

BANYAN TREE GROUP

Banyan Tree Holdings Limited and its Subsidiaries

Company Registration No. 200003108H

Condensed Interim Financial Statements

For the six months ended 30 June 2021

BANYAN TREE GROUP

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Period ended 30 June 2021

	Notes	Group		
		6 months ended 30 Jun		
		2021 (S\$'000)	2020 (S\$'000)	Incr/ (Decr) %
Revenue	1	56,467	75,364	-25%
Other income		1,175	830	42%
Costs and expenses				
Cost of operating supplies		(4,470)	(6,211)	-28%
Cost of properties sold		(8,870)	(5,702)	56%
Salaries and related expenses		(22,018)	(36,601)	-40%
Administrative expenses		(22,463)	(28,622)	-22%
Sales and marketing expenses		(3,146)	(4,971)	-37%
Other operating expenses		(11,839)	(18,125)	-35%
Impairment loss on financial assets		(1,219)	(2,121)	-43%
Total costs and expenses	2	(74,025)	(102,353)	-28%
Loss before interests, taxes, depreciation and amortisation ("Operating Loss")	3	(16,383)	(26,159)	-37%
Depreciation of property, plant and equipment and right-of-use assets		(11,729)	(12,629)	-7%
Amortisation expense		(386)	(393)	-2%
Loss from operations and other gains		(28,498)	(39,181)	-27%
Finance income		1,239	3,846	-68%
Finance costs	4	(16,828)	(13,040)	29%
Share of results of associates	5	1,789	(395)	<i>nm</i>
Loss before taxation		(42,298)	(48,770)	-13%
Income tax expense	6	(3,339)	(3,940)	-15%
Loss after taxation	7	(45,637)	(52,710)	-13%
Attributable to:				
Owners of the Company	8	(42,604)	(49,148)	-13%
Non-controlling interests		(3,033)	(3,562)	-15%
Loss for the Period		(45,637)	(52,710)	-13%

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Period ended 30 June 2021 (Cont'd)

	Notes	Group 6 months ended 30 Jun		
		2021 (S\$'000)	2020 (S\$'000)	Incr/ (Decr) %
Loss for the Period		(45,637)	(52,710)	-13%
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Realisation of currency translation reserves		(167)	-	100%
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	9	(17,170)	4,098	nm
Total comprehensive expense for the Period		(62,974)	(48,612)	30%
Attributable to:				
Owners of the Company		(57,186)	(45,007)	27%
Non-controlling interests		(5,788)	(3,605)	61%
		(62,974)	(48,612)	30%

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Explanatory Notes to the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

This section provides an overview of the Group's 1H21 results, and its ongoing strategic and operational initiatives as global tourism pattern continues to be shaped by the ongoing COVID-19 pandemic. The usual notes that accompany the financials reported in the preceding tables can be found at the end of the following Business Update.

Decrease in Operating Loss in 1H21

The Group reported Operating Loss of S\$16.4 million which was a decrease of 37% or S\$9.8 million as compared to 1H20. Included in the Operating Loss for 1H21 were one-off losses relating to write-down of property development cost and fair value losses on convertible bond rights issue ("Convertible Bonds"). If these non-operating losses are excluded, the Group's financial performance that represents its Core Operating Loss¹ would have been S\$4.8 million which is relatively comparable to results for 1H20. Losses were due to Hotel Investments segment which occupancy has yet to pick up due to international travel restrictions predominantly in Asia where the Group has owned hotels in Thailand. Other business segments namely Property Sales and Fee-based registered operating profit during 1H21 (see Note 8 of Other Information Required by Listing Rule Appendix 7.2).

Hotel Operating Performance

International tourism are still impacted by imposition of quarantined or other forms of travel restrictions primarily in Asia. According to the World Tourism Organization ("UNWTO"), international tourist arrivals for first 5 months of 2021 were 85% below 2019 levels. However, the data shows some upturn in May 2021 as some destinations started to ease restrictions with increased vaccinations worldwide and consumer confidence in consumption spending has rebounded except in travel and tourism related sectors. In line with the upturn, the improvement in the Group's hotel performance since 4Q20 had continued into 1H21 and revenue per available room ("RevPAR") were higher by 26% and 11% over 1H20 and 2H20 respectively. However, the improvement is not uniform across markets. Our managed hotels in China continue to benefit from a large domestic market and reported higher RevPAR in 1H21 vs 1H20. The Group's owned hotels in Maldives and managed hotels in Mexico recorded RevPAR increases due to quarantine-free requirements for international arrivals. In Thailand where majority of the Group's owned hotels are located, international border restrictions during 1H21 have yet to be relaxed. Nonetheless, as of July 1, Phuket has allowed international arrivals under a Phuket Sandbox scheme (see Note 10 of Other Information Required by Listing Rule Appendix 7.2).

Stability from Property Sales business

Property Sales segment continues to provide a diversification of income stream for the Group. In 1H21, the Group recognised Property Sales revenue of S\$17.4 million, an increase of 38% over 1H20 largely due to the completion and progressive handover of Angsana Beachfront Residences since 4Q20. During this period, the Group registered new sales of S\$30.9 million which is 4% higher than the same period last year.

Liquidity management

As at 30 June 2021, the Group's liquidity position improved as compared to 31 December 2020. Cash balances had increased to S\$70 million providing coverage exceeding a year of annual fixed operating costs. Liquidity improvement measures taken during 1H21 were a combination of asset sale, terming out loan borrowings, better working capital management and deferral of non-essential capital expenditures.

As announced on 7 August 2020, a S\$50.4 million Convertible Bonds issue was successfully completed and fully subscribed. As at 30 June 2021, proceeds were used for operating activities (S\$3.0 million), scheduled repayment of bank loans (S\$44.2 million), professional fees and related expenses in connection with rights issue (S\$1.2 million) and balance in bank deposits for liquidity buffer (S\$2.0 million).

¹Core Operating Loss = Operating Loss before one-off gains or losses. This is an alternative performance measure and do not have a standardised meaning prescribed by Singapore Financial Reporting Standards (International).

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Explanatory Notes to the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

1. Revenue

Revenue decreased by S\$18.9 million from S\$75.4 million in 1H20 to S\$56.5 million in 1H21 contributed mainly by lower revenue from Hotel Investments segment, partially cushioned by higher revenue from Property Sales and Fee-based segments.

Hotel Investments segment reported lower revenue mainly due to the impact of COVID-19 on international tourism. While our hotels in Maldives had recovered strongly after its re-opening in July 2020, many countries are still imposing travel restrictions and lockdowns with no international tourists. These had impacted the Group's resorts in Thailand and Indonesia which recorded significantly lower occupancies in 1H21 as compared to the same period last year.

For the Fee-based segment, revenue was higher due to strong performance from our managed hotels in China and Mexico. In the absence of international tourism, our hotels in China and Mexico were performing better than Pre-COVID-19 levels due to strong demand from a large domestic market.

For the Property Sales segment, revenue was higher due to higher average value per unit sold in 1H21 as compared to the same period last year. In 1H21, the Group recognised 11 units as compared to 16 units in 1H20. Further detail of these business segments is elaborated in Note 8 of Other Information Required by Listing Rule Appendix 7.2.

2. Total costs and expenses

Total costs and expenses decreased by S\$28.4 million from S\$102.4 million in 1H20 to S\$74.0 million in 1H21 with a decrease in most expense categories except cost of properties sold.

Cost of operating supplies decreased by S\$1.7 million, which was in line with lower revenue from Hotel Investments segment and Spa/Gallery operations.

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

Salaries and related expenses decreased by S\$14.6 million mainly due to lower headcount as a result of group-wide restructuring exercise since April 2020 and the absence of one-off severance payments of S\$7.0 million paid to employees in 2020. Excluding one-off severance payments in 2020, salaries and related expenses would have decreased by S\$7.6 million.

Administrative expenses decreased by S\$6.2 million mainly due to lower one-off write-down of property development costs (Property development costs write-down amounted to S\$1.2 million in 1H21 as compared to S\$14.3 million in 1H20). This decrease is partially offset by fair value losses on Convertible Bonds of S\$10.4 million in 1H21. Excluding the write-down of property development cost and fair value losses on Convertible Bonds, administrative expenses decreased by S\$3.5 million due to lower rental expense paid to third party property owners and lower legal and professional fees.

Sales and marketing expenses decreased by S\$1.9 million mainly due to lower marketing expenses provided for hotels.

Other operating expenses decreased by S\$6.3 million mainly due to lower utilities expenses, lower repair and maintenances and lower commission paid to travel agents.

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Explanatory Notes to the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

3. Loss before interests, taxes, depreciation and amortisation ("Operating Loss")

Operating Loss decreased by S\$9.8 million from S\$26.2 million in 1H20 to S\$16.4 million in 1H21. This was largely due to higher Operating Loss from Hotel Investments segment which was partially offset by higher operating profit from Property Sales and Fee-based segments due to higher revenue as mentioned above and lesser one-off losses.

With the exclusion of one-off losses, Operating Loss would have been S\$4.8 million which is relatively unchanged to that of 1H20. The one-off losses in 1H21 relate to fair value losses on Convertible Bonds (S\$10.4 million) and write-down of property development costs (S\$1.2 million) and the one-off losses in 1H20 relates to write-down of property development costs (S\$14.3 million) and severance payments (S\$7.0 million).

4. Finance costs

Finance costs increased by S\$3.8 million mainly due to fair value adjustment of imputed interest on long-term receivables which are repayable by instalments of S\$3.1 million. Without the fair value adjustment, finance costs were S\$0.7 million higher at S\$13.7 million as compared to S\$13.0 million mainly due to higher interest costs from Convertible Bonds.

5. Share of results of associates

The Group's share of associates' profits is S\$1.8 million as compared to losses of S\$0.4 million in 1H20. The increase was mainly due to better performance from our hotels in China.

6. Income tax expense

On tax expenses, 1H21 recorded tax expenses of S\$3.3 million, notwithstanding losses incurred during the period, mainly due to reversal of deferred tax assets due to tax expiry and deferred tax assets not recognised for some of the loss-making companies.

7. Loss after taxation

Loss after taxation decreased by S\$7.1 million from S\$52.7 million in 1H20 to S\$45.6 million in 1H21. This was mainly due to reduction in losses as explained in note 3 above, lower depreciation of property, plant and equipment and higher share of profits of associates, partially offset by higher net finance costs.

8. Loss attributable to owners of the Company

As a result of the foregoing, loss attributable to owners of the Company decreased by S\$6.5 million from S\$49.1 million in 1H20 to S\$42.6 million in 1H21.

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

In 1H21, the exchange loss on translation of foreign operations' net assets was mainly due to depreciation of Thai baht against Singapore dollar. In 1H20, the exchange gain on translation of foreign operations' net assets was mainly due to the appreciation of U.S. dollar and Australian dollar against Singapore dollar.

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Condensed Interim Balance Sheets as at 30 June 2021

	Notes	Group As at			Company As at		
		30-Jun-21 (S\$'000)	31-Dec-20 (S\$'000)	Incr/ (Decr) %	30-Jun-21 (S\$'000)	31-Dec-20 (S\$'000)	Incr/ (Decr) %
Non-current assets							
Property, plant and equipment	1	596,813	651,822	-8%	-	-	-
Right-of-use assets		17,995	18,769	-4%	-	-	-
Investment properties	2	81,393	62,065	31%	-	-	-
Intangible assets		34,980	35,198	-1%	3,773	3,815	-1%
Land use rights		2,330	2,338	0%	-	-	-
Subsidiaries		-	-	-	620,182	637,063	-3%
Associates	3	141,550	155,606	-9%	3,583	3,529	2%
Long-term investments		100,245	100,245	0%	-	-	-
Deferred tax assets		23,468	23,266	1%	-	-	-
Prepaid island rental		17,745	17,962	-1%	-	-	-
Prepayments		2,084	433	381%	-	-	-
Long-term receivables	4	33,011	41,530	-21%	5,777	5,720	1%
Other receivables		4,600	4,883	-6%	-	-	-
Amounts due from related parties		14,646	17,074	-14%	-	-	-
		1,070,860	1,131,191	-5%	633,315	650,127	-3%
Current assets							
Property development costs	5	285,515	314,091	-9%	-	-	-
Inventories		4,189	4,987	-16%	-	-	-
Prepayments and other non-financial assets		11,694	13,461	-13%	1,040	13	nm
Trade receivables		35,739	38,163	-6%	5,808	4,317	35%
Other receivables		15,815	18,045	-12%	894	666	34%
Contract assets		1,596	2,592	-38%	-	-	-
Amounts due from subsidiaries		-	-	-	188,310	185,428	2%
Amounts due from associates	3	18,346	2,756	nm	3,654	1,430	156%
Amounts due from related parties		537	132	307%	11	-	100%
Investment securities		2,015	2,006	0%	2,015	2,006	0%
Cash and short-term deposits		70,293	51,287	37%	35,491	15,386	131%
		445,739	447,520	0%	237,223	209,246	13%
Total assets		1,516,599	1,578,711	-4%	870,538	859,373	1%
Current liabilities							
Tax payable		9,772	9,290	5%	-	16	-100%
Other non-financial liabilities		13,736	14,297	-4%	1,031	1,009	2%
Interest-bearing loans and borrowings	6	195,288	226,204	-14%	72,481	91,561	-21%
Trade payables	7	22,159	32,166	-31%	-	-	-
Other payables		119,344	116,612	2%	67,349	66,867	1%
Contract liabilities		52,907	52,853	0%	-	-	-
Lease liabilities		2,207	2,130	4%	-	-	-
Amounts due to subsidiaries		-	-	-	22,796	17,570	30%
Amounts due to associates		17,909	17,886	0%	17,831	17,831	0%
Amounts due to related parties		471	270	74%	13	13	0%
		433,793	471,708	-8%	181,501	194,867	-7%
Net current assets/(liabilities)		11,946	(24,188)	nm	55,722	14,379	288%

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Condensed Interim Balance Sheets as at 30 June 2021 (Cont'd)

	Group As at			Company As at			
	30-Jun-21 (S\$'000)	31-Dec-20 (S\$'000)	Incr/ (Decr) %	30-Jun-21 (S\$'000)	31-Dec-20 (S\$'000)	Incr/ (Decr) %	
Non-current liabilities							
Deferred tax liabilities	134,209	138,017	-3%	-	-	-	
Defined and other long-term employee benefits	6,986	6,727	4%	-	-	-	
Deposits received	1,929	1,939	-1%	-	-	-	
Other non-financial liabilities	6,534	7,792	-16%	-	-	-	
Interest-bearing loans and borrowings	6	263,277	233,096	13%	54,636	18,813	190%
Convertible bonds	41,543	41,318	1%	41,543	41,318	1%	
Derivative liability conversion option in convertible bonds	8	24,869	15,182	64%	24,869	15,182	64%
Other payables	3,034	3,034	0%	-	-	-	
Lease liabilities	32,817	32,298	2%	-	-	-	
Amounts due to subsidiaries	-	-	-	132,492	130,476	2%	
	515,198	479,403	7%	253,540	205,789	23%	
Total liabilities	948,991	951,111	0%	435,041	400,656	9%	
Net assets	567,608	627,600	-10%	435,497	458,717	-5%	
Equity attributable to owners of the Company							
Share capital	244,790	241,750	1%	244,790	241,750	1%	
Treasury shares	(706)	(758)	-7%	(706)	(758)	-7%	
Reserves	267,951	325,247	-18%	191,413	217,725	-12%	
	512,035	566,239	-10%	435,497	458,717	-5%	
Non-controlling interests	55,573	61,361	-9%	-	-	-	
Total equity	567,608	627,600	-10%	435,497	458,717	-5%	

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Explanatory Notes to the Condensed Interim Balance Sheets

1. Property, plant and equipment

Property, plant and equipment decreased by S\$55.0 million to S\$596.8 million as at 30 June 2021. The decrease was mainly due to downward currency translation adjustment on opening balance due to weakening of Thai baht against Singapore dollars, transfer of Angsana House to Investment properties after we fully leased out the property and depreciation charged during the period, partially offset by purchases of essential furniture, fittings and equipment.

2. Investment properties

Investment properties increased by S\$19.3 million mainly due to transfer of Angsana House from Property, plant and equipment as mentioned in Note 1 above, partially offset by downward currency translation adjustment on opening balance due to weakening of Thai baht against Singapore dollars.

3. Associates and Amount due from associates

Long-term associates balance decreased by S\$14.0m and short-term amount due from associates increased by S\$15.6 million mainly due to reclass of long-term receivables from associates to short-term as the Group expects to receive these receivables within the next 12 months.

4. Long-term receivables

Long-term receivables decreased by S\$8.5 million to S\$33.0 million as at 30 June 2021 mainly due to downward currency translation adjustment on opening balance due to weakening of Thai baht, collections during the year and reclassification to short-term receivables based on instalment schedules for Property Sales.

5. Property development costs

Property development costs decreased by S\$28.6 million to S\$285.5 million as at 30 June 2021. The decrease was mainly due to downward currency translation adjustment on opening balance due to weakening of Thai baht against Singapore dollar coupled with transfers to cost of properties sold following Property Sales recognition during the period. In addition, there is a write-down of property development costs of S\$1.2 million in 1H21.

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

Current interest-bearing loans and borrowings decreased by S\$30.9 million and non-current interest-bearing loans and borrowings increased by S\$30.2 million mainly due to conversion of S\$30 million RCF into non-current interest-bearing loans. Current portion of interest-bearing loans and borrowings included short-term loan and RCF of S\$91 million with no fixed terms of repayment. All RCF were rolled-over in 1H21. There is no indication that these facilities would not continue to be rolled over.

7. Trade payables

Trade payables decreased by S\$10.0 million to S\$22.2 million mainly due to payment to supplier of Angsana Beachfront Residences after completion and handover of completed units.

8. Derivative liability conversion option in Convertible Bonds

Derivative liability conversion option in Convertible Bonds increased S\$9.7 million mainly due to mark-to-market fair value losses on the Convertible Bonds of S\$10.4 million due to higher trading price of the bond as at 30 June 2021 as compared to 31 December 2020.

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Condensed Interim Consolidated Cash Flow Statement for the Financial Period ended 30 June 2021

	Group	
	6 months ended 30 Jun	
	2021	2020
	(S\$'000)	(S\$'000)
Cash flows from operating activities		
Loss before taxation	(42,298)	(48,770)
Adjustments for:		
Share of results of associates	(1,789)	395
Depreciation of property, plant and equipment and right-of-use assets	11,729	12,278
Gain on disposal of property, plant and equipment	(640)	(3)
Allowance for impairment loss on right-of-use assets	117	-
Finance income	(1,239)	(3,846)
Finance costs	16,828	13,040
Amortisation expense	386	393
Write-back of loss allowance on financial assets	(355)	(241)
Provision for loss allowance on financial assets	1,574	2,362
Write-down of property development costs	1,222	14,280
Allowance for/(write-back of) inventory obsolescence	263	(6)
Provision for employee benefits	115	148
Provision for share-based payment expenses	(45)	(99)
Gain on disposal of investments in subsidiaries	(167)	-
Fair value loss on derivatives	10,444	-
Currency realignment	(488)	(119)
Operating loss before working capital changes	(4,343)	(10,188)
Decrease in inventories	409	219
Decrease/(Increase) in property development costs	17,661	(2,747)
Decrease in contract assets, trade and other receivables	12,140	4,365
(Increase)/Decrease in amounts due from related parties	(2,121)	4,189
(Decrease)/Increase in contract liabilities, trade and other payables	(738)	7,493
	27,351	13,519
Cash flows generated from operating activities	23,008	3,331
Interest received	1,905	2,019
Interest paid	(12,774)	(12,379)
Tax paid	(1,369)	(714)
Payment of employee benefits	(250)	(547)
Payment of cash-settled share grants	(34)	(14)
Net cash flows generated from/(used in) operating activities	10,486	(8,304)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,794)	(4,159)
Proceeds from disposal of property, plant and equipment	980	9
Additions to intangible assets	-	(243)
Net cash flows used in investing activities	(1,814)	(4,393)
Cash flows from financing activities		
Proceeds from bank loans	56,462	71,338
Repayment of bank loans	(44,462)	(32,732)
Repayment of notes payable	-	(100,000)
Payment of principal portion of lease liabilities	(565)	(419)
Payment of dividends		
- by subsidiary to non-controlling interests	-	(3,029)
Net cash flows generated from/(used in) financing activities	11,435	(64,842)
Net increase/(decrease) in cash and cash equivalents	20,107	(77,539)
Net foreign exchange difference	(1,101)	(76)
Cash and cash equivalents at beginning of financial period	51,287	130,802
Cash and cash equivalents * at end of the financial period	70,293	53,187

* made up of cash and short-term deposits, less bank overdrafts.

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Explanatory Notes to the Condensed Interim Consolidated Cash Flow Statement

The Group's cash and cash equivalents increased by S\$17.1 million or 32% from S\$53.2 million as at 30 June 2020 to S\$70.3 million as at 30 June 2021.

1H21

For the six months ended 30 June 2021, net cash flows generated from operating activities was S\$10.5 million. This was mainly due to adjustments for non-cash items of S\$38.0 million and working capital changes of S\$27.4 million but partially offset by loss before taxation of S\$42.3 million, net interest paid of S\$10.9 million and tax paid of S\$1.4 million. Non-cash items relate mainly to depreciation and amortisation expenses of S\$12.1 million, net finance costs of S\$15.6 million, fair value losses on derivatives (Convertible Bonds) of S\$10.4 million, net provision for loss allowance on financial assets (doubtful debts) of S\$1.2 million and a one-off write-down of property development costs of S\$1.2 million.

Net cash flows used in investing activities was S\$1.8 million, mainly due to essential purchases of furniture, fittings and equipment by the Group's resorts for their operations of S\$2.8 million but partially offset by proceeds from sale of warehouse in Enterprise Hub, Singapore for S\$1.0 million.

Net cash flows generated from financing activities amounted to S\$11.4 million, mainly due to repayments of bank borrowings of S\$44.5 million, which was partially cushioned by additional bank borrowings of S\$56.5 million. In addition, there was payment of lease liabilities of S\$0.6 million mainly relating to our Maldives islands.

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Condensed Interim Statements of Changes in Equity for the Financial Period ended 30 June 2021

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 2021	241,750	(758)	7,973	8,280	206,123	(29,243)	20,571	111,543	566,239	61,361	627,600
Loss after taxation	-	-	-	-	-	-	-	(42,604)	(42,604)	(3,033)	(45,637)
Other comprehensive income for the Period	-	-	-	-	-	(14,582)	-	-	(14,582)	(2,755)	(17,337)
Total comprehensive loss for the Period	-	-	-	-	-	(14,582)	-	(42,604)	(57,186)	(5,788)	(62,974)
<u>Contributions by and distributions to owners</u>											
Treasury shares reissued pursuant to Share-based Incentive Plan	-	52	(33)	-	-	-	(19)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	(58)	-	-	-	-	-	(58)	-	(58)
Issue of new shares	3,040	-	-	-	-	-	-	-	3,040	-	3,040
Total transactions with owners in their capacity as owners	3,040	52	(91)	-	-	-	(19)	-	2,982	-	2,982
<u>Other changes in equity</u>											
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(555)	-	-	555	-	-	-
Total other changes in equity	-	-	-	-	(555)	-	-	555	-	-	-
Balance as at 30 June 2021	244,790	(706)	7,882	8,280	205,568	(43,825)	20,552	69,494	512,035	55,573	567,608

* 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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Condensed Interim Statements of Changes in Equity for the Financial Period ended 30 June 2021 (Cont'd)

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 2020, as restated	241,520	(900)	8,111	8,280	208,723	(18,980)	21,100	206,381	674,235	73,178	747,413
Loss after taxation	-	-	-	-	-	-	-	(49,148)	(49,148)	(3,562)	(52,710)
Other comprehensive income for the Period	-	-	-	-	-	4,141	-	-	4,141	(43)	4,098
Total comprehensive loss for the Period	-	-	-	-	-	4,141	-	(49,148)	(45,007)	(3,605)	(48,612)
<u>Contributions by and distributions to owners</u>											
Treasury shares reissued pursuant to Share-based Incentive Plan	-	142	(60)	-	-	-	(82)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	(133)	-	-	-	-	-	(133)	-	(133)
Total transactions with owners in their capacity as owners	-	142	(193)	-	-	-	(82)	-	(133)	-	(133)
<u>Other changes in equity</u>											
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(3,029)	(3,029)
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(57)	-	-	57	-	-	-
Total other changes in equity	-	-	-	-	(57)	-	-	57	-	(3,029)	(3,029)
Balance as at 30 June 2020	241,520	(758)	7,918	8,280	208,666	(14,839)	21,018	157,290	629,095	66,544	695,639

* 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 GROUP

Condensed Interim Statements of Changes in Equity for the Financial Period ended 30 June 2021 (Cont'd)

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 2021	241,750	(758)	7,973	4,581	205,171	458,717
Total comprehensive loss for the Period	-	-	-	-	(26,202)	(26,202)
<u>Contributions by and distributions to owners</u>						
Treasury shares reissued pursuant to Share-based Incentive Plan	-	52	(33)	(19)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	(58)	-	-	(58)
Issue of new shares	3,040	-	-	-	-	3,040
Total transactions with owners in their capacity as owners	3,040	52	(91)	(19)	-	2,982
Balance as at 30 June 2021	244,790	(706)	7,882	4,562	178,969	435,497
Balance as at 1 January 2020	241,520	(900)	8,111	4,663	222,467	475,861
Total comprehensive loss for the Period	-	-	-	-	(2,284)	(2,284)
<u>Contributions by and distributions to owners</u>						
Treasury shares reissued pursuant to Share-based Incentive Plan	-	142	(60)	(82)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	(133)	-	-	(133)
Total transactions with owners in their capacity as owners	-	142	(193)	(82)	-	(133)
Balance as at 30 June 2020	241,520	(758)	7,918	4,581	220,183	473,444

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

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements

These notes form an integral part of the Interim Financial Statements. These unaudited interim financial statements as at and for the six-month period ended 30 June 2021 relate to the company and its subsidiaries (the "Group").

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. 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 condensed interim consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), except for the adoption of new and amended standards as set out in Note 2.2.

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

The condensed interim 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.

Fundamental accounting concept

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities as and when they fall due within the next twelve months.

As at 30 June 2021, the Group recorded net current assets of \$11,946,000 (31 December 2020: net current liability of \$24,188,000). The Group had improved on its liquidity position from end of the last financial year through a combination of assets sale, effective receivables management and conversion of current portion of interest-bearing loans to long-term loans with maturities greater than one year.

In May 2021, the Group entered into an agreement to sell its development in land in Queensland, Australia for A\$75,000,000 and completion is due in late August 2021. This sale transaction will improve the Group's net current asset position. The Group will continue to take steps to build up its liquidity through collections of outstanding trade receivables, monetising completed inventory in property development costs and renewal or converting its interest-bearing loans and borrowings of \$195,288,000 (31 December 2020: \$226,204,000) into longer maturities. Included under current liabilities was a loan from an investment of \$60,295,000 which can be settled simultaneously against redeemable convertible preference shares ("RCPS") of an equivalent amount under long-term investments on the balance sheet.

As a result of the above steps taken to strengthen the Group's liquidity position, Management of the Group is confident that the continuing use of the going concern assumption in the preparation of the financial statements is appropriate.

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

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

2.2 *Changes in accounting policies*

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

The accounting policies adopted by the Group in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's Annual Report for the financial year ended 31 December 2020, except for the adoption of new and revised standards effective as of 1 January 2021.

The following are the new or amended SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: Interest Rate Benchmark Reform - Phase 2
- Amendment to SFRS(I) 16 Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above new or amended SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the condensed interim consolidated financial statements of the Group.

2.3 *Significant accounting estimates and judgments*

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions concerning the future. 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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Impact of COVID-19 on the Group

The Group has considered the impact of COVID-19 in preparing its financial statements for the financial period. The critical accounting estimates and key judgement areas of the Group have required additional consideration and analysis due to the impact of COVID-19. Other than adjusting events that provide evidence of conditions that existed at the end of the financial year, the impact of events that arise after the reporting period will be accounted for in future reporting periods. The impact of COVID-19 increases the level of judgement required across a number of key areas for the Group, in particular the recognition and measurement of the assets as at 30 June 2021 and projected cash flows in the next 12 months. The COVID-19 assumptions and considerations for the critical accounting estimates and key judgement areas of the Group relating to recognition and measurement of the assets as at 30 June 2021 are outlined in further detail in Note 18(c)(ii) Level 3 fair value measurements policies and procedures.

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.

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

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

2.3 Significant accounting estimates and judgments (cont'd)

Key sources of estimation uncertainty (cont'd)

(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 are given in Note 10 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 to 50 years. The carrying amounts of the Group's property, plant and equipment at 30 June 2021 are disclosed in Balance Sheet. 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.

(iii) *Provision for loss allowance for trade and non-trade receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. For the current financial year, the Group also assessed and made changes to loss rates applied as a result of the impact of COVID-19 on trade and non-trade receivables. 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 have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effects in the economic conditions 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 trade and non-trade receivables at the end of each reporting period are disclosed in Balance Sheet.

The Group uses the general and simplified approaches to calculate the allowance for expected credit losses ("ECLs") for its trade and non-trade receivables. Under the general approach, the Group would assess if there is any significant increase in credit risk of the debtors, by evaluating qualitative and quantitative factors that are indicative of the risk of default (including but not limited to the latest available financial results, repayment history, economic environment and cash flow projections, if available, and applying the loss rates). The loss allowance is measured on the 12-month expected credit loss basis, if it is assessed that there has not been a significant increase in credit risk of the debtors since initial recognition.

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

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

2.3 Significant accounting estimates and judgments (cont'd)

Key sources of estimation uncertainty (cont'd)

(iii) Provision for loss allowance for trade and non-trade receivables (cont'd)

For the simplified approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the estimated future repayments, historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(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.

(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 professional independent property valuers to determine the fair values for its freehold properties and investment properties in Singapore, Thailand, 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 market comparables, future cash flows and discount rates applicable to these assets. These estimates are based on local market conditions existing at each valuation date. The professional independent property valuers have considered available information as at 30 June 2021 relating to COVID-19 and have made necessary adjustments due to the COVID-19 pandemic on the valuation. The valuation reports also highlighted that given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case.

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 8 and Note 9.

(vi) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select the appropriate valuation model and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The inputs to this model are derived from market data where possible, but where not feasible, a degree of judgment is required in establishing fair values.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

4. Segment and revenue information

The Group is organised into the following main business segments:

- (a) *Hotel investments*
- (b) *Property sales*
- (c) *Fee-based segment*

These operating segments are reported in a manner consistent with internal reporting provided to Board of Directors who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable segments

	Hotel invest- ments \$'000	Property sales \$'000	Fee- based segment \$'000	Head Office \$'000	Total \$'000
Period ended					
30 June 2021					
Revenue:					
Segment revenue					
Sales	22,596	17,433	17,730	–	57,759
Inter-segment sales	(74)	–	(1,218)	–	(1,292)
<hr/>					
Sales to external customers	22,522	17,433	16,512	–	56,467
<hr/>					
Results:					
Segment results	(19,588)	3,428	2,025	(15,538)	(29,673)
<hr/>					
Unallocated income					1,175
<hr/>					
Loss from operations and other gains					(28,498)
Finance income	5	1,072	146	16	1,239
Finance costs	(5,742)	(1,062)	(407)	(9,617)	(16,828)
Share of results of associates	(16)	–	–	1,805	1,789
<hr/>					
Loss before taxation					(42,298)
Income tax expense					(3,339)
<hr/>					
Loss for the financial period					(45,637)
<hr/>					
Other segment information:					
Capital expenditure	2,486	–	86	222	2,794
Depreciation of property, plant and equipment and right-of-use assets	9,925	688	879	237	11,729
Amortisation expense	341	3	–	42	386
Other non-cash items	253	358	34	574	1,219
<hr/>					

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

4.1 Reportable segments (cont'd)

	Hotel invest- ments \$'000	Property sales \$'000	Fee- based segment \$'000	Head Office \$'000	Total \$'000
Period ended					
30 June 2021					
Assets and liabilities:					
Segment assets	546,191	406,911	248,388	150,091	1,351,581
Associates	–	–	(7,614)	149,164	141,550
Deferred tax assets	4,235	16,985	611	1,637	23,468
Total assets					1,516,599
Segment liabilities	83,066	56,411	43,700	121,725	304,902
Interest-bearing loans and borrowings	228,834	69,017	4,386	156,328	458,565
Convertible Bonds	–	–	–	41,543	41,543
Current and deferred tax liabilities	40,248	91,696	7,588	4,449	143,981
Total liabilities					948,991
Period ended					
30 June 2020					
Revenue:					
Segment revenue					
Sales	48,249	12,671	22,277	–	83,197
Inter-segment sales	(94)	–	(7,739)	–	(7,833)
Sales to external customers	48,155	12,671	14,538	–	75,364
Results:					
Segment results	(11,696)	(13,983)	(5,868)	(8,464)	(40,011)
Unallocated income					830
Profit from operations and other gains					(39,181)
Finance income	27	1,202	1,698	919	3,846
Finance costs	(5,542)	(1,640)	(611)	(5,247)	(13,040)
Share of results of associates	27	–	–	(422)	(395)
Profit before taxation					(48,770)
Income tax expense					(3,940)
Loss for the financial period					(52,710)

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

4.1 Reportable segments (cont'd)

	Hotel invest- ments \$'000	Property sales \$'000	Fee- based segment \$'000	Head Office \$'000	Total \$'000
Period ended					
30 June 2020					
Other segment information:					
Capital expenditure	4,026	22	72	40	4,160
Depreciation of property, plant and equipment and right-of-use assets	10,838	637	1,007	147	12,629
Amortisation expense	356	–	–	37	393
Other non-cash items	4	–	2,117	–	2,121
<hr/>					
Year ended					
31 December 2020					
Assets and liabilities:					
Segment assets	575,350	451,370	259,592	113,527	1,399,839
Associates	–	–	4,041	151,565	155,606
Deferred tax assets	3,332	15,850	2,883	1,201	23,266
Total assets					<hr/> 1,578,711
Segment liabilities	78,998	72,501	38,116	113,571	303,186
Interest-bearing loans and borrowings	239,042	72,851	4,604	142,803	459,300
Convertible Bonds	–	–	–	41,318	41,318
Current and deferred tax liabilities	60,287	75,381	7,673	3,966	147,307
Total liabilities					<hr/> 951,111

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

4.2 Disaggregation of 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:

Segments	Hotel investments		Property sales		Fee-based segment		Total revenue	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000

6 months ended 30 June:

Primary geographical markets

Singapore	–	–	–	–	190	12	190	12
South East Asia	5,905	36,235	17,433	12,671	7,576	10,050	30,914	58,956
Indian Oceania	16,601	11,498	–	–	53	197	16,654	11,695
Middle East	–	–	–	–	815	145	815	145
North East Asia	–	–	–	–	5,522	2,061	5,522	2,061
Rest of the world	16	422	–	–	2,356	2,073	2,372	2,495
	<u>22,522</u>	<u>48,155</u>	<u>17,433</u>	<u>12,671</u>	<u>16,512</u>	<u>14,538</u>	<u>56,467</u>	<u>75,364</u>

Major product or service lines

Hotel investments	22,522	48,155	–	–	–	–	22,522	48,155
Property sales	–	–	17,433	12,671	–	–	17,433	12,671
Management services	–	–	–	–	11,450	7,764	11,450	7,764
Spa operation	–	–	–	–	1,169	2,054	1,169	2,054
Project and design services	–	–	–	–	1,274	897	1,274	897
Merchandise sales	–	–	–	–	2,009	2,806	2,009	2,806
Rental income	–	–	–	–	610	1,017	610	1,017
	<u>22,522</u>	<u>48,155</u>	<u>17,433</u>	<u>12,671</u>	<u>16,512</u>	<u>14,538</u>	<u>56,467</u>	<u>75,364</u>

Timing of transfer of goods or services

At a point in time	22,522	48,155	17,433	12,671	13,806	13,243	53,761	74,069
Over time	–	–	–	–	2,706	1,295	2,706	1,295
	<u>22,522</u>	<u>48,155</u>	<u>17,433</u>	<u>12,671</u>	<u>16,512</u>	<u>14,538</u>	<u>56,467</u>	<u>75,364</u>

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Carrying amount						Fair value			
	Financial assets at amortised cost \$'000	Financial assets at FVOCI \$'000	Financial assets at Fair value through Profit or loss \$'000	Financial liabilities at amortised cost \$'000	Financial liabilities at Fair value through Profit or loss \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group										
30 June 2021										
Non-current assets										
Associates	30,329	–	–	–	–	30,329	–	–	–	–
Long-term investments	–	100,245	–	–	–	100,245	2	–	100,243	100,245
Long-term receivables	33,011	–	–	–	–	33,011	–	–	–	–
Other receivables	4,600	–	–	–	–	4,600	–	–	–	–
Amount due from related parties – Long term	14,646	–	–	–	–	14,646	–	–	–	–
	82,586	100,245	–	–	–	182,831	2	–	100,243	100,245
Current assets										
Trade receivables	35,739	–	–	–	–	35,739	–	–	–	–
Other receivables	15,815	–	–	–	–	15,815	–	–	–	–
Amounts due from associates	18,346	–	–	–	–	18,346	–	–	–	–
Amounts due from related parties	537	–	–	–	–	537	–	–	–	–
Investment securities	–	–	2,015	–	–	2,015	–	2,015	–	2,015
Cash and short-term deposits	70,293	–	–	–	–	70,293	–	–	–	–
	140,730	–	2,015	–	–	142,745	–	2,015	–	2,015
Total assets	223,316	100,245	2,015	–	–	325,576	2	2,015	100,243	102,260

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

5. Financial assets and financial liabilities (cont'd)

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020: (cont'd)

	Carrying amount					Fair value				
	Financial assets at amortised cost \$'000	Financial assets at FVOCI \$'000	Financial assets at Fair value through Profit or loss \$'000	Financial liabilities at amortised cost \$'000	Financial liabilities at Fair value through Profit or loss \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group										
30 June 2021										
Current liabilities										
Interest-bearing loans and borrowings	–	–	–	195,288	–	195,288	–	195,288	–	195,288
Trade payables	–	–	–	22,159	–	22,159	–	–	–	–
Other payables	–	–	–	119,344	–	119,344	–	–	–	–
Lease liabilities	–	–	–	2,207	–	2,207	–	–	–	–
Amounts due to associates	–	–	–	17,909	–	17,909	–	–	–	–
Amounts due to related parties	–	–	–	471	–	471	–	–	–	–
	–	–	–	357,378	–	357,378	–	195,288	–	195,288
Non-current liabilities										
Interest-bearing loans and borrowings	–	–	–	263,277	–	263,277	–	263,277	–	263,277
Convertible Bonds	–	–	–	41,543	–	41,543	–	–	–	–
Derivative liability conversion option in Convertible Bonds	–	–	–	–	24,869	24,869	–	–	24,869	24,869
Other payables	–	–	–	3,034	–	3,034	–	–	–	–
Lease liabilities	–	–	–	32,817	–	32,817	–	–	–	–
	–	–	–	340,671	24,869	365,540	–	263,277	24,869	288,146
Total liabilities	–	–	–	698,049	24,869	722,918	–	458,565	24,869	483,434

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

5. Financial assets and financial liabilities (cont'd)

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020: (cont'd)

	Carrying amount						Fair value			
	Financial assets at amortised cost \$'000	Financial assets at FVOCI \$'000	Financial assets at Fair value through Profit or loss \$'000	Financial liabilities at amortised cost \$'000	Financial liabilities at Fair value through Profit or loss \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group										
31 December 2020										
Non-current assets										
Associates	44,343	–	–	–	–	44,343	–	–	–	–
Long-term investments	–	100,245	–	–	–	100,245	2	–	100,243	100,245
Long-term receivables	41,530	–	–	–	–	41,530	–	–	–	–
Other receivables	4,883	–	–	–	–	4,883	–	–	–	–
Amount due from related parties – Long term	17,074	–	–	–	–	17,074	–	–	–	–
	107,830	100,245	–	–	–	208,075	2	–	100,243	100,245
Current assets										
Trade receivables	38,163	–	–	–	–	38,163	–	–	–	–
Other receivables	18,045	–	–	–	–	18,045	–	–	–	–
Amounts due from associates	2,756	–	–	–	–	2,756	–	–	–	–
Amounts due from related parties	132	–	–	–	–	132	–	–	–	–
Investment securities	–	–	2,006	–	–	2,006	–	2,006	–	2,006
Cash and short-term deposits	51,287	–	–	–	–	51,287	–	–	–	–
	110,383	–	2,006	–	–	112,389	–	2,006	–	2,006
Total assets	218,213	100,245	2,006	–	–	320,464	2	2,006	100,243	102,251

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

5. Financial assets and financial liabilities (cont'd)

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020: (cont'd)

	Carrying amount						Fair value			
	Financial assets at amortised cost \$'000	Financial assets at FVOCI \$'000	Financial assets at Fair value through Profit or loss \$'000	Financial liabilities at amortised cost \$'000	Financial liabilities at Fair value through Profit or loss \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group										
31 December 2020										
Current liabilities										
Interest-bearing loans and borrowings	–	–	–	226,204	–	226,204	–	226,204	–	226,204
Trade payables	–	–	–	32,166	–	32,166	–	–	–	–
Other payables	–	–	–	116,612	–	116,612	–	–	–	–
Lease liabilities	–	–	–	2,130	–	2,130	–	–	–	–
Amounts due to associates	–	–	–	17,886	–	17,886	–	–	–	–
Amounts due to related parties	–	–	–	270	–	270	–	–	–	–
	–	–	–	395,268	–	395,268	–	226,204	–	226,204
Non-current liabilities										
Interest-bearing loans and borrowings	–	–	–	233,096	–	233,096	–	233,096	–	233,096
Convertible Bonds	–	–	–	41,318	–	41,318	–	–	–	–
Derivative liability conversion option in Convertible Bonds	–	–	–	–	15,182	15,182	–	–	15,182	15,182
Other payables	–	–	–	3,034	–	3,034	–	–	–	–
Lease liabilities	–	–	–	32,298	–	32,298	–	–	–	–
	–	–	–	309,746	15,182	324,928	–	233,096	15,182	248,278
Total liabilities	–	–	–	705,014	15,182	720,196	–	459,300	15,182	474,482

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

5. Financial assets and financial liabilities (cont'd)

Set out below is an overview of the financial assets and financial liabilities of the Company as at 30 June 2021 and 31 December 2020: (cont'd)

	Carrying amount					Fair value			
	Financial assets at amortised cost \$'000	Financial assets at Fair value through Profit or loss \$'000	Financial liabilities at amortised cost \$'000	Financial liabilities at Fair value through Profit or loss \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company									
30 June 2021									
Non-current assets									
Subsidiaries	401,289	–	–	–	401,289	–	–	–	–
Associates	2,714	–	–	–	2,714	–	–	–	–
Long-term receivables	5,777	–	–	–	5,777	–	–	–	–
	409,780	–	–	–	409,780	–	–	–	–
Current assets									
Trade receivables	5,808	–	–	–	5,808	–	–	–	–
Other receivables	894	–	–	–	894	–	–	–	–
Amounts due from subsidiaries	188,310	–	–	–	188,310	–	–	–	–
Amounts due from associates	3,654	–	–	–	3,654	–	–	–	–
Amounts due from related parties	11	–	–	–	11	–	–	–	–
Investment securities	–	2,015	–	–	2,015	–	2,015	–	2,015
Cash and short-term deposits	35,491	–	–	–	35,491	–	–	–	–
	234,168	2,015	–	–	236,183	–	2,015	–	2,015
Total assets	643,948	2,015	–	–	645,963	–	2,015	–	2,015

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

5. Financial assets and financial liabilities (cont'd)

Set out below is an overview of the financial assets and financial liabilities of the Company as at 30 June 2021 and 31 December 2020: (cont'd)

	Carrying amount				Total \$'000	Fair value			
	Financial assets at amortised cost \$'000	Financial assets at Fair value through Profit or loss \$'000	Financial liabilities at amortised cost \$'000	Financial liabilities at Fair value through Profit or loss \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company									
30 June 2021									
Current liabilities									
Interest-bearing loans and borrowings	–	–	72,481	–	72,481	–	72,481	–	72,481
Other payables	–	–	67,349	–	67,349	–	–	–	–
Amounts due to subsidiaries	–	–	22,796	–	22,796	–	–	–	–
Amounts due to associates	–	–	17,831	–	17,831	–	–	–	–
Amounts due to related parties	–	–	13	–	13	–	–	–	–
	–	–	180,470	–	180,470	–	72,481	–	72,481
Non-current liabilities									
Interest-bearing loans and borrowings	–	–	54,636	–	54,636	–	–	–	–
Convertible Bonds	–	–	41,543	–	41,543	–	–	–	–
Derivative liability conversion option in Convertible Bonds	–	–	–	24,869	24,869	–	–	24,869	24,869
Amounts due to subsidiaries	–	–	132,492	–	132,492	–	–	–	–
	–	–	228,671	24,869	253,540	–	–	24,869	24,869
Total liabilities	–	–	409,141	24,869	434,010	–	72,481	24,869	97,350

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

5. Financial assets and financial liabilities (cont'd)

Set out below is an overview of the financial assets and financial liabilities of the Company as at 30 June 2021 and 31 December 2020: (cont'd)

	Carrying amount				Total \$'000	Fair value			
	Financial assets at amortised cost \$'000	Financial assets at Fair value through Profit or loss \$'000	Financial liabilities at amortised cost \$'000	Financial liabilities at Fair value through Profit or loss \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company									
31 December 2020									
Non-current assets									
Subsidiaries	413,572	–	–	–	413,572	–	–	–	–
Associates	2,660	–	–	–	2,660	–	–	–	–
Long-term receivables	5,720	–	–	–	5,720	–	–	–	–
	421,952	–	–	–	421,952	–	–	–	–
Current assets									
Trade receivables	4,317	–	–	–	4,317	–	–	–	–
Other receivables	666	–	–	–	666	–	–	–	–
Amounts due from subsidiaries	185,428	–	–	–	185,428	–	–	–	–
Amounts due from associates	1,430	–	–	–	1,430	–	–	–	–
Investment securities	–	2,006	–	–	2,006	–	2,006	–	2,006
Cash and short-term deposits	15,386	–	–	–	15,386	–	–	–	–
	207,227	2,006	–	–	209,233	–	2,006	–	2,006
Total assets	629,179	2,006	–	–	631,185	–	2,006	–	2,006

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

5. Financial assets and financial liabilities (cont'd)

Set out below is an overview of the financial assets and financial liabilities of the Company as at 30 June 2021 and 31 December 2020: (cont'd)

	Carrying amount					Fair value			
	Financial assets at amortised cost \$'000	Financial assets at Fair value through Profit or loss \$'000	Financial liabilities at amortised cost \$'000	Financial liabilities at Fair value through Profit or loss \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company									
31 December 2020									
Current liabilities									
Interest-bearing loans and borrowings	–	–	91,561	–	91,561	–	91,561	–	91,561
Other payables	–	–	66,867	–	66,867	–	–	–	–
Amounts due to subsidiaries	–	–	17,570	–	17,570	–	–	–	–
Amounts due to associates	–	–	17,831	–	17,831	–	–	–	–
Amounts due to related parties	–	–	13	–	13	–	–	–	–
	–	–	193,842	–	193,842	–	91,561	–	91,561
Non-current liabilities									
Interest-bearing loans and borrowings	–	–	18,813	–	18,813	–	–	–	–
Convertible Bonds	–	–	41,318	–	41,318	–	–	–	–
Derivative liability conversion option in Convertible Bonds	–	–	–	15,182	15,182	–	–	15,182	15,182
Amounts due to subsidiaries	–	–	130,476	–	130,476	–	–	–	–
	–	–	190,607	15,182	205,789	–	–	15,182	15,182
Total liabilities	–	–	384,449	15,182	399,631	–	91,561	15,182	106,743

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

6. Loss from operations and other gains

6.1 Loss from operations and other gains

Loss from operations is stated after charging/(crediting):

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	\$'000	\$'000
Allowance for/(Write-back of) inventory obsolescence	263	(6)
Gain on disposal of property, plant and equipment, net	(640)	(3)
Fair value loss on derivatives	10,444	–
Write-down of property development costs	1,222	14,280
Impairment loss on right-of-use assets	117	–
Gain on disposal of investments in subsidiaries	(167)	–
Impairment losses on financial assets:		
- Long-term amount due from associates	–	1
- Long-term receivables	123	–
- Amount due from associates	8	–
- Trade receivables	1,045	2,140
- Amount due from related parties	43	(20)
Provision for employee benefits	115	148
Provision for share-based payment expenses	(45)	(99)
Exchange gain	(520)	(193)

6.2 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	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	\$'000	\$'000
(a) Associates:		
- Management and service fee income	1	271
- Reservation fee income	–	48
- China Licensing fee	5,187	740
(b) Related parties		
- Management and service fee income	–	64
- Rental income	81	521
- Reservation fee income	–	31
- Royalty income	–	102
- Others	8	14

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

7. Income tax expense

Major components of income tax expense

Major components of income taxes for the financial periods ended 30 June 2021 and 2020 are:

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	\$'000	\$'000
Consolidated income statement:		
<i>Current income tax</i>		
Current income taxation	926	(333)
Under provision in respect of prior years	144	577
	1,070	244
<i>Deferred income tax</i>		
Origination and reversal in temporary differences	(412)	(1,052)
Expiry or write-off of previously recognised deferred tax assets	1,858	4,172
	1,446	3,120
<i>Withholding tax expense</i>		
Current year provision	794	576
Under provision in respect of prior years	29	–
	823	576
Income tax expense recognised in profit or loss	3,339	3,940

8. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$2,794,000 (30 June 2020: \$4,159,000) and disposed assets amounting to \$340,000 (30 June 2020: \$6,000).

The Group's policy is for freehold land and building to be re-measured at fair value at least once every 3 years.

As at 30 June 2021, the Group has engaged an independent valuer to determine the fair value of certain freehold land and building as at 30 June 2021. The fair value of the Group's freehold land and buildings as at 30 June 2021, are determined based on similar valuation approach, significant inputs and key assumptions used in the valuation as at 31 December 2020.

The fair valuation of freehold land and building are categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using the market value approach. The significant input into the market value approach is yield adjustment from 0.7% to 82.3% (31 December 2020: 0.7% to 82.3%)

Significant increases/(decreases) in yield adjustments in isolation would result in a significantly higher/(lower) fair value measurement.

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

9. Investment properties

	Group	
	30 June 2021 \$'000	31 December 2020 \$'000
Balance sheet:		
At 1 January	62,065	63,504
Transfer from property, plant and equipment, net	22,125	–
Net loss from fair value adjustments recognised in profit or loss	–	(27)
Net exchange differences	(2,797)	(1,412)
	81,393	62,065
At 30 June/31 December	81,393	62,065

Valuation of investment properties

Investment properties in Thailand are stated at fair value, which has been determined based on valuation report dated 30 June 2021. The revaluations were performed by a professional independent property valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

Investment properties were revalued using the market value approach.

The Group's policy is for investment properties to be measured at fair value for which the Group completes property valuations at least annually by independent registered valuers at the end of the year.

As at 30 June 2021, the Group has engaged an independent valuer to determine the fair value of the investment properties as at 30 June 2021. The fair value of the Group's investment properties as at 30 June 2021, are determined based on similar valuation approach, significant inputs and key assumptions used in the valuation as at 31 December 2020.

The fair valuation of investment properties is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using the market value approach. The significant input into the market value approach is yield adjustment from 7.3% to 55.7% (31 December 2020: 7.3% to 55.7%)

Significant increases/(decreases) in yield adjustments in isolation would result in a significantly higher/(lower) fair value measurement.

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

10. Intangible assets

	Goodwill \$'000	Trademarks \$'000	Club membership \$'000	Other intangible assets \$'000	Total \$'000
Group					
Cost:					
At 1 January 2020	2,603	24,300	3,752	14,328	44,983
Additions	–	–	478	1,569	2,047
Net exchange differences	–	–	–	(225)	(225)
At 31 December 2020 and 1 January 2021	2,603	24,300	4,230	15,672	46,805
Additions	–	–	–	27	27
Net exchange differences	–	–	–	(520)	(520)
At 30 June 2021	2,603	24,300	4,230	15,179	46,312
Accumulated amortisation and impairment losses:					
At 1 January 2020	–	–	338	9,406	9,744
Amortisation	–	–	77	1,916	1,993
Net exchange differences	–	–	–	(130)	(130)
At 31 December 2020 and 1 January 2021	–	–	415	11,192	11,607
Amortisation	–	–	42	–	42
Net exchange differences	–	–	–	(317)	(317)
At 30 June 2021	–	–	457	10,875	11,332
Net carrying amount:					
At 31 December 2020	2,603	24,300	3,815	4,480	35,198
At 30 June 2021	2,603	24,300	3,773	4,304	34,980

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 GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

10. Intangible assets (cont'd)

Company	Club membership \$'000
Cost:	
At 1 January 2020	3,752
Additions	478
	4,230
At 31 December 2020, 1 January 2021 and 30 June 2021	4,230
Accumulated amortisation and impairment losses:	
At 1 January 2020	338
Amortisation	77
	415
At 31 December 2020 and 1 January 2021	42
Amortisation	457
At 30 June 2021	457
Net carrying amount:	
At 31 December 2020	3,815
At 30 June 2021	3,773

Impairment testing of goodwill and trademark

Goodwill that have an indefinite useful life are not subject to amortisation and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. No impairment indicators were identified as at 30 June 2021 based on the CGU's business performance. The Group performed its annual impairment test in December 2020. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the annual consolidated financial statements for the year ended 31 December 2020.

11. Long-term investments

	Group	
	30 June 2021	31 December 2020
	\$'000	\$'000
<i>At fair value through other comprehensive income</i>		
Equity securities (quoted)	2	2
Equity securities (unquoted)	100,243	100,243
	100,245	100,245

As at 30 June 2021, the Group has carried out an assessment on the fair value of the investment in equity securities (unquoted) and taken into considerations the changes to underlying factors that would have impacts to the fair value, such as discount rate and growth rate, as compared to 31 December 2020. There are no significant changes that could materially affect the fair value of the investment in equity securities (unquoted) as at 30 June 2021. The fair valuation of long-term investments is categorised under Level 3 of the fair value measurement hierarchy.

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

11. Long-term investments (cont'd)

Significant increases/(decreases) in discount rate in isolation would result in a significant lower/(higher) fair value measurement.

Significant increases/(decreases) in growth rate in isolation would result in a significant higher/(lower) fair value measurement.

12. Interest-bearing loans and borrowings

	Maturity	Group		Company	
		30 June 2021 \$'000	31 December 2020 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Financial liabilities at amortised cost					
Current liabilities					
Secured bank loans	2021/2022	157,338	179,303	40,560	60,600
Unsecured bank loans	2021/2022	37,950	46,901	31,921	30,961
		195,288	226,204	72,481	91,561
Non-current liabilities					
Secured bank loans	2022-2033	228,248	223,330	32,667	15,167
Unsecured bank loans	2022-2025	35,029	9,766	21,969	3,646
		263,277	233,096	54,636	18,813
Total		458,565	459,300	127,117	110,374

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

	Group	
	30 June 2021 \$'000	31 December 2020 \$'000
Freehold land and buildings	396,730	446,547
Investment properties	56,899	35,158
Leasehold buildings	13,333	13,556
Property development costs	116,191	131,848
Unquoted shares	4,075	4,048
Prepaid island rental	15,504	15,735
Investment in associates	3,598	3,731
Long-term restricted deposit pledged	1,598	1,674
Other assets	2,858	1,399
	610,786	653,696

The secured bank loans of the Company amounting to \$73,227,000 (31 December 2020: \$75,767,000) are secured by freehold land and buildings, and property development cost of the Group's subsidiaries.

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

13. Convertible Bonds

	Group and Company 30 June 2021 \$'000
Face value of Convertible Bonds issued	50,403
Capitalised transaction costs	(1,291)
	<hr/>
Face value, net of transaction cost, of Convertible Bonds issued	49,112
Derivative liability conversion option of initial recognition	(9,480)
	<hr/>
Liability component on initial recognition	39,632
Accretion of interest	1,916
Conversion of Convertible Bonds into ordinary shares	(230)
	<hr/>
Liability component at 1 January 2021 and 31 December 2020	41,318
Capitalised transaction costs	(12)
Accretion of interest	2,520
Conversion of Convertible Bonds into ordinary shares	(2,283)
	<hr/>
Liability component at 30 June 2021	<u>41,543</u>

14. Derivative liability conversion option in Convertible Bonds

	Group and Company 30 June 2021
Derivative liability conversion option of initial recognition	9,480
Fair value loss on derivatives	5,702
	<hr/>
At 1 January 2021 and 31 December 2020	15,182
Fair value loss on derivatives	10,444
Conversion of Convertible Bonds into ordinary shares	(757)
	<hr/>
At 30 June 2021	<u>24,869</u>

The derivative liability conversion option relates to the conversion option of the Convertible Bonds that is recognised at its fair value, determined by applying the Binomial Tree model and the key changes to the inputs of the valuation method for 30 June 2021, relates to the share price \$0.340 (31 December 2020: \$0.265) and expected volatility of 39% (31 December 2020: 37%). The fair value measurement is categorised in Level 3 of the fair value hierarchy.

Significant increases/(decreases) in risky rate would result in a significantly lower/(higher) fair value measurement.

15. Leases

During the six months ended 30 June 2021, the Group has capitalised \$119,000 of long term leases into right-of-use assets (31 December 2020: \$1,447,000).

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

16. Share capital

	Group and Company			
	30 June 2021		31 December 2020	
	No. of shares	\$'000	No. of shares	\$'000
Issued and fully paid up				
At 1 January	842,284,980	241,750	841,364,980	241,520
New issue during the period	9,131,112	3,040	920,000	230
	<u>851,416,092</u>	<u>244,790</u>	<u>842,284,980</u>	<u>241,750</u>

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.

During the financial period ended 30 June 2021, there were 9,131,112 (31 December 2020: 920,000) new shares being issued from conversion of \$2,283,000 (31 December 2020: \$230,000) of Convertible Bonds at \$0.25 per share.

17. 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	
	30 June 2021	31 December 2020
	\$'000	\$'000
Capital commitments in respect of property, plant and equipment	74,361	76,657

(b) Contingent liabilities

Guarantees

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

	Company	
	30 June 2021	31 December 2020
	\$'000	\$'000
Guarantees issued for banking facilities to subsidiaries	60,477	67,195

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

18. 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) *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:

Investment securities at fair value through profit or loss

The valuation of investment securities measured at fair value through profit or loss is determined using quoted market prices in less active markets or quoted prices for similar assets/liabilities at the end of the reporting period.

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

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

(c) Level 3 fair value measurements

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

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

Fair value measurements using significant unobservable inputs (Level 3)																			
Property, plant and equipment										Investment properties						Financial assets at FVOCI	Financial liabilities at fair value through profit or loss		
Freehold land					Freehold buildings					Freehold land			Freehold buildings			Equity shares (unquoted)	Derivative liability conversion option in Convertible Bonds	Total	
Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Sri Lanka	Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Sri Lanka	Singapore	Thailand, Phuket	Northern Thailand	Singapore	Thailand, Phuket	Thailand, Bangkok				
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	47,856	4,914	289,695	43,648	5,073	4,520	6,189	120,848	50,870	259	-	13,422	8,920	-	748	38,975	100,243	(15,182)	720,998
Total gains or losses for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,444)	(10,444)
- Included in profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchases, issues, sales and settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Sales	-	-	-	-	-	-	(314)	-	-	-	-	-	-	-	-	-	-	-	(314)
- Transfer in/(out)	(21,190)	-	1,214	-	-	(2,150)	45	-	-	21,190	-	(1,214)	2,150	-	-	-	-	-	45
Conversion of Convertible Bonds into ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	757	757
Depreciation	-	-	-	-	-	(69)	(143)	(2,777)	(1,107)	(3)	-	-	-	-	-	-	-	-	(4,099)
Exchange differences	-	88	(13,192)	(1,984)	(231)	-	40	(5,356)	(2,258)	(12)	-	(609)	(383)	-	(34)	(1,772)	-	-	(25,703)
Closing balance	26,666	5,002	277,717	41,664	4,842	2,301	6,086	112,446	47,505	244	21,190	12,813	7,323	2,150	714	37,203	100,243	(24,869)	681,240

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

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

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

(i) 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): (cont'd)

Fair value measurements using significant unobservable inputs (Level 3)																	
Property, plant and equipment										Investment properties				Financial assets at FVOCI	Financial liabilities at fair value through profit or loss		
Freehold land					Freehold buildings					Freehold land		Freehold buildings		Equity shares (unquoted)	Derivative liability conversion option in Convertible Bonds	Total	
Group	Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Sri Lanka	Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Sri Lanka	Thailand, Phuket	Northern Thailand	Thailand, Phuket	Thailand, Bangkok	\$'000	\$'000	\$'000
31 December 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	46,786	4,615	299,320	44,257	5,382	4,654	6,440	132,743	55,826	304	13,585	9,122	782	40,015	100,695	-	764,526
Total gains or losses for the period																	
- Included in profit or loss	-	2	(1,723)	-	-	-	(72)	(3,505)	-	-	140	-	(17)	(150)	-	(5,702)	(11,027)
- Included in other comprehensive income	1,070	-	355	-	-	52	-	(309)	(2,109)	(21)	-	-	-	-	(451)	-	(1,413)
Purchases, issues, sales and settlements																	
- Purchases	-	-	21	-	-	-	-	266	32	-	-	-	-	-	-	-	319
- Write off	-	-	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	(2)
- Transferred from property development costs	-	-	(1,235)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,235)
- Transfer in/(out)	-	-	(374)	374	-	-	-	(1,211)	-	-	-	-	-	-	-	-	(1,211)
Depreciation	-	-	-	-	-	(186)	(638)	(5,563)	(2,351)	(8)	-	-	-	-	-	-	(8,746)
Exchange differences Arising from issuance of Convertible Bonds	-	297	(6,669)	(983)	(309)	-	459	(1,571)	(528)	(16)	(303)	(202)	(17)	(890)	(1)	-	(10,733)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,480)	(9,480)
Closing balance	47,856	4,914	289,695	43,648	5,073	4,520	6,189	120,848	50,870	259	13,422	8,920	748	38,975	100,243	(15,182)	720,998

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

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

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

(i) 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): (cont'd)

Fair value measurements using significant unobservable inputs (Level 3)																			
Property, plant and equipment										Investment properties				Financial liabilities at fair value through profit or loss					
Freehold land					Freehold buildings					Freehold land		Freehold buildings		Derivative liability conversion option in Convertible Bonds					
Singapore		Morocco		Thailand, Phuket	Thailand, Bangkok	Sri Lanka	Singapore		Morocco		Thailand, Phuket	Thailand, Bangkok	Sri Lanka	Thailand, Phuket	Northern Thailand	Thailand, Phuket	Thailand, Bangkok	Total	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Total gains or losses for the period included in profit or loss:																			
- Net loss from fair value adjustment of derivative liability conversion option in Convertible Bonds																			
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,444)	(10,444)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,444)	(10,444)

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

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

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

(i) 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): (cont'd)

Fair value measurements using significant unobservable inputs (Level 3)																	
Property, plant and equipment										Investment properties				Financial assets at FVOCI	Financial liabilities at fair value through profit or loss	Total	
Freehold land					Freehold buildings					Freehold land		Freehold buildings		Equity shares (Unquoted)	Derivative liability conversion option in Convertible Bonds		
Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Sri Lanka	Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Sri Lanka	Thailand, Phuket	Northern Thailand	Thailand, Phuket	Thailand, Bangkok				
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Total gains or losses for the period included in profit or loss:																	
- Net gain/(loss) from fair value adjustment of investment properties																	
-	-	-	-	-	-	-	-	-	-	140	-	(17)	(150)	-	-	(27)	
- Net loss from fair value adjustment of derivative liability conversion option in Convertible Bonds																	
-	2	(1,723)	-	-	-	(72)	(3,505)	-	-	-	-	-	-	-	(5,702)	(5,702)	
- Impairment loss																	
-	2	(1,723)	-	-	-	(72)	(3,505)	-	-	140	-	(17)	(150)	-	(5,702)	(11,027)	
Other comprehensive income:																	
- Net surplus/(deficit) on revaluation of land and buildings																	
1,070	-	355	-	-	52	-	(309)	(2,109)	(21)	-	-	-	-	-	-	(962)	
- Net loss on fair value adjustment of equity shares																	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(451)	-	(451)	
1,070	-	355	-	-	52	-	(309)	(2,109)	(21)	-	-	-	-	(451)	-	(1,413)	

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

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

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

(ii) *Valuation policies and procedures*

The President and Group Managing Director ("President"), who is assisted by Senior Vice President, Group Finance and Corporate Affairs (collectively referred to as the "President 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 President 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 professional independent property valuers who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For financial period ended 30 June 2021, the President office has decided to include 97% of the freehold land and buildings, in addition to 100% of the investment properties for the purpose of valuation, due to indication of impairment arising from the COVID-19 pandemic.

For valuations performed by professional independent property valuers, 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, professional independent property valuers 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 is reasonably available. For valuations that are sensitive to the unobservable inputs used, professional independent property valuers 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.

As a result of the COVID-19 pandemic, assessing fair value as at the reporting date involved considering uncertainties around the underlying assumptions and inputs to fair value given the forward-looking nature of these assumptions. The COVID-19 pandemic has also created unprecedented economic uncertainty, in particular the absence of a significant level of market transactions which are ordinarily a key source of evidence for assessing the fair value of investment properties. As such, the 30 June 2021 valuation process has been adjusted for the current financial year compared to the process that would typically be followed and adopted in more normalised market conditions. In view of uncertainties and lack of market transactions brought upon by COVID-19, the Group performed independent valuation for all its investment properties and 97% of freehold land and building for the current financial period.

BANYAN TREE GROUP

Notes to the Condensed Interim Financial Statements (Cont'd)

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

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

	Fair value measurements at the end of the reporting period using			
	Group		Company	
	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
June 2021				
Assets				
Associates	20,408	31,790	–	–
December 2020				
Assets				
Associates	15,005	32,173	–	–

(e) *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 receivables, Convertible Bonds and interest-bearing loans and borrowings carry interest which approximates market interest rate. Accordingly, their notional amounts approximate their fair values.

(f) *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 non-current amounts due from subsidiaries, associates, related parties 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.

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for the Half Year ended 30 June 2021

- 1(i) **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 first half year, there were 9,131,112 new shares being issued (1H20: Nil), resulting in an increase in the number of issued shares excluding treasury shares from 840,963,480 since the end of the previous reporting period, ie. as at 31 December 2020, to 850,185,892 shares as at 30 June 2021.

As at 30 June 2021, there are 1,230,200 (1H20: 1,321,500) shares held as treasury shares against the total number of issued shares excluding treasury shares of 850,185,892 (1H20: 840,043,480).

As at 30 June 2021, up to 191,559,320 (1H20: Nil) new shares of the Company may be issued upon the conversion of the Convertible Bonds as described in the Company's announcements dated 3 August 2020 and 5 August 2020.

Issuance of shares from vesting of share awards

During the first half year, no share awards (1H20: Nil) were vested under the Performance Share Plan. 91,300 share awards (1H20: 248,500) were vested under the Restricted Share Plan for initial awards issued for FY2018.

Grant and cancellation of share awards

Performance Share Plan

During the first half year, 210,000 share awards were granted (1H20: 210,000) and 135,000 share awards were cancelled (1H20: 120,000) under the Banyan Tree Performance Share Plan. As at 30 June 2021, initial awards for 600,000 shares (As at 30 June 2020: 525,000) have been granted under the plan which will vest upon meeting specified performance conditions.

Restricted Share Plan

During the first half year, 318,750 share awards were granted (1H20: 345,000) and 109,100 shares were cancelled (1H20: 335,400) under the Banyan Tree Restricted Share Plan. As at 30 June 2021, initial awards for 518,750 shares (As at 30 June 2020: 463,600) have been granted under the plan which will vest upon meeting specified performance conditions.

- 1(ii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	30-Jun-21 No. of shares	31-Dec-20 No. of shares
Number of issued shares excluding Treasury shares	850,185,892	840,963,480

- 1(iii) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

	30-Jun-21 No. of shares	31-Dec-20 No. of shares
At 1 January	1,321,500	1,570,000
Reissued pursuant to Share-based Incentive Plan	(91,300)	(248,500)
	1,230,200	1,321,500

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for the Half Year ended 30 June 2021 (Cont'd)

- 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 paragraph 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 2020.

- 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 2020, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2021. The adoption of the standards and interpretations does not have material impact to the financial statements in the period of initial application.

- 6 Earnings per ordinary share of the group for the current financial period reported and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

(a) Based on the weighted average number of ordinary shares on issue; and

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

	6 months ended 30 Jun	
	2021	2020
a) Based on the weighted average number of ordinary shares on issue (cents)	(5.04)	(5.85)
b) On fully diluted basis (cents)	(5.04)	(5.85)

(i) The basic earnings per ordinary share for the 6 months period and the same period last year have been calculated based on the weighted average number of 844,640,638 and 839,919,230 ordinary shares respectively.

(ii) For the 6 months period ended 30 June 2021 and 30 June 2020, contingently issuable shares under the Banyan Tree Performance Share Plan and Convertible Bonds 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 6 months period ended 30 June 2021 and 30 June 2020.

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for the Half Year ended 30 June 2021 (Cont'd)

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group As at		Company As at	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Net asset value per ordinary share based on issued share capital* at the end of the Period (S\$)	0.60	0.67	0.51	0.55

* Ordinary shares in issue as at 30 June 2021 and 31 December 2020 are 850,185,892 and 840,963,480 shares respectively.

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			
	6 months ended 30 Jun		2021 vs 2020 Incr/(Decr)	
	2021 (S\$'000)	2020 (S\$'000)	(S\$'000)	%
Hotel Investments	22,522	48,155	(25,633)	-53%
Property Sales	17,433	12,671	4,762	38%
- Hotel Residences	13,198	7,827	5,371	69%
- Laguna Property Sales	4,235	4,844	(609)	-13%
Fee-based Segment	16,512	14,538	1,974	14%
- Hotel/Fund/Club Management	9,914	4,706	5,208	111%
- Spa/Gallery Operations	3,178	4,860	(1,682)	-35%
- Design and Others	3,420	4,972	(1,552)	-31%
Revenue	56,467	75,364	(18,897)	-25%

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for the Half Year ended 30 June 2021 (Cont'd)

B) PROFITABILITY

	Group			
	6 months ended 30 Jun		2021 vs 2020	
	2021 (S\$'000)	2020 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	(9,240)	(395)	(8,845)	nm
Property Sales	4,076	(13,410)	17,486	nm
- Hotel Residences	4,201	(7,979)	12,180	nm
- Laguna Property Sales	(125)	(5,431)	5,306	-98%
Fee-based Segment	2,894	(4,852)	7,746	nm
- Hotel/Fund/Club Management	3,110	(2,384)	5,494	nm
- Spa/Gallery Operations	1,174	(1,062)	2,236	nm
- Design and Others	(1,390)	(1,406)	16	-1%
Head Office Expenses	(15,288)	(8,332)	6,956	83%
Other Income (net)	1,175	830	345	42%
Operating Loss (EBITDA)	(16,383)	(26,159)	9,776	-37%
Loss attributable to owners of the Company (PATMI)	(42,604)	(49,148)	6,544	-13%

C) BUSINESS SEGMENTS REVIEW

i) Hotel Investments segment

Hotel Investments segment achieved revenue of S\$22.5 million in 1H21, a decrease of 53% or S\$25.7 million compared to S\$48.2 million in 1H20. The decrease in revenue was mainly from Thailand (S\$30.9 million) as it was still subject to border controls and countries around the world had imposed travel restrictions to Thailand since 2Q20. On the other hand, Maldives re-opened its borders in July 2020 and reported revenue of S\$16.6 million which was S\$5.1 million higher than the same period last year. For 1H21, Thailand reported occupancy of 13% and Revenue per Available Room ("RevPAR") of S\$7 which was 18 percentage points and 88% lower than the same period last year, respectively. For Maldives, Occupancy was 51% vs 30% in 1H20, RevPAR increased by 53% from S\$130 in 1H20 to S\$198 in 1H21.

Operating Loss increased by S\$8.8 million from S\$0.4 million in 1H20 to S\$9.2 million in 1H21 largely due to lower revenue as mentioned earlier, but partly offset by lower operating expenses.

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for the Half Year ended 30 June 2021 (Cont'd)

C) BUSINESS SEGMENTS REVIEW (Cont'd)

ii) Property Sales segment

Revenue from the Property Sales segment increased by S\$4.8 million or 38% to S\$17.4 million in 1H21 as a higher average value of units sold were recognised in 1H21 as compared to the same period last year.

For 1H21, a total of 11 units of Angsana Beachfront Residences, Cassia Phuket, Laguna Park Villas and Laguna Village Residences were recognised. In comparison, 16 units of Cassia Phuket, Cassia Bintan, Laguna Park townhomes/villas, Laguna Village Residences and Banyan Tree Spa Pool villas were recognised in 1H20.

Deposits for 51 new units with total sales value of S\$30.9 million were received in 1H21 compared to 61 new units sold with total sales value of S\$29.8 million, a 4% increase in gross value.

Overall unrecognised revenue as at 30 June 2021 was S\$112.3 million as compared to S\$151.4 million as at 30 June 2020. Barring unforeseen circumstances, the Group expects to recognise S\$20.5 million in second half of 2021.

Operating profit increased by S\$17.5 million from a loss of S\$13.4 million to a profit of S\$4.1 million in 1H21. This was mainly due to lower one-off write-down of property development costs (S\$14.3 million) and severance payments (S\$0.6 million) in 1H20. If excluding one-off losses, operating profit would have increased by S\$2.6 million.

iii) Fee-based segment

Revenue from the Fee-based segment increased by S\$2.0 million or 14% to S\$16.5 million in 1H21. This was mainly due to higher management fees from our hotels in China and Mexico which had benefited from strong domestic demand in the absence of international tourism. In addition, we also recorded higher royalty income from property development projects in China and Dubai. This is partially offset by lower recognition of architectural and design fees from projects based on project milestones.

Operating profit increased by S\$7.8 million from a loss of S\$4.9 million to a profit of S\$2.9 million in 1H21 mainly due to higher revenue as mentioned above and lower headcount and salary costs as a result of group-wide restructuring exercise since April 2020 and the absence of one-off severance payments of S\$2.5million paid to employees in 1H20.

In comparison, if management fees of those resorts which the Group has a majority interest in were not eliminated on consolidation, operating profit would have been S\$4.3 million in 1H21 as compared to a loss of S\$1.6 million in 1H20.

iv) Head Office

Head office expenses increased by S\$7.0 million to S\$15.3 million in 1H21 mainly due to one-off fair value loss on Convertible Bonds of S\$10.4 million partially cushioned by absence of one-off severance payment made in 1H20. Excluding the one-off losses, head office expenses decreased by S\$2.6 million from S\$7.5 million in 1H20 to S\$4.9 million in 1H21 mainly due to lower headcount and salary costs and lower provision for loss allowance.

v) Operating Loss

Overall, Operating Loss decreased by S\$9.8 million from S\$26.2 million in 1H20 to S\$16.4 million in 1H21. This was largely due to higher operating loss from Hotel Investments segment, but partially cushioned by higher operating profit from Property Sales and Fee-based segment and lower head office expenses as explained above.

If excluding one-off losses, Operating Loss would have been S\$4.8 million in 1H21 which was in-line with 1H20. The one-off losses in 1H21 relates to fair value losses on Convertible Bonds (S\$10.4 million) and write-down of property development costs (S\$1.2 million) and the one-off losses in 1H20 relate to severance payments (S\$7.0 million) and write-down of property development costs (S\$14.3 million).

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 FY20's results commentary or business update on 10 June 2021.

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for the Half Year ended 30 June 2021 (Cont'd)

- 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.**

Market Conditions and Business Trends

The COVID-19 pandemic remains an evolving situation around the world with new variants emerging. As reported by UNWTO, accelerating the pace of vaccination worldwide, working on effective coordination and communication on ever changing travel restrictions while leveraging on digital tools for safe entry requirements will be critical to rebuild trust in travel and restart tourism. For the rest of 2021, international tourism is expected to pick up, though recovery remains very fragile and uneven. Vaccination programmes around the world, together with relaxed entry conditions for vaccinated travellers and the use of digital tools such as the EU Digital COVID Certificate, are all contributing to the somewhat gradual normalization of travel. However, rising concerns over the Delta variant of the virus may lead countries to consider tightening some travel entry border conditions depending on pandemic related cases. Domestic travel continues to drive the recovery in many destinations, especially those with large domestic markets. Domestic air seat capacity for our China market has already exceeded pre-crisis levels.

Under the Thai government's roadmap to reopening Thailand, the Phuket Sandbox program was launched on 1 July 2021 in Phuket, Thailand where a majority of the Group's owned hotels are located. Under this program, vaccinated tourists will be allowed to visit Phuket without any quarantine period for at least 14 days, after which they are free to travel to other parts of Thailand. According to Tourism Authority of Thailand (TAT), about 300,000 rooms are booked until the end of August in health safety certified hotels, with nearly 13,000 arrivals and 124 flights after 28 days, with more scheduled. The Group's owned hotels in Phuket witnessed increased occupancy since July 1 with international travelers accounting for approximately 60% of guest mix. Forward bookings as a result of international arrivals have increased by double in July and August when compared to 2 months prior to 1 July 2021.

For Fee-based segment, our managed hotels in China and Mexico are currently performing above Pre COVID-19 levels due to strong demand domestically and relaxed entry conditions in Mexico. Overall forward bookings for China and Mexico are 38% and 255% higher than the same period last year, respectively. Design and project services segment will perform in line with expected progress in new hotel development and openings.

On Property Sales segment, deposits for 51 new units with total value of S\$30.9 million were received in 1H21 vs 61 new units with total sales value of S\$29.8 million in 1H20. As at 30 June 2021, the Group has unrecognised revenue of S\$112.3 million compared to S\$151.4 million as at 30 June 2020. The Group expects revenue recognition of about 18% (S\$20.5 million) in 2H21.

Maximizing working capital and maintaining financial liquidity remain to be the focus for the Group. For 1H21 the Group has secured term loans and re-profiled its short term borrowings into long term loans totaling S\$70 million of approximately 16% of total bank loans. Proceeds from sale of development land in Queensland which is an opportunistic transaction in light of rising property market in Australia, is also expected to be received before end of August 2021. The Group continues positive discussions with its relationship banks to extend or term out loan maturity profiles. Collection of amounts due from associates for approximately S\$50 million is currently progressing to facilitate cross border remittance of the receivables.

New Openings

In 1H21, the Group opened 2 new properties - Dhawa Quzhou (China) and Angsana Corfu (Greece) and signed 13 Hotel Management Agreements and 2 Franchise Agreements. With 10 resorts opening in next 12 months, it will span across 5 geographies namely Indonesia, China, Qatar, Mozambique and Saudi Arabia, being its newest market. Over the next 3 years, 43 new properties are expected to open in line with the Group's ambition to double its operating footprint by 2025. Barring no further delay arising from the impact of the COVID-19 pandemic, the Group expects to open the following 10 new resorts in the next 12 months, representing a 19% increase in total room key count:

- i. Buahan, A Banyan Tree Escape, Bali, Indonesia
- ii. Angsana Saranam Wellness Resort, Bali, Indonesia
- iii. Banyan Tree Nanjing Garden Expo, Jiangsu, China
- iv. Banyan Tree Doha At La Cigale Mushaireb, Doha, Qatar
- v. Dhawa Jinan Daming Lake, Shandong, China
- vi. Banyan Tree Ilha Caldeira, Topiuto Islands, Mozambique
- vii. Angsana Tengchong, Yunnan, China
- viii. Garrya Huzhou Lucun, Zhejiang, China
- ix. Banyan Tree AlUla, Saudi Arabia
- x. Dhawa Xian Chanba, Shaanxi, China

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for the Half Year ended 30 June 2021 (Cont'd)

11 If a decision regarding dividend has been made:-

(a) Current financial period reported on. State the amount per share.

Any dividend declared for the current financial period reported on? No

(b) Corresponding period of the immediately preceding financial year. State the amount per share.

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Whether the dividend is before tax, net of tax, or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books disclosure date

Not applicable.

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

The COVID-19 Pandemic has an adverse impact globally on the travel and tourism industry. With cross border controls and travel restrictions remaining in place around most part of the world, the Group's hotel business in destinations which essentially rely on international travellers continues to be negatively affected. The Group has implemented various cash conservation measures to mitigate the financial and operational effects arising from the economic consequences of COVID-19 pandemic. These measures included amongst others reducing operating expenses including payroll from headcount rationalization, unpaid leave program and deferral of non-critical capital expenditures. Consequently, for the current financial period, the Board of Directors has not recommended any dividend.

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for the Half Year ended 30 June 2021 (Cont'd)

13 Interested Persons Transactions for the Half Year ended 30 June 2021

	Interested Person Transactions	Nature of relationship	Aggregate value of all interested person transactions for 1st half 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 for 1st half year (excluding transactions less than S\$100,000) in S\$'000
[A]	Transactions with the Tropical Resorts Limited Group ("TRG")	An associate of the Company's controlling shareholder*		
a	Provision of Resort Management and Related Services to TRG		-	104
b (i)	Reimbursement of Expenses - to TRG		-	188
b (ii)	Reimbursement of Expenses - from TRG		-	134
[B]	Transactions with Lumayan Indah Sdn Bhd	An associate of the Company's controlling shareholder*		
a	Provision of Hotel/Resort Management and Related Services to Banyan Tree Kuala Lumpur		166	-
	Total		166	426

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

14 Confirmation that the issuer has procured undertakings from all its directors and executive officers

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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

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

BY ORDER OF THE BOARD

Moy Keen Choy
Company Secretary
13 August 2021