

BANYAN TREE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number 200003108H)

RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE LIMITED (“SGX”) ON COMPANY’S ANNOUNCEMENT OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (“Announcement”)

The Board of Directors (the “Board”) of Banyan Tree Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) would like to announce the following in response to the queries raised by SGX on the Company’s Condensed Interim Financial Statements for the six months ended 30 June 2022.

SGX’s Queries:-**Question 1:**

We refer to the Company's financial statements for the half-year ended 30 June 2022. Please provide a breakdown of the Group's "Long-term receivables" as well as its non-current "Other receivables" and "Amounts due from related parties". Please provide the Board's assessment of the recoverability of these non-current receivables.

Company’s Response:

The Board’s assessment on the recoverability of the non-current receivables is as follows.

The “Long-term receivables” (S\$15.9 million) consist of mainly non-current portion of property sales receivables which are repayable under scheduled instalment plans. The Group had no collection issues relating to the property sales receivables. Furthermore, these property sales receivables are secured by property assets and the Group can repossess the property assets and sell them if any debtor fails to pay these receivables.

The non-current “Other receivables” (S\$4.1 million) consist of refundable deposits relating to management agreement (S\$2.1 million), deposits pledged with a financial institution as security for a loan (S\$1.5 million) and other refundable deposits for office rental, utility and insurance (S\$0.5 million). Since these deposits are largely held with reputable organizations and financial institutions, the Group expects the deposits to be fully recoverable.

The “Amounts due from related parties” (S\$2.5 million) were receivables from outstanding management fees payable by two resorts in Bintan which are owned by certain related parties. With the re-opening of international borders in Bintan since March 2022, international travelers have resumed tourism visits to Bintan and consequently, an improvement in operational cash flows for the two resorts. The Group believes there will be no issues recovering the carrying value of these receivables.

Question 2:

We note that the Group has significant current "Other payables" of S\$117 million. Please provide a breakdown of these other payables. For the amount due to Banyan Tree Assets (China) Holdings Pte. Ltd., please provide the background and update of the settlement which was scheduled to be completed by 31 December 2022. Please also clarify the potential impact on the financial statements upon such settlement.

Company's Response:

The current "Other payables" of S\$117 million consist of a loan from Banyan Tree Assets (China) Holdings Pte Ltd ("BTAC") (S\$79 million), accrued operating expenses (S\$30.8 million), sundry creditors (S\$6.1 million), accrued service charges & deposits (S\$1.1 million).

As disclosed in Note 37 of Financial Statements of the Group's Annual Report 2021, loan from BTAC can be settled simultaneously against Redeemable Convertible Preference Shares ("RCPS") of S\$72 million and receivables from BTAC of S\$7 million which are recorded respectively under current Investments (Note 23) and current Other receivables (Note 28). The Group expects to complete the settlement with BTAC by 31 December 2022. The redemption of the RCPS under current Investments of S\$72 million and the repayment of current Other receivables of S\$7 million can be correspondingly settled against the loan from BTAC thereby resulting in the reduction of current Other payables by S\$79 million.

Question 3:

We refer to Appendix 7.2, paragraph 12 of the Listing Manual. It is stated that if no dividend is declared, the Company is required to explain the reason why. Please provide the reasons for not declaring dividends in respect of the current financial period.

Company's Response:

Whilst the Group had witnessed an upturn in 1H22 financial results, operating performance is still below 2019 pre-pandemic levels. In addition, major destinations including our key markets in China remained closed to non-essential travel. The business environment is susceptible to geo-political and macro-economic risks brought about by the military conflict in Ukraine and inflation risk. As a result of the foregoing, the Group would continue to adopt a prudent and cost discipline approach and consequently, no dividend has been recommended in 1H22 financial period.

By Order of the Board

Moy Keen Choy
Company Secretary
16 August 2022