (Thai Nationality)

1. สำเนาหนังสือรับรองจากกระทรวงพาณิชย์ ที่ออกให้ไม่เกิน 1 ปี ลงลายมือชื่อรับรองความถูกต้องโดยกรรมการผู้มีอำนาจลงนามแทน นิติบุคคล (A copy of juristic person certificate issued by the Ministry of Commerce not exceeding one year with original signature of authorized directors who represent the company.)

2. บัตรประจำตัวประชาชน (ตัวจริง) และสำเนา ของกรรมการผู้มีอำนาจลงนามผูกพันนิติบุคคล ที่ได้ลงลายมือชื่อรับรองความถูกต้องโดยเจ้าของบัตร (The original and a copy of I.D. card of authorized directors who represent the company with original signature)

สัญชาติอื่นที่มีสัญชาติไทย (Other Nationalities)

1. สำเนาหนังสือรับรองการจดทะเบียนบริษัทที่ออกโดยหน่วยงานราชการของประเทศที่นิติบุคคลนั้นมีภูมิลำเนา (A copy of Company's registration certificate issued by government sector.)

2. สำเนาหนังสือรับรองที่ออกโดยเจ้าหน้าที่ของนิติบุคคลนั้นหรือหน่วยงานราชการของประเทศที่นิติบุคคลนั้นมีภูมิลำเนา ซึ่งรับรองชื่อผู้มีอำนาจลงลายมือชื่อผูกพันนิติบุคคล อำนาจหรือเงื่อนไขในการลงลายมือชื่อผูกพันนิติบุคคลและที่ตั้งสำนักงานใหญ่ (A copy of juristic person authorization certificate issued by an officer of juristic persons or by an authority of the country of origin with original signature, name of an authorized person representing juristic persons, headquarters' location and authority of signatory)

3. สำเนาบัตรประจำตัวประชาชน หรือใบต่างตัว หรือหนังสือเดินทางของผู้มีอำนาจลงลายมือชื่อผูกพันนิติบุคคลที่ได้ลงลายมือชื่อรับรองความถูกต้องโดยเจ้าของบัตร (A copy of alien identity card or passport of an authority of juristic persons with original signature)

◆ เอกสารตามข้อ 1-3 ที่เป็นเอกสารซึ่งได้จัดทำหรือรับรองความถูกต้องในประเทศ จะต้องดำเนินการ ดังต่อไปนี้ (Documentation No. 1-3)

- (ก) ให้เจ้าหน้าที่ Notary Public หรือหน่วยงานอื่นใดที่มีอำนาจในประเทศที่เอกสารดังกล่าว ได้จัดทำหรือรับรองความถูกต้องทำการรับรองลายมือชื่อผู้จัดทำหรือผู้ให้คำรับรองความถูกต้องของเอกสารดังกล่าว. (With an authorization of notary public officer in the country from which the above documentation was made.)
- (ข) ให้เจ้าหน้าที่ของสถานทูตไทยหรือกงสุลไทยในประเทศที่เอกสารดังกล่าว ได้จัดทำหรือรับรองความถูกต้องทำการรับรองลายมือชื่อและตราประทับของเจ้าหน้าที่ Notary Public หรือหน่วยงานอื่นใดที่ได้ดำเนินการ ตาม ก) (With an authorization of Thai Embassy or Consul of Thailand in the country at which signatory certificate and notary public stamp were made.)

◆ การรับรองเอกสารข้างต้นต้องรับรองไม่เกิน 1 ปี จนถึงวันที่ยื่นต่อนายทะเบียน (All documentation above must have been certified within one year from the time when submitted to the registrar)

กรณีแก้ไขค่านำหน้าชื่อ-ชื่อ-นามสกุล ให้แนบเอกสารเพิ่มเติม ดังนี้ (In case of corrections for Title-Name-Family, additional documents must be attached)

1. ภาพถ่ายหนังสือสำคัญการเปลี่ยนชื่อตัว-ชื่อสกุล ใบสำคัญการสมรส ใบสำคัญการหย่า แล้วแต่กรณี (Copy of the certificate for change of Name-Family Name Marriage/Divorce certificate depending on the case.)

2. ผู้ถือหลักทรัพย์ที่ถือใบหลักทรัพย์จะต้องส่งใบหุ้น (ฉบับจริง) มาเพื่อแก้ไขด้วย (Securities holder holding physical certificate must send the certificate for corrections)

Appendix F

Map of SCB Securities Company Limited



Name: SCB Securities Company Limited

Address: 19 SCB Park Plaza 3 (Plaza East), 21st Floor, Ratchadapisek Road,
Jatujak, Jatujak, Bangkok 10900

Telephone: 0-2949-1999

Appendix G

Memorandum of Understanding regarding the Tender Offer of all Remaining
Shares in LRH among the Group of Offerors

**THE MEMORANDUM OF UNDERSTANDING REGARDING THE TENDER OFFER OF ALL
REMAINING SHARES IN LRH AMONG THE GROUP OF OFFERORS**

This Memorandum of Understanding regarding the Tender Offer of All Remaining Shares in LRH Among the Group of Offerors ("MOU") is made on 23 February 2018.

BETWEEN

- A. **BANYAN TREE HOLDINGS LIMITED**, a limited liability company incorporated and existing under the laws of Singapore, with registration number 200003108H, whose registered office is located at 211 Upper Bukit Timah Road, Wah-Chang House, Singapore (hereinafter referred to as the "BTH");

AND

- B. **BANYAN TREE RESORTS & SPAS (THAILAND) COMPANY LIMITED**, a private limited liability company incorporated and existing under the laws of Thailand with registration number 0105539111132 whose registered office is located at 21/100 Thai Wah Tower 2, South Sathorn Road, Tungmahamek, Bangkok, Thailand (hereinafter referred to as the "BTR & Spa").

BTH and BTR & Spa shall be collectively referred to as the "Parties" or the "Group of Offerors" and either BTH or BTR & Spa shall be referred to as the "Party".

WHEREAS:

- (1) **LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED ("LRH")** is a public limited company, having its shares listed on the Stock Exchange of Thailand (the "SET") and as at the date of this MOU has a paid up capital of Baht 1,666,827,010 divided into 166,682,701 ordinary shares with the par value of Baht 10 per share;
- (2) BTH currently holds 74,632,342 shares in LRH equaling 44.78 percent of LRH' s total paid-up shares and voting rights while BTR & Spa currently holds 15,737,807 shares in LRH equaling 9.44 percent of the LRH' s total paid up shares and voting rights. BTR & Spa is a related person under Section 258 of the Securities and Exchange Act of 1992, as amended of BTH;
- (3) BTH and BTR & Spa wishes to increase its economic interest in LRH and are desirous to launch a tender offer to purchase all equity related securities of LRH ("**Tender Offer**" or "**Transaction**"); and
- (4) The Parties have reached their mutual understanding with each other concerning the Transaction. Accordingly, the Parties wish to establish and record such mutual understanding in this MOU.

IT IS AGREED as follows:


1. The Parties agree to jointly launch a voluntary tender offer for, except the shares held by the Group of Offerors, all remaining shares in LRH, pursuant to the Notification of Capital Market Supervisory Board TorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, dated 13 May 2011; and
2. The Parties hereby agree that BTR & Spa, on behalf of the Group of Offerors shall be the sole purchaser of all remaining shares in LRH tendered in this Tender Offer by the Group of Offerors.

[Signature Page to follow]

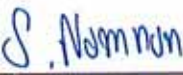
IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized representatives on the date first above written.

For and on behalf of
BANYAN TREE HOLDINGS LIMITED

By: 
Name: Mr. Ho KwonPing
Title: Executive Chairman

By: 
Name: Mr. Eddy See Hock Lye
Title: Group Managing Director

For and on behalf of
BANYAN TREE RESORTS & SPAS (THAILAND) COMPANY LIMITED

By: 
Name: Mrs. Suwanna Numnun
Title: Director

By: 
Name: Mrs. Kingkarn Olarnjanin
Title: Director



Appendix H

Audited Financial Statements of the Group of Offerors

Banyan Tree Resorts & Spas (Thailand) Company Limited
Report and financial statements
31 December 2016



EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047, Bangkok 10501, Thailand
Tel: +66 2264 9090
Fax: +66 2264 0789-90
ey.com

บริษัท สำนักงาน อีวาย จำกัด
ชั้น 33 อาคารเลกซ์จาดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
ตู้ไป.ณ. 1047 กรุงเทพฯ 10501
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
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Independent Auditor's Report

To the Shareholders of Banyan Tree Resorts & Spas (Thailand) Company Limited

Opinion

I have audited the accompanying financial statements of Banyan Tree Resorts & Spas (Thailand) Company Limited (the Company), which comprise the statement of financial position as at 31 December 2016, and the related statements of income and changes in shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banyan Tree Resorts & Spas (Thailand) Company Limited as at 31 December 2016 and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

The engagement partner on the audit resulting in this independent auditor's report is Miss Rosaporn Decharkom.

Rosaporn D

Rosaporn Decharkom
Certified Public Accountant (Thailand) No. 5659

EY Office Limited
Bangkok: 26 April 2017

Banyan Tree Resorts & Spas (Thailand) Company Limited**Statement of financial position****As at 31 December 2016**

		(Unit: Baht)	
	<u>Note</u>	<u>2016</u>	<u>2015</u>
Assets			
Current assets			
Cash and cash equivalents		42,631,534	17,875,039
Trade and other receivables	5	74,878,415	68,329,009
Inventories	6	11,411,486	15,401,654
Other current assets		8,352,256	7,335,274
Total current assets		<u>137,273,691</u>	<u>108,940,976</u>
Non-current assets			
Restricted bank deposit	7	116,425	115,110
Investments in subsidiary	8	6,170,980	6,170,980
Long-term investments	9	385,576,271	366,690,903
Building and equipment	10	5,473,650	12,951,567
Intangible assets	11	806,521	294,442
Other non-current assets		9,487,254	20,064,684
Total non-current assets		<u>407,631,101</u>	<u>406,287,686</u>
Total assets		<u>544,904,792</u>	<u>515,228,662</u>

The accompanying notes are an integral part of the financial statements.

Banyan Tree Resorts & Spas (Thailand) Company Limited**Statement of financial position (continued)****As at 31 December 2016**

		(Unit: Baht)	
	<u>Note</u>	<u>2016</u>	<u>2015</u>
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	12	554,571,461	548,863,341
Short-term loans from related companies	13	189,717,364	160,641,498
Current portion of long-term loan from a related company	14	21,601,500	-
Other current liabilities			
Accrued expenses		12,164,088	7,464,299
Withholding tax payable		11,007,729	10,980,563
Others		11,284,552	13,461,971
Total current liabilities		<u>800,346,694</u>	<u>741,411,672</u>
Non-current liabilities			
Long-term loan from a related company - net of current portion	14	-	21,693,943
Provision for long-term employee benefits	15	12,314,571	12,756,242
Total non-current liabilities		<u>12,314,571</u>	<u>34,450,185</u>
Total liabilities		<u>812,661,265</u>	<u>775,861,857</u>

The accompanying notes are an integral part of the financial statements.

Banyan Tree Resorts & Spas (Thailand) Company Limited

Statement of financial position (continued)

As at 31 December 2016

			(Unit: Baht)
	<u>Note</u>	<u>2016</u>	<u>2015</u>
Shareholders' equity			
Share capital			
Registered, issued and fully paid			
102,219 preference shares of Baht 100 each	17	10,221,900	10,221,900
98,191 ordinary shares of Baht 100 each		9,819,100	9,819,100
Unrealised loss on changes in value of investments	9	(218,004,024)	(236,889,392)
Retained earnings (deficit)			
Appropriated - statutory reserve	16	2,004,100	2,004,100
Unappropriated		(71,797,549)	(45,788,903)
Total shareholders' equity (Capital deficit)		<u>(267,756,473)</u>	<u>(260,633,195)</u>
Total liabilities and shareholders' equity		<u>544,904,792</u>	<u>515,228,662</u>

The accompanying notes are an integral part of the financial statements.



Directors



Banyan Tree Resorts & Spas (Thailand) Company Limited

Income statement

For the year ended 31 December 2016

	(Unit: Baht)	
	<u>2016</u>	<u>2015</u>
Revenues		
Service income	144,643,434	135,792,904
Sales	18,834,994	20,150,148
Other income	18,072,060	8,626,236
Total revenues	<u>181,550,488</u>	<u>164,569,288</u>
Expenses		
Cost of sales and services	128,347,268	121,120,632
Selling expenses	880,461	608,581
Administrative expenses	75,892,056	89,433,206
Total expenses	<u>205,119,785</u>	<u>211,162,419</u>
Loss before finance cost	(23,569,297)	(46,593,131)
Finance cost	(1,417,159)	(1,965,285)
Net loss for the year	<u>(24,986,456)</u>	<u>(48,558,416)</u>

The accompanying notes are an integral part of the financial statements.

Banyan Tree Resorts & Spas (Thailand) Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

	Note	Issued and paid-up share capital		Unrealised gain (loss) on changes in the value of investments	Retained earnings (deficit)		Total (Capital deficit)
		Preference shares	Ordinary shares		Appropriated statutory reserve	Unappropriated	
Balance as at 1 January 2015		10,221,900	9,819,100	(143,249,441)	2,004,100	3,791,703	(117,412,638)
Decrease in fair value of investments in available-for-sale securities		-	-	(93,639,951)	-	-	(93,639,951)
Dividend paid	17	-	-	-	-	(1,022,190)	(1,022,190)
Net loss for the year		-	-	-	-	(48,558,416)	(48,558,416)
Balance as at 31 December 2015		<u>10,221,900</u>	<u>9,819,100</u>	<u>(236,889,392)</u>	<u>2,004,100</u>	<u>(45,788,903)</u>	<u>(260,633,195)</u>
Balance as at 1 January 2016		10,221,900	9,819,100	(236,889,392)	2,004,100	(45,788,903)	(260,633,195)
Increase in fair value of investments in available-for-sale securities	9	-	-	18,885,368	-	-	18,885,368
Dividend paid	17	-	-	-	-	(1,022,190)	(1,022,190)
Net loss for the year		-	-	-	-	(24,986,456)	(24,986,456)
Balance as at 31 December 2016		<u>10,221,900</u>	<u>9,819,100</u>	<u>(218,004,024)</u>	<u>2,004,100</u>	<u>(71,797,549)</u>	<u>(267,756,473)</u>

The accompanying notes are an integral part of the financial statements.

Banyan Tree Resorts & Spas (Thailand) Company Limited

Notes to financial statements

For the year ended 31 December 2016

1. General information

1.1 Corporate information

Banyan Tree Resorts & Spas (Thailand) Company Limited (“the Company”) was incorporated as a limited company under the Thai laws and domiciled in Thailand. Its major shareholder is Banyan Tree Spas Pte. Ltd. which was incorporated in Singapore. The Company is principally engaged in providing spa services in seven hotels and one branch as follows.

1. Banyan Tree Hotel, Bangkok
2. Banyan Tree Hotel, Phuket
3. Angsana Laguna Phuket Hotel
4. Dusit Laguna Hotel, Phuket
5. Outrigger Laguna Phuket Beach Resort, Phuket
6. The Allamanda, Phuket
7. Cassia Hotel, Phuket
8. Chill Chill, Sathorn

The Company’s registered address is located at 21/100 Thai Wah Tower II, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

During the year 2016 and in March 2017, the Company suspended the operations of the Allamanda, Phuket and Outrigger Laguna Phuket Beach Resort, Phuket, respectively.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standard applicable to non-publicly accountable entities as issued by the Federation of Accounting Professions and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the notes on accounting policies.

3. Significant accounting policies

3.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service income is recognised when services have been rendered taking into account the stage of completion.

Management income is recognised based on monthly management fees, when services have been rendered and invoices issued, excluding value added tax.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

3.4 Inventories

Finished goods are valued at the lower of cost (weighted average method) and net realisable value.

3.5 Investments

Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in shareholders' equity.

Investments in non-marketable equity securities and subsidiary are stated at cost net of allowance for loss on diminution in value (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

The weighted average method is used for computation of the cost of investment.

3.6 Plant and equipment / Depreciation

Building and equipment are stated at cost less accumulated depreciation and allowance for loss on diminution in value of assets (if any). Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building and building improvement	10 years
Furniture, fixtures, equipment and vehicles	3 - 5 years

Depreciation is included in determining income.

3.7 Intangible assets

Intangible assets are stated at cost less any accumulated amortisation and allowance for diminution in value (if any).

Intangible assets are amortised as expenses in the income statements on a straight-line basis over the economic useful life. A summary of the intangible assets are as follows:

	<u>Useful lives</u>
Computer software	3 years

3.8 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of the reporting period.

Gains and losses on exchange are included in determining income.

3.9 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

For long-term employee benefit, the Company calculates its long-term employee benefits obligation on the basis of its best estimate of its payment obligations as at the end of the reporting period.

3.10 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

4. Use of accounting estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

5. Trade and other receivables

(Unit: Thousand Baht)

	2016	2015
Trade accounts receivable - related parties	61,320	61,157
Trade accounts receivable - unrelated parties	18,234	19,006
Receivable from revenue department	6,353	-
Other receivables	1,423	1,391
Advance	1,267	643
Total	88,597	82,197
Less: Allowance for doubtful debts	(13,719)	(13,868)
Trade and other receivables, net	74,878	68,329

6. Inventories

	(Unit: Thousand Baht)	
	2016	2015
Material in spa service center	3,612	4,364
Finished goods	7,799	11,038
Total	<u>11,411</u>	<u>15,402</u>

7. Restricted bank deposit

These represent saving deposit pledged with the bank as a guarantee to the Provincial Electricity Authority.

8. Investments in subsidiary

	(Unit: Thousand Baht)							
Company	Shareholding		Allowance for				Carrying amounts	
	percentage		Cost		diminution in value		of investments	
	2016	2015	2016	2015	2016	2015	- net	
	(%)	(%)					2016	2015
Banyan Tree Hotels & Resorts (Thailand) Limited	51	51	6,171	6,171	-	-	6,171	6,171
			<u>6,171</u>	<u>6,171</u>	<u>-</u>	<u>-</u>	<u>6,171</u>	<u>6,171</u>

9. Long-term investments

	(Unit: Thousand Baht)	
	2016	2015
Laguna Resorts & Hotels Public Company Limited	603,580	603,580
Unrealised loss on changes in the value of investments	(218,004)	(236,889)
Total long-term investments	<u>385,576</u>	<u>366,691</u>

10. Building and equipment

(Unit: Thousand Baht)

	Building and building improvement	Furniture, fixtures, equipment and vehicle	Total
Cost			
1 January 2015	76,577	33,114	109,691
Additions	499	1,434	1,933
Disposals	-	(76)	(76)
Write-off	(897)	(493)	(1,390)
31 December 2015	76,179	33,979	110,158
Additions	488	1,130	1,618
Disposals	-	(137)	(137)
Write-off	(16,096)	(2,459)	(18,555)
31 December 2016	60,571	32,513	93,084
Accumulated depreciation			
1 January 2015	64,956	27,522	92,478
Depreciation for the year	2,632	2,531	5,163
Accumulated depreciation on disposals	-	(75)	(75)
Accumulated depreciation on write-off	(173)	(187)	(360)
31 December 2015	67,415	29,791	97,206
Depreciation for the year	2,793	2,026	4,819
Accumulated depreciation on disposals	-	(99)	(99)
Accumulated depreciation on write-off	(14,218)	(2,316)	(16,534)
31 December 2016	55,990	29,402	85,392
Allowance for diminution in value			
1 January 2015	-	-	-
Increase during the year	-	-	-
31 December 2015	-	-	-
Increase during the year	2,218	-	2,218
31 December 2016	2,218	-	2,218
Net book value			
31 December 2015	8,877	4,075	12,952
31 December 2016	2,363	3,111	5,474

During the current year, the Company recognised allowance of Baht 2.2 million (2015: Nil) for diminution in value of building improvement of spa at Outrigger laguna Phuket Beach Resort, which was suspended the operation in March 2017.

11. Intangible assets

Details of intangible assets which are computer software are as follows:

	(Unit: Thousand Baht)
Cost	
1 January 2015	2,656
Write-off	312
31 December 2015	<u>2,968</u>
Additions	690
31 December 2016	<u>3,658</u>
Accumulated amortisation	
1 January 2015	2,591
Amortisation for the year	83
31 December 2015	<u>2,674</u>
Amortisation for the year	177
31 December 2016	<u>2,851</u>
Net book value	
31 December 2015	<u>294</u>
31 December 2016	<u>807</u>

12. Trade and other payables

	(Unit: Thousand Baht)	
	2016	2015
Trade accounts payable - related parties	59,168	61,999
Trade accounts payable - unrelated parties	3,265	2,165
Other payables	3,494	481
Payable from purchase of shares - related party	488,644	484,218
Total trade and other payables	<u>554,571</u>	<u>548,863</u>

13. Short-term loans from related companies

	(Unit: Thousand Baht)	
	2016	2015
(1) SGD loan of SGD 0.6 million repayable at call and interest free	13,896	14,293
(2) USD loan of USD 0.9 million repayable at call and interest free	31,397	31,616
(3) USD loan of USD 1.2 million repayable at call and interest free	44,224	44,532
(4) Baht loan of Baht 70 million carries interest rate at 1.5 percent per annum	70,000	70,000
(5) Baht loan of Baht 0.2 million repayable at call and interest free	200	200
(6) Baht loan, with a facility of Baht 40 million, carries interest rate at 1.5 percent per annum	30,000	-
Total short-term loans from related companies	<u>189,717</u>	<u>160,641</u>

14. Long-term loan from a related company

	(Unit: Thousand Baht)	
	2016	2015
Long-term loan from a related company with a facility of USD 1.5 million repayable on 31 December 2017 and interest free	21,602	21,694
Total	21,602	21,694
Less: Portion due within one year	(21,602)	-
Total long-term loan from a related company	<u>-</u>	<u>21,694</u>

As at 31 December 2016 and 2015, the Company has drawn down such loan amounting to USD 0.6 million.

15. Provisions - Long-term employee benefits

(Unit: Thousand Baht)

	2016	2015
Balance at the beginning of year	12,756	11,325
Increase during the year	813	2,228
Utilised	(1,254)	(797)
Balance at the end of year	<u>12,315</u>	<u>12,756</u>

The provisions represent the Company's obligations payable to its employees when they reach a retirement age. They are determined based on the employee's age, length of employment services and salary increase rate, among other things.

16. Statutory reserve

According to the Thai Civil and Commercial Code, the Company is required to set aside a statutory reserve equal to at least 5% of its profit each time the Company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve cannot be used for dividend payment. At present, the statutory reserve has fully been set aside.

17. Preference shares

Under the Company's Articles of Association, the preference shareholders are granted voting rights at the proportion of 10 shares per one vote, and are entitled to receive a cumulative preferential dividend of 10% of the par value of the shares.

As at 31 December 2016, the balance of the Company's arrears on the preference shares dividend were Baht 4.1 million (2015: Baht 3.1 million).

18. Foreign currency assets/liabilities

The Company had foreign currency assets and liabilities, which had not been hedged against foreign exchange risk as follow: -

Foreign currencies	Amount as at 31 December		Average exchange rate as at 31 December	
	2016	2015	2016	2015
	(Unit: Million)	(Unit: Million)	(Baht per 1 foreign currency unit)	
<u>Assets</u>				
US dollar	1.3	1.0	35.6588	35.9233
SG dollar	-	1.1	24.5265	25.2484

Foreign currencies	Amount as at 31 December		Average exchange rate as at 31 December	
	2016	2015	2016	2015
	(Unit: Million)	(Unit: Million)	(Baht per 1 foreign currency unit)	
<u>Liabilities</u>				
US dollar	4.1	4.3	36.0025	36.2538
SG dollar	0.6	0.7	25.0755	25.7905
ID rupiah	-	568.0	-	0.0028
CNY	0.1	-	5.0831	-

19. Bank guarantee

As at 31 December 2016 and 2015, there were outstanding bank guarantees of Baht 0.1 million issued by bank on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

20. Commitments

20.1 Lease and service agreements with respect to spa operation

The Company entered into lease agreements with related companies, owners of the hotel which the spa is located on, to lease hotel area and use the hotel utilities. The terms of the agreements are generally between 1 and 17 years. In consideration for such services, the Company is committed to pay remuneration in accordance with the rates, terms and basis specified in the agreements.

As at 31 December 2016 and 2015, future minimum payments required under these lease and service contracts were as follows:

	(Unit: Million Baht)	
	<u>2016</u>	<u>2015</u>
Payable:		
in up to 1 year	4	17
in over 1 and up to 5 years	5	6
in over 5 years	14	16

20.2 Other lease and service agreements

The Company has entered into several lease agreements in respect of the lease of residential space, motor vehicles and equipment and service agreements. The terms of the agreements are generally between 1 and 5 years.

As at 31 December 2016 and 2015, future minimum lease payment required under these operating leases and service contracts were as follows:

	(Unit: Million Baht)	
	<u>2016</u>	<u>2015</u>
Payable:		
in up to 1 year	1	2

Moreover, the Company had a commitment in respect of computer software maintenance service contracts amounting to USD 0.02 million per annum (2015: USD 0.02 million per annum).

21. Reclassification

The reclassifications are as follows:

	(Unit: Thousand Baht)	
	<u>As reclassified</u>	<u>As previously reported</u>
Trade and other payables	548,863	625,071
Short-term loans from related companies	160,641	84,433

The reclassifications had no effect to previously reported net profit or shareholders' equity.

22. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 26 April 2017.

Company Registration No. 200003108H

**Banyan Tree Holdings Limited
and its subsidiaries**

**Annual Financial Statements
31 December 2016**

Banyan Tree Holdings Limited and its subsidiaries

General information

Directors

Ho KwonPing (Executive Chairman)
Ariel P Vera
Chia Chee Ming Timothy
Fang Ai Lian
Elizabeth Sam
Chan Heng Wing
Tham Kui Seng
Lim Tse Ghow Olivier

Company Secretary

Jane Teah Seow Lian

Registered Office

211 Upper Bukit Timah Road
Singapore 588182

Solicitors

WongPartnership LLP

Bankers

Hong Kong & Shanghai Banking Corporation Ltd
Malayan Banking Berhad
Qatar National Bank SAQ
Bank of East Asia Ltd
Bank of China Ltd
The Siam Commercial Bank Public Company Limited

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Auditor

Ernst & Young LLP
Partner in charge: Simon Yeo (Date of appointment: since financial year ended
31 December 2016)

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Banyan Tree Holdings Limited and its subsidiaries

Directors' statement

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Banyan Tree Holdings Limited ("the Company") and its subsidiaries (collectively, "the Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2016.

Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The Directors of the Company in office at the date of this statement are:

Ho KwonPing
Ariel P Vera
Chia Chee Ming Timothy
Fang Ai Lian
Elizabeth Sam
Chan Heng Wing
Tham Kui Seng
Lim Tse Ghow Olivier

Arrangements to enable Directors to acquire shares and debentures

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate, other than pursuant to the Banyan Tree Share Option Scheme, the Banyan Tree Performance Share Plan, Banyan Tree Share Award Scheme 2016 and the Founder's Grant.

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

There are three 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") and the Banyan Tree Share Award Scheme 2016 (the "Share Award Scheme"). The Schemes have expired on 27 April 2016 and the Company adopted the Share Award Scheme on 28 April 2016 to replace the plan. Ho KwonPing, the Executive Chairman and controlling shareholder*, was/is not entitled to participate in the Schemes and Share Award Scheme.

At the date of this statement, 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 Chia Chee Ming Timothy, Elizabeth Sam and Chan Heng Wing, all of whom are Independent Directors of the Company.

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), the Company's shares may be issued to eligible participants. The Schemes and Share Award Scheme enable eligible participants to participate in the equity of the Company with the aim of motivating them towards better performance.

More information about the Schemes and the Share Award Scheme and details of performance shares and awards granted to a Non-Executive Director and eligible participants during the financial year under the Plan, can be found in Note 42 to the financial statements.

Founder's Grant

Ho KwonPing is 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"). Ho KwonPing shall be paid a total amount of S\$37,372 in cash pursuant to the Founder's Grant in respect of financial year ended 31 December 2016. Details of the Founder's Grant can be found in Note 42 to the financial statements.

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

Banyan Tree Holdings Limited and its subsidiaries

Directors' statement

Directors' interests in shares and debentures

The following Directors, who held office at the end of the financial year had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Companies Act, Chapter 50 of Singapore ("Companies Act"), an interest in shares and debentures of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

Name of directors and companies in which interests are held	Holdings registered in the name of director or nominee			Holdings in which a director is deemed to have an interest		
	At the beginning of financial year	At the end of financial year	As at 21 January 2017	At the beginning of financial year	At the end of financial year	As at 21 January 2017
Banyan Tree Holdings Limited (Incorporated in Singapore)						
Ordinary shares						
Ho KwonPing	–	–	–	287,032,582	293,319,882	293,319,882
Ariel P Vera	1,098,000	1,120,500	1,120,500	172,500 ¹	–	–
Chia Chee Ming Timothy	257,000	257,000	257,000	–	–	–
Elizabeth Sam	156,000	156,000	156,000	–	–	–
Debentures						
Chan Heng Wing ²	\$250,000	\$250,000	\$250,000	–	–	–
Fang Ai Lian ³	\$500,000	\$500,000	\$500,000	–	–	–
Bangtao Development Limited (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	1	1	1	–	–	–
Phuket Resort Development Limited (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	1	1	1	–	–	–
Twin Waters Development Company Limited (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	2	2	2	–	–	–

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.

² Series 09 Notes issued by BTH under its S\$700 million Multicurrency Debt Issuance Programme.

³ Series 10 Notes issued by BTH under its S\$700 million Multicurrency Debt Issuance Programme.

Banyan Tree Holdings Limited and its subsidiaries

Directors' statement

Directors' interests in shares and debentures (cont'd)

By virtue of Section 7 of the Companies Act, Ho KwonPing is deemed to have interests in shares of the subsidiaries held by the Company.

Except as disclosed in the financial statements, no Director who held office at the end of the financial year had interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Audit and Risk Committee ("ARC")

As at the date of this statement, the members of the ARC are as follows:

Fang Ai Lian (Chairman)
Tham Kui Seng
Lim Tse Ghow Olivier

All ARC members are Non-Executive Independent Directors.

The ARC has adopted a Charter that is approved by the Board of Directors ("the Board") and which clearly set out its responsibilities as follows:

1. assist the Board in the discharge of its statutory responsibilities on financial and accounting matters;
2. review of the audit plans, scope of work and results of the audits compiled by the internal and external auditors;
3. review of the co-operation given by the Company's officers to the external auditors;
4. nomination of the external auditors for re-appointment;
5. review of the integrity of any financial information presented to the Company's shareholders;
6. review of interested person transactions;
7. review and evaluation of the Company's administrative, operating and internal accounting controls and procedures;
8. review of the risk management structure and oversight of the risk management processes and activities to mitigate and manage risk at levels that are determined to be acceptable to the Board; and
9. where necessary, commission and review of the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

The ARC performed the functions specified in the Companies Act. The functions performed are detailed in the Corporate Governance Report.

Banyan Tree Holdings Limited and its subsidiaries

Directors' statement

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,



Ho KwonPing
Director



Fang Ai Lian
Director

Singapore
16 March 2017

Banyan Tree Holdings Limited and its Subsidiaries

Independent auditor's report For the financial year ended 31 December 2016

Independent auditor's report to the members of Banyan Tree Holdings Limited

Report on the Audit of the Financial Statements

We have audited the financial statements of Banyan Tree Holdings Limited ("the Company") and its subsidiaries (collectively, "the Group") , which comprise the balance sheets of the Group and the Company as at 31 December 2016, the statements of changes in equity of the Group and Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Banyan Tree Holdings Limited and its Subsidiaries

**Independent auditor's report
For the financial year ended 31 December 2016**

Independent auditor's report to the members of Banyan Tree Holdings Limited

Key Audit Matters (cont'd)

1. *Adequacy of allowance for trade receivables*

Trade receivables balances include long-term trade receivables of approximately \$29.1 million and current trade receivables of approximately \$43.2 million which represent approximately 4.5% of total assets of the Group. Management needs to estimate the amount of allowance for doubtful trade receivables, where the trade receivables are assessed to be impaired, and this requires significant management judgment. As such, we determined that this is a key audit matter. The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by the Group's management.

We assessed the Group's processes and controls for monitoring and identifying trade receivables with collection risks. We performed audit procedures, amongst others, obtaining trade receivable confirmations, assessing the facts and circumstances surrounding the outstanding amount presented by management, and reviewed for evidence of collection by way of subsequent receipts from debtors after the year end.

We assessed management's justification of the adequacy of the amount of allowance made and assumptions used to calculate the trade receivables impairment amount, notably through detailed analyses of their aging trends, specific risks and inquiry of management if there is any dispute by debtors.

The subsidiaries' auditors were involved in the audit of trade receivables of the subsidiaries. The subsidiaries' auditors evaluated the adequacy of the impairments recognised, taking into account the facts and circumstances specific to the outstanding amounts due to the subsidiaries.

The results of our evaluation shows that management's assessment on the Group's allowance for trade receivables is reasonable.

We also assessed the adequacy of the Group's disclosures on the trade receivables in Note 20 and Note 26, respectively and the related risks such as credit risk and liquidity risk in Notes 45(a) and 45(b) to the financial statements.

2. *Fair value measurement of freehold land and buildings and investment properties*

As at 31 December 2016, the value of property, plant and equipment and investment properties amounted to approximately \$657.7 million and \$70.6 million, respectively. The valuations of the freehold land and buildings and investment properties are complex and dependent on a range of estimates (amongst others, discount rate, yield adjustments, occupancy rates and growth rates) made by management. As such, we determined that this is a key audit matter.

The management uses professional independent appraisal companies and accredited independent property valuers to support its determination of the fair value of freehold land and buildings and investment properties. In accordance with the Group's policy, valuations for freehold land and buildings are performed once in three years while valuations for investment properties are performed annually.

Banyan Tree Holdings Limited and its Subsidiaries

Independent auditor's report
For the financial year ended 31 December 2016

Independent auditor's report to the members of Banyan Tree Holdings Limited

Key Audit Matters (cont'd)

2. *Fair value measurement of freehold land and buildings and investment properties (cont'd)*

Our audit work in assessing the reasonableness of management's judgements and estimations of these fair values considered, among others, the objectivity, independence and competence of the external appraisers. We held discussions with management and external appraisers to understand and assess the appropriateness of the valuation models, data and assumptions on discount rate, yield adjustments, occupancy rates and growth rates used. We involved our valuation specialists to assist us in assessing the appropriateness of the data and assumptions used.

Based on the work performed, we considered the methodology and assumptions used by management to be appropriate.

We also assessed the adequacy of the disclosures related to freehold land and buildings and investment properties in Note 12, 13 and 47, respectively to the financial statements.

3. *Measurement of unquoted long-term investments*

The Group's unquoted long-term investments whose fair value can be reliably measured are measured at fair value whilst investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

The measurement for these long-term investments is a subjective area, and the valuation techniques involve various assumptions. As such, we determined that this is a key audit matter. There are mainly two types of valuations techniques used by management to value unquoted long-term investments:

Value-in-use method

As at 31 December 2016, the Group recorded an impairment loss of \$1.3 million for one of the unquoted long-term investments carried at cost less impairment. The value-in-use method uses a discounted cash flow model requiring significant judgement and estimation.

Our audit procedures included the assessment of the Group's methodology and calculation of the long-term investment's value-in-use. We evaluated the reasonableness of cash flow projections against the most recent financial performance and considered the appropriateness of key inputs such as long-term growth rate, the discount rate and compared these to available industry, economic and financial data.

Adjusted net assets method

During the year, the Group reclassified the unquoted long-term investment in Banyan Tree Indochina Hospitality Fund, L.P. to investment in associate when it established significant influence. The fair value of this long-term investment was determined using the adjusted net assets method as of the date the Group gained significant influence and the fair value is deemed to be the cost for the initial application of equity accounting.

Banyan Tree Holdings Limited and its Subsidiaries

**Independent auditor's report
For the financial year ended 31 December 2016**

Independent auditor's report to the members of Banyan Tree Holdings Limited

Key Audit Matters (cont'd)

3. *Measurement of unquoted long-term investments (cont'd)*

The fair value is determined based on the valuation of the underlying property assets. The valuation of the assets are complex and dependent on a range of estimates (amongst others, discount rate, occupancy rates and growth rates) made by management. Management used an accredited independent property valuer to support its determination of the fair value of these assets.

Our audit work in assessing the reasonableness of management's judgements and estimations of the fair value was similar to those procedures that were applied in assessing the fair value of freehold land and building and investment properties as described in matter 2 above.

Based on the work performed, we considered the methodology and assumptions used by management to be appropriate.

We also assessed whether the Group's disclosures in relation to the long-term investment are compliant with the relevant accounting requirements in Note 18 and 47(b), respectively to the financial statements.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Banyan Tree Holdings Limited and its Subsidiaries

**Independent auditor's report
For the financial year ended 31 December 2016**

Independent auditor's report to the members of Banyan Tree Holdings Limited

Responsibilities of Management and Directors for the Financial Statements (cont'd)

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Banyan Tree Holdings Limited and its Subsidiaries

**Independent auditor's report
For the financial year ended 31 December 2016**

Independent auditor's report to the members of Banyan Tree Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

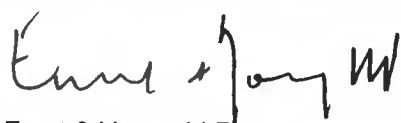
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Simon Yeo.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

16 March 2017

Banyan Tree Holdings Limited and its Subsidiaries

**Consolidated income statement
For the financial year ended 31 December 2016**

	Note	Group 2016 \$'000	2015 \$'000
Revenue	3	309,565	370,688
Other income	4	29,652	6,350
		339,217	377,038
Costs and expenses			
Cost of operating supplies		(25,663)	(26,254)
Cost of properties sold		(27,765)	(58,506)
Salaries and related expenses	5	(99,929)	(105,915)
Administrative expenses		(53,115)	(68,195)
Sales and marketing expenses		(19,453)	(21,362)
Other operating expenses	6	(61,596)	(65,796)
		(287,521)	(346,028)
Profit before interests, taxes, depreciation and amortisation		51,696	31,010
Depreciation of property, plant and equipment	12	(22,341)	(21,826)
Amortisation expense		(2,722)	(2,882)
Profit from operations and other gains	7	26,633	6,302
Finance income	8	3,674	2,351
Finance costs	9	(29,630)	(28,083)
Share of results of associates		33	(35)
Profit/(Loss) before taxation		710	(19,465)
Income tax expense	10	(7,660)	(6,495)
Loss after taxation		(6,950)	(25,960)
Attributable to:			
Owners of the Company		(16,196)	(27,519)
Non-controlling interests		9,246	1,559
		(6,950)	(25,960)
Earnings per share attributable to owners of the Company (in cents):			
Basic	11	(2.13)	(3.62)
Diluted	11	(2.13)	(3.62)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Banyan Tree Holdings Limited and its Subsidiaries

**Consolidated statement of comprehensive income
For the financial year ended 31 December 2016**

	Note	Group 2016 \$'000	2015 \$'000
Loss after taxation		(6,950)	(25,960)
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		16,006	734
Net change in fair value adjustment reserve, net of deferred tax		9,540	(2,231)
Net fair value change on available-for-sale financial assets reclassified to profit or loss	4	(22,763)	-
		2,783	(1,497)
Items that will not be reclassified to profit or loss			
Adjustment on property revaluation reserve, net of deferred tax		38,736	4,290
Actuarial gain/(loss) arising from defined benefit plan, net of deferred tax		9	(447)
		38,745	3,843
Other comprehensive income for the year, net of tax		41,528	2,346
Total comprehensive income/(expense) for the year		34,578	(23,614)
Total comprehensive income/(expense) attributable to:			
Owners of the Company		15,726	(22,687)
Non-controlling interests		18,852	(927)
		34,578	(23,614)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Banyan Tree Holdings Limited and its Subsidiaries

Balance sheets
As at 31 December 2016

	Note	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-current assets					
Property, plant and equipment	12	657,746	657,348	1	6
Investment properties	13	70,596	67,612	—	—
Intangible assets	14	33,202	34,965	2,471	2,524
Land use rights	15	2,982	11,411	—	—
Subsidiaries	16	—	—	513,554	501,395
Associates	17	93,884	160	869	869
Long-term investments	18	14,887	106,750	—	—
Deferred tax assets	38	16,072	18,276	—	—
Prepaid island rental	19	22,839	22,995	—	—
Prepayments		3,555	3,447	—	—
Long-term trade receivables	20	29,093	31,117	—	—
Other receivables	21	11,168	4,722	—	—
		956,024	958,803	516,895	504,794
Current assets					
Property development costs	23	251,795	335,823	—	—
Inventories	24	9,398	10,573	—	—
Prepayments and other non-financial assets	25	18,683	20,809	134	160
Trade receivables	26	43,155	66,226	—	—
Other receivables	27	8,931	13,889	70	147
Amounts due from subsidiaries	28	—	—	207,538	198,317
Amounts due from associates	29	203	38	—	—
Amounts due from related parties	30	21,999	18,642	1	—
Investment securities	22	—	2,512	—	—
Cash and short-term deposits	31	108,767	165,663	28,052	69,121
		462,931	634,175	235,795	267,745
Assets of disposal group classified as held for sale	32	189,267	—	—	—
		652,198	634,175	235,795	267,745
Total assets		1,608,222	1,592,978	752,690	772,539

Banyan Tree Holdings Limited and its Subsidiaries

Balance sheets
As at 31 December 2016 (cont'd)

		Group		Company	
	Note	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
Current liabilities					
Tax payable		7,039	8,683	–	–
Unearned income		10,589	8,747	–	–
Other non-financial liabilities	33	32,801	41,385	514	462
Interest-bearing loans and borrowings	34	97,981	89,750	41,608	32,608
Notes payable	35	49,031	–	49,031	–
Trade payables		19,368	24,186	–	–
Other payables	36	37,958	41,069	5,199	5,170
Amounts due to subsidiaries	28	–	–	46,699	50,812
Amounts due to associates	29	5	32	–	–
Amounts due to related parties	30	864	1,102	–	–
		255,636	214,954	143,051	89,052
Liabilities of disposal group classified as held for sale	32	25,557	–	–	–
		281,193	214,954	143,051	89,052
Net current assets					
		371,005	419,221	92,744	178,693
Non-current liabilities					
Deferred income	37	8,041	8,654	–	–
Deferred tax liabilities	38	107,116	97,823	–	–
Defined and other long-term employee benefits	39	2,927	3,055	–	–
Deposits received		1,814	1,699	–	–
Other non-financial liabilities		4,100	3,844	–	–
Interest-bearing loans and borrowings	34	125,687	171,144	7,572	30,179
Notes payable	35	343,886	391,772	343,886	391,772
Other payables		612	572	–	–
		594,183	678,563	351,458	421,951
Total liabilities					
		875,376	893,517	494,509	511,003
Net assets					
		732,846	699,461	258,181	261,536
Equity attributable to owners of the Company					
Share capital	40	199,995	199,995	199,995	199,995
Treasury shares	41	(235)	(463)	(235)	(463)
Reserves	41	364,724	349,260	58,421	62,004
		564,484	548,792	258,181	261,536
Non-controlling interests		168,362	150,669	–	–
Total equity					
		732,846	699,461	258,181	261,536

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Banyan Tree Holdings Limited and its Subsidiaries

Statements of changes in equity
For the financial year ended 31 December 2016

2016 Group	Share capital \$'000	Treasury shares \$'000	Share-based payment reserve \$'000	Legal reserve \$'000	Property revaluation reserve \$'000	Currency translation reserve \$'000	Other reserves \$'000 Note 41(f)	Accumulated profits \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
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	-	-	-	-	-	-	-	(16,196)	(16,196)	9,246	(6,950)
Other comprehensive income for the year	-	-	-	-	26,553	12,028	(6,668)	9	31,922	9,606	41,528
Total comprehensive income for the year	-	-	-	-	26,553	12,028	(6,668)	(16,187)	15,726	18,852	34,578
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-	-
Treasury shares reissued pursuant to Share-based Incentive Plan	-	228	(197)	-	-	-	(31)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	6	-	-	-	-	-	6	-	6
Expiry of share grants pursuant to Share-based Incentive Plan	-	-	(85)	-	-	-	-	85	-	-	-
Total transactions with owners in their capacity as owners	-	228	(276)	-	-	-	(31)	85	6	-	6

Banyan Tree Holdings Limited and its Subsidiaries

Statements of changes in equity
For the financial year ended 31 December 2016 (cont'd)

2016 Group	Share capital \$'000	Treasury shares \$'000	Share- based payment reserve \$'000	Legal reserve \$'000	Property revalua- tion reserve \$'000	Currency translation reserve \$'000	Other reserves \$'000 Note 41(f)	Accumu- lated profits \$'000	Equity attribu- table to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
<u>Other changes in equity</u>											
Dividends paid to loan stockholders of a subsidiary	-	-	-	-	-	-	-	(40)	(40)	-	(40)
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(1,159)	(1,159)
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(242)	-	-	242	-	-	-
Transfer to legal reserve	-	-	-	1	-	-	-	(1)	-	-	-
Total other changes in equity	-	-	-	1	(242)	-	-	201	(40)	(1,159)	(1,199)
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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Banyan Tree Holdings Limited and its Subsidiaries

Statements of changes in equity
For the financial year ended 31 December 2016 (cont'd)

2015 Group	Share capital \$'000	Treasury shares \$'000	Share-based payment reserve \$'000	Legal reserve \$'000	Property revaluation reserve \$'000	Currency translation reserve \$'000	Other reserves \$'000 Note 41(f)	Accumulated profits \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2015	199,995	(947)	8,628	9,825	151,528	(36,327)	(5,757)	245,657	572,602	151,702	724,304
Loss after taxation	-	-	-	-	-	-	-	(27,519)	(27,519)	1,559	(25,960)
Other comprehensive income for the year	-	-	-	-	4,290	4,465	(3,586)	(337)	4,832	(2,486)	2,346
Total comprehensive income for the year	-	-	-	-	4,290	4,465	(3,586)	(27,856)	(22,687)	(927)	(23,614)
Contributions by and distributions to owners	-	-	-	-	-	-	-	(989)	(989)	-	(989)
Dividends paid on ordinary shares	-	-	-	-	-	-	-	-	-	-	-
Treasury shares reissued pursuant to Share-based Incentive Plan	-	484	(365)	-	-	-	(119)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	161	-	-	-	-	-	161	-	161
Expiry of share grants pursuant to Share-based Incentive Plan	-	-	(108)	-	-	-	-	108	-	-	-
Total contributions by and distributions to owners	-	484	(312)	-	-	-	(119)	(881)	(828)	-	(828)

Banyan Tree Holdings Limited and its Subsidiaries

Statements of changes in equity
For the financial year ended 31 December 2016 (cont'd)

2015 Group	Share capital \$'000	Treasury shares \$'000	Share-based payment reserve \$'000	Legal reserve \$'000	Property revaluation reserve \$'000	Currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<u>Changes in ownership interests in subsidiary</u>											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(254)	-	(254)	188	(66)
Total changes in ownership interests in subsidiary	-	-	-	-	-	-	(254)	-	(254)	188	(66)
Total transactions with owners in their capacity as owners	-	484	(312)	-	-	-	(373)	(881)	(1,082)	188	(894)
<u>Other changes in equity</u>											
Dividends paid to loan stockholders of a subsidiary	-	-	-	-	-	-	-	(41)	(41)	-	(41)
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(294)	(294)
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(356)	-	-	356	-	-	-
Transfer to legal reserve	-	-	-	73	-	-	-	(73)	-	-	-
Total other changes in equity	-	-	-	73	(356)	-	-	242	(41)	(294)	(335)
At 31 December 2015	199,995	(463)	8,316	9,898	155,462	(31,862)	(9,716)	217,162	548,792	150,669	699,461

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Banyan Tree Holdings Limited and its Subsidiaries

Statements of changes in equity
For the financial year ended 31 December 2016 (cont'd)

Company	Share capital \$'000	Treasury shares \$'000	Share-based payment reserve \$'000	Other reserves \$'000 Note 41(f)	Accumulated profits \$'000	Total equity \$'000
At 1 January 2016	199,995	(463)	8,316	4,741	48,947	261,536
Loss after taxation	-	-	-	-	(3,361)	(3,361)
Total comprehensive income for the year	-	-	-	-	(3,361)	(3,361)
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	-	228	(197)	(31)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	6	-	-	6
Expiry of share grants pursuant to Share-based Incentive Plan	-	-	(85)	-	85	-
Total transactions with owners in their capacity as owners	-	228	(276)	(31)	85	6
At 31 December 2016	199,995	(235)	8,040	4,710	45,671	258,181
At 1 January 2015	199,995	(947)	8,628	4,860	14,468	227,004
Profit after taxation	-	-	-	-	35,360	35,360
Total comprehensive income for the year	-	-	-	-	35,360	35,360
Contributions by and distributions to owners						
Dividends paid on ordinary shares	-	-	-	-	(989)	(989)
Treasury shares reissued pursuant to Share-based Incentive Plan	-	484	(365)	(119)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	161	-	-	161
Expiry of share grants pursuant to Share-based Incentive Plan	-	-	(108)	-	108	-
Total transactions with owners in their capacity as owners	-	484	(312)	(119)	(881)	(828)
At 31 December 2015	199,995	(463)	8,316	4,741	48,947	261,536

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Banyan Tree Holdings Limited and its Subsidiaries

**Consolidated cash flow statement
For the financial year ended 31 December 2016**

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Profit/(Loss) before taxation		710	(19,465)
Adjustments for:			
Share of results of associates		(33)	35
Depreciation of property, plant and equipment	12	22,341	21,826
Loss on disposal of property, plant and equipment, net	7	170	1,234
Impairment loss on investment in associates	7	–	93
Finance income	8	(3,674)	(2,351)
Finance costs	9	29,630	28,083
Amortisation expense		2,722	2,882
Allowance for doubtful debts	7	2,368	16,294
Allowance for inventory obsolescence	7	62	105
Defined and other long-term employee benefits expense	39	290	425
Share-based payment expenses	5	68	234
Net fair value (gain)/loss on investment properties	13	(741)	181
Net change in the value of available-for-sale financial assets	4	(22,366)	–
Currency realignment		5,510	439
		36,347	69,480
Operating profit before working capital changes		37,057	50,015
Decrease in inventories		1,218	1,062
Increase in property development costs		(22,462)	(92,395)
Decrease/(increase) in trade and other receivables		23,880	(15,090)
Increase in amounts due from related parties		(3,345)	(3,903)
Decrease in trade and other payables		(5,374)	(15,342)
		(6,083)	(125,668)
Cash flows generated from/(used in) operating activities		30,974	(75,653)
Interest received		3,751	2,415
Interest paid		(29,738)	(27,581)
Tax paid		(9,284)	(7,991)
Payment of employee benefits	39	(482)	(419)
Payment of cash settled share grants		(78)	(155)
Payment of lease rental	19	(1,382)	(1,342)
Net cash flows used in operating activities		(6,239)	(110,726)

Banyan Tree Holdings Limited and its Subsidiaries

**Consolidated cash flow statement
For the financial year ended 31 December 2016 (cont'd)**

	Note	2016 \$'000	2015 \$'000
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(15,888)	(23,469)
Proceeds from disposal of property, plant and equipment		33	51
Increase in long-term investments		(3,814)	—
Acquisition of non-controlling interest	16	—	(66)
Deferred cash settlement on acquisition of subsidiaries		—	(6,500)
Subsequent expenditure on investment properties	13	(387)	(462)
Additions to intangible assets		—	(208)
Net cash flows used in investing activities		(20,056)	(30,654)
Cash flows from financing activities			
Proceeds from bank loans		82,018	100,924
Repayment of bank loans		(106,259)	(62,032)
Proceeds from issuance of notes payable		—	100,000
Payment of dividends			
- by subsidiaries to non-controlling interests		(1,159)	(294)
- by subsidiaries to loan stockholders		(40)	(41)
- by Company to shareholders		—	(989)
Net cash flows (used in)/generated from financing activities		(25,440)	137,568
Net decrease in cash and cash equivalents		(51,735)	(3,812)
Net foreign exchange difference		86	1,088
Cash and cash equivalents at beginning of year		165,476	168,200
Cash and cash equivalents at end of year	31	113,827	165,476

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Banyan Tree Holdings Limited and its Subsidiaries

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

1. Corporate information

Banyan Tree Holdings Limited ("the Company") is a limited liability company, which is incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office of the Company is located at 211 Upper Bukit Timah Road, Singapore 588182.

The principal activities of the Company are those of investment holding and the provision of project design and management services. The principal activities of the subsidiaries are set out in Note 16 to the financial statements. There have been no significant changes in the nature of these activities during the year.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt the new financial reporting framework on 1 January 2018.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for the annual financial periods beginning on or after 1 January 2016. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 7: <i>Disclosure Initiative</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019

Except for FRS 109, FRS 115 and FRS 116, the Directors expect that the adoption of the other standards above will have no material impact to the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-stop model to account for revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration under which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under FRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

During 2015, the Group performed a preliminary assessment of FRS 115 which is subject to changes arising from a more detailed ongoing analysis. The Group is engaged in development of residential properties and has assessed that for its significant residential developments, performance obligations for the sale of pre-completion units will be satisfied at a point in time rather than over time. The findings from the preliminary assessment is summarised below.

Australia

The recognition of revenue over time may not be appropriate for property developers in Australia because generally for the residential sales in Australia, control is considered to pass on completion and final settlement.

China

The recognition of revenue over time may not be appropriate for property developers in China as it is commonly believed that the condition regarding "an entity has an enforceable right to payment for performance completed to date" is difficult to be met practically in China under the current circumstances.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

FRS 115 Revenue from Contracts with Customers (cont'd)

Thailand

Based on the Group internal legal opinion, the recognition of revenue over time may not be appropriate for property developers in Thailand. Even though it may be possible to enforce payments for the work that had been performed to date via legal recourse, it will be difficult to enforce the court verdict on these buyers. This is also further complicated by the fact that the court verdict issued by the Thailand court may not be enforceable in other legal jurisdictions.

Based on the above preliminary assessment, the Group do not expect that the adoption of FRS 115 will have a material impact to the Group operations in these jurisdictions in 2018 (i.e. construction contracts will continue to be recognised under completion method).

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. The Group is currently assessing the impact of FRS 109.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019. The Group is currently assessing the impact of FRS 116.

2. **Summary of significant accounting policies (cont'd)**

2.4 ***Significant accounting estimates and judgments***

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) ***Impairment of intangible assets***

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Further details of the key assumptions applied in the impairment assessment of goodwill and trademarks including a sensitivity analysis, are given in Note 14 to the financial statements.

(ii) ***Depreciation of property, plant and equipment***

The cost of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 and 50 years. The carrying amounts of the Group's property, plant and equipment at 31 December 2016 are \$657,746,000 (2015: \$657,348,000). Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges could be revised.

2. Summary of significant accounting policies (cont'd)

2.4 Significant accounting estimates and judgments (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(iii) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there has been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's loans and receivables at the end of each reporting period are disclosed in Note 47 (h) to the financial statements.

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on the unused tax losses. The carrying values of recognised tax losses and unrecognised tax losses at 31 December 2016 are \$48,177,000 (2015: \$58,021,000) and \$33,955,000 (2015: \$22,056,000) respectively.

(v) Revaluation of freehold and investment properties

The Group carries its freehold and investment properties at fair value, with changes in fair values being recognised in other comprehensive income and profit or loss respectively.

The Group engaged accredited independent property valuers to determine the fair values for its freehold properties and investment properties in Singapore, Thailand, Seychelles, Sri Lanka and Morocco on a regular basis. The fair value is determined using recognised valuation techniques which require the use of estimates such as future cash flows and discount rates applicable to these assets. These estimates are based on local market conditions existing at each valuation date.

The carrying amount, key assumptions and valuation techniques used to determine the fair value of the freehold and investment properties of the Group are stated in Note 12, Note 13 and Note 47 respectively.

2. Summary of significant accounting policies (cont'd)

2.4 Significant accounting estimates and judgments (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(vi) Impairment of unquoted available-for-sale financial assets

The impairment assessment of unquoted available-for-sale financial assets are determined using the discounted cash flow model. The inputs to this model are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The assumptions applied in determination of the recoverable cost of these unquoted available-for-sale financial assets are described in Note 18.

(b) Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Investment in associates

Management has assessed and is of the view that the Group exercises significant influence over certain associates, as disclosed in Note 17, notwithstanding that the Group holds less than 20% voting power in these companies. The Group is deemed to exercise significant influence by virtue of its representation on the board/governing committees of these entities.

(ii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payables and net deferred tax liabilities at 31 December 2016 are \$7,039,000 (2015: \$8,683,000) and \$91,044,000 (2015: \$79,547,000) respectively.

(iii) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

2. Summary of significant accounting policies (cont'd)

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Banyan Tree Holdings Limited and its Subsidiaries

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

2. Summary of significant accounting policies (cont'd)

2.6 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

2.7 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities for the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. Summary of significant accounting policies (cont'd)

2.7 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2. Summary of significant accounting policies (cont'd)

2.8 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.9 *Associates*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains or losses resulting from transactions between the Group and associates are eliminated to the extent of the interest in the associates.

Where the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. Summary of significant accounting policies (cont'd)

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.21. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost or valuation less accumulated depreciation and any accumulated impairment losses. The Group segregates land and buildings into two classes: leasehold and freehold. For leasehold land and buildings, the Group adopts the cost model and no revaluation will be carried out on these classes of assets. For freehold land and buildings, the Group adopts the revaluation model. Fair value is determined based on appraisal undertaken by accredited independent property valuers, using market-based evidence.

Valuations are performed with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the end of the reporting period.

When an asset is revalued, any increase in the carrying amount is credited to other comprehensive income and accumulated in equity under the property revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the property revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the property revaluation reserve in respect of an asset is transferred directly to accumulated profits on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Construction-in-progress included in property, plant and equipment are not depreciated as these assets are not available for use. Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold buildings	—	40 to 50 years
Leasehold buildings	—	10 to 50 years
Furniture, fittings and equipment	—	3 to 20 years
Computers	—	3 years
Motor vehicles	—	5 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Summary of significant accounting policies (cont'd)

2.11 *Investment properties*

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.10 up to the date of change in use.

2.12 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives except those classified as other intangible assets are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2. Summary of significant accounting policies (cont'd)

2.12 Intangible assets (cont'd)

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(a) Trademarks

The trademarks acquired are measured on initial recognition at cost. Following initial recognition, the trademarks are carried at cost less any accumulated impairment loss. The useful life of trademarks is estimated to be indefinite as management believes that there is no foreseeable limit to the period over which the trademarks are expected to generate net cash flows for the Group.

(b) Other intangible assets

Sales commission costs arising from property sales are recognised as an intangible asset when the Group can demonstrate that these are incremental costs directly attributable to securing a property sales contract and are recoverable in the gross margin of the contract. Incremental cost is one that would not have been incurred if the Group had not secured the property sales contract.

Following initial recognition of the sales commission costs as an intangible asset, it is carried at cost and expensed off to profit or loss upon the recognition of revenue from property sales.

(c) Club membership

Club membership was acquired separately and is amortised on a straight line basis over its finite useful life of 50 years.

2.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

2. Summary of significant accounting policies (cont'd)

2.13 *Impairment of non-financial assets (cont'd)*

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Reversal of an impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through profit or loss is treated as a revaluation increase recognised in other comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.14 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depend on their classification as follows:

(i) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, such assets are carried at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.14 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income and accumulated under fair value adjustment reserve in equity, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant Exchange's quoted market bid prices at the close of business on the reporting date.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Please see Note 2.22 (a) for policy on de-recognition of financial assets.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities include trade payables, which are normally settled on 30 to 90 days' terms, other payables, amounts due to subsidiaries, associates and related parties, interest-bearing loans and borrowings, and notes payable.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Subsequent to initial recognition, all financial liabilities that are not carried at fair value through profit or loss are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Please see Note 2.22 (b) for policy on de-recognition of financial liabilities.

2. Summary of significant accounting policies (cont'd)

2.15 Long-term investments

Investment securities under long-term investments are classified as available-for-sale financial assets.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.17 Property development costs

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation. Development properties are held as inventories and are measured at the lower of cost and net realisable value. Costs comprise cost of land, design fee, infrastructure and construction and related interest and are assigned by using specific identification. Included in the property development costs are completed properties which are held for sale in the ordinary course of business.

Non-refundable commissions paid to sales or marketing agents on the sale are capitalised and amortised to profit or loss when the Group recognises the related revenue.

Net realisable value of the development properties is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.18 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2. Summary of significant accounting policies (cont'd)

2.18 Impairment of financial assets (cont'd)

(a) Financial assets carried at amortised cost (cont'd)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

2. Summary of significant accounting policies (cont'd)

2.18 Impairment of financial assets (cont'd)

(c) Available-for-sale financial assets (cont'd)

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Food and beverage – cost of purchase on a first-in, first-out basis;
- Trading goods and supplies – cost of purchase on a weighted average basis; and
- Materials and others – cost of purchase on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.20 Segment reporting

For management reporting purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 48, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. Summary of significant accounting policies (cont'd)

2.21 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 *De-recognition of financial assets and liabilities*

(a) *Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognised where:

- The contractual rights to receive cash flows from the asset has expired;
- The Group retains the contractual rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'past-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

2. Summary of significant accounting policies (cont'd)

2.23 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.24 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.25 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes and defined contribution plans are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2. Summary of significant accounting policies (cont'd)

2.25 Employee benefits (cont'd)

(c) Share-based payment

Performance share plan and restricted share plan

The Group's Performance Share Plan ("PSP") and Restricted Share Plan ("RSP") are both equity-settled and cash-settled share-based payment transactions.

The cost of these equity-settled share-based payment transactions is measured by reference to the fair value at the date of grant. This cost is recognised in profit or loss, with a corresponding increase in the share-based payment reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. At the end of each reporting period, the Group revises its estimates of the number of PSP and RSP shares that are expected to vest on vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The cost of cash-settled share-based payment transactions is measured initially at fair value at the grant date. This fair value is recognised in profit or loss over the vesting period with recognition of a corresponding liability. At the end of each reporting period, the Group revises its estimates of the number of PSP and RSP shares that are expected to vest on vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to liability over the remaining vesting period. Until the liability is settled, it is re-measured at each reporting date with changes in fair value recognised in profit or loss and a corresponding adjustment to liability for the period.

The share-based payment reserve is transferred to accumulated profits reserve upon expiry of the plan. Where shares are issued under the PSP or RSP, the share-based payment reserve is transferred to share capital if new shares are issued, or to treasury shares if the plan is satisfied by the reissuance of treasury shares.

No expense is recognised for shares under both PSP and RSP that do not ultimately vest, except where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation.

2. Summary of significant accounting policies (cont'd)

2.25 Employee benefits (cont'd)

(d) *Post employment benefits and other long term employment benefits plans*

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

The LSP scheme is a defined benefit plan which pays employees a lump sum benefit computed based on their number of years of service and their basic salary upon retirement or early termination of their employment contracts.

The LSA scheme is a long-term employee benefit which rewards employees in cash and/or in gold. To be entitled to the award, employees will have to complete certain number of years of service with the Group.

The benefit schemes are assessed using the projected unit credit actuarial valuation method. The cost of providing for the employee benefits are charged to profit or loss so as to spread the service cost over the service lives of employees in accordance with the actuarial valuation carried out during the year. The provision for the employee benefits is measured as the present value of the estimated future cash outflows by reference to the interest rates of government bonds in Thailand that have terms to maturity approximating the terms of the related liabilities. Actuarial gains and losses arising from LSP are recognised in other comprehensive income and for those arising from LSA to be recognised in profit or loss in the year these gains and losses arise.

The unvested past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested, immediately following the introduction of, or changes to, a scheme, past service costs are recognised immediately.

(e) *Defined benefits plans*

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 defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high-quality long-term bonds that are denominated in Indonesian rupiah in which the benefits will be paid and that have terms of maturity similar to the related pension liability.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the statement of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier between:

- (i) the date of the plan amendment or curtailment, and
- (ii) the date the related restructuring costs and termination benefits are recognised.

2. Summary of significant accounting policies (cont'd)

2.25 Employee benefits (cont'd)

(e) Defined benefits plans (cont'd)

Net interest is calculated by applying the discount rate to the net defined benefit liability. The following changes in the net defined benefit obligation are recognised in the profit or loss:

- (i) Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements, and
- (ii) Net interest expense or income.

2.26 Leases

(a) As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.30 (i).

2. Summary of significant accounting policies (cont'd)

2.27 *Prepaid island rental and land use rights*

Prepaid island rental and land use rights are initially measured at cost. Following initial recognition, prepaid island rental and land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The prepaid island rental and land use rights are amortised over the lease term as stipulated in the respective island rental and land use rights agreements.

2.28 *Deferred income*

Deferred income relates to the government grants that are recognised at their fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred income on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.29 *Assets of disposal group classified as held for sale*

Assets of disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets of disposal group are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets of disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

2.30 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Hotel investments*

Revenue from hotel investments mainly comprises room rental, food and beverage sales and auxiliary activities, and represents the invoiced value of services rendered after deducting discounts. Revenue is recognised when the services are rendered.

Banyan Tree Holdings Limited and its Subsidiaries

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

2. Summary of significant accounting policies (cont'd)

2.30 Revenue (cont'd)

(b) Property sales

– Sale of completed development property

A development property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

– Sale of development property under construction

Where development property is under construction and agreement has been reached to sell such property when construction is complete, the management considers when the contract comprises:

- A contract to construct a property; or
- A contract for the sale of completed property

(i) Where a contract is regarded to be for the construction of a property, revenue is recognised using the percentage of completion method as construction progresses.

(ii) Where the contract is regarded to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the property have been transferred to the buyer (i.e. revenue is recognised using the completed contract method).

(c) Management services

Management services comprises the management of hotels and resorts, the management of an asset-backed club, the management of private-equity funds and the management of golf courses.

Revenue from management services is recognised as and when the relevant services are rendered.

(d) Spa operation

Revenue from operating spas is recognised as and when the relevant services are rendered.

(e) Merchandise sales

Revenue is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer, and generally coincides with delivery and acceptance of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of goods.

Banyan Tree Holdings Limited and its Subsidiaries

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

2. Summary of significant accounting policies (cont'd)

2.30 Revenue (cont'd)

(f) *Project and design services*

Revenue from the provision of project design and design services is recognised using the percentage of completion method. Under the percentage of completion method, contract revenue and expenses are recognised according to the stage of completion as certified by qualified professionals.

(g) *Dividend income*

Dividend income is recognised in profit or loss when the Group's right to receive payment is established.

(h) *Interest income*

Interest income is recognised using the effective interest method.

(i) *Rental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

2.31 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.31 Taxes (cont'd)

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences, and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction of goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.31 Taxes (cont'd)

(c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.32 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.33 Treasury shares

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued pursuant to equity compensation plans, the cost of treasury shares is reversed from treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.34 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Banyan Tree Holdings Limited and its Subsidiaries

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

2. Summary of significant accounting policies (cont'd)

2.34 *Contingencies (cont'd)*

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.35 *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Banyan Tree Holdings Limited and its Subsidiaries

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

3. Revenue

Revenue of the Group represents revenue from operation and management of hotels, property sales and fee-based segment after eliminating intercompany transactions. The amount of each significant category of revenue recognised during the year is as follows:

	Group	
	2016 \$'000	2015 \$'000
Hotel investments	197,411	196,689
Property sales	51,305	94,210
Management services	31,309	36,860
Spa operation	17,555	20,448
Project and design services	1,473	11,374
Merchandise sales	6,868	7,575
Rental income	3,644	3,532
	<u>309,565</u>	<u>370,688</u>

4. Other income

	Group	
	2016 \$'000	2015 \$'000
Management and service fees	139	124
Course and academy fees	–	7
Insurance claims	–	1,895
Net fair value gain/(loss) on investment properties (Note 13)	741	(181)
Net change in the value of available-for-sale financial assets		
- Net fair value gain *	23,716	–
- Impairment loss (Note 18)	(1,350)	–
Amortisation of deferred income (Note 37)	253	266
Dividend income	1,093	1,024
Compensation from early termination of Hotel Management Agreement	2,143	–
Others	2,917	3,215
	<u>29,652</u>	<u>6,350</u>

* Included in the Net change in the value of available-for-sale financial assets is the net fair value gain of \$22,763,000 transferred from equity upon the reclassification of certain available-for-sale financial assets to investment in associates.

Banyan Tree Holdings Limited and its Subsidiaries

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

5. Salaries and related expenses

	Group	
	2016	2015
	\$'000	\$'000
Salaries, wages and other related costs	95,298	100,606
Defined and other long-term employee benefits expense (Note 39)	290	425
Share-based payment expenses	68	234
Contributions to defined contribution plans	4,273	4,650
The above amounts include salaries and related expenses of key management personnel	99,929	105,915

6. Other operating expenses

The following items have been included in arriving at other operating expenses:

	Group	
	2016	2015
	\$'000	\$'000
Utilities and communication	15,937	17,537
Repair and maintenance	11,854	13,832
Printing and stationery	1,819	2,086
Travelling and transportation	2,233	2,804
Commission expenses	8,206	7,036
Laundry and valet	1,909	1,731
Guest expendable supplies	5,314	5,167

7. Profit from operations and other gains

Profit from operations is stated after charging/(crediting):

	Group	
	2016	2015
	\$'000	\$'000
Audit fees:		
- Auditor of the Company	372	421
- Other auditors	816	898
Non-audit fees:		
- Auditor of the Company	53	55
- Other auditors	145	83
Allowance for doubtful debts – trade, net	2,223	11,393
Allowance for doubtful debts – non-trade	–	4,880
Allowance for doubtful debts – associates	–	21
Allowance for doubtful debts – related parties	145	–
Allowance for inventory obsolescence (Note 24)	62	105
Exchange loss/(gain)	797	(2,900)
Loss on disposal of property, plant and equipment, net	170	1,234
Impairment loss on investment in associates	–	93

Banyan Tree Holdings Limited and its Subsidiaries

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

8. Finance income

	Group	
	2016	2015
	\$'000	\$'000
Interest received and receivable from:		
- Banks	1,084	1,258
- Related parties	127	-
- Others	2,463	1,093
	<u>3,674</u>	<u>2,351</u>

The finance income of the Group is derived from loans and receivables.

9. Finance costs

	Group	
	2016	2015
	\$'000	\$'000
Interest expense on:		
- Bank loans and bank overdraft	13,673	11,768
- Holders of notes payable	21,970	19,823
- Others	25	1,025
	<u>35,668</u>	<u>32,616</u>
Less: interest expense capitalised in:		
- Property development costs (Note 23)	(6,038)	(4,533)
	<u>29,630</u>	<u>28,083</u>

Banyan Tree Holdings Limited and its Subsidiaries

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

10. Income tax expense

Major components of income tax expense

Major components of income taxes for the years ended 31 December 2016 and 2015 are:

	Group	
	2016	2015
	\$'000	\$'000
Consolidated income statement:		
<i>Current income tax</i>		
Current income taxation	4,899	5,949
Over provision in respect of prior years	(45)	(353)
	4,854	5,596
<i>Deferred income tax</i>		
Origination and reversal in temporary differences	(1,552)	(2,753)
Reversal of deferred tax assets due to the expiry of tax losses	1,626	927
	74	(1,826)
<i>Withholding tax expense</i>		
Current year provision	2,732	2,794
Over provision in respect of prior years	–	(69)
	2,732	2,725
Income tax expense recognised in profit or loss	7,660	6,495
Statement of comprehensive income:		
Deferred tax expense/(credit) related to other comprehensive income:		
- Adjustment on property revaluation reserve	8,802	757
- Actuarial loss on LSP	–	(80)
- Actuarial gain on MPB	3	–
- Net change in fair value adjustment reserve	(1,518)	989
	(1,518)	989

Banyan Tree Holdings Limited and its Subsidiaries

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

10. Income tax expense (cont'd)

Relationship between tax expense and accounting profit/(loss)

A reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2016 and 2015 respectively are as follows:

	Group	
	2016	2015
	\$'000	\$'000
Accounting profit/(loss) before taxation	710	(19,465)
Income tax using Singapore tax rate of 17% (2015: 17%)	121	(3,309)
Effect of different tax rates in other countries	175	107
Expenses not deductible for tax purposes	4,165	7,151
Tax exempt income	(4,223)	(2,479)
Over provision in respect of prior years	(45)	(353)
Deferred tax assets not recognised	3,109	1,726
Withholding tax	2,732	2,725
Expiry or write-off of previously recognised deferred tax assets	1,626	927
Income tax expense recognised in profit or loss	7,660	6,495

Group royalty fees income derived from Indonesia, Thailand and Maldives is subject to withholding tax at 15%, 15% and 10% respectively (2015: 15%, 15% and 10%). The Group also incurred withholding tax on rental income and dividend income received from Indonesia and Thailand at 20% and 10% respectively (2015: 20% and 10%).

Banyan Tree Holdings Limited and its Subsidiaries

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

11. Earnings per share

Basic earnings per share are calculated by dividing profit after taxation for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit after taxation for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the loss after taxation and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2016 \$'000	2015 \$'000
Loss after taxation attributable to owners of the Company used in computation of basic and diluted earnings per share	(16,196)	(27,519)
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic earnings per share computation	760,973,488	760,546,120
Effect of dilution:		
- Contingently issuable shares under Banyan Tree Performance Share Plan	-	-
Weighted average number of ordinary shares for diluted earnings per share computation	760,973,488	760,546,120

Earnings per share computation

For the financial year ended 31 December 2016, 1,185,840 (2015: 2,012,202) 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.

Banyan Tree Holdings Limited and its Subsidiaries

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

12. Property, plant and equipment

Group	Freehold land \$'000	Freehold buildings \$'000	Leasehold buildings \$'000	Furniture, fittings and equipment \$'000	Computers \$'000	Motor vehicles \$'000	Construction-in-progress \$'000	Total \$'000
Cost or valuation:								
At 1 January 2015	309,088	256,226	99,487	154,415	15,287	12,065	14,751	861,319
Additions	—	232	861	6,163	2,560	367	13,286	23,469
Disposals	(7)	(401)	(1,189)	(1,761)	(770)	(228)	(655)	(5,011)
Transfer to other receivables	—	—	(4,884)	(1,680)	—	(44)	—	(6,608)
Revaluation surplus	55	4,992	—	—	—	—	—	5,047
Transfer from property development costs	1,986	9,697	1,949	478	—	—	—	14,110
Transfer in/(out)	—	1,703	2,886	6,401	27	53	(11,070)	—
Net exchange differences	(5,436)	(2,757)	3,162	(2,898)	(83)	(2)	(156)	(8,170)
At 31 December 2015 and 1 January 2016	305,686	269,692	102,272	161,118	17,021	12,211	16,156	884,156
Additions	—	659	405	5,336	1,255	464	7,769	15,888
Disposals	—	(148)	(632)	(1,228)	(551)	(390)	(3)	(2,952)
Transfer to assets of disposal group classified as held for sale (Note 32)	—	—	(62,993)	(8,611)	(2,133)	(1,332)	(528)	(75,597)
Revaluation surplus	40,885	6,750	—	—	—	—	—	47,635
Elimination of accumulated depreciation on revaluation	—	(750)	—	—	—	—	—	(750)
Transfer to property development costs	(215)	(1,051)	—	(531)	—	—	—	(1,797)
Transfer in/(out)	—	11,903	188	7,632	460	21	(20,204)	—
Net exchange differences	7,230	6,878	(2,070)	4,786	64	227	319	17,434
At 31 December 2016	353,586	293,933	37,170	168,502	16,116	11,201	3,509	884,017

Transfer to other receivables in 2015 related to assets constructed on an island where the lease was terminated prematurely by the lessor. The assets will be compensated by the lessor.

Transfer from/(to) property development costs relates to freehold buildings and other related assets that the Group will be using for its hospitality business.

Banyan Tree Holdings Limited and its Subsidiaries

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

12. Property, plant and equipment (cont'd)

Group (cont'd)	Freehold land \$'000	Freehold buildings \$'000	Leasehold buildings \$'000	Furniture, fittings and equipment \$'000	Computers \$'000	Motor vehicles \$'000	Construction-in-progress \$'000	Total \$'000
Accumulated depreciation and impairment losses:								
At 1 January 2015	-	52,243	32,369	108,622	12,241	9,528	390	215,393
Depreciation charge for the year	-	6,587	2,896	9,754	1,767	822	-	21,826
Disposals	-	(111)	(949)	(1,689)	(753)	(224)	-	(3,726)
Transfer to other receivables	-	-	(2,682)	(1,534)	-	(41)	-	(4,257)
Transfer to property development costs	-	(10)	-	-	-	-	-	(10)
Net exchange differences	-	(1,326)	1,195	(2,191)	(54)	(48)	6	(2,418)
At 31 December 2015 and 1 January 2016	-	57,383	32,829	112,962	13,201	10,037	396	226,808
Depreciation charge for the year	-	6,864	2,606	10,068	1,989	814	-	22,341
Disposals	-	(142)	(558)	(1,165)	(510)	(374)	-	(2,749)
Transfer to assets of disposal group classified as held for sale (Note 32)	-	-	(14,182)	(7,364)	(1,622)	(995)	-	(24,163)
Elimination of accumulated depreciation on revaluation	-	(750)	-	-	-	-	-	(750)
Transfer to property development costs	-	(276)	-	(296)	-	-	-	(572)
Transfer in/(out)	-	184	-	(6)	6	-	(184)	-
Net exchange differences	-	1,868	(325)	3,572	25	202	14	5,356
At 31 December 2016	-	65,131	20,370	117,771	13,089	9,684	226	226,271
Net carrying amount:								
At 31 December 2016	353,586	228,802	16,800	50,731	3,027	1,517	3,283	657,746
At 31 December 2015	305,686	212,309	69,443	48,156	3,820	2,174	15,760	657,348

12. Property, plant and equipment (cont'd)

The freehold land, freehold buildings and certain furniture, fittings and equipment of the Group are carried at valuation. The remaining items of property, plant and equipment are carried at cost.

Revaluation of freehold land and buildings

Freehold land and buildings in Singapore were revalued on 31 August 2016 and 4 November 2014 by an accredited independent property valuer, at open market value.

Freehold land and buildings in Thailand were revalued by a professional independent appraisal company on 14 October 2016. The basis of the revaluation was as follows:

- Land was revalued using the market value approach; and
- Hotel buildings and other buildings were revalued using a fair value approach.

The hotel properties in Morocco, which comprise of freehold land and buildings, were appraised by an accredited independent property valuer on 1 December 2016 using the market value approach.

The hotel properties in Seychelles, which comprise of freehold land and buildings, were appraised by an accredited independent property valuer on 30 September 2015 using the discounted cash flow approach.

The hotel properties in Sri Lanka, which comprise of freehold land and buildings, were appraised by an accredited independent property valuer on 12 September 2016 using the replacement cost approach.

Details of valuation techniques and inputs used are disclosed in Note 47.

If the freehold land, freehold buildings and furniture, fittings and equipment in the freehold properties were measured using the cost model, the carrying amounts would be as follows:

	Group	
	2016	2015
	\$'000	\$'000
Freehold land at 31 December		
- Cost and net carrying amount	91,994	90,305
Freehold buildings at 31 December		
- Cost	282,687	264,646
- Accumulated depreciation	(74,878)	(67,196)
- Net carrying amount	207,809	197,450
Furniture, fittings and equipment at 31 December		
- Cost	152,980	140,115
- Accumulated depreciation	(113,010)	(104,171)
- Net carrying amount	39,970	35,944

Banyan Tree Holdings Limited and its Subsidiaries

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

12. Property, plant and equipment (cont'd)

As at 31 December 2016, certain properties with net carrying amount amounting to \$402,304,000 (2015: \$310,347,000) were mortgaged to banks to secure credit facilities for the Group (Note 34).

	Furniture, fittings and equipment \$'000	Computers \$'000	Total \$'000
Company			
Cost:			
At 1 January 2015, 31 December 2015, 1 January 2016 and 31 December 2016	17	197	214
Accumulated depreciation:			
At 1 January 2015	15	184	199
Depreciation charge for the year	–	9	9
At 31 December 2015 and 1 January 2016	15	193	208
Depreciation charge for the year	1	4	5
At 31 December 2016	16	197	213
Net carrying amount:			
At 31 December 2016	1	–	1
At 31 December 2015	2	4	6

Banyan Tree Holdings Limited and its Subsidiaries

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

13. Investment properties

	Group	
	2016	2015
	\$'000	\$'000
Balance sheet:		
At 1 January	67,612	67,039
Additions (subsequent expenditure)	387	462
Net gain/(loss) from fair value adjustments recognised in profit or loss (Note 4)	741	(181)
Net exchange differences	1,856	292
At 31 December	70,596	67,612
Income statement:		
Rental income from investment properties		
- Minimum lease payments	3,094	3,098
Direct operating expense (including repairs and maintenance) arising from:		
- Rental generating properties	2,059	1,894
- Non-rental generating properties	38	75

The Group has no restrictions on the realisability of its investment properties except for investment properties in Seychelles amounting to \$24,616,000 (2015: \$23,902,000) which are subject to the Immovable Property (Transfer Restriction) Act. This Act prohibits the sale or transfer of immovable property to any non-Seychellois citizen or company having any non-Seychellois citizen as its shareholder without the prior approval of the Seychelles Government.

The office tower in Thailand is not subject to contractual obligations to any external party for repairs, maintenance and enhancements in 2016.

Valuation of investment properties

Investment properties in Thailand are stated at fair value, which has been determined based on valuation report dated 14 October 2016. The revaluations were performed by an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

The basis of valuation was as follows:

- Land was revalued using the market value approach; and
- Shop rental building and office rental units were revalued using the income approach.

Land in Seychelles are stated at fair value, which has been determined based on valuation report dated 30 September 2016 using the residual approach. The revaluations were performed by an independent property valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

Details of valuation techniques and inputs used are disclosed in Note 47.

Banyan Tree Holdings Limited and its Subsidiaries

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

13. Investment properties (cont'd)

Properties pledged as security

Certain investment properties amounting to \$24,835,000 (2015: \$24,225,000) are mortgaged to secure bank loans (Note 34).

The investment properties held by the Group as at 31 December 2016 are as follows:

Description and Location	Existing Use	Tenure
Shopping centre with more than 50 leased outlets, Phuket, Thailand	Shops	Freehold
53 office units in a 24-storey office tower, Bangkok, Thailand	Offices	Freehold
Land located at the shopping centre, Phuket, Thailand	Land for shopping centre	Freehold
Land located in northern Thailand	Land awaiting development	Freehold
Land located in the eastern side of Hill View Resorts, Seychelles	Land awaiting development	Freehold
Land located in Takamaka Valley, Quatre Borne Hillside, Seychelles	Land awaiting development	Freehold
Land located in South Intendance Hillside, Seychelles	Senior Housing	Freehold

Banyan Tree Holdings Limited and its Subsidiaries

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

14. Intangible assets

Group

	Goodwill \$'000	Trademarks \$'000	Club membership \$'000	Other intangible assets \$'000	Total \$'000
Cost:					
At 1 January 2015	2,603	24,300	2,412	4,336	33,651
Additions	–	–	209	3,600	3,809
Net exchange differences	–	–	–	(55)	(55)
At 31 December 2015 and 1 January 2016	2,603	24,300	2,621	7,881	37,405
Additions	–	–	–	391	391
Net exchange differences	–	–	–	224	224
At 31 December 2016	2,603	24,300	2,621	8,496	38,020
Accumulated amortisation and impairment losses:					
At 1 January 2015	–	–	48	481	529
Amortisation	–	–	49	1,913	1,962
Net exchange differences	–	–	–	(51)	(51)
At 31 December 2015 and 1 January 2016	–	–	97	2,343	2,440
Amortisation	–	–	53	2,226	2,279
Net exchange differences	–	–	–	99	99
At 31 December 2016	–	–	150	4,668	4,818
Net carrying amount:					
At 31 December 2016	2,603	24,300	2,471	3,828	33,202
At 31 December 2015	2,603	24,300	2,524	5,538	34,965

Other intangible assets

Other intangible assets include sales commission incurred that are directly attributable to securing property sales contracts. The sales commission will be amortised as the Group recognises the related revenue.

Banyan Tree Holdings Limited and its Subsidiaries

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

14. Intangible assets (cont'd)

Company

	Club membership \$'000
Cost:	
At 1 January 2015	2,412
Additions	209
	<hr/>
At 31 December 2015, 1 January 2016 and 31 December 2016	<u>2,621</u>
Accumulated amortisation and impairment losses:	
At 1 January 2015	48
Amortisation	49
	<hr/>
At 31 December 2015 and 1 January 2016	97
Amortisation	53
	<hr/>
At 31 December 2016	<u>150</u>
Net carrying amount:	
At 31 December 2016	<u>2,471</u>
At 31 December 2015	<u>2,524</u>

14. Intangible assets (cont'd)

Impairment testing of goodwill

Goodwill acquired through business combination was related to Thai Wah Plaza Limited, which has been identified as the single cash-generating unit ("CGU") for impairment testing.

The recoverable amount of the CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below.

Key assumptions used for value in use calculations:

	Thai Wah Plaza Limited	
	2016	2015
Growth rate	3.6%	3.0%
Discount rate	7.1%	8.9%

The above assumptions have been used for analysis of the CGU. Management determined the budgeted growth rate based on past performance and its expectation for market development. The discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is derived from its weighted average cost of capital ("WACC") which takes into account both debt and equity. The cost of equity is derived from the expected return on investment and the cost of debt is based on servicing obligations over the interest-bearing borrowings. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are derived annually based on publicly available market data.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

14. Intangible assets (cont'd)

Impairment testing of trademarks

The trademarks comprise of "Banyan Tree" and "Angsana" brands. Trademarks have been allocated to individual CGUs, which are the Group's reportable operating segments, for impairment testing as follows:

- Property Sales Segment;
- Fee-based Segment

Carrying amounts of trademarks are allocated to each of the Group's CGUs based on a valuation performed by a professional and independent valuer at acquisition date, using the projected discounted cashflows on future royalties from each of the reportable operating segments. The allocated amounts to each CGU are as follows:

	Property Sales Segment		Fee-based Segment		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Carrying amount of trademarks	630	630	23,670	23,670	24,300	24,300

The recoverable amount for all the individual reportable operating segment were determined using valuation report dated 1 November 2016, which was performed by a professional and independent valuer, based on income approach using cash flow projections based on financial budgets approved by management covering a five-year period.

The discount rate applied to the cash flow projections of each reportable operating segment range from 12.2% to 26.7% (2015: 9.8%). The growth rate used to extrapolate the cash flows of each business segment beyond the five-year period is 1.7% (2015: 2.0%). The budgeted growth rate was determined based on past performance and expectation for market development. The discount rate, which reflects the WACC rate used, is consistent with forecasts used in industry reports. The discount rate reflects specific risks relating to the relevant companies.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of trademarks:

- Budgeted hotel occupancy rates – the basis used to determine the budgeted hotel occupancy rates is the average hotel occupancy rates achieved in the previous years, adjusted for the forecast growth rate.
- Budgeted hotel room rates – the basis used to determine the budgeted hotel room rates is the average room rates achieved in the previous years, adjusted for the forecast growth rate.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Banyan Tree Holdings Limited and its Subsidiaries

**Notes to the financial statements
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15. Land use rights

	Group	
	2016	2015
	\$'000	\$'000
Cost:		
At 1 January	14,419	15,175
Transfer to assets of disposal group classified as held for sale (Note 32)	(10,181)	–
Transfer to property development costs	–	(1,048)
Net exchange differences	(599)	292
At 31 December	<u>3,639</u>	<u>14,419</u>
Accumulated amortisation:		
At 1 January	3,008	2,622
Amortisation for the year	344	339
Transfer to assets of disposal group classified as held for sale (Note 32)	(2,569)	–
Net exchange differences	(126)	47
At 31 December	<u>657</u>	<u>3,008</u>
Net carrying amount	<u>2,982</u>	<u>11,411</u>
Amount to be amortised:		
- Within 1 year	96	383
- Between 2 to 5 years	385	1,533
- After 5 years	2,501	9,495

The Group has land use rights over the following plots of land:

Location	Tenure	
	2016	2015
<i>People's Republic of China</i>		
Banyan Tree Lijiang *	28 years	29 years
Banyan Tree Ringha *	27 years	28 years
Zhongdian Jiantang Hotel	32 years	33 years
Tibet Lhasa Banyan Tree Resorts	31 years	32 years

* The land use rights have been transferred to assets of disposal group classified as held for sale.

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries

	Company	
	2016	2015
	\$'000	\$'000
Unquoted shares, at cost	113,643	113,643
Quoted shares, at cost	71,619	71,619
Impairment losses	(7,356)	(7,356)
	<hr/>	<hr/>
	177,906	177,906
Capital contribution through issue of ordinary shares to employees of subsidiaries at no consideration under FRS 102 Share-based Payment	5,863	5,863
	<hr/>	<hr/>
	183,769	183,769
<i>Loans and receivables</i>		
Loans to subsidiaries	329,785	317,626
	<hr/>	<hr/>
	513,554	501,395
	<hr/>	<hr/>
Market value of quoted shares	91,323	85,058
	<hr/>	<hr/>

In appointing the auditing firms for the Company and subsidiaries, the Group have complied with Listing Rules 712, 715 and 716.

Impairment testing of investment in subsidiaries

During the financial year, management performed an impairment test for the investment in subsidiaries. There is no impairment loss recognised for the year ended 31 December 2016. An impairment loss of \$216,000 was recognised for the year ended 31 December 2015 to write down the subsidiary to its recoverable amount of \$Nil.

Included in the loans made to subsidiaries is an unsecured loan of \$139,382,000 (2015: \$128,413,000) bearing interest at a rate of 3.1% to 7% (2015: 1.6% to 7%) with no fixed terms of repayment. Except for this loan, loans to subsidiaries are unsecured, interest-free and repayable on demand.

At the end of the reporting period, the Company has provided an allowance of \$8,261,000 (2015: \$8,261,000) for impairment on the loans due from its subsidiaries with a nominal amount of \$34,021,000 (2015: \$32,830,000). These subsidiaries have been suffering significant financial losses.

During the financial year ended 31 December 2016, the Company has provided an allowance of \$Nil (2015: \$30,000).

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

Acquisition of ownership interest in subsidiary, without loss of control in 2015

On 6 February 2015, the Group acquired the remaining 6.30% equity interest in Beruwela Walk Inn Limited ("BWIL"), formerly known as Beruwela Walk Inn PLC, from its non-controlling interests for a cash consideration of \$66,000. As a result of this acquisition, BWIL became a wholly-owned subsidiary of the Group. The carrying value of the net liabilities of BWIL at 6 February 2015 was \$3,048,000 and the carrying value of the additional interest acquired was net liabilities of \$188,000. The difference of \$254,000 has been recognised as "Premium paid on acquisition of non-controlling interests" within the statement of changes in equity.

The following summarises the effect of the change in the Group's ownership interest in BWIL on the equity attributable to owners of the Company:

	\$'000
Consideration paid for acquisition of non-controlling interests	66
Changes in equity attributable to non-controlling interests	188
	<hr/>
Decrease in equity attributable to owners of the Company	254
	<hr/> <hr/>

Details of the subsidiaries at the end of the financial year are as follows:

	Name of subsidiary	Principal activities	Place of incorporation	Cost of investment		Effective equity held by the Group	
				2016 \$'000	2015 \$'000	2016 %	2015 %
(i)	Held by the Company						
(1)	Banyan Tree Corporate Pte. Ltd.	Provision of resort, spa, project and golf management services	Singapore	5,466	5,466	100	100
(1)	Banyan Tree Investments Pte. Ltd.	Property holding	Singapore	10,673	10,673	100	100
(8)	Banyan Tree China Holdings Pte. Ltd.	Investment holding	Singapore	**	**	100	100
(8)	Banyan Tree Capital Pte. Ltd.	Business management and consultancy services	Singapore	500	500	100	100
(8)	Prestige Global Services Pte. Ltd.	Own and manage intellectual property for and on behalf of Banyan Tree Group	Singapore	**	**	100	100
(1)	Banyan Tree Indochina Holdings Pte. Ltd.	Investment holding	Singapore	**	**	100	100

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

Details of the subsidiaries at the end of the financial year are as follows:

	Name of subsidiary	Principal activities	Place of incorporation	Cost of investment		Effective equity held by the Group	
				2016 \$'000	2015 \$'000	2016 %	2015 %
(i) Held by the Company (cont'd)							
(8)	Banyan Tree Indochina Management (Singapore) Pte. Ltd.	Investment holding	Singapore	**	**	100	100
(1)	Banyan Tree Services Pte. Ltd.	Investment holding	Singapore	**	**	100	100
(8)	Brand Management Pte. Ltd.	Provision of consultancy services	Singapore	**	**	100	100
(2) ***	Laguna Resorts & Hotels Public Company Limited	Hotel and property development business	Thailand	71,619	71,619	65.75	65.75
(12)	Tibet Lhasa Banyan Tree Resorts Limited	Construction and management of hotels and spas	China	5,097	5,097	100	100
(2)	Banyan Tree Properties (HK) Limited	Investment holding	Hong Kong	**	**	100	100
(2)	Vabbinvest Maldives Pvt Ltd	Operation of holiday resorts	Maldives	4,163	4,163	100	100
(2)	Maldives Bay Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	49,934	49,934	100	100
(2)	Maldives Cape Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	**	**	100	100
(11)	Hill View Resorts Holdings Limited	Investment holding	British Virgin Islands	25,751	25,751	100	100
(2)	Banyan Tree Resorts & Spas (Morocco) S.A.	Provision of management, operation services and ancillary services related to the hospitality industry	Morocco	9,883	9,883	100	100

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Cost of investment		Effective equity held by the Group	
				2016 \$'000	2015 \$'000	2016 %	2015 %
(i)	<i>Held by the Company (cont'd)</i>						
(3)	Beruwela Walk Inn Limited	Operation of hotel resorts	Sri Lanka	856	856	100	100
(2)	PT. Heritage Resorts & Spas	Tourism management consultancy services	Indonesia	1,319	1,319	100	100
				<u>185,261</u>	<u>185,261</u>		

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group	
				2016 %	2015 %
(ii) Held through subsidiaries					
(1)	Hotelspa Pte. Ltd.	Investment holding	Singapore	100	100
(1)	Banyan Tree Gallery (Singapore) Pte Ltd	Sale of merchandise	Singapore	82.53	82.53
(8)	Banyan Tree Dunhuang (S) Pte. Ltd.	Investment holding	Singapore	100	100
(8)	Sanctuary Chengdu Development Company No. 3 (S) Pte. Ltd.	Investment holding	Singapore	100	100
(8)	Sanctuary Chengdu Development Company No. 1 (S) Pte. Ltd.	Investment holding	Singapore	100	100
(8)	Sanctuary Lijiang (S) Pte. Ltd.	Investment holding	Singapore	100	100
(8)	Sanctuary Jiwa Renga (S) Pte. Ltd.	Investment holding	Singapore	100	100
(8)	Global Investments Pte. Ltd. (formerly known as Banyan Tree Anhui (S) Pte. Ltd.)	Investment holding	Singapore	100	100
(8)	Banyan Tree Indochina Pte. Ltd.	Business management and consultancy services	Singapore	100	100
(1)	Architrave Design & Planning Services Pte. Ltd.	Provision of design, planning and consultancy services for hotels, resorts and spas	Singapore	100	100
(1)	GPS Development Services Pte. Ltd.	Provision of purchasing and project services for hotels, resorts and spas	Singapore	100	100
(1)	Banyan Tree Marketing Group Pte. Ltd.	Provision of marketing services	Singapore	100	100
(1)	Banyan Tree Hotels & Resorts Pte. Ltd.	Hotel management consultancy services	Singapore	100	100
(8)	Sanctuary Chengdu Development Company No. 4 (S) Pte. Ltd.	Investment holding	Singapore	100	100

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group	
				2016 %	2015 %
(ii) Held through subsidiaries (cont'd)					
(1)	BT Development Singapore Pte. Ltd.	Investment holding	Singapore	100	100
(8)	Banyan Tree Management (S) Pte. Ltd.	Hotel management	Singapore	100	100
(1)	Banyan Tree Spas Pte. Ltd.	Operation of spas	Singapore	100	100
(2)	Banyan Tree Mkg (HK) Limited	Provision of marketing services	Hong Kong	100	100
(2)	Banyan Tree Resorts & Spas (Thailand) Company Limited	Provision of spa services	Thailand	100	100
(2)	Banyan Tree Hotels & Resorts (Thailand) Limited	Provision of hotel management services	Thailand	100	100
(2)	TWR – Holdings Limited	Investment holding and property development	Thailand	65.75	65.75
(2)	Laguna Holiday Club Limited	Holiday club membership and property development	Thailand	65.75	65.75
(2)	Laguna (3) Limited	Property development	Thailand	65.75	65.75
(2)	Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	82.53	82.53
(2)	Pai Samart Development Company Limited	Property development	Thailand	65.75	65.75
(2)	Mae Chan Property Company Limited	Property development	Thailand	65.75	65.75
(2)	Phuket Resort Development Limited	Property development	Thailand	65.75	65.75
(2)	Laguna Grande Limited	Operation of golf club and property development	Thailand	65.75	65.75
(2)	Laguna Banyan Tree Limited	Hotel operations and property development	Thailand	65.75	65.75
(2)(10)	Talang Development Company Limited	Property development	Thailand	32.88	32.88
(2)	Twin Waters Development Company Limited	Property development	Thailand	65.75	65.75

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group	
				2016 %	2015 %
(ii) Held through subsidiaries (cont'd)					
(2)	Bangtao (1) Limited	Property development	Thailand	65.75	65.75
(2)	Bangtao (2) Limited	Property development	Thailand	65.75	65.75
(2)	Bangtao (3) Limited	Property development	Thailand	65.75	65.75
(2)	Bangtao (4) Limited	Property development	Thailand	65.75	65.75
(2)	Bangtao Development Limited	Property development	Thailand	65.75	65.75
(2)	Bangtao Grande Limited	Hotel operations	Thailand	65.75	65.75
(2)	Laguna Central Limited	Dormant	Thailand	55.89	55.89
(2)(10)	Laguna Service Company Limited	Provision of utilities and other services to hotels owned by the subsidiaries	Thailand	47.93	47.93
(2)	Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	65.75	65.75
(2)	Thai Wah Tower Company Limited	Lease of office building space	Thailand	65.75	65.75
(2)	Thai Wah Tower (2) Company Limited	Property development	Thailand	65.75	65.75
(2)(10)	Laguna Excursions Limited	Travel operations	Thailand	32.22	32.22
(2)	Laguna Lakes Limited	Property development	Thailand	62.46	62.46
(2)	Laguna Village Limited	Hotel operations	Thailand	65.75	65.75
(17)	LVCL (Thailand) Co., Ltd	Provision of project development services	Thailand	–	100
(2)	Wanyue Leisure Health (Shanghai) Co., Ltd	Operation of spas	China	100	100
(2)	Zhongdian Jiantang Hotel Limited	Hotel services	China	80	80
(2)	Jiwa Renga Resorts Limited	Hotel construction and operation	China	96	96
(2)	Banyan Tree Hotels Management (Beijing) Co., Ltd	Provision of operation and management services for property, spas and food and beverage, and consulting services for hotel design and tourism information	China	100	100

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group	
				2016 %	2015 %
(ii) Held through subsidiaries (cont'd)					
(2)	Lijiang Banyan Tree Property Service Company Limited	Hotel management	China	87.04	87.04
(2)	Lijiang Banyan Tree Hotel Co., Ltd	Hotel operations and property development	China	83.20	83.20
(14)	Dunhuang Banyan Tree Hotel Company Limited	Develop, own and operate hotels and resorts in China	China	100	100
(2)	Banyan Tree Lijiang International Travel Service Co., Ltd	Provision of travel agency services	China	83.20	83.20
(2)	Lijiang Banyan Tree Gallery Trading Company Limited	Trading and retailing of consumer goods in resorts	China	82.53	82.53
(9)	Tianjin Banyan Tree Capital Investment Management Co., Ltd.	Investment management and related consulting services	China	100	100
(2)	Banyan Tree Hotels Management (Tianjin) Co., Ltd.	Consultant and operator of hotels/resorts, residences, spas, food and beverage including ancillary services related to the hospitality industry	China	100	100
(16)	Yueliang Architectural Design Consulting (Shanghai), Co. Ltd	Provision of spas architect & design services	China	100	100
(16)	Xiangrong Business Consulting (Shanghai) Co., Ltd	Provision of project management and materials procurement services	China	100	100
(2)	Chengdu Banyan Tree No. 1 Property Co., Ltd	Residential property development	China	100	100
(2)	Chengdu Banyan Tree No. 3 Property Co., Ltd	Commercial property development	China	100	100
(2)	Chengdu Banyan Tree No. 4 Property Co., Ltd	Residential property development	China	100	100
(2)	Chengdu Laguna Property Service Co., Ltd.	Property management	China	100	100
(2)	Banyan Tree Marketing (Shanghai) Co., Ltd	Provision of marketing services	China	100	100
(5)	BT Development No. 1 Pty Ltd	Development of residential property	Australia	100	100

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group	
				2016 %	2015 %
(ii) Held through subsidiaries (cont'd)					
(2)	Banyan Tree Resorts Limited	Provision of resort management services	Hong Kong	100	100
(2)	Banyan Tree Spa (HK) Limited	Provision of spa management services	Hong Kong	100	100
(4)	Cheer Golden Limited	Investment holding	Hong Kong	65.75	65.75
(2)	Triumph International Holdings Limited	Investment holding	Hong Kong	80	80
(2)	Northpoint Investments Limited	Investment holding	Hong Kong	100	100
(2)	Banyan Tree Investment Holdings (HK) Limited	Investment holding	Hong Kong	100	100
(11)	Banyan Tree Hotels & Resorts Korea Limited	Provision of hotel management services	Korea	100	100
(8)	Banyan Tree Indochina (GP) Company Limited	Manage and operate the Banyan Tree Indochina Hospitality Fund, L.P.	Cayman Islands	100	100
(11)	Jayanne International Limited	Investment holding	British Virgin Islands	100	100
(11)	Club Management Limited	Provision of resort and hotel management and operation services and ancillary services related to the hospitality industry	British Virgin Islands	100	100
(11)	Lindere Villas Limited	Investment holding	British Virgin Islands	100	100
(11)(18)	Resort Holdings Limited	Investment holding	British Virgin Islands	100	100
(15)	PT. AVC Indonesia	Holiday club membership	Indonesia	65.75	65.75
(2)	PT. Management Banyan Tree Resorts & Spas	Provision of consultation and management services of the international hotels marketing	Indonesia	100	100

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group	
				2016 %	2015 %
(ii) Held through subsidiaries (cont'd)					
(2)	PT. Banyan Tree Management	Provision of hotel management services	Indonesia	100	100
(2)	PT Cassia Resorts Investments	Hotel operations and property development	Indonesia	100	100
(5)	PT Leisure Development Bintan	Hotel operations and property development	Indonesia	100	100
(2)	Banyan Tree MX S.A. De C.V.	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	100	100
(5)	Banyan Tree Servicios S.A. De C.V.	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	100	100
(11)	Banyan Tree Guam Limited	Business office operation service and operation of spa facilities	Guam	100	100
(2)	Banyan Tree Spas Sdn. Bhd.	Operation of spas	Malaysia	100	100
(11)	Banyan Tree Japan Yugen Kaisha	Operation of spas	Japan	100	100
(2)	Heritage Spas Egypt LLC	Operation and investment in resorts, spas and retail outlets	Egypt	100	100
(2)	Banyan Tree (Private) Limited	Operation of spas	Sri Lanka	100	100
(6)	Heritage Spas South Africa (Pty) Ltd	Operation and investment in resorts, spas and retail outlets	South Africa	100	100
(2)	Heritage Spas Dubai LLC	Operation of spas	Dubai	100	100
(2)	Maldives Angsana Pvt Ltd	Operation of holiday resorts	Maldives	100	100
(5)	Keelbay Pty Ltd	Development of residential property	Australia	100	100

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group	
				2016 %	2015 %
(ii) Held through subsidiaries (cont'd)					
(7)	Jayanne (Seychelles) Limited	Own, buy, sell, take on lease, develop or otherwise deal in immovable property	Seychelles	100	100
(7)	Hill View Resorts (Seychelles) Limited	Hotel operations	Seychelles	100	100
(7)	Lindere Villas (Seychelles) Limited	Investment holding	Seychelles	100	100
(2)	Banyan Tree Mkg (UK) Ltd	Provision of marketing services	United Kingdom	100	100
(11)(19)	Banyan Tree Mkg (USA), Inc	Provision of marketing services	United States of America	—	100
(2)	BT Investments Holdings Phils. Inc.	Investment holding	Philippines	97.85	97.85
(2)	Banyan Tree Hotels (Cyprus) Ltd	Provision of management consultancy and hotel design services	Cyprus	100	100
(13)	Green Transportation SARL AU	Provision of tourist transportation activities	Morocco	100	100
(2)	Banyan Tree Indochina Co., Ltd.	Provision of project supervision and management service	Vietnam	100	100

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global in the respective countries.

(3) Audited by Tudor V.P. & Co.

(4) Audited by RSM Nelson Wheeler.

(5) Not required to be audited as the company is exempted from audit.

(6) Audited by Mazars.

(7) Audited by BDO Seychelles.

(8) Audited by A Garanzia LLP.

(9) Audited by RSM China CPAs.

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

- (10) These companies are subsidiaries of LRH which in turn are subsidiaries of the Group. Management of the Group is of the view that these companies should be consolidated as subsidiaries in the consolidated financial statements as the Group has control over them through LRH.
- (11) Not required to be audited under the laws of country of incorporation.
- (12) Audited by Tibet Zhongrong Certified Public Accountant.
- (13) Not required to be audited as the company has not commenced operation as at 31 December 2016.
- (14) Audited by Dunhuang Fang Zheng Certified Public Accountant.
- (15) Audited by RSM AAJ Associates.
- (16) Audited by Shanghai Zhong Qin Wan Xin Certified Public Accountant.
- (17) Voluntary liquidation completed on 10 August 2016.
- (18) In the process of voluntary liquidation.
- (19) Dissolved with effect from 1 July 2016.
- * Investment transferred from being held through a subsidiary to be held by the holding company during the year.
- ** Cost of investment is less than \$1,000.
- *** As at 31 December 2016, 24.40% (2015: 25.55%) of the issued and paid up capital of Laguna Resorts & Hotels Public Company Limited ("LRH") is held by Thai Trust Fund Management Company Limited ("TTFMC") and Thai NVDR Company Limited (a subsidiary wholly-owned by the Stock Exchange of Thailand issuing "Non-Voting Depository Receipt") ("TNVDR"). Pursuant to the provisions of their prospectus, TTFMC and TNVDR will not attend nor vote in any shareholders' meeting of LRH other than delisting.

Of the effective equity held by the Group of 65.75% in LRH, 10.90% (2015: 10.90%) is held in trust by TTFMC. Taking into account of the issued and paid up capital of LRH held by TTFMC and TNVDR, the voting rights held by the Group in the subsidiary amount to 72.55% (2015: 73.67%) and the voting rights held by the non-controlling interest in the subsidiary amount to 27.45% (2015: 26.33%).

Of the effective equity held by the non-controlling interest of 34.25% in LRH, 3.18% (2015: 3.18%) and 10.32% (2015: 11.47%) is held by TTFMC and TNVDR respectively. Taking into account of the issued and paid up capital of LRH held by TTFMC and TNVDR, the voting rights held by the non-controlling interest in the subsidiary amount to 27.45% (2015: 26.33%).

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

Interest in subsidiary with material non-controlling interest (NCI)

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period \$'000	Accumulated NCI at the end of reporting period \$'000	Dividends paid to NCI \$'000
31 December 2016: Laguna Resorts & Hotels Public Company Limited	Thailand	34.25%	9,975	169,608	1,159
31 December 2015: Laguna Resorts & Hotels Public Company Limited	Thailand	34.25%	2,722	150,971	294

Summarised financial information about subsidiary with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

Summarised balance sheet

	Laguna Resorts & Hotels Public Company Limited	
	As at 31 December 2016 \$'000	As at 31 December 2015 \$'000
Current		
Assets	207,212	222,950
Liabilities	(100,990)	(106,602)
Net current assets	106,222	116,348
Non-current		
Assets	634,681	574,986
Liabilities	(229,987)	(230,969)
Net non-current assets	404,694	344,017
Net assets	510,916	460,365

Banyan Tree Holdings Limited and its Subsidiaries

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

16. Subsidiaries (cont'd)

Summarised financial information about subsidiary with material NCI (cont'd)

Summarised statement of comprehensive income

	Laguna Resorts & Hotels Public Company Limited	
	2016	2015
	\$'000	\$'000
Revenue	221,184	225,953
Profit before taxation	31,177	11,513
Income tax expense	(4,842)	(5,359)
Profit after taxation	26,335	6,154
Other comprehensive income	14,826	4,807
Total comprehensive income	41,161	10,961

Other summarised information

	Laguna Resorts & Hotels Public Company Limited	
	2016	2015
	\$'000	\$'000
Net cash flows (used in)/generated from operations	(10,357)	19,693
Acquisition of significant property, plant and equipment	(12,966)	(18,601)

Banyan Tree Holdings Limited and its Subsidiaries

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

17. Associates

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Quoted and unquoted equity shares, at cost	94,657	942	869	869
Share of post-acquisition reserves	83	49	–	–
Impairment loss	(679)	(679)	–	–
Net exchange differences	(177)	(152)	–	–
	<u>93,884</u>	<u>160</u>	<u>869</u>	<u>869</u>
Fair value of investment in an associate for which there is a published price quotation	33,042	–	–	–

The details of the material associates at the end of the financial year are as follows:

	Name of associate	Principal activities	Place of incorporation	Effective equity held by the Group	
				2016 %	2015 %
<i>Held through subsidiaries</i>					
(2)(3)	Thai Wah Public Company Limited	Manufacture and distribution of vermicelli, tapioca starch and other food products	Thailand	6.59	–
(1)(3)	Banyan Tree Indochina Hospitality Fund, L.P.	Business of a real estate development fund, focused on the hospitality sector in Vietnam	Cayman Islands	15.84	–

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global in the respective countries.

(3) The results of these associates were equity accounted for in the consolidated financial statements notwithstanding that the Group holds less than 20% of the voting power in these companies. The Group is deemed to exercise significant influence by virtue of its representation on the board/governing committees of these entities.

Banyan Tree Holdings Limited and its Subsidiaries

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

17. Associates (cont'd)

During the financial year, the Group has assessed that there was a gain in significant influence over Thai Wah Public Company Limited ("TWPC") and Banyan Tree Indochina Hospitality Fund L.P. ("Indochina fund"). Accordingly, the Group has accounted for TWPC and Indochina fund, previously accounted for as available-for-sale investments, as investments in associates from the date when significant influence was gained. The reclassification of TWPC and Indochina fund to investments in associates took place close to 31 December 2016 and management has assessed the Group's share of results relating to these investments to be immaterial.

The summarised financial information in respect of TWPC and Indochina fund and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Thai Wah Public Company Limited		Banyan Tree Indochina Hospitality Fund, L.P.	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Assets and liabilities:				
Current assets	111,882	–	233	–
Non-current assets	144,239	–	311,046	–
Current liabilities	(30,007)	–	(1,605)	–
Non-current liabilities	(12,323)	–	–	–
Non-controlling interests	(9,800)	–	–	–
Net assets	203,991	–	309,674	–
Proportion of the Group's ownership	6.59%	–	15.84%	–
Group's share of net assets	13,443	–	49,052	–
Excess of investment cost over net asset value	17,655	–	6,029	–
Carrying amount of the investment	31,098	–	55,081	–

As at 31 December 2016, the Group is in the process of assessing the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment process is ongoing and mainly relates to the identification and valuation of intangible assets and certain tangible assets. The assessment shall be completed within measurement period of twelve months from the acquisition date pursuant to the period allowed by FRS 103.

Banyan Tree Holdings Limited and its Subsidiaries

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

17. Associates (cont'd)

The Group has not recognised its share of losses and deficit in the currency translation reserve relating to one of its associates, Tropical Resorts Limited where its share of deficit in equity has exceeded the Group's interest in this associate. At the end of the reporting period, the Group's cumulative share of unrecognised losses and currency translation deficit were \$7,312,000 (2015: \$6,052,000) and \$598,000 (2015: \$313,000) respectively. The Group's share of the current year's unrecognised losses was \$1,080,000 (2015: \$1,282,000).

The Group has no obligation in respect of these losses.

Aggregate information about the Group's investments in associates that are not individually material, not adjusted for the proportion of ownership interests held by the Group, are as follows:

	2016 \$'000	2015 \$'000
Assets and liabilities *:		
Current assets	19,403	17,294
Non-current assets	92,043	49,538
Total assets	111,446	66,832
Current liabilities	(89,430)	(46,607)
Non-current liabilities	(73,780)	(63,536)
Total liabilities	(163,210)	(110,143)
Results:		
Revenue	27,156	28,379
Loss for the year	(11,363)	(12,296)
Other comprehensive (expense)/income	(275)	169
Total comprehensive income	(11,638)	(12,127)

* Included in assets and liabilities and total comprehensive income of associates is Tropical Resorts Limited's net liabilities position of \$58,225,000 (2015: \$45,130,000) and total comprehensive loss of \$11,129,000 (2015: \$10,650,000).

Banyan Tree Holdings Limited and its Subsidiaries

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

18. Long-term investments

	Group	
	2016 \$'000	2015 \$'000
Quoted investments		
Equity shares, at fair value	2	20,509
Unquoted investments		
Equity shares, at fair value	–	50,290
Equity shares, at cost	17,796	37,514
Less: Impairment in value of unquoted investments	(2,911)	(1,563)
Total unquoted investments	14,885	86,241
Total available-for-sale financial assets	14,887	106,750

Unquoted equity shares stated at cost have no market prices and the fair value cannot be reliably measured using valuation techniques. The 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.

As at 31 December 2016, the Group has carried out an assessment of the recoverable amount of its long-term investments. An impairment loss of \$1,350,000 (2015: Nil), representing the write-down to the recoverable amount was recognised in profit or loss for the financial year ended 31 December 2016. The recoverable amount of the long-term investment is assessed using the value in use method with the discount rate and growth rate used was 10.8% and 5% respectively.

19. Prepaid island rental

	Group	
	2016 \$'000	2015 \$'000
At 1 January	24,981	25,047
Net exchange differences	712	1,535
Payment of island rental during the year	1,382	1,342
	27,075	27,924
Less: Amount charged to expenses during the year	(2,167)	(2,116)
Less: Reclassification to other receivables	–	(827)
At 31 December	24,908	24,981
Amount chargeable within 1 year (Note 25)	2,069	1,986
Amount chargeable after 1 year	22,839	22,995
	24,908	24,981

Banyan Tree Holdings Limited and its Subsidiaries

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

19. Prepaid island rental (cont'd)

The above amounts were paid to the owners of the Vabbinfaru Island and Ihuru Island as operating lease rentals.

At the end of the reporting period, the lease periods are as follows:

Island	Lease period 2016	Lease period 2015
<i>Maldives</i>		
Vabbinfaru Island	1 May 1993 – 9 Apr 2045	1 May 1993 – 9 Apr 2045
Ihuru Island	16 Oct 2000 – 15 Oct 2044	16 Oct 2000 – 15 Oct 2044

20. Long-term trade receivables

	Group	
	2016 \$'000	2015 \$'000
<i>Loans and receivables</i>		
Long-term trade receivables are repayable as follows:		
Within 12 months (Note 26)	9,726	8,042
Between 2 to 5 years	23,874	24,438
After 5 years	5,219	6,679
	29,093	31,117

Long-term trade receivables consist of:

- (i) Receivables from property sales bear interest at rates ranging from 3% to 12%, Minimum Lending Rate (MLR) plus 0.5% per annum (2015: 5% to 12%, MLR plus 0.5% and the Group's cost of funds plus 0.5% per annum) and are repayable over an instalment period of 2 to 10 years (2015: 3 to 10 years).
- (ii) The Group has purchased certain properties on behalf of a third party who is in the business of selling club memberships. A subsidiary of the Group acts as the manager of these properties on behalf of the third party. As at 31 December 2016, the amounts due from the third party are \$14,034,000 (2015: \$13,897,000), out of which an amount of \$11,527,000 (2015: \$12,417,000) bears an interest rate of 6% per annum (2015: 6%), is unsecured and repayable 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.

Banyan Tree Holdings Limited and its Subsidiaries

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

20. Long-term trade receivables (cont'd)

Significant foreign currency denominated balances

	Group	
	2016	2015
	\$'000	\$'000
US Dollars	10,304	11,121

At the end of the reporting period, the Group has provided for an allowance of \$Nil (2015: \$Nil) for impairment of the long-term trade receivables with a nominal amount of \$2,507,000 (2015: \$1,480,000). The allowance account for the financial year ended 31 December 2016 in relation to the long-term trade receivables is \$579,000 (2015: \$562,000).

Receivables subject to offsetting arrangements

The Group provides club management services to Private Collection Limited. The Group is regularly charged by Private Collection Limited for rental, utilities and other miscellaneous payments incurred on behalf of the Group. Both parties have an agreement to settle the net amount due to or from each other.

The Group's trade receivables and trade payables that are off-set are as follows:

Description	Gross carrying amounts	2016	Net amounts in the balance sheet
		\$'000	
		Gross amounts offset in the balance sheet	
Trade receivables	5,141	(2,634)	2,507
Trade payables	2,634	(2,634)	-

Description	Gross carrying amounts	2015	Net amounts in the balance sheet
		\$'000	
		Gross amounts offset in the balance sheet	
Trade receivables	4,034	(2,554)	1,480
Trade payables	2,554	(2,554)	-

Banyan Tree Holdings Limited and its Subsidiaries

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

21. Other receivables – non current

	Group	
	2016	2015
	\$'000	\$'000
<i>Loans and receivables</i>		
Deposits	3,504	3,137
Loans to third parties	7,664	1,585
	11,168	4,722
	11,168	4,722

Included in the loans made to third parties is an unsecured loan of \$832,000 (2015: \$Nil) bearing interest at a rate of 3.8% (2015: Nil%) with fixed terms of repayment, and an unsecured loan of \$5,200,000 (2015: \$Nil) bearing interest at a rate of 6.2% (2015: Nil%) with fixed terms of repayment. Except for these loans, loans to third parties are unsecured, interest-free, with no fixed terms of repayment, and the Group will not demand repayment within the next twelve months.

22. Investment securities

	Group	
	2016	2015
	\$'000	\$'000
<i>Current</i>		
<i>Held-to-maturity investment</i>		
SGD corporate bonds with interest rate ranging from Nil% (2015: 4.64% to 5.80%) and due date ranging from Nil (2015: 22 February 2016 to 21 June 2016)	–	2,512
	–	2,512
	–	2,512

23. Property development costs

	Group	
	2016	2015
	\$'000	\$'000
Properties under development		
Cost incurred to date	220,377	282,091
Less: Allowance for foreseeable losses	(3,801)	(3,706)
	216,576	278,385
Properties held for sale	35,219	57,438
	251,795	335,823
	251,795	335,823

Banyan Tree Holdings Limited and its Subsidiaries

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

23. Property development costs (cont'd)

	Group	
	2016 \$'000	2015 \$'000
Amounts expected to be recovered:		
No more than 12 months	43,564	28,113
More than 12 months	208,231	307,710
	251,795	335,823

During the financial year, borrowing costs of \$6,038,000 (2015: \$4,533,000) arising from borrowings obtained specifically for the development property were capitalised under properties under development.

Details of the properties as at 31 December 2016 are as follows:

Description	Location of property	Estimated completion %	Existing use of property	Gross floor area (Sq meter)	Estimated completion date	Effective equity held by the Group %
Banyan Tree Bangkok Apartments	Bangkok, Thailand	100	Held for sale	1,271	Completed	65.75
Banyan Tree Phuket Double Pool Villas	Phuket, Thailand	100	Held for sale	1,804	Completed	65.75
Laguna Village Lofts	Phuket, Thailand	100	Held for sale	2,448	Completed	65.75
Cassia Phuket Phase 1	Phuket, Thailand	100	Held for sale	2,450	Completed	65.75
Cassia Phuket Phase 2	Phuket, Thailand	—	Under construction	5,064	May 2018	65.75
Laguna Park Phuket Townhome and Villas	Phuket, Thailand	80	Under construction	26,551	December 2018	65.75
Laguna Village Residences	Phuket, Thailand	53	Under construction	4,697	December 2018	65.75
Banyan Tree Grand Residence Phase 1	Phuket, Thailand	24	Under construction	15,485	December 2025	65.75
Banyan Tree Residences, Brisbane	Brisbane, Australia	—	Under construction	15,058	April 2019	100
Northpoint, Australia	Northpoint, Australia	—	Under construction	4,424	—	100
Banyan Tree Lijiang Phase 1 extension *	Lijiang, China	100	Held for sale	523	Completed	83.20
Cassia Lijiang *	Lijiang, China	8	Under construction	12,660	—	83.20

Banyan Tree Holdings Limited and its Subsidiaries

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

23. Property development costs (cont'd)

Description	Location of property	Estimated completion %	Existing use of property	Gross floor area (Sq meter)	Estimated completion date	Effective equity held by the Group %
Laguna Chengdu *	Wenjiang, China	29	Under construction	104,040	June 2021	100
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	6,080	Completed	100
Cassia Bintan Phase 1	Bintan, Indonesia	50	Under construction	7,706	May 2017	100
Cassia Bintan Phase 2	Bintan, Indonesia	24	Under construction	6,497	August 2017	100

* The properties have been transferred to assets of disposal group classified as held for sale.

Details of the properties as at 31 December 2015 are as follows:

Description	Location of property	Estimated completion %	Existing use of property	Gross floor area (Sq meter)	Estimated completion date	Effective equity held by the Group %
Banyan Tree Bangkok Apartments	Bangkok, Thailand	100	Held for sale	1,152	Completed	65.75
Banyan Tree Phuket Double Pool Villas	Phuket, Thailand	100	Held for sale	1,804	Completed	65.75
Laguna Village Lofts	Phuket, Thailand	100	Held for sale	2,585	Completed	65.75
Cassia Phuket Phase 1	Phuket, Thailand	100	Held for sale	3,779	Completed	65.75
Laguna Park Phuket Townhome and Villas	Phuket, Thailand	74	Under construction	43,010	December 2016	65.75
Laguna Village Residences	Phuket, Thailand	47	Under construction	4,697	December 2018	65.75
Banyan Tree Lijiang Phase 1 extension	Lijiang, China	100	Held for sale	523	Completed	83.20
Laguna Chengdu	Wenjiang, China	23	Under construction	104,040	June 2019	100
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	6,080	Completed	100
Cassia Bintan Phase 1	Bintan, Indonesia	19	Under construction	7,706	December 2016	100

Banyan Tree Holdings Limited and its Subsidiaries

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

24. Inventories

	Group	
	2016	2015
	\$'000	\$'000
Balance sheet:		
Food and beverage, at cost	2,036	2,001
Trading goods and supplies, at cost	5,295	6,222
Materials, at cost	2,067	2,350
	9,398	10,573
Income statement inclusive of the following charge:		
- Inventories recognised as an expense in cost of sales	25,663	26,254
- Inventories written down (Note 7)	62	105
	25,725	26,359

25. Prepayments and other non-financial assets - current

	Group		Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Prepayments	7,434	7,376	128	146
Prepaid island rental – current portion (Note 19)	2,069	1,986	–	–
Advances to suppliers	2,559	4,427	–	–
Goods and services tax/ value-added tax receivable	3,408	3,666	–	–
Others	3,213	3,354	6	14
	18,683	20,809	134	160

Banyan Tree Holdings Limited and its Subsidiaries

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

26. Trade receivables

	Group	
	2016	2015
	\$'000	\$'000
<i>Loans and receivables</i>		
Trade receivables	52,956	80,062
Current portion of long-term trade receivables (Note 20)	9,726	8,042
	62,682	88,104
Less: Allowance for doubtful debts	(19,527)	(21,878)
	43,155	66,226

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Significant foreign currency denominated balances

	Group	
	2016	2015
	\$'000	\$'000
US Dollars	6,467	16,661
	6,467	16,661

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$21,045,000 (2015: \$37,781,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	Group	
	2016	2015
	\$'000	\$'000
<i>Trade receivables past due but not impaired:</i>		
Less than 30 days	9,331	10,529
30 to 60 days	2,645	3,987
61 to 90 days	2,048	2,431
More than 90 days	7,021	20,834
	21,045	37,781

Banyan Tree Holdings Limited and its Subsidiaries

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

26. Trade receivables (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2016	2015
	\$'000	\$'000
Trade receivables – nominal amounts	19,527	21,878
Less: Allowance for doubtful debts	(19,527)	(21,878)
	-	-
Movement in allowance accounts:		
At 1 January	21,878	10,391
Charge for the year	2,223	11,393
Utilisation	(4,383)	(280)
Exchange differences	(191)	374
At 31 December	19,527	21,878

It is the Group's policy not to provide for general allowance in respect of doubtful debts and allowance is only made for debts that have been determined as uncollectible in accordance to Note 2.18 (a).

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Receivables subject to offsetting arrangements

The Group regularly provides spa treatment services to in-house guests of Vineyard Hotel & Spa. The Group will be regularly charged by Vineyard Hotel & Spa for rental, utilities and other miscellaneous expenses incurred on behalf of the Group. Both parties have an arrangement to settle the net amount due to or from each other on a 30 days' term basis.

The Group's trade receivables and trade payables that are off-set are as follows:

Description	Gross carrying amounts	2016	Net amounts in the balance sheet
		\$'000	
		Gross amounts offset in the balance sheet	
Trade receivables	139	(109)	30
Trade payables	109	(109)	-
2015			
		\$'000	
		Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Trade receivables	130	(124)	6
Trade payables	124	(124)	-

Banyan Tree Holdings Limited and its Subsidiaries

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

27. Other receivables - current

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<i>Loans and receivables</i>				
Deposits	1,563	1,484	38	4
Interest receivable	12	77	9	56
Staff advances	389	377	—	—
Insurance recoverable	105	815	—	—
Other recoverable expenses	3,280	1,886	—	—
Other receivables	3,582	9,250	23	87
	<u>8,931</u>	<u>13,889</u>	<u>70</u>	<u>147</u>

28. Amounts due from/(to) subsidiaries

	Company	
	2016 \$'000	2015 \$'000
<i>Loans and receivables</i>		
Amounts due from subsidiaries - non-trade	207,538	198,317
<i>Financial liabilities at amortised cost</i>		
Amounts due to subsidiaries - non-trade	(46,699)	(50,812)

The amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

At the end of the reporting period, the Company has provided for an allowance of \$300,000 (2015: \$Nil) for impairment of the amounts due from its subsidiaries with a nominal amount of \$9,734,000 (2015: \$5,107,000). The allowance account for the financial year ended 31 December 2016 in relation to the amounts due from the subsidiaries is \$3,836,000 (2015: \$3,536,000).

Banyan Tree Holdings Limited and its Subsidiaries

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

29. Amounts due from/(to) associates

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Loans and receivables				
Amounts due from associates				
- trade	224	59	-	-
Less: Allowance for doubtful debts	(21)	(21)	-	-
	203	38	-	-
Financial liabilities at amortised cost				
Amounts due to associates				
- trade	(5)	(32)	-	-

30. Amounts due from/(to) related parties

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Loans and receivables				
Amounts due from related parties				
- trade	21,994	18,599	-	-
- non-trade	5	43	1	-
	21,999	18,642	1	-
Financial liabilities at amortised cost				
Amounts due to related parties				
- trade	(521)	(168)	-	-
- non-trade	(343)	(934)	-	-
	(864)	(1,102)	-	-

The amounts due from/(to) related parties are unsecured, non-interest bearing and repayable on demand.

Significant foreign currency denominated balances

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
US Dollars	11,053	15,933	-	-

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
	108,767	165,663	28,052	69,121

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	-
	113,827	165,663
Bank overdrafts (Note 34)	-	(187)
Cash and cash equivalents	113,827	165,476

Banyan Tree Holdings Limited and its Subsidiaries

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

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

33. Other non-financial liabilities - current

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'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

	Maturity	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial liabilities at amortised cost					
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

Banyan Tree Holdings Limited and its Subsidiaries

**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.

	Interest rate	Maturity	Group and Company	
			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

Notes payable are repayable as follows:

	Group and Company	
	2016	2015
	\$'000	\$'000
Within 12 months	49,031	–
Between 2 to 5 years	343,886	391,772
	392,917	391,772

Banyan Tree Holdings Limited and its Subsidiaries

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

36. Other payables - current

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial liabilities at amortised cost				
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
	<u>37,958</u>	<u>41,069</u>	<u>5,199</u>	<u>5,170</u>

37. Deferred income

	Government grants \$'000	Others \$'000	Total \$'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	<u>10,512</u>	<u>–</u>	<u>10,512</u>
Net exchange differences	(436)	–	(436)
At 31 December 2016	<u>10,076</u>	<u>–</u>	<u>10,076</u>
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	<u>1,858</u>	<u>–</u>	<u>1,858</u>
Amortisation for the year (Note 4)	253	–	253
Net exchange differences	(76)	–	(76)
At 31 December 2016	<u>2,035</u>	<u>–</u>	<u>2,035</u>
Net carrying amount:			
At 31 December 2016	<u>8,041</u>	<u>–</u>	<u>8,041</u>
At 31 December 2015	<u>8,654</u>	<u>–</u>	<u>8,654</u>

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 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'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)	-	-
	<u>(107,116)</u>	<u>(97,823)</u>			<u>-</u>	<u>-</u>
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)	-	-
	<u>16,072</u>	<u>18,276</u>			<u>-</u>	<u>-</u>
Deferred tax expense			<u>74</u>	<u>(1,826)</u>		

Banyan Tree Holdings Limited and its Subsidiaries

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

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 \$'000	2015 \$'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
	<u>33,955</u>	<u>22,056</u>

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 For the financial year ended 31 December 2016

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

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

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)

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)*

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

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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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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.

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**Notes to the financial statements
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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 2016¹	Shares granted during financial year¹	Shares cancelled during financial year²	Shares released during financial year	Balance as at 31 December 2016¹	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

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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	2015
	\$'000	\$'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	2015
	\$'000	\$'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

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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	2015
	\$'000	\$'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.

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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	-
	<hr/>	<hr/>
(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
	<hr/>	<hr/>
Total compensation paid to key management personnel	5,318	6,336
	<hr/>	<hr/>
<i>Comprise amounts paid to:</i>		
• Directors of the Company	1,954	1,926
• Other key management personnel	3,364	4,410
	<hr/>	<hr/>
	5,318	6,336
	<hr/>	<hr/>

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

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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
		<u>72,248</u>	<u>100</u>	<u>97,343</u>	<u>100</u>
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
		<u>72,248</u>	<u>100</u>	<u>97,343</u>	<u>100</u>
Trade receivables					
Non-current	20	29,093		31,117	
Current	26	43,155		66,226	
		<u>72,248</u>		<u>97,343</u>	

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)
- S\$ floating rate loan	34	6 mths SIBOR + 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)
- BHT floating rate loan	34	MLR – 1.00 to 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)

Banyan Tree Holdings Limited and its Subsidiaries

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

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

Group	Note	2015 Effective rate %	1 year \$'000	2 to 5 years \$'000	After 5 years \$'000	Total \$'000
2015						
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)

Banyan Tree Holdings Limited and its Subsidiaries

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)

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements
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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

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)*

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)

Banyan Tree Holdings Limited and its Subsidiaries

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

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%

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

(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

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements
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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					
	-	-	9,771	9,771	
	-	-	7,620	7,620	
	-	-	24,616	24,616	
Freehold buildings					
	-	-	1,066	1,066	
	-	-	27,523	27,523	
Total investment properties	13	-	70,596	70,596	
<u>Property, plant and equipment</u>					
Freehold land					
	-	-	44,843	44,843	
	-	-	241,578	241,578	
	-	-	39,338	39,338	
	-	-	6,806	6,806	
	-	-	6,874	6,874	
	-	-	14,147	14,147	
Freehold buildings					
	-	-	5,402	5,402	
	-	-	107,348	107,348	
	-	-	48,720	48,720	
	-	-	13,144	13,144	
	-	-	441	441	
	-	-	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	

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)

(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
<i>Assets measured at fair value</i>					
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

Banyan Tree Holdings Limited and its Subsidiaries

Notes to the financial statements
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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					
	-	-	8,513	8,513	
	-	-	6,186	6,186	
	-	-	23,902	23,902	
Freehold buildings					
	-	-	2,202	2,202	
	-	-	26,809	26,809	
Total investment properties	13	-	67,612	67,612	
<u>Property, plant and equipment</u>					
Freehold land					
	-	-	44,454	44,454	
	-	-	202,383	202,383	
	-	-	29,016	29,016	
	-	-	12,961	12,961	
	-	3,136	-	3,136	
	-	-	13,737	13,737	
Freehold buildings					
	-	-	5,243	5,243	
	-	-	99,326	99,326	
	-	-	46,794	46,794	
	-	-	7,559	7,559	
	-	-	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 Discount rate Inflation	10.1% to 14.7% -USD1.7 million to USD48.8 million (USD43.5 million) 10.8% 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 Discount rate 10 years net cash flow	3.0% 13.0% Baht 18.9 million to Baht 37.2 million (Baht 29.8 million)
Thailand, Bangkok	27,523	Discounted cash flow	Growth rate Discount rate 10 years operating cash flow	3.0% to 10.0% 11.0% 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%

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)

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

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 (cont'd)</u>				
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.

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)

(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%

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)

(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 Discount rate 10 years net cash flow	3.0% 13.0% Baht 22.5 million to Baht 35.3 million (Baht 30.2 million)
Thailand, Bangkok	26,809	Discounted cash flow	Growth rate Discount rate 10 years operating cash flow	3.0% to 10.0% 11.0% 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%

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)

(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	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	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	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%)

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)

(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 (cont'd)</u>				
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.

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)

(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):

Group 2016	Fair value measurements using significant unobservable inputs (Level 3)														Available-for-sale				
	Property, plant and equipment														Equity shares (unquoted)				
	Freehold land				Freehold buildings				Freehold land				Investment properties		Vietnam		Total		
Singapore \$'000	Morocco \$'000	Seychelles \$'000	Thailand, Phuket \$'000	Thailand, Bangkok \$'000	Sri Lanka \$'000	Singapore \$'000	Morocco \$'000	Seychelles \$'000	Thailand, Phuket \$'000	Thailand, Bangkok \$'000	Sri Lanka \$'000	Seychelles \$'000	Freehold land Thailand, Phuket \$'000	Freehold buildings Thailand, Bangkok \$'000	Freehold land Thailand, Phuket \$'000	Northern Thailand \$'000	Freehold buildings Thailand, Bangkok \$'000	Equity shares (unquoted) Vietnam \$'000	Total \$'000
44,454	12,961	13,737	202,383	29,016	-	5,243	7,559	53,386	99,326	46,794	-	23,902	8,513	26,809	6,186	2,202	26,809	50,290	632,761
-	-	-	-	-	3,135	-	-	-	-	-	-	-	-	-	-	-	-	-	3,135
-	-	-	-	-	-	-	(193)	-	223	-	-	-	1,020	(360)	1,251	(1,170)	(360)	(2,985)	(2,214)
389	(6,185)	-	33,584	9,398	3,699	338	5,920	-	(373)	1,399	(534)	-	-	-	-	-	-	6,188	53,823
-	-	-	-	-	-	-	23	21	322	293	-	-	-	387	-	-	-	-	1,046
-	-	-	-	-	-	-	-	-	(36)	-	-	-	-	-	-	-	-	-	(36)
-	-	-	(215)	-	-	-	-	-	(775)	-	-	-	-	-	-	-	-	-	(990)
-	-	-	-	-	-	-	-	351	9,326	1,073	969	-	-	-	-	-	-	-	11,719
-	-	-	-	-	-	-	(179)	(1,559)	(2,890)	(2,053)	(3)	-	-	-	-	-	-	(55,080)	(55,080)
-	30	410	5,826	924	40	-	15	1,548	2,225	1,214	9	714	238	34	183	34	687	1,587	(6,864)
44,843	6,806	14,147	241,578	39,338	6,874	5,402	13,144	53,747	107,348	48,720	441	24,616	9,771	7,620	1,066	27,523	-	652,984	15,684

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)

(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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Notes to the financial statements

For the financial year ended 31 December 2016

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)

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)														Available-for-sale			
	Property, plant and equipment				Investment properties				Equity shares (unquoted)						Total			
	Freehold land		Freehold buildings		Freehold land		Freehold buildings		Freehold buildings		Freehold buildings		Freehold buildings		Total			
Group 2015	Singapore \$'000	Morocco \$'000	Seychelles \$'000	Thailand, Phuket \$'000	Thailand, Bangkok \$'000	Singapore \$'000	Morocco \$'000	Seychelles \$'000	Thailand, Phuket \$'000	Thailand, Bangkok \$'000	Seychelles \$'000	Freehold land, Thailand, Phuket \$'000	Northern Thailand \$'000	Freehold buildings, Thailand, Bangkok \$'000	Vietnam \$'000	\$'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	54,655	631,108	
Total gains or losses for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Included in profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Included in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchases, issues, sales and settlements	-	-	55	-	-	-	-	4,992	-	-	-	-	-	-	-	-	-	-
- Purchases	-	-	-	-	-	-	36	-	196	-	-	-	-	-	-	-	-	-
- Sales	-	-	-	(7)	-	-	-	(252)	(38)	-	-	-	-	-	-	-	-	-
- Transferred from property development costs	-	-	-	1,986	-	-	-	-	10,120	-	-	-	-	-	-	-	-	-
- Transferred from construction-in-progress	-	-	-	-	-	-	-	-	1,255	449	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	(176)	(179)	(1,429)	(2,854)	(1,942)	-	-	-	-	-	-	-	-
Exchange differences	-	(206)	809	(5,194)	(744)	-	(131)	2,993	(3,098)	(1,196)	1,413	(218)	(159)	(57)	(686)	1,823	(4,651)	
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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Notes to the financial statements

For the financial year ended 31 December 2016

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)

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

Group 2016	Fair value measurements using significant unobservable inputs (Level 3)												Available-for- sale Equity shares (unquoted)	Total \$'000			
	Property, plant and equipment				Freehold buildings				Investment properties						Freehold buildings		
	Freehold land		Freehold buildings		Freehold buildings		Freehold land		Freehold buildings		Freehold buildings						
	Singapore \$'000	Morocco \$'000	Thailand, Phuket \$'000	Thailand, Bangkok \$'000	Sri Lanka \$'000	Singapore \$'000	Morocco \$'000	Thailand, Phuket \$'000	Thailand, Bangkok \$'000	Sri Lanka \$'000	Thailand, Phuket \$'000	Northern Thailand \$'000	Thailand, Phuket \$'000	Thailand, Bangkok \$'000	Vietnam \$'000		
Total gains or losses for the period included in profit or loss:	-	-	-	-	-	-	-	-	-	-	-	1,020	(1,170)	(360)	-		
- Other income	-	-	-	-	-	-	-	-	-	-	-	1,251	-	-	(2,985)	741	
Net gain/(loss) from fair value adjustment of investment properties	-	-	-	-	-	-	-	-	-	-	-	1,020	(1,170)	(360)	(2,985)	(2,985)	
Net loss on fair value adjustment of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	1,020	1,251	(1,170)	(360)	(2,985)	(2,244)	
Other comprehensive income:																	
- Net surplus on revaluation of land and buildings	389	(6,185)	33,584	9,398	3,699	338	5,920	(373)	1,399	(534)	-	-	-	-	-	47,635	
- Net change in fair value adjustment reserve of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,188	6,188	
	389	(6,185)	33,584	9,398	3,699	338	5,920	(373)	1,399	(534)	-	-	-	-	6,188	53,823	

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Notes to the financial statements
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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)

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)							Available-for-sale Equity shares (unquoted)	Total \$'000
	Property, plant and equipment		Investment properties			Freehold buildings			
	Freehold land	Freehold buildings	Freehold land Thailand, Phuket	Northern Thailand	Thailand, Phuket	Thailand, Bangkok	Vietnam		
Group 2015	Seychelles \$'000	Seychelles \$'000	Seychelles \$'000	Northern Thailand \$'000	Thailand, Phuket \$'000	Thailand, Bangkok \$'000	Vietnam \$'000		
Total gains or losses for the period included in profit or loss:									
- Other income									
Net (loss)/gain from fair value adjustment of investment properties			(59)		303	(425)		(181)	
Other comprehensive income:									
- Net surplus on revaluation of land and buildings	55	4,992						5,047	
- Net loss on fair value adjustment of available-for-sale financial assets							(6,188)	(6,188)	
	55	4,992					(6,188)	(1,141)	

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*

	Note	Fair value measurements at the end of the reporting period using			
		Group		Company	
		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.

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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

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Notes to the financial statements
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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

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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
Liabilities				
Company	Note	Liabilities at amortised cost \$'000	Non-financial liabilities \$'000	Total \$'000
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
<i>Year ended 31 December 2016</i>					
<i>Revenue:</i>					
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
<i>Results:</i>					
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
<i>Year ended 31 December 2015</i>					
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					<u>1,608,222</u>
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					<u>875,376</u>
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
<i>Year ended 31 December 2015</i>					
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					<u>1,592,978</u>
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					<u>893,517</u>
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
	<u>309,565</u>	<u>370,688</u>	<u>884,804</u>	<u>797,938</u>

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
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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	2016	Incr/ (Decr) %	2017	2016	Incr/ (Decr) %
		(S\$'000)	(S\$'000)	(Decr) %	(S\$'000)	(S\$'000)	(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%



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. (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	-	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	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	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.



BANYAN TREE HOLDINGS LIMITED

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
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	-	-	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
Other changes in equity											
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.



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 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
Contributions by and distributions to owners											
Issue of new shares	17,547	-	-	-	-	-	-	-	17,547	-	17,547
Total contributions by and distributions to owners	17,547	-	-	-	-	-	-	-	17,547	-	17,547
Changes in ownership interests in subsidiary											
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
Other changes in equity											
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.



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 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.



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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
Contributions by and distributions to owners											
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
Other changes in equity											
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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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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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.



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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, 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 awards

Performance 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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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	31-Dec-16
	No. of shares	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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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	2016	Incr/(Decr)	
	(S\$'000)	(S\$'000)	(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	2016	Incr/(Decr)	
	(S\$'000)	(S\$'000)	(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



BANYAN TREE HOLDINGS LIMITED

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

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)
<i>Year ended 31 December 2017</i>					
<i>Revenue</i>					
<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
<i>Results</i>					
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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Unaudited results for the Fourth Quarter and Full Year ended 31 December 2017

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					<u>339,217</u>
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					<u>(6,950)</u>

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%



BANYAN TREE HOLDINGS LIMITED

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

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