

## **BANYAN TREE HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration Number 200003108H)

### **BUSINESS UPDATE**

In line with SGX regulator's 22 April 2020 guidelines on expectations of disclosure during COVID-19, the Board of Directors (the "Board") of Banyan Tree Holdings Limited (the "Company", and together with its subsidiaries, the "Group") would like to issue a voluntary business update.

#### **Overview**

- **3Q20 shows upward trends in groupwide occupancies with growth from 14% in 2Q20 to 27% in 3Q20**
- **Robust rebound for Property Sales in Q320, driven by China and Russia markets**
- **Forecast to meet 100% of 2020 Cash conservation goals**
- **Three new openings and a total of 18 HMAs signed in 2020**

#### **Hotel occupancies improve with new offerings and domestic business**

The second half of 2020 shows a significant pickup in occupancies, with increase in domestic business and some relaxation of travel restrictions between countries. This pickup varies depending on region. In 3Q20, hotels in China registered 52% occupancy whilst in Asia Pacific ex-China and the rest of hotels globally, each recorded a similar occupancy of 12%.

In China, where the domestic market is a historically strong base, business has recovered substantially. In the Asia Pacific region and specifically Thailand where the majority of the Group's owned hotels are located, international travel remains predominantly closed to international travellers. Maldives has re-opened its borders, with international airlift limited to only certain source markets such as Russia and UAE. The Group continues to pivot towards attracting domestic markets in the near and medium term, focusing on ancillary revenue services and new products for extended stay travellers. Hotel Investments contributed 34% to 3Q20 revenues.

#### **Property sales provides a stable revenue stream**

In 3Q20, Property Sales segment had a robust rebound in sales of S\$20.5 million which was more than 200% increase than the previous quarter. This is mainly driven by strong marketing efforts from the Property Sales China sales team and continued confidence in the residential market separate from tourism. Revenues to be recognised in 4Q20 is expected to significantly exceed the revenues year to date 3Q20 which was \$15.6 million. The Group's diversified, asset-right strategy has enabled resilience through the industry's downturn.

#### **Cash conservation goals met with positive momentum for 2021**

To mitigate and address the effects of COVID-19 pandemic on its business, the Group's prior announcements on 1 May 2020 and 12 August 2020 had outlined various strategic measures to contain cost and preserve cash liquidity. For the nine months ended 30 September 2020, the Group met approximately 75% of \$70m cash conservation target (excluding one-off severance expenses) and is confident of meeting the full amount by year end. The Group continues to exercise financial prudence in coming quarters amidst an extended recovery outlook.

Coupled with the positive progress towards therapeutic and vaccine development and the progressive borders re-opening by countries, the Group looks to build on the nascent recovery seen in 3Q20.

To date, the Group has opened three properties in Xcanantun, Mexico, Penang, Malaysia, and Krabi, Thailand, and signed 18 Hotel Management Agreements to add to its pipeline of 35 properties opening over the next 3 years. In 2020, the Group also won the PATA Gold Award for Community and Social Responsibility, Trip.com's Best Luxury Brand Award and SpaChina's Best Global Spa Brand. These positive recognitions build upon the central value propositions of the Group's brands, and especially in key source markets in Asia. Banyan Tree Global Foundation also launched the Greater Good Grants to individuals and organizations this quarter, targeting 6 impact areas supporting progress towards Sustainable Development Goals. To date, the Foundation has over 150 impact partners in its ecosystem, and these Grants seek to further the Group's mission of serving the greater good for our environment, people and local communities.

By Order of the Board

Moy Keen Choy  
Company Secretary  
11 December 2020