

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 2023

BANYAN TREE GROUP

Table of Contents

A	Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	2
B	Condensed Interim Balance Sheets.....	6
C	Condensed Interim Consolidated Cash Flow Statement.....	9
D	Condensed Interim Statements of Changes in Equity.....	11
E	Notes to the Unaudited Condensed Interim Financial Statements	14
F	Other Information Required by Listing Rule Appendix 7.2.....	46

BANYAN TREE GROUP

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Period ended 30 June 2023

	Explanatory <u>Notes</u>	Group 6 months ended 30 Jun		
		2023 (S\$'000)	2022 (S\$'000)	Incr/ (Decr) %
Revenue	1	143,747	118,624	21%
Other income	2	981	16,071	-94%
Costs and expenses				
Cost of operating supplies		(10,319)	(7,667)	35%
Cost of properties sold		(9,309)	(19,130)	-51%
Salaries and related expenses		(46,449)	(31,921)	46%
Administrative expenses		(20,769)	(24,530)	-15%
Sales and marketing expenses		(6,343)	(4,332)	46%
Other operating expenses		(31,459)	(20,282)	55%
Impairment losses on financial assets		(1,411)	(373)	278%
Total costs and expenses	3	(126,059)	(108,235)	16%
Profit before interests, taxes, depreciation and amortisation ("Operating Profit")	4	18,669	26,460	-29%
Depreciation of property, plant and equipment and right-of-use assets		(11,444)	(9,480)	21%
Amortisation expense		(442)	(435)	2%
Profit from operations and other gains		6,783	16,545	-59%
Finance income		1,396	985	42%
Finance costs	5	(10,687)	(11,827)	-10%
Share of results of associates	6	2,560	(2,114)	nm
Profit before taxation		52	3,589	-99%
Income tax credit/(expense)	7	1,306	(3,736)	nm
Profit/(Loss) after taxation	8	1,358	(147)	nm
Attributable to:				
Owners of the Company	9	981	514	91%
Non-controlling interests		377	(661)	nm
Profit/(Loss) for the Period		1,358	(147)	nm

BANYAN TREE GROUP

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Period ended 30 June 2023 (Cont'd)

Explanatory Notes	Group 6 months ended 30 Jun		
	2023 (S\$'000)	2022 (S\$'000)	Incr/ (Decr) %
Profit/(Loss) for the Period	1,358	(147)	nm
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	10 (7,663)	(9,059)	-15%
Items that will not be reclassified to profit or loss:			
Adjustment on property revaluation reserve, net of deferred tax	- (296)		-100%
Net fair value gain on equity instruments at fair value through other comprehensive income	3,071 2,731		12%
Total comprehensive expense for the Period	(3,234) (6,771)		-52%
Attributable to:			
Owners of the Company	(2,373) (4,973)		-52%
Non-controlling interests	(861) (1,798)		-52%
	(3,234) (6,771)		-52%

BANYAN TREE GROUP

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

1. Revenue

Revenue increased by S\$25.1 million from S\$118.6 million in 1H22 to S\$143.7 million in 1H23 due to better performance in Hotel Investments and Fee-based segments.

Hotel Investments segment reported higher revenue as revenues from our hotels in Thailand almost doubled over the same period last year as most COVID-related travel restrictions were removed since 2Q22.

For the Fee-based segment, revenue was S\$6.4 million higher due to re-opening of borders in second quarter of 2022 which resulted in improved performance from our managed hotels in Malaysia and Thailand.

For the Property Sales segment, revenue was lower by S\$15.8 million in 1H23 as 1H22 includes recognition of the remaining units of Angsana Beachfront Residences of S\$18.8 million which was completed towards the end of year 2021.

Further detail of these business segments is elaborated in Note 8 of Other Information Required by Listing Rule Appendix 7.2.

2. Other income

Other income decreased by S\$15.1 million from S\$16.1 million in 1H22 to S\$1.0 million in 1H23 mainly due to absence of fair value gain on expiry of derivatives for convertible bonds amounting to S\$15.4 million recorded in 1H22.

3. Total costs and expenses

Total costs and expenses increased by S\$17.9 million from S\$108.2 million in 1H22 to S\$126.1 million in 1H23 due to increase in cost of operating supplies, salaries and related expenses, sales and marketing and other operating expenses but partially cushioned by decrease in cost of properties sold and administrative expenses.

Cost of operating supplies increased by S\$2.7 million, which was in line with higher revenue from Hotel Investments segment.

Cost of properties sold decreased by S\$9.8 million due to the recognition of the remaining units of Angsana Beachfront residences recorded in 1H22.

Salaries and related expenses increased by S\$14.5 million mainly due to increase headcount in hotels in-line with improvement in hotel revenue and provision for bonus and incentives.

Administrative expenses decreased by S\$3.8 million mainly due to lower exchange losses in the current period.

Sales and marketing expenses increased by S\$2.0 million mainly due to higher marketing expenses incurred for hotel sales.

Other operating expenses increased by S\$11.2 million mainly due to higher utilities, commission paid to travel agents, travelling and repair & maintenance.

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

Operating Profit decreased by S\$7.8 million from S\$26.5 million in 1H22 to S\$18.7 million in 1H23. Excluding one-off item relating to fair value gain on convertible bonds in 1H22 of S\$15.4 million, Core Operating Profit¹ would have been S\$7.6 million higher than 1H22 due to strong improvement in Hotel Investments segment, partially offset by lower contribution from Property Sales and Fee-based segments.

¹Core Operating Profit = Operating Profit excluding one-off gains or losses. This is an alternative financial measurement and do not have a standardised meaning prescribed by Singapore Financial Reporting Standards (International).

BANYAN TREE GROUP

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

5. Finance costs

Finance costs decreased by S\$1.1 million mainly due to absence of interest cost on convertible bonds which was redeemed in August 2022.

6. Share of results of associates

The Group's share of associates' profits is S\$2.6 million as compared to losses of S\$2.1 million in 1H22. The improvement of S\$4.7 million was mainly due to share of profits in Indochina Fund as opposed to share of losses in 1H22 due to foreign exchange gain. In addition, the Group has share of profits from its China associates due to strong performance from the managed hotels in China after COVID-related restrictions were lifted in late December 2022.

7. Income tax credit/(expense)

The Group recorded tax credit of S\$1.3 million in 1H23 as compared to an expense of \$3.8 million in 1H22 mainly due to recognition of deferred tax assets for loss-making companies which we expect to generate profits to utilise tax losses in future.

8. Profit/(Loss) after taxation

Profit after taxation was S\$1.4 million in 1H23 as compared to a loss of S\$0.1 million in 1H22. This was mainly due to lower operating profit but partially cushioned by higher finance income, lower finance costs, share of associates' profits and income tax credit.

9. Profit attributable to owners of the Company

As a result of the foregoing, profit attributable to owners of the Company almost doubled to S\$1.0 million for 1H23 as compared to S\$0.5 million for the same period last year.

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

In 1H23, the exchange loss on translation of foreign operations' net assets was mainly due to depreciation of Thai Baht against Singapore dollar. In 1H22, the exchange loss on translation of foreign operations' net assets was mainly due to the depreciation of Thai baht, Sri Lanka rupee and Indonesia rupiah against Singapore dollar.

BANYAN TREE GROUP

Condensed Interim Balance Sheets as at 30 June 2023

Notes	Group As at			Company As at		
	30-Jun-23 (S\$'000)	31-Dec-22 (S\$'000)	Incr/ (Decr) %	30-Jun-23 (S\$'000)	31-Dec-22 (S\$'000)	Incr/ (Decr) %
Non-current assets						
Property, plant and equipment	1	542,899	555,621	-2%	-	-
Right-of-use assets	2	66,067	17,187	284%	-	-
Investment properties		87,209	85,262	2%	-	-
Intangible assets		42,577	38,031	12%	3,833	3,881
Land use rights		2,671	2,731	-2%	-	-
Subsidiaries		-	-	-	500,293	502,259
Associates		103,590	102,669	1%	869	869
Joint ventures		51	51	0%	-	-
Long-term investments		28,492	24,238	18%	-	-
Deferred tax assets		33,055	29,368	13%	-	-
Prepaid island rental		16,251	16,554	-2%	-	-
Prepayments		2,297	1,600	44%	-	-
Long-term receivables		14,710	17,052	-14%	-	-
Other receivables		2,355	2,490	-5%	-	-
Amounts due from related parties		-	269	-100%	-	-
	942,224	893,123	5%	504,995	507,009	0%
Current assets						
Property development costs		186,412	186,255	0%	-	-
Inventories		5,640	4,463	26%	-	-
Prepayments and other non-financial assets		17,180	14,546	18%	461	403
Trade receivables	3	37,776	47,854	-21%	28	112
Other receivables		13,786	14,406	-4%	1,033	1,045
Contract assets		1,627	1,557	4%	-	-
Amounts due from subsidiaries		-	-	-	176,285	171,582
Amounts due from associates		34,310	30,072	14%	10,139	10,334
Amounts due from related parties		306	96	219%	22	18
Investments		72,149	72,149	0%	-	-
Cash and short-term deposits		69,272	92,795	-25%	14,013	29,673
	438,458	464,193	-6%	201,981	213,167	-5%
Total assets		1,380,682	1,357,316	2%	706,976	720,176
Current liabilities						
Tax payable		8,833	9,134	-3%	-	-
Other non-financial liabilities		14,924	13,134	14%	1,068	1,726
Interest-bearing loans and borrowings	4	105,086	104,237	1%	57,737	42,095
Trade payables		25,020	24,468	2%	-	-
Other payables		123,083	128,777	-4%	5,757	6,696
Contract liabilities	5	122,773	95,038	29%	-	-
Lease liabilities	2	5,749	2,705	113%	-	-
Amounts due to subsidiaries		-	-	-	57,291	54,200
Amounts due to associates		17,944	17,912	0%	-	-
Amounts due to related parties		777	990	-22%	13	13
	424,189	396,395	7%	121,866	104,730	16%
Net current assets		14,269	67,798	-79%	80,115	108,437
						-26%

BANYAN TREE GROUP

Condensed Interim Balance Sheets as at 30 June 2023 (Cont'd)

	Group As at			Company As at		
	30-Jun-23 (S\$'000)	31-Dec-22 (S\$'000)	Incr/ (Decr) %	30-Jun-23 (S\$'000)	31-Dec-22 (S\$'000)	Incr/ (Decr) %
Non-current liabilities						
Deferred tax liabilities	129,750	131,752	-2%	-	-	-
Defined and other long-term employee benefits	5,066	5,016	1%	-	-	-
Deposits received	1,912	1,874	2%	-	-	-
Other non-financial liabilities	22,823	20,958	9%	-	-	-
Interest-bearing loans and borrowings	184,685	233,107	-21%	22,404	42,778	-48%
Other payables	3,574	3,574	0%	-	-	-
Lease liabilities	78,733	31,495	150%	-	-	-
Amounts due to subsidiaries	-	-	-	193,268	194,952	-1%
	426,543	427,776	0%	215,672	237,730	-9%
Total liabilities	850,732	824,171	3%	337,538	342,460	-1%
Net assets	529,950	533,145	-1%	369,438	377,716	-2%
Equity attributable to owners of the Company						
Share capital	250,668	250,668	0%	250,668	250,668	0%
Treasury shares	(500)	(623)	-20%	(500)	(623)	-20%
Reserves	231,996	234,453	-1%	119,270	127,671	-7%
Non-controlling interests	482,164	484,498	0%	369,438	377,716	-2%
	47,786	48,647	-2%	-	-	-
Total equity	529,950	533,145	-1%	369,438	377,716	-2%

BANYAN TREE GROUP

Explanatory Notes to the Condensed Interim Balance Sheets

1. Property, plant and equipment

Property, plant and equipment decreased by S\$12.7 million to S\$542.9 million as at 30 June 2023. The decrease was mainly due to downward currency translation adjustment on opening balance due to weakening of Thai baht against Singapore dollars and depreciation during the period but partially cushioned by purchase of property, plant and equipment.

2. Right-of-use assets and lease liabilities

The Group entered into an operating lease agreement with a third party for Angsana Velavaru, Maldives for a period of 10 years commencing 1 February 2023. As a result, the Group recognised right-of-use assets and lease liabilities relating to present value of future operating lease payments amounting to S\$51.6 million.

3. Trade receivables

Trade receivables reduced by S\$10.1 million mainly due to collections from property sales buyers and travel agents and credit card companies for hotel operations.

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

Current and non-current interest-bearing loans and borrowings decreased by S\$47.6 million mainly due to partial redemption of Aareal Bank loan of S\$6.9 million, repayment of short-term loans of S\$21.6 million and other scheduled repayments during the year. Current portion of interest-bearing loans and borrowings included short-term loans and RCF of S\$54.4 million. All RCF were rolled-over in 1H23. There is no indication that these facilities would not continue to be rolled-over.

5. Contract liabilities

Contract liabilities increased by S\$27.7 million to S\$122.8 million mainly due to deposits received from property sales buyers in the current period.

BANYAN TREE GROUP

Condensed Interim Consolidated Cash Flow Statement for the Financial Period ended 30 June 2023

	Group 6 months ended 30 Jun	
	2023 (\$'000)	2022 (\$'000)
Cash flows from operating activities		
Profit before taxation	52	3,589
Adjustments for:		
Share of results of associates	(2,560)	2,114
Depreciation of property, plant and equipment and right-of-use assets	11,444	9,480
(Gain)/Loss on disposal of property, plant and equipment	(195)	10
Allowance for impairment loss on property, plant and equipment, net	-	169
Write off of property, plant and equipment	8	24
Finance income	(1,396)	(985)
Finance costs	10,687	11,827
Amortisation expense	442	435
Write-back of loss allowance on financial assets	(886)	(370)
Provision for loss allowance on financial assets	2,297	743
Allowance for inventory obsolescence	6	96
Provision for employee benefits	192	210
Provision for share-based payment expenses	41	34
Gain on expiry of derivatives	-	(15,384)
Currency realignment	1,896	(2,383)
Operating Profit before working capital changes	22,028	9,609
Increase in inventories	(1,252)	(174)
(Increase)/Decrease in property development costs	(8,284)	3,819
Decrease in contract assets, trade and other receivables	6,199	3,927
(Increase)/Decrease in amounts due from related parties	(4,614)	1,872
Increase in contract liabilities, trade and other payables	26,197	20,188
	18,246	29,632
Cash flows generated from operating activities		
Interest received	40,274	39,241
Interest paid	1,417	985
Tax paid	(7,496)	(10,752)
Payment of employee benefits	(2,010)	(2,306)
Payment of cash-settled share grants	(9)	(83)
Net cash flows generated from operating activities	32,125	27,070
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,968)	(3,743)
Proceeds from disposal of property, plant and equipment	200	150
Dividend income from associate	744	769
Subsequent expenditure on investment properties	(410)	(78)
Additions to intangible assets	-	(237)
Net cash flows used in investing activities	(7,434)	(3,139)
Cash flows from financing activities		
Proceeds from bank loans	10,470	4,546
Repayment of bank loans	(52,796)	(14,900)
Payment of principal portion of lease liabilities	(4,684)	(832)
Net cash flows used in financing activities	(47,010)	(11,186)
Net (decrease)/increase in cash and short-term deposits	(22,319)	12,745
Net foreign exchange difference	(1,204)	(1,740)
Cash and short-term deposits at beginning of financial period	92,795	112,326
Cash and short-term deposits at end of the financial period	69,272	123,331
Cash and cash equivalents	67,101	115,860
Restricted cash	2,171	7,471
Total cash and short-term deposits as shown above	69,272	123,331

BANYAN TREE GROUP

Explanatory Notes to the Condensed Interim Consolidated Cash Flow Statement

The Group's cash and short-term deposits decreased by S\$54.0 million or 44% from S\$123.3 million as at 30 June 2022 to S\$69.3 million as at 30 June 2023.

1H23

For the six months ended 30 June 2023, net cash flows generated from operating activities was S\$32.1 million. This was mainly due to adjustments for non-cash items of S\$22.0 million and increase in working capital of S\$18.2 million but partially offset by net interest paid of S\$6.1 million and tax paid of S\$2.0 million.

Net cash flows used in investing activities was S\$7.4 million, mainly due to purchases of furniture, fittings and equipment by the Group's resorts for their operations of S\$8.0 million.

Net cash flows used in financing activities amounted to S\$47.0 million, mainly due to repayments of bank borrowings of S\$52.8 million and payment of lease liabilities of S\$4.7 million mainly relating to our Maldives islands. This was partially cushioned by additional bank borrowings of S\$10.5 million.

BANYAN TREE GROUP

Condensed Interim Statements of Changes in Equity for the Financial Period ended 30 June 2023

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 2023	250,668	(623)	7,962	8,388	208,243	(66,087)	16,461	59,486	484,498	48,647	533,145
Profit after taxation	-	-	-	-	-	-	-	981	981	377	1,358
Other comprehensive loss for the Period	-	-	-	-	-	(6,425)	3,071	-	(3,354)	(1,238)	(4,592)
Total comprehensive loss for the Period	-	-	-	-	-	(6,425)	3,071	981	(2,373)	(861)	(3,234)
<u>Contributions by and distributions to owners</u>											
Treasury shares reissued pursuant to Share-based Incentive Plan	-	123	(68)	-	-	-	(55)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	39	-	-	-	-	-	39	-	39
Total transactions with owners in their capacity as owners	-	123	(29)	-	-	-	(55)	-	39	-	39
<u>Other changes in equity</u>											
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(193)	-	-	193	-	-	-
Total other changes in equity	-	-	-	-	(193)	-	-	193	-	-	-
Balance as at 30 June 2023	250,668	(500)	7,933	8,388	208,050	(72,512)	19,477	60,660	482,164	47,786	529,950

* 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 2023 (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 2022	247,578	(706)	7,914	8,384	205,223	(58,662)	21,470	57,049	488,250	49,835	538,085
Loss after taxation	-	-	-	-	-	-	-	514	514	(661)	(147)
Other comprehensive loss for the Period	-	-	-	-	(296)	(7,922)	2,731	-	(5,487)	(1,137)	(6,624)
Total comprehensive loss for the Period	-	-	-	-	(296)	(7,922)	2,731	514	(4,973)	(1,798)	(6,771)
<u>Contributions by and distributions to owners</u>											
Treasury shares reissued pursuant to Share-based Incentive Plan	-	83	(44)	-	-	-	(39)	-	-	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	19	-	-	-	-	-	19	-	19
Issue of new shares	3,090	-	-	-	-	-	-	-	3,090	-	3,090
Total transactions with owners in their capacity as owners	3,090	83	(25)	-	-	-	(39)	-	3,109	-	3,109
<u>Other changes in equity</u>											
Transfer to accumulated profits upon disposal of asset	-	-	-	-	(1,009)	-	-	1,009	-	-	-
Total other changes in equity	-	-	-	-	(1,009)	-	-	1,009	-	-	-
Balance as at 30 June 2022	250,668	(623)	7,889	8,384	203,918	(66,584)	24,162	58,572	486,386	48,037	534,423

* 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 2023 (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 2023	250,668	(623)	7,962	4,523	115,186	377,716
Total comprehensive loss for the Period	-	-	-	-	(8,317)	(8,317)
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	-	123	(68)	(55)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	39	-	-	39
Total transactions with owners in their capacity as owners	-	123	(29)	(55)	-	39
Balance as at 30 June 2023	250,668	(500)	7,933	4,468	106,869	369,438
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 2022	247,578	(706)	7,914	4,562	166,646	425,994
Total comprehensive profit for the Period	-	-	-	-	3,095	3,095
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	-	83	(44)	(39)	-	-
Issuance of share grants pursuant to Share-based Incentive Plan	-	-	19	-	-	19
Issue of new shares	3,090	-	-	-	-	3,090
Total transactions with owners in their capacity as owners	3,090	83	(25)	(39)	-	3,109
Balance as at 30 June 2022	250,668	(623)	7,889	4,523	169,741	432,198

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

BANYAN TREE GROUP

Notes to the Unaudited 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 2023 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 2023 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 2022.

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.

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.

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 2022.

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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

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 2022.

Key sources of estimation uncertainty

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

(i) *Impairment of intangible assets*

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

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amount is most sensitive to the discount rate applied to the cash flow projections used in the discounted cash flow model 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) *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. 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 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 Unaudited Condensed Interim Financial Statements

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

2.3 Significant accounting estimates and judgments (cont'd)

Key sources of estimation uncertainty (cont'd)

(ii) *Loss allowance for trade and non-trade receivables (con'td)*

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.

(iii) *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, taking into consideration any significant changes to economic and market conditions. 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 carrying amounts, 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.

(iv) *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 Unaudited Condensed Interim Financial Statements

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 investments \$'000	Property sales \$'000	Fee-based segment \$'000	Head Office \$'000	Total \$'000
<i>Period ended 30 June 2023</i>					
<i>Revenue:</i>					
Segment revenue					
Sales	95,380	20,792	39,868	–	156,040
Inter-segment sales	(88)	–	(12,205)	–	(12,293)
 Sales to external customers	 95,292	 20,792	 27,663	 –	 143,747
<i>Results:</i>					
Segment results	8,729	969	4,491	(8,387)	5,802
 Unallocated income	 –	 –	 –	 –	 981
Profit from operations and other gains	42	830	73	451	6,783
Finance income	(7,657)	(192)	(256)	(2,582)	1,396
Finance costs	–	–	–	–	(10,687)
Share of results of associates	–	–	–	2,560	2,560
 Profit before taxation	 –	 –	 –	 –	 52
Income tax credit	–	–	–	–	1,306
 Profit for the financial period	 –	 –	 –	 –	 1,358

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

4.1 Reportable segments (cont'd)

	Hotel investments \$'000	Property sales \$'000	Fee-based segment \$'000	Head Office \$'000	Total \$'000
<i>Period ended 30 June 2023</i>					
<i>Other segment information:</i>					
Capital expenditure	7,455	42	201	270	7,968
Depreciation of property, plant and equipment and right-of-use assets	10,258	613	516	57	11,444
Amortisation expense	394	—	—	48	442
Other non-cash items	644	698	127	(58)	1,411
<i>Period ended 30 June 2023</i>					
<i>Assets and liabilities:</i>					
Segment assets	507,369	341,184	236,984	158,449	1,243,986
Associates	—	—	—	103,590	103,590
Joint ventures	—	—	—	51	51
Deferred tax assets	12,280	19,148	782	845	33,055
Total assets					1,380,682
Segment liabilities	141,737	126,095	57,862	96,684	422,378
Interest-bearing loans and borrowings	192,664	14,876	2,090	80,141	289,771
Current and deferred tax liabilities	29,917	82,890	21,508	4,268	138,583
Total liabilities					850,732

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

4.1 Reportable segments (cont'd)

	Hotel invest- ments \$'000	Property sales \$'000	Fee- based segment \$'000	Head Office \$'000	Total \$'000
<i>Period ended 30 June 2022</i>					
<i>Revenue:</i>					
Segment revenue					
Sales	60,858	36,555	28,979	—	126,392
Inter-segment sales	(83)	—	(7,685)	—	(7,768)
<hr/>					
Sales to external customers	60,775	36,555	21,294	—	118,624
<hr/>					
<i>Results:</i>					
Segment results	(6,487)	9,188	5,898	(8,125)	474
<hr/>					
Unallocated income					16,071
<hr/>					
Profit from operations and other gains					16,545
Finance income	8	837	99	41	985
Finance costs	(4,787)	(543)	(403)	(6,094)	(11,827)
Share of results of associates	4	—	—	(2,118)	(2,114)
<hr/>					
Profit before taxation					3,589
Income tax expense					(3,736)
<hr/>					
Loss for the financial period					(147)
<hr/>					
<i>Other segment information:</i>					
Capital expenditure	3,411	124	146	62	3,743
Depreciation of property, plant and equipment and right-of-use assets	8,353	563	518	46	9,480
Amortisation expense	392	—	—	43	435
Other non-cash items	38	(156)	130	361	373
<hr/>					

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

4.1 Reportable segments (cont'd)

	Hotel invest- ments \$'000	Property sales \$'000	Fee- based segment \$'000	Head Office \$'000	Total \$'000
<i>Year ended 31 December 2022</i>					
<i>Assets and liabilities:</i>					
Segment assets	476,885	337,560	264,228	146,555	1,225,228
Associates	—	—	—	102,669	102,669
Joint ventures	—	—	—	51	51
Deferred tax assets	8,149	19,763	793	663	29,368
Total assets					1,357,316
Segment liabilities	104,257	85,523	57,973	98,188	345,941
Interest-bearing loans and borrowings	228,974	21,235	2,262	84,873	337,344
Current and deferred tax liabilities	31,437	83,426	21,527	4,496	140,886
Total liabilities					824,171

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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 period is as follows:

Segments	Hotel investments		Property sales		Fee-based segment		Total revenue																																																																									
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000																																																																								
6 months ended 30 June:																																																																																
Primary geographical markets																																																																																
<table> <tbody> <tr> <td>Singapore</td><td>—</td><td>—</td><td>—</td><td>—</td><td>128</td><td>262</td><td>128</td><td>262</td></tr> <tr> <td>South East Asia</td><td>70,498</td><td>35,127</td><td>20,792</td><td>36,555</td><td>14,154</td><td>8,912</td><td>105,444</td><td>80,594</td></tr> <tr> <td>Indian Oceania</td><td>23,606</td><td>25,259</td><td>—</td><td>—</td><td>199</td><td>158</td><td>23,805</td><td>25,417</td></tr> <tr> <td>Middle East</td><td>—</td><td>—</td><td>—</td><td>—</td><td>970</td><td>1,416</td><td>970</td><td>1,416</td></tr> <tr> <td>North East Asia</td><td>—</td><td>—</td><td>—</td><td>—</td><td>4,845</td><td>4,433</td><td>4,845</td><td>4,433</td></tr> <tr> <td>Rest of the world</td><td>1,188</td><td>389</td><td>—</td><td>—</td><td>7,367</td><td>6,113</td><td>8,555</td><td>6,502</td></tr> <tr> <td></td><td>95,292</td><td>60,775</td><td>20,792</td><td>36,555</td><td>27,663</td><td>21,294</td><td>143,747</td><td>118,624</td></tr> </tbody> </table>									Singapore	—	—	—	—	128	262	128	262	South East Asia	70,498	35,127	20,792	36,555	14,154	8,912	105,444	80,594	Indian Oceania	23,606	25,259	—	—	199	158	23,805	25,417	Middle East	—	—	—	—	970	1,416	970	1,416	North East Asia	—	—	—	—	4,845	4,433	4,845	4,433	Rest of the world	1,188	389	—	—	7,367	6,113	8,555	6,502		95,292	60,775	20,792	36,555	27,663	21,294	143,747	118,624									
Singapore	—	—	—	—	128	262	128	262																																																																								
South East Asia	70,498	35,127	20,792	36,555	14,154	8,912	105,444	80,594																																																																								
Indian Oceania	23,606	25,259	—	—	199	158	23,805	25,417																																																																								
Middle East	—	—	—	—	970	1,416	970	1,416																																																																								
North East Asia	—	—	—	—	4,845	4,433	4,845	4,433																																																																								
Rest of the world	1,188	389	—	—	7,367	6,113	8,555	6,502																																																																								
	95,292	60,775	20,792	36,555	27,663	21,294	143,747	118,624																																																																								
Major product or service lines																																																																																
<table> <tbody> <tr> <td>Hotel investments</td><td>95,292</td><td>60,775</td><td>—</td><td>—</td><td>—</td><td>—</td><td>95,292</td><td>60,775</td></tr> <tr> <td>Property sales</td><td>—</td><td>—</td><td>20,792</td><td>36,555</td><td>—</td><td>—</td><td>20,792</td><td>36,555</td></tr> <tr> <td>Management services</td><td>—</td><td>—</td><td>—</td><td>—</td><td>21,672</td><td>15,386</td><td>21,672</td><td>15,386</td></tr> <tr> <td>Spa operation</td><td>—</td><td>—</td><td>—</td><td>—</td><td>1,158</td><td>1,217</td><td>1,158</td><td>1,217</td></tr> <tr> <td>Project and design services</td><td>—</td><td>—</td><td>—</td><td>—</td><td>2,242</td><td>2,121</td><td>2,242</td><td>2,121</td></tr> <tr> <td>Merchandise sales</td><td>—</td><td>—</td><td>—</td><td>—</td><td>1,915</td><td>1,791</td><td>1,915</td><td>1,791</td></tr> <tr> <td>Rental income</td><td>—</td><td>—</td><td>—</td><td>—</td><td>676</td><td>779</td><td>676</td><td>779</td></tr> <tr> <td></td><td>95,292</td><td>60,775</td><td>20,792</td><td>36,555</td><td>27,663</td><td>21,294</td><td>143,747</td><td>118,624</td></tr> </tbody> </table>									Hotel investments	95,292	60,775	—	—	—	—	95,292	60,775	Property sales	—	—	20,792	36,555	—	—	20,792	36,555	Management services	—	—	—	—	21,672	15,386	21,672	15,386	Spa operation	—	—	—	—	1,158	1,217	1,158	1,217	Project and design services	—	—	—	—	2,242	2,121	2,242	2,121	Merchandise sales	—	—	—	—	1,915	1,791	1,915	1,791	Rental income	—	—	—	—	676	779	676	779		95,292	60,775	20,792	36,555	27,663	21,294	143,747	118,624
Hotel investments	95,292	60,775	—	—	—	—	95,292	60,775																																																																								
Property sales	—	—	20,792	36,555	—	—	20,792	36,555																																																																								
Management services	—	—	—	—	21,672	15,386	21,672	15,386																																																																								
Spa operation	—	—	—	—	1,158	1,217	1,158	1,217																																																																								
Project and design services	—	—	—	—	2,242	2,121	2,242	2,121																																																																								
Merchandise sales	—	—	—	—	1,915	1,791	1,915	1,791																																																																								
Rental income	—	—	—	—	676	779	676	779																																																																								
	95,292	60,775	20,792	36,555	27,663	21,294	143,747	118,624																																																																								
Timing of transfer of goods or services																																																																																
<table> <tbody> <tr> <td>At a point in time</td><td>39,230</td><td>26,607</td><td>20,792</td><td>36,555</td><td>2,263</td><td>2,483</td><td>62,285</td><td>65,645</td></tr> <tr> <td>Over time</td><td>56,062</td><td>34,168</td><td>—</td><td>—</td><td>25,400</td><td>18,811</td><td>81,462</td><td>52,979</td></tr> <tr> <td></td><td>95,292</td><td>60,775</td><td>20,792</td><td>36,555</td><td>27,663</td><td>21,294</td><td>143,747</td><td>118,624</td></tr> </tbody> </table>									At a point in time	39,230	26,607	20,792	36,555	2,263	2,483	62,285	65,645	Over time	56,062	34,168	—	—	25,400	18,811	81,462	52,979		95,292	60,775	20,792	36,555	27,663	21,294	143,747	118,624																																													
At a point in time	39,230	26,607	20,792	36,555	2,263	2,483	62,285	65,645																																																																								
Over time	56,062	34,168	—	—	25,400	18,811	81,462	52,979																																																																								
	95,292	60,775	20,792	36,555	27,663	21,294	143,747	118,624																																																																								

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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 2023 and 31 December 2022:

	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 2023										
Non-current assets										
Long-term investments	–	28,492	–	–	–	28,492	2	–	28,490	28,492
Long-term receivables	14,710	–	–	–	–	14,710	–	–	–	–
Other receivables	2,355	–	–	–	–	2,355	–	–	–	–
	17,065	28,492	–	–	–	45,557	2	–	28,490	28,492
Current assets										
Trade receivables	37,776	–	–	–	–	37,776	–	–	–	–
Other receivables	13,786	–	–	–	–	13,786	–	–	–	–
Amounts due from associates	34,310	–	–	–	–	34,310	–	–	–	–
Amounts due from related parties	306	–	–	–	–	306	–	–	–	–
Investments	–	72,149	–	–	–	72,149	–	72,149	–	72,149
Cash and short-term deposits	69,272	–	–	–	–	69,272	–	–	–	–
	155,450	72,149	–	–	–	227,599	–	72,149	–	72,149
Total assets	172,515	100,641	–	–	–	273,156	2	72,149	28,490	100,641

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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 2023 and 31 December 2022: (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 2023										
Current liabilities										
Interest-bearing loans and borrowings	—	—	—	105,086	—	105,086	—	—	—	—
Trade payables	—	—	—	25,020	—	25,020	—	—	—	—
Other payables	—	—	—	123,082	—	123,082	—	—	—	—
Lease liabilities	—	—	—	5,749	—	5,749	—	—	—	—
Amounts due to associates	—	—	—	17,944	—	17,944	—	—	—	—
Amounts due to related parties	—	—	—	777	—	777	—	—	—	—
	—	—	—	277,658	—	277,658	—	—	—	—
Non-current liabilities										
Deposits received	—	—	—	1,912	—	1,912	—	—	—	—
Interest-bearing loans and borrowings	—	—	—	184,685	—	184,685	—	—	—	—
Other payables	—	—	—	3,574	—	3,574	—	—	—	—
Lease liabilities	—	—	—	78,733	—	78,733	—	—	—	—
	—	—	—	268,904	—	268,904	—	—	—	—
Total liabilities	—	—	—	546,562	—	546,562	—	—	—	—

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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 2023 and 31 December 2022: (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		Level 2	
							\$'000	\$'000	\$'000	\$'000
Group 31 December 2022										
Non-current assets										
Long-term investments	—	24,238	—	—	—	24,238	2	—	24,236	24,238
Long-term receivables	17,052	—	—	—	—	17,052	—	—	—	—
Other receivables	2,490	—	—	—	—	2,490	—	—	—	—
Amount due from related parties – Long term	269	—	—	—	—	269	—	—	—	—
	19,811	24,238	—	—	—	44,049	2	—	24,236	24,238
Current assets										
Trade receivables	47,854	—	—	—	—	47,854	—	—	—	—
Other receivables	14,406	—	—	—	—	14,406	—	—	—	—
Amounts due from associates	30,072	—	—	—	—	30,072	—	—	—	—
Amounts due from related parties	96	—	—	—	—	96	—	—	—	—
Investments	—	72,149	—	—	—	72,149	—	72,149	—	72,149
Cash and short-term deposits	92,795	—	—	—	—	92,795	—	—	—	—
	185,223	72,149	—	—	—	257,372	—	72,149	—	72,149
Total assets	205,034	96,387	—	—	—	301,421	2	72,149	24,236	96,387

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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 2023 and 31 December 2022: (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 2022										
Current liabilities										
Interest-bearing loans and borrowings	–	–	–	104,237	–	104,237	–	–	–	–
Trade payables	–	–	–	24,468	–	24,468	–	–	–	–
Other payables	–	–	–	128,777	–	128,777	–	–	–	–
Lease liabilities	–	–	–	2,705	–	2,705	–	–	–	–
Amounts due to associates	–	–	–	17,912	–	17,912	–	–	–	–
Amounts due to related parties	–	–	–	990	–	990	–	–	–	–
	–	–	–	279,089	–	279,089	–	–	–	–
Non-current liabilities										
Deposits received	–	–	–	1,874	–	1,874	–	–	–	–
Interest-bearing loans and borrowings	–	–	–	233,107	–	233,107	–	–	–	–
Other payables	–	–	–	3,574	–	3,574	–	–	–	–
Lease liabilities	–	–	–	31,495	–	31,495	–	–	–	–
	–	–	–	270,050	–	270,050	–	–	–	–
Total liabilities	–	–	–	549,139	–	549,139	–	–	–	–

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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 2023 and 31 December 2022: (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 2023									
Non-current assets									
Subsidiaries	1,090	–	–	–	1,090	–	–	–	–
	1,090	–	–	–	1,090	–	–	–	–
Current assets									
Trade receivables	28	–	–	–	28	–	–	–	–
Other receivables	1,033	–	–	–	1,033	–	–	–	–
Amounts due from subsidiaries	176,285	–	–	–	176,285	–	–	–	–
Amounts due from associates	10,139	–	–	–	10,139	–	–	–	–
Amounts due from related parties	22	–	–	–	22	–	–	–	–
Cash and short-term deposits	14,013	–	–	–	14,013	–	–	–	–
	201,520	–	–	–	201,520	–	–	–	–
Total assets	202,610	–	–	–	202,610	–	–	–	–

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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 2023 and 31 December 2022: (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 2023									
Current liabilities									
Interest-bearing loans and borrowings	–	–	57,737	–	57,737	–	–	–	–
Other payables	–	–	5,757	–	5,757	–	–	–	–
Amounts due to subsidiaries	–	–	57,291	–	57,291	–	–	–	–
Amounts due to related parties	–	–	13	–	13	–	–	–	–
	–	–	120,798	–	120,798	–	–	–	–
Non-current liabilities									
Interest-bearing loans and borrowings	–	–	22,404	–	22,404	–	–	–	–
Amounts due to subsidiaries	–	–	193,268	–	193,268	–	–	–	–
	–	–	215,672	–	215,672	–	–	–	–
Total liabilities	–	–	336,470	–	336,470	–	–	–	–

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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 2023 and 31 December 2022: (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 2022									
Non-current assets									
Subsidiaries	1,081	–	–	–	1,081	–	–	–	–
	1,081	–	–	–	1,081	–	–	–	–
Current assets									
Trade receivables	112	–	–	–	112	–	–	–	–
Other receivables	1,045	–	–	–	1,045	–	–	–	–
Amounts due from subsidiaries	171,582	–	–	–	171,582	–	–	–	–
Amounts due from associates	10,334	–	–	–	10,334	–	–	–	–
Amounts due from related parties	18	–	–	–	18	–	–	–	–
Cash and short-term deposits	29,673	–	–	–	29,673	–	–	–	–
	212,764	–	–	–	212,764	–	–	–	–
Total assets	213,845	–	–	–	213,845	–	–	–	–

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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 2023 and 31 December 2022: (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 2022									
Current liabilities									
Interest-bearing loans and borrowings	—	—	42,095	—	42,095	—	—	—	—
Other payables	—	—	6,696	—	6,696	—	—	—	—
Amounts due to subsidiaries	—	—	54,200	—	54,200	—	—	—	—
Amounts due to related parties	—	—	13	—	13	—	—	—	—
	—	—	103,004	—	103,004	—	—	—	—
Non-current liabilities									
Interest-bearing loans and borrowings	—	—	42,778	—	42,778	—	—	—	—
Amounts due to subsidiaries	—	—	194,952	—	194,952	—	—	—	—
	—	—	237,730	—	237,730	—	—	—	—
Total liabilities	—	—	340,734	—	340,734	—	—	—	—

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

6 Profit from operations and other gains

6.1 Profit from operations and other gains

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

	Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022
	\$'000	\$'000
Allowance for inventory obsolescence	6	96
(Gain)/Loss on disposal of property, plant and equipment, net	(195)	10
Write-off of property, plant and equipment	8	24
Impairment loss on property, plant and equipment	–	169
Gain on expiry of derivatives	–	(15,384)
Impairment losses on financial assets:		
- Long-term receivables	1	(889)
- Amount due from associates	15	389
- Trade receivables	489	697
- Amount due from related parties	478	(7)
- Other receivables	428	183
Provision for employee benefits	192	210
Provision for share-based payment expenses	41	34
Exchange loss	312	4,125

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 periods:

	Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022
	\$'000	\$'000
(a) Associates:		
- Management and service fee income	–	20
- China Licensing fee	1,738	1,348
- Others	11	115
(b) Related parties		
- Management and service fee income	157	10
- Rental income	6	112
- Reservation fee income	–	2
- Others	5	12

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

7 Income tax (credit)/expense

Major components of income tax (credit)/expense

Major components of income taxes for the financial periods ended 30 June 2023 and 2022 are:

	Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022
	\$'000	\$'000
Consolidated income statement:		
<i>Current income tax</i>		
Current income taxation	797	950
Under provision in respect of prior years	43	326
	<hr/>	<hr/>
	840	1,276
<i>Deferred income tax</i>		
Origination and reversal in temporary differences	1,815	1,475
Benefits from previously unrecognised tax losses	(4,836)	–
Expiry or write-off of previously recognised deferred tax assets	–	318
	<hr/>	<hr/>
	(3,021)	1,793
<i>Withholding tax expense</i>		
Current year provision	875	667
Income tax (credit)/expense recognised in profit or loss	<hr/>	<hr/>
	(1,306)	3,736

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

8. Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets amounting to \$7,968,000 (30 June 2022: \$3,743,000) and disposed assets amounting to \$5,000 (30 June 2022: \$160,000).

The Group's policy is for freehold land and buildings to be measured at revalued amount at regular intervals, taking into consideration any significant changes to economic and market conditions.

For freehold land and buildings, management has conducted a fair value assessment as at 30 June 2023, taking into consideration the operating performance of the properties during the period and movement in key market data such as recent market transaction prices, and assessed whether there is any significant impact to the valuation of freehold land and buildings. Based on the assessment, management is of the view that the fair value of the Group's freehold land and buildings have not materially changed from 31 December 2022.

The fair valuation of freehold land and buildings 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 0.5% to 82.3% (31 December 2022: 0.5% to 82.3%)

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

9. Investment properties

	Group	
	2023 \$'000	2022 \$'000
Balance sheet:		
At 1 January	85,262	79,689
Additions	410	78
Transfer from property, plant and equipment	780	—
Transfer from property development cost	2,262	—
Net gain from fair value adjustments recognised in profit or loss	—	6,887
Net exchange differences	(1,505)	(1,392)
At 30 June/31 December	87,209	85,262

Valuation of investment properties

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 professional independent property valuers at the end of the year.

As at 30 June 2023, management has performed fair value assessment for the Group's investment properties in Thailand and Singapore, taking into consideration the operating performance of the properties during the period and movement in key market data such as recent market transaction prices, and assessed whether there is any significant impact to the valuation of the investment properties. Based on the assessment, management is of the view that the fair value of the Group's investment properties in Thailand and Singapore have not materially changed from 31 December 2022.

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 1.3% to 60.3% (31 December 2022: 1.3% to 60.3%)

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

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

10. Intangible assets

Group	Goodwill \$'000	Trademarks \$'000	Club membership \$'000	Other intangible assets \$'000	Total \$'000
Cost:					
At 1 January 2022					
Additions	—	—	237	5,946	6,183
Net exchange differences	—	—	—	(414)	(414)
At 31 December 2022 and 1 January 2023					
Additions	—	—	—	5,968	5,968
Write-off	—	—	—	(2,481)	(2,481)
Net exchange differences	—	—	—	(667)	(667)
At 30 June 2023					
	2,603	24,300	4,467	25,230	56,600
Accumulated amortisation and impairment losses:					
At 1 January 2022					
Amortisation	—	—	86	4,627	4,713
Net exchange differences	—	—	—	(252)	(252)
At 31 December 2022 and 1 January 2023					
Amortisation	—	—	48	1,063	1,111
Write-off	—	—	—	(2,481)	(2,481)
Net exchange differences	—	—	—	(356)	(356)
At 30 June 2023					
	—	—	634	13,389	14,023
Net carrying amount:					
At 31 December 2022					
	2,603	24,300	3,881	7,247	38,031
At 30 June 2023					
	2,603	24,300	3,833	11,841	42,577

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 Unaudited Condensed Interim Financial Statements

10. Intangible assets (cont'd)

Company	Club membership \$'000
Cost:	
At 1 January 2022	4,230
Additions	237
At 31 December 2022, 1 January 2023 and 30 June 2023	<u>4,467</u>
Accumulated amortisation and impairment losses:	
At 1 January 2022	500
Amortisation	86
At 31 December 2022 and 1 January 2023	<u>586</u>
Amortisation	48
At 30 June 2023	<u>634</u>
Net carrying amount:	
At 31 December 2022	<u>3,881</u>
At 30 June 2023	<u>3,833</u>

Impairment testing of goodwill and trademarks

Goodwill and trademarks 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 2023 based on the CGU's business performance. The Group performed its annual impairment test in December 2022. 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 2022.

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

11. Long-term investments

	Group	
	30 June 2023 \$'000	31 December 2022 \$'000
<i>At fair value through other comprehensive income</i>		
Equity securities (quoted)	2	2
Equity securities (unquoted)	28,490	24,236
	<hr/>	<hr/>
	28,492	24,238

During the six months ended 30 June 2023, the Group's investment in La Punta Resorts S.A. De C.V. ("La Punta") has increased by \$1,183,000, due to capitalisation of certain debts owed from La Punta.

As at 30 June 2023, 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 2022. A net fair value gain of \$3,071,000 (31 December 2022: fair value loss of \$1,249,000) had been recognised in the fair value adjustment reserve through other comprehensive income. The fair valuation of equity securities (unquoted) is categorised under Level 3 of the fair value measurement hierarchy.

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

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

12. Investments

	Group	
	30 June 2023 \$'000	31 December 2022 \$'000
<i>At fair value through other comprehensive income</i>		
Equity securities (unquoted)	72,149	72,149

As at 31 December 2021, a subsidiary of the Group entered into an agreement with the holding company of Banyan Tree Assets (China) Holdings Pte. Ltd. ("BTAC") where it was contractually agreed that the Redeemable Convertible Preference Shares ("RCPS") issued to the subsidiary will be redeemed on or before 31 December 2022 based on a step-by-step approach as prescribed in the agreement. As a result, an aggregate amount of \$72,149,000 has been reclassified from Long-term Investments to Current Investments. The RCPS can be settled simultaneously with loan from BTAC subject to certain conditions being met.

Both parties were in active dialogues to discuss the redemption of the RCPS. Due to previous COVID-19 enforced lockdowns in China as well as multiple levels of internal approval required by the counterparty, both parties agreed to extend the timeline to complete the agreed steps to 30 June 2023, and subsequently agreed to further extend to 31 December 2023, via addendums to the original agreement.

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

13. Interest-bearing loans and borrowings

	Group		Company	
	30 June 2023 Maturity	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
<i>Financial liabilities at amortised cost</i>				
Current liabilities				
Secured bank loans	2023-2024	70,789	65,702	27,440
Unsecured bank loans	2024	34,297	38,535	30,297
		105,086	104,237	57,737
				42,095
Non-current liabilities				
Secured bank loans	2025-2038	170,948	217,656	8,667
Unsecured bank loans	2024-2025	13,737	15,451	13,737
		184,685	233,107	22,404
				42,778
Total		289,771	337,344	80,141
				84,873

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

	Group	
	30 June 2023 \$'000	31 December 2022 \$'000
Freehold land and buildings	359,467	371,211
Investment properties	61,203	62,024
Leasehold buildings	12,627	13,044
Property development costs	38,827	39,847
Unquoted shares	4,053	4,044
Prepaid island rental	14,888	15,194
Investment in associates	3,284	3,416
Other assets	2,229	2,786
	496,578	511,566

The secured bank loans of the Company amounting to \$36,107,000 (31 December 2022: \$37,887,000) are secured by freehold land and buildings, and investment properties of the Group's subsidiaries.

14. Leases

During the six months ended 30 June 2023, the Group has capitalised \$51,243,000 of long term leases into right-of-use assets (31 December 2022: \$1,221,000).

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

15. Share capital

	Group and Company			
	2023		2022	
	No. of shares	\$'000	No. of shares	\$'000
Issued and fully paid up				
At 1 January	867,933,508	250,668	858,810,492	247,578
New issue during the period/year	–	–	9,123,016	3,090
At 30 June/31 December	867,933,508	250,668	867,933,508	250,668

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.

16. Treasury shares

	Group and Company			
	2023		2022	
	No. of shares	\$'000	No. of shares	\$'000
Issued and fully paid up				
At 1 January	(1,085,700)	(623)	(1,230,200)	(706)
Reissued pursuant to Share-based Incentive Plan	214,000	123	144,500	83
At 30 June/31 December	(871,700)	(500)	(1,085,700)	(623)

Treasury shares relate to ordinary shares of the Company that is held by the Company. In 2007 and 2018, the Company acquired 3,000,000 and 2,000,000 shares in the Company respectively through purchases on the Singapore Exchange. The total amount paid to acquire the shares was \$5,191,475 and \$1,147,000 respectively, and this was presented as a component within shareholders' equity.

As of 30 June 2023, there are 871,700 (31 December 2022: 1,085,700) treasury shares held by the Company.

The Company reissued 214,000 (31 December 2022: 144,500) treasury shares pursuant to Share-based Incentive Plan at a weighted average exercise price of \$0.364 (2022: \$0.302) per share.

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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 2023 \$'000	31 December 2022 \$'000
Capital commitments in respect of property, plant and equipment	3,285	3,386
Capital commitments in respect of property development costs	84,500	51,055
	<hr/>	<hr/>
	87,785	54,441

(b) ***Contingent liabilities***

Guarantees

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

	Company	
	30 June 2023 \$'000	31 December 2022 \$'000
Guarantees issued for banking facilities to subsidiaries	11,934	22,425
	<hr/>	<hr/>

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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:

Unquoted equity instrument – Current Investment in BTAC

The fair value of the RCPS is determined based on an agreement between the contractual prices as disclosed in Note 12.

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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):

Group 30 June 2023	Fair value measurements using significant unobservable inputs (Level 3)																Financial assets at FVOCI Equity shares (unquoted)	Total		
	Property, plant and equipment										Investment properties									
	Freehold land						Buildings				Freehold land			Buildings						
	Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Northern Thailand	Sri Lanka	Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	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			
Opening balance	31,666	4,042	256,201	38,688	1,106	2,303	2,360	4,824	104,918	41,034	27,220	11,897	7,134	2,780	663	35,568	24,236	596,640		
Total gains or losses for the period																				
- Included in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,071	3,071		
Purchases, issues, sales and settlements																				
- Purchases	-	-	-	-	-	-	-	-	173	164	-	-	-	-	410	-	-	747		
- Transfer from property development costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,262	-	-	2,262		
- Transfer in/(out)	-	-	-	-	-	-	-	-	(766)	-	-	-	-	-	780	-	-	14		
Capitalisation of debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,183	1,183		
Depreciation	-	-	-	-	-	-	(66)	(68)	(2,672)	(818)	-	-	-	-	-	-	-	(3,624)		
Exchange differences	-	260	(6,570)	(992)	(29)	436	-	114	(2,612)	(1,035)	-	(305)	(183)	-	(105)	(912)	-	(11,933)		
Closing balance	31,666	4,302	249,631	37,696	1,077	2,739	2,294	4,870	99,041	39,345	27,220	11,592	6,951	2,780	4,010	34,656	28,490	588,360		

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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)																					
Group 31 December 2022	Property, plant and equipment												Investment properties						Financial assets at FVOCI	Financial liabilities at fair value through profit or loss Derivative liability conversion option in convertible bonds	Total
	Freehold land						Buildings						Freehold land			Buildings					
	Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Northern Thailand	Sri Lanka	Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Singapore	Thailand, Phuket	Northern Thailand	Singapore	Thailand, Phuket	Thailand, Bangkok	\$'000	Equity shares (unquoted)	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Opening balance	26,666	4,616	262,720	39,680	1,134	4,832	2,360	5,679	105,690	43,505	21,750	12,202	6,975	2,650	680	35,432	29,008	(16,193)	589,386		
Total gains or losses for the period																					
Included in profit or loss	-	(375)	-	-	-	-	-	(376)	-	-	5,470	-	337	52	-	1,028	-	15,384	21,520		
- Included in other comprehensive income																					
Purchases, issues, sales and settlements	5,000	-	-	-	-	(240)	124	-	-	-	-	-	-	-	-	-	(4,772)	-	112		
- Purchases	-	-	1,771	-	-	-	-	-	4,088	644	-	-	-	78	-	-	-	-	6,581		
- Write off	-	-	-	-	-	-	-	-	(6)	-	-	-	-	-	-	-	-	-	(6)		
- Transfer in/(out)	-	-	(1,718)	-	-	-	-	-	2,849	-	-	-	-	-	-	-	-	-	1,131		
Conversion of convertible bonds into ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	809	809		
Depreciation	-	-	(2)	-	-	(124)	(145)	(5,036)	(2,036)	-	-	-	-	-	-	-	-	-	(7,343)		
Exchange differences	-	(199)	(6,570)	(992)	(28)	(2,289)	-	(334)	(2,667)	(1,079)	-	(305)	(178)	-	(17)	(892)	-	-	(15,550)		
Closing balance	31,666	4,042	256,201	38,688	1,106	2,303	2,360	4,824	104,918	41,034	27,220	11,897	7,134	2,780	663	35,568	24,236	-	596,640		

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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)

Group 30 June 2023	Fair value measurements using significant unobservable inputs (Level 3)														Financial assets at FVOCI Equity shares (Unquoted)	Total		
	Property, plant and equipment								Investment properties									
	Freehold land				Buildings				Freehold land		Buildings							
	Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Sri Lanka	Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Singapore	Northern Thailand	Singapore	Thailand, Bangkok	\$'000	\$'000			
Total gains or losses for the period included in profit or loss:																		
- Net gain from fair value adjustment of investment properties	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
- Impairment loss	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Other comprehensive loss:																		
- Net surplus on revaluation of land and buildings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
- Net gain from fair value adjustment of equity shares	–	–	–	–	–	–	–	–	–	–	–	–	–	3,071	3,071			
	–	–	–	–	–	–	–	–	–	–	–	–	–	3,071	3,071			

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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)

Group 31 December 2022	Fair value measurements using significant unobservable inputs (Level 3)														Financial assets at FVOCI Equity shares (Unquoted)	Financial liabilities at fair value through profit or loss Derivative liability conversion option in convertible bonds	Total			
	Property, plant and equipment								Investment properties											
	Freehold land				Buildings				Freehold land		Buildings									
	Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Sri Lanka	Singapore	Morocco	Thailand, Phuket	Thailand, Bangkok	Singapore	Northern Thailand	Singapore	Thailand, Bangkok	\$'000	\$'000	\$'000				
Total gains or losses for the period included in profit or loss:																				
- Net gain from fair value adjustment of investment properties	–	–	–	–	–	–	–	–	–	5,470	337	52	1,028	–	–	6,887				
- Gain on expiry of derivative liability conversion option in convertible bonds	–	–	–	–	–	–	–	–	–	–	–	–	–	–	15,384	15,384				
- Impairment loss	–	(375)	–	–	–	–	–	(376)	–	–	–	–	–	–	–	(751)				
–	(375)	–	–	–	–	–	–	(376)	–	–	5,470	337	52	1,028	–	15,384	21,520			
Other comprehensive loss:																				
- Net surplus on revaluation of land and buildings	5,000	–	–	–	–	(240)	124	–	–	–	–	–	–	–	–	4,884				
- Net gain from fair value adjustment of equity shares	–	–	–	–	–	–	–	–	–	–	–	–	–	(4,772)	–	(4,772)				
5,000	–	–	–	–	–	(240)	124	–	–	–	–	–	–	(4,772)	–	112				

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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

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

(ii) *Valuation policies and procedures*

The Chief Executive Officer ("CEO"), who is assisted by Head of Group Finance and Corporate Affairs (collectively referred to as the "CEO 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 CEO 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 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.

BANYAN TREE GROUP

Notes to the Unaudited Condensed Interim Financial Statements

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 2023				
Assets				
Associates	14,167	29,009	—	—
December 2022				
Assets				
Associates	17,917	30,178	—	—

(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, 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 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. Accordingly, management is of the view that the fair values of these loans due from subsidiaries and non-current amounts due from subsidiaries, associates, related parties and third parties cannot be determined reliably as the timing of the future cash flows arising from the loans and amounts cannot be estimated reliably.

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for the Half Year ended 30 June 2023

- 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 no new shares being issued (1H22: 9,123,016).

As at 30 June 2023, 871,700 (30 June 2022: 1,085,700) shares held as treasury shares against the total number of issued shares excluding treasury shares of 867,061,808 (30 June 2022: 866,847,808).

Issuance of shares from vesting of share awards

During the first half year, no share awards (1H22: Nil) were vested under the Performance Share Plan and 214,000 share awards (1H22: 144,500) were vested under the Restricted Share Plan for initial awards issued for FY2021/FY2022.

Grant and cancellation of share awards

Performance Share Plan

During the first half year, 330,000 share awards were granted (1H22: 465,000) and 270,000 shares were cancelled (1H22: 180,000) under the Banyan Tree Performance Share Plan. As at 30 June 2023, initial awards for 870,000 shares (As at 30 June 2022: 885,000) have been granted under the plan which will vest upon meeting specified performance conditions.

Restricted Share Plan

During the first half year, 465,000 share awards were granted (1H22: 510,000) and 147,900 shares were cancelled (1H22: Nil) under the Banyan Tree Restricted Share Plan. As at 30 June 2023, initial awards for 774,500 shares (As at 30 June 2022: 799,000) 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-23 No. of shares	31-Dec-22 No. of shares
Number of issued shares excluding Treasury shares	867,061,808	866,847,808

- 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-23 No. of shares	31-Dec-22 No. of shares
At 1 January	1,085,700 (214,000)	1,230,200 (144,500)
Reissued pursuant to Share-based Incentive Plan	871,700	1,085,700

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for half year ended 30 June 2023 (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 auditor.

- 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 2022.

- 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 2022, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2023. The adoption of the standards and interpretations does not have material impact to the financial statements in the period of initial application.

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for half year ended 30 June 2023 (Cont'd)

- 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	
	2023	2022
a) Based on the weighted average number of ordinary shares on issue (cents)	0.11	0.06
b) On fully diluted basis (cents)	0.11	0.05

- (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 866,951,852 and 861,444,683 ordinary shares respectively.
- (ii) The diluted 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 868,510,560 and 1,037,235,051 ordinary shares respectively.

- 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-23	31-Dec-22	30-Jun-23	31-Dec-22
Net asset value per ordinary share based on issued share capital* at the end of the Period (S\$)	0.56	0.56	0.43	0.44

* Ordinary shares in issue as at 30 June 2023 and 31 December 2022 are 867,061,808 and 866,847,808 shares respectively.

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for half year ended 30 June 2023 (Cont'd)

- 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		2023 vs 2022	
	2023 (S\$'000)	2022 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	95,292	60,775	34,517	57%
Property Sales	20,792	36,555	(15,763)	-43%
- Hotel Residences	1,293	24,230	(22,937)	-95%
- Laguna Property Sales	19,499	12,325	7,174	58%
Fee-based Segment	27,663	21,294	6,369	30%
- Hotel/Fund/Club Management	17,374	13,087	4,287	33%
- Spa/Gallery Operations	3,073	3,008	65	2%
- Design and Others	7,216	5,199	2,017	39%
Revenue	143,747	118,624	25,123	21%

B) PROFITABILITY

	Group			
	6 months ended 30 Jun		2023 vs 2022	
	2023 (S\$'000)	2022 (S\$'000)	Incr/(Decr) (S\$'000)	%
Hotel Investments	19,381	2,258	17,123	nm
Property Sales	1,582	9,751	(8,169)	-84%
- Hotel Residences	(2,494)	8,899	(11,393)	nm
- Laguna Property Sales	4,076	852	3,224	378%
Fee-based Segment	5,007	6,416	(1,409)	-22%
- Hotel/Fund/Club Management	5,211	6,427	(1,216)	-19%
- Spa/Gallery Operations	(1,018)	(586)	432	74%
- Design and Others	814	575	239	42%
Head Office Expenses	(8,282)	(8,036)	246	3%
Other Income (net)	981	16,071	(15,090)	-94%
Operating Profit (EBITDA)	18,669	26,460	(7,791)	-29%
Profit attributable to owners of the Company (PATMI)	981	514	467	91%

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for half year ended 30 June 2023 (Cont'd)

C) BUSINESS SEGMENTS REVIEW

i) Hotel Investments segment

Revenue from Hotel Investments segment increased from S\$60.8 million in 1H22 to S\$95.3 million in 1H23. The increase in revenue was mainly from Thailand where revenues had almost doubled after the country removed all travel restrictions since 2Q22.

In 1H23, Thailand reported occupancy of 71% vs 46% in 1H22 and Revenue per Available Room ("RevPAR") increased 2.2x compared to the same time last year. For Maldives, occupancy was 64% in 1H23 vs 70% in 1H22 and RevPAR was S\$298 as compared to S\$306 in the same period last year.

Operating Profit increased by S\$17.1 million from S\$2.3 million in 1H22 to S\$19.4 million in 1H23 due to higher revenue as mentioned earlier.

ii) Property Sales segment

Revenue from the Property Sales segment decreased by S\$15.8 million or 43% to S\$20.8 million and Operating Profit decreased by S\$8.2 million or 84% in 1H23 as 1H22 includes recognition of the remaining units of Angsana Beachfront residences of S\$18.8 million which was completed towards the end of year 2021.

iii) Fee-based segment

Revenue from the Fee-based segment increased by S\$6.4 million or 30% to S\$27.7 million in 1H23 mainly due to higher management fees from our managed hotels in Asia which had gradually opened up to international tourism since 2Q22.

Notwithstanding higher revenue in 1H23, Operating Profit decreased by S\$1.4 million to S\$5.0 million mainly due to higher staff costs including bonus and incentives.

For Hotel Management segment, RevPAR on same store basis were higher by 62% over 1H22.

In comparison, if management fees of hotels in which the Group has a majority interest were not eliminated on consolidation, operating profit from fee-based segment would have been S\$9.3 million in 1H23.

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for half year ended 30 June 2023 (Cont'd)

C) BUSINESS SEGMENTS REVIEW (Cont'd)

iv) Head Office

Head office expenses increased by S\$0.2 million to S\$8.3 million in 1H23 due higher staff costs, legal and professional fees and repair & maintenance costs partially cushioned by lower foreign exchange losses.

v) Other Income

Other income decreased by S\$15.1 million from S\$16.1 million in 1H22 to S\$1.0 million in 1H23 mainly due to absence of fair value gain on expiry of derivatives for convertible bonds amounting to S\$15.4 million recorded in 1H22.

vi) Operating Profit

Operating Profit decreased by S\$7.8 million from S\$26.5 million in 1H22 to S\$18.7 million in 1H23. Excluding one-off item relating to fair value gain on convertible bonds in 1H22 of S\$15.4 million, Core Operating Profit would have been S\$7.6 million higher than 1H22 due to strong improvement in Hotel Investments segment, partially offset by lower contribution from Property Sales and Fee-based segments as mentioned above.

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 previously to the shareholders.

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for half year ended 30 June 2023 (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

Based on UNWTO¹'s latest report, tourist arrivals reached 80% of pre-pandemic levels in the first quarter of 2023, more than double of the same period of 2022. Domestic tourism continues to support the recovery in several destinations, in particular those with large domestic markets such as our key market in China. The Ministry of Culture and Tourism for China reported that 274 million domestic tourism trips were recorded during the Labor Day holiday, up 19% from 2019. According to Ctrip data, an increase of nearly 700% in bookings for outbound travel was recorded, though the recovery of international travel to and from China has been hampered by still limited flights and visa backlogs. International tourism is expected to continue its recovery throughout the year backed by strong pent-up demand, the sustained recovery of air connectivity, as well as by the recent reopening of China and other major Asian markets and destinations.

The Group's owned hotels in Thailand recorded occupancy of 71% in 1H23 which was higher than 1H19 (Pre-Pandemic) of 70% with international arrivals accounting for most of the guest mix. For the Group's Maldives hotels, occupancy was 64%, 3 percentage points higher than 1H19. Forward bookings in 3Q23 for our owned hotels exceeds 1H19 (Pre-Pandemic) by 46% with Thailand accounting for 44% of the increase.

For Fee-based segment, on a same store basis, most of our managed hotels have shown significant improvements with occupancy reaching 50% in 1H23 which is 3 percentage points above 1H19. Forward bookings for our managed hotels in Asia were 44% above the same period last year.

On Property Sales segment, total sales value of S\$170 million were contracted in 1H23 compared to S\$95.9 million in 1H22. As at 30 June 2023, unrecognised revenue more than doubled to S\$350.4 million as compared to the same time last year. The Group expects to recognise S\$68.9 million or 20% of the revenue in 2H23.

New Openings

As of 30 June 2023, the Group opened 10 new properties, rebranded 1 existing property and signed 9 new agreements (mainly hotel management agreements). The Group expects to open another 12 new properties in the next 12 months:

- i. Angsana Zhuhai, Hengqin, China
- ii. Garrya Bianti Yogyakarta, Indonesia
- iii. Homm Chura, Samui, Thailand
- iv. Banyan Tree Suzhou Shishan, China
- v. Angsana Suzhou Shishan, China
- vi. Banyan Tree Dongguan, Songshan Lake, China
- vii. Garrya Mu Cang Chai, Yen Bai, Vietnam
- viii. Angsana Quan Lan, Quan Lan, Vietnam
- ix. Banyan Tree Yangcheng Lake, China
- x. Garrya Yangcheng Lake, China
- xi. Banyan Tree Veya Valle de Guadalupe, Baja California, Mexico
- xii. Garrya Xianju, China

¹UNWTO = The World Tourism Organization

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for half year ended 30 June 2023 (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.

It is not the Company's practice to declare/recommend an interim dividend.

13 Interested Persons Transactions for the Half Year ended 30 June 2023

	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)	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	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		-	291
b (i)	Reimbursement of Expenses - to TRG		-	205
b (ii)	Reimbursement of Expenses - from TRG		-	1,350
[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		386	-
	Total		386	1,846

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

BANYAN TREE GROUP

Other Information Required by Listing Rule Appendix 7.2 for half year ended 30 June 2023 (Cont'd)

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 (International), 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

Eddy See Hock Lye
Chief Executive Officer
10 August 2023