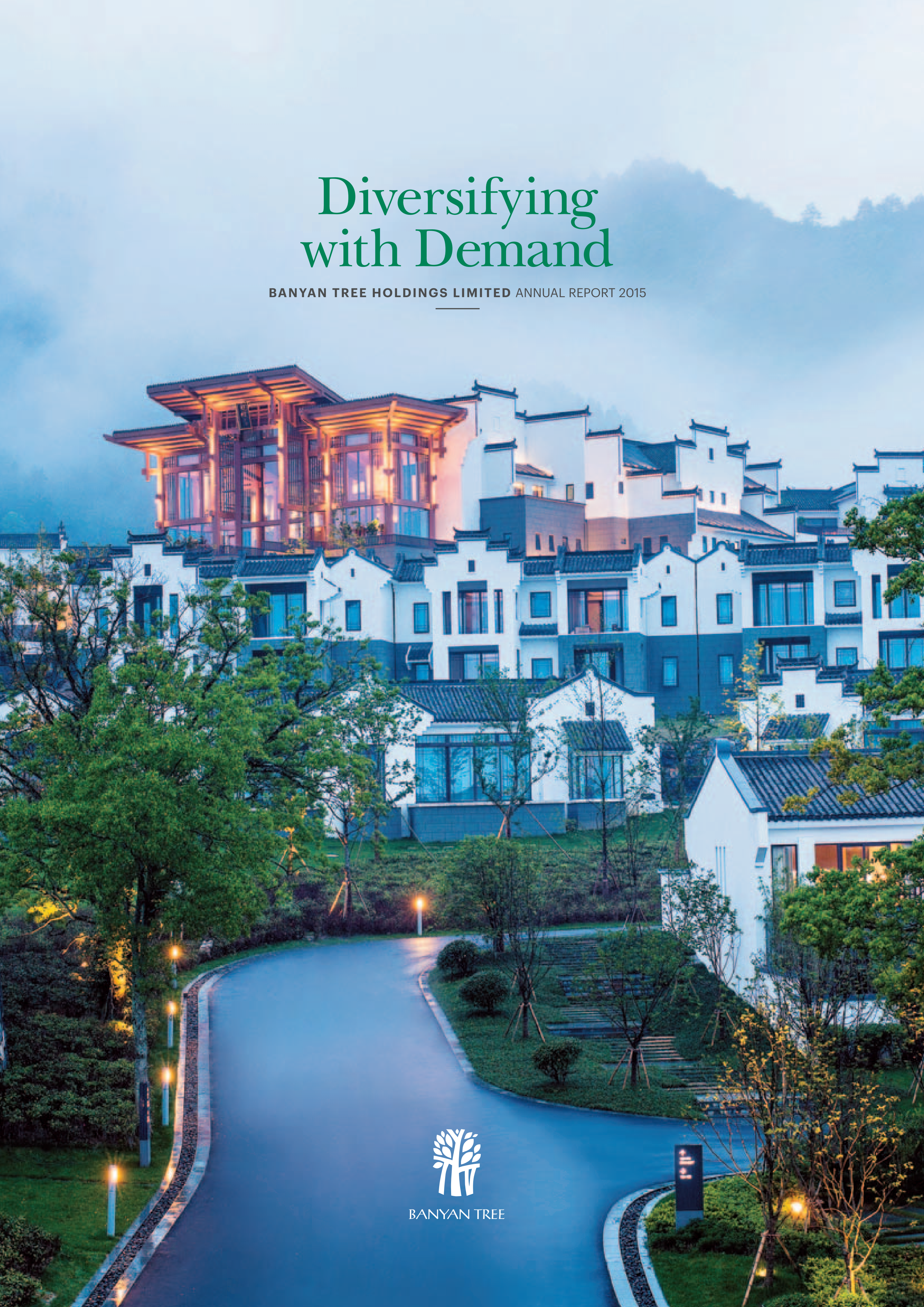
Diversifying with Demand

BANYAN TREE HOLDINGS LIMITED ANNUAL REPORT 2015



BANYAN TREE

An Ongoing Journey

THE WORLD OF TRAVEL AND HOSPITALITY IS ONE OF CONSTANT CHANGE. New destinations appear and new types of travellers emerge, continually seeking fresh experiences. Staying ahead of this ever-evolving profile of demand, Banyan Tree Hotels & Resorts has conceptualised and created a distinctive portfolio of branded experiences. Catering to the diverse needs of global travellers and crafted for different destinations around the world, our journey of transformation is ongoing.

Our Mission

We want to build globally recognised brands which, by inspiring exceptional experiences among our guests, instilling pride and integrity in our associates, and enhancing both the physical and human environment in which we operate, will deliver attractive returns to our shareholders.

Cover image:
Banyan Tree
Huangshan, *China*

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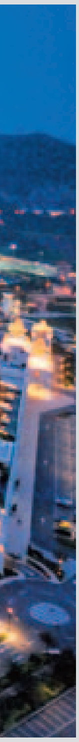

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ADDITIONAL INFORMATION

Extending our Brand Portfolio for Emerging Demand

Our portfolio of hospitality brands reflects a multi-brand strategy that caters to different consumer segments. In addition to Cassia, a new brand for the serviced apartment segment, Banyan Tree has also created Dhawa as an affordable full-service hotel brand targeting middle-class travellers in newly emerging markets. Despite the diversity of our extended portfolio, all our brands feature the consistently high quality and service standards for which Banyan Tree is renowned.

DHAWA

Dhawa
Boao, *China*

BANYAN TREE & ANGSANA
as at 31 Dec 2015

34

CASSIA & DHAWA
Opened and in the pipeline

6

Artist's Impression

Growing our Property Development Business through Product Innovation

We continue to evolve beyond selling luxury hotel residences to cater also for demand from a growing segment of middle-class investors seeking an affordable second home. In addition to primary residential sales in Australia and China, our innovative Cassia brand of properties sold with a leaseback is one of the key drivers of growth in our property development business.

CASSIA

Cassia
Phuket, *Thailand*

VALUE OF PROPERTIES SOLD UNDER THE CASSIA BRAND
as at 31 Dec 2015

S$60M

OVERALL UNRECOGNISED PROPERTY SALES REVENUE
as at 31 Dec 2015

S$70M

Expanding our Global Presence into New Regions

Furthering the expansion of our global footprint, we will build on the established Banyan Tree Mayakoba in Mexico by exploring opportunities for new properties in the Caribbean. Our entry into new markets such as Cuba will strengthen our appeal to travellers in the Spanish-speaking world. This will also help to introduce our reputation for excellence in professional services and management expertise to new geographic regions.

BANYAN TREE

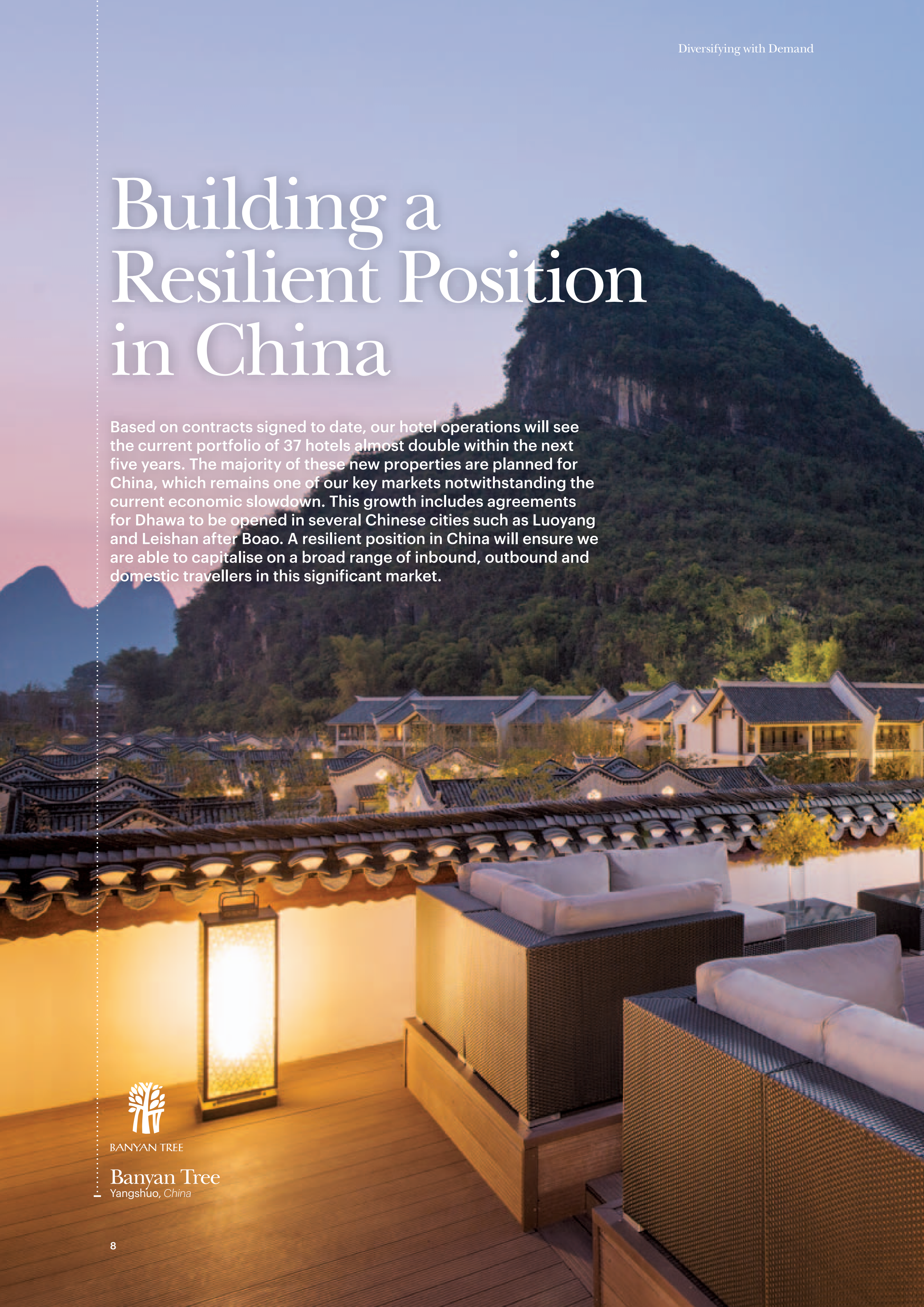
Banyan Tree
Mayakoba, *Mexico*

NO. OF COUNTRIES
the Group has presence in
as at 31 Dec 2015

27

NO. OF CONTINENTS
the Group has presence in
as at 31 Dec 2015

5



Building a Resilient Position in China

Based on contracts signed to date, our hotel operations will see the current portfolio of 37 hotels almost double within the next five years. The majority of these new properties are planned for China, which remains one of our key markets notwithstanding the current economic slowdown. This growth includes agreements for Dhawa to be opened in several Chinese cities such as Luoyang and Leishan after Boao. A resilient position in China will ensure we are able to capitalise on a broad range of inbound, outbound and domestic travellers in this significant market.

BANYAN TREE

Banyan Tree
Yangshuo, *China*

GROUPWIDE ROOM REVENUE

From Chinese nationals
from 2014

+19%

GROUPWIDE ROOM REVENUE

From Chinese nationals at our resorts outside China
from 2014

+11%

A DIVERSE PORTFOLIO:

Our Brands

01 BANYAN TREE

Banyan Tree offers a sanctuary for the senses, a place to "be" and to rejuvenate mind, body and soul in awe-inspiring locations around the globe. The flagship Banyan Tree resort, Banyan Tree Phuket, was launched in 1994 as part of the Laguna Phuket development.

An all-villa concept, often featuring private pools, Banyan Tree provides luxury, authentic service and a distinctive retreat experience. The brand takes its name from the tropical tree known for its strong and graceful form.

Range of Businesses/Services

Hotels & Resorts | Spas | Residences | Gallery

02 ANGSANA

Angsana puts the adventure in travel. Combining local chic and a vibrant fun-filled atmosphere, Angsana offers exotic destination playgrounds across the world. Since the first Angsana resort opened in Bintan, Indonesia, in 2000, the brand has grown to its current portfolio of more than 10 resorts and over 30 spas.

Angsana resorts are designed to provide spacious, stylish rooms and suites for couples, families and friends to enjoy spontaneous moments.

Range of Businesses/Services

Hotels & Resorts | Spas | Residences | Gallery

Banyan Tree
Lijiang, *China*

Angsana
Laguna Phuket, *Thailand*

03

CASSIA

CASSIA

Cassia is a bold new proposition in the extended stay sector. Occupying a niche between hotel and apartment, it offers one- and two-bedroom units with flexible living and dining options.

Cassia presents an opportunity for the growing middle-class to own affordable holiday homes that also generate a return on investment.

The first Cassia branded property, Cassia Phuket, opened in October 2015.

Range of Businesses/Services

Hotels & Resorts

Spas

Residences

04

DHAWA

DHAWA

Dhawa builds on the Group's reputation for redefining luxury hospitality through innovative thinking, design excellence and sustainable business practices. This exciting new brand will cater to an emerging group of design-savvy travellers who seek distinctive experiences in stylish, unique destinations.

A casual and contemporary full-service hotel concept, Dhawa fuses imaginative design, absolute comfort and seamless technology to treat guests to a truly customised stay.

Range of Businesses/Services

Hotels & Resorts

Spas

Cassia
Phuket, *Thailand*

Artist's Impression

Dhawa
Boao, *China*

Key Figures

Full Year Figures

+13%

REVENUE
From 2014: S$327.4M

S$370.7M

-39%

EBITDA
From 2014: S$51.1M

S$31.0M

-2%

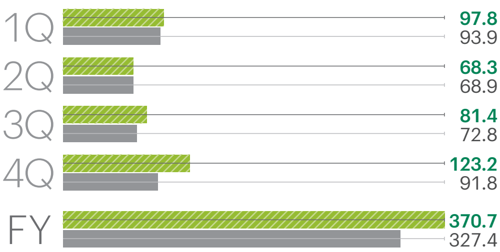
CASH & CASH EQUIVALENTS
From 2014: S$168.2M

S$165.5M

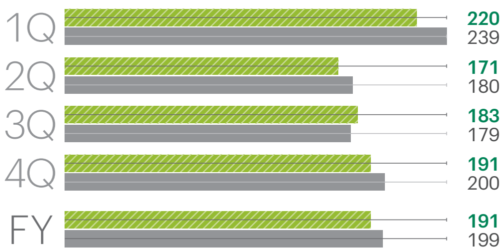
Quarterly Figures

FY2015 FY2014

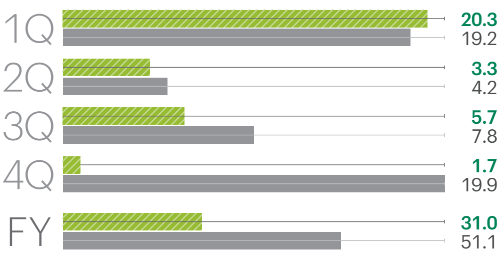
REVENUE
S$M



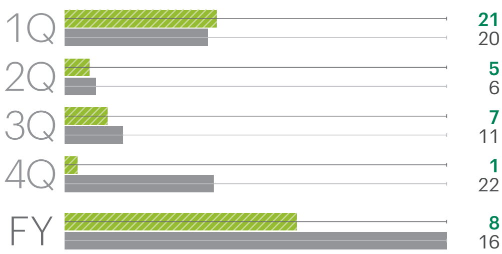
REVPAR
S$



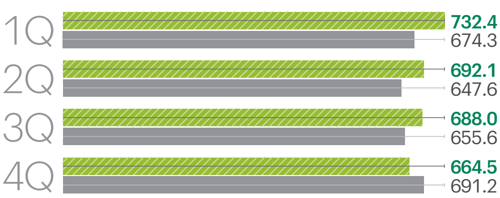
EBITDA
S$M



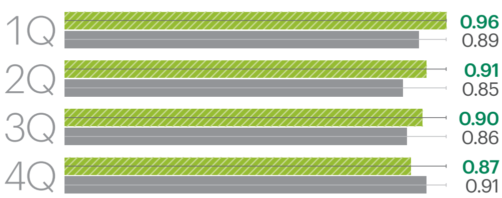
EBITDA MARGIN
%



NET TANGIBLE ASSETS
(including MI)
S$M

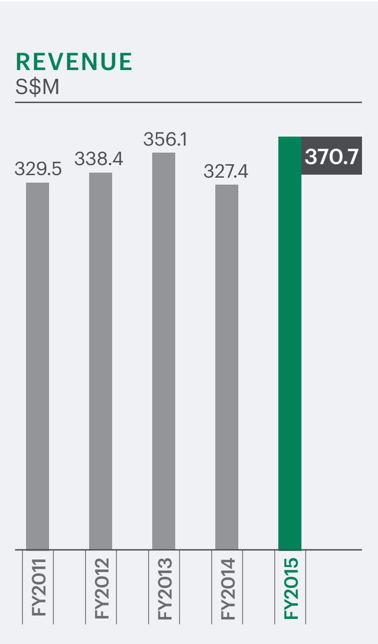


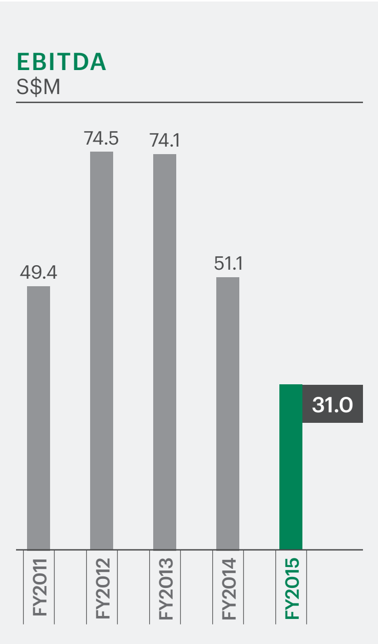
NET TANGIBLE ASSET VALUE PER SHARE (including MI)
S$

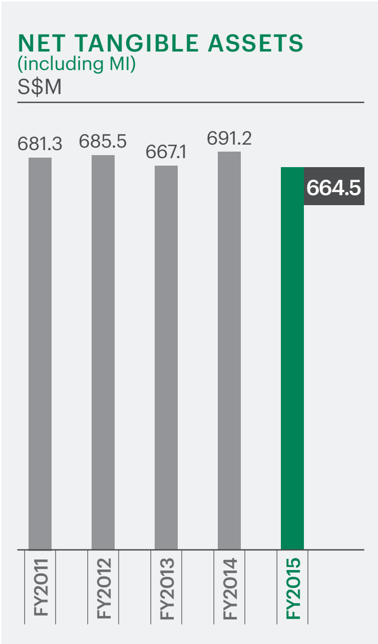


Five-Year Financial Highlights

	2011 S$M	2012 S$M	2013 S$M	2014 S$M	2015 S$M
Revenue	329.5	338.4	356.1	327.4	**370.7**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	49.4	74.5	74.1	51.1	**31.0**
Profit before tax (PBT)	2.5	24.7	31.1	7.2	**-19.5**
Profit after tax (PAT)	3.0	15.4	18.2	0.6	**-26.0**
Profit after tax & minority interests (PATMI)	1.6	14.9	18.1	1.0	**-27.5**
EBITDA margin	15%	22%	21%	16%	**8%**
Per Share ($)					
– Basic earnings	0.002	0.020	0.024	0.001	**-0.036**
– Diluted earnings	0.002	0.020	0.024	0.001	**-0.036**
– Net tangible assets (including MI)	0.897	0.902	0.877	0.910	**0.874**
– Net tangible assets (excluding MI)	0.672	0.681	0.684	0.710	**0.676**
Net debt equity ratio	0.40	0.44	0.40	0.48	**0.70**







Strategic Overview

IN THIS CHAPTER

Executive Chairman's Statement

2015 began on an optimistic note, with great momentum in property sales and hotel bookings. Thailand, which had experienced political upheaval in recent years, was spared major event risks for most of the year. Despite a bomb blast in the capital in August, Banyan Tree Bangkok posted higher revenue because of the resilient tourism industry.

However, a series of events materialised to make it a very challenging year. Our key European market, Russia, plunged deeper into an economic crisis brought about by sanctions and a slump in oil prices. The devaluation of the rouble could have added to the reduction of the number of Russian arrivals at our destinations in the Maldives, Phuket and Seychelles. Meanwhile, the rest of Europe did not emerge from its prolonged economic downturn.

Towards the later part of the year, China, our fastest growing market, witnessed turmoil in its stock market and a weakening of its currency. This slowdown in the world's second largest economy began to have a knock-on effect on other regional economies as well.

OUR RESULTS

Against this backdrop, the Group registered overall revenue of S$370.7 million in 2015, an increase of S$43.3 million or 13% compared to the previous year. Notwithstanding higher revenue, EBITDA decreased by S$20.1 million or 39% to S$31.0 million. Much of the decrease was due to the provision for delinquent debts and an absence of valuation gains on investment properties. Excluding such provisions and valuation gains, EBITDA decreased by a smaller quantum of 6% to S$47.5 million.

Our hotel investments recorded revenue of S$196.7 million, down by 4% or S$7.2 million from S$203.9 million in 2014. The decrease was mainly from the Maldives, Phuket, China and Seychelles, but partially cushioned by the strong performance of Bangkok. EBITDA for hotel investments dropped by S$18.5 million on lower revenue and a lower profit margin due to tactical price offers that we used to drive occupancy, coupled with higher provision for delinquent debts and higher expenses for sales and marketing, repairs and maintenance.

Revenue recognition from property sales grew by S$61.8 million or 191% to S$94.2 million, mainly due to the completion of Cassia Phuket condominiums (Phase 1) and progressive handover of Laguna Park townhomes/villas. EBITDA increased by S$15.9 million in 2015 mainly due to higher revenue recognised. However, the sale of actual units slowed over the course of the year as Russian buyers mostly stayed on the sidelines. We received deposits for 93 new units, compared to the previous year's 164 units.

Fee-based income shrank by S$11.3 million or 12% to S$79.8 million in 2015. This was due to lower hotel/fund management fees, lower revenue from spa/gallery operations, and reduced architectural and design fees earned upon reaching project milestones. The slowdown in China affected some of our managed hotels as well as the progress of several of our development projects in China owned by third parties. EBITDA for this segment decreased by S$18.3 million largely because of lower revenue and higher provision for delinquent debts in China.

Executive Chairman's Statement

1.

OUTLOOK FOR 2016

Banyan Tree continues on its growth trajectory with many projects in the pipeline around the world. In 2016 alone we will open three resorts – Banyan Tree Jiuzhaigou and Dhawa Boao, both in China, and Banyan Tree Tamouda Bay in Morocco – as well as six new spa outlets. However, all macroeconomic indications are that 2016 will be a challenging year. Continued stability in Thailand will bode well for our operations there. On the other hand, the slowdown in China is expected to persist, which will affect consumption both for domestic and overseas travel to our resorts. With oil prices remaining low, we do not foresee a quick recovery in Russian travel.

Consequently, property sales are likely to remain lukewarm, as Chinese and Russian buyers remain reluctant to invest. There will also be pressure on our fee-based income as third-party owners of our development projects in China request slowing or stoppage of construction.

OUR RESPONSE

We have anticipated these challenges and put in place strategies to try and mitigate them. For example, we have been proactive in identifying new areas of growth. This will mean penetrating more distant markets such as the Americas and Europe. We have already taken steps in this direction with the opening of resorts in Mexico in recent years. With the normalisation of relations between the US and Cuba, the tourism sector in Cuba is poised to grow. We are seizing the opportunity to establish a foothold, having received letters of award to open and manage hotels there.

At the same time, we have been quick to identify new trends in travel and hospitality, so that we can diversify our product offerings to remain relevant. Cassia, our third brand which we launched in 2014, is an example of how we are carving out new opportunities. Its hybrid model of holiday home cum investment fills a gap in the extended stay market and has been well received.

Likewise, our fourth brand, Dhawa, caters to a new generation of travellers. Launched in October 2015, Dhawa's blend of clever design with technology and whimsy is designed to appeal to millennials, the fastest growing customer segment in the hospitality industry.

We are reaching out to new customer segments not only with innovative offerings but also by the way we market and sell them. A key focus in 2015 was streamlining the process for independent travellers to find information about our properties and to book them online. To give ourselves a headstart, we are making it a point to start brand website development early.

We also enhanced our websites throughout the year, employing

2.

REVENUE
From 2014: S$327.4M
S$370.7M

EBITDA
From 2014: S$51.1M
S$31.0M

1.
Banyan Tree
Samui, *Thailand*

2.
Banyan Tree
Lăng Cô
Central Vietnam,
Vietnam

vivid images and video to bring our destinations to life and communicate the unique experiences we offer. To reach a wider audience, we are introducing content in multiple languages. In addition, we have reinforced our online presence with initiatives such as a business listing on TripAdvisor, sponsored posts on social media and an e-Gifting campaign over the Christmas season.

Our ability to respond to market trends is crucial in a highly competitive landscape. Amid the widespread consolidations of hospitality groups worldwide, we remain one of the few independent brands. Without the deep pockets of a conglomerate or private equity, we realise the increasing importance of generating economies of scale and synergies between our different areas of operations.

Internally, the Group regularly reviews the entire way we conduct business in order to be more efficient, effective and productive. In late 2015 we embarked on a restructuring exercise to put us in a better position to meet the challenges of the next three to five years. The restructuring eliminated legacy costs, processes and structures, resulting in a flatter hierarchy with the aim of building not only a leaner but also a stronger, more agile and integrated platform for sustainable growth.

OUR ROOTS

Even as we capitalise on new trends, we will stay true to our roots as a company that preserves the environment and improves the lot of local communities. In 2015, we expanded our sustainability platforms beyond "Build for Good" and "Stay for Good" to include "Meet for Good" meeting and convention venues, "Eat for Good" social enterprise eateries, "Gift for Good" community- and ecology-minded retail, and "Spa for Good" spa experiences. These are a few of the ways we are strengthening our triple bottom line.

ACKNOWLEDGMENTS

In a changing operating landscape, we remain focused on the vision of Banyan Tree as an independent hospitality group with an increasingly global reach and a range of brands to cover the most exciting areas of global growth in tourism, that continues to do good wherever it goes.

I would like to thank our associates, Management, Board, shareholders and guests for making it possible for us to pursue this vision. Working together, I have every confidence that we will overcome the challenges of 2016 as we have overcome others before.

Ho KwonPing
Executive Chairman

Board of Directors


From left:

1. **Ho KwonPing**
Executive Chairman

2. **Ariel P Vera**
Non-Executive and Non-Independent Director


3. **Chia Chee Ming Timothy**
Lead Independent Director

4. **Fang Ai Lian**
Independent Director


5. **Elizabeth Sam**
Independent Director

6. **Chan Heng Wing**
Independent Director


7. **Tham Kui Seng**
Independent Director

8. **Lim Tse Ghow Olivier**
Independent Director

1. Ho KwonPing

Executive Chairman

The founder of our Group, Mr Ho is responsible for its overall management and operations. He has been a Director since 5 July 2000. He was designated Executive Chairman on 1 March 2004 and was last re-elected on 29 April 2013.

Mr Ho is also Chairman of Laguna Resorts & Hotels Public Company Limited, Thai Wah Public Company Limited*, the Board of Trustees of Singapore Management University and the Advisory Committee of the School of Hotel and Tourism Management at the Hong Kong Polytechnic University. He is a non-executive Director of Diageo Plc and serves as a Governor of the London Business School.

Mr Ho holds a Bachelor of Arts (Economics) from the University of Singapore, an Honorary Doctorate of Business Administration in Hospitality Management from Johnson & Wales University, USA, and an Honorary Doctorate of Business Administration from the Hong Kong Polytechnic University.

2. Ariel P Vera

Non-Executive and Non-Independent Director

Mr Vera was appointed Director on 11 April 2000 and served as Group Managing Director from 1 March 2004 to his retirement in 2014. He remains as a Non-Executive and Non-Independent Director of the Company. He was last re-elected on 28 April 2014.

Mr Vera is also a Director of Laguna Resorts & Hotels Public Company Limited and Thai Wah Public Company Limited*.

Prior to joining the Group, he was Director of Finance and Administration of Asian Resorts Pte. Ltd. from 1992 to 1995, and Vice President, Finance, of Tropical Resorts Limited from 1995 to 1997. He has over 30 years of experience in the hotel industry.

A Certified Public Accountant in the Philippines, Mr Vera holds a Bachelor of Science in Business Administration from the University of the East, Philippines, as well as a Master of Business Administration from the National University of Singapore.

3. Chia Chee Ming Timothy

Lead Independent Director

Mr Chia has been a Director since 8 June 2001, and became Lead Independent Director on 28 February 2007. He is Chairman of the Nominating & Remuneration Committee and was last re-elected on 29 April 2015.

Mr Chia is Chairman of Hup Soon Global Corporation Private Limited as well as Chairman – Asia for Coutts & Co Ltd, the private banking arm of the Royal Bank of Scotland Group. He sits on the boards of several other private and public companies, including Fraser and Neave, Limited, The Straits Trading Company Limited, Singapore Power Limited, Vertex Venture Holdings Ltd, Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC. He is a member of the Board of Trustees of the Singapore Management University, an Advisory Council Member of the ASEAN Business Club and a member of the Advisory Board of the Asian Civilisations Museum.

From 1986 to 2004, he was a Director of PAMA Group where he was responsible for private equity investments and served as President from 1995 to 2004. He was previously a Director of SP PowerAssets Limited, PowerGas Limited and InnoTek Limited, and a Senior Advisor to EQT Funds Management Ltd.

Mr Chia holds a Bachelor of Science cum laude, majoring in Management, from the Fairleigh Dickinson University, USA.

4. Fang Ai Lian

Independent Director

Mrs Fang was appointed an Independent Director and Chairman of the Audit & Risk Committee on 1 May 2008, and was last re-elected on 28 April 2014.

Mrs Fang is a Director of Metro Holdings Ltd and Advisor to the Far East Organization Group. She is also Chairman of the Board of Trustees of the Singapore Business Federation and Medishield Life Council, and serves on the Board of Trustees of the Singapore University of Technology and Design as well as two Appeal Advisory Panels of the Monetary Authority of Singapore.

She was the Chairman of Great Eastern Holdings Limited and its insurance subsidiaries as well as a Director of OCBC Bank until her retirement in April 2014. Prior to that, she was with Ernst & Young for over 30 years until her retirement in March 2008. She was appointed Managing Partner in 1996 and Chairman in 2005. Her past directorships include Singapore Telecommunications Limited and MediaCorp Pte Ltd.

Mrs Fang qualified as a Chartered Accountant in England and is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Institute of Singapore Chartered Accountants and a member of the Malaysian Association of Certified Public Accountants.

* The amalgamation of Thai Wah Food Products Public Company Limited and Thai Wah Starch Public Company Limited which took effect on 1 October 2015.

Board of Directors

5. Elizabeth Sam
Independent Director

Mrs Sam was appointed an Independent Director on 23 March 2004 and was last re-appointed on 29 April 2015. She is a member of the Nominating & Remuneration Committee.

Principally engaged in management consultancy, Mrs Sam is also a Director of AV Jennings Ltd, The Straits Trading Company Limited and SC Global Developments Pte. Ltd. She is Chairman and Director of Hon Sui Sen Endowment CLG Limited. She has over 40 years' experience in the financial sector, having been Executive Vice President and Deputy President of OCBC Bank from 1988 to 1998, Director of Mercantile House Holdings plc (a company listed on the London Stock Exchange) from 1981 to 1987 and Chief Manager of the Monetary Authority of Singapore from 1976 to 1981.

She was a Director of the Singapore International Monetary Exchange and served as its Chairman from 1987 to 1990 and 1993 to 1996, until its merger with the Stock Exchange of Singapore. She was also previously a Director of Boardroom Limited.

Mrs Sam holds a Bachelor of Arts (Honours) in Economics from the University of Singapore.

6. Chan Heng Wing
Independent Director

Mr Chan became an Independent Director on 1 June 2012 and was last re-elected on 29 April 2013. He is a member of the Nominating & Remuneration Committee.

A Senior Advisor to the Ministry of Foreign Affairs, he is the Non-Resident High Commissioner to Bangladesh. He is a Director of Shanda Games Ltd, Frasers Centrepoint Ltd, Precious Treasure Pte Ltd and Precious Quay Pte Ltd which own Fullerton Hotel and Fullerton Bay Hotel respectively. He is also Chairman of the Milken Institute Asia Center based in Singapore.

He was previously a Director in Fraser and Neave, Limited. He was also the Prime Minister's Press Secretary and Director of the Media Division in the Ministry of Information and the Arts. He served at the Permanent Mission to the United Nations in New York and as Consul-General to Hong Kong, Ambassador to Thailand and Consul-General to Shanghai. He later joined Temasek Holdings as Chief Representative in China and Managing Director for International Relations in Temasek International.

Mr Chan holds a Bachelor of Arts (Honours) and a Master of Arts from the University of Singapore, and a Master of Science in Journalism from Columbia University, USA.

7. Tham Kui Seng
Independent Director

Mr Tham was appointed an Independent Director on 1 June 2012 and was last re-elected on 29 April 2015. He is a member of the Audit & Risk Committee.

Mr Tham is a Director of Global Logistic Properties Limited, Sembcorp Industries Ltd, The Straits Trading Company Limited and Avanda Investment Management Pte. Ltd. He is a member of the Board of Singapore Land Authority and a Corporate Advisor for Temasek International Advisors Pte Ltd.

From 2002 to 2008, he was the Chief Corporate Officer of CapitaLand Limited, overseeing the corporate services functions of the real estate group. He also previously served as a Director of Raffles Medical Group Ltd and SPI (Australia) Assets Pty Ltd as well as a member of the Board of The Housing & Development Board.

Mr Tham holds a Bachelor of Arts (First Class Honours) in Natural Science – Engineering Science from the University of Oxford, UK.

8. Lim Tse Ghow Olivier
Independent Director

Mr Lim was appointed an Independent Director on 13 November 2014 and was last re-elected on 29 April 2015. He is a member of the Audit & Risk Committee.

He is Chairman of Certis CISCO Security Pte. Ltd. and Frasers Australand Pty Ltd. He is also a Director of Raffles Medical Group Ltd and The Anglo-Chinese Schools Foundation Limited. He is a member of the Securities Industry Council, the Board of Jurong Town Corporation and the Board of Trustees of the Singapore Management University.

Mr Lim was previously with CapitaLand Limited from 2003 to 2014, his last position being Group Deputy Chief Executive Officer. From 1989 to 2003, he was with Citibank Singapore, where he held various roles in the corporate and investment banking units, his last position being the Director/Head, Real Estate Unit. His past directorships include CapitaMalls Asia Limited, The Ascott Limited, Australand Holdings Limited and Neptune Orient Lines Limited.

Mr Lim holds a Bachelor of Engineering (First Class Honours) in Civil Engineering from Imperial College London, UK.

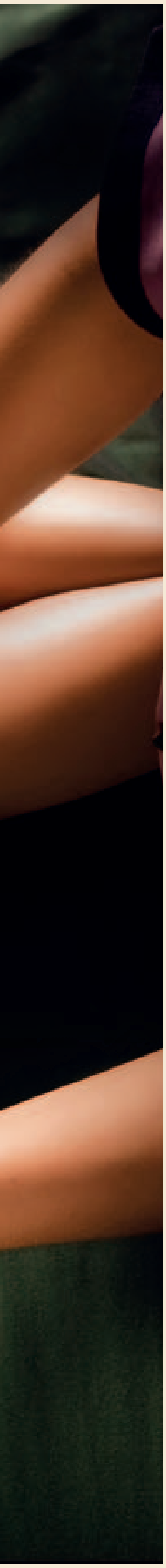
Banyan Tree
Ringha, *China*

Angsana
Lăng Cô Central Vietnam, *Vietnam*

Cassia
Phuket, *Thailand*

Award-winning Spa with The Art of Touch

Banyan Tree
Spa Phuket, *Thailand*



Banyan Tree
Spa Marina Bay Sands, *Singapore*

Banyan Tree
Spa Ras Al Khaimah Beach, *United Arab Emirates*

Banyan Tree
Spa Cabo Marqués, *Mexico*

Management Team

1. **Claire Chiang**
2. **Ho KwonCjan**
3. **Eddy See Hock Lye**
4. **Shankar Chandran**
5. **Dharmali Kusumadi**

1. Claire Chiang

Senior Vice President,
Banyan Tree Holdings

Chairperson,
China Business Development

Managing Director,
Retail Operations

Chairperson,
Banyan Tree Global Foundation

Ms Chiang is a co-founder of Banyan Tree Hotels & Resorts and pioneered the Group's retail business. As Chairperson for China Business Development, she focuses on acquiring new management contracts, and as an Advisor on Human Capital Development guides strategic issues in organisational and human capital capability. She also chairs Banyan Tree Global Foundation, the Group's sustainability arm.

Ms Chiang was Chairman of Wildlife Reserves Singapore from 2008 to 2015. She is currently Chairperson of the Wildlife Reserves Singapore Conservation Fund and the National Book Development Council of Singapore. She was appointed Director of Mandai Safari Park Holdings and Denmark-based ISS A/S in 2015.

Ms Chiang is a Pioneering Member for the Diversity Action Committee to build up female representation on company boards. She serves on the Tripartite Committee on Work-Life Strategy and co-chairs the ACCORD Family & Community Council set up by the Ministry of Manpower. Her many affiliations also include Justice of the Peace serving on the Ministry of Home Affairs Board of Visiting Justices & Board of Inspection, governor of Raffles Girls' Secondary School, Honorary Council Member of the Singapore Chinese Chamber of Commerce and Industry, Member

6. **Des Pugson**

7. **Stuart Reading**

8. **Shelly Yeo**

9. **Hokan Limin**

10. **Timothy Cheong**

of the National Arts Council, and Chairperson of the Shirin Fozdar Program at the Singapore Management University.

For her advocacy in social issues, Ms Chiang has won national and international awards, including the Public Service Star BBM for her contribution to implementing work-life integration in Singapore.

Ms Chiang is married to Group Executive Chairman, Mr Ho KwonPing, with whom she received the Hospitality Lifetime Achievement Award at the China Hotel Investment Summit 2009.

2. Ho KwonCjan

Senior Vice President

Group Chief Designer

Mr Ho is the Senior Designer involved in overseeing design and project teams in the architectural subsidiary of the Group. He has also been a Director of Laguna Resorts & Hotels Public Company Limited ("LRH") since 2012. Prior to 2005, he was Joint Managing Director of LRH, a position he held from 1998. Mr Ho served as Vice Chairman of Thai Wah Public Company Limited in Thailand from 1997 to 2003. From 1996 to 1998, he was the Managing Director of Thai Wah Resorts Development Public Co., Ltd and from 1985 to 1992, the Project Manager of Thai Wah Resorts Development Public Co., Ltd. Before this, he worked at the architecture firm, Akitek Tenggara, in Singapore. Mr Ho holds a Bachelor of Architecture (Honours) from the National University of Singapore and is a recipient of the Singapore Institute of Architects Gold Medal. He has been registered with the Singapore Board of Architects since 1986. Mr Ho is the brother of the Executive Chairman, Mr Ho KwonPing.

Management Team

3. Eddy See Hock Lye

Senior Vice President
Group Chief Financial Officer

In addition to being Group Chief Financial Officer, Mr See has served on the Board of LRH since 2012. Before joining the Group in 2004, he was the Managing Director of Asia Business Forum from 2002 to 2004 and its Chief Financial Officer from 2001 to 2004. From 1996 to 2001, he was the Group Financial Controller of Amara Holdings Limited. He was also the General Director of Amara Hotel Saigon Company Ltd, which operated Amara Hotel in Ho Chi Minh City, from 1998 to 2001. Prior to that, he was with Ernst & Young for nearly a decade, spending his last four years there as Audit Manager. Mr See holds a Bachelor of Commerce from the University of Auckland and is an Associate Chartered Accountant, New Zealand.

4. Shankar Chandran

Senior Vice President
Managing Director
Laguna Resorts & Hotels PLC and Spa Operations

Mr Chandran has overseen Banyan Tree Spa since 2005, growing the business to more than 60 spas worldwide. Appointed to the Board of LRH in 2012, Mr Chandran officially became Managing Director of LRH in 2014. From 2001 to 2004, he served as Group Executive (Corporate) Director, and from 1997 to 2001 as Assistant Vice President, Finance. Prior to joining the Group, he was the Financial Controller and Deputy General Manager of Regent Plaza, London, and Regional Internal Auditor/Financial Controller of Hilton International Hotels, UK. Mr Chandran holds a Postgraduate Diploma in Management Studies from Kingston University (London) and a Higher National Diploma in Finance from South West London College, UK.

5. Dharmali Kusumadi

Senior Vice President
Managing Director
Architrave

Mr Kusumadi oversees the architectural subsidiary of the Group, where he is responsible for design, planning and business development. Prior to joining the Group in 1991, he was the Planning and Development Head of LG Group in Bali, in charge of design and planning for projects. He was the Principal Architect of Kusumadi Associates from 1984 to 1989 and a part-time lecturer at the Architecture Department of Soegijapranata Catholic University, Semarang, Indonesia from 1985 to 1989. He has been a member of the Indonesian Institute of Architects since 1991 and holds a Master of Architecture from Parahyangan Catholic University, Bandung, Indonesia.

6. Des Pugson

Senior Vice President
Managing Director
Banyan Tree Hotels & Resorts

Mr Pugson joined the Group in 2014 and oversees our Hotel Operations in China as Vice President. Prior to joining us, he already had more than 35 years' experience in hospitality. He most recently worked for six years as Vice President Operations, Asia Pacific, and Managing Director, China, for the Wyndham Hotel Group. He was also Senior Vice President, Operations, with Jin Jiang International, and with Millennium & Copthorne International. He received his tertiary education at Ecole Hôtelière – Société Suisse des Hôteliers Lausanne, Switzerland.

7. Stuart Reading

Vice President
Group Property Development

Mr Reading assumed his current role in January 2014 and oversees property sales, which has been established as a separate unit due to its increasing importance as a core business for the Group. He was previously Vice President, Chief Financial Officer for LRH and Deputy Managing Director, LRH. Mr Reading has also served on the Board of LRH since 2006. He joined LRH in 2002 as Assistant Vice President, Finance & Administration, responsible for the property sales and holiday club businesses

finance function. Prior to joining the Group, he spent more than 10 years with Pricewaterhouse Coopers in Australia and Papua New Guinea. From 1999 to 2002, he was a Director in the Assurance and Business Advisory Services division in Sydney.
He is a member of the Institute of Chartered Accountants in Australia and holds a Bachelor of Business degree in Accounting from the University of Western Sydney.

8. Shelly Yeo

Vice President

Corporate Finance

Ms Yeo plays a key role in the overall running of the Finance Department in the Corporate Head Office and in maintaining statutory compliance of the Group. She also supports the Group's expansion in entity structuring, tax compliance requirements, audit, and accounts reporting. Prior to joining the Group in 2001, she worked in several companies listed on the Singapore Stock Exchange including Cerebos Pacific Limited and Leeden Limited. She graduated from the National University of Singapore with a Bachelor of Accountancy, and is a member of the Institute of Chartered Accountants Singapore.

9. Hokan Limin

Vice President

Hotel Finance

Mr Limin is in charge of monitoring hotel performance and implementing policies and procedures. His main responsibilities are hotel finance, compliance, operational analysis, and operational audit. He also supervises risk management. Prior to joining the Group in 1999, Mr Limin worked at hotel investments companies in Indonesia and several five-star resort chains including Hyatt, Inter-Continental, and Shangri-la. He holds a Bachelor of Finance and Accountancy from Trisakti University, Jakarta, Indonesia.

10. Timothy Cheong

Vice President

Group Human Resource Director

Mr Cheong became Vice President, Group Human Resource Director in August 2015, overseeing all human resource related matters for the Group including LRH. He joined Banyan Tree as Assistant Vice President, Group Human Resource Director in 2011, and was promoted to Senior Assistant Vice President in 2013. Prior to joining the Group, he had some 20 years of experience as a senior human resource manager in the public education sector as well as the project management, oil & gas and banking industries. He has also held senior positions in marketing, finance and internal audit in other companies.
Mr Cheong holds a Bachelor of Business Administration from the University of Singapore (now known as the National University of Singapore) and a Masters of Social Science (Counselling) from the University of South Australia.

Management Team

11. **Cindy Lee** 12. **Maximilian Lennkh** 13. **Foong Pohmun** 14. **Sachiko Shiina** 15. **Philip Lim**

11. Cindy Lee

Vice President

Managing Director
Group Project Services

Ms Lee joined Banyan Tree in 2001 as a cost manager and was promoted to her current role in November 2015. She oversees the development of all new projects by the Banyan Tree Group, with key focus on governance of project and procurement processes as the Group's footprint expands. She has 30 years of experience in the construction and real estate industry, having practised in both the public and private sectors. Ms Lee holds a Bachelor of Science (Building) and a Graduate Certificate in Real Estate Finance, both from the National University of Singapore.

12. Maximilian Lennkh

Vice President
Hotel Operations (Middle East, North Africa and Indian Ocean)

Mr Lennkh was appointed to his current position in 2013, opening up a new regional office in Dubai. He joined the Group in 2001 as Area General Manager (Maldives), subsequently moving from there to open the Banyan Tree Seychelles in 2002. In 2005, he assumed the role of Area General Manager (Yunnan) opening Banyan Tree Lijiang, with Banyan Tree Ringha and Gyalthang Dzong Hotel reporting to him. He was promoted to Vice President (Southern China) in 2006, guiding the successful opening of Banyan Tree Sanya and Banyan Tree Hangzhou. He became Area General Manager (Mexico) in 2010. With experience in hotel operations around the world, Mr Lennkh has a well-rounded

16. **Kenneth Law**

17. **Kanruethai Roongruang**

18. **Gavin Herholdt**

19. **Alan Chin**

20. **Carolyn Zhang**

hospitality background. He is fluent in German, English, Portuguese, and Spanish, and holds various hotel management certifications, including one from the London Business School.

13. Foong Pohmun

Vice President
People Development

Ms Foong oversees operations at the Banyan Tree Management Academy, which aims to develop future leaders of the Group by focusing on advancing people development, management excellence and learning. Prior to this appointment in 2009, she was Vice President, Projects. She joined the Group in 1990, and served in various positions overseeing the costing and project management of Banyan Tree Hotels. She was promoted to Assistant General Manager in 1995 and Assistant Vice President in 2000. Ms Foong holds an Honours degree in Economics from the University of London, and diplomas in Industrial Management, Building Science and Culinary Arts and Management.

14. Sachiko Shiina

Vice President
(Japan and Korea)

Ms Shiina is responsible for sales and marketing activities for Japan and Korea, and also leads, coordinates and supervises the overall operational and business development activities for the Group in Japan. Ms Shiina joined the Group in 1995 as Sales and Marketing Manager of the Group Sales Agent in Japan. In 2000, she became Director of Sales, Japan, and was promoted to Assistant Vice President, Sales & Business Development in 2006.

Management Team

15. Philip Lim

Vice President

Hotel Operations (China)

Mr Lim joined the Group as General Manager of Banyan Tree Sanya in June 2010, and was subsequently promoted to Assistant Vice President for China Hotel Operations and Business Development. He now oversees our Hotel Operations in China. He was previously General Manager with the Marco Polo Hotel Group in Hong Kong and has more than 23 years' hospitality experience in Asia including Singapore, Hong Kong, Taiwan and mainland China. Philip has a Master's degree in Business from the University of Newcastle, Australia, and received his hospitality education at The Blue Mountains International Hotel Management School, Australia, and International Hotel and Tourism Training Institute, Switzerland.

16. Kenneth Law

Vice President

Sales

Mr Law leads the company's sales strategies and heads reservations and distribution worldwide. He joined the Group in 2008 as Assistant Vice President responsible for pre-opening sales operations. In 2012, he was promoted to Senior Assistant Vice President to oversee key account acquisitions and the development of Regional Sales Offices in the Asia Pacific region, and in August 2015 he was placed in charge of sales globally. With more than 20 years of top-flight sales and marketing experience in the hospitality business, he has led hotel sales and marketing teams with Ritz-Carlton, Pan Pacific and InterContinental, and concluded eight hotel openings.

17. Kanruethai Roongruang

Vice President

Executive Director of Operations

Banyan Tree Spa & Gallery

Ms Roongruang assumed her current role in January 2015. Her responsibilities include overseeing the global operations of Banyan Tree Spa and Gallery which are integrated as a core business unit of the Group. Her previous appointment was Senior Assistant Vice President – Spa Operations, Asia Pacific (2011) and Senior Assistant Vice President, Executive Director – Spa Operations, Global from 2012. Ms Roongruang joined LRH in 1997 as Manager of Canal Village (Laguna Phuket Shopping Complex) and subsequently became Spa Manager at Banyan Tree Spa Bangkok in 2000. She has 15 years' experience in spa operations, growing her career in tandem with the expansion of Banyan Tree's global footprint. She holds a Bachelor of Arts in English from the Prince of Songkla University in Thailand.

18. Gavin Herholdt

Vice President

Managing Director
Laguna Lăng Cô, Vietnam (LLC)

Mr Herholdt is responsible for the overall performance of Laguna Lăng Cô, which includes formulating and implementing strategies to attract potential investors to LLC, managing the shared service of LLC, such as finance and human resource, and overseeing and promoting LLC property sales and project development.

Mr Herholdt was previously General Manager, Corporate Services, at Hamilton Island Resort, Australia. He had been responsible for running Hamilton Island operationally and financially since 1996, and was instrumental in turning the resort around from a loss-making to a profitable entity for 15 consecutive years. He was also responsible for residential sales on Hamilton Island from 1999 to 2005.

Mr Herholdt is a Chartered Accountant by training. Prior to joining Hamilton Island, he was with the accounting firm Coopers & Lybrand from 1986 to 1996, and had worked with them in Canada, the UK and Australia. He obtained his Bachelor of Commerce from the University of Queensland, Australia.

19. Alan Chin

Vice President
China Property Development

Managing Director
Banyan Tree China Fund

Mr Chin is responsible for the development and sales of all property development projects by the Banyan Tree Group in China, and also oversees the Banyan Tree China Fund. He joined Banyan Tree in 2010 as General Manager, Wenjiang Company and Director of Special Projects. With over 20 years of experience in the hospitality and real estate industries, he has practised in the developer, consultancy and private equity sectors. Prior to joining the Group, he held various senior positions at the China Hospitality Fund by RREEF and H&Q AP from 2008 to 2010, and also with Accor Hotel Group from 2002 to 2008. Mr Chin graduated from Beijing Polytechnic University with a Bachelor of Arts in Civil Engineering.

20. Carolyn Zhang

Vice President
Corporate (China)

Ms Zhang plays a key role in the overall running of the corporate office in mainland China, where she is in charge of all corporate finance and administration functions. She also supports other corporate functions such as human resource, legal and information and communications technology, with co-ordination and direction from the Group Head Office in Singapore. Prior to joining the Group in 2002, she worked for several well-known international conglomerates including Siemens and Thakral. She graduated with a Bachelor of Accountancy from Fudan University, China, and is a member of the Certified Accountants of China.

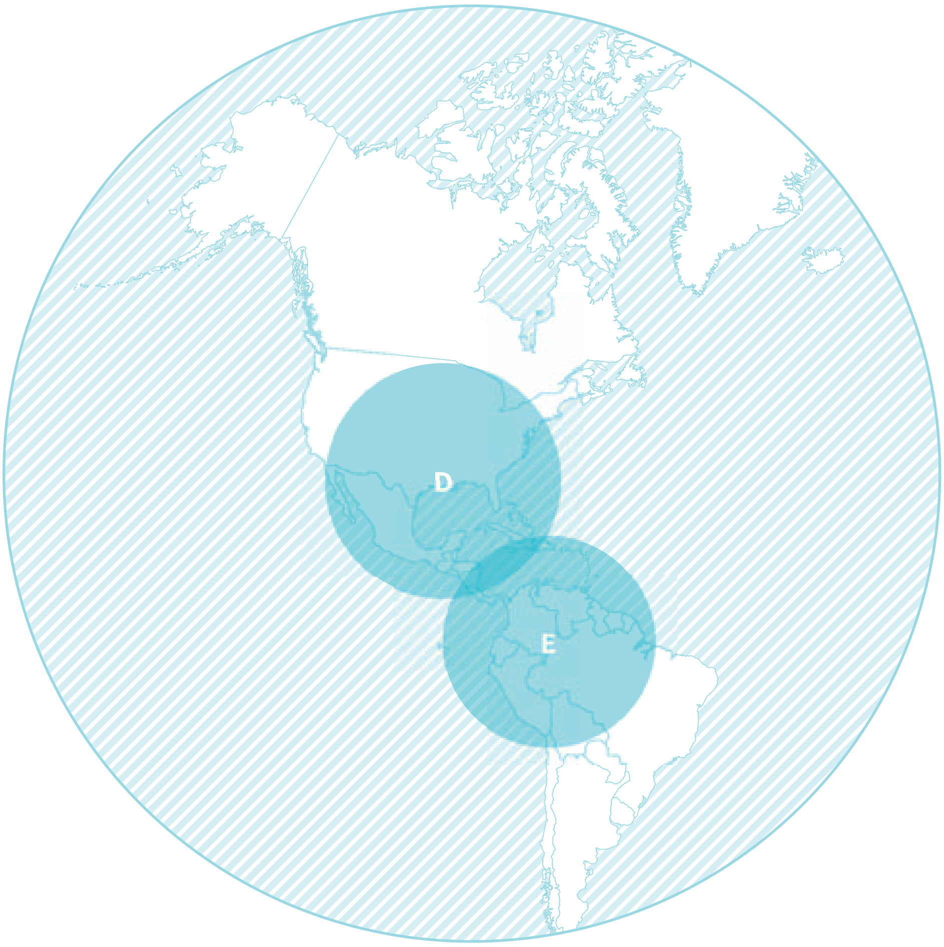
Operating & Financial Review

IN THIS CHAPTER

Our Worldwide Destinations*

Part of Banyan Tree's vision has always been to grow into a global business with a portfolio of strategically located properties around the world.

From our maiden property in Phuket, our geographical footprint has steadily spread to 27 countries on five continents.



BANYAN TREE
From 2014: 21 Hotels
22

ANGSANA
From 2014: 12 Hotels
12

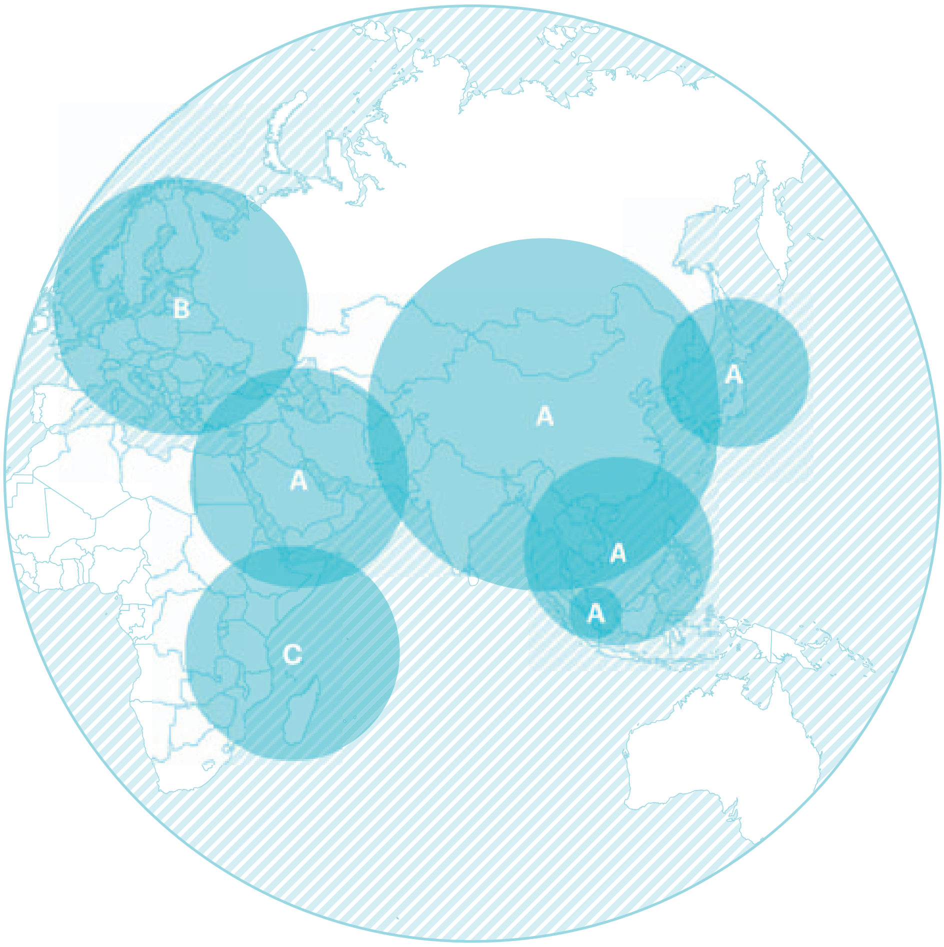
CASSIA
From 2014: 0 Hotels
1

OTHERS
From 2014: 2 Hotels
2

COUNTRIES	KEYS & ROOMS	AWARDS WON TO DATE
27	4,972	1,355

* As at 31 December 2015.

LEGEND
Hotels & Resorts
Spas



HOTELS	SPAS	GALLERY OUTLETS
37	68	81

A Asia

Country	Hotels & Resorts	Spas
CHINA	13	17
SOUTH KOREA	1	1
JAPAN		2
THAILAND	6	9
MALAYSIA		2
INDONESIA	3	3
GUAM		1
TAIWAN		1
HONG KONG & MACAU	1	3
VIETNAM	2	2
LAOS	1	1
INDIA	1	3
SRI LANKA		1
MALDIVES	3	3
SINGAPORE		1

Middle East

Country	Hotels & Resorts	Spas
KUWAIT		1
QATAR		1
UAE	1	2
MOROCCO	1	1
EGYPT		1

B Europe

Country	Hotels & Resorts	Spas
IRELAND		2
PORTUGAL		3

C Africa

Country	Hotels & Resorts	Spas
KENYA		1
MAURITIUS	1	1
SEYCHELLES	1	1
SOUTH AFRICA		1

D North America

Country	Hotels & Resorts	Spas
MEXICO	2	2

E South America

Country	Hotels & Resorts	Spas
BRAZIL		1

Milestones

More than 20 years ago, Banyan Tree's flagship resort in Phuket pioneered the all-pool villas concept and the first tropical garden spa on the site of an abandoned tin mine. Today, we have 37 hotels, 68 spas, 81 retail galleries and three golf courses in 27 countries.

1994

THE GROUP'S FLAGSHIP RESORT – Banyan Tree Phuket – is launched in Thailand's Laguna Phuket. The resort includes the first Banyan Tree Spa and Banyan Tree Gallery.

1995

TWO RESORTS OPEN – Banyan Tree Vabbinfaru, Maldives and Banyan Tree Bintan, Indonesia.

2000

ANGSANA BRAND is launched with the opening of Angsana Bintan, Indonesia and Angsana Great Barrier Reef, Australia.

2001

BANYAN TREE SPA ACADEMY is set up to train therapists and research new treatment recipes and techniques. Angsana Ihuru, Maldives and Angsana Bangalore, India, open. The Green Imperative Fund is launched to formalise the Group's corporate social responsibility efforts.

2002

BANYAN TREE SEYCHELLES is launched, and the Westin Banyan Tree is rebranded as Banyan Tree Bangkok.

2003

GYALTHANG DZONG HOTEL in Shangrila, China, opens its doors.

2005

THE FIRST BANYAN TREE RESORT IN CHINA – Banyan Tree Ringha opens in Yunnan. Maison Souvannaphoum Hotel, Laos, opens. The Group acquires Thai Wah Plaza, which houses Banyan Tree Bangkok in Thailand.

2006

BANYAN TREE HOLDINGS LIMITED IS LISTED ON THE SINGAPORE STOCK EXCHANGE. Banyan Tree Lijiang, China and Angsana Velavaru, Maldives, open.

The Group introduces Banyan Tree Private Collection, Asia's first asset-backed destination club offering perpetual and transferable membership.

2007

TWO RESORTS OPEN – Banyan Tree Madivaru, Maldives and Angsana Riads Collection Morocco. The Group fully subscribes to LRH rights issue and shareholding in LRH increase from 51.78% to 65.75%. Banyan Tree establishes the S$400-million Multicurrency Medium Term Note programme.

Our Diverse Brands

'94

LAUNCH OF BANYAN TREE BRAND:

Banyan Tree
Phuket, *Thailand*

'00

LAUNCH OF ANGSANA BRAND:

Angsana
Bintan, *Indonesia*

2008

BANYAN TREE SANYA, CHINA, OPENS. The Group launches the Banyan Tree Indochina Hospitality Fund, a real estate development fund primarily focusing on the hospitality sector in Vietnam, Cambodia and Laos.

2009

BANYAN TREE INDOCHINA HOSPITALITY FUND – Achieves a total capital commitment of US$283 million at final closing. Banyan Tree Mayakoba, Mexico, Banyan Tree Hangzhou, China, Banyan Tree Ungasan, Bali, Indonesia and Banyan Tree Al Wadi, UAE, open.

2010

BANYAN TREE CHINA HOSPITALITY FUND – Achieves a total capital commitment of RMB1 billion. Banyan Tree Cabo Marqués, Mexico, Banyan Tree Club & Spa Seoul, Korea, Banyan Tree Samui, Thailand and Angsana Fuxian Lake, China, open. LRH sells Dusit Laguna Phuket hotel in Thailand for THB2.6 billion (S$112.3 million).

2011

THE FIRST BANYAN TREE SPA IN SINGAPORE – Banyan Tree Spa Marina Bay Sands, opens. Banyan Tree Macau, China, Angsana Hangzhou, China and Angsana Balaclava Mauritius, open. Sheraton Grande Laguna Phuket is rebranded as Angsana Laguna Phuket. LRH sells Laguna Beach Resort, Thailand for THB717.2 million (S$29.6 million).

2012

THREE RESORTS OPEN – Banyan Tree Shanghai On The Bund, China, Banyan Tree Lăng Cô Central Vietnam and Angsana Lăng Cô Central Vietnam. The Group acquires the remaining 70% stake in Banyan Tree Seychelles and 77.5 hectares of adjoining undeveloped freehold land for US$25 million (S$31.6 million).

2013

THREE RESORTS OPEN IN CHINA – Banyan Tree Tianjin Riverside, China, Banyan Tree Chongqing Beibei, China and Angsana Tengchong • Hot Spring Village, China. The Group sells Angsana Velavaru, Maldives for US$71 million (S$86.8 million) and leases it back for 10 years.

2014

BANYAN TREE CELEBRATES ITS 20TH ANNIVERSARY. Banyan Tree Yangshuo, China and Angsana Xi'an Lintong, China, open. The Group launches its third brand, Cassia. Banyan Tree increases the size of the Multicurrency Medium Term Note programme to S$700 million.

2015

THE FIRST CASSIA HOTEL – Cassia Phuket, Thailand opens. Banyan Tree Huangshan, China, open. The Group launches its fourth brand, Dhawa, a casual and contemporary full-service hotel targeting middle-class travellers.

‘14

LAUNCH OF CASSIA BRAND:

Cassia
Phuket, *Thailand*

‘15

LAUNCH OF DHAWA BRAND:

Artist's Impression

Dhawa
Puer, *China*

Awards & Accolades

As a leading international developer and operator of resorts, residences, spas, galleries and golf courses, Banyan Tree was founded with the core value of driving sustainable development. We believe that the only way a business can succeed is to be valued by its stakeholders.

In 2015, we are pleased to receive 146 awards and accolades, bringing the total to 1,355 since the Group began operations.

TRAVEL

Tourism Authority of Thailand (TAT) Awards
2015 Top 10 Best Resort Hotel
Banyan Tree Bangkok

Prix Villegiature Awards 2015
Grand Prix of the Best hotel in the Middle East
Banyan Tree Al Wadi

Condé Nast Traveller Readers' Travel Awards 2015
8th in "The best hotels in Asia & the Indian Subcontinent" category
Banyan Tree Phuket

Travel + Leisure South-East Asia World's Best Awards 2015
Top 100 Hotels – 27th place
Banyan Tree Mayakoba

2015 Green Hotel Award
Gold Certification by Department of Environmental Quality Promotion
Banyan Tree Samui

Travel + Leisure China Travel Awards 2015
China's Top 100 Hotels
Banyan Tree Lijiang

12th Golden Pillow-Award of China Hotels
2015 China's Top 10 Most Popular Newly Opened Hotels
Banyan Tree Huangshan


1.


2.


3.

Total Awards & Accolades Won

Awards
WON
IN 2015
146

Awards
WON
TO DATE
1,355

SPA

Travel Trade Gazette (TTG) Travel Awards 2015
Travel Hall of Fame – Best Spa Operator after 10 consecutive years of win
Banyan Tree Spa

2015 Hurun Best of the Best Awards
(for the 9th consecutive year)
Best Spa Brand
Banyan Tree Spa

DestinAsian 10th Readers' Choice Awards 2015 ***(for the 3rd consecutive year)***
Favourite Spa Chain
Banyan Tree Spa

SpaChina Awards 2015
Best Global Spa Resort
Hotel Brand of The Year as chosen by Chinese Spa-Goers
Banyan Tree and Angsana

World Spa & Wellness Awards 2015
Resort Spa of the Year: Middle East & Africa
Banyan Tree Spa Al Wadi

2015 World Luxury Spa Awards
Continent Winner: Best Luxury Spa Group
Banyan Tree Spa

CORPORATE

PATA Gold Awards 2015
Corporate Social Responsibility
A Journey of Sustainability
PATA Gold Award Winner 2015 – CSR
Banyan Tree Hotels & Resorts

Singapore Corporate Awards 2015
Best Annual Report Award for companies with $300 Million to $1 Billion in market capitalisation – Silver Award
Banyan Tree Holdings Limited

16th SIAS Investors' Choice Award
Most Transparent Company Award 2015 – Runner-up
Banyan Tree Holdings Limited

ARC International Awards 2015 – Traditional Annual Reports
Gold – ARC Awards 'Hotel & Leisure' category (Annual Report 2014)
Banyan Tree Holdings Limited

HRM Asia 2015
Special Recognition Award for Best CSR Practices
Banyan Tree Hotels & Resorts


4.

1. Banyan Tree Al Wadi, *United Arab Emirates*

2. Banyan Tree Bangkok, *Thailand*

3. Banyan Tree Huangshan, *China*

4. Banyan Tree Spa Bintan, *Indonesia*

Our Business in Brief

BANYAN TREE

GROUP REVENUE

YoY from S$327.4M

S$370.7M

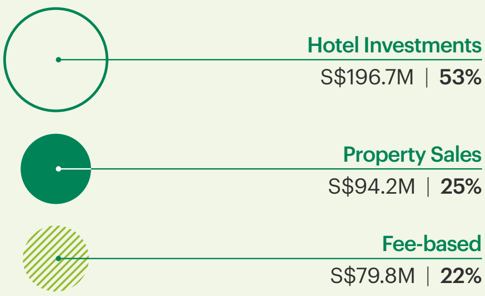
Banyan Tree Holdings is a leading manager and developer of premium resorts, hotels, residences and spas.

Through the Banyan Tree brand and sister brand Angsana, we are targeting two distinct customer segments, allowing us to expand the Group's customer base. We pioneered concepts that have become the signature features for many of our hotels and resorts, such as the tropical garden spa and pool villa.

In June 2014, the Group launched Cassia to provide investment opportunities for the growing middle-class looking for affordable holiday homes as well as the opportunity to develop an innovative hotel product in the serviced apartment segment.

In October 2015, the Group launched its fourth brand, Dhawa, a casual and contemporary full-service hotel catering to the emerging group of design savvy travellers who seek distinctive experiences in stylish and unique destinations.

The Group's revenue is generated by three core business segments: Hotel Investments, Property Sales and Fee-based.



HOTEL INVESTMENTS

REVENUE

YoY from S$203.9M

S$196.7M

We own and manage hotels, under our two award-winning brands, Banyan Tree and Angsana, and also the newly opened Cassia Phuket in October 2015.

We hold equity interest in 18 hotels, comprising over 2,000 keys.

Through asset rebalancing exercise carried out over the last few years, we have diversified our revenue base. As at 31 December 2015, revenue from our Hotel Investments was contributed by Thailand (55%), Indian Ocean (37%), China (7%), and Others (1%).

PROPERTY SALES

REVENUE
YoY from S$32.4M

S$94.2M

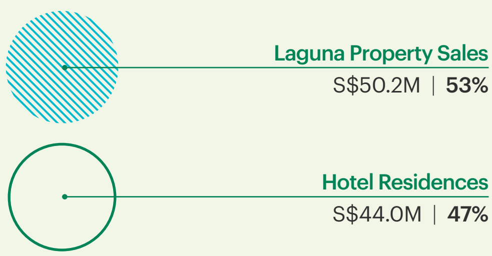
This segment consists of sales of hotel residences and Laguna properties.

Hotel Residences

Our hotel residence business comprises the sale of villas or apartments to investors under a compulsory leaseback scheme. Such residences, which are part of our hotel operations, are currently available in China, Indonesia, Mexico, Seychelles, Thailand and Vietnam.

Laguna Property Sales

Laguna property sales refer to sales of townhomes, bungalows and apartments that are within the vicinity of our resorts but are not part of our hotel operations. Laguna properties are currently available for sale in Phuket, China and Indonesia.



FEE-BASED

REVENUE
YoY from S$91.1M

S$79.8M

Our fee-based business comprises hotel, fund and club management, spa and gallery operations, and design and other services.

We manage 19 resorts and hotels, and operate 68 spas, 81 gallery outlets and three golf courses.

Hotel/Fund/Club Management

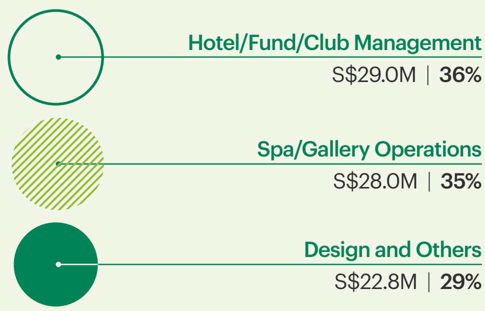
Besides managing hotels for other owners, we also manage an asset-backed destination club and two private equity funds. In addition, the Group derives royalties from the sale of properties in which we hold a minority or no interest.

Spa/Gallery Operations

We pioneered the tropical garden spa concept, and manage spas within our own resorts and also resorts owned by other hotel/resort operators. The retail arm of the Group, Banyan Tree Gallery, supports indigenous artistry, the livelihoods of village artisans and environmental conservation.

Design Fees and Others

We receive fees for design services and income from operating golf clubs. Most of our resorts are planned and designed by our experienced in-house division.



Business Review

HOTEL INVESTMENTS

Revenue from Group-owned hotels decreased by 4% from S$203.9 million in 2014 to S$196.7 million in 2015. Maldives, China and Seychelles were mainly responsible for the decline. This was partially offset by the improved performance of Thailand, which was largely due to Banyan Tree Bangkok.

Our hotels faced a very competitive landscape, further marred by the economic uncertainty in Western Europe and Russia. Overall, the Group saw a 25% drop in revenue from Russian guests, with Banyan Tree Seychelles, Angsana Maldives and Angsana Laguna Phuket most affected. On the other hand, revenue from Chinese nationals continued to grow, albeit only by a modest 3% because of the economic slowdown and government spending caps in China.

EBITDA decreased by S$18.5 million to S$20.4 million due to lower revenue and a lower profit margin due to tactical price offers that we used to drive occupancy, coupled with higher provision for delinquent debts and higher expenses for sales and marketing, repairs and maintenance.

THAILAND

In 2015, our hotels in Thailand posted a combined revenue of S$108.6 million, an increase of 3% from S$105.1 million. This was due to the stellar performance of Banyan Tree Bangkok, which recorded a 25% increase in revenue for the year. Notwithstanding a bomb blast in the capital, the hotel benefited from the lifting of martial law and a more stable political situation, effective sales and marketing efforts, and our strategy of limiting the group series and driving more leisure FIT and wholesale business. Occupancy came mainly from the China and Hong Kong markets, a trend we may see in 2016.

1.

Performance FY2015

-4%

REVENUE

From 2014: S$203.9M

S$196.7M

2.

Russia's economic crisis impeded the performance of many hotels in Phuket including Banyan Tree Phuket and Angsana Laguna Phuket. Both hotels were able to make up some of the shortfall by attracting Chinese tourists, albeit at a lower average room rate. In the case of Angsana Laguna Phuket, aggressive price-cutting by other mid-scale hotels also drew the volume-driven group-segment away. Meanwhile, Banyan Tree Phuket saw lower occupancy as it was under renovation for most of 2015.

Intensified competition in Phuket and Bangkok has made refurbishment a necessity. At Banyan Tree Phuket, we upgraded the interiors of 34 villas and added a pool to each of them. In addition, the all-day-dining restaurant was relocated to a new and larger venue while the signature Thai restaurant, Saffron was revamped. Meanwhile, at Banyan Tree Bangkok, 50 Premier Suites were upgraded to Club Suites that have proven popular with the corporate clientele. A new bar, Vertigo TOO, was added on the 60th floor offering spectacular views of the Bangkok skyline, and the award-winning Baiyun restaurant was relocated and redecorated.

1.
DoublePool Villas by Banyan Tree
Phuket, *Thailand*

2.
Banyan Tree
Bangkok, *Thailand*

Business Review
HOTEL INVESTMENTS

MALDIVES
Our Maldives resorts recorded revenue of S$54.0 million, down 11% year on year. While the average room rate increased by 6%, overall occupancy slid by 12 percentage points to 62%.

Tourism in the Maldives was adversely affected by the slowdown in arrivals from key source markets such as Europe and Russia. The devaluation of the euro and rouble further eroded the spending power of guests from these markets. At the same time, we observed a growing trend of tourists switching to cheaper accommodation. We responded by launching offers and incentives to stimulate occupancy.

CHINA
Group-owned hotels in China reported a decrease of 12% in revenue from S$16.4 million in 2014 to S$14.4 million in 2015. Rate wars initiated by our competitors weighed heavily on our results. This was exacerbated by the economic slowdown in China, given that the domestic market remains the key source of guests at our China properties.

Banyan Tree Lijiang faced stiff competition with three rival hotels opening during the year, while Banyan Tree Ringha saw its business impacted by road rebuilding and access issues.

MOROCCO
Morocco struggled with political issues, terrorism and misplaced worries about Ebola. As a result, Angsana Riads Collection Morocco saw revenue fall by 34% to S$0.8 million, with both room nights and room revenue declining.

SEYCHELLES
Revenue from Banyan Tree Seychelles decreased by 8% because of the euro's depreciation against the US dollar. The exchange impact was especially significant given that our Seychelles property reports its results in USD while more than 90% of its contracts were denominated in euro. While overall tourist arrivals in Seychelles improved, occupancy continued to be affected by the reduction in Russian tourists as well as price-sensitive tourists opting for cheaper accommodation.

SALES AND MARKETING
We ran several campaigns during the year, including "The 11th Hour", an optional all-inclusive add-on, and "New Places at Old Prices" which targeted the Russian market by offering them a fixed exchange rate for rouble to US dollar, euro and Thai baht.

We continued to grow our online business significantly through our Global Distribution Systems as well as online travel agents. At the same time, allowing independent travellers to find information and book our properties online in a seamless manner was a priority for 2015. We enhanced our websites to ensure a harmonious experience across various devices, employing stunning vivid images and video to bring destinations alive. We also began to roll out content in multiple languages to reach a wider audience.

In addition, we have reinforced our online presence with initiatives such as a business listing on TripAdvisor, sponsored posts on social media and an e-Gifting campaign over the Christmas season.


1.

1. Banyan Tree Lijiang, *China*

2. Banyan Tree Seychelles, *Seychelles*

3. Banyan Tree Vabbinfaru, *Maldives*

We continued to grow our online business significantly through our Global Distribution Systems as well as online travel agents."

2.

3.

Business Review

PROPERTY SALES

The property sales segment comprises sales of hotel residences, Laguna properties and Laguna Holiday Club memberships. Total revenue nearly tripled, from S$32.4 million in 2014 to S$94.2 million in 2015. The strong increase was due to higher revenue recognised from the completion of Cassia Phuket condominiums (Phase 1) and progressive handover of Laguna Park townhomes/villas in Phuket.

Demand for property however was soft in 2015. Three main factors contributed to this. Russia, one of our key source markets, had yet to recover from the collapse of its currency in 2014. China, another key source market, was affected by the slowdown of its domestic economy. Meanwhile, sluggish global growth affected investor confidence and constrained discretionary spending.

Against this backdrop, ongoing efforts to diversify our properties in terms of target markets and geography are proving to be successful. We now offer a complete range of products catering to all market segments, from affordably priced Cassia serviced apartments for the emerging middle class in Asia to high-end Banyan Tree branded residential offerings.

HOTEL RESIDENCES

Revenue recognised from hotel residences increased more than threefold in 2015, from S$12.4 million to S$44.0 million. This strong improvement was due mainly to the recognition of Cassia Phuket apartments in Thailand as they were progressively completed in late 2015. Some 140 units from Phase 1 were recognised, compared to none the previous year.

During the year, we sold a total of 42 units totalling S$25.7 million, representing a decline of 33% in terms of value compared to 2014. The units consisted of:

1.

Performance FY2015

+191%

REVENUE

From 2014: S$32.4M

S$94.2M

2.

Artist's Impression

- Four Banyan Tree villas, including three Grand Residences, totalling S$13.9 million (2014: nine villas totalling S$15.8 million);

- 35 Cassia apartments totalling S$9.5 million (2014: 84 apartments totalling S$20.9 million); and

- Three Dusit villas totalling S$2.3 million (2014: two villas totalling S$1.7 million).

Since late 2014, Banyan Tree branded residential offerings have included Grand Residences, which are priced at over S$4 million each. These five-bedroom luxury residences are situated adjacent to our flagship Banyan Tree Phuket resort in Thailand. In 2016, we are expanding our offering of luxury residences in the Asia Pacific region by launching two- to four- bedroom Banyan Tree branded apartments in Brisbane, Australia. These are priced from S$1.0 million to S$6.5 million.

During the year we successfully completed construction and opened the first phase of Cassia Phuket. Cassia Bintan is presently under construction and is expected to open in 2017.

1.
Banyan Tree
Residences,
Brisbane,
Australia

2.
Banyan Tree
Grand
Residences,
Thailand

Artist's Impression

Business Review

PROPERTY SALES

We have approximately S$45.2 million worth of sales in the pipeline, mainly from Banyan Tree Grand Residences, Cassia Phuket and Cassia Bintan. This will be recognised upon completion in 2016-2018.

LAGUNA PROPERTY SALES

Revenue recognised more than tripled year on year, from $12.6 million in 2014 to S$42.5 million. The increase was mainly due to the completion and recognition of 88 units in Phuket, as compared with 21 units the year before.

Overall, we sold a total of 51 units in 2015:

- 22 Laguna Park townhomes and bungalows totalling S$11.2 million (2014: 61 townhomes and bungalows totalling S$27.7 million);
- Five Laguna Village apartments and bungalows totalling S$3.9 million (2014: eight apartments and bungalows totalling S$7.4 million); and
- 24 Laguna Chengdu apartments totalling S$2.6 million (2014: 46 apartments totalling S$5.1 million).

The above units were worth a combined S$17.7 million, a decline of 56% in value terms compared with the prior year. This was attributable to weak demand from the Russian market which forms a large proportion of buyers.

In 2015, we launched Phase 1A (214 units) of Laguna apartments in Wenjiang, China. As at 31 December 2015, we had converted pre-launch booking deposits for 70 of the units into actual sales. In view of the economic slowdown in China, coupled with the plunge in the stock market in late 2015, several buyers who booked during the pre-launch decided not to proceed with their purchases. Against this backdrop, we will defer the launch of the remaining phases of our residential and commercial development in Wenjiang, until the economic outlook improves.

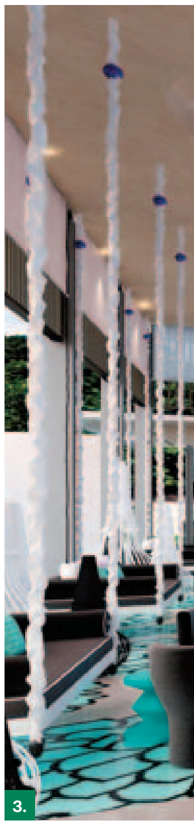
1

We continue to have a healthy pipeline of S$24.9 million worth of Laguna property sales, mainly from Laguna Park Phuket, to be recognised upon completion in 2016-2018.

LAGUNA HOLIDAY CLUB

We continued to operate Laguna Holiday Club on a scaled back basis, generating revenue of S$7.7 million (2014: S$7.4 million). However, we believe there remains potential for the holiday club business to grow. With this in mind, in 2015 we focused on creating a new club which will be structurally in line with the major competition and will be able to compete better in terms of product.

After a thorough study of the market we will launch our new “Angsana Vacation Club” in 2016. Unlike the previous club, it will be points-based, with inventory owned by an independent trustee, and members will have access to selected Banyan Tree Hotels & Resorts.



3.

Artist's Impression

We now offer a complete range of products catering to all market segments, from affordably priced Cassia serviced apartments to high-end Banyan Tree branded residential offerings."

2.

Artist's Impression

1.
Laguna Park
Phuket, *Thailand*

2.
The Lofts at Laguna Village
Thailand

3.
Cassia
Bintan, *Indonesia*

Business Review

FEE-BASED

FEE-BASED INCOME

The Group's fee-based business consists of hotel, fund and club management, spa and gallery operations, and design and other services. This segment recorded total revenue of S$79.8 million in 2015, a decrease of S$11.3 million or 12% compared to the previous year. This was due to lower hotel/fund management fees, lower revenue from spa/gallery operations, and reduced architectural and design fees earned upon reaching project milestones.

HOTEL MANAGEMENT

Group revenue from hotel management contracts was S$25.6 million in 2015, 6% or S$1.6 million lower than the previous year. This was due to lower management fees from several resorts. EBITDA decreased by S$5.0 million from S$6.7 million to S$1.7 million, mainly because of the provision for delinquent debts. Excluding this provision, EBITDA was S$2.7 million lower than the previous year, due to lower management fees, higher staff costs and higher expenses including marketing. These were however cushioned by higher exchange gains.

During the year, we continued to expand the portfolio of hotels under our management, opening the 110-room Banyan Tree Huangshan in the eastern Chinese province of Anhui. The 10th Banyan Tree branded hotel in China, it is situated near majestic Mount Huangshan and 70 minutes from Huangshan city.

China

Group-managed hotels in China fared better in 2015, with room revenue gaining 27% over 2014, thanks to continued growth in domestic tourism. Banyan Tree Yangshuo and Angsana Xi'an Lintong also contributed their first full year of revenue, having opened in 2014. However, the austerity measures imposed by the Chinese government and poor business sentiment particularly from the third quarter onwards, which led to the devaluation of the yuan, hampered the performance of our hotels in China.

1.

Performance FY2015

-12%

REVENUE

From 2014: S$91.1M

S$79.8M

3.

Asia Pacific
Overall room revenue for managed hotels in the Asia Pacific region saw a slight dip of 1% year on year. The best performing properties were Banyan Tree Samui, Banyan Tree Lăng Cô and Angsana Lăng Cô , which benefited from the improved political climate in their respective areas. Banyan Tree Macau and Banyan Tree Bintan saw a drop in business because of the slowdown in the gaming segment and increased competition respectively, while Banyan Tree Club & Spa Seoul was affected by the MERS outbreak.

Europe, Middle East and Africa
The plunge in oil prices weakened business sentiment and consumer travel interest in this region. Consequently, room revenue dropped by 4%. On a positive note, Angsana Balaclava delivered growth of 10%.


2.

1.
Banyan Tree
Macau, *China*

2.
Banyan Tree
Hangzhou,
China

3.
Banyan Tree
Lăng Cô
Central Vietnam,
Vietnam

Business Review
FEE-BASED

Americas
Room revenue increased by 6% in 2015, spearheaded by Banyan Tree Mayakoba which grew its revenue by a healthy 8%. Banyan Tree Cabo Marqués, on the other hand, faced some business challenges from political unrest in the surrounding area and experienced a 5% decline in room revenue.

IN THE PIPELINE
Three new hotels will open under our management in 2016, including one under our new brand, Dhawa.

Banyan Tree Tamouda Bay will comprise 92 keys. This all-pool villa resort situated on the northern coast of Morocco will boast magnificent views of the Mediterranean Sea.

In China, we will launch Banyan Tree Jiuzhaigou and Dhawa Boao. The 234-key Banyan Tree Jiuzhaigou will feature modern oriental architecture to complement the natural beauty of Jiuzhaigou's jewel-like pools, waterfalls, limestone terraces and jagged alpine mountains. Dhawa Boao will have 325 keys, of which more than half will face the sea. Boao is a coastal town on Hainan Island, China, and a well-known destination for international conferences and leisure travel.

In addition, we have received a letter of award for Dhawa Cayo Santa María. Upon signing the management agreement, this will be our first property in Cuba. It will be situated in Jardines del Rey archipelago, a popular destination for marine enthusiasts because of its vast acres of coral reefs, underwater fauna and diverse flora.

FUND MANAGEMENT
Revenue from fund management was S$3.4 million, down by 51% year on year, mainly because of lower resort development management fees following the completion of Banyan Tree Yangshuo and Angsana Lijiang in 2014. During the year, the China Fund opened Banyan Tree Huangshan.

SPA OPERATIONS
Total spa revenue for 2015 was S$20.4 million, a decline of 14% from last year's S$23.7 million. This was largely due to lower spa guests in Thailand, Indonesia and Maldives, attributable to lower hotel occupancies and the closure of spa outlets in the United Arab Emirates. EBITDA declined by 41% to S$3.2 million in line with the lower revenue.

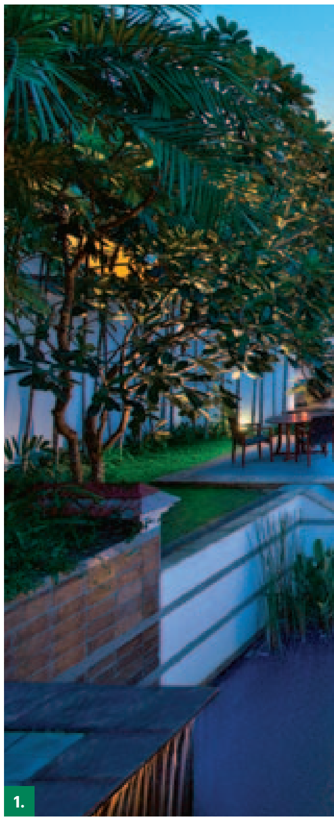
We opened two new outlets in 2015, namely Banyan Tree Spa Huangshan and Chill Chill Spa Phuket. With these additions, our spas are now present in 27 countries on five continents. We plan to open 13 more spas in 2016 and 2017, including nine in China to capitalise on growth in that market. These new outlets will extend the Group's portfolio to 81 spas by 2017.

We continue to refine the service protocol and signature touch points at our spas in order to heighten the guest experience. Dedicated training of our associates and maintaining consistently high service standards are key to improving efficiency and guest management processes. At the same time, recruiting and grooming associates locally remains a priority for our continued expansion in the China market.

As an integral part of the Banyan Tree and Angsana experience, our spas feature signature packages using local ingredients to create a unique sense of place. Our second Angsana hot spring facility in Angsana Xi'an Lintong, China, offers a two-storey complex with Tang-inspired architecture and various themed hot spring pools infused with therapeutic herbs. It is also the first of our spas to introduce Spring Forest by Angsana, which offers a holistic journey of fourteen hydrothermal features combining the best of European spa with Asian-inspired wellness.

Meanwhile, we are bringing the pampering spa-inspired concept of Banyan Tree Spa Sanctuary Phuket to another level, with the progressive roll-out of the Spa Sanctuary Room Package at Banyan Tree resorts worldwide. Highlights of the package include unlimited spa treatments, healthy afternoon teas and a variety of nightly spa turndowns.

We continue to affirm our position as Asia's leading spa operator through strategic partnerships and by earning international acclaim. We won another 59 awards in 2015, bringing the total to 491.


1.

1. Banyan Tree Spa Sanctuary, *Thailand*

2. Banyan Tree Spa Ungasan, *Indonesia*

3. Banyan Tree Club & Spa Seoul, *South Korea*

Three new hotels will open under our management in 2016, including one under our new brand, Dhawa."

2.

3.

Business Review

FEE-BASED

"With more consumers purchasing products online, revenue from the Gallery's online sales climbed by 108% in 2015."

1.

2.

3.

1.
Banyan Tree
Gallery

2.
Banyan Tree
Gallery at
Banyan Tree
Lăng Cô
Central Vietnam,
Vietnam

3.
Banyan Tree
Bintan,
Indonesia

These included being named to the prestigious Travel Hall of Fame at the TTG Travel Awards 2015 after ten consecutive years of winning the title of Best Spa Operator, Best Spa Brand at both the Shanghai Morning Post Tourism Awards 2014 (for the third consecutive year) and Hurun Report China Best of The Best Awards 2015 (for the ninth consecutive year), Best Spa Operator in China (for the seventh year in a row) at the 10th China Hotel Starlight Awards, and Favourite Spa Chain (third consecutive win) at the DestinAsian Readers' Choice Awards 2015.

GALLERY OPERATIONS

Banyan Tree Gallery is the Group's socially responsible retail arm. Based on the concept of "retailing with a difference", the Gallery is committed to showcasing local crafts, sustaining the livelihood and skills of village artisans through gainful employment, and conserving natural and cultural resources through its unique merchandise.

One of the largest retail chains in the hospitality industry, Banyan Tree Gallery operates 81 outlets in 27 countries. Besides retail, the Gallery provides design expertise, procurement and logistical services for the Group's resorts, hotels and spas. It also develops proprietary spa products for retail and for use in spa operations.

Total Gallery revenue for 2015 was S$7.6 million, down 6% year on year as a result of lower sales in Phuket due to a 7% dip in average spending. EBITDA declined by S$0.2 million to S$0.6 million.

During the year we continued to identify strategies to boost Gallery revenue. For example, by focusing on external sales through corporate gifts and partnerships with banks and credit card companies, corporate sales increased by 49% as compared to 2014.

Meanwhile, the Banyan Tree Gallery and Angsana Gallery e-commerce platforms and third-party websites continue to present opportunities to drive revenue. With more consumers purchasing products online, revenue from our online sales climbed by 108% in 2015. Online retail has the added benefit of enabling us to reduce direct costs.

In 2016, we will introduce Matter Prints, a socially motivated brand of textile wares that will reinterpret heritage prints and styles for the modern traveller. Its mission is threefold: to foster designer-artisan collaborations, to inspire consumers to respect provenance – to ask where and why something is made, and to champion alternative production models for textile artisans to improve their financial independence.

We will continue to strengthen Banyan Tree Gallery's position as a socially responsible retailer of community crafts, lifestyle apparel and natural wellness products. The Group's ongoing global expansion opens the way for us to expand the Gallery's portfolio and to promote Asia's rich heritage to a wider audience.

DESIGN FEES AND OTHER SERVICES

Design and other services registered total revenue of S$22.8 million for the year (2014: S$24.9 million). The 9% decline was mainly due to lower revenue from architectural and design fees, which was partially offset by higher revenue from golf operations.

Revenue for architectural and design services is recognised progressively as each project reaches specified milestones. With the economic slowdown in China, owners of several projects put them on hold or slowed their construction. Projects approaching completion also contributed to the decrease in revenue. These were cushioned by newly commenced projects and projects that progressed at a faster pace.

Revenue from our golf operations, however, increased because of the improved performance of Laguna Phuket Golf Club following the upgrading of its golf course in late 2014. This generated higher green and membership fees, golf cart rentals and merchandise sales.

In terms of EBITDA, design and other services posted a loss of S$0.4 million compared with a gain of S$5.1 million last year. Besides lower overall revenue, EBITDA was adversely affected by higher provision for delinquent debts relating to the China region.

Meeting Growing Demand in China.

Banyan Tree
Hangzhou, *China*

Angsana
Spa Tengchong
• Hot Spring
Village, *China*

Banyan
Tree
Sanya, *China*

Portfolio

EXISTING RESORTS IN 2015

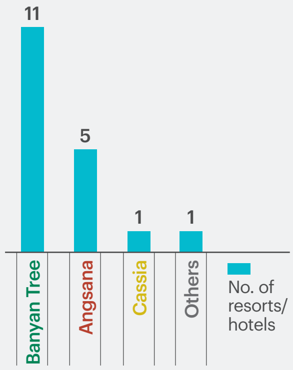
Resorts/Hotels *with* Equity Interest		Country	No. of Hotel Keys	Equity
Banyan Tree				
1	Vabbinfaru	Maldives	48	100.0%
2	Seychelles	Seychelles	60	100.0%
3	Ringha	China	32	96.0%
4	Lijiang	China	125	83.2%
5	Bangkok	Thailand	325	65.8%
6	Phuket	Thailand	173	65.8%
7	Mayakoba	Mexico	117	6.0%
8	Cabo Marqués	Mexico	45	14.3%
9	Lăng Cô Central Vietnam+	Vietnam	56	15.9%
10	Yangshuo++	China	142	5.3%
11	Huangshan++	China	110	5.3%
	Subtotal		**1,233**	
Angsana				
1	Riads Collection Morocco	Morocco	40	100.0%
2	Ihuru	Maldives	45	100.0%
3	Velavaru^	Maldives	113	100.0%
4	Laguna Phuket	Thailand	324	65.8%
5	Lăng Cô Central Vietnam+	Vietnam	229	15.9%
	Subtotal		**751**	
Cassia				
1	Phuket	Thailand	229	65.8%
	Subtotal		**229**	
Others				
1	Laguna Holiday Club Phuket Resort	Thailand	112	65.8%
	Subtotal		**112**	
GRAND TOTAL			**2,325**	

^ Under sale and leaseback arrangement w.e.f. 31 January 2013.
+ Project developed by Banyan Tree Indochina Hospitality Fund. The Group's equity investment in the fund was US$41.9 million which had been progressively injected from 2009 to 2013.
++ Project developed by Banyan Tree China Hospitality Fund. The Group's equity investment in the fund was RMB57 million which had been progressively injected from 2010 to 2013.

Resorts/Hotels *with* Equity Interest

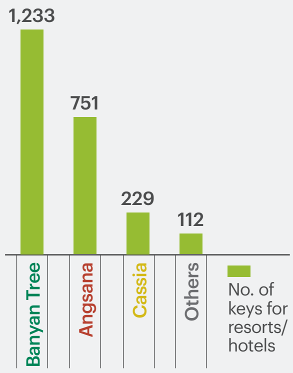
TOTAL NO. OF RESORTS/HOTELS

18



TOTAL NO. OF KEYS FOR RESORTS/HOTELS

2,325

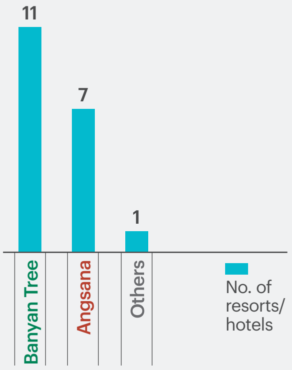


Resorts/Hotels *without* Equity Interest		Country	No. of Hotel Keys
Banyan Tree			
1	Bintan	Indonesia	64
2	Sanya	China	49
3	Ungasan	Indonesia	71
4	Hangzhou	China	72
5	Al Wadi	UAE	133
6	Club & Spa Seoul	South Korea	50
7	Samui	Thailand	88
8	Macau	China	256
9	Shanghai On The Bund	China	130
10	Tianjin Riverside	China	153
11	Chongqing Beibei	China	106
	Subtotal		**1,172**
Angsana			
1	Bintan	Indonesia	113
2	Bangalore	India	79
3	Fuxian Lake	China	711
4	Hangzhou	China	59
5	Balaclava	Mauritius	52
6	Tengchong • Hot Spring Village	China	37
7	Xi'an Lintong	China	400
	Subtotal		**1,451**
Others			
1	Maison Souvannaphoum Hotel	Laos	24
	Subtotal		**24**
GRAND TOTAL			**2,647**

Resorts/Hotels *without* Equity Interest

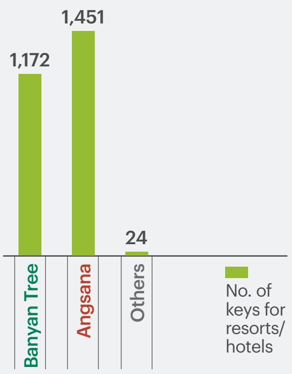
TOTAL NO. OF RESORTS/HOTELS

19



TOTAL NO. OF KEYS FOR RESORTS/HOTELS

2,647



Portfolio

PIPELINE OF NEW PROJECTS*

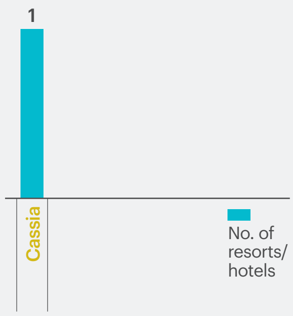
Resorts/Hotels *with* Equity Interest		Country	No. of Hotel Keys	Range of Room Rates (US$)	Equity	Year of Opening
Cassia						
1	Phuket** (Phase 2)	Thailand	105	TBA#	65.8%	2017
2	Bintan (Phase 1)	Indonesia	104	TBA#	100.0%	2017
3	Bintan (Phase 2)	Indonesia	76	TBA#	100.0%	2018
	Subtotal		**285**			
GRAND TOTAL			**285**			

* As at 31 December 2015.
** Cassia Phuket (Phase 1) opened in 2015.
# To be advised.

Resorts/Hotels *with* Equity Interest

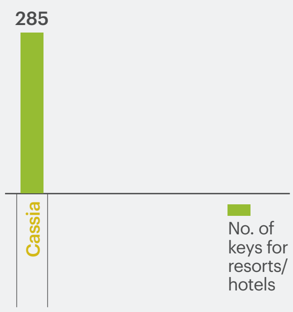
TOTAL NO. OF RESORTS/HOTELS

1



TOTAL NO. OF KEYS FOR RESORTS/HOTELS

285



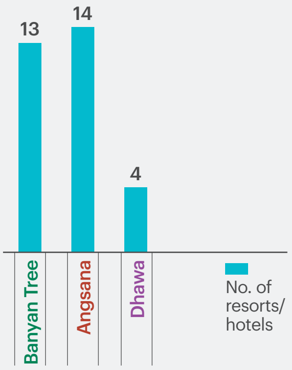
Resorts/Hotels *without* Equity Interest		Country	No. of Hotel Keys	Range of Room Rates (US$)	Year of Opening
Banyan Tree					
1	Tamouda Bay	Morocco	92	TBA#	2016
2	Jiuzhaigou	China	234	225-380	2016
3	Signatures Pavilion, Kuala Lumpur	Malaysia	150	188 - 229	2017
4	Anji	China	151	245-395	2017
5	Emeishan	China	131	230-385	2017
6	Yangcheng Lake	China	112	240-390	2017
7	Leishan	China	40	225-370	2018
8	Goa	India	195	TBA#	2018
9	Dali	China	177	235-375	2018
10	Jilin Riverside	China	304	225-370	2018
11	Tufu Bay	China	293	245-395	2018
12	Wuxi	China	91	TBA#	2018
13	Qingdao	China	TBA#	TBA#	2019
	Subtotal		**1,970**		
Angsana					
1	Marbella	Spain	119	TBA#	2017
2	Zhuhai	China	212	170-230	2017
3	Langfang	China	97	TBA#	2017
4	Corfu	Greece	97	TBA#	2017
5	Xishuangbanna	China	380	155-190	2018
6	Yang Jiang Hai Ling Dao	China	245	165-195	2018
7	Leishan	China	140	155-185	2018
8	Teluk Bahang, Penang	Malaysia	230	TBA#	2018
9	Tengchong	China	274	150-190	2018
10	Port Dickson	Malaysia	200	TBA#	2018
11	Fuzhou Changle	China	183	TBA#	2018
12	Wuxi	China	206	TBA#	2018
13	Qingdao	China	TBA#	TBA#	2019
14	Luoyang	China	150	150-185	2019
	Subtotal		**2,533**		
Dhawa					
1	Boao	China	325	90-170	2016
2	Puer	China	254	TBA#	2017
3	Leishan	China	377	80-155	2018
4	Luoyang	China	300	85-160	2019
	Subtotal		**1,256**		
GRAND TOTAL			**5,759**		

To be advised.

Resorts/Hotels *without* Equity Interest

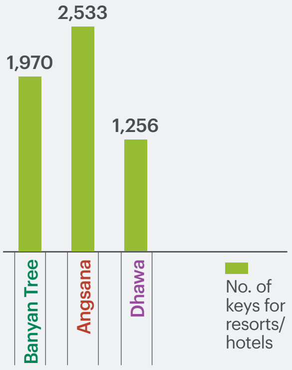
TOTAL NO. OF RESORTS/HOTELS

31



TOTAL NO. OF KEYS FOR RESORTS/HOTELS

5,759



Portfolio

EXISTING SPAS

Name of Spa		Location	No. of Treatment Rooms
Banyan Tree			
1	Phuket	Thailand	23
2	Vabbinfaru	Maldives	5
3	Bintan	Indonesia	11
4	Seychelles	Seychelles	8
5	Bangkok	Thailand	16
6	Shanghai	China	13
7	Phoenix Seagaia Resort	Japan	10
8	Ringha	China	6
9	Lijiang	China	7
10	Sanya	China	8
11	Mayakoba	Mexico	13
12	Al Wadi	UAE	10
13	Hangzhou	China	9
14	Ungasan	Indonesia	8
15	Cabo Marqués	Mexico	6
16	Estoril	Portugal	11
17	Club & Spa Seoul	South Korea	11
18	Samui	Thailand	10
19	Ras Al Khaimah Beach	UAE	2
20	Macau	China	19
21	Marina Bay Sands	Singapore	15
22	Shanghai on the Bund	China	11
23	Lăng Cô	Vietnam	6
24	Tianjin Riverside	China	9
25	Chongqing Beibei	China	9
26	Yangshuo	China	9
27	Huangshan	China	2
	Subtotal		**267**
Angsana			
1	Dusit Thani Laguna Phuket	Thailand	8
2	Bintan	Indonesia	15
3	Laguna Phuket	Thailand	12
4	Ihuru	Maldives	8
5	Oasis Spa & Resort Bangalore	India	6
6	Outrigger Laguna Phuket Beach Resort	Thailand	8
7	Allamanda Laguna Phuket	Thailand	8
8	Park Island	Hong Kong	7
9	The Brehon	Ireland	6

Name of Spa		Location	No. of Treatment Rooms
Angsana			
10	Vineyard Hotel	South Africa	10
11	Luang Prabang	Laos	3
12	El-Gouna	Egypt	11
13	City Club & Spa Crescat City	Sri Lanka	11
14	Velavaru	Maldives	10
15	Bunratty	Ireland	5
16	ANA Crowne Plaza Kobe	Japan	8
17	The Garden Hotel, Guangzhou	China	12
18	Sheraton Laguna Guam	Guam	8
19	Morocco	Morocco	2
20	Prestige Ozone Bangalore	India	6
21	Tivoli Marina Vilamoura	Portugal	11
22	Oasis Spa UB City Bangalore	India	11
23	Wyndham Grand Regency Doha	Qatar	9
24	Hotel Nikko Shanghai	China	11
25	Sankara Nairobi	Kenya	7
26	Fuxian Lake	China	14
27	Hotel ICON	Hong Kong	4
28	Balaclava Mauritius	Mauritius	6
29	Caesar Park Kenting	Taiwan	6
30	Nusajaya	Malaysia	6
31	Seaview Xiamen	China	8
32	Lăng Cô	Vietnam	10
33	Tengchong • Hot Spring Village	China	15
34	Jinling Nanjing	China	11
35	Xi'an Lintong	China	15
	Subtotal		**308**
Elements Spa By Banyan Tree			
1	Kuwait	Kuwait	7
2	Tivoli Victoria	Portugal	7
3	Tivoli Sao Paulo	Brazil	9
	Subtotal		**23**
Chill Chill			
1	Sathorn	Thailand	8
2	Glenmarie	Malaysia	8
3	Laguna Phuket	Thailand	7
	Subtotal		**23**
GRAND TOTAL			**621**

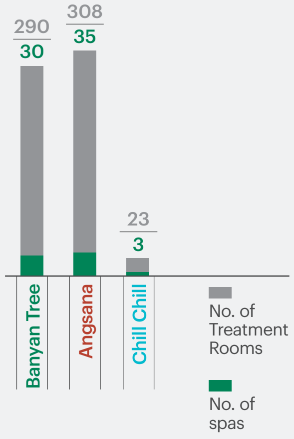
Existing Spas

TOTAL NO. OF OUTLETS

68

TOTAL NO. OF TREATMENT ROOMS

621



Portfolio

SPAS IN THE PIPELINE*

Year of Opening
2016

Banyan Tree

Jiuzhaiguo Sichuan, *China*

Tamouda Bay, *Morocco*

Angsana

Hot Spring Monbala Xishuangbanna, *China*

Conghua, *China*

Gurgaon, *India*

Chill Chill

Boao, *China*

Year of Opening
2017

Banyan Tree

Anji, *China*

Signatures Pavilion Kuala Lumpur, *Malaysia*

EMeiShan, *China*

Angsana

Lang Fang, *China*

Marbella, *Spain*

Zhuhai, *China*

Chill Chill

Puer, *China*

Year of Opening
2018

Banyan Tree

Goa, *India*

Dali, *China*

Jilin Riverside, *China*

Leishan, *China*

Tufu Bay, *China*

Wuxi, *China*

Wenjiang, *China*

Yancheng Lake, *China*

Angsana

Leishan, *China*

Teluk Bahang, *Malaysia*

Yangjiang, *China*

Xishuangbanna, *China*

Port Dickson, *Malaysia*

Chill Chill

Cassia Bintan, *Indonesia*

Leishan, *China*

Year of Opening
2019

Banyan Tree

Qingdao Phoenix Bay, *China*

Residences Brisbane, *Australia*

Angsana

Luoyang, *China*

Qingdao Phoenix Bay, *China*

Fuzhou Changle, *China*

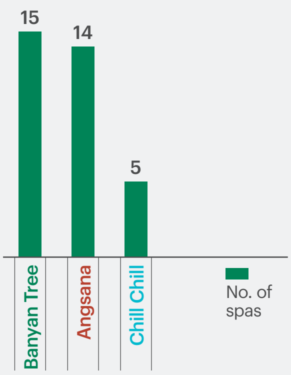
Chill Chill

Luoyang, *China*

Spas in the Pipeline

TOTAL NO. OF SPAS

34



* As at 31 December 2015.

PROPERTY PRODUCTS FOR SALE

HOTEL RESIDENCES	Total units for sale	Sale value of units for sale	Unrecognised revenue	% Sold*	Available units for sale*	Estimated year of completion				
		S$'m	S$'m			2016	2017	2018	2019	2020
Australia										
Banyan Tree Residences, Brisbane#	**76**	**147**	–	–	**76**				●	●
Thailand										
Cassia Phuket										
– *Phase 1^*	229	60	4.2	74%	59					
– *Phase 2*	105	31	8.4	25%	79		●			
	334	**91**	**12.6**		**138**					
Banyan Tree Grand Residences Phuket	**19**	**80**	**16.6**	21%	**15**	●	●			
Banyan Tree Beachfront Residences Phuket##	**42**	**84**	–	–	**42**			●	●	●
Dusit^	**28**	**39**	**2.3**	89%	**3**					
Banyan Tree Phuket 2-Bedroom Pool Villas^	**14**	**20**	**1.1**	100%	–					
Banyan Tree Phuket DoublePool Villas^	**22**	**67**	–	77%	**5**					
Banyan Tree Phuket Deluxe DoublePool Villas^	**4**	**13**	–	100%	–					
Banyan Tree Bangkok Apartments^	**24**	**29**	–	63%	**9**					
Indonesia										
Cassia Bintan										
– *Phase 1*	104	29	12.6	46%	56	●				
– *Phase 2*	76	24	–		–			●		
	180	**53**	**12.6**		**56**					
Banyan Tree Bintan										
– *1-Bedroom Bayfront Villas^*	29	27	–	24%	22					
– *2-Bedroom Bayfront Pool Villas^*	9	21	–	78%	2					
	38	**48**	–		**24**					
China										
Banyan Tree Lijiang										
– *2-Bedroom Townhouses^*	**16**	**18**	–	88%	**2**					

^ Completed inventories.
* As at 31 December 2015.
\# Soft launch in Mid-March 2016.
\## Soft launch in 2nd half 2016.

Portfolio

PROPERTY PRODUCTS FOR SALE

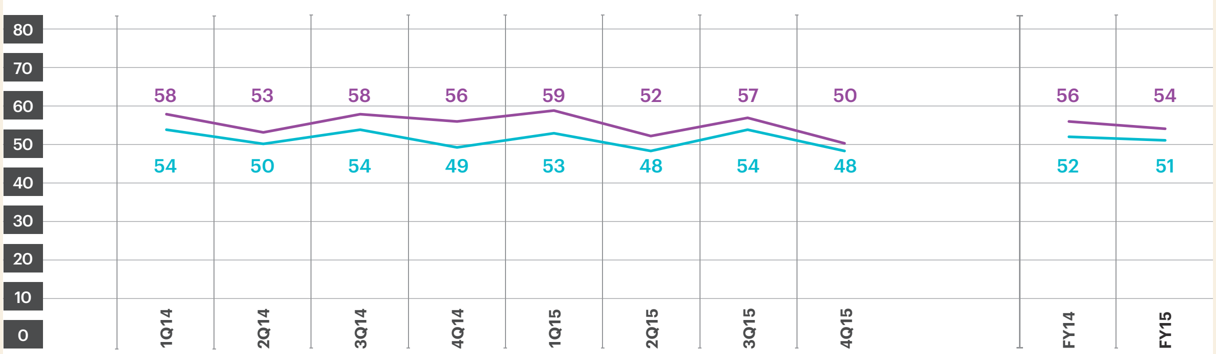
LAGUNA PROPERTY SALES	Total units for sale	Sale value of units for sale	Unrecognised revenue	% Sold*	Available units for sale*	Estimated year of completion				
		S$'m	S$'m			2016	2017	2018	2019	2020
Thailand										
Laguna Park										
Townhome	155	56	4.4	50%	77	●	●			
Villa	96	55	12.0	52%	46	●	●			
	251	**111**	**16.4**		**123**					
Laguna Village Villas^	**36**	**17**	–	100%	–					
Laguna Village Lofts^	**25**	**12**	–	36%	**16**					
Laguna Village Residences	**10**	**14**	**0.8**	30%	**7**		●	●		
China										
Laguna Chengdu										
Phase 1A	**214**	**23**	**7.7**	33%	**144**		●	●		

* As at 31 December 2015.
^ Completed inventories.

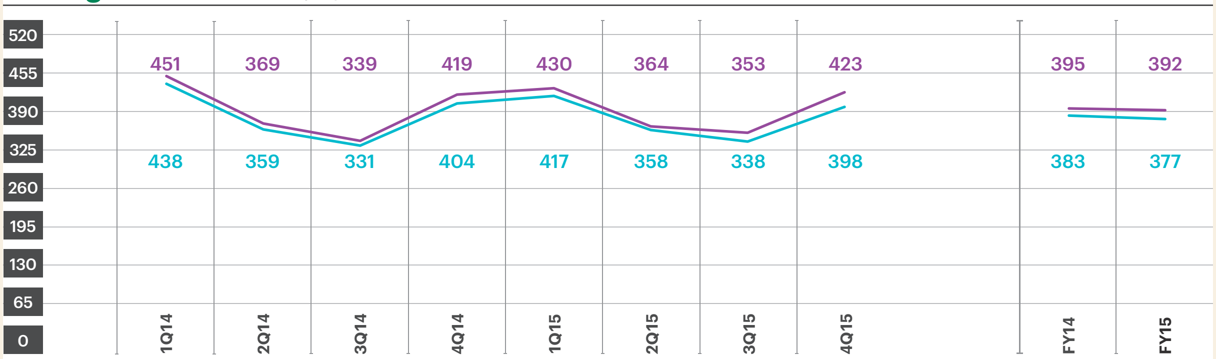
Key Statistics

ALL HOTELS[1]

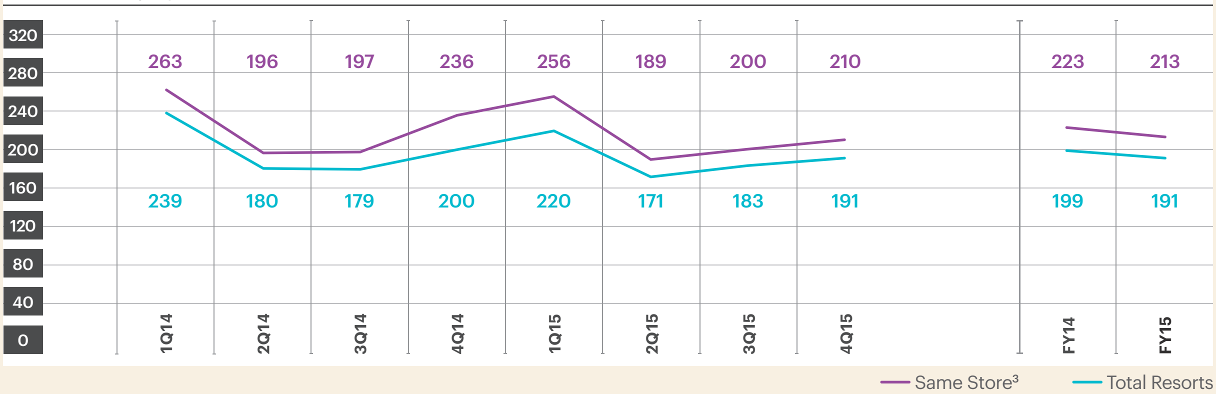
Average Occupancy (%)



Average Room Rates (S$)



REVPAR[2] (S$)



1 All hotels refer to company total including hotels in Laguna Phuket, Banyan Tree and Angsana Resorts.

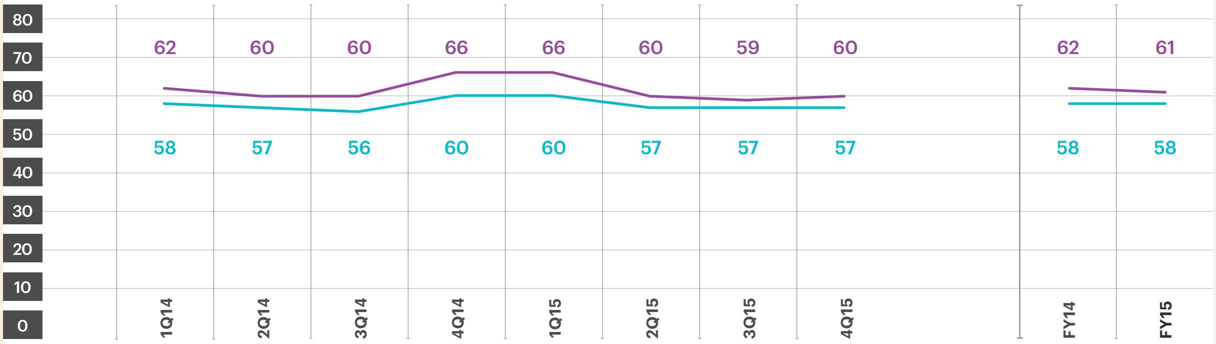
2 RevPAR denotes revenue per available room.

3 Same Store Concept excludes: Banyan Tree Madivaru, Angsana Great Barrier Reef, Gyalthang Dzong Hotel which were no longer in operation; all new resorts opened/rebranded in the past two years, namely Banyan Tree Huangshan, Banyan Tree Yangshuo and Angsana Xi'an Lintong. Comparatives for Same Store concept for prior periods have been adjusted to include Banyan Tree Chongqing BeiBei, Banyan Tree Lăng Cô Central Vietnam, Banyan Tree Ringha, Banyan Tree Shanghai On The Bund, Banyan Tree Tianjin Riverside, Angsana Lăng Cô Central Vietnam and Angsana Tengchong • Hot Spring Village.

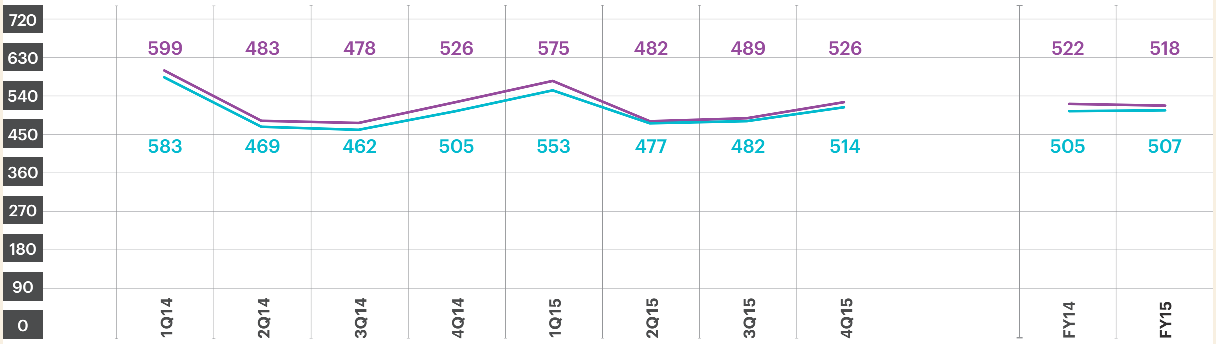
Key Statistics

BANYAN TREE RESORTS

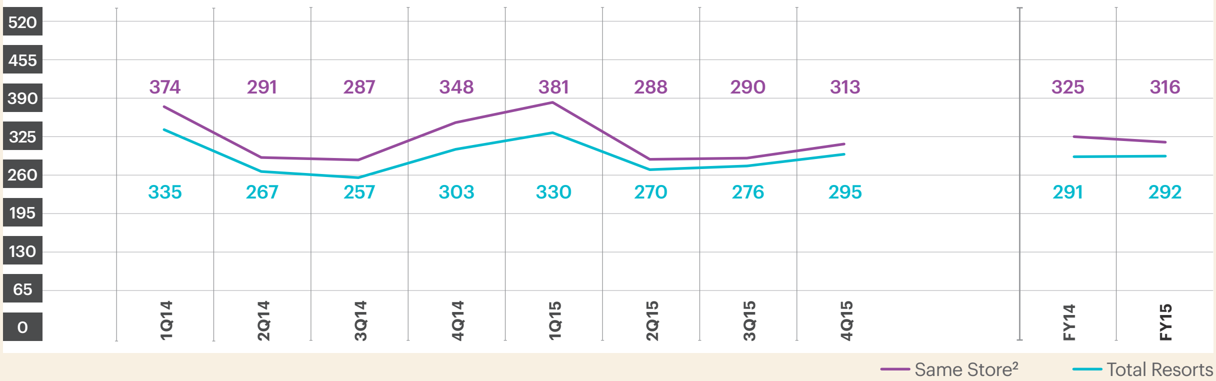
Average Occupancy (%)



Average Room Rates (S$)



REVPAR[1] (S$)

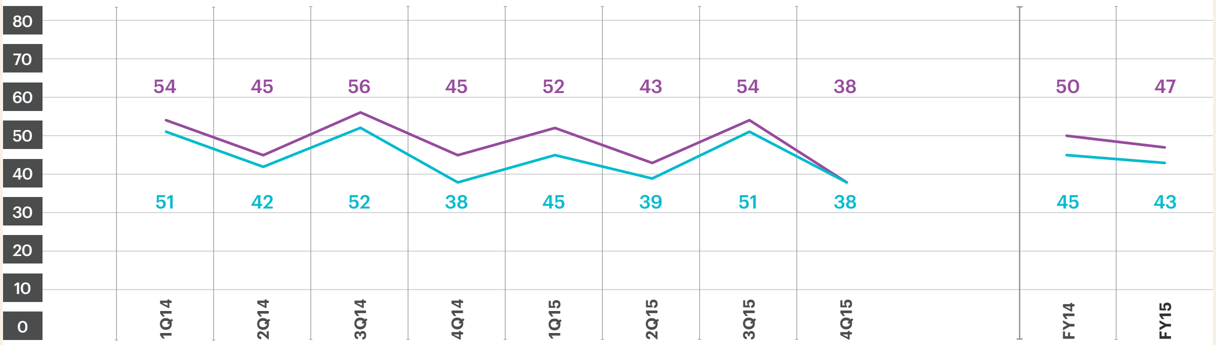


1 RevPAR denotes revenue per available room.

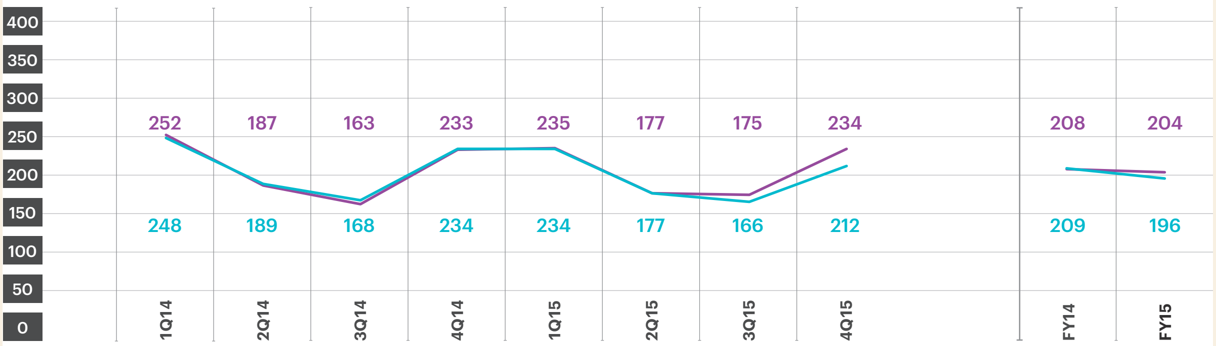
2 Same Store Concept excludes: Banyan Tree Madivaru, which was no longer in operation; all new resorts opened/rebranded in the past two years, namely Banyan Tree Huangshan and Banyan Tree Yangshuo. Comparatives for Same Store concept for prior periods have been adjusted to include Banyan Tree Chongqing BeiBei, Banyan Tree Lăng Cô Central Vietnam, Banyan Tree Ringha, Banyan Tree Shanghai On The Bund and Banyan Tree Tianjin Riverside.

ANGSANA RESORTS

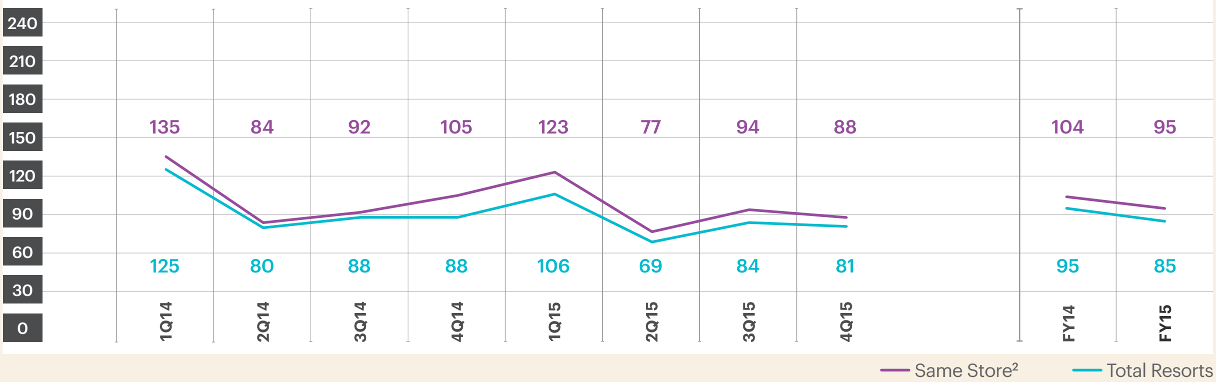
Average Occupancy (%)



Average Room Rates (S$)



REVPAR[1] (S$)



1 RevPAR denotes revenue per available room.

2 Same Store Concept excludes: Angsana Great Barrier Reef which was no longer in operation; all new resorts opened/rebranded in the past two years, namely Angsana Xi'an Lintong. Comparatives for Same Store concept for prior periods have been adjusted to include Angsana Lăng Cô Central Vietnam and Angsana Tengchong • Hot Spring Village.

Analytical Review

REVENUE

	2015 S$'000	2014 S$'000	Incr/(Decr) S$'000	%
Hotel Investments	196,689	203,936	(7,247)	*-4%*
Property Sales	94,210	32,361	61,849	*191%*
– Hotel Residences	*43,982*	*12,400*	*31,582*	*255%*
– Laguna Property Sales	*50,228*	*19,961*	*30,267*	*152%*
Fee-based Segment	79,789	91,069	(11,280)	*-12%*
– Hotel/Fund/Club Management	*28,965*	*34,377*	*(5,412)*	*-16%*
– Spa/Gallery Operations	*28,023*	*31,745*	*(3,722)*	*-12%*
– Design and Others	*22,801*	*24,947*	*(2,146)*	*-9%*
Total	**370,688**	**327,366**	**43,322**	***13%***

Revenue increased by S$43.3 million or 13% from S$327.4 million to S$370.7 million for the year ended 31 December 2015. The Property Sales segment recorded higher revenue but it was offset by lower revenue from both the Hotel Investments and Fee-based segments.

The Hotel Investments segment registered a decrease in revenue by S$7.2 million or 4% from S$203.9 million to S$196.7 million in 2015. Sustained weakness of the euro and Russian rouble due to the prolonged economic problem continued to impact our resorts in Maldives and Phuket. In addition, the devaluation of the Chinese yuan on the back of slowing growth in China has also impacted both outbound and domestic travel in the 4th quarter. On the other hand, Banyan Tree Bangkok recorded higher revenue as a result of the resilient tourism industry in Bangkok.

The Property Sales segment recorded revenue of S$94.2 million in 2015, an increase of S$61.8 million or 191% compared to S$32.4 million in 2014. This was mainly due to the completion and progressive handover of Cassia Phuket condominiums (Phase 1) and Laguna Park townhomes/villas. In the current year, we recognised 243 units as compared to 30 units in 2014.

Revenue from the Fee-based segment decreased by S$11.3 million or 12% from S$91.1 million to S$79.8 million in 2015. This was mainly due to lower hotel/fund management fees, lower contribution from Spa/Gallery operations, and reduced architectural and design fees earned from projects in China based on project milestones.

OTHER INCOME

	2015 S$'000	2014 S$'000	Incr/(Decr) S$'000	%
Total	**6,350**	**9,193**	**(2,843)**	**-31%**

Other income of S$6.4 million for the year ended 31 December 2015 was S$2.8 million lower than the S$9.2 million recorded in 2014, mainly due to the absence of fair value gains on investment properties.

COSTS AND EXPENSES

	2015 S$'000	2014 S$'000	Incr/(Decr) S$'000	%
Cost of operating supplies	26,254	27,420	(1,166)	-4%
Cost of properties sold	58,506	14,850	43,656	294%
Salaries and related expenses	105,915	103,174	2,741	3%
Administrative expenses	68,195	59,420	8,775	15%
Sales and marketing expenses	21,362	17,387	3,975	23%
Other operating expenses	65,796	63,257	2,539	4%
Total	**346,028**	**285,508**	**60,520**	**21%**

Cost of Operating Supplies
Cost of operating supplies decreased by S$1.1 million from S$27.4 million to S$26.3 million for the year ended 31 December 2015, in line with the decrease in revenue from Hotel Investments segment and Spa/Gallery operations.

Cost of Properties Sold
Cost of properties sold increased by S$43.6 million from S$14.9 million to S$58.5 million for the year ended 31 December 2015, in line with higher property sales units from completion.

Salaries and Related Expenses
Salaries and related expenses increased by S$2.7 million from S$103.2 million to S$105.9 million for the year ended 31 December 2015, mainly due to less design and project management time spent on internal construction projects and hence lower capitalisation of staff costs. This was partially cushioned by lower provision for bonuses and incentives.

Administrative Expenses
Administrative expenses increased by S$8.8 million from S$59.4 million to S$68.2 million for the year ended 31 December 2015, mainly due to higher provision for delinquent debts made largely on China debtors amidst the economic slowdown but partially cushioned by higher net foreign exchange gains.

Sales and Marketing Expenses
Sales and marketing expenses increased by S$4.0 million from S$17.4 million to S$21.4 million for the year ended 31 December 2015. This was mainly due to higher marketing expenses incurred on new property sales projects as well as hotel marketing.

Other Operating Expenses
Other operating expenses increased by S$2.5 million from S$63.3 million to S$65.8 million for the year ended 31 December 2015, mainly due to higher repairs and maintenance on hotels in Thailand.

Analytical Review

EBITDA

	2015 S$'000	2014 S$'000	Incr/(Decr) S$'000	%
Hotel Investments	20,358	38,860	(18,502)	-48%
Property Sales	15,120	(774)	15,894	nm
– *Hotel Residences*	*10,579*	*2,506*	*8,073*	*322%*
– *Laguna Property Sales*	*4,541*	*(3,280)*	*7,821*	*nm*
Fee-based Segment	560	18,892	(18,332)	-97%
– *Hotel/Fund/Club Management*	*(2,798)*	*7,644*	*(10,442)*	*nm*
– *Spa/Gallery Operations*	*3,773*	*6,161*	*(2,388)*	*-39%*
– *Design and Others*	*(415)*	*5,087*	*(5,502)*	*nm*
Head Office Expenses	(11,378)	(15,120)	(3,742)	-25%
Other Income (net)	6,350	9,193	(2,843)	-31%
Total	**31,010**	**51,051**	**(20,041)**	**-39%**

EBITDA decreased by S$20.1 million from S$51.1 million to S$31.0 million for the year ended 31 December 2015. This was mainly attributable to provision for delinquent debts and absence of fair value gains on investment properties. In addition, lower operating profit was recorded from the Hotel Investments and Fee-based segments. This was partially cushioned by higher operating profit from the Property Sales segment and lower head office expenses.

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

	2015 S$'000	2014 S$'000	Incr/(Decr) S$'000	%
Total	**21,826**	**19,520**	**2,306**	**12%**

Depreciation of property, plant and equipment increased by S$2.3 million from S$19.5 million to S$21.8 million for the year ended 31 December 2015, mainly due to additions of new fixed assets and renovations by the resorts.

FINANCE COSTS

	2015 S$'000	2014 S$'000	Incr/(Decr) S$'000	%
Total	**28,083**	**25,451**	**2,632**	**10%**

Finance costs increased by S$2.6 million from S$25.5 million to S$28.1 million for the year ended 31 December 2015, mainly due to the issuance of S$100 million notes in June 2015 under the S$700 million Multicurrency Medium Term Note programme, as well as fee amortisation associated with the notes issuance.

INCOME TAX EXPENSE

	2015 S$'000	2014 S$'000	Incr/(Decr) S$'000	%
Total	**6,495**	**6,564**	**(69)**	**-1%**

Income tax expense decreased by S$0.1 million mainly due to losses incurred during the year, which was offset by reversal of deferred tax assets previously provided due to the expiry of tax losses, higher non-allowable expenses for tax deduction as well as higher withholding taxes.

NON-CONTROLLING INTERESTS

	2015 S$'000	2014 S$'000	Incr/(Decr) S$'000	%
Total	**1,559**	**(426)**	**1,985**	**nm**

Non-controlling interests' share of profit was S$1.6 million for the year ended 31 December 2015 as compared to a loss of S$0.4 million in 2014. This was mainly due to higher profits from Laguna Resorts & Hotels Public Company Limited ("LRH") derived mainly from the revenue recognition of the Cassia Phuket and Laguna Park property development.

(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2015 S$'000	2014 S$'000	Incr/(Decr) S$'000	%
Total	**(27,519)**	**1,025**	**28,544**	**nm**

As a result of the foregoing, loss attributable to owners of the Company was S$27.5 million for the year ended 31 December 2015, as compared to a profit of S$1.0 million for the year ended 31 December 2014.

Analytical Review

CASH FLOWS

	2015 S$'000	2014 S$'000
Profit before taxation	(19,465)	7,163
Net decrease from changes in working capital	(125,668)	(53,936)
Net interest paid, tax paid and others	(35,073)	(34,829)
Adjustment for non-cash items	69,480	47,601
Net cash flows used in operating activities	(110,726)	(34,001)
Net cash flows used in investing activities	(30,654)	(31,406)
Net cash flows generated from financing activities	137,568	54,273
Net change in cash and cash equivalents	(3,812)	(11,134)
Cash and cash equivalents at beginning of the year	168,200	176,823
Net foreign exchange difference	1,088	2,511
Cash and cash equivalents at end of the year	**165,476**	**168,200**

The Group's cash and cash equivalents decreased by S$2.7 million or 2% from S$168.2 million as at 31 December 2014 to S$165.5 million as at 31 December 2015.

For the full year ended 31 December 2015, net cash flow used in operating activities was S$110.7 million, mainly due to a net decrease in cash generated from working capital of S$125.7 million. This was due to land and development costs expended on projects in Wenjiang, Brisbane, Gold Coast, Phuket and Bintan of S$92.4 million, net interest paid of S$25.2 million, loss before taxation of S$19.5 million and income tax payments of S$8.0 million. This was partially cushioned by adjustments for non-cash items of S$69.5 million (mainly finance costs of S$28.1 million, depreciation and amortisation expenses of S$24.7 million and allowance for doubtful debts of S$16.3 million).

The net cash flows used in investing activities was S$30.7 million mainly due to ongoing purchases of furniture, fittings and equipment by our resorts for their operations (S$23.5 million) as well as the final instalment payment for the purchase of Banyan Tree Seychelles (S$6.5 million).

The net cash flows generated from financing activities amounted to S$137.6 million. This was mainly due to the issuance of S$100 million in new notes in June 2015 and a net increase in bank borrowings of S$38.9 million partially offset by payment of S$1.3 million in dividends to shareholders.

Angsana
Riads Collection
Morocco,
Morocco

Banyan
Tree
Ungasan,
Indonesia

Sustainability

IN THIS CHAPTER

Banyan Tree Management Academy

Banyan Tree Management Academy ("BTMA") continues to pursue its mission of nurturing talents to become leaders in the growing Banyan Tree family.

PREPARING TOMORROW'S LEADERS TODAY

During the year, BTMA's programmes incorporated its newly defined development framework with five key components:

1. "I" Serve the "We" – Self-alignment with the Group's direction and objectives;
2. Foundation Values – Mastering self with foundation values to promote and practise the Banyan Tree culture;
3. Service Excellence – Delivering "Unbelievable Service" to guests and colleagues;
4. Leadership – Leading with vision and heart, modelling examples, enabling associates, and challenging associates to take the initiative; and
5. Management – Providing relevant knowledge and skills to undertake functional and operational issues.

In 2015, the General Manager Programme focused on Talent Management and was conducted online. The General Managers also participated in on-site sessions on Change Management, Revenue Management and Mentoring.

The 18-month LEAF Programme ("Leading and Empowering Associates Forward") develops senior managers with the potential to lead the Group. Ten associates were identified during the year, and are working with their mentors to draw up individual development plans that will prepare them for their next position. Eight current LEAFers moved up to their next position.

In their ninth year, the Management Development Programme and Talent Management Programme continued to be the platform for our senior management and new managers, respectively, to foster team spirit across different properties while learning best practices.

BTMA also conducted the Intensive Pre-Head of Department workshop for middle managers in Asia Pacific. Meanwhile, 37 supervisors from the Group's China properties participated in the Intensive Supervisory Leadership workshop.

DEVELOPING OUR ASSOCIATES

BTMA is responsible for Group Learning, including designing and reviewing training courses, facilitating the roll-out of new hotel operations initiatives, and overseeing the implementation of, and adherence to, operational training standards in all properties across the Group. As part of these efforts, BTMA identifies associates who display the potential to be Learning Managers, and develops them so that they can train the Group's associates.

The Banyan Tree Hotels and Resorts ("BTHR") Service Excellence Programme trains all associates to deliver the "Unbelievable Service" that exceeds guests' expectations and creates memorable moments for them. The General Manager takes the lead in cascading the programme to all associates at different levels of the organisation. The Group will recognise its first Service Excellence Ambassadors during the Annual BTHR Conference in May 2016.

The foundational BTHR Certification Programme enables associates to master the knowledge and skills related to their field. In addition to the existing Certification Programmes for Front Office, F&B Service, Housekeeping, Bartender, Bellman, Culinary and Reservations, BTMA introduced the Engineering Certification Programme in 2015. At Laguna Phuket, where BTMA is based, BTMA continued to offer English and IT classes which contribute to associates' professional and personal growth.

BTMA launched the Global Job Swap Programme in 2015, which involves two or more associates holding similar positions in different properties, possibly in different countries, exchanging work assignments for three months. This allows participants to contribute to and experience operations in a new setting and culture that may be beyond their comfort zone. Of the first batch of 24 participants, the 17 who have completed their work swap expressed a positive view of the programme. The remaining seven will complete their stints in 2016.

The 18-month Management Trainee Programme develops new graduates into Assistant Managers for various properties. Our Management Trainees created an advertisement for the programme that would be sent to hospitality schools and universities to attract fresh talent.

During the year, BTMA inked a one-year partnership with Glion Institute of Higher Education, whereby the Swiss-based hospitality university offers all associates of BTHR and affiliates a 15% reduction in fees for its online MBA and executive programmes.

1.

2.

3.

1. Shaping Tomorrow: Children of our associates enjoyed a three-day learning camp to explore their individual talents and group dynamics.

2. "The Big Picture" During a team-building session, middle and senior managers connected disparate paintings to form one coherent canvas, driving home the message that our different brands move forward together for the Group's success.

3. Grooming Effective Managers and Leaders Our annual signature workshop on keeping up with industry trends.

Sustainability Report

OUR TRIPLE BOTTOM LINE

Banyan Tree's triple bottom line of economic, social and environmental success helps direct sustainable development by:

- creating an enchantingly memorable experience for guests and customers through our services and products;
- providing associates with fair and dignified employment which enhances their ability to contribute to the company's growth and elevates their job prospects with Banyan Tree and beyond;
- enabling long-term prosperity for communities in which we operate. This is achieved via our business conduct as well as by harnessing our competencies to address issues facing the community;
- exercising caution with respect to the environmental impacts of our operations, and taking an active role in the protection and remediation of our global ecosystem;
- conducting business with suppliers and vendors in a dignified, fair and transparent manner, while working in partnership to enhance societal benefits and reduce environmental impacts; and
- generating sustained, long-term returns on investment for our shareholders.

OUR VALUES AT WORK

Banyan Tree's approach to sustainability is built on the internally focused pillar of increasing operational efficiency, and the two externally focused pillars of protecting biodiversity and developing local capacity.

In 2015, we extended our "Build for Good" and "Stay for Good" platforms to encompass our sustainable meeting and convention venues ("Meet for Good"), our social enterprise eateries ("Eat for Good"), our community- and ecology-minded retail offerings ("Gift for Good"), and our destination-centric spa experiences ("Spa for Good"). Together these create an end-to-end hospitality experience that supports communities and ecosystems in which we operate.

Our resorts also continued their progress in third party certified efficient operations. Laguna Phuket's seven sectors, Laguna Lăng Cô's five sectors and Banyan Tree Macau successfully earned EarthCheck Silver Certified status in 2015, bringing the total to 26. Another three sectors (Angsana Tengchong Hot Springs Village and the two buildings of our headquarters in Singapore) achieved EarthCheck Bronze Benchmarked status for the first time, meaning a total of 34 sectors were benchmarked in 2015. Additionally, three newly opened resorts, Banyan Tree Yangshuo, Angsana Xi'an Lintong and Cassia Phuket, started the benchmarking and certification process.

In the Group-wide Greening Communities campaign, some 68,461 trees were planted by over 19,000 community members, guests and associates, surpassing the target of 67,100 trees.

We also initiated a challenge for all resorts to conduct at least four community clean-ups each year. In the first year, our teams carried out 116 clean-ups supported by over 5,261 people including our associates, community members and interested guests. A further 25,866 guests chose to participate in various sustainability-themed activities offered by our resorts.

During the year, our Seedlings Mentorships effort provided scholarships for 88 young people and an average of 51.5 hours of mentoring per mentee across 17 resorts. Meanwhile, our social enterprise eatery, Seedlings Café in Hoi An, Vietnam, was joined by another outlet in June when Seedlings Café Laguna Phuket opened its doors to diners.

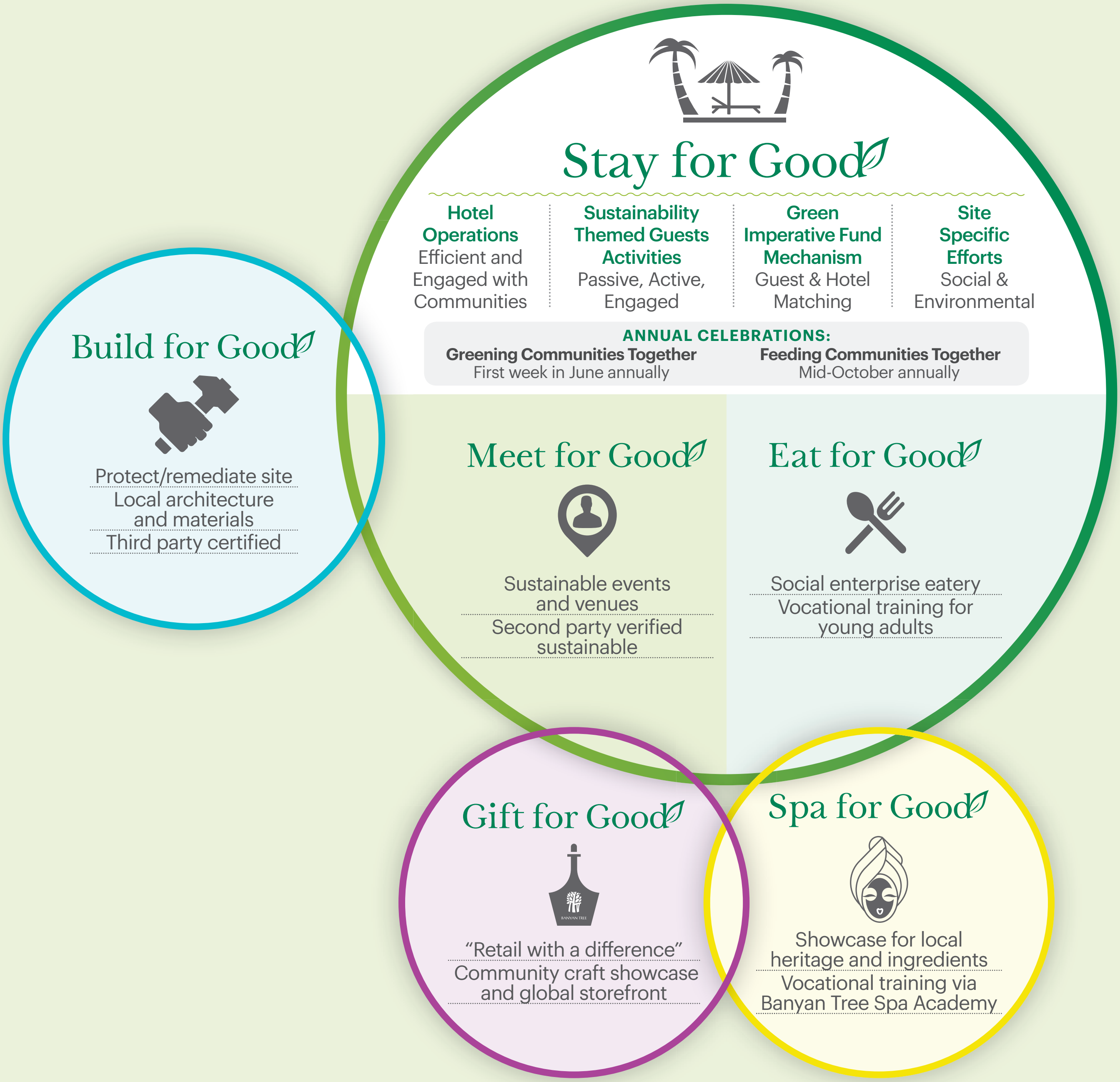
For more details, please refer to the accompanying 2015 Sustainability Report, or view it online at www.banyantree.com/csrpublications.

Scan this QR Code to access to the online version of the Banyan Tree Sustainability Report 2015.

Building a Brand… for Good

To deliver on our mission, we have conceptualised our values based on a "for Good" framework.

All aspects of our business seek to have a positive impact on our stakeholders. When guests and clients support us, they are doing good for communities and ecosystems. This starts with design and construction ("Build for Good"), runs through a guest's time at our resorts ("Stay for Good" along with "Meet for Good" and "Eat for Good"), and extends to spa and gallery outlets across the globe ("Spa for Good" and "Gift for Good").



Corporate Governance

IN THIS CHAPTER

Corporate Governance Report

Banyan Tree Holdings Limited ("BTH" or the "Company", and together with its subsidiaries, the "Group") is committed to observing and maintaining high standards of corporate governance and sound corporate practices to promote accountability and transparency.

This report sets out BTH's main corporate governance practices which are substantially in line with the principles set out in the Code of Corporate Governance 2012 (the "Code").

Singapore Exchange ("SGX") has, on 29 January 2015, issued a disclosure guide ("Disclosure Guide") to assist companies listed on the SGX in preparing meaningful disclosure that complies with the requirements of the Code. The Disclosure Guide sets out a list of relevant questions and the SGX has encouraged companies to enclose their answers as part of the Annual Report. The Company's responses to the Disclosure Guide can be found on pages 97 to 99 of this Annual Report.

(A) BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

[1]The Board's principal functions include the formulation of the Group's strategic direction, setting its values and standards; reviewing and approving annual budgets and financial plans, and monitoring the Group's performance; approving major investments, divestments and fund-raising exercises; reviewing the Group's financial performance; approving the adequacy and effectiveness of internal controls including financial, operational, compliance and information technology controls, risk management and corporate governance practices; approving remuneration policies and guidelines as well as succession planning for the Board and Management, appointment and re-appointment of Directors; and ensuring the Group's compliance with all laws and regulations as may be relevant to its businesses. The Board also regards sustainable development as a core value of the Group. Please refer to the Sustainability Report 2015 for the continual progress made in the Group's commitment to sustainability.

[2]The Group has adopted a set of internal controls and guidelines setting out the financial authorisation and approval limits for borrowings, acquisitions and disposals of investments, operating and capital expenditures. Board's approval is required for transactions where the value of these transactions exceed the approval limits. In addition, matters such as *inter alia*, the issue of shares, dividend distributions and other returns to shareholders, the Group's strategies and objectives, annual budget, and the announcement of quarterly and full year results also require the Board's approval.

[3]Two Board Committees, namely the Audit and Risk Committee ("ARC") and the Nominating and Remuneration Committee ("NRC"), have been constituted with defined Charters to assist the Board in the execution of its responsibilities. These Charters are reviewed on a regular basis to ensure their continued relevance. The members of both the ARC and NRC are all Independent Directors.

[4]The Board and the Board Committees conduct regular scheduled meetings on a quarterly basis. Ad-hoc meetings are convened when circumstances require. The Independent Directors also set aside time to meet, without the presence of Management (including the Non-Independent Directors), to review their performance in meeting the goals and objectives of the Company, after which the Lead Independent Director will provide any relevant feedback to the Executive Chairman. Where necessary, the Directors also participate in Board meetings via telephonic attendance and video conferencing, as permitted under the Constitution of the Company (the "Constitution"). Details of each Director's attendance at Board and Board Committee meetings held during the year ended 31 December 2015 are provided in Table 1 below:

Table 1

	Board	Audit & Risk Committee	Nominating & Remuneration Committee
No. of Meetings held	4	4	3
Board Members			
Ho KwonPing	4	*	1[1]
Ariel P Vera	4	*	*
Chia Chee Ming Timothy	4	1[2]	3
Fang Ai Lian	4	4	1[3]
Elizabeth Sam	4	1[2]	3
Chan Heng Wing	3	1[2]	3
Tham Kui Seng	4	4	1[3]
Lim Tse Ghow Olivier	4	4[4]	*

* Not a committee member.
1 By invitation only and not a committee member.
2 Ceased to be an Audit & Risk Committee member with effect from 25 February 2015.
3 Ceased to be a Nominating & Remuneration Committee member with effect from 25 February 2015.
4 By invitation and appointed as an Audit & Risk Committee member with effect from 25 February 2015.

[5]Upon appointment, each new Director is issued with a formal letter of appointment along with materials pertaining to his obligations in relation to disclosure of interests in securities, conflicts of interest and restrictions on dealings in securities. An orientation programme is also conducted for new Directors to familiarise themselves with the Group's businesses, operations, strategic directions, organisation structure and get acquainted with Management. Each new Director will also receive information on the relevant policies and procedures of the Group and the Board meeting schedule for the year, as well as a brief of the routine agenda for each Board and Board Committee meeting. When a Director is appointed to a Board Committee, he is provided with a copy of the Charter of the Board Committee.

[6]For any Director who has no prior experience as a director of a listed company, he/she will be encouraged to attend the Listed Company Director ("LCD") Programme conducted by the Singapore Institute of Directors ("SID"). The Company Secretary will assist such Director with enrolling in the LCD Programme. The Company also provides the Board with updates on developments in laws and regulations or changes in regulatory requirements and financial reporting standards, which are relevant to or may affect the Group's businesses. For FY2015, our lawyers, WongPartnership LLP gave a presentation to the Board on the key changes to the Companies Act pursuant to the Companies (Amendment) Act 2014. Also at ARC meetings, the external auditors, Ernst & Young LLP provide regular updates on developments in accounting and governance standards wherever relevant and applicable to the Group. Also, Directors have been periodically updated on various aspects of the Group's operations through briefings or informal discussions by Management. As part of the Company's continuing education for Directors, the Company Secretary circulates to the Board articles, reports and news releases issued by Singapore Exchange Securities Trading Limited ("SGX-ST") which are relevant to the Group's businesses. Also, wherever applicable, meetings are arranged for the Directors to meet with relevant experts on issues which impact the Group's operating environment. In addition, the Directors are encouraged to attend appropriate relevant external programmes such as those conducted by the SID or seminars organised by SGX-ST or other professional institutes, at the Company's expense. The Directors may also, at any time, request for further information or meetings with Management on the Group's operations.

[7]During the year, the Board embarked on a five-day retreat in Thailand and visited various properties, including Banyan Tree Phuket, Angsana Laguna Phuket and the newly opened Cassia Phuket as well as Banyan Tree Samui. During the retreat, both the Boards of BTH and Laguna Resorts & Hotels Public Company Limited ("LRH") had a joint meeting and carried out an in-depth discussion with Management on the strategic review of the hotel operations in Thailand. This enabled the Board to have a better appreciation and familiarisation of the operations and the challenges experienced by these hotels and thus provide comments and guidance accordingly.

Principle 2: Board Composition and Guidance

[1]Currently, the Board comprises eight Directors, six of whom are Independent Directors. As such, there is a strong and independent element in the Board. The Independent Directors are Mr Chia, Mrs Fang, Mrs Sam, Mr Chan, Mr Tham and Mr Lim.

[2]The two Non-Independent Directors are Mr Ho and Mr Vera. Mr Ho is the Executive Chairman and Mr Vera is a Non-Executive Director.

[3]Each year, the NRC reviews the appropriate size, balance and diversity of skills and composition of the Board and Board Committees, and the experience and competencies of their members, to ensure that each member has the appropriate mix of expertise, skills and attributes to discharge his/her responsibilities effectively. The NRC also ensures that there is an appropriate number of independent directors for the Board and each Board Committee. Taking into account the nature and scope of the Group's businesses and the regulatory requirements, the NRC is of the opinion that the current composition and size of the Board, as well as of each Board Committee, are appropriate and adequate.

[4]BTH was ranked third in the gender diversity ranking introduced in the Singapore Board Diversity Report 2013, a joint initiative between the Centre for Governance, Institutions and Organisations at the National University of Singapore's Business School and BoardAgender. The ranking took into account, *inter alia*, the proportion of women and their representation on the Board.

[5]The profile of each Director which includes key information regarding academic qualifications, directorship and chairmanship both present and those held over the preceding three years in other listed companies, and other principal commitments, are set out on pages 20 to 22 of this Annual Report. The details of the Directors' shareholdings can

Corporate Governance Report

be found under the section on Directors' Interests in Shares and Debentures on page 103 of the Directors' Statement.

Principle 3: Role of Chairman and Chief Executive Officer

1 The Executive Chairman is responsible for leading the Board in charting the strategic direction and growth of the Group. He also facilitates and ensures active and comprehensive Board discussions on Company matters, monitors the translation of the Board's decisions into executive actions, and fosters constructive dialogue with shareholders at the Company's Annual General Meeting ("AGM"). The Executive Chairman is also responsible for setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular, strategic issues and promoting a culture of openness and debate at the Board.

2 The execution of the Company's corporate and business strategies and polices, and the conduct of the Group's businesses have been delegated to a dedicated team of Management comprising the Chief Financial Officer and the Managing Directors of the various Business Units.

3 The Board has appointed Mr Chia as the Lead Independent Director since 28 February 2007 to lead and co-ordinate the activities of the Non-Executive Directors. The Lead Independent Director is also the Chairman of the NRC. He is available to shareholders where they have concerns and for which contact through the normal channels of the Executive Chairman or the Chief Financial Officer and Managing Directors of the Business Units has failed to resolve or is inappropriate. Mr Chia may be contacted at ethics@banyantree.com.

Principle 4: Board Membership

1 The NRC, chaired by Mr Chia, comprises Mrs Sam and Mr Chan, all of whom are Independent Directors. Mr Chia is not directly associated with any 10% shareholder (as defined in the Code).

2 The NRC's functions, which are set out in the Charter, include making recommendations to the Board on new Board appointments. The NRC's selection process for candidates to be proposed to the Board for new appointments takes into account various factors including the relevant expertise and experience of the candidates and how these would augment the Board and its existing Directors. Names of potential candidates are sought through networking contacts and recommendations. The NRC makes recommendations to the Board on the re-appointment of Directors based on their competencies, commitment and contributions, a review of the range of expertise, performance, skills and attributes of current Board members and the needs of the Board. The NRC also makes recommendations to the Board on the review of training and professional development programs for the Board. The NRC reviews the succession plans for its Board and Management which also includes leadership plans for its Management. NRC also makes recommendations to the Board on the development of a process for evaluation of the performance of the Board, its Board Committees and Directors.

3 The NRC also determines the independence of the Directors annually as well as when circumstances change. The process includes the use of a self-assessment questionnaire which each Independent Director is required to complete and submit to the NRC for review. In its annual review, the NRC, having considered the guidelines set out in the Code including the requirements under Principle 2 of the Code and its Guidelines has confirmed the status of the Directors as follows:

Mr Ho KwonPing *(Non-Independent)*
Mr Ariel P Vera *(Non-Independent)*
Mr Chia Chee Ming Timothy *(Independent)*
Mrs Fang Ai Lian *(Independent)*
Mrs Elizabeth Sam *(Independent)*
Mr Chan Heng Wing *(Independent)*
Mr Tham Kui Seng *(Independent)*
Mr Lim Tse Ghow Olivier *(Independent)*

4 The longest serving Independent Directors since the Company's initial public offering in 2006 ("IPO") are Mr Chia and Mrs Sam who have served on the Board for more than 9 years based on the date of their first appointment. Mr Chia was appointed a Director in 2001 and became the Lead Independent Director in 2007 after the IPO in 2006 whereas Mrs Sam was appointed as an Independent Director in 2004. Mrs Fang joined as an Independent Director in 2008 followed by both Mr Chan and Mr Tham in 2012 and Mr Lim in 2014.

5 The NRC and the Board have given due consideration to the recommendation under Guideline 2.4 of the Code which provides that the independence of any director who has served on the Board beyond 9 years from the date of his/her first appointment should be subject to particularly rigorous review. Having reviewed the NRC's recommendation, the Board has determined that both Mr Chia and Mrs Sam are independent notwithstanding that they have served on the Board beyond 9 years from the date of their first appointment as they continue to demonstrate strong independence in character and judgment in the discharge of their responsibilities as Directors. Further, the NRC and the Board are of the opinion that their detailed knowledge of the Group's businesses continues to be of significant benefit to the Company, and their external

experience sitting on the boards of other listed companies provides useful expertise and diversity to the Board. Also, there have been changes to the Board since their first appointment, allowing for progressive refreshing of the Board.

[6] The Directors have no affiliations or business relationships with the Company (save as disclosed below in respect of Mr Lim) and hold less than 10% of BTH shares and are not directly associated with a 10% shareholder of the Company, nor do they have any relationships or circumstances which are likely to, or could appear to, interfere with the exercise of their independent business judgment with a view to the best interests of BTH. Mr Lim is a director of Raffles Medical Group ("RMG"). RMG is on the Group's panel of clinics, and was appointed based on an assessment by the Group of the commercial terms offered by RMG, similar to the considerations taken into account in appointing the other panel of clinics. Based on the foregoing reasons, the NRC and the Board have considered Mr Lim as an Independent Director.

[7] The Board has implemented a policy whereby the Executive Chairman's external directorships should be approved by the NRC. The Board has not determined the maximum number of listed company board representations which any Director may hold. Based on the 2015 Singapore Board of Directors Survey conducted by the Singapore Institute of Directors ("Survey"), the Company understands that a significant majority of the listed issuers surveyed did not impose any restrictions on the number of listed company directorships that their directors can take on, but for the minority which did, the most commonly imposed limit was six directorships. In this regard, the Board notes that none of the Directors have more than six listed company directorship. The Board has allowed each Director to personally determine the demands of his/her companies' directorships and obligations and assesses how much time he/she must dedicate in order to serve on the Board effectively. Each of the Directors updates the Company of any changes in his/her external appointments and these changes are noted at the Board meetings. Although some Directors have multiple board representations, the NRC monitors and determines annually the number of listed companies and the principal commitments of each of the Directors. For FY2015, the NRC, having reviewed the multiple board representations of the Directors, is satisfied that each of these Directors has dedicated sufficient time and attention to, and is able to perform and has adequately performed his/her duties as a Director of the Company.

[8] The Company's Constitution require that every Director retires once every three years and that one-third of Directors shall retire and subject themselves to re-election by shareholders at every AGM. New directors appointed by the Board during the year shall also submit themselves for re-election at the next AGM.

Principle 5: Board Performance
[1] The NRC has the responsibility of evaluating the Board's and Board Committees' effectiveness. The Company has in place a formal process for assessment of the effectiveness of the Board as a whole, the various Board Committees and the contribution by each Director to the effectiveness of the Board and the Board Committees. No external facilitator has been used in respect of FY2015. During FY2015, the NRC evaluated the Board's performance based on a set of performance criteria, which is the same as that of the previous year, and which includes factors such as the structure, size and processes of the Board and the Board's access to information, Management and external experts outside meetings, as well as the effectiveness of the Board as a whole, its Board Committees and Board's oversight of the Company's performance. Each Director completed the Board Evaluation Questionnaire seeking his/her views on these factors so as to facilitate the NRC in its assessment of the Board's performance as a whole. The NRC reviewed the feedback received and presented the findings, including its recommendation, if any, for improvements to the Board.

[2] The assessment of the performance of the Executive Chairman was undertaken by the NRC based on both qualitative and quantitative performance criteria.

[3] The Executive Chairman, together with the Chairman of the NRC, also assessed the performance of individual Directors based on factors which include their attendance, participation at Board and Board Committee meetings and contributions to the Board processes and the business strategies as well as their industry and business knowledge.

[4] The Board, having reviewed the feedback from the NRC, was of the view that the Board has met its performance objectives for FY2015.

[5] Each member of the NRC abstained from making any recommendations and/or participating in any deliberation of the NRC and voting on any resolution in respect of the assessment of his/her own performance or re-nomination as a Director.

Principle 6: Access to Information
[1] The Directors are provided with Board Papers in advance of each Board and Board Committee

Corporate Governance Report

meeting to enable them to be properly informed of matters to be discussed and/or approved. These include reports relating to the financial and operational performance of the Group as well as other matters for the decision or information of the Board. The Directors are also given analysts' reports so that they are apprised of analysts' views on the Company's performance. Besides these Board Papers and analysts' reports, the Directors are also provided with additional information and reports (upon request) which will enable them to have a better understanding of the Group's business and strategies, the operating environment and the risks faced by the Group.

[2]In line with the Group's continuing commitment to the sustainability of the environment, the Board has opted to receive all its Board Papers electronically for all its Board and Board Committee meetings since August 2013 and has eliminated the need for hard copy Board Papers. The Board Papers are distributed in advance prior to these meetings where the Board can access and read them on their electronic devices.

[3]Each Director has separate and independent access to Management and the Company Secretary. The Company Secretary attends all Board and Board Committee meetings and is responsible for, among other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with and is also responsible for advising the Board on all matters relating to corporate governance. The appointment and the removal of the Company Secretary is a matter for the Board as a whole. The Board takes independent professional advice as and when necessary to enable it or the Independent Directors to discharge their responsibilities effectively and such costs are borne by the Company.

(B) REMUNERATION MATTERS

Principle 7: Remuneration Policies

[1]The NRC reviews matters concerning remuneration including but not limited to, directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind of the Board, key management personnel and other employees who are related to the controlling shareholders and/or the Directors. The review of these remuneration packages are submitted to the Board for its endorsement. The NRC has direct access to the Head of Group Human Resources and may also seek expert advice from external consultants on executive compensation. Hay Group Consulting ("Hay Group") was engaged to advise on the Company's share incentive plans to ensure competitive compensation and progressive policies, with suitable and attractive long-term incentives, are in place. Hay Group has no relationship with the Company which could affect their independence and objectivity in this regard. No Director is involved in deciding his/her own remuneration or the remuneration of any employees who are related to them.

Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure of Remuneration

[1]The employment contract of the Executive Chairman is automatically renewed every year, unless otherwise terminated by either party giving not less than 6 months' notice in writing. The terms of the Executive Chairman's employment contract does not provide for benefits upon termination of employment with the Company. The termination clause of its key management personnel is 3 months which the NRC has reviewed and found to be fair and reasonable. There are no termination, retirement and post-employment benefits granted to the Directors, Executive Chairman and the top 5 key management personnel (who are not directors or the CEO). The Company has adopted the use of contractual provisions to allow it to reclaim incentive components of remuneration from the Executive Chairman and its key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

[2]The remuneration framework for the Non-Executive Directors is evaluated periodically by Hay Group for appropriateness, taking into consideration the level of contributions, the responsibilities and obligations of these Directors, the prevailing market conditions and referencing the Directors' fees against comparable benchmarks. The most recent review of the remuneration framework for Non-Executive Directors was undertaken by Hay Group in respect of FY2013. In respect of FY2015, the Board agreed with the NRC's recommendation that the existing fee structure for the Non-Executive Directors remains unchanged. The Non-Executive Directors are paid by way of fees in cash only although they are also eligible to participate in the Company's share-based incentive schemes. All Directors' fees are subject to shareholders' approval at the Company's AGM. The framework for determining Non-Executive Directors' fees is set out in Table 2 on page 91:

Table 2

Basic Retainer Fee	
Director	S$40,000 per annum
Fee for appointment to Audit & Risk Committee ("ARC")	
ARC Chairman	S$30,000 per annum
ARC Member	S$15,000 per annum
Fee for appointment to Nominating & Remuneration Committee ("NRC")	
NRC Chairman	S$20,000 per annum
NRC Member	S$10,000 per annum
Attendance fee per Board Meeting	S$1,000 per meeting

[3] The Executive Chairman does not receive Directors' fees from the Company. His remuneration comprises a base salary, bonus and the Founder's Grant (as described on page 92).

[4] Table 3 below shows the gross remuneration of the Executive Chairman, Non-Executive Directors as well as the top 5 key management personnel (who are not Directors or the CEO).

Table 3

Name	Salary	Bonus	Other Benefits[1]	Long-term share-based Incentives	Directors' Fees	Total
Executive Chairman						
Ho KwonPing	76.23%	2.91%	18.1%	–	2.76%[2]	1,432,346
Non-Executive Directors						
Ariel P Vera	–	–	6.58%	26.43%[3]	66.99%[2]	105,205
Chia Chee Ming Timothy	–	–	0.09%	–	99.91%	66,361
Fang Ai Lian	–	–	3.11%	–	96.89%	77,957
Elizabeth Sam	–	–	9.45%	–	90.55%	62,174
Chan Heng Wing	–	–	4.68%	–	95.32%	58,015
Tham Kui Seng	–	–	3.05%	–	96.95%	62,437
Lim Tse Ghow Olivier	–	–	7.13%	–	92.87%	61,096
Top 5 Key Management Personnel						
S$1,000,000 to S$1,250,000						
Abid Butt[4]	36.40%	12.36%	51.24%	–	–	100%
S$550,000 to S$600,000						
Ho KwonCjan	67.37%	2.52%	27.14%	–	2.97%[2]	100%
S$500,000 to S$750,000						
Eddy See Hock Lye	57.78%	5.81%	28.94%	4.43%	3.04%[2]	100%
Shankar Chandran	43.62%	1.77%	48.15%	3.85%	2.61%[2]	100%
S$450,000 to S$500,000						
Claire Chiang	72.54%	2.73%	24.73%	–	–	100%

1 Including complimentary accommodation, spa and gallery benefits.
2 Directors' fees received from LRH.
3 Vesting of shares pursuant to share grants awarded during his employment as Group Managing Director of the Company. He retired on 31 December 2013.
4 Has resigned. His last day of employment with the Group is 2 April 2016.

[5] The aggregate amount of the total remuneration paid to the top 5 key management personnel (who are not Directors or CEO) is S$3,465,706.

[6] During the year, there were three employees, namely Mr Ho KwonCjan (brother), Ms Claire Chiang (spouse) and Mr Ho Ren Hua (son) who are immediate family members of the Executive Chairman. The disclosure of the remuneration of Mr Ho KwonCjan and Ms Claire Chiang is made within bands of S$50,000 as shown above. Mr Ho Ren Hua's remuneration for FY2015 fell within the band of S$100,000 to S$150,000. Mr Ho Ren Hua has resigned on 1 July 2015. Mr Ho KwonPing was not involved in the determination of his family members' remuneration.

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[7]The Company adopts a remuneration framework that is responsive to the market elements and performance of the Company and its various Business Units respectively. The Company adopts a remuneration policy which comprises a fixed component, variable component, provident/ superannuation fund, benefits-in-kind and long-term share incentives. The fixed component is in the form of salary whereas the variable component is in the form of various bonus and incentive payments which is linked to the Company's and individual's performance. The provident/ superannuation fund comprises the Group's contributions towards the Central Provident Fund or Zurich Provident Fund. The benefits-in-kind component include transport allowances and accommodation, spa and gallery vouchers issued by the Company to its employees. The long-term share incentives include performance shares and the Founder's Grant (as described below).

LONG-TERM SHARE INCENTIVES

[8]The NRC sets the remuneration guidelines of the Group for each annual period including the Banyan Tree Share Option Scheme and the Banyan Tree Performance Share Plan (the "Plan"). The Plan comprises the Performance Share Plan ("PSP") and Restricted Share Plan ("RSP"). The PSP and RSP were introduced to strengthen the Company's competitiveness in attracting and retaining talented key executives. The PSP and RSP are also aimed at aligning the interests of key executives with that of shareholders, improving performance and achieving sustainable growth for the Company, and fostering an ownership culture among key executives. The Plan contemplates the award of fully paid shares or their cash equivalent, when and after pre-determined performance or service conditions are met. The selection of a participant and the number of shares to be awarded under the PSP or RSP are determined at the discretion of the NRC. The NRC reviews and sets the performance conditions and targets where it thinks appropriate and after considering prevailing business conditions. Hay Group provided the valuation and vesting computation for the share grants awarded under the Plan. Details of the Plan, including the terms and performance conditions, can be found in the Directors' Statement and Note 41 to the financial statements.

[9]The Company has not issued any options to eligible participants pursuant to the Banyan Tree Share Option Scheme.

[10]The Banyan Tree Share Option Scheme and the Plan will be expiring on 27 April 2016. The Company does not intend to extend the duration of, or replace, the Banyan Tree Share Option Scheme. In view of the impending expiry of the Plan, the Company will be seeking Shareholders' approval for the adoption of the Banyan Tree Share Award Scheme 2016 ("Share Award Scheme") at the AGM to be held on 28 April 2016 ("2016 AGM") to replace the Plan. As such, following the conclusion of the 2016 AGM, the Share Award Scheme (if approved) will be the only share incentive scheme of the Company.

FOUNDER'S GRANT

[11]Prior to official listing on the SGX-ST, as stated in the prospectus dated 26 May 2006 in respect of the IPO, the independent shareholders of the Company approved the incentive for the Executive Chairman, Mr Ho, which has been included in his employment agreement. Pursuant to the incentive, Mr Ho shall be entitled to, for each financial year for a period of 10 years beginning from the financial year ended 31 December 2010, an amount equivalent to 5% of the profit before tax of the Group, such amount to be payable in cash or in shares at the sole discretion of the Company ("Founder's Grant"). The Founder's Grant aims to secure the continuing commitment of Mr Ho to the Group and to reward him for founding, leading and building up the Group. FY2010 was the first financial year in which the Founder's Grant was paid. There was no Founder's Grant paid for FY2015.

[12]Details of the Founder's Grant can be found in the Directors' Statement and Note 41 to the financial statements.

(C) ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

[1]The Board, through its announcements of quarterly and full-year results, aims to provide shareholders with a balanced and clear assessment of the Group's performance and prospects on a quarterly basis. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

[2]Management provides the Board with detailed management accounts and such explanation and information on a regular basis and as the Board may require from time to time enabling the Board to make a balanced and informed assessment of the Company's and the Group's performance, position and prospects. Such information consist of consolidated profit and loss accounts, operating profit, pre-tax profit by the various business segments comparing BTH's actual performance against the budgets, together with explanations for significant variances.

[3]The Board reviews and approves the results as well as the relevant announcements before its release on SGXNet. The Board also reviews legal and regulatory compliance reports from Management to ensure that the

Group complies with relevant regulatory requirements.

[4]For FY2015, the Executive Chairman and the Chief Financial Officer have provided written assurance to the Board on the integrity of the financial statements of the Company and its subsidiaries and on the adequacy and effectiveness of the Group's risk management and internal control systems, addressing financial, operational, compliance risks including information technology and sustainability risks. In relation to the interim financial statements, the Board provides a negative assurance confirmation to shareholders in line with the requirements of the Listing Rules.

Principle 11: Risk Management and Internal Controls

[1]The Board is responsible for the governance of risk and exercises oversight of the material risks involving the Group's businesses. During the year, the ARC assisted the Board in the oversight of the Group's risk management processes and activities to mitigate and manage risk at levels that are determined to be acceptable to the Board. The ARC is assisted by the Group Risk Management Committee, which is not a Board Committee and comprises appropriate members of Management, which reports on the Group's strategic and business risks and the measures taken to address them. On a quarterly basis, all significant risks to the Group and/or properties which have been identified and managed are highlighted at the ARC meetings.

[2]The Board has approved a risk framework for the identification of key risks within the business known as the Committee of Sponsoring Organisations of the Treadway Commission Internal Controls Integrated Framework ("COSO Framework") for assessing the adequacy and effectiveness of BTH's internal control systems.

[3]Under the COSO Framework, internal controls is broadly defined as a process effected by the Board and its Management, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

a. effectiveness and efficiency of operations;
b. reliability of financial reporting;
c. compliance with applicable laws and regulations; and
d. safeguarding of assets.

[4]Using the COSO Framework, Management, Risk Management and Internal Audit teams assessed the adequacy of internal controls in accordance with the 5 components of COSO, namely,

a. control environment;
b. risk assessment;
c. control activities;
d. information and communications; and
e. monitoring.

[5]Major incidents and violations, if any, are also reported to the Board to facilitate the Board's oversight of the effectiveness of crisis management and the adequacy of mitigating measures taken by Management to address the underlying risks. The identification and management of risks lies with the respective Business Units and Management who assumes ownership and day-to-day management of these risks. Risk registers are maintained by these operating Business Units that identify the key risks facing the Group's businesses and the internal controls in place to manage such risks. Management is responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business plans and goals. Key business risks are proactively identified, addressed and reviewed on an ongoing basis. This includes reviewing the level of business risks and the appropriate framework and policies for management that are consistent with the BTH's risk appetite. Certain operating risks are mitigated through insurance management with the assistance of professional global insurance advisers, ensuring adequate coverage for, *inter alia*, its hotel/resorts and assets.

[6]The ARC provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control and compliance systems. The ARC also reviewed the effectiveness of the measures taken by Management including the review of adequacy and timelines of the actions in response to the recommendations made by the Head of Group Internal Audit and External Auditors. The system of internal control and risk management is continually being refined by Management, the ARC and the Board.

[7]Based on the framework established and the reviews conducted by the Management and Head of Group Internal Audit and External Auditors, the Board opines, with the concurrence of the ARC, that the Group's internal controls and risk management systems were adequate and effective to address financial, operational and compliance risks including information technology risk which the Group considers relevant and material to its current business environment.

[8]The system of internal controls and risk management established by Management provides reasonable, but not absolute, assurance that BTH will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against poor judgment in decision making, human error, losses, fraud or other irregularities.

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[9] The Board has received assurance from the Executive Chairman and the Chief Financial Officer that:

(a) the financial records of BTH have been properly maintained and the financial statements for the year ended 31 December 2015 give a true and fair view of the Group's operations and finances; and
(b) the system of risk management and internal controls in place within BTH is adequate and effective in addressing the material risks of the Group in its current business environment, including material financial, operational, compliance risks including information technology risks and sustainability risks.

Principle 12: Audit and Risk Committee
[1] During the year, the ARC, chaired by Mrs Fang, comprised Mr Tham and Mr Lim, all of whom are Independent Directors. Mr Chia, Mrs Sam and Mr Chan ceased to be members of the ARC on 25 February 2015 and Mr Lim was appointed as member of the ARC on 25 February 2015. The Board considers that Mrs Fang, a qualified Chartered Accountant, who has extensive and practical accounting and financial management knowledge and experience, is well qualified to chair the ARC. The members of the ARC collectively have strong accounting and related financial management expertise and experience and are kept abreast of relevant changes to the accounting standards and issues which have a significant impact on the financial statements through regular updates from the External Auditors. The ARC has adopted a Charter that is approved by the Board, the responsibilities of which are detailed under the Directors' Statement on page 104 of the Annual Report.

[2] The ARC usually meets with the Head of Group Internal Audit first, followed by the External Auditors, prior to the commencement of each ARC meeting without the presence of Management. These meetings enable both the Head of Group Internal Audit and External Auditors to raise issues encountered in the course of their work directly to the ARC.

[3] The ARC reviews, with the Head of Group Internal Audit and External Auditors, their audit plans, the system of internal controls, audit reports, management letter and the Company's management response. The ARC also reviews the quarterly, half-year, and full-year results, as well as financial statements of the Company and the Group before submission to the Board for its approval, focusing in particular on changes in accounting policies and procedures, major operating risk areas and overview of all the Group's risks on an integrated basis, including all matters affecting the Group's performance and the effectiveness of the Group's key internal controls including financial, operational, compliance and information technology controls. The ARC also reviews all interested person transactions.

[4] The ARC commissions and reviews the findings of internal investigations into matters on suspected fraud, irregularity, failure of internal controls, and the infringement of any law, rule or regulation which has or is likely to have a material impact on the Company's results and/or financial position.

[5] The ARC also oversees the Group's Whistle-Blowing Policy which provides the mechanism by which employees and the public may, in confidence, raise concerns about possible improprieties. The ARC is satisfied that arrangements are in place for the independent investigations of such improprieties and for appropriate follow-up actions and resolutions. The Whistle-Blowing Policy, including the dedicated whistle-blowing hotline at (+65) 6389 1377 and email address at ethics@banyantree.com, are made available on BTH's website. Anonymous disclosures will be accepted and anonymity and confidentiality will be honoured throughout the process.

[6] The ARC has also reviewed the Group's Code of Corporate Conduct Policy which sets out the principles and standards of conduct expected of all its Directors and employees to carry out their duties with honesty, fairness, integrity and professionalism. For example, Directors and employees must not engage in conduct involving fraud or dishonesty, or commit any act that reflects adversely on the Group's integrity and professionalism. Standard operating policies have also been adopted at the various Group's business and operating units to ensure that procedures have been adopted to curb anti-corruption practices such as, by ensuring that, among others:-

i) the Group's agreements/contracts with its business partners are lawful, fairly arrived at and fully documented in writing, and where appropriate, cleared by the Group's in-house Legal Counsel; and
ii) employees act with honesty and integrity in all dealings with the government, businesses and other organisations and do not offer gifts, gratuities, or non-business related entertainment to unduly influence any employee of business partners that are transacting with the Group to make a business decision in the Group's favour.

[7] The ARC has explicit authority to investigate any matters within its Charter and has full access to and the co-operation of Management and full discretion to invite any Director or the Management to

attend its meetings. The Company has an Internal Audit team that, together with the External Auditors, reports its findings and recommendations independently to the ARC. The ARC also reviews and considers the performance and compensation of Head of Group Internal Audit as well as his independence from Management. In FY2015, the ARC assessed the strength of the Internal Audit team and confirmed that the team is adequately resourced and suitably qualified to discharge its duty.

[8] The ARC has undertaken a review of the nature and extent of all non-audit services performed by the External Auditors during the year and is satisfied that such services have not affected their independence. It recommends the re-appointment of the External Auditors. The ARC approved the remuneration and terms of the engagement of the External Auditors. The details of the aggregate amount of fees paid to the External Auditors for FY2015 and the breakdown of fees paid in total for audit and non-audit services respectively can be found on page 137 of the Annual Report. In addition, the ARC also reviewed the appointment of different auditors for its subsidiaries or significant associated companies to ensure that the appointment would not compromise the standard and effectiveness of the audit of the Company or its subsidiaries or significant associated companies. The date of appointment and name of the audit partner in charge of the Group's audit can be found on page 223 of the Annual Report. Also, the names of the auditing firms for its significant subsidiaries and associated companies can be found on pages 156 and 159 of the Annual Report.

[9] In the opinion of the Directors, the Group complies with the Code's guidelines on audit committees as well as Rules 712, 715, 716 and 717 of the SGX-ST Listing Manual.

Principle 13: Internal Audit

[1] The Internal Audit is an independent function within the Company. The Internal Audit Department ("IAD") has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC. The Head of Group Internal Audit reports directly to the ARC with a dotted-line relationship to the Chief Financial Officer for administrative matters. The ARC approves the hiring, removal, evaluation and compensation of the Head of Group Internal Audit.

[2] The IAD is staffed by suitably qualified professional staff with the requisite skill sets and experience with 8 audit executives, including the Head of Group Internal Audit. The Head of Group Internal Audit ensures that the standards as set out by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors are met.

[3] The IAD assists the ARC and the Board by performing regular evaluations of the Group's internal controls, information technology, financial and accounting matters, compliance, business and risk management policies and procedures and ensuring that internal controls are adequate to meet the Group's requirement.

[4] On a quarterly basis, the ARC reviews the IAD's reports, summary of findings and recommendations at the ARC meetings. The ARC also reviews and approves the annual internal audit plan which is determined in consultation with, but independent of Management. The proposed scope of the internal audit function under the categories of financial audit, operational audit and information technology audit, focuses on the adequacy and effectiveness of internal controls in relation to financial, operational and information technology risks.

[5] The Board and Management of the Group attach high importance to having a sound system of internal controls and have been continuously enhancing the Group's internal audit capacities through additional staffing and/ or outsourcing.

(D) SHAREHOLDERS' RIGHTS & RESPONSIBILITIES & COMMUNICATION WITH SHAREHOLDERS

Principle 14: Shareholders' Rights
Principle 15: Communication with Shareholders
Principle 16: Conduct of Shareholders' Meetings

[1] All BTH shareholders are treated fairly and equitably and the Company looks to facilitate the exercise of their ownership rights. Shareholders are given opportunities to participate effectively in and vote at general meetings of shareholders. The Company informs shareholders of the rules, including voting procedures, governing such meetings.

[2] The Company has in place an investor relations policy which serves to provide high quality, meaningful and timely information to improve the shareholders and investors understanding of the Company. It adopts the practice of regularly communicating major developments in its businesses and operations through SGXNET and, where appropriate, directly to shareholders, other investors, analysts, the media, the public and its employees. In FY2015, the Company held media and analysts' briefing upon the release of its half year and full-year results. These releases were also made available on the Company's website. It has an investor relations team ("IR Team") that communicates with its shareholders and analysts

Corporate Governance Report

regularly and attends to their queries. The IR team can be reached via an email address at ir@banyantree.com. The IR Team also manages the dissemination of corporate information to the media, the public, as well as institutional investors and public shareholders, and promotes relations with and acts as liaison for such entities and parties. Material information is published on SGXNET and through media releases.

[3] Shareholders of the Company receive notices of general meetings which are also advertised in the newspapers and issued via SGXNET. The Board recognises that the AGM is an important forum at which shareholders have the opportunity to communicate their views and raise any queries with the Board and Management regarding the Company and its operations.

[4] A registered shareholder may appoint one or two proxies to attend the AGM and vote. The Constitution currently does not allow a shareholder to vote in absentia.

[5] At general meetings, separate resolutions will be set out on distinct issues for approval by shareholders. All resolutions are conducted by poll in the presence of independent scrutineers. The results of the poll showing the number of votes cast for and against each resolution and the respective percentages are published on SGXNet. The minutes of the AGM are also made available to shareholders upon their requests.

[6] Pursuant to the amendments to the Companies Act, a member which is a relevant intermediary (as defined in the Companies Act), which generally includes Singapore banks and nominee or custodial service providers, as well as the Central Provident Fund Board, may appoint more than two proxies to attend, speak and vote at the AGM, provided that each appointed proxy represents a different share or shares held by such member.

[7] The Company is in full support of shareholder participation at AGMs. The Board and Management are in attendance at the Company's general meetings to address questions by shareholders. The External Auditors and legal advisers are also present at the AGM to assist the Board and Management in addressing shareholders' queries.

[8] The Company's Dividend Policy seeks to maximise shareholder value and encourage shareholder loyalty with predictable annual growth in dividend payout which is not impacted by profit volatility. With that objective, the Company's Dividend Policy is based on the principles of stability, predictability and managed growth, outlined as follows:

- <u>Stability</u>
  Unless the Company suffers a substantial net loss, it will pay a dividend each year so that shareholders are not negatively affected by annual profit volatility.
- <u>Predictability</u>
  Shareholders will be able to better anticipate the appropriate level of dividends to expect each year and therefore may be better able to manage their portfolio investment strategy.
- <u>Managed growth</u>
  The Company will strive to increase and smooth out the dividends year on year within a broad band but the specific rate will be dependent on the Company's actual profit performance, cash and cash flow projections.

DEALING IN SECURITIES

[1] The Company has adopted an internal code on securities trading, which provides guidance and internal regulation with regards to dealings in the Company's securities by its Directors and officers. The Company's internal code is modelled on Rule 1207(19) of the SGX-ST Listing Manual. The Company's internal code prohibits its Directors and officers from dealing in listed securities of the Company while in possession of unpublished, material and price-sensitive information in relation to such securities and during the "closed period", which is defined as two weeks before the date of announcement of results for each of the first three quarters of the Company's financial year, and one month before the date of announcement of the full-year financial results. Directors and officers are also prohibited from dealing with the Company's securities on short-term considerations. They are also advised to be mindful of the law on insider trading and ensure that their dealings in securities do not contravene the laws on insider trading under the Securities and Futures Act, and the Companies Act. The Company issues quarterly reminders to its Directors, relevant officers and employees on the restrictions in dealing in listed securities of the Company as set out above in compliance with Rule 1207(19) of the SGX-ST Listing Manual.

INTERESTED PERSON TRANSACTIONS

[1] Shareholders have adopted a Shareholders' Mandate in respect of interested person transactions of the Company. The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company's disclosure in respect of interested person transactions for the year is set out on page 100 of this Annual Report.

Disclosure Guide

Guideline*	Questions	How has the Company complied?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	Yes, save for Guideline 4.4, which requires the Board to determine the maximum number of listed board representations which any director may hold. Please refer to the Corporate Governance Report (the "Report").
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	Please refer to the seventh paragraph of Principle 4; Part A of the Report.
Board Responsibility		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	Please refer to the second paragraph of Principle 1; Part A of the Report.
Members of the Board		
Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	Please refer to the third paragraph of Principle 2; Part A of the Report.
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	Please refer to the first, third and fourth paragraphs of Principle 2; Part A of the Report. There are 8 Board Members of whom 2 are female comprising 25% of the Board representation.
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	The Board, with the assistance of the NRC, reviews the composition of the Board each year to ensure that, *inter alia*, the skills and competencies of the Directors remain comparable to the needs of the Group's business.
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	Please refer to the second paragraph of Principle 4; Part A of the Report.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why.	Yes. However, there was no appointment of new director in FY2015.
	(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	Please refer to the fifth, sixth and seventh paragraphs of Principle 1; Part A of the Report.
Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	Please refer to the seventh paragraph of Principle 4; Part A of the Report.
	(b) If a maximum number has not been determined, what are the reasons?	Please refer to the seventh paragraph of Principle 4; Part A of the Report.
	(c) What are the specific considerations in deciding on the capacity of directors?	The Board will consider the contributions of the Directors to the meetings of the Board and Board Committees as well as their attendance at these meetings.

* The Guideline refers to principles and guidelines set out in the Code of Corporate Governance 2012.

Disclosure Guide

Guideline*	Questions	How has the Company complied?
Board Evaluation		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	Please refer to the first to third paragraphs of Principle 5; Part A of the Report.
	(b) Has the Board met its performance objectives?	Please refer to the fourth paragraph of Principle 5; Part A of the Report.
Independence of Directors		
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Please refer to the third paragraph of Principle 4; Part A of the Report. The Independent Directors comprise 75% of the Board.
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	Please refer to the sixth paragraph of Principle 4; Part A of the Report.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Please refer to the sixth paragraph of Principle 4; Part A of the Report.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	Please refer to the fifth paragraph of Principle 4; Part A of the Report.
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Please refer to Table 3 set out in Principle 8 and Principle 9; Part B of the Report.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Please refer to Table 3 set out in Principle 8 and Principle 9; Part B of the Report.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	Please refer to the fifth paragraph of Principle 8 and Principle 9; Part B of the Report.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	Please refer to the sixth paragraph of Principle 8 and Principle 9; Part B of the Report.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	Please refer to the seventh paragraph of Principle 8 and Principle 9; Part B of the Report.

* The Guideline refers to principles and guidelines set out in the Code of Corporate Governance 2012.

Guideline*	Questions	How has the Company complied?
Guideline 9.6 (continued)	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	Please refer to the seventh paragraph of Principle 8 and Principle 9; Part B of the Report.
	(c) Were all of these performance conditions met? If not, what were the reasons?	Please refer to the eight paragraph of Principle 8 and Principle 9; Part B of the Report.
Risk Management and Internal Controls		
Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	Please refer to:- i) the first paragraph of Principle 6; Part A of the Report; and ii) the second and third paragraphs of Principle 10; Part C of the Report
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Please refer to the first and second paragraphs of Principle 13; Part C of the Report.
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	Please refer to the second to fifth paragraphs of Principle 11; Part C of the Report.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Please refer to the sixth to ninth paragraphs of Principle 11; Part C of the Report.
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	Please refer to the eighth paragraph of Principle 12; Part C of the Report.
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	Please refer to the eighth paragraph of Principle 12; Part C of the Report.
Communications with Shareholders		
Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Please refer to the second paragraph of Principle 14 to Principle 16; Part D of the Report.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Please refer to the second paragraph of Principle 14 to Principle 16; Part D of the Report.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNet announcements and the annual report?	Please refer to the second and seventh paragraphs of Principle 14 to Principle 16; Part D of the Report. Apart from the AGM, the Company also addresses the shareholders' verbal or written queries as and when it arises.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Due to poor financial performance.

* The Guideline refers to principles and guidelines set out in the Code of Corporate Governance 2012.

Interested Person Transactions

		Aggregate value of all interested person transactions for FY2015 (excluding transactions less than S$100,000 and transactions conducted under Shareholders' Mandate) in S$'000	Aggregate value of all interested person transactions conducted under Shareholders' Mandate for FY2015 (excluding transactions less than S$100,000) in S$'000
A.	**Transactions with the Tropical Resorts Limited Group ("TRG")**		
a	Provision of Resort Management and Related Services to TRG	–	3,112
b	Provision of Spa Management and Other Related Services to TRG	–	669
c	Rental Income from TRG in respect of units in Banyan Tree Bintan and Angsana Bintan	–	2,122
d (i)	Reimbursement of Expenses – to TRG	–	–
d (ii)	Reimbursement of Expenses – from TRG	–	480
B.	**Transactions with Qatar Investment Authority Group ("QIAG")**		
a	Royalty from QIAG in respect of sale of condominium units at Banyan Tree Signatures Pavilion Kuala Lumpur	417	–
	Total	**417**	**6,383**

Financials

Directors' Statement

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Banyan Tree Holdings Limited ("the Company") and its subsidiaries (collectively, "the Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2015.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

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

Arrangements to enable Directors to acquire shares and debentures

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

Banyan Tree Share Option Scheme and Banyan Tree Performance Share Plan

There are two share-based incentive schemes for its Directors and employees, the Banyan Tree Share Option Scheme (the "Share Option Scheme") and a performance share plan known as the Banyan Tree Performance Share Plan (the "Plan"), (collectively, the "Schemes"). Ho KwonPing, the Executive Chairman and controlling shareholder*, is not entitled to participate in the Schemes.

At the date of this statement, the Schemes are administered by the Nominating and Remuneration Committee ("NRC") which comprises Chia Chee Ming Timothy, Elizabeth Sam and Chan Heng Wing, all of whom are Independent Directors of the Company.

Under the Share Option Scheme, eligible participants are granted options to acquire shares in the Company whereas under the Plan, the Company's shares are issued to eligible participants. The Schemes enable eligible participants to participate in the equity of the Company with the aim of motivating them towards better performance.

More information about the Schemes and details of performance shares and awards granted to a Non-Executive Director and eligible participants during the financial year under the Plan, can be found in Note 41 to the financial statements.

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

Founder's Grant

Ho KwonPing is entitled to, for each financial year for a period of ten years beginning from the financial year ended 31 December 2010, an amount equivalent to 5% of the profit before tax of the Group, such amount to be payable in cash or in shares at the sole discretion of the Company (the "Founder's Grant"). There was no payment to the Founder's Grant in respect of financial year ended 31 December 2015.

Directors' interests in shares and debentures

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

	Holdings registered in the name of director or nominee			Holdings in which a director is deemed to have an interest		
Name of directors and companies in which interests are held	**At the beginning of financial year**	**At the end of financial year**	**As at 21 January 2016**	**At the beginning of financial year**	**At the end of financial year**	**As at 21 January 2016**
Banyan Tree Holdings Limited (Incorporated in Singapore)						
Ordinary shares						
Ho KwonPing	–	–	–	287,032,582	287,032,582	287,793,582
Ariel P Vera	1,044,000	1,098,000	1,098,000	376,500[1]	172,500[1]	172,500[1]
Chia Chee Ming Timothy	257,000	257,000	257,000	–	–	–
Elizabeth Sam	156,000	156,000	156,000	–	–	–
Debentures						
Chan Heng Wing[2]	$250,000	$250,000	$250,000	–	–	–
Fang Ai Lian[3]	–	$500,000	$500,000	–	–	–
Bangtao Development Limited (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	1	1	1	–	–	–
Phuket Resort Development Limited (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	1	1	1	–	–	–
Twin Waters Development Company Limited (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	2	2	2	–	–	–

[1] The number of shares comprised in awards granted by the Company under the Banyan Tree Performance Share Plan, subject to performance conditions being met.

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

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

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

Directors' Statement

Directors' interests in shares and debentures (continued)

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

Audit and Risk Committee ("ARC")

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

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

All ARC members are Non-Executive Independent Directors.

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

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

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

Auditor

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

On behalf of the Board of Directors,

Ho KwonPing
Director

Fang Ai Lian
Director

Singapore
16 March 2016

Independent Auditor's Report

to the Members of Banyan Tree Holdings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Banyan Tree Holdings Limited ("the Company") and its subsidiaries (collectively, "the Group") set out on pages 106 to 215, which comprise the balance sheets of the Group and the Company as at 31 December 2015, the statements of changes in equity of the Group and Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

16 March 2016

Consolidated Income Statement

for the financial year ended 31 December 2015

	Note	GROUP 2015 $'000	GROUP 2014 $'000
Revenue	3	**370,688**	327,366
Other income	4	**6,350**	9,193
		377,038	336,559
Costs and expenses			
Cost of operating supplies		**(26,254)**	(27,420)
Cost of properties sold		**(58,506)**	(14,850)
Salaries and related expenses	5	**(105,915)**	(103,174)
Administrative expenses		**(68,195)**	(59,420)
Sales and marketing expenses		**(21,362)**	(17,387)
Other operating expenses	6	**(65,796)**	(63,257)
		(346,028)	(285,508)
Profit before interests, taxes, depreciation and amortisation		**31,010**	51,051
Depreciation of property, plant and equipment	12	**(21,826)**	(19,520)
Amortisation expense		**(2,882)**	(2,350)
Profit from operations and other gains	7	**6,302**	29,181
Finance income	8	**2,351**	3,402
Finance costs	9	**(28,083)**	(25,451)
Share of results of associates		**(35)**	31
(Loss)/Profit before taxation		**(19,465)**	7,163
Income tax expense	10	**(6,495)**	(6,564)
(Loss)/Profit after taxation		**(25,960)**	599
Attributable to:			
Owners of the Company		**(27,519)**	1,025
Non-controlling interests		**1,559**	(426)
		(25,960)	599
Earnings per share attributable to owners of the Company (in cents):			
Basic	11	**(3.62)**	0.13
Diluted	11	**(3.62)**	0.13

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

Consolidated Statement of Comprehensive Income

for the financial year ended 31 December 2015

	GROUP	
	2015 $'000	2014 $'000
(Loss)/Profit after taxation	**(25,960)**	599
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	**734**	21,718
Net change in fair value adjustment reserve, net of deferred tax	**(2,231)**	5,600
	(1,497)	27,318
Items that will not be reclassified to profit or loss		
Adjustment on property revaluation reserve and deferred tax	**4,290**	8,663
Actuarial loss arising from defined benefit plan, net of deferred tax	**(447)**	–
	3,843	8,663
Other comprehensive income for the year, net of tax	**2,346**	35,981
Total comprehensive (expense)/income for the year	**(23,614)**	36,580
Total comprehensive (expense)/income attributable to:		
Owners of the Company	**(22,687)**	31,256
Non-controlling interests	**(927)**	5,324
	(23,614)	36,580

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

Balance Sheets
as at 31 December 2015

	Note	GROUP 2015 $'000	GROUP 2014 $'000	COMPANY 2015 $'000	COMPANY 2014 $'000
Non-current assets					
Property, plant and equipment	12	**657,348**	645,926	**6**	15
Investment properties	13	**67,612**	67,039	**–**	–
Intangible assets	14	**34,965**	33,122	**2,524**	2,364
Land use rights	15	**11,411**	12,553	**–**	–
Subsidiaries	16	**–**	–	**501,395**	418,718
Associates	17	**160**	303	**869**	869
Long-term investments	18	**106,750**	103,596	**–**	–
Deferred tax assets	37	**18,276**	5,556	**–**	–
Prepaid island rental	19	**22,995**	22,845	**–**	–
Prepayments		**3,447**	3,893	**–**	–
Long-term trade receivables	20	**31,117**	27,013	**–**	–
Other receivables	21	**4,722**	6,831	**–**	–
Investment securities	22	**–**	2,546	**–**	–
		958,803	931,223	**504,794**	421,966
Current assets					
Property development costs	23	**335,823**	259,581	**–**	–
Inventories	24	**10,573**	11,636	**–**	–
Prepayments and other non-financial assets	25	**20,809**	17,753	**160**	225
Trade receivables	26	**66,226**	74,650	**–**	785
Other receivables	27	**13,889**	16,283	**147**	228
Amounts due from subsidiaries	28	**–**	–	**198,317**	173,787
Amounts due from associates	29	**38**	98	**–**	–
Amounts due from related parties	30	**18,642**	13,747	**–**	2
Investment securities	22	**2,512**	761	**–**	–
Cash and short-term deposits	31	**165,663**	169,265	**69,121**	58,268
		634,175	563,774	**267,745**	233,295
Total assets		**1,592,978**	1,494,997	**772,539**	655,261

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

	Note	GROUP 2015 $'000	GROUP 2014 $'000	COMPANY 2015 $'000	COMPANY 2014 $'000
Current liabilities					
Tax payable		**8,683**	8,250	**–**	17
Unearned income		**8,747**	11,372	**–**	112
Other non-financial liabilities	32	**41,385**	55,097	**462**	262
Interest-bearing loans and borrowings	33	**89,750**	70,638	**32,608**	2,608
Trade payables		**24,186**	21,697	**–**	–
Other payables	35	**41,069**	50,586	**5,170**	11,328
Amounts due to subsidiaries	28	**–**	–	**50,812**	59,550
Amounts due to associates	29	**32**	4	**–**	–
Amounts due to related parties	30	**1,102**	504	**–**	–
		214,954	218,148	**89,052**	73,877
Net current assets		**419,221**	345,626	**178,693**	159,418
Non-current liabilities					
Deferred income	36	**8,654**	9,224	**–**	–
Deferred tax liabilities	37	**97,823**	87,082	**–**	–
Defined and other long-term employee benefits	38	**3,055**	2,601	**–**	–
Deposits received		**1,699**	1,670	**–**	–
Other non-financial liabilities		**3,844**	3,490	**–**	–
Interest-bearing loans and borrowings	33	**171,144**	156,353	**30,179**	62,787
Notes payable	34	**391,772**	291,593	**391,772**	291,593
Other payables		**572**	532	**–**	–
		678,563	552,545	**421,951**	354,380
Total liabilities		**893,517**	770,693	**511,003**	428,257
Net assets		**699,461**	724,304	**261,536**	227,004
Equity attributable to owners of the Company					
Share capital	39	**199,995**	199,995	**199,995**	199,995
Treasury shares	40	**(463)**	(947)	**(463)**	(947)
Reserves	40	**349,260**	373,554	**62,004**	27,956
		548,792	572,602	**261,536**	227,004
Non-controlling interests		**150,669**	151,702	**–**	–
Total equity		**699,461**	724,304	**261,536**	227,004

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

Statements of Changes in Equity

for the financial year ended 31 December 2015

2015 GROUP	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Legal reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Other reserves $'000 Note 40(f)	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2015	**199,995**	**(947)**	**8,628**	**9,825**	**151,528**	**(36,327)**	**(5,757)**	**245,657**	**572,602**	**151,702**	**724,304**
Loss after taxation	–	–	–	–	–	–	–	(27,519)	(27,519)	1,559	(25,960)
Other comprehensive income for the year	–	–	–	–	4,290	4,465	(3,586)	(337)	4,832	(2,486)	2,346
Total comprehensive income for the year	–	–	–	–	4,290	4,465	(3,586)	(27,856)	(22,687)	(927)	(23,614)
Contributions by and distributions to owners											
Dividends paid on ordinary shares	–	–	–	–	–	–	–	(989)	(989)	–	(989)
Treasury shares reissued pursuant to Share-based Incentive Plan	–	484	(365)	–	–	–	(119)	–	–	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	161	–	–	–	–	–	161	–	161
Expiry of share grants pursuant to Share-based Incentive Plan	–	–	(108)	–	–	–	–	108	–	–	–
Total contributions by and distributions to owners	–	484	(312)	–	–	–	(119)	(881)	(828)	–	(828)
Changes in ownership interests in subsidiary											
Acquisition of non-controlling interests without a change in control	–	–	–	–	–	–	(254)	–	(254)	188	(66)
Total changes in ownership interests in subsidiary	–	–	–	–	–	–	(254)	–	(254)	188	(66)
Total transactions with owners in their capacity as owners	–	484	(312)	–	–	–	(373)	(881)	(1,082)	188	(894)
Other changes in equity											
Dividends paid to loan stockholders of a subsidiary	–	–	–	–	–	–	–	(41)	(41)	–	(41)
Dividends paid to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	–	–	(294)	(294)
Transfer to accumulated profits upon disposal of asset	–	–	–	–	(356)	–	–	356	–	–	–
Transfer to legal reserve	–	–	–	73	–	–	–	(73)	–	–	–
Total other changes in equity	–	–	–	73	(356)	–	–	242	(41)	(294)	(335)
At 31 December 2015	**199,995**	**(463)**	**8,316**	**9,898**	**155,462**	**(31,862)**	**(9,716)**	**217,162**	**548,792**	**150,669**	**699,461**

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

2014 GROUP	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Legal reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Other reserves $'000 Note 40(f)	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2014	199,995	(1,827)	8,801	9,767	142,865	(54,213)	(8,384)	252,193	549,197	146,751	695,948
Profit after taxation	–	–	–	–	–	–	–	1,025	1,025	(426)	599
Other comprehensive income for the year	–	–	–	–	8,663	17,886	3,682	–	30,231	5,750	35,981
Total comprehensive income for the year	–	–	–	–	8,663	17,886	3,682	1,025	31,256	5,324	36,580
Contributions by and distributions to owners											
Dividends paid on ordinary shares	–	–	–	–	–	–	–	(7,600)	(7,600)	–	(7,600)
Treasury shares reissued pursuant to Share-based Incentive Plan	–	880	(347)	–	–	–	(533)	–	–	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	311	–	–	–	–	–	311	–	311
Expiry of share grants pursuant to Share-based Incentive Plan	–	–	(137)	–	–	–	–	137	–	–	–
Total contributions by and distributions to owners	–	880	(173)	–	–	–	(533)	(7,463)	(7,289)	–	(7,289)
Changes in ownership interests in subsidiary											
Acquisition of non-controlling interests without a change in control	–	–	–	–	–	–	(522)	–	(522)	377	(145)
Total changes in ownership interests in subsidiary	–	–	–	–	–	–	(522)	–	(522)	377	(145)
Total transactions with owners in their capacity as owners	–	880	(173)	–	–	–	(1,055)	(7,463)	(7,811)	377	(7,434)
Other changes in equity											
Dividends paid to loan stockholders of a subsidiary	–	–	–	–	–	–	–	(40)	(40)	–	(40)
Dividends paid to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	–	–	(750)	(750)
Transfer to legal reserve	–	–	–	58	–	–	–	(58)	–	–	–
Total other changes in equity	–	–	–	58	–	–	–	(98)	(40)	(750)	(790)
At 31 December 2014	199,995	(947)	8,628	9,825	151,528	(36,327)	(5,757)	245,657	572,602	151,702	724,304

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

Statements of Changes in Equity

for the financial year ended 31 December 2015

COMPANY	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Other reserves $'000 Note 40(f)	Accumulated profits $'000	Total equity $'000
At 1 January 2015	**199,995**	**(947)**	**8,628**	**4,860**	**14,468**	**227,004**
Profit after taxation	**–**	**–**	**–**	**–**	**35,360**	**35,360**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**35,360**	**35,360**
Contributions by and distributions to owners						
Dividends paid on ordinary shares	**–**	**–**	**–**	**–**	**(989)**	**(989)**
Treasury shares reissued pursuant to Share-based Incentive Plan	**–**	**484**	**(365)**	**(119)**	**–**	**–**
Issuance of share grants pursuant to Share-based Incentive Plan	**–**	**–**	**161**	**–**	**–**	**161**
Expiry of share grants pursuant to Share-based Incentive Plan	**–**	**–**	**(108)**	**–**	**108**	**–**
Total transactions with owners in their capacity as owners	**–**	**484**	**(312)**	**(119)**	**(881)**	**(828)**
At 31 December 2015	**199,995**	**(463)**	**8,316**	**4,741**	**48,947**	**261,536**
At 1 January 2014	199,995	(1,827)	8,801	5,393	35,684	248,046
Loss after taxation	–	–	–	–	(13,753)	(13,753)
Total comprehensive income for the year	–	–	–	–	(13,753)	(13,753)
Contributions by and distributions to owners						
Dividends paid on ordinary shares	–	–	–	–	(7,600)	(7,600)
Treasury shares reissued pursuant to Share-based Incentive Plan	–	880	(347)	(533)	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	311	–	–	311
Expiry of share grants pursuant to Share-based Incentive Plan	–	–	(137)	–	137	–
Total transactions with owners in their capacity as owners	–	880	(173)	(533)	(7,463)	(7,289)
At 31 December 2014	199,995	(947)	8,628	4,860	14,468	227,004

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

Consolidated Cash Flow Statement

for the financial year ended 31 December 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
(Loss)/Profit before taxation		**(19,465)**	7,163
Adjustments for:			
Share of results of associates		**35**	(31)
Depreciation of property, plant and equipment	12	**21,826**	19,520
Loss on disposal of property, plant and equipment, net	7	**1,234**	85
Impairment loss on investment in associates	7	**93**	–
Finance income	8	**(2,351)**	(3,402)
Finance costs	9	**28,083**	25,451
Amortisation of intangible assets		**–**	48
Amortisation expense		**2,882**	2,350
Allowance for doubtful debts	7	**16,294**	3,727
Allowance for/(Write-back of) inventory obsolescence	7	**105**	(26)
Defined and other long-term employee benefits expense	38	**425**	410
Share-based payment expenses	5	**234**	878
Net fair value loss/(gains) on investment properties	13	**181**	(4,025)
Currency realignment		**439**	2,616
		69,480	47,601
Operating profit before working capital changes		**50,015**	54,764
Decrease in inventories		**1,062**	1,236
Increase in property development costs		**(92,395)**	(90,723)
(Increase)/decrease in trade and other receivables		**(15,090)**	20,370
Increase in amounts due from related parties		**(3,903)**	(5,114)
(Decrease)/increase in trade and other payables		**(15,342)**	20,295
		(125,668)	(53,936)
Cash flows (used in)/generated from operating activities		**(75,653)**	828
Interest received		**2,415**	3,350
Interest paid		**(27,581)**	(26,034)
Tax paid		**(7,991)**	(10,274)
Payment of employee benefits	38	**(419)**	(452)
Payment of cash settled share grants		**(155)**	(219)
Payment of lease rental	19	**(1,342)**	(1,200)
Net cash flows used in operating activities		**(110,726)**	(34,001)

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

Consolidated Cash Flow Statement

for the financial year ended 31 December 2015

	Note	2015 $'000	2014 $'000
Cash flows from investing activities			
Purchase of property, plant and equipment	12	**(23,469)**	(19,725)
Proceeds from disposal of property, plant and equipment		**51**	514
Purchase of investment securities		**–**	(3,307)
Acquisition of non-controlling interest	16	**(66)**	(145)
Deferred cash settlement on acquisition of subsidiaries		**(6,500)**	(6,331)
Subsequent expenditure on investment properties		**(462)**	–
Additions to intangible assets		**(208)**	(2,412)
Net cash flows used in investing activities		**(30,654)**	(31,406)
Cash flows from financing activities			
Proceeds from bank loans		**100,924**	85,889
Repayment of bank loans		**(62,032)**	(78,266)
Proceeds from issuance of notes payable		**100,000**	125,000
Repayments of notes payable		**–**	(70,000)
Payment of dividends			
– by subsidiaries to non-controlling interests		**(294)**	(750)
– by subsidiaries to loan stockholders		**(41)**	–
– by Company to shareholders		**(989)**	(7,600)
Net cash flows generated from financing activities		**137,568**	54,273
Net decrease in cash and cash equivalents		**(3,812)**	(11,134)
Net foreign exchange difference		**1,088**	2,511
Cash and cash equivalents at beginning of year		**168,200**	176,823
Cash and cash equivalents at end of year	31	**165,476**	168,200

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

Notes to the Financial Statements

for the financial year ended 31 December 2015

1. Corporate information

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

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

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

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for the annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 1: *Disclosure Initiative*	1 January 2016
Amendments to FRS 27: *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 111: *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
Amendments to FRS 110, FRS 112 and FRS 28: *Investment Entities Applying the Consolidation Exception*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105: *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107: *Financial Instruments: Disclosures*	1 January 2016
(c) Amendments to FRS 19: *Employee Benefits*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018

Notes to the Financial Statements

for the financial year ended 31 December 2015

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

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

FRS 115 *Revenue from Contracts with Customers*

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115.

FRS 109 *Financial Instruments*

In December 2014, the Accounting Standards Council issued the final version of FRS 109 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The Group is currently assessing the impact of FRS 109.

2.4 Significant accounting estimates and judgments

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

(a) Key sources of estimation uncertainty

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

(i) Impairment of intangible assets

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

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

2. Summary of significant accounting policies (continued)

2.4 Significant accounting estimates and judgments (continued)

(a) Key sources of estimation uncertainty (continued)

(ii) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 and 50 years. The carrying amounts of the Group's property, plant and equipment at 31 December 2015 are $657,348,000 (2014: $645,926,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Impairment of loans and receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's loans and receivables at the end of each reporting period are disclosed in Note 46 (h) to the financial statements.

(iv) Deferred tax assets

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

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on the unused tax losses. The carrying values of recognised tax losses and unrecognised tax losses at 31 December 2015 are $58,021,000 (2014: $16,728,000) and $22,056,000 (2014: $15,980,000) respectively.

(v) Revaluation of freehold and investment properties

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

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

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

Notes to the Financial Statements

for the financial year ended 31 December 2015

2. Summary of significant accounting policies (continued)

2.4 Significant accounting estimates and judgments (continued)

(b) Judgments made in applying accounting policies

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

(i) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payables and net deferred tax liabilities at 31 December 2015 are $8,683,000 (2014: $8,250,000) and $79,547,000 (2014: $81,526,000) respectively.

(ii) Determination of functional currency

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

2.5 Foreign currency

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

(a) Transactions and balances

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

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

(b) Consolidated financial statements

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

2. Summary of significant accounting policies (continued)

2.5 Foreign currency (continued)

(b) Consolidated financial statements (continued)

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

2.6 Subsidiaries

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

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

2.7 Basis of consolidation and business combinations

(a) Basis of consolidation

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

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

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

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

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

– de-recognises the assets (including goodwill) and liabilities for the subsidiary at their carrying amounts at the date when control is lost;

– de-recognises the carrying amount of any non-controlling interest;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Notes to the Financial Statements

for the financial year ended 31 December 2015

2. Summary of significant accounting policies (continued)

2.7 Basis of consolidation and business combinations (continued)

(b) Business combinations and goodwill

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

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

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

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

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

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

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

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

2.8 Transaction with non-controlling interests

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

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

2. Summary of significant accounting policies (continued)

2.9 Associates

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

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

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

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

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

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

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

2.10 Property, plant and equipment

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

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

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

Notes to the Financial Statements

for the financial year ended 31 December 2015

2. Summary of significant accounting policies (continued)

2.10 Property, plant and equipment (continued)

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

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

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

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

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

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.11 Investment properties

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

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

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

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

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

2. Summary of significant accounting policies (continued)

2.12 Intangible assets

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

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

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

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

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

(a) Trademarks

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

(b) Other intangible assets

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

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

(c) Club membership

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

2.13 Impairment of non-financial assets

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

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

Notes to the Financial Statements

for the financial year ended 31 December 2015

2. Summary of significant accounting policies (continued)

2.13 Impairment of non-financial assets (continued)

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

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

2.14 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

(i) Loans and receivables

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

(ii) Held-to-maturity investments

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

(iii) Available-for-sale financial assets

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

2. Summary of significant accounting policies (continued)

2.14 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement (continued)

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

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

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

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

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

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

2.15 Long-term investments

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

2.16 Cash and cash equivalents

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

Notes to the Financial Statements

for the financial year ended 31 December 2015

2. Summary of significant accounting policies (continued)

2.17 Property development costs

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

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

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

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

2.18 Impairment of financial assets

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

(a) Financial assets carried at amortised cost

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

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

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

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

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

2. Summary of significant accounting policies (continued)

2.18 Impairment of financial assets (continued)

(b) Financial assets carried at cost

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

(c) Available-for-sale financial assets

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

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

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

2.19 Inventories

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

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

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

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

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

Notes to the Financial Statements

for the financial year ended 31 December 2015

2. Summary of significant accounting policies (continued)

2.20 Segment reporting

For management reporting purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 47, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.21 Borrowing costs

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

2.22 De-recognition of financial assets and liabilities

(a) Financial assets

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

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

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

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

(b) Financial liabilities

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

2. Summary of significant accounting policies (continued)

2.23 Provisions

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

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

2.24 Financial guarantee

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

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

2.25 Employee benefits

(a) Defined contribution plans

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

(b) Employee leave entitlement

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

(c) Share-based payment

Performance share plan and restricted share plan

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

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

Notes to the Financial Statements
for the financial year ended 31 December 2015

2. Summary of significant accounting policies (continued)

2.25 Employee benefits (continued)

(c) Share-based payment (continued)

Performance share plan and restricted share plan (continued)

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

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

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

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

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

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

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

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

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

2. Summary of significant accounting policies (continued)

2.26 Leases

(a) As lessee

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

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

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

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.29 (i).

2.27 Prepaid island rental and land use rights

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

2.28 Deferred income

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

2.29 Revenue

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

(a) Hotel investments

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

Notes to the Financial Statements

for the financial year ended 31 December 2015

2. Summary of significant accounting policies (continued)

2.29 Revenue (continued)

(b) Property sales

– ***Sale of completed development property***

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

– ***Sale of development property under construction***

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

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

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

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

(c) Management services

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

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

(d) Spa operation

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

(e) Merchandise sales

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

(f) Project and design services

Revenue from the provision of project design and design services is recognised using the percentage of completion method. Under the percentage of completion method, contract revenue and expenses are recognised according to the stage of completion as certified by qualified professionals.

(g) Dividend income

Dividend income is recognised in profit or loss when the Group's right to receive payment is established.

(h) Interest income

Interest income is recognised using the effective interest method.

(i) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

2. Summary of significant accounting policies (continued)

2.30 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences, and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction of goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

Notes to the Financial Statements

for the financial year ended 31 December 2015

2. Summary of significant accounting policies (continued)

2.30 Taxes (continued)

(c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.31 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.32 Treasury shares

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued pursuant to equity compensation plans, the cost of treasury shares is reversed from treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.33 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2. Summary of significant accounting policies (continued)

2.34 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Revenue

Revenue of the Group represents revenue from operation and management of hotels, property sales and fee-based segment after eliminating intercompany transactions. The amount of each significant category of revenue recognised during the year is as follows:

	GROUP	
	2015 $'000	**2014 $'000**
Hotel investments	**196,689**	203,936
Property sales	**94,210**	32,361
Management services	**36,860**	40,901
Spa operation	**20,448**	23,688
Project and design services	**11,374**	14,831
Merchandise sales	**7,575**	8,057
Rental income	**3,532**	3,592
	370,688	327,366

Notes to the Financial Statements
for the financial year ended 31 December 2015

4. Other income

	GROUP	
	2015 $'000	2014 $'000
Management and service fees	**124**	64
Course and academy fees	**7**	480
Insurance claims	**1,895**	169
Net fair value (loss)/gains on investment properties (Note 13)	**(181)**	4,025
Amortisation of deferred income (Note 36)	**266**	484
Dividend income	**1,024**	996
Others	**3,215**	2,975
	6,350	9,193

5. Salaries and related expenses

	GROUP	
	2015 $'000	2014 $'000
Salaries, wages and other related costs	**100,606**	97,344
Defined and other long-term employee benefits expense (Note 38)	**425**	410
Share-based payment expenses	**234**	878
Contributions to defined contribution plans	**4,650**	4,542
The above amounts include salaries and related expenses of key management personnel	**105,915**	103,174

6. Other operating expenses

The following items have been included in arriving at other operating expenses:

	GROUP	
	2015 $'000	2014 $'000
Utilities and communication	**17,537**	19,214
Repair and maintenance	**13,832**	12,255
Printing and stationery	**2,086**	2,086
Travelling and transportation	**2,804**	2,715
Commission expenses	**7,036**	5,992
Laundry and valet	**1,731**	1,719
Guest expendable supplies	**5,167**	5,107

7. Profit from operations and other gains

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

	GROUP	
	2015 $'000	**2014 $'000**
Audit fees:		
– Auditors of the Company	**421**	421
– Other auditors	**898**	814
Non-audit fees:		
– Auditors of the Company	**55**	94
– Other auditors	**83**	75
Allowance for doubtful debts – trade, net	**11,393**	3,229
Allowance for doubtful debts – non-trade	**4,880**	498
Allowance for doubtful debts – associates	**21**	–
Allowance for/(Write-back of) inventory obsolescence (Note 24)	**105**	(26)
Exchange gain	**(2,900)**	(586)
Loss on disposal of property, plant and equipment, net	**1,234**	85
Impairment loss on investment in associates	**93**	–

8. Finance income

	GROUP	
	2015 $'000	**2014 $'000**
Interest received and receivable from:		
– Banks	**1,258**	735
– Others	**1,093**	2,667
	2,351	3,402

The finance income of the Group is derived from loans and receivables.

9. Finance costs

	GROUP	
	2015 $'000	**2014 $'000**
Interest expense on:		
– Bank loans and bank overdraft	**11,768**	10,691
– Holders of notes payable	**19,823**	14,107
– Others	**1,025**	653
	32,616	25,451
Less: interest expense capitalised in:		
– Property development costs	**(4,533)**	–
	28,083	25,451

Notes to the Financial Statements

for the financial year ended 31 December 2015

10. Income tax expense

Major components of income tax expense

Major components of income taxes for the years ended 31 December 2015 and 2014 are:

	GROUP	
	2015 $'000	2014 $'000
Consolidated income statement:		
Current income tax		
Current income taxation	**5,949**	6,974
Over provision in respect of prior years	**(353)**	(873)
	5,596	6,101
Deferred income tax		
Origination and reversal in temporary differences	**(2,753)**	(1,521)
Reversal of deferred tax assets due to the expiry of tax losses	**927**	–
	(1,826)	(1,521)
Withholding tax expense		
Current year provision	**2,794**	3,002
Over provision in respect of prior years	**(69)**	(1,018)
	2,725	1,984
Income tax expense recognised in profit or loss	**6,495**	6,564
Statement of comprehensive income:		
Deferred tax expense/(credit) related to other comprehensive income:		
– Adjustment on property revaluation reserve	**757**	–
– Actuarial loss on LSP	**(80)**	–
– Net change in fair value adjustment reserve	**989**	(529)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 2014 respectively are as follows:

	GROUP	
	2015 $'000	2014 $'000
Accounting (loss)/profit before taxation	**(19,465)**	7,163
Income tax using Singapore tax rate of 17% (2014: 17%)	**(3,309)**	1,218
Effect of different tax rates in other countries	**107**	(439)
Expenses not deductible for tax purposes	**7,151**	4,818
Tax exempt income	**(2,479)**	(1,533)
Over provision in respect of prior years	**(353)**	(873)
Deferred tax assets not recognised	**1,726**	1,389
Withholding tax	**2,725**	1,984
Reversal of deferred tax assets due to the expiry of tax losses	**927**	–
Income tax expense recognised in profit or loss	**6,495**	6,564

Group royalty fees income derived from Indonesia, Thailand and Maldives is subject to withholding tax at 15%, 15% and 10% respectively (2014: 15%, 15% and 10%). The Group also incurred withholding tax on rental income and dividend income received from Indonesia and Thailand at 20% and 10% respectively (2014: 20% and 10%).

11. Earnings per share

Basic earnings per share amounts are calculated by dividing profit after taxation for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit after taxation for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit after taxation and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	GROUP	
	2015 $'000	**2014 $'000**
(Loss)/Profit after taxation attributable to owners of the Company used in computation of basic and diluted earnings per share	**(27,519)**	1,025
	No. of shares	**No. of shares**
Weighted average number of ordinary shares for basic earnings per share computation	**760,546,120**	759,876,895
Effect of dilution:		
– Contingently issuable shares under Banyan Tree Performance Share Plan	**–**	2,414,467
Weighted average number of ordinary shares for diluted earnings per share computation	**760,546,120**	762,291,362

Earnings per share computation

For the financial year ended 31 December 2015, 2,012,202 contingently issuable shares under the Banyan Tree Performance Share Plan had been excluded from the calculation of diluted earnings per share as their effects would be anti-dilutive (ie. loss per share would have been reduced in the event that dilutive potential shares issued are converted into ordinary shares). Thus, the dilutive earnings per share was the same as the basic earnings per share.

For the financial period ended 31 December 2014, 2,414,467 contingently issuable shares under the Banyan Tree Performance Share Plan had been included in the calculation of diluted earnings per share as there were no anti-dilutive effects from its inclusion since the Company was in a profitable position after taxation.

Notes to the Financial Statements

for the financial year ended 31 December 2015

12. Property, plant and equipment

GROUP	Freehold land $'000	Freehold buildings $'000	Leasehold buildings $'000	Furniture, fittings and equipment $'000	Computers $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
Cost or valuation:								
At 1 January 2014	294,931	245,709	96,643	151,209	16,498	11,852	7,420	824,262
Additions	–	1,687	402	5,468	1,210	669	10,289	19,725
Disposals	–	(1)	(464)	(7,934)	(2,685)	(798)	(176)	(12,058)
Revaluation surplus	7,904	759	–	–	–	–	–	8,663
Elimination of accumulated depreciation on revaluation	–	(805)	–	–	–	–	–	(805)
Transfer from/(to) property development costs	–	1,113	–	(3)	–	–	–	1,110
Transfer to investment properties	–	–	–	–	–	–	(290)	(290)
Transfer in/(out)	–	1,335	189	1,275	91	31	(2,921)	–
Net exchange differences	6,253	6,429	2,717	4,400	173	311	429	20,712
At 31 December 2014 and 1 January 2015	**309,088**	**256,226**	**99,487**	**154,415**	**15,287**	**12,065**	**14,751**	**861,319**
Additions	**–**	**232**	**861**	**6,163**	**2,560**	**367**	**13,286**	**23,469**
Disposals	**(7)**	**(401)**	**(1,189)**	**(1,761)**	**(770)**	**(228)**	**(655)**	**(5,011)**
Transfer to other receivables	**–**	**–**	**(4,884)**	**(1,680)**	**–**	**(44)**	**–**	**(6,608)**
Revaluation surplus	**55**	**4,992**	**–**	**–**	**–**	**–**	**–**	**5,047**
Transfer from property development costs	**1,986**	**9,697**	**1,949**	**478**	**–**	**–**	**–**	**14,110**
Transfer in/(out)	**–**	**1,703**	**2,886**	**6,401**	**27**	**53**	**(11,070)**	**–**
Net exchange differences	**(5,436)**	**(2,757)**	**3,162**	**(2,898)**	**(83)**	**(2)**	**(156)**	**(8,170)**
At 31 December 2015	**305,686**	**269,692**	**102,272**	**161,118**	**17,021**	**12,211**	**16,156**	**884,156**

Transfer to other receivables relates to assets constructed on an island where the lease was terminated prematurely by the lessor. The assets will be compensated by the lessor.

Transfer from property development costs relates to freehold buildings and other related assets that the Group will be using for its hospitality business.

12. Property, plant and equipment (continued)

GROUP (continued)	Freehold land $'000	Freehold buildings $'000	Leasehold buildings $'000	Furniture, fittings and equipment $'000	Computers $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
Accumulated depreciation and impairment losses:								
At 1 January 2014	–	45,606	28,626	105,011	13,087	9,356	374	202,060
Depreciation charge for the year	–	5,928	2,679	8,481	1,714	718	–	19,520
Disposals	–	–	(243)	(7,771)	(2,672)	(774)	–	(11,460)
Elimination of accumulated depreciation on revaluation	–	(805)	–	–	–	–	–	(805)
Transfer in/(out)	–	–	262	(267)	5	–	–	–
Net exchange differences	–	1,514	1,045	3,168	107	228	16	6,078
At 31 December 2014 and 1 January 2015	**–**	**52,243**	**32,369**	**108,622**	**12,241**	**9,528**	**390**	**215,393**
Depreciation charge for the year	**–**	**6,587**	**2,896**	**9,754**	**1,767**	**822**	**–**	**21,826**
Disposals	**–**	**(111)**	**(949)**	**(1,689)**	**(753)**	**(224)**	**–**	**(3,726)**
Transfer to other receivables	**–**	**–**	**(2,682)**	**(1,534)**	**–**	**(41)**	**–**	**(4,257)**
Transfer to property development costs	**–**	**(10)**	**–**	**–**	**–**	**–**	**–**	**(10)**
Net exchange differences	**–**	**(1,326)**	**1,195**	**(2,191)**	**(54)**	**(48)**	**6**	**(2,418)**
At 31 December 2015	**–**	**57,383**	**32,829**	**112,962**	**13,201**	**10,037**	**396**	**226,808**
Net carrying amount:								
At 31 December 2015	**305,686**	**212,309**	**69,443**	**48,156**	**3,820**	**2,174**	**15,760**	**657,348**
At 31 December 2014	309,088	203,983	67,118	45,793	3,046	2,537	14,361	645,926

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12. Property, plant and equipment (continued)

The freehold land, freehold buildings and certain furniture, fittings and equipment of the Group are carried at valuation. The remaining items of property, plant and equipment are carried at cost.

Revaluation of freehold land and buildings

Freehold land and buildings in Singapore were revalued in 30 April 2013 and 4 November 2014 by an accredited independent property valuer, at open market value.

Freehold land and buildings in Thailand were revalued by a professional independent appraisal company on 24 December 2013. The basis of the revaluation was as follows:

– Land was revalued using the market value approach; and
– Hotel buildings and other buildings were revalued using a fair value approach.

The hotel properties in Morocco, which comprise of freehold land and buildings, were appraised by a professional independent appraisal company on 20 December 2013 using the income approach.

The hotel properties in Seychelles, which comprise of freehold land and buildings, were appraised by a professional independent appraisal company on 30 Sepember 2015 using the discounted cash flow approach.

The hotel properties in Sri Lanka, which comprise of freehold land and buildings, were appraised by a professional independent appraisal company on 7 October 2013 using the market value approach.

Details of valuation techniques and inputs used are disclosed in Note 46.

If the freehold land, freehold buildings and furniture, fittings and equipment in the freehold properties were measured using the cost model, the carrying amounts would be as follows:

	GROUP	
	2015 $'000	**2014 $'000**
Freehold land at 31 December		
– Cost and net carrying amount	**90,305**	89,965
Freehold buildings at 31 December		
– Cost	**264,646**	255,290
– Accumulated depreciation	**(67,196)**	(62,400)
– Net carrying amount	**197,450**	192,890
Furniture, fittings and equipment at 31 December		
– Cost	**140,115**	139,037
– Accumulated depreciation	**(104,171)**	(101,806)
– Net carrying amount	**35,944**	37,231

As at 31 December 2015, certain properties with net book value amounting to $310,347,000 (2014: $316,196,000) were mortgaged to banks to secure credit facilities for the Group (Note 33).

12. Property, plant and equipment (continued)

COMPANY	Furniture, fittings and equipment $'000	Computers $'000	Total $'000
Cost:			
At 1 January 2014	17	193	210
Additions	–	4	4
At 31 December 2014, 1 January 2015 and 31 December 2015	**17**	**197**	**214**
Accumulated depreciation:			
At 1 January 2014	14	168	182
Depreciation charge for the year	1	16	17
At 31 December 2014 and 1 January 2015	**15**	**184**	**199**
Depreciation charge for the year	**–**	**9**	**9**
At 31 December 2015	**15**	**193**	**208**
Net carrying amount:			
At 31 December 2015	**2**	**4**	**6**
At 31 December 2014	2	13	15

13. Investment properties

	GROUP	
	2015 $'000	2014 $'000
Balance sheet:		
At 1 January	**67,039**	60,677
Additions (subsequent expenditure)	**462**	3
Net (loss)/gains from fair value adjustments recognised in profit or loss (Note 4)	**(181)**	4,025
Transfer from property, plant and equipment (Note 12)	**–**	290
Net exchange differences	**292**	2,044
At 31 December	**67,612**	67,039
Income statement:		
Rental income from investment properties		
– Minimum lease payments	**3,098**	3,215
Direct operating expense (including repairs and maintenance) arising from:		
– Rental generating properties	**1,894**	2,258
– Non-rental generating properties	**75**	50

The Group has no restrictions on the realisability of its investment properties except for investment properties in Seychelles amounting to $23,902,000 (2014: $22,548,000) which are subject to the Immovable Property (Transfer Restriction) Act. This Act prohibits the sale or transfer of immovable property to any non-Seychellois citizen or company having any non-Seychellois citizen as its shareholder without the prior approval of the Seychelles Government.

The office tower in Thailand is not subject to contractual obligations to an external party for repairs, maintenance and enhancements in 2015.

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13. Investment properties (continued)

Valuation of investment properties

Investment properties in Thailand are stated at fair value, which has been determined based on valuation report dated 14 August 2015. The revaluations were performed by an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

The basis of valuation was as follows:

- Land was revalued using the market value approach; and
- Shop rental building and office rental units were revalued using the income approach.

Land in Seychelles are stated at fair value, which has been determined based on valuation report dated 30 September 2015 using the residual approach. The revaluations were performed by an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

Details of valuation techniques and inputs used are disclosed in Note 46.

Properties pledged as security

Certain investment properties amounting to $24,225,000 (2014: $27,836,000) are mortgaged to secure bank loans (Note 33).

The investment properties held by the Group as at 31 December are as follows:

Description and Location	Existing Use	Tenure
Shopping centre with more than 50 leased outlets, Phuket, Thailand	Shops	Freehold
53 office units in a 24-storey office tower, Bangkok, Thailand	Offices	Freehold
Land located at the shopping centre, Phuket, Thailand	Land for shopping centre	Freehold
Land located in northern Thailand	Land awaiting development	Freehold
Land located in the eastern side of Hill View Resorts, Seychelles	Land awaiting development	Freehold
Land located in Takamaka Valley, Quatre Borne Hillside, Seychelles	Land awaiting development	Freehold
Land located in South Intendance Hillside, Seychelles	Senior Housing	Freehold

14. Intangible assets

GROUP	Goodwill $'000	Trademarks $'000	Club membership $'000	Other intangible assets $'000	Total $'000
Cost:					
At 1 January 2014	2,603	24,300	–	1,902	28,805
Additions	–	–	2,412	2,323	4,735
Net exchange differences	–	–	–	111	111
At 31 December 2014 and 1 January 2015	**2,603**	**24,300**	**2,412**	**4,336**	**33,651**
Additions	**–**	**–**	**209**	**3,600**	**3,809**
Net exchange differences	**–**	**–**	**–**	**(55)**	**(55)**
At 31 December 2015	**2,603**	**24,300**	**2,621**	**7,881**	**37,405**
Accumulated amortisation and impairment losses:					
At 1 January 2014	–	–	–	–	–
Amortisation	–	–	48	469	517
Net exchange differences	–	–	–	12	12
At 31 December 2014 and 1 January 2015	**–**	**–**	**48**	**481**	**529**
Amortisation	**–**	**–**	**49**	**1,913**	**1,962**
Net exchange differences	**–**	**–**	**–**	**(51)**	**(51)**
At 31 December 2015	**–**	**–**	**97**	**2,343**	**2,440**
Net carrying amount:					
At 31 December 2015	**2,603**	**24,300**	**2,524**	**5,538**	**34,965**
At 31 December 2014	2,603	24,300	2,364	3,855	33,122

Other intangible assets

Other intangible assets include sales commission incurred that are directly attributable to securing the property sale contract. The sales commission will be amortised as the Group recognises the related revenue.

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14. Intangible assets (continued)

COMPANY	Club membership $'000
Cost:	
At 1 January 2014	–
Additions	2,412
At 31 December 2014 and 1 January 2015	**2,412**
Additions	**209**
At 31 December 2015	**2,621**
Accumulated amortisation and impairment losses:	
At 1 January 2014	–
Amortisation	48
At 31 December 2014 and 1 January 2015	**48**
Amortisation	**49**
At 31 December 2015	**97**
Net carrying amount:	
At 31 December 2015	**2,524**
At 31 December 2014	2,364

Impairment testing of goodwill

Goodwill acquired through business combination was related to Thai Wah Plaza Limited, which has been identified as the single cash-generating unit ("CGU") for impairment testing.

The recoverable amount of the CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below.

Key assumptions used for value in use calculations:

	Thai Wah Plaza Limited	
	2015	2014
Growth rate	**3%**	0%
Discount rate	**8.9%**	10.8%

The above assumptions have been used for analysis of the CGU. Management determined the budgeted growth rate based on past performance and its expectation for market development. The discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is derived from its weighted average cost of capital ("WACC") which takes into account both debt and equity. The cost of equity is derived from the expected return on investment and the cost of debt is based on servicing obligations over the interest-bearing borrowings. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are derived annually based on publicly available market data.

14. Intangible assets (continued)

Impairment testing of goodwill (continued)

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Impairment testing of trademarks

The trademarks comprise of "Banyan Tree" and "Angsana" brands. Trademarks have been allocated to individual CGUs, which are the Group's reportable operating segments, for impairment testing as follows:

- Property Sales Segment;
- Fee-based Segment

Carrying amounts of trademarks are allocated to each of the Group's CGUs based on a valuation performed by a professional and independent valuer at acquisition date, using the projected discounted cashflows on future royalties from each of the reportable operating segments. The allocated amounts to each CGU are as follows:

	Property Sales Segment		Fee-based Segment		Total	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Carrying amount of trademarks	**630**	630	**23,670**	23,670	**24,300**	24,300

The recoverable amount for all the individual reportable operating segments is determined based on a value in use calculation using cash flow projections based on financial budgets approved by management covering a five-year period.

The discount rate applied to the cash flow projections of each reportable operating segment is 9.8% (2014: 9.5%). The growth rate used to extrapolate the cash flows of each business segment beyond the five-year period is 2% (2014: 2%). Management determined the budgeted growth rate based on past performance and its expectation for market development. The discount rate, which reflects the WACC rate used, is consistent with forecasts used in industry reports. The discount rate reflects specific risks relating to the relevant companies.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of trademarks:

- Budgeted hotel occupancy rates – the basis used to determine the budgeted hotel occupancy rates is the average hotel occupancy rates achieved in the previous years, adjusted for the forecast growth rate.

- Budgeted hotel room rates – the basis used to determine the budgeted hotel room rates is the average room rates achieved in the previous years, adjusted for the forecast growth rate.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

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15. Land use rights

	GROUP	
	2015 $'000	**2014 $'000**
Cost:		
At 1 January	**15,175**	18,338
Disposals	**–**	(3,396)
Transfer to property development costs	**(1,048)**	–
Net exchange differences	**292**	233
At 31 December	**14,419**	15,175
Accumulated amortisation:		
At 1 January	**2,622**	2,540
Amortisation for the year	**339**	371
Disposals	**–**	(340)
Net exchange differences	**47**	51
At 31 December	**3,008**	2,622
Net carrying amount	**11,411**	12,553
Amount to be amortised:		
– Within 1 year	**383**	409
– Between 2 to 5 years	**1,533**	1,635
– After 5 years	**9,495**	10,509

The Group has land use rights over the following plots of land:

	Tenure	
Location	**2015**	**2014**
People's Republic of China		
Banyan Tree Lijiang	**29 years**	30 years
Banyan Tree Ringha	**28 years**	29 years
Zhongdian Jiantang Hotel	**33 years**	34 years
Tibet Lhasa Banyan Tree Resorts	**32 years**	33 years

16. Subsidiaries

	COMPANY	
	2015 $'000	**2014 $'000**
Unquoted shares, at cost	**113,643**	113,576
Quoted shares, at cost	**71,619**	71,619
Impairment losses	**(7,356)**	(7,140)
	177,906	178,055
Capital contribution through issue of ordinary shares to employees of subsidiaries at no consideration under FRS 102 Share-based Payment	**5,863**	5,863
	183,769	183,918
Loans and receivables		
Loans to subsidiaries	**317,626**	234,800
	501,395	418,718
Market value of quoted shares	**85,058**	108,585

In appointing the auditing firms for the Company and subsidiaries, the Group have complied with Listing Rules 712 and 715.

Impairment testing of investment in subsidiaries

During the financial year, management performed an impairment test for the investment in subsidiaries. An impairment loss of $216,000 (2014: $5,500,000) was recognised for the year ended 31 December 2015 to write down the subsidiary to its recoverable amount of $Nil (2014: $3,383,000).

Included in the loans made to subsidiaries is an unsecured loan of $128,413,000 (2014: $80,968,000) bearing interest at a rate of 1.6% to 7% (2014: 1.6% to 7%) with no fixed terms of repayment. Except for this loan, loans to subsidiaries are unsecured, interest-free, with no fixed terms of repayment, and the Company will not demand repayment within the next twelve months.

At the end of the reporting period, the Company has provided an allowance of $8,261,000 (2014: $8,231,000) for impairment on the loans due from its subsidiaries with a nominal amount of $32,830,000 (2014: $38,000,000). These subsidiaries have been suffering significant financial losses.

During the financial year ended 31 December 2015, the Company has provided an allowance of $30,000 (2014: $129,000).

Acquisition of ownership interest in subsidiary, without loss of control

On 6 February 2015, the Group acquired the remaining 6.30% equity interest in Beruwela Walk Inn Limited ("BWIL"), formerly known as Beruwela Walk Inn PLC, from its non-controlling interests for a cash consideration of $66,000. As a result of this acquisition, BWIL became a wholly-owned subsidiary of the Group. The carrying value of the net liabilities of BWIL at 6 February 2015 was $3,048,000 and the carrying value of the additional interest acquired was net liabilities of $188,000. The difference of $254,000 has been recognised as "Premium paid on acquisition of non-controlling interests" within the statement of changes in equity.

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16. Subsidiaries (continued)

Acquisition of ownership interest in subsidiary, without loss of control (continued)

The following summarises the effect of the change in the Group's ownership interest in BWIL on the equity attributable to owners of the Company:

	$'000
Consideration paid for acquisition of non-controlling interests	66
Changes in equity attributable to non-controlling interests	188
Decrease in equity attributable to owners of the Company	254

Acquisition of ownership interest in subsidiary, without loss of control in 2014

On 23 September 2014, the Group acquired an additional 13.85% equity interest in BWIL, from its non-controlling interests for a cash consideration of $145,000. As a result of this acquisition, the Group's effective equity in BWIL increased to 93.70%. The carrying value of the net liabilities of BWIL at 23 September 2014 was $2,718,000 and the carrying value of the additional interest acquired was net liabilities of $377,000. The difference of $522,000 has been recognised as "Premium paid on acquisition of non-controlling interests" within the statement of changes in equity.

The following summarises the effect of the change in the Group's ownership interest in BWIL on the equity attributable to owners of the Company:

	$'000
Consideration paid for acquisition of non-controlling interests	145
Increase in equity attributable to non-controlling interests	377
Decrease in equity attributable to owners of the Company	522

Details of the subsidiaries at the end of the financial year are as follows:

	Name of subsidiary	Principal activities	Place of incorporation	Cost of investment		Effective equity held by the Group	
				2015 $'000	2014 $'000	2015 %	2014 %
(i)	***Held by the Company***						
(1)	Banyan Tree Corporate Pte. Ltd.	Provision of resort, spa, project and golf management services	Singapore	**5,466**	5,466	**100**	100
(1)	Banyan Tree Investments Pte. Ltd.	Property holding	Singapore	**10,673**	10,673	**100**	100
(1)	Banyan Tree China Holdings Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
(1)	Banyan Tree Capital Pte. Ltd.	Business management and consultancy services	Singapore	**500**	500	**100**	100

16. Subsidiaries (continued)

	Name of subsidiary	Principal activities	Place of incorporation	Cost of investment		Effective equity held by the Group	
				2015 $'000	2014 $'000	2015 %	2014 %
(i)	***Held by the Company*** (continued)						
(1)	Prestige Global Services Pte. Ltd. (formerly known as Brand Services (Singapore) Pte. Ltd.)	Own and manage intellectual property for and on behalf of Banyan Tree Group	Singapore	**	**	**100**	100
(1)	Banyan Tree Indochina Holdings Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
(1)	Banyan Tree Indochina Management (Singapore) Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
(1)	Banyan Tree Services Pte. Ltd.	Investment holding	Singapore	**	**	**100**	100
(1)	Brand Management Pte. Ltd. (formerly known as Resort Planning Services Pte. Ltd.)	Provision of consultancy services	Singapore	**	–	**100***	–
(2)***	Laguna Resorts & Hotels Public Company Limited	Hotel and property development business	Thailand	**71,619**	71,619	**65.75**	65.75
(11)	Tibet Lhasa Banyan Tree Resorts Limited	Construction and management of hotels and spas	China	**5,097**	5,097	**100**	100
(2)	Banyan Tree Properties (HK) Limited	Investment holding	Hong Kong	**	**	**100**	100
(2)	Vabbinvest Maldives Pvt Ltd	Operation of holiday resorts	Maldives	**4,163**	4,163	**100**	100
(2)	Maldives Bay Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	**49,934**	49,934	**100**	100
(2)	Maldives Cape Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	**	**	**100**	100
(9)	Hill View Resorts Holdings Limited	Investment holding	British Virgin Islands	**25,751**	25,751	**100**	100
(2)	Banyan Tree Resorts & Spas (Morocco) S.A.	Provision of management, operation services and ancillary services related to the hospitality industry	Morocco	**9,883**	9,883	**100**	100
(3)	Beruwela Walk Inn Limited	Operation of hotel resorts	Sri Lanka	**856**	790	**100**	93.70
(2)	PT. Heritage Resorts & Spas	Tourism management consultancy services	Indonesia	**1,319**	1,319	**100**	100
				185,261	185,195		

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16. Subsidiaries (continued)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group 2015 %	2014 %
(ii)	***Held through subsidiaries***				
(1)	Brand Management Pte. Ltd. (formerly known as Resort Planning Services Pte. Ltd.)	Provision of consultancy services	Singapore	**–***	100
(1)	Hotelspa Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Banyan Tree Gallery (Singapore) Pte Ltd	Sale of merchandise	Singapore	**82.53**	82.53
(1)	Banyan Tree Dunhuang (S) Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Sanctuary Chengdu Development Company No. 3 (S) Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Sanctuary Chengdu Development Company No. 1 (S) Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Sanctuary Lijiang (S) Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Sanctuary Jiwa Renga (S) Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Banyan Tree Anhui (S) Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Banyan Tree Indochina Pte. Ltd.	Business management and consultancy services	Singapore	**100**	100
(1)	Architrave Design & Planning Services Pte. Ltd.	Provision of design, planning and consultancy services for hotels, resorts and spas	Singapore	**100**	100
(1)	GPS Development Services Pte. Ltd.	Provision of purchasing and project services for hotels, resorts and spas	Singapore	**100**	100
(1)	Banyan Tree Marketing Group Pte. Ltd.	Provision of marketing services	Singapore	**100**	100
(1)	Banyan Tree Hotels & Resorts Pte. Ltd.	Hotel management consultancy services	Singapore	**100**	100
(1)	Sanctuary Chengdu Development Company No. 4 (S) Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	BT Development Singapore Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Banyan Tree Management (S) Pte. Ltd.	Hotel management	Singapore	**100**	100
(1)	Banyan Tree Spas Pte. Ltd.	Operation of spas	Singapore	**100**	100
(2)	Banyan Tree Mkg (HK) Limited	Provision of marketing services	Hong Kong	**100**	100
(2)	Banyan Tree Resorts & Spas (Thailand) Company Limited	Provision of spa services	Thailand	**100**	100
(2)	Banyan Tree Hotels & Resorts (Thailand) Limited	Provision of hotel management services	Thailand	**100**	100
(2)	TWR – Holdings Limited	Investment holding and property development	Thailand	**65.75**	65.75
(2)	Laguna Holiday Club Limited	Holiday club membership and property development	Thailand	**65.75**	65.75
(2)	Laguna (3) Limited	Property development	Thailand	**65.75**	65.75

16. Subsidiaries (continued)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group 2015 %	2014 %
(ii)	***Held through subsidiaries*** (continued)				
(2)	Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	**82.53**	82.53
(2)	Pai Samart Development Company Limited	Property development	Thailand	**65.75**	65.75
(2)	Mae Chan Property Company Limited	Property development	Thailand	**65.75**	65.75
(2)	Phuket Resort Development Limited	Property development	Thailand	**65.75**	65.75
(2)	Laguna Grande Limited	Operation of golf club and property development	Thailand	**65.75**	65.75
(2)	Laguna Banyan Tree Limited	Hotel operations and property development	Thailand	**65.75**	65.75
(2)(8)	Talang Development Company Limited	Property development	Thailand	**32.88**	32.88
(2)	Twin Waters Development Company Limited	Property development	Thailand	**65.75**	65.75
(2)	Bangtao (1) Limited	Property development	Thailand	**65.75**	65.75
(2)	Bangtao (2) Limited	Property development	Thailand	**65.75**	65.75
(2)	Bangtao (3) Limited	Property development	Thailand	**65.75**	65.75
(2)	Bangtao (4) Limited	Property development	Thailand	**65.75**	65.75
(2)	Bangtao Development Limited	Property development	Thailand	**65.75**	65.75
(2)	Bangtao Grande Limited	Hotel operations	Thailand	**65.75**	65.75
(2)	Laguna Central Limited	Dormant	Thailand	**55.89**	55.89
(2)(8)	Laguna Service Company Limited	Provision of utilities and other services to hotels owned by the subsidiaries	Thailand	**47.93**	47.93
(2)	Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	**65.75**	65.75
(2)	Thai Wah Tower Company Limited	Lease of office building space	Thailand	**65.75**	65.75
(2)	Thai Wah Tower (2) Company Limited	Property development	Thailand	**65.75**	65.75
(2)(8)	Laguna Excursions Limited	Travel operations	Thailand	**32.22**	32.22
(2)	Laguna Lakes Limited	Property development	Thailand	**62.46**	62.40
(2)	Laguna Village Limited	Hotel operations	Thailand	**65.75**	65.75
(16)	LVCL (Thailand) Co., Ltd	Provision of project development services	Thailand	**100**	100
(2)	Wanyue Leisure Health (Shanghai) Co., Ltd	Operation of spas	China	**100**	100
(2)	Zhongdian Jiantang Hotel Limited	Hotel services	China	**80**	80
(2)	Jiwa Renga Resorts Limited	Hotel construction and operation	China	**96**	96
(2)	Banyan Tree Hotels Management (Beijing) Co., Ltd	Provision of operation and management services for property, spas and food and beverage, and consulting services for hotel design and tourism information	China	**100**	100

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16. Subsidiaries (continued)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group 2015 %	2014 %
(ii)	***Held through subsidiaries*** (continued)				
(2)	Lijiang Banyan Tree Property Service Company Limited	Hotel management	China	**87.04**	87.04
(2)	Lijiang Banyan Tree Hotel Co., Ltd	Hotel operations and property development	China	**83.20**	83.20
(13)	Dunhuang Banyan Tree Hotel Company Limited	Develop, own and operate hotels and resorts in China	China	**100**	100
(2)	Banyan Tree Lijiang International Travel Service Co., Ltd	Provision of travel agency services	China	**83.20**	83.20
(2)	Lijiang Banyan Tree Gallery Trading Company Limited	Trading and retailing of consumer goods in resorts	China	**82.53**	82.53
(2)	Tianjin Banyan Tree Capital Investment Management Co., Ltd.	Investment management and related consulting services	China	**100**	100
(2)	Banyan Tree Hotels Management (Tianjin) Co., Ltd.	Consultant and operator of hotels/resorts, residences, spas, food and beverage including ancillary services related to the hospitality industry	China	**100**	100
(15)	Yueliang Architectural Design Consulting (Shanghai), Co. Ltd	Provision of spas architect & design services	China	**100**	100
(15)	Xiangrong Business Consulting (Shanghai) Co., Ltd	Provision of project management and materials procurement services	China	**100**	100
(2)	Chengdu Banyan Tree No. 1 Property Co., Ltd	Residential property development	China	**100**	100
(2)	Chengdu Banyan Tree No. 3 Property Co., Ltd	Commercial property development	China	**100**	100
(2)	Chengdu Banyan Tree No. 4 Property Co., Ltd	Residential property development	China	**100**	100
(2)	Chengdu Laguna Property Service Co., Ltd.	Property management	China	**100**	100
(2)	Banyan Tree Marketing (Shanghai) Co., Ltd	Provision of marketing services	China	**100**	100
(5)	BT Development No. 1 Pty Ltd	Development of residential property	Australia	**100**	100
(2)	Banyan Tree Resorts Limited	Provision of resort management services	Hong Kong	**100**	100
(2)	Banyan Tree Spa (HK) Limited	Provision of spa management services	Hong Kong	**100**	100
(4)	Cheer Golden Limited	Investment holding	Hong Kong	**65.75**	65.75
(2)	Triumph International Holdings Limited	Investment holding	Hong Kong	**80**	80
(2)	Northpoint Investments Limited	Investment holding	Hong Kong	**100**	100
(2)	Banyan Tree Investment Holdings (HK) Limited	Investment holding	Hong Kong	**100**	100
(9)	Banyan Tree Hotels & Resorts Korea Limited	Provision of hotel management services	Korea	**100**	100

16. Subsidiaries (continued)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group 2015 %	Effective equity held by the Group 2014 %
(ii)	***Held through subsidiaries*** (continued)				
(1)	Banyan Tree Indochina (GP) Company Limited	Manage and operate the Banyan Tree Indochina Hospitality Fund, L.P.	Cayman Islands	**100**	100
(9)	Jayanne International Limited	Investment holding	British Virgin Islands	**100**	100
(9)	Club Management Limited	Provision of resort and hotel management and operation services and ancillary services related to the hospitality industry	British Virgin Islands	**100**	100
(9)	Lindere Villas Limited	Investment holding	British Virgin Islands	**100**	100
(9)	Resort Holdings Limited	Investment holding	British Virgin Islands	**100**	100
(14)	PT. AVC Indonesia	Holiday club membership	Indonesia	**65.75**	65.75
(2)	PT. Management Banyan Tree Resorts & Spas	Provision of consultation and management services of the international hotels marketing	Indonesia	**100**	100
(2)	PT. Banyan Tree Management	Provision of hotel management services	Indonesia	**100**	100
(2)	PT Cassia Resorts Investments	Hotel operations and property development	Indonesia	**100**	100
(5)(10)	PT Leisure Development Bintan	Hotel operations and property development	Indonesia	**100**	–
(2)	Banyan Tree MX S.A. De C.V.	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	**100**	100
(5)	Banyan Tree Servicios S.A. De C.V.	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	**100**	100
(9)	Banyan Tree Guam Limited	Business office operation service and operation of spa facilities	Guam	**100**	100
(2)	Banyan Tree Spas Sdn. Bhd.	Operation of spas	Malaysia	**100**	100
(9)	Banyan Tree Japan Yugen Kaisha	Operation of spas	Japan	**100**	100
(2)	Heritage Spas Egypt LLC	Operation and investment in resorts, spas and retail outlets	Egypt	**100**	100
(2)	Banyan Tree (Private) Limited	Operation of spas	Sri Lanka	**100**	100
(6)	Heritage Spas South Africa (Pty) Ltd	Operation and investment in resorts, spas and retail outlets	South Africa	**100**	100
(2)	Heritage Spas Dubai LLC	Operation of spas	Dubai	**100**	100

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16. Subsidiaries (continued)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group 2015 %	Effective equity held by the Group 2014 %
(ii)	***Held through subsidiaries*** (continued)				
(2)	Maldives Angsana Pvt Ltd	Operation of holiday resorts	Maldives	**100**	100
(5)	Keelbay Pty Ltd	Development of residential property	Australia	**100**	100
(7)	Jayanne (Seychelles) Limited	Own, buy, sell, take on lease, develop or otherwise deal in immovable property	Seychelles	**100**	100
(7)	Hill View Resorts (Seychelles) Limited	Resort development	Seychelles	**100**	100
(7)	Lindere Villas (Seychelles) Limited	Investment holding	Seychelles	**100**	100
(2)	Banyan Tree Mkg (UK) Ltd	Provision of marketing services	United Kingdom	**100**	100
(9)	Banyan Tree Mkg (USA), Inc	Provision of marketing services	United States of America	**100**	100
(2)	BT Investments Holdings Phils. Inc.	Investment holding	Philippines	**97.85**	97.85
(2)	Banyan Tree Hotels (Cyprus) Ltd	Provision of management consultancy and hotel design services	Cyprus	**100**	100
(12)	Green Transportation SARL AU	Provision of tourist transportation activities	Morocco	**100**	100
(2)	Banyan Tree Indochina Co., Ltd.	Provision of project supervision and management service	Vietnam	**100**	100

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global in the respective countries.

(3) Audited by Tudor V.P. & Co.

(4) Audited by RSM Nelson Wheeler.

(5) Not required to be audited as the company is exempted from audit.

(6) Audited by Mazars.

(7) Audited by BDO Seychelles.

(8) These companies are subsidiaries of LRH which in turn are subsidiaries of the Group. Management of the Group is of the view that these companies should be consolidated as subsidiaries in the consolidated financial statements as the Group has control over them through LRH.

(9) Not required to be audited under the laws of country of incorporation.

(10) Incorporated/Acquired during the year.

(11) Audited by Tibet Zhongrong Certified Public Accountant.

(12) Not required to be audited as the company has not commenced operation as at 31 December 2015.

(13) Audited by Dunhuang Fang Zheng Certified Public Accountant.

(14) Audited by RSM AAJ Associates.

(15) Audited by Shanghai Zhong Qin Wan Xin Certified Public Accountant.

(16) In the process of voluntary liquidation.

* Investment transferred from being held through a subsidiary to be held by the holding company during the year.

** Cost of investment is less than $1,000.

*** As at 31 December 2015, 25.55% (2014: 26.05%) of the issued and paid up capital of Laguna Resorts & Hotels Public Company Limited ("LRH") is held by Thai Trust Fund Management Company Limited ("TTFMC") and Thai NVDR Company Limited (a subsidiary wholly-owned by the Stock Exchange of Thailand issuing "Non-Voting Depository Receipt") ("TNVDR"). Pursuant to the provisions of their prospectus, TTFMC and TNVDR will not attend nor vote in any shareholders' meeting of LRH other than delisting.

Of the effective equity held by the Group of 65.75% in LRH, 10.90% (2014: 10.90%) is held in trust by TTFMC. Taking into account of the issued and paid up capital of LRH held by TTFMC and TNVDR, the voting rights held by the Group in the subsidiary amount to 73.67% (2014: 74.17%).

16. Subsidiaries (continued)

Interest in subsidiary with material non-controlling interest (NCI)

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit/(Loss) allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid to NCI $'000
31 December 2015:					
Laguna Resorts & Hotels Public Company Limited	Thailand	**34.25%***	**2,722**	**150,971**	**294**
31 December 2014:					
Laguna Resorts & Hotels Public Company Limited	Thailand	34.25%*	(9)	151,174	750

* As at 31 December 2015, 25.55% (2014: 26.05%) of the issued and paid up capital of Laguna Resorts & Hotels Public Company Limited ("LRH") is held by Thai Trust Fund Management Company Limited ("TTFMC") and Thai NVDR Company Limited (a subsidiary wholly-owned by the Stock Exchange of Thailand issuing "Non-Voting Depository Receipt") ("TNVDR"). Pursuant to the provisions of their prospectus, TTFMC and TNVDR will not attend nor vote in any shareholders' meeting of LRH other than delisting.

Of the effective equity held by the non-controlling interest of 34.25% in LRH, 3.18% (2014: 3.18%) and 11.47% (2014: 11.97%) is held by TTFMC and TNVDR respectively. Taking into account of the issued and paid up capital of LRH held by TTFMC and TNVDR, the voting rights held by the non-controlling interest in the subsidiary amount to 26.33% (2014: 25.83%).

Summarised financial information about subsidiary with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

Summarised balance sheet

	Laguna Resorts & Hotels Public Company Limited	
	As at 31 December 2015 $'000	As at 31 December 2014 $'000
Current		
Assets	**222,950**	207,992
Liabilities	**(106,602)**	(128,735)
Net current assets	**116,348**	79,257
Non-current		
Assets	**574,986**	547,375
Liabilities	**(230,969)**	(164,248)
Net non-current assets	**344,017**	383,127
Net assets	**460,365**	462,384

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16. Subsidiaries (continued)

Summarised financial information about subsidiary with material NCI (continued)

Summarised statement of comprehensive income

	Laguna Resorts & Hotels Public Company Limited 2015 $'000	Laguna Resorts & Hotels Public Company Limited 2014 $'000
Revenue	**225,953**	157,172
Profit/(Loss) before taxation	**11,513**	(691)
Income tax expense	**(5,359)**	(662)
Profit/(Loss) after taxation	**6,154**	(1,353)
Other comprehensive income	**4,807**	5,086
Total comprehensive income	**10,961**	3,733

Other summarised information

	Laguna Resorts & Hotels Public Company Limited 2015 $'000	Laguna Resorts & Hotels Public Company Limited 2014 $'000
Net cash flows from operations	**19,693**	2,885
Acquisition of significant property, plant and equipment	**(18,601)**	(12,278)

17. Associates

	GROUP		COMPANY	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Unquoted equity shares, at cost	**942**	942	**869**	869
Share of post-acquisition reserves	**49**	85	**–**	–
Impairment loss	**(679)**	(586)	**–**	–
Net exchange differences	**(152)**	(138)	**–**	–
	160	303	**869**	869

17. Associates (continued)

The details of the associates at the end of the financial year are as follows:

	Name of associate	Principal activities	Place of incorporation	Effective equity held by the Group 2015 %	Effective equity held by the Group 2014 %
	Held through subsidiaries				
(2)	Lotes 3 Servicios S.A. De C.V.	Provision of business management and services	Mexico	**20**	20
(1)(3)	Tropical Resorts Limited	Resort investment and development	Hong Kong	**17**	17
(1)(3)	Diwaran Resorts Phil. Inc.	Investment holding	Philippines	**9.09**	9.09

(1) Audited by member firms of Ernst & Young Global in the respective countries.

(2) Audited by Deloitte Touche Tomatsu, Mexico.

(3) Companies are considered associates as the investments were held through subsidiaries which have significant influence over the operating and financial policies of these companies.

The Group has not recognised its share of losses and deficit in the currency translation reserve relating to Tropical Resorts Limited where its share of deficit in equity has exceeded the Group's interest in this associate. At the end of the reporting period, the Group's cumulative share of unrecognised losses and currency translation deficit were $6,052,000 (2014: $4,770,000) and $313,000 (2014: $482,000) respectively. The Group's share of the current year's unrecognised losses was $1,282,000 (2014: $1,514,000).

The Group has no obligation in respect of these losses.

No individual associates are considered to be material to the Group. The summarised financial information of associates, not adjusted for the proportion of ownership interests held by the Group, is as follows:

	2015 $'000	2014 $'000
Assets and liabilities:		
Current assets	**17,294**	14,189
Non-current assets	**49,538**	58,890
Total assets	**66,832**	73,079
Current liabilities	**(46,607)**	(24,383)
Non-current liabilities	**(63,536)**	(68,368)
Total liabilities	**(110,143)**	(92,751)
Results:		
Revenue	**28,379**	26,839
Loss for the year	**(12,296)**	(11,634)
Other comprehensive income	**169**	144
Total comprehensive income	**(12,127)**	(11,490)

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18. Long-term investments

	GROUP	
	2015 $'000	2014 $'000
Quoted investments		
Equity shares, at fair value	**20,509**	16,100
Unquoted investments		
Equity shares, at fair value	**50,290**	54,655
Equity shares, at cost	**37,514**	34,404
Less: Impairment in value of unquoted investments	**(1,563)**	(1,563)
Total unquoted investments	**86,241**	87,496
Total available-for-sale financial assets	**106,750**	103,596

Unquoted equity shares stated at cost have no market prices and the fair value cannot be reliably measured using valuation techniques. The unquoted equity shares represent ordinary shares in companies that are not quoted on any markets and do not have comparable industry peers that are listed.

19. Prepaid island rental

	GROUP	
	2015 $'000	2014 $'000
At 1 January	**25,047**	24,782
Net exchange differences	**1,535**	1,044
Payment of island rental during the year	**1,342**	1,200
	27,924	27,026
Less: Amount charged to expenses during the year	**(2,116)**	(1,979)
Less: Reclassification to other receivables	**(827)**	–
At 31 December	**24,981**	25,047
Amount chargeable within 1 year (Note 25)	**1,986**	2,202
Amount chargeable after 1 year	**22,995**	22,845
	24,981	25,047

The above amounts were paid to the owners of the Vabbinfaru Island, Ihuru Island and Madivaru Island as operating lease rentals.

At the end of the reporting period, the lease periods are as follows:

Island	Lease period 2015	Lease period 2014
Maldives		
Vabbinfaru Island	**1 May 1993 – 9 Apr 2045**	1 May 1993 – 9 Apr 2045
Ihuru Island	**16 Oct 2000 – 15 Oct 2044**	16 Oct 2000 – 15 Oct 2044
Madivaru Island	**–**	5 May 2006 – 11 Feb 2015

20. Long-term trade receivables

	GROUP	
	2015 $'000	2014 $'000
Loans and receivables		
Long-term trade receivables are repayable as follows:		
Within 12 months (Note 26)	**8,042**	5,565
Between 2 to 5 years	**24,438**	18,167
After 5 years	**6,679**	8,846
	31,117	27,013

Long-term trade receivables consist of:

(i) Receivables from property sales bear interest at rates ranging from 5% to 12%, Minimum Lending Rate (MLR) plus 0.5% and the Group's cost of funds plus 0.5% per annum (2014: 5 to 12%, MLR plus 0.5% and the Group's cost of funds plus 0.5% per annum) and are repayable over an instalment period of 3 to 10 years (2014: 3 to 10 years).

(ii) The Group has purchased certain properties on behalf of a third party who is in the business of selling club memberships. A subsidiary of the Group acts as the manager of these properties on behalf of the third party. As at 31 December 2015, the amounts due from the third party are $13,897,000 (2014: $20,575,000), out of which an amount of $12,417,000 (2014: $14,237,000) bears an interest rate of 6% per annum (2014: 6%) and are repayable over 13.5 to 15 years, commencing from 2008. The remaining amount due from the third party is interest-free, unsecured and repayable between 2 to 5 years.

Significant foreign currency denominated balances

	GROUP	
	2015 $'000	2014 $'000
US Dollars	**11,121**	13,411

At the end of the reporting period, the Group has provided for an allowance of $Nil (2014: $529,000) for impairment of the long-term trade receivables with a nominal amount of $1,480,000 (2014: $6,339,000). The allowance account for the financial year ended 31 December 2015 in relation to the long-term trade receivables is $562,000 (2014: $529,000).

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20. Long-term trade receivables (continued)

Receivables subject to offsetting arrangements

The Group provides club management services to Private Collection Limited. The Group will be regularly recharged by Private Collection Limited for rental, utilities and other miscellaneous payments incurred on behalf of the Group. Both parties have an agreement to settle the net amount due to or from each other.

The Group's trade receivables and trade payables that are off-set are as follows:

	2015 $'000		
	Gross carrying amounts	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Description			
Trade receivables	**4,034**	**(2,554)**	**1,480**
Trade payables	**2,554**	**(2,554)**	**–**

	2014 $'000		
	Gross carrying amounts	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Description			
Trade receivables	8,681	(2,342)	6,339
Trade payables	2,342	(2,342)	–

21. Other receivables – non current

	GROUP	
	2015 $'000	2014 $'000
Loans and receivables		
Deposits	**3,137**	3,150
Loans to third parties	**1,585**	3,681
	4,722	6,831

The loans to third parties are interest-free, unsecured, have no fixed terms of repayment and are not expected to be repaid within the next twelve months.

22. Investment securities

	GROUP	
	2015 $'000	2014 $'000
Current		
Held-to-maturity investment		
SGD corporate bonds with interest rate ranging from 4.64% to 5.80% (2014: 3.95%) and due date ranging from 22 February 2016 to 21 June 2016 (2014: 29 September 2015)	**2,512**	761
Non-current		
Held-to-maturity investment		
SGD corporate bonds with interest rate ranging from Nil (2014: 4.64% to 5.80%) and due date ranging from Nil (2014: 22 February 2016 to 21 June 2016)	**–**	2,546

23. Property development costs

	GROUP 2015 $'000	GROUP 2014 $'000
Properties under development		
Cost incurred to date	**282,091**	210,741
Less: Allowance for foreseeable losses	**(3,706)**	(3,801)
	278,385	206,940
Properties held for sale	**57,438**	52,641
	335,823	259,581

	GROUP 2015 $'000	GROUP 2014 $'000
Amounts expected to be recovered:		
No more than 12 months	**28,113**	37,830
More than 12 months	**307,710**	221,751
	335,823	259,581

During the financial year, borrowing costs of $4,533,000 (2014: $Nil) arising from borrowings obtained specifically for the development property were capitalised under properties under development.

Details of the properties as at 31 December 2015 are as follows:

Description	Location of property	Estimated completion %	Existing use of property	Gross floor area (Sq meter)	Estimated completion date	Effective equity held by the Group %
Banyan Tree Bangkok Apartments	Bangkok, Thailand	100	Held for sale	1,152	Completed	65.75
Banyan Tree Phuket Double Pool Villas	Phuket, Thailand	100	Held for sale	2,255	Completed	65.75
Laguna Village Lofts	Phuket, Thailand	100	Held for sale	2,585	Completed	65.75
Cassia Phuket Phase 1	Phuket, Thailand	100	Held for sale	3,779	Completed	65.75
Laguna Park Phuket Townhome and Villas	Phuket, Thailand	74	Under construction	43,010	December 2016	65.75
Laguna Village Residences	Phuket, Thailand	47	Under construction	4,697	December 2018	65.75
Banyan Tree Lijiang Phase 1 extension	Lijiang, China	100	Held for sale	523	Completed	83.20
Laguna Chengdu	Wenjiang, China	23	Under construction	104,040	June 2019	100
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	6,080	Completed	100
Cassia Bintan Phase 1	Bintan, Indonesia	19	Under construction	7,706	December 2016	100

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23. Property development costs (continued)

Details of the properties as at 31 December 2014 are as follows:

Description	Location of property	Estimated completion %	Existing use of property	Gross floor area (Sq meter)	Estimated completion date	Effective equity held by the Group %
Banyan Tree Bangkok Apartments	Bangkok, Thailand	100	Held for sale	1,152	Completed	65.75
Banyan Tree Phuket Double Pool Villas	Phuket, Thailand	100	Held for sale	2,255	Completed	65.75
Banyan Tree Phuket Deluxe Double Pool Villas	Phuket, Thailand	100	Held for sale	537	Completed	65.75
Laguna Village Villas	Phuket, Thailand	100	Held for sale	315	Completed	65.75
Laguna Village Lofts	Phuket, Thailand	100	Held for sale	2,977	Completed	65.75
Cassia Phuket	Phuket, Thailand	31	Under construction	12,424	September 2015	65.75
Laguna Park Phuket Townhome and Villas	Phuket, Thailand	29	Under construction	60,481	November 2015	65.75
Banyan Tree Lijiang Phase 1 extension	Lijiang, China	100	Held for sale	523	Completed	83.20
Laguna Chengdu	Wenjiang, China	13	Under construction	104,040	December 2017	100
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	4,838	Completed	100

24. Inventories

	GROUP	
	2015 $'000	2014 $'000
Balance sheet:		
Food and beverage, at cost	**2,001**	2,202
Trading goods and supplies, at cost	**6,222**	7,002
Materials, at cost	**2,350**	2,432
	10,573	11,636
Income statement inclusive of the following charge:		
– Inventories recognised as an expense in cost of sales	**26,254**	27,420
– Inventories written down/(write-back) (Note 7)	**105**	(26)

The write-back of inventories represent a reversal of amount previously written down and is recorded when related inventories were sold above their carrying amounts.

25. Prepayments and other non-financial assets – current

	GROUP		COMPANY	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Prepayments	**7,376**	5,636	**146**	222
Prepaid island rental – current portion (Note 19)	**1,986**	2,202	**–**	–
Advances to suppliers	**4,427**	2,515	**–**	–
Goods and services tax/value-added tax receivable	**3,666**	3,598	**–**	–
Others	**3,354**	3,802	**14**	3
	20,809	17,753	**160**	225

26. Trade receivables

	GROUP	
	2015 $'000	2014 $'000
Loans and receivables		
Trade receivables	**80,062**	79,476
Current portion of long-term trade receivables (Note 20)	**8,042**	5,565
	88,104	85,041
Less: Allowance for doubtful debts	**(21,878)**	(10,391)
	66,226	74,650

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Significant foreign currency denominated balances

	GROUP		COMPANY	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
US Dollars	**16,661**	21,467	**–**	785
Chinese Renminbi	**–**	8	**–**	–

Receivables that are past due but not impaired

The Group has trade receivables amounting to $37,781,000 (2014: $46,789,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	GROUP	
	2015 $'000	2014 $'000
Trade receivables past due but not impaired:		
Less than 30 days	**10,529**	11,719
30 to 60 days	**3,987**	3,280
60 to 90 days	**2,431**	2,539
More than 90 days	**20,834**	29,251
	37,781	46,789

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26. Trade receivables (continued)

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	GROUP	
	2015 $'000	**2014 $'000**
Trade receivables – nominal amounts	**21,878**	10,391
Less: Allowance for doubtful debts	**(21,878)**	(10,391)
	–	–
Movement in allowance accounts:		
At 1 January	**10,391**	12,683
Charge for the year	**11,393**	2,721
Utilisation	**(280)**	(5,461)
Exchange differences	**374**	448
At 31 December	**21,878**	10,391

It is the Group's policy not to provide for general allowance in respect of doubtful debts and allowance is only made for debts that have been determined as uncollectible in accordance to Note 2.18 (a).

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Receivables subject to offsetting arrangements

The Group regularly provides spa treatment services to in-house guests of Vineyard Hotel & Spa. The Group will be regularly charged by Vineyard Hotel & Spa for rental, utilities and other miscellaneous expenses incurred on behalf of the Group. Both parties have an arrangement to settle the net amount due to or from each other on a 30-days term basis.

The Group's trade receivables and trade payables that are off-set are as follows:

		2015 $'000	
	Gross carrying amounts	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Description			
Trade receivables	**130**	**(124)**	**6**
Trade payables	**124**	**(124)**	**–**

		2014 $'000	
	Gross carrying amounts	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Description			
Trade receivables	124	(62)	62
Trade payables	62	(62)	–

27. Other receivables – current

	GROUP		COMPANY	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Loans and receivables				
Deposits	**1,484**	4,732	**4**	22
Interest receivable	**77**	95	**56**	61
Staff advances	**377**	244	**–**	–
Insurance recoverable	**815**	13	**–**	–
Other recoverable expenses	**1,886**	2,029	**–**	–
Other receivables	**9,250**	9,170	**87**	145
	13,889	16,283	**147**	228

28. Amounts due from/(to) subsidiaries

	COMPANY	
	2015 $'000	**2014 $'000**
Loans and receivables		
Amounts due from subsidiaries		
– non-trade	**198,317**	173,787
Financial liabilities at amortised cost		
Amounts due to subsidiaries		
– non-trade	**(50,812)**	(59,550)

The amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

At the end of the reporting period, the Company has provided for an allowance of $Nil (2014: $862,000) for impairment of the amounts due from its subsidiaries with a nominal amount of $5,107,000 (2014: $4,134,000). The allowance account for the financial year ended 31 December 2015 in relation to the amounts due from the subsidiaries is $3,536,000 (2014: $3,535,000).

29. Amounts due from/(to) associates

	GROUP		COMPANY	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Loans and receivables				
Amounts due from associates				
– trade	**59**	98	**–**	–
Less: Allowance for doubtful debts	**(21)**	–	**–**	–
	38	98	**–**	–
Financial liabilities at amortised cost				
Amounts due to associates				
– trade	**(32)**	(4)	**–**	–

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30. Amounts due from/(to) related parties

	GROUP		COMPANY	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Loans and receivables				
Amounts due from related parties				
– trade	**18,599**	13,640	**–**	–
– non-trade	**43**	107	**–**	2
	18,642	13,747	**–**	2
Financial liabilities at amortised cost				
Amounts due to related parties				
– trade	**(168)**	(61)	**–**	–
– non-trade	**(934)**	(443)	**–**	–
	(1,102)	(504)	**–**	–

The amounts due from/(to) related parties are unsecured, non-interest bearing and repayable on demand.

Significant foreign currency denominated balances

	GROUP		COMPANY	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
US Dollars	**15,933**	5,121	**–**	–

31. Cash and short-term deposits

	GROUP		COMPANY	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Loans and receivables				
Cash on hand and at bank	**98,044**	106,411	**9,674**	14,939
Fixed deposit, secured	**–**	7,600	**–**	–
Fixed deposit, unsecured	**67,619**	55,254	**59,447**	43,329
	165,663	169,265	**69,121**	58,268
Significant foreign currency denominated balances				
US Dollars	**19,393**	26,550	**4,681**	21,070

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The range of interest rates as at 31 December 2015 for the Group and the Company were 0.13% to 2.50% (2014: 0.05% to 2.50%) and 0.25% to 1.59% (2014: 0.05% to 1.28%) respectively.

31. Cash and short-term deposits (continued)

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	GROUP	
	2015 $'000	2014 $'000
Cash and short-term deposits	**165,663**	169,265
Bank overdrafts (Note 33)	**(187)**	(1,065)
Cash and cash equivalents	**165,476**	168,200

32. Other non-financial liabilities – current

	GROUP		COMPANY	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Advances received from customers	**29,061**	45,516	**–**	–
Deferred membership fee	**710**	936	**–**	–
Goods and services tax/value-added tax payable	**6,928**	4,384	**336**	262
Others	**4,686**	4,261	**126**	–
	41,385	55,097	**462**	262

33. Interest-bearing loans and borrowings

		GROUP		COMPANY	
		2015 $'000	2014 $'000	2015 $'000	2014 $'000
Financial liabilities at amortised cost					
Current liabilities					
Secured bank loans	2016	**54,313**	65,073	**2,608**	2,608
Unsecured bank loans	2016	**35,250**	4,500	**30,000**	–
Bank overdrafts	On demand	**187**	1,065	**–**	–
		89,750	70,638	**32,608**	2,608
Non-current liabilities					
Secured bank loans	2017-2023	**148,144**	98,103	**10,179**	12,787
Unsecured bank loans	2017	**23,000**	58,250	**20,000**	50,000
		171,144	156,353	**30,179**	62,787
Total		**260,894**	226,991	**62,787**	65,395

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33. Interest-bearing loans and borrowings (continued)

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

	GROUP	
	2015 $'000	2014 $'000
Freehold land and buildings (Note 12)	**265,552**	273,142
Investment properties (Note 13)	**24,225**	27,836
Quoted shares in a subsidiary	**–**	5,616
Leasehold buildings (Note 12)	**44,795**	43,054
Property development costs	**50,700**	35,133
Other assets	**14,181**	925
	399,453	385,706

The secured bank loans of the Company are secured by freehold land and buildings of its subsidiaries, amounting to $50,170,000 (2014: $50,346,000).

34. Notes payable

Notes payable are unsecured, interest bearing and payable semi-annually.

	Interest rate	Maturity	GROUP AND COMPANY 2015 $'000	2014 $'000
Fixed rate notes:				
– $50 million	6.250%	30 May 2017	**49,574**	49,274
– $70 million	5.750%	31 July 2018	**69,430**	69,209
– $50 million	5.350%	26 November 2018	**49,635**	49,506
– $125 million	4.875%	3 June 2019	**123,920**	123,604
– $100 million	4.850%	5 June 2020	**99,213**	–
			391,772	291,593

35. Other payables – current

	GROUP		COMPANY	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Financial liabilities at amortised cost				
Accrued operating expenses	**36,995**	39,813	**4,918**	4,702
Accrued service charges	**1,680**	1,733	**–**	–
Deposits	**402**	165	**–**	–
Deferred cash settlement	**–**	6,286	**–**	6,286
Sundry creditors	**1,992**	2,589	**252**	340
	41,069	50,586	**5,170**	11,328

35. Other payables – current (continued)

In 2014, the deferred cash settlement related to the consideration payable for the acquisition of HVR Group and LVL Group. The carrying amount of the deferred cash settlement was measured based on the future cash payments discounted at an effective interest rate of 5% per annum.

The deferred cash settlement has been fully settled in 2015.

According to the sales and purchase agreement for the acquisition of HVR Group and LVL Group, part of the total purchase consideration is deferred and payable in three instalments by 2015. The payable is secured by a banker's guarantee with assets amounting to $Nil (2014: $30,853,000) being pledged.

36. Deferred income

	Government grants $'000	Others $'000	Total $'000
Cost			
At 1 January 2014	10,125	–	10,125
Additions	–	671	671
Net exchange differences	193	41	234
At 31 December 2014 and 1 January 2015	**10,318**	**712**	**11,030**
Write off for the year	**–**	**(743)**	**(743)**
Net exchange differences	**194**	**31**	**225**
At 31 December 2015	**10,512**	**–**	**10,512**
Accumulated amortisation			
At 1 January 2014	1,281	–	1,281
Amortisation for the year (Note 4)	251	233	484
Net exchange differences	33	8	41
At 31 December 2014 and 1 January 2015	**1,565**	**241**	**1,806**
Amortisation for the year (Note 4)	**266**	**–**	**266**
Write off for the year	**–**	**(247)**	**(247)**
Net exchange differences	**27**	**6**	**33**
At 31 December 2015	**1,858**	**–**	**1,858**
Net carrying amount:			
At 31 December 2015	**8,654**	**–**	**8,654**
At 31 December 2014	8,753	471	9,224

Included in deferred income is an amount of $8,654,000 (2014: $8,753,000) relating to government grants received for the acquisition of land use rights for tourism-related development activities undertaken by the Group's subsidiaries in PRC to promote the tourism industry. There are no unfulfilled conditions or contingencies attached to these grants.

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37. Deferred tax

	GROUP				COMPANY	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Deferred tax liabilities:						
Differences in depreciation for tax purposes	**(2,653)**	(2,411)	**102**	(188)	**–**	–
Revaluation to fair value:						
– Freehold land and buildings	**(54,004)**	(49,501)	**5,082**	(5,561)	**–**	–
– Investment properties	**(6,126)**	(6,261)	**22**	61	**–**	–
– Available-for-sale financial assets	**(1,484)**	(534)	**–**	(8)	**–**	–
Temporary differences arising from revenue recognition	**(33,088)**	(26,325)	**7,329**	(1,298)	**–**	–
Provisions	**(54)**	(110)	**(55)**	26	**–**	–
Other items	**(414)**	(1,940)	**(1,555)**	495	**–**	–
	(97,823)	(87,082)			**–**	–
Deferred tax assets:						
Differences in depreciation for tax purposes	**541**	641	**104**	431	**–**	–
Temporary differences arising from revenue recognition	**237**	265	**35**	(4)	**–**	–
Provisions	**1,135**	835	**(328)**	107	**–**	–
Unutilised tax losses	**12,426**	3,471	**(8,896)**	4,148	**–**	–
Other items	**3,937**	344	**(3,666)**	270	**–**	–
	18,276	5,556			**–**	–
Deferred tax expense			**(1,826)**	(1,521)		

Unrecognised tax losses

The Group has tax losses of $22,056,000 as at 31 December 2015 (2014: $15,980,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. These tax losses are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

	GROUP	
	2015 $'000	2014 $'000
Year of expiry:		
Within 1 year	**1,084**	1,353
Between 2 to 5 years	**18,361**	12,081
After 5 years	**–**	492
No expiry	**2,611**	2,054
	22,056	15,980

37. Deferred tax (continued)

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2014: $Nil) has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries as:

– The Group has determined that the majority of the undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. The tax impact arising from any potential distribution will not be significant to the Group.

Such temporary differences for which no deferred tax liability has been recognised aggregate to $121,167,000 (2014: $119,433,000). The unrecognised deferred tax liability is estimated to be $12,506,000 (2014: $11,943,000).

Tax consequences of proposed dividends

There are no income tax consequences (2014: $Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 48).

38. Defined and other long-term employee benefits

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

The following tables summarise the components of net benefit expense recognised in profit or loss and amounts recognised in the balance sheets for the plans.

	LSP		LSA		TOTAL	
GROUP	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Net benefit expense						
Current service cost	**145**	176	**147**	140	**292**	316
Interest cost on benefit obligation	**55**	50	**46**	44	**101**	94
Net actuarial loss recognised in the year	**–**	–	**32**	–	**32**	–
Net benefit expense	**200**	226	**225**	184	**425**	410
Net actuarial loss recognised in other comprehensive income	**527**	–	**–**	–	**527**	–

Changes in present value of the LSP and LSA obligations are as follows:

	LSP		LSA		TOTAL	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
At 1 January	**1,269**	1,300	**1,332**	1,278	**2,601**	2,578
Interest cost	**55**	50	**46**	44	**101**	94
Current service cost	**145**	176	**147**	140	**292**	316
Benefits paid	**(211)**	(288)	**(208)**	(164)	**(419)**	(452)
Actuarial loss on obligation	**527**	–	**32**	–	**559**	–
Exchange differences	**(45)**	31	**(34)**	34	**(79)**	65
At 31 December	**1,740**	1,269	**1,315**	1,332	**3,055**	2,601

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38. Defined and other long-term employee benefits (continued)

The principal assumptions used in determining the Group's employee benefits are as follows:

	2015	2014
Discount rates	**2.75%**	4.25%
Future salary increases	**3.00%**	3.00%
Gold price (per Baht weight of gold)	**THB 19,000**	THB 20,000
Gold inflation	**3.00%**	2.00%
Attrition rate	Based on LRH Group's withdrawal experiences in prior years	

Amounts for the LSP and LSA obligations for the current and previous two periods are as follows:

GROUP	2015 $'000	2014 $'000	2013 $'000
LSP and LSA obligation	**3,055**	2,601	2,578
Experience adjustments on the plan liabilities	**1,781**	–	174

39. Share capital

	GROUP AND COMPANY			
	2015		2014	
	No. of shares	$'000	No. of shares	$'000
Issued and fully paid up				
At 1 January and 31 December	**761,402,280**	**199,995**	761,402,280	199,995

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (except for treasury shares) carry one vote per share without restrictions. The ordinary shares of the Company have no par value.

40. Treasury shares and reserves

(a) Treasury shares

	GROUP AND COMPANY			
	2015		2014	
	No. of shares	$'000	No. of shares	$'000
At 1 January	**(1,392,900)**	**(947)**	(1,930,200)	(1,827)
Reissued pursuant to Share-based Incentive Plan	**712,400**	**484**	537,300	880
At 31 December	**(680,500)**	**(463)**	(1,392,900)	(947)

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

As of 31 December 2015, there are 680,500 (2014: 1,392,900) treasury shares held by the Company.

The Company reissued 712,400 (2014: 537,300) treasury shares pursuant to Share-based Incentive Plan at a weighted average exercise price of $0.513 (2014: $0.646) per share.

40. Treasury shares and reserves (continued)

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share grants granted to employees (Note 41). The reserve is made up of (i) the issue of free shares to employees in 2006 and (ii) the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share grants, less value of share grants issued to employees and value of share grants that are expired.

(c) Legal reserve

The legal reserve is set up in accordance with the Public Limited Companies Act B.E. 2535 under Section 116 in Thailand and the Foreign Enterprise Law applicable to subsidiaries in the People's Republic of China (PRC).

The Group is required to set aside a statutory reserve of at least 5% of its net profit until the reserve reaches 10% of its registered share capital for its listed subsidiary in Thailand.

At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the Statutory Reserve Fund ("SRF") until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

(d) Property revaluation reserve

The property revaluation reserve is used to record increases in the fair value of revalued properties, net of deferred tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

(e) Currency translation reserve

The currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries.

(f) Other reserves

Other reserves include the following:

(i) Merger deficit

The merger deficit comprises the difference between the consideration paid, in the form of the acquiring Company's shares and nominal value of the issued share capital of subsidiaries acquired.

(ii) Capital reserve

The capital reserve comprises a waiver of debt by the joint venture on amounts due by the Company and accounting of assets in subsidiaries at their fair values as at the acquisition date and cannot be used for dividend payments.

(iii) Fair value adjustment reserve

The fair value adjustment reserve records the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are derecognised or impaired.

(iv) Gain/(loss) on reissuance of treasury shares

This represents the gain or loss arising from the purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

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40. Treasury shares and reserves (continued)

(f) Other reserves (continued)

A breakdown of the Group's and Company's other reserves is as follows:

GROUP	Merger deficit $'000	Capital reserve $'000	Fair value adjustment reserve $'000	Premium paid on acquisition of non-controlling interests $'000	Loss on reissuance of treasury shares $'000	Total other reserves $'000
At 1 January 2015	**(18,038)**	**7,852**	**10,496**	**(3,075)**	**(2,992)**	**(5,757)**
Other comprehensive income for the year	**–**	**–**	**(3,586)**	**–**	**–**	**(3,586)**
Total comprehensive income for the year	**–**	**–**	**(3,586)**	**–**	**–**	**(3,586)**
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	**–**	**–**	**–**	**–**	**(119)**	**(119)**
Total contributions by and distributions to owners	**–**	**–**	**–**	**–**	**(119)**	**(119)**
Changes in ownership interests in subsidiary						
Acquisition of non-controlling interests without a change in control	**–**	**–**	**–**	**(254)**	**–**	**(254)**
Total changes in ownership interests in subsidiary	**–**	**–**	**–**	**(254)**	**–**	**(254)**
Total transactions with owners in their capacity as owners	**–**	**–**	**–**	**(254)**	**(119)**	**(373)**
At 31 December 2015	**(18,038)**	**7,852**	**6,910**	**(3,329)**	**(3,111)**	**(9,716)**
At 1 January 2014	(18,038)	7,852	6,814	(2,553)	(2,459)	(8,384)
Other comprehensive income for the year	–	–	3,682	–	–	3,682
Total comprehensive income for the year	–	–	3,682	–	–	3,682
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Share-based Incentive Plan	–	–	–	–	(533)	(533)
Total contributions by and distributions to owners	–	–	–	–	(533)	(533)
Changes in ownership interests in subsidiary						
Acquisition of non-controlling interests without a change in control	–	–	–	(522)	–	(522)
Total changes in ownership interests in subsidiary	–	–	–	(522)	–	(522)
Total transactions with owners in their capacity as owners	–	–	–	(522)	(533)	(1,055)
At 31 December 2014	(18,038)	7,852	10,496	(3,075)	(2,992)	(5,757)

40. Treasury shares and reserves (continued)

(f) Other reserves (continued)

COMPANY	Capital reserve $'000	Loss on reissuance of treasury shares $'000	Total other reserves $'000
At 1 January 2015	**7,852**	**(2,992)**	**4,860**
Contributions by and distributions to owners			
Treasury shares reissued pursuant to Share-based Incentive Plan	**–**	**(119)**	**(119)**
Total transactions with owners in their capacity as owners	**–**	**(119)**	**(119)**
At 31 December 2015	**7,852**	**(3,111)**	**4,741**
At 1 January 2014	7,852	(2,459)	5,393
Contributions by and distributions to owners			
Treasury shares reissued pursuant to Share-based Incentive Plan	–	(533)	(533)
Total transactions with owners in their capacity as owners	–	(533)	(533)
At 31 December 2014	7,852	(2,992)	4,860

41. Equity compensation benefits

Banyan Tree Share Option Scheme and Banyan Tree Performance Share Plan

On 28 April 2006, the shareholders of the Company approved the adoption of two share-based incentive schemes for its Directors and employees, the Banyan Tree Share Option Scheme (the "Share Option Scheme") and a performance share plan known as the Banyan Tree Performance Share Plan (the "Plan"). Under the Share Option Scheme, eligible participants are granted options to acquire shares in the Company whereas under the Plan, the Company's shares are issued to eligible participants. The Share Option Scheme and the Plan (collectively, the "Schemes") will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance. The Schemes form an integral and important component of the compensation plan. Ho KwonPing, the Executive Chairman and controlling shareholder*, is not entitled to participate in the Schemes.

At the date of this report, the Schemes are administered by the Nominating and Remuneration Committee ("NRC") which comprises three Independent Directors with Chia Chee Ming Timothy, as the Chairman, Elizabeth Sam and Chan Heng Wing as members.

The aggregate number of shares when aggregated with the number of shares issued and issuable and/or transferred and transferable in respect of all options granted under the Share Option Scheme and any share awards granted under the Plan shall not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company subject to a maximum period of ten years commencing from the date of the Schemes.

The Company has not issued any options to any eligible participants pursuant to the Share Option Scheme.

The Plan comprises the Performance Share Plan ("PSP") and the Restricted Share Plan ("RSP"). Plan participants who have attained the grade of level 5 and above are eligible to participate in the Plan. PSP is targeted at a Plan participant who is a key member of Senior Management with the ability to drive the growth of the Company through innovation, creativity and superior performance whereas RSP is intended to enhance the Group's overall compensation packages and strengthen the Group's ability to attract and retain high performing talent. The selection of a Plan participant and the number of shares which are subject of each award to be granted to a Plan participant in accordance with the Plan shall be determined at the absolute discretion of the NRC, which shall take into account criteria such as rank, job performance, level of responsibility and potential for future development and his contribution to the success and development of the Group. A Plan participant may be granted an award under the PSP and RSP although differing performance targets are likely to be set for each award.

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

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41. Equity compensation benefits (continued)

Banyan Tree Share Option Scheme and Banyan Tree Performance Share Plan (continued)

Awards represent the right of a Plan participant to receive fully paid shares, their equivalent cash value or combinations thereof free of charge, upon the participant achieving prescribed performance target(s) and/or time-based service conditions. Awards are released once the NRC is satisfied that the prescribed performance target(s) and/or time-based service conditions have been achieved.

The Company has not issued any awards under the Plan to any of its controlling shareholders. Since the commencement of the Plan, no participant has been awarded 5% or more of the total shares available under the Plan.

The details of the Plan existed as at 31 December 2015 are set out as follows:

	PSP	RSP
Plan Description	Award of fully-paid ordinary shares of the Company or their cash equivalent, conditional on performance targets set at the start of a three-year performance period.	Award of fully-paid ordinary shares of the Company or their cash equivalent, conditional on the Group's performance over a one-year performance period.
Date of Grant:		
FY 2015 Grant	1 April 2015	1 April 2015
FY 2014 Grant	1 April 2014	1 April 2014
FY 2013 Grant	1 April 2013	1 April 2013
FY 2012 Grant	2 April 2012	2 April 2012
Performance Period:		
FY 2015 Grant	1 January 2015 to 31 December 2017	1 January 2015 to 31 December 2015
FY 2014 Grant	1 January 2014 to 31 December 2016	1 January 2014 to 31 December 2014
FY 2013 Grant	1 January 2013 to 31 December 2015	1 January 2013 to 31 December 2013
FY 2012 Grant	1 January 2012 to 31 December 2014	1 January 2012 to 31 December 2012
Performance Conditions:		
FY 2015 Grant, FY 2014 Grant, FY 2013 Grant and FY 2012 Grant	• Absolute Total Shareholder Return ("TSR") outperform Cost of Equity ("COE") • Relative TSR against FTSE ST Mid Cap Index • Relative TSR against selected hospitality listed peers	• Return on Invested Capital ("ROIC") • EBITDA#
Vesting Period:		
FY 2015 Grant, FY 2014 Grant, FY 2013 Grant and FY 2012 Grant	Vesting based on achieving stated performance conditions over a three-year performance period.	Based on achieving stated performance conditions over a one-year performance period, 33 1/3% of award will vest. Balance will vest over the subsequent two years with fulfilment of service requirements.
Payout:	0% to 200% depending on the achievement of pre-set performance targets over the performance period.	0% to 150% depending on the achievement of pre-set performance targets over the performance period.

EBITDA denotes Earnings before Interest, Taxes, Depreciation and Amortisation

41. Equity compensation benefits (continued)

Banyan Tree Share Option Scheme and Banyan Tree Performance Share Plan (continued)

A prospective Monte Carlo simulation model involving projection of future outcomes using statistical distributions of random variables including share price and volatility of returns was used to value the conditional share awards. The simulation model was based on the following key assumptions for FY 2015 Grant:

	PSP	RSP
Historical Volatility		
Banyan Tree Holdings Limited ("BTH")	20.518%	20.518%
FTSE Mid Cap Index	10.216%	Not applicable
Risk-free interest rates		
Singapore Sovereign	1.717%	1.220% - 1.717%
Term	36 months	12 to 36 months
BTH expected dividend yield	1.80%	1.80%
Share price at grant date	$0.515	$0.515

For non-market conditions, achievement factors have been estimated based on feedback from the NRC for the purpose of accrual for the RSP until the achievement of the targets can be reasonably ascertained.

The details of shares awarded, cancelled and released during the financial year pursuant to the Plan are as follows:

	PSP					
	Balance as at 1 January 2015[1]	Shares granted during financial year[1]	Shares cancelled during financial year[2]	Shares released during financial year	Balance as at 31 December 2015[1]	Estimated fair value at grant date
Grant date						
2 April 2012						
Non-Executive Director (Ariel P Vera[3])	75,000	–	(75,000)	–	–	$0.612
Other Participants	146,300	–	(146,300)	–	–	$0.612
1 April 2013						
Non-Executive Director (Ariel P Vera[3])	75,000	–	–	–	75,000	$0.470
Other Participants	195,000	–	(45,000)	–	150,000	$0.470
1 April 2014						
Other Participants	240,000	–	(60,000)	–	180,000	$0.533
1 April 2015						
Other Participants	–	180,000	–	–	180,000	$0.390
Total	731,300	180,000	(326,300)	–	585,000	

1 The number of shares comprised in awards granted by the Company under the Banyan Tree Performance Share Plan, subject to performance conditions being met. It also represents the number of shares required if participants are to be awarded at 100% of the grant, however, the shares to be awarded at the vesting date may range from 0% to 200% depending on the level of achievement of pre-set performance conditions over the performance period.

2 The number of shares cancelled due to forfeiture arising from not achieving the pre-set performance conditions or resignation during the performance period.

3 Share grants awarded during his employment as Group Managing Director of the Company. He retired on 31 December 2013.

Notes to the Financial Statements
for the financial year ended 31 December 2015

41. Equity compensation benefits (continued)

Banyan Tree Share Option Scheme and Banyan Tree Performance Share Plan (continued)

	RSP					
	Balance as at 1 January 2015[1]	Shares granted during financial year[1]	Shares cancelled during financial year[2]	Shares released during financial year	Balance as at 31 December 2015[1]	Estimated fair value at grant date
Grant date						
2 April 2012						
Non-Executive Director (Ariel P Vera[3])	31,500	–	–	(31,500)	–	\$0.660 - \$0.669
Other Participants	400,300	–	(15,200)	(385,100)	–	\$0.660 - \$0.669
1 April 2013						
Non-Executive Director (Ariel P Vera[3])	45,000	–	–	(22,500)	22,500	\$0.601 - \$0.613
Other Participants	674,000	–	(97,300)	(313,800)	262,900	\$0.601 - \$0.613
1 April 2014						
Other Participants	1,377,200	–	(694,500)	(250,800)	431,900	\$0.620 - \$0.640
1 April 2015						
Other Participants	–	1,379,650	(216,100)	–	1,163,550	\$0.488 - \$0.506
Total	2,528,000	1,379,650	(1,023,100)	(1,003,700)	1,880,850	

[1] The number of shares comprised in awards granted by the Company under the Banyan Tree Performance Share Plan, subject to performance conditions being met. It also represents the number of shares required if participants are to be awarded at 100% of the grant, however, the shares to be awarded at the vesting date may range from 0% to 150% depending on the level of achievement of pre-set performance conditions over the performance period.

[2] The number of shares cancelled due to forfeiture arising from not achieving the pre-set performance conditions or resignation during the performance period.

[3] Vesting of shares pursuant to share grants awarded during his employment as Group Managing Director of the Company. He retired on 31 December 2013.

The number of contingent shares granted but not released as at 31 December 2015 were 585,000 and 1,880,850 (2014: 731,300 and 2,528,000) for PSP and RSP respectively. Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 1,170,000 and 2,462,625 (2014: 1,462,600 and 3,216,600) for PSP and RSP respectively.

Founder's Grant

On 2 May 2006, the independent shareholders of the Company approved the incentive for the Executive Chairman, Ho KwonPing, which has been included in his employment agreement. Pursuant to the incentive, Mr Ho shall be entitled to, for each financial year for a period of ten years beginning from the financial year ended 31 December 2010, an amount equivalent to 5% of the profit before tax of the Group, such amount to be payable in cash or in shares at the sole discretion of the Company (the "Founder's Grant"). The Founder's Grant aims to secure the continuing commitment of Mr Ho to the Group and to reward him for founding, leading and building up the Group. The Group reported a loss before tax and before provision of the expense for Founder's Grant of \$19,464,731 (2014 profit before tax and before provision of the expense for Founder's Grant: \$7,539,686) for the financial year ended 31 December 2015. Accordingly, there was no Founder's Grant payable for the financial year ended 31 December 2015 (2014 Founder's Grant paid: \$376,984).

42. 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	
	2015 $'000	2014 $'000
Capital commitments in respect of property, plant and equipment	**11,174**	37,580

(b) Operating lease commitments

Future minimum lease payments payable under non-cancellable operating leases as at the end of the reporting period are as follows:

	GROUP	
	2015 $'000	2014 $'000
Payable:		
Within 1 year	**6,033**	8,697
Between 2 to 5 years	**16,497**	14,960
After 5 years	**55,968**	55,871
	72,465	70,831
	78,498	79,528

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2015 amounted to $13,237,000 (2014: $10,783,000).

Certain subsidiaries entered into agreements with villa owners whereby these villa owners will lease the villas back to the subsidiaries' hotels for operation. In consideration for such arrangement, the subsidiaries are committed to pay fees contingent upon revenue earned in accordance with the terms specified in the agreements.

Minimum contingent rent expenses recognised as an expense in profit or loss for the financial year ended 31 December 2015 amounted to $3,731,000 (2014: $4,751,000).

(c) Contingent liabilities

Guarantees

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

	COMPANY	
	2015 $'000	2014 $'000
Guarantees issued on banking facilities of subsidiaries	**29,024**	33,072

At the end of the reporting period, the Company has provided financial support amounting to $215,598,000 (2014: $171,887,000) to its subsidiaries in net current liabilities or net liabilities position to enable these companies to continue their operations and meet their liabilities as and when they fall due.

Notes to the Financial Statements

for the financial year ended 31 December 2015

42. Commitments and contingencies (continued)

(c) Contingent liabilities (continued)

Litigation

A case was brought to the Phuket Provincial Court on 8 October 2009, in which four affiliated companies of Laguna Resorts and Hotels Public Company Limited (LRH) and ten directors are the defendants. The plaintiffs referred in the plaint that they purchased units in Allamanda 1 Condominium during 1991-1995. The plaintiffs alleged that the Sale and Purchase Agreement ("Agreement") called for a common area of approximately 20 Rais, but the Allamanda 1 Condominium was registered with only 9 Rais 2 Ngans 9 Square Wahs. The plaintiffs alleged that therefore the defendants have breached the Sale and Purchase Agreement.

As a result, the plaintiffs request that the defendants completely deliver the common area as specified by the Agreement by transfer of the land totaling 10 Rais 3 Ngans 97.1 Square Wahs to Allamanda (1) Juristic Person, as the tenth plaintiff, or to be jointly liable for the compensation of Baht 132 million in case the transfer of land cannot be made. The plaintiffs also request for additional compensation in the amount of Baht 56 million for unlawful use of the land which is supposed to be common property of Allamanda 1 Condominium.

The total amount of the claim is approximately $7.3 million (Baht 188 million) with interest at the rate of 7.5% per annum from the date the claim was lodged until the defendants have made full payment. The plaintiffs also claimed that the former and current directors of those LRH's subsidiaries as the fifth to fourteenth defendants, were the representatives of those LRH's subsidiaries being the first to fourth defendants, and therefore must also be jointly liable with those LRH's subsidiaries.

The defendants have lodged its statement of defense and believe that the plaintiffs' claims are invalid and therefore no provision has been made in the financial statements.

The plaintiffs filed a petition with the Court seeking the Court's interim injunction of which the defendants shall not dispose or amend the status of the nine plots of land in dispute with the land registry office during the trial. On 20 January 2012, the Court granted the interim injunction.

The Court of First Instance on 27 June 2014 ordered the defendants to transfer 10 Rai 3 Ngan 97.1 Square Wah, compensate Baht 5.9 million including 7.5% interest per annum from the date the claim was lodged until payment has been made in full, Baht 16,000 per day from the date the claim was lodged until the transfer of aforementioned land has been completed, and a further Baht 0.5 million for legal fees to the plaintiffs. On 23 January 2015, the defendants lodged an appeal on the judgment at the Court of First Instance and the Court ordered the acceptance of the appeal application of the defendants.

The plaintiffs filed the 1st, 2nd, 3rd and 4th requests for extension of submitting the reply to an appeal and the Court granted the extension to 9 April 2015, 8 May 2015, 7 June 2015 and 6 July 2015 respectively. On 26 June 2015, the plaintiffs have submitted the answer statement to the Company's appeal and the petition for objection of stay of execution upon the judgment. On 15 October 2015, the Phuket Provincial Court read out the order of Appeal Court in relation to the objection. Appeal Court ordered the Company to place deposit for money damages that Court of First Instance has awarded the plaintiffs. Amount of deposit is Baht 36 million approximately. The Court set the next hearing on 18 December 2015 to consider details of the deposit such as value and location. On 18 December 2015, the Defendant offered 19 plots of land in Chiang Rai as deposit and the Court has accepted it.

The subsidiaries of LRH have set aside provision of $1.5 million (Baht 39 million) for liabilities arising as a result of this case.

43. Related party transactions

Other than that disclosed in the financial statements, the Group had the following significant related party transactions on terms agreed during the financial year:

		GROUP	
		2015 $'000	2014 $'000
(a)	Related parties:		
	– Management and service fee income	**1,067**	694
	– Rental income	**2,327**	2,298
	– Reservation fee income	**177**	139
	– Spa gallery income	**81**	68
	– Royalty income	**538**	556
(b)	Compensation of key management personnel:		
	– Salaries and employee benefits	**4,306**	6,224
	– Central Provident Fund contributions	**130**	160
	– Share-based payment expenses	**113**	119
	– Other short-term benefits[1]	**1,787**	1,035
	Total compensation paid to key management personnel	**6,336**	7,538
	Comprise amounts paid to:		
	• Directors of the Company	**1,926**	2,519
	• Other key management personnel	**4,410**	5,019
		6,336	7,538

[1] Other short-term benefits include amount payable to Ho KwonPing under the Founder's Grant of $Nil (2014: $376,984).

44. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including long-term investments, cash and short-term deposits and investment securities), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Notes to the Financial Statements

for the financial year ended 31 December 2015

44. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

– the carrying amount of each class of financial assets recognised in the balance sheets; and

– a nominal amount of $29,024,000 (2014: $33,072,000) relating to corporate guarantees provided by the Company for the bank loans taken by its subsidiaries.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. The Group does not apply hedge accounting.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segment and geographical profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

		GROUP			
		2015		2014	
	Note	$'000	% of total	$'000	% of total
By geographical regions:					
South East Asia		**26,421**	**27**	34,916	34
Indian Oceania		**1,338**	**1**	2,226	2
Middle East		**2,487**	**3**	1,756	2
North East Asia		**34,840**	**36**	32,583	32
Rest of the world		**32,257**	**33**	30,182	30
		97,343	**100**	101,663	100
By industry sectors:					
Hotel Investments		**13,279**	**14**	13,152	13
Property Sales		**38,071**	**39**	25,315	25
Fee-based Segment		**45,993**	**47**	63,196	62
		97,343	**100**	101,663	100
Trade receivables					
Non-current	20	**31,117**		27,013	
Current	26	**66,226**		74,650	
		97,343		101,663	

44. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Credit risk concentration profile (continued)

Included in trade receivables are amounts due from a third party of $13,897,000 (2014: $20,575,000). The third party is in the business of selling club memberships. A subsidiary of the Group provides management services to manage the club operation on behalf of the third party.

The receivables from this third party of $12,417,000 (2014: $14,237,000) bears an interest rate of 6% per annum (2014: 6%) and are repayable in equal instalments over 13.5 to 15 years, commencing from 2008. The remaining amount due from the third party is interest-free, unsecured and repayable between 2 to 5 years.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and short-term deposits, long-term investments and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 26.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group maintains sufficient cash and short-term deposits, and internally generated cash flows to finance their activities. Management finances the Group's liquidity through internally generated cash flows and minimizes liquidity risk by keeping committed stand-by credit facilities available.

At the end of the reporting period, approximately 13.8% (2014: 13.6%) of the Group's notes payable, interest-bearing loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements. 7.2% (2014: 0.7%) of the Company's notes payable, interest-bearing loans and borrowings will mature in less than one year at the end of the reporting period.

The following table summarises the maturity profiles of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments except for financial liabilities where the timing of repayment cannot be reliably estimated as disclosed in the respective notes above.

Notes to the Financial Statements

for the financial year ended 31 December 2015

44. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

GROUP	Note	2015 Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2015						
Financial assets						
Trade receivables	20/26	–	65,002	18,734	1,190	84,926
Trade receivables	20/26	6	1,944	7,775	6,110	15,829
Other receivables	21/27	–	13,889	–	4,722	18,611
Amounts due from associates	29	–	38	–	–	38
Amounts due from related parties	30	–	18,642	–	–	18,642
Cash and short-term deposits	31	–	165,663	–	–	165,663
Total undiscounted financial assets			265,178	26,509	12,022	303,709
Financial liabilities						
Trade payables		–	(24,186)	–	–	(24,186)
Other payables	35	–	(41,069)	–	–	(41,069)
Other payables		–	–	–	(572)	(572)
Amounts due to associates	29	–	(32)	–	–	(32)
Amounts due to related parties	30	–	(1,102)	–	–	(1,102)
Loans and borrowings						
– Bank overdraft	33	8.37	(203)	–	–	(203)
– S$ floating rate loan	33	3 mths SIBOR + 3.50	(31,200)	–	–	(31,200)
– S$ floating rate loan	33	6 mths SIBOR + 3.25	(876)	(20,876)	–	(21,752)
– S$ floating rate loan	33	COF + 2	(2,800)	(8,999)	(2,235)	(14,034)
– S$ floating rate loan	33	SIBOR + 3.25	(5,454)	(3,010)	–	(8,464)
– BHT floating rate loan	33	MLR – 1.00 to MLR – 1.50	(25,073)	(99,324)	(37,169)	(161,566)
– BHT floating rate loan	33	4.70	(817)	–	–	(817)
– BHT floating rate loan	33	3.65	(20,616)	–	–	(20,616)
– BHT floating rate loan	33	6.62	(832)	–	–	(832)
– RMB floating rate loan	33	5.70	(3,622)	(4,573)	–	(8,195)
– RMB floating rate loan	33	5.40	(8,987)	(4,369)	–	(13,356)
Fixed rate debentures	33	5.15	(992)	(21,244)	–	(22,236)
Notes payable	34	4.85 – 6.25	(20,769)	(439,099)	–	(459,868)
Total undiscounted financial liabilities			(188,630)	(601,494)	(39,976)	(830,100)
Total net undiscounted financial assets/(liabilities)			76,548	(574,985)	(27,954)	(526,391)

44. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

GROUP	Note	2014 Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2014						
Financial assets						
Trade receivables	20/26	–	73,409	12,916	1,766	88,091
Trade receivables	20/26	6	2,065	8,261	8,071	18,397
Other receivables	21/27	–	16,283	–	6,831	23,114
Amounts due from associates	29	–	98	–	–	98
Amounts due from related parties	30	–	13,747	–	–	13,747
Cash and short-term deposits	31	–	169,265	–	–	169,265
Total undiscounted financial assets			274,867	21,177	16,668	312,712
Financial liabilities						
Trade payables		–	(21,697)	–	–	(21,697)
Other payables	35	–	(44,300)	–	–	(44,300)
Other payables	35	5	(7,277)	–	–	(7,277)
Other payables		–	–	–	(532)	(532)
Amounts due to associates	29	–	(4)	–	–	(4)
Amounts due to related parties	30	–	(504)	–	–	(504)
Loans and borrowings						
– Bank overdraft	33	6.15	(1,423)	–	–	(1,423)
– S$ floating rate loan	33	6 mths SIBOR + 3.25	(758)	(21,516)	–	(22,274)
– S$ floating rate loan	33	COF + 2	(2,995)	(10,648)	(3,636)	(17,279)
– S$ floating rate loan	33	SIBOR + 3.25	(4,952)	(8,567)	–	(13,519)
– S$ floating rate loan	33	SIBOR + 3.50	(1,175)	(31,077)	–	(32,252)
– BHT floating rate loan	33	MLR – 1.00 to MLR – 1.50	(31,911)	(75,991)	(11,112)	(119,014)
– BHT floating rate loan	33	4.10	(4,997)	–	–	(4,997)
– BHT floating rate loan	33	3.60	(24,450)	–	–	(24,450)
– RMB floating rate loan	33	6.15	(8,686)	(13,726)	–	(22,412)
Notes payable	34	4.88 – 6.25	(15,919)	(338,447)	–	(354,366)
Total undiscounted financial liabilities			(171,048)	(499,972)	(15,280)	(686,300)
Total net undiscounted financial assets/(liabilities)			103,819	(478,795)	1,388	(373,588)

Notes to the Financial Statements

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44. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

COMPANY	Note	2015 Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2015						
Financial assets						
Other receivables	27	–	147	–	–	147
Amounts due from subsidiaries	28	–	198,317	–	–	198,317
Cash and short-term deposits	31	–	69,121	–	–	69,121
Total undiscounted financial assets			267,585	–	–	267,585
Financial liabilities						
Other payables	35	–	(5,170)	–	–	(5,170)
Amounts due to subsidiaries	28	–	(50,812)	–	–	(50,812)
Loans and borrowings						
– S$ floating rate loan	33	3 mths SIBOR + 3.50	(31,200)	–	–	(31,200)
– S$ floating rate loan	33	6 mths SIBOR + 3.25	(876)	(20,876)	–	(21,752)
– S$ floating rate loan	33	COF + 2	(2,800)	(8,999)	(2,235)	(14,034)
Notes payable	34	4.85 – 6.25	(20,769)	(439,099)	–	(459,868)
Total undiscounted financial liabilities			(111,627)	(468,974)	(2,235)	(582,836)
Total net undiscounted financial assets/(liabilities)			155,958	(468,974)	(2,235)	(315,251)

44. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

COMPANY	Note	2014 Effective rate %	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2014						
Financial assets						
Trade receivables	26	–	785	–	–	785
Other receivables	27	–	228	–	–	228
Amounts due from subsidiaries	28	–	173,787	–	–	173,787
Amounts due from related parties	30	–	2	–	–	2
Cash and short-term deposits	31	–	58,268	–	–	58,268
Total undiscounted financial assets			233,070	–	–	233,070
Financial liabilities						
Other payables	35	–	(5,042)	–	–	(5,042)
Other payables	35	5	(7,277)	–	–	(7,277)
Amounts due to subsidiaries	28	–	(59,550)	–	–	(59,550)
Loans and borrowings						
– S$ floating rate loan	33	6 mths SIBOR + 3.25	(758)	(21,516)	–	(22,274)
– S$ floating rate loan	33	COF + 2	(2,995)	(10,648)	(3,636)	(17,279)
– S$ floating rate loan	33	SIBOR + 3.50	(1,175)	(31,077)	–	(32,252)
Notes payable	34	4.88 – 6.25	(15,919)	(338,447)	–	(354,366)
Total undiscounted financial liabilities			(92,716)	(401,688)	(3,636)	(498,040)
Total net undiscounted financial assets/(liabilities)			140,354	(401,688)	(3,636)	(264,970)

BHT: Thai Baht

RMB: Chinese Renminbi

SIBOR: Singapore inter-bank offered rate

MLR: Minimum lending rate

COF: Cost of fund of lending bank

The table below shows the maximum amount of financial guarantee contracts, allocated to the earliest period in which the guarantee could be called.

COMPANY	1 year $'000	2 to 5 years $'000	After 5 years $'000	Total $'000
2015				
Financial guarantees	**29,024**	–	–	**29,024**
2014				
Financial guarantees	33,072	–	–	33,072

Notes to the Financial Statements
for the financial year ended 31 December 2015

44. Financial risk management objectives and policies (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing financial liabilities.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. At the end of the reporting period, approximately 63% (2014: 57%) of the Group's interest-bearing financial liabilities are at fixed rates of interest. The table in Note 44 (b) summarises the interest-bearing financial liabilities of the Group and the Company.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 75 (2014: 75) basis points lower/higher with all other variables held constant, the Group's profit before taxation would have been $1,813,000 (2014: $1,703,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate interest-bearing financial liabilities.

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD, United States Dollars (USD), Thai Baht (Baht) and Chinese Renminbi (RMB). The foreign currencies in which these transactions are denominated are mainly USD. As at 31 December 2015, approximately 40% (2014: 34%) of the Group's trade receivables are denominated in foreign currencies.

In addition, the Group has a Currency Management Plan which aims to mitigate impact on the Group's revenue from unfavourable exchange rates movements. The plan requires all operating entities in the Group to list its major wholesalers and their respective currencies. All contracts should endeavour to be in the currency of the market source. Market source refers to the country of origin or domicile of the business. The contracts are then reviewed and managed on a quarterly basis to mitigate the exposure of the Group's operations to foreign currency fluctuation.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Thailand, PRC and Maldives. The Group's net investments in Thailand, PRC and Maldives are not hedged as currency positions in Thai Baht, Chinese Renminbi and United States Dollar are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in the USD and RMB exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		GROUP Profit before taxation	
		2015 $'000	**2014 $'000**
USD/Baht	– strengthened 5% (2014: 5%)	**150**	18
	– weakened 5% (2014: 5%)	**(150)**	(18)
USD/SGD	– strengthened 5% (2014: 5%)	**2,326**	2,951
	– weakened 5% (2014: 5%)	**(2,326)**	(2,951)
RMB/SGD	– strengthened 5% (2014: 5%)	**1**	164
	– weakened 5% (2014: 5%)	**(1)**	(164)

45. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 2014.

As disclosed in Note 40 (c), subsidiaries of the Group are required to set aside Legal Reserves in accordance to the Public Limited Companies Act B.E. 2535 under Section 116 in Thailand and the Foreign Enterprise Law applicable to the subsidiaries in the People's Republic of China (PRC). The imposed capital requirement has been complied with by the subsidiaries for the financial years ended 31 December 2015 and 2014.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio below 100%. The Group includes within net debt, interest-bearing loans and borrowings, notes payable less cash and short-term deposits. Total capital refers to the total equity of the Group.

	GROUP	
	2015 $'000	**2014 $'000**
Interest-bearing loans and borrowings (Note 33)	**260,894**	226,991
Notes payable (Note 34)	**391,772**	291,593
Less: Cash and short-term deposits (Note 31)	**(165,663)**	(169,265)
Net debt	**487,003**	349,319
Total capital	**699,461**	724,304
Gearing ratio	**70%**	48%

46. 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.

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46. Fair value of assets and liabilities (continued)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

		GROUP			
		2015			
		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value					
Financial assets:					
Available-for-sale financial assets					
– Equity shares (quoted)	18	**20,509**	**–**	**–**	**20,509**
– Equity shares (unquoted)	18	**–**	**–**	**50,290**	**50,290**
Total available-for-sale financial assets		**20,509**	**–**	**50,290**	**70,799**
Financial assets as at 31 December 2015		**20,509**	**–**	**50,290**	**70,799**
Non-financial assets:					
Investment properties					
Freehold land					
– Thailand, Phuket		**–**	**–**	**8,513**	**8,513**
– Northern Thailand		**–**	**–**	**6,186**	**6,186**
– Seychelles		**–**	**–**	**23,902**	**23,902**
Freehold buildings					
– Thailand, Phuket		**–**	**–**	**2,202**	**2,202**
– Thailand, Bangkok		**–**	**–**	**26,809**	**26,809**
Total investment properties	13	**–**	**–**	**67,612**	**67,612**
Property, plant and equipment					
Freehold land					
– Singapore		**–**	**–**	**44,454**	**44,454**
– Thailand, Phuket		**–**	**–**	**202,383**	**202,383**
– Thailand, Bangkok		**–**	**–**	**29,016**	**29,016**
– Morocco		**–**	**–**	**12,961**	**12,961**
– Sri Lanka		**–**	**3,136**	**–**	**3,136**
– Seychelles		**–**	**–**	**13,737**	**13,737**
Freehold buildings					
– Singapore		**–**	**–**	**5,243**	**5,243**
– Thailand, Phuket		**–**	**–**	**99,326**	**99,326**
– Thailand, Bangkok		**–**	**–**	**46,794**	**46,794**
– Morocco		**–**	**–**	**7,559**	**7,559**
– Seychelles		**–**	**–**	**53,386**	**53,386**
Total property, plant and equipment		**–**	**3,136**	**514,859**	**517,995**
Non-financial assets as at 31 December 2015		**–**	**3,136**	**582,471**	**585,607**

46. Fair value of assets and liabilities (continued)

(b) Assets and liabilities measured at fair value (continued)

		GROUP			
		2014			
		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value					
Financial assets:					
Available-for-sale financial assets					
– Equity shares (quoted)	18	16,100	–	–	16,100
– Equity shares (unquoted)	18	–	–	54,655	54,655
Total available-for-sale financial assets		16,100	–	54,655	70,755
Financial assets as at 31 December 2014		16,100	–	54,655	70,755
Non-financial assets:					
Investment properties					
Freehold land					
– Thailand, Phuket		–	–	8,731	8,731
– Northern Thailand		–	–	6,345	6,345
– Seychelles		–	–	22,548	22,548
Freehold buildings					
– Thailand, Phuket		–	–	1,579	1,579
– Thailand, Bangkok		–	–	27,836	27,836
Total investment properties	13	–	–	67,039	67,039
Property, plant and equipment					
Freehold land					
– Singapore		–	–	44,454	44,454
– Thailand, Phuket		–	–	205,598	205,598
– Thailand, Bangkok		–	–	29,760	29,760
– Morocco		–	–	13,167	13,167
– Sri Lanka		–	3,236	–	3,236
– Seychelles		–	–	12,873	12,873
Freehold buildings					
– Singapore		–	–	5,419	5,419
– Thailand, Phuket		–	–	93,745	93,745
– Thailand, Bangkok		–	–	49,483	49,483
– Morocco		–	–	7,833	7,833
– Seychelles		–	–	47,082	47,082
– Australia		–	421	–	421
Total property, plant and equipment		–	3,657	509,414	513,071
Non-financial assets as at 31 December 2014		–	3,657	576,453	580,110

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46. Fair value of assets and liabilities (continued)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Property, plant and equipment

The valuation of property, plant and equipment are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 December 2015 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Available-for-sale financial assets:				
Equity shares (unquoted)	**50,290**	Adjusted net asset	Hotels	
			16 years operating cash flow	USD1.8 million to USD12.0 million (USD6.9 million)
			Room growth projection	3.3% to 3.5%
			Discount rate	10.0% to 13.0%
Investment properties:				
Freehold land				
Thailand, Phuket	**8,513**	Market value approach	Yield adjustments*	21.4%
Northern Thailand	**6,186**	Market value approach	Yield adjustments*	34.0% to 71.8%
Seychelles	**23,902**	Residual approach	Yield adjustments*	10.2% to 14.6%
			10 years operating cash flow	–USD1.5 million to USD57.2 million (USD44.5 million)
			Discount rate	10.0%
			Inflation	3.0%

46. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements* (continued)

Description	Fair value at 31 December 2015 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Investment properties: (continued)				
Freehold buildings				
Thailand, Phuket	**2,202**	Discounted cash flow	Growth rate	3.0%
			Discount rate	13.0%
			10 years net cash flow	Baht 22.5 million to Baht 35.3 million (Baht 30.2 million)
Thailand, Bangkok	**26,809**	Discounted cash flow	Growth rate	3.0% to 10.0%
			Discount rate	11.0%
			10 years operating cash flow	Baht 20.5 million to Baht 45.9 million (Baht 35.1 million)
Property, plant and equipment:				
Freehold land				
Singapore	**44,454**	Market value approach	Yield adjustments*	15.0% to 20.0%
Thailand, Phuket	**202,383**	Market value approach	Yield adjustments*	29.6% to 75.1% (59.0%)
Thailand, Bangkok	**29,016**	Market value approach	Yield adjustments*	9.0%
Morocco	**12,961**	Market value approach	Yield adjustments*	11.0% to 12.0%
Seychelles	**13,076**	Discounted cash flow	10 years operating cash flow	USD1.6 million to USD5.1 million (USD4.0 million)
			Discount rate	8.8% to 11.8% (10.3%)
			Terminal yield	6.8% to 9.3% (7.8%)
Seychelles	**661**	Market value approach	Yield adjustments*	10.9% to 13.6%

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46. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

(i) ***Information about significant unobservable inputs used in Level 3 fair value measurements*** (continued)

Description	Fair value at 31 December 2015 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
***Property, plant and equipment*:** (continued)				
Freehold buildings				
Singapore	**5,243**	Market value approach	Yield adjustments*	15.0% to 20.0%
Thailand, Phuket	**99,326**	Fair value approach	Standard construction cost per Sq meter	Baht 468 to Baht 35,000 per Sq meter (Baht 11,258)
Thailand, Bangkok	**46,794**	Fair value approach	Standard construction cost per Sq meter	Baht 1,000 to Baht 45,000 per Sq meter (Baht 21,560)
Morocco	**7,559**	Market value approach	Yield adjustments*	11.0% to 12.0%
Seychelles	**51,256**	Discounted cash flow	10 years operating cash flow	USD1.6 million to USD5.1 million (USD4.0 million)
			Discount rate	8.8% to 11.8% (10.3%)
			Terminal yield	6.8% to 9.3% (7.8%)
Seychelles	**2,130**	Market value approach	Yield adjustments*	10.9% to 13.6%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

46. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (continued)

Description	Fair value at 31 December 2014 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Available-for-sale financial assets:				
Equity shares (unquoted)	54,655	Adjusted net asset	Hotels	
			16 years operating cash flow	USD2.6 million to USD12.0 million (USD7.9 million)
			Room growth projection	3.3% to 3.5%
			Discount rate	10.0%
Investment properties:				
Freehold land				
Thailand, Phuket	8,731	Market value approach	Yield adjustments*	21.4%
Northern Thailand	6,345	Market value approach	Yield adjustments*	36.7% to 62.0%
Seychelles	22,548	Market value approach	Yield adjustments*	6.7% to 30.0%
Freehold buildings				
Thailand, Phuket	1,579	Discounted cash flow	Growth rate Discount rate 10 years net cash flow	3.0% 13.0% Baht 22.4 million to Baht 35.2 million (Baht 30.3 million)
Thailand, Bangkok	27,836	Discounted cash flow	Growth rate Discount rate 10 years operating cash flow	3.0% to 10.0% 11.0% Baht 21.2 million to Baht 49.9 million (Baht 36.5 million)

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46. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements* (continued)

Description	Fair value at 31 December 2014 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Property, plant and equipment:				
Freehold land				
Singapore	44,454	Market value approach	Yield adjustments*	15.0% to 20.0%
Thailand, Phuket	205,598	Market value approach	Yield adjustments*	29.6% to 75.1% (59.0%)
Thailand, Bangkok	29,760	Market value approach	Yield adjustments*	9.0%
Morocco	13,167	Market value approach	Yield adjustments*	11.0% to 12.0%
Seychelles	12,304	Discounted cash flow	Long-term revenue growth rate	3.5%
			Discount rate	13.5%
			10 years operating income	USD3.2 million to USD7.1 million (USD5.7 million)
Seychelles	569	Income capitalisation	Capitalisation rate	11.2%
			5 years average income	USD191,500

46. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements* (continued)

Description	Fair value at 31 December 2014 $'000	Valuation techniques	Unobservable inputs	Range (weighted average)
Recurring fair value measurements				
Property, plant and equipment: (continued)				
Freehold buildings				
Singapore	5,419	Market value approach	Yield adjustments*	15.0% to 20.0%
Thailand, Phuket	93,745	Fair value approach	Standard construction cost per Sq meter	Baht 468 to Baht 35,000 per Sq meter (Baht 11,258)
Thailand, Bangkok	49,483	Fair value approach	Standard construction cost per Sq meter	Baht 1,000 to Baht 45,000 per Sq meter (Baht 21,560)
Morocco	7,833	Market value approach	Yield adjustments*	11.0% to 12.0%
Seychelles	45,555	Discounted cash flow	Long-term revenue growth rate	3.5%
			Discount rate	13.5%
			10 years operating income	USD3.2 million to USD7.1 million (USD5.7 million)
Seychelles	1,527	Income capitalisation	Capitalisation rate	11.2%
			5 years average income	USD191,500

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

Significant increases/(decreases) in net cash flow, estimated operating income (p.a.), average income, standard construction cost, and revenue growth rate in isolation would result in a significantly higher/(lower) fair value measurement.

Significant increases/(decreases) in discount rate, capitalisation rate and yield adjustment in isolation would result in a significantly lower/(higher) fair value measurement.

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46. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

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

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

	Fair value measurements using significant unobservable inputs (Level 3)				
	Property, plant and equipment				
	Freehold land				
GROUP 2015	**Singapore $'000**	**Morocco $'000**	**Seychelles $'000**	**Thailand, Phuket $'000**	**Thailand, Bangkok $'000**
Opening balance	**44,454**	**13,167**	**12,873**	**205,598**	**29,760**
Total gains or losses for the period					
– Included in profit or loss	**–**	**–**	**–**	**–**	**–**
– Included in other comprehensive income	**–**	**–**	**55**	**–**	**–**
Purchases, issues, sales and settlements					
– Purchases	**–**	**–**	**–**	**–**	**–**
– Sales	**–**	**–**	**–**	**(7)**	**–**
– Transferred from property development costs	**–**	**–**	**–**	**1,986**	**–**
– Transferred from construction-in-progress	**–**	**–**	**–**	**–**	**–**
Depreciation	**–**	**–**	**–**	**–**	**–**
Exchange differences	**–**	**(206)**	**809**	**(5,194)**	**(744)**
Closing balance	**44,454**	**12,961**	**13,737**	**202,383**	**29,016**
GROUP 2014					
Opening balance	36,550	13,456	12,337	200,458	29,016
Transferred in from Level 2	–	–	–	–	–
Total gains or losses for the period					
– Included in profit or loss	–	–	–	–	–
– Included in other comprehensive income	7,904	–	–	–	–
Purchases, issues, sales and settlements					
– Purchases	–	–	–	–	–
– Sales	–	–	–	–	–
– Transferred from property development costs	–	–	–	–	–
– Transferred from construction-in-progress	–	–	–	–	–
Depreciation	–	–	–	–	–
Exchange differences	–	(289)	536	5,140	744
Closing balance	44,454	13,167	12,873	205,598	29,760

Fair value measurements using significant unobservable inputs (Level 3)											
Property, plant and equipment					Investment properties					Available-for-sale	
Freehold buildings					Freehold land			Freehold buildings		Equity shares (unquoted)	
Singapore $'000	Morocco $'000	Seychelles $'000	Thailand, Phuket $'000	Thailand, Bangkok $'000	Seychelles $'000	Thailand, Phuket $'000	Northern Thailand $'000	Thailand, Phuket $'000	Thailand, Bangkok $'000	Vietnam $'000	Total $'000
5,419	**7,833**	**47,082**	**93,745**	**49,483**	**22,548**	**8,731**	**6,345**	**1,579**	**27,836**	**54,655**	**631,108**
–	**–**	**–**	**–**	**–**	**(59)**	**–**	**–**	**303**	**(425)**	**–**	**(181)**
–	**–**	**4,992**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(6,188)**	**(1,141)**
–	**36**	**–**	**196**	**–**	**–**	**–**	**–**	**377**	**84**	**–**	**693**
–	**–**	**(252)**	**(38)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(297)**
–	**–**	**–**	**10,120**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**12,106**
–	**–**	**–**	**1,255**	**449**	**–**	**–**	**–**	**–**	**–**	**–**	**1,704**
(176)	**(179)**	**(1,429)**	**(2,854)**	**(1,942)**	**–**	**–**	**–**	**–**	**–**	**–**	**(6,580)**
–	**(131)**	**2,993**	**(3,098)**	**(1,196)**	**1,413**	**(218)**	**(159)**	**(57)**	**(686)**	**1,823**	**(4,651)**
5,243	**7,559**	**53,386**	**99,326**	**46,794**	**23,902**	**8,513**	**6,186**	**2,202**	**26,809**	**50,290**	**632,761**
4,831	8,197	45,377	91,415	50,283	–	7,785	6,180	1,321	27,639	52,660	587,505
–	–	–	–	–	17,752	–	–	–	–	–	17,752
–	–	–	–	–	3,864	728	3	219	(789)	–	4,025
759	–	–	–	–	–	–	–	–	–	–	8,663
–	11	17	1,235	–	–	–	3	–	–	–	1,266
–	–	–	(1)	–	–	–	–	–	–	–	(1)
–	–	–	1,113	–	–	–	–	–	–	–	1,113
–	–	978	357	–	–	–	–	–	290	–	1,625
(171)	(184)	(1,262)	(2,271)	(2,037)	–	–	–	–	–	–	(5,925)
–	(191)	1,972	1,897	1,237	932	218	159	39	696	1,995	15,085
5,419	7,833	47,082	93,745	49,483	22,548	8,731	6,345	1,579	27,836	54,655	631,108

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46. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

(ii) *Movements in Level 3 assets and liabilities measured at fair value* (continued)

Transfers between fair value hierarchy

Transfers into Level 3

During the financial year ended 31 December 2014, the Group transferred investment properties in Seychelles from Level 2 to Level 3 of the fair value hierarchy. The carrying amount of the total assets transferred was $17,752,000.

The reason for the transfer from Level 2 to Level 3 is that significant inputs to the valuation models for the investment properties ceased to be observable. Prior to the transfer, the fair value of the investment properties were determined using observable market transactions for the same or similar properties. Since the transfer, the investment properties have been valued using valuation models incorporating significant non market-observable inputs.

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

	Fair value measurements using significant unobservable inputs (Level 3)								
	Property, plant and equipment		Investment properties					Available-for-sale	
	Freehold land	Freehold buildings	Freehold land			Freehold buildings		Equity shares (unquoted)	
GROUP 2015	Seychelles $'000	Seychelles $'000	Seychelles $'000	Thailand, Phuket $'000	Northern Thailand $'000	Thailand, Phuket $'000	Thailand, Bangkok $'000	Vietnam $'000	Total $'000
Total gains or losses for the period included in profit or loss:									
– Other income									
Net gain/(loss) from fair value adjustment of investment properties	–	–	(59)	–	–	303	(425)	–	(181)
Other comprehensive income:									
– Net surplus on revaluation of land and buildings	55	4,992	–	–	–	–	–	–	5,047
– Net loss on fair value adjustment of available-for-sale financial assets	–	–	–	–	–	–	–	(6,188)	(6,188)
	55	4,992	–	–	–	–	–	(6,188)	(1,141)

46. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

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

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

	Fair value measurements using significant unobservable inputs (Level 3)							
	Property, plant and equipment		Investment properties					
	Freehold land	Freehold buildings	Freehold land			Freehold buildings		
GROUP 2014	Singapore $'000	Singapore $'000	Seychelles $'000	Thailand, Phuket $'000	Northern Thailand $'000	Thailand, Phuket $'000	Thailand, Bangkok $'000	Total $'000
Total gains or losses for the period included in profit or loss:								
– Other income								
Net gain/(loss) from fair value adjustment of investment properties	–	–	3,864	728	3	219	(789)	4,025
Other comprehensive income:								
– Net surplus on revaluation of land and buildings	7,904	759	–	–	–	–	–	8,663

(iii) Valuation policies and procedures

The Group Chief Financial Officer ("CFO"), who is assisted by Vice President, Corporate Finance (collectively referred to as the "CFO office") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the CFO office reports to the Group's Audit and Risk Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and FRS 113 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

Notes to the Financial Statements

for the financial year ended 31 December 2015

46. Fair value of assets and liabilities (continued)

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

		COMPANY	
		Fair value measurements at the end of the reporting period using	
	Note	Quoted prices in active markets for identical assets (Level 1) $'000	Carrying amount $'000
2015			
Assets			
Subsidiaries	16	**85,058**	**71,619**
2014			
Assets			
Subsidiaries	16	108,585	71,619

(f) Assets and liabilities not carried at fair value and whose carrying amounts are reasonable approximation of fair values

Management has determined that the carrying amounts of cash and short-term deposits, current trade and other receivables, current amounts due to and from subsidiaries, associates and related parties, and current trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are short-term in nature or are repriced frequently.

Long-term trade receivables, investment securities, notes payable, interest-bearing loans and borrowings and deferred cash settlement classified within other payables carry interest which approximates market interest rate. Accordingly, their notional amounts approximate their fair values.

(g) Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair values

Fair value information has not been disclosed for the Group's financial instruments not carried at fair value and whose carrying amounts are not reasonable approximation of fair values, because the fair values cannot be measured reliably.

The loans due from subsidiaries and third parties (classified within non-current assets) have no repayment terms and are repayable only when the cash flows of the borrowers permit. The non-current deposits classified within non-current assets have no terms of maturity. Accordingly, management is of the view that the fair values of these loans and deposits cannot be determined reliably as the timing of the future cash flows arising from the loans and deposits cannot be estimated reliably.

Fair value information has not been disclosed for the Group's investment in unquoted equity shares that are carried at cost because fair value cannot be measured reliably. These unquoted equity shares represent ordinary shares in companies that are not quoted on any markets and do not have comparable industry peers that are listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant.

46. Fair value of assets and liabilities (continued)

(h) Classification of financial instruments

Set out below is a comparison by category of carrying amounts of all the Group's and Company's financial instruments that are carried in the financial statements:

Group	Note	Loans and receivables $'000	Available-for-sale $'000	Held-to-maturity $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2015						
Non-current assets						
Property, plant and equipment	12	–	–	–	657,348	657,348
Investment properties	13	–	–	–	67,612	67,612
Intangible assets	14	–	–	–	34,965	34,965
Land use rights	15	–	–	–	11,411	11,411
Associates	17	–	–	–	160	160
Long-term investments	18	–	106,750	–	–	106,750
Deferred tax assets	37	–	–	–	18,276	18,276
Prepaid island rental	19	–	–	–	22,995	22,995
Prepayments		–	–	–	3,447	3,447
Long-term trade receivables	20	31,117	–	–	–	31,117
Other receivables	21	4,722	–	–	–	4,722
		35,839	106,750	–	816,214	958,803
Current assets						
Property development costs	23	–	–	–	335,823	335,823
Inventories	24	–	–	–	10,573	10,573
Prepayments and other non-financial assets	25	–	–	–	20,809	20,809
Trade receivables	26	66,226	–	–	–	66,226
Other receivables	27	13,889	–	–	–	13,889
Amounts due from associates	29	38	–	–	–	38
Amounts due from related parties	30	18,642	–	–	–	18,642
Investment securities	22	–	–	2,512	–	2,512
Cash and short-term deposits	31	165,663	–	–	–	165,663
		264,458	–	2,512	367,205	634,175
Total assets		300,297	106,750	2,512	1,183,419	1,592,978

Notes to the Financial Statements

for the financial year ended 31 December 2015

46. Fair value of assets and liabilities (continued)

(h) Classification of financial instruments (continued)

GROUP	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Total $'000
Year ended 31 December 2015				
Current liabilities				
Tax payable		–	**8,683**	**8,683**
Unearned income		–	**8,747**	**8,747**
Other non-financial liabilities	32	–	**41,385**	**41,385**
Interest-bearing loans and borrowings	33	**89,750**	–	**89,750**
Trade payables		**24,186**	–	**24,186**
Other payables	35	**41,069**	–	**41,069**
Amounts due to associates	29	**32**	–	**32**
Amounts due to related parties	30	**1,102**	–	**1,102**
		156,139	**58,815**	**214,954**
Non-current liabilities				
Deferred income	36	–	**8,654**	**8,654**
Deferred tax liabilities	37	–	**97,823**	**97,823**
Defined and other long-term employee benefits	38	–	**3,055**	**3,055**
Deposits received		–	**1,699**	**1,699**
Other non-financial liabilities		–	**3,844**	**3,844**
Interest-bearing loans and borrowings	33	**171,144**	–	**171,144**
Notes payable	34	**391,772**	–	**391,772**
Other payables		**572**	–	**572**
		563,488	**115,075**	**678,563**
Total liabilities		**719,627**	**173,890**	**893,517**

46. Fair value of assets and liabilities (continued)

(h) Classification of financial instruments (continued)

GROUP	Note	Loans and receivables $'000	Available-for-sale $'000	Held-to-maturity $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2014						
Non-current assets						
Property, plant and equipment	12	–	–	–	645,926	645,926
Investment properties	13	–	–	–	67,039	67,039
Intangible assets	14	–	–	–	33,122	33,122
Land use rights	15	–	–	–	12,553	12,553
Associates	17	–	–	–	303	303
Long-term investments	18	–	103,596	–	–	103,596
Deferred tax assets	37	–	–	–	5,556	5,556
Prepaid island rental	19	–	–	–	22,845	22,845
Prepayments		–	–	–	3,893	3,893
Long-term trade receivables	20	27,013	–	–	–	27,013
Other receivables	21	6,831	–	–	–	6,831
Investment securities	22	–	–	2,546	–	2,546
		33,844	103,596	2,546	791,237	931,223
Current assets						
Property development costs	23	–	–	–	259,581	259,581
Inventories	24	–	–	–	11,636	11,636
Prepayments and other non-financial assets	25	–	–	–	17,753	17,753
Trade receivables	26	74,650	–	–	–	74,650
Other receivables	27	16,283	–	–	–	16,283
Amounts due from associates	29	98	–	–	–	98
Amounts due from related parties	30	13,747	–	–	–	13,747
Investment securities	22	–	–	761	–	761
Cash and short-term deposits	31	169,265	–	–	–	169,265
		274,043	–	761	288,970	563,774
Total assets		307,887	103,596	3,307	1,080,207	1,494,997

Notes to the Financial Statements

for the financial year ended 31 December 2015

46. Fair value of assets and liabilities (continued)

(h) Classification of financial instruments (continued)

GROUP	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Total $'000
Year ended 31 December 2014				
Current liabilities				
Tax payable		–	8,250	8,250
Unearned income		–	11,372	11,372
Other non-financial liabilities	32	–	55,097	55,097
Interest-bearing loans and borrowings	33	70,638	–	70,638
Trade payables		21,697	–	21,697
Other payables	35	50,586	–	50,586
Amounts due to associates	29	4	–	4
Amounts due to related parties	30	504	–	504
		143,429	74,719	218,148
Non-current liabilities				
Deferred income	36	–	9,224	9,224
Deferred tax liabilities	37	–	87,082	87,082
Defined and other long-term employee benefits	38	–	2,601	2,601
Deposits received		–	1,670	1,670
Other non-financial liabilities		–	3,490	3,490
Interest-bearing loans and borrowings	33	156,353	–	156,353
Notes payable	34	291,593	–	291,593
Other payables		532	–	532
		448,478	104,067	552,545
Total liabilities		591,907	178,786	770,693

46. Fair value of assets and liabilities (continued)

(h) Classification of financial instruments (continued)

COMPANY	Note	Loans and receivables $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2015				
Non-current assets				
Property, plant and equipment	12	–	6	6
Intangible assets	14	–	2,524	2,524
Subsidiaries	16	317,626	183,769	501,395
Associates	17	–	869	869
		317,626	187,168	504,794
Current assets				
Prepayments and other non-financial assets	25	–	160	160
Other receivables	27	147	–	147
Amounts due from subsidiaries	28	198,317	–	198,317
Cash and short-term deposits	31	69,121	–	69,121
		267,585	160	267,745
Total assets		585,211	187,328	772,539

COMPANY	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Total $'000
Year ended 31 December 2015				
Current liabilities				
Other non-financial liabilities	32	–	462	462
Interest-bearing loans and borrowings	33	32,608	–	32,608
Other payables	35	5,170	–	5,170
Amounts due to subsidiaries	28	50,812	–	50,812
		88,590	462	89,052
Non-current liabilities				
Interest-bearing loans and borrowings	33	30,179	–	30,179
Notes payable	34	391,772	–	391,772
		421,951	–	421,951
Total liabilities		510,541	462	511,003

Notes to the Financial Statements

for the financial year ended 31 December 2015

46. Fair value of assets and liabilities (continued)

(h) Classification of financial instruments (continued)

COMPANY	Note	Loans and receivables $'000	Non-financial assets $'000	Total $'000
Year ended 31 December 2014				
Non-current assets				
Property, plant and equipment	12	–	15	15
Intangible assets	14	–	2,364	2,364
Subsidiaries	16	234,800	183,918	418,718
Associates	17	–	869	869
		234,800	187,166	421,966
Current assets				
Prepayments and other non-financial assets	25	–	225	225
Trade receivables	26	785	–	785
Other receivables	27	228	–	228
Amounts due from subsidiaries	28	173,787	–	173,787
Amounts due from related parties	30	2	–	2
Cash and short-term deposits	31	58,268	–	58,268
		233,070	225	233,295
Total assets		467,870	187,391	655,261

COMPANY	Note	Liabilities at amortised cost $'000	Non-financial liabilities $'000	Total $'000
Year ended 31 December 2014				
Current liabilities				
Tax payable		–	17	17
Unearned income		–	112	112
Other non-financial liabilities	32	–	262	262
Interest-bearing loans and borrowings	33	2,608	–	2,608
Other payables	35	11,328	–	11,328
Amounts due to subsidiaries	28	59,550	–	59,550
		73,486	391	73,877
Non-current liabilities				
Interest-bearing loans and borrowings	33	62,787	–	62,787
Notes payable	34	291,593	–	291,593
		354,380	–	354,380
Total liabilities		427,866	391	428,257

47. Segment information

For management purposes, the Group is organised into business units based on the nature of products and services provided, with each reportable operating segment representing strategic business units that offers different products and serves different markets. The reportable operating segments are as follows:

The Hotel Investments Segment relates to hotel and restaurant operations.

The Property Sales Segment comprises hotel residences, Laguna property sales and development project/site sales. Hotel residences business relates to the sale of hotel villas or suites which are part of hotel operations, to investors under a compulsory leaseback scheme. Laguna property sales business relates to the development and sale of properties which are standalone vacation homes in Laguna Phuket. Development project/site sales relates to pure development land sales or development land sales which are fully or partially developed with infrastructure.

The Fee-based Segment comprises the management of hotels and resorts, the management of an asset-backed destination club, the management of private-equity funds, the management and operation of spas, the sales of merchandise, the provision of architectural and design services, the management and ownership of golf courses, and rental of retail outlets and offices.

The Head Office Segment relates to expenses incurred by corporate office.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained below, is measured differently from operating profit or loss in the consolidated financial statements.

Geographical information

Revenue derived from management of hotels and resorts, and provision of architectural and design services are reported based on the geographical location of the Group's customers while all other revenue streams are based on the geographical location of the Group's assets. Non-current assets are based on the geographical location of the Group's assets.

The South East Asia segment comprises countries such as Thailand, Indonesia, Malaysia and Vietnam.

The Indian Oceania segment comprises countries such as Seychelles, Maldives, Sri Lanka and India.

The Middle East segment comprises countries such as Dubai, Egypt and UAE.

The North East Asia segment comprises countries such as China, Japan, Hong Kong and Macau.

The rest of the world segment comprises countries such as Australia, New Zealand, Guam, Morocco, West Indies, Americas and Europe.

Allocation basis and transfer pricing

Segments' results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Income taxes are managed on a group basis and are not allocated to operating segments. Unallocated income comprises of other sources of income which are not directly attributable to the identified operating segments.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Segment accounting policies are the same as the policies of the Group as described in Note 2. The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Notes to the Financial Statements

for the financial year ended 31 December 2015

47. Segment information (continued)

Information about major customers

There is no concentration of revenue derived from any one single customer for both years ended 31 December 2015 and 2014.

(a) Operating segments

The following tables present revenue and results information regarding the Group's reportable operating segments for the years ended 31 December 2015 and 2014:

	Hotel Investments $'000	Property Sales $'000	Fee-based Segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2015					
Revenue:					
Segment revenue					
Sales	**197,063**	**94,210**	**123,893**	**–**	**415,166**
Inter-segment sales	**(374)**	**–**	**(44,104)**	**–**	**(44,478)**
Sales to external customers	**196,689**	**94,210**	**79,789**	**–**	**370,688**
Results:					
Segment results	**(432)**	**14,691**	**(2,106)**	**(12,201)**	**(48)**
Unallocated income					**6,350**
Profit from operations and other gains					**6,302**
Finance income	**231**	**831**	**134**	**1,155**	**2,351**
Finance costs	**(5,485)**	**(2,166)**	**(658)**	**(19,774)**	**(28,083)**
Share of results of associates	**–**	**–**	**41**	**(76)**	**(35)**
Loss before taxation					**(19,465)**
Income tax expense					**(6,495)**
Loss for the year					**(25,960)**

	Hotel Investments $'000	Property Sales $'000	Fee-based Segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2014					
Revenue:					
Segment revenue					
Sales	204,352	32,361	139,110	–	375,823
Inter-segment sales	(416)	–	(48,041)	–	(48,457)
Sales to external customers	203,936	32,361	91,069	–	327,366
Results:					
Segment results	19,533	(1,054)	17,077	(15,568)	19,988
Unallocated income					9,193
Profit from operations and other gains					29,181
Finance income	1,081	793	1,098	430	3,402
Finance costs	(5,921)	(1,871)	(682)	(16,977)	(25,451)
Share of results of associates	–	–	27	4	31
Profit before taxation					7,163
Income tax expense					(6,564)
Profit for the year					599

47. Segment information (continued)

(a) Operating segments (continued)

The following tables present certain assets, liabilities and other information regarding the Group's reportable operating segments for the years ended 31 December 2015 and 2014:

	Hotel Investments $'000	Property Sales $'000	Fee-based Segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2015					
Assets and liabilities:					
Segment assets	700,119	435,569	236,640	202,214	1,574,542
Associates	1	–	159	–	160
Deferred tax assets	8,505	7,480	2,199	92	18,276
Total assets					1,592,978
Segment liabilities	50,584	41,479	35,259	7,023	134,345
Interest-bearing loans and borrowings	123,095	68,675	6,337	62,787	260,894
Notes payable	–	–	–	391,772	391,772
Current and deferred tax liabilities	63,730	34,173	8,027	576	106,506
Total liabilities					893,517
Other segment information:					
Capital expenditure	21,871	12	1,130	456	23,469
Depreciation of property, plant and equipment	18,286	420	2,724	396	21,826
Amortisation expense	2,455	–	–	427	2,882
Other non-cash items	288	(61)	10,843	343	11,413

Notes to the Financial Statements

for the financial year ended 31 December 2015

47. Segment information (continued)

(a) Operating segments (continued)

	Hotel Investments $'000	Property Sales $'000	Fee-based Segment $'000	Head Office $'000	Total $'000
Year ended 31 December 2014					
Assets and liabilities:					
Segment assets	688,104	342,021	283,490	175,523	1,489,138
Associates	2	–	132	169	303
Deferred tax assets	3,542	850	1,129	35	5,556
Total assets					1,494,997
Segment liabilities	54,030	49,480	39,736	13,531	156,777
Interest-bearing loans and borrowings	124,335	21,147	16,115	65,394	226,991
Notes payable	–	–	–	291,593	291,593
Current and deferred tax liabilities	61,607	23,095	9,042	1,588	95,332
Total liabilities					770,693
Other segment information:					
Capital expenditure	14,992	3,448	1,143	142	19,725
Depreciation of property, plant and equipment	16,907	280	2,104	229	19,520
Amortisation expense	2,350	–	–	–	2,350
Other non-cash items	743	–	2,828	(342)	3,229

(b) Geographical information

The following tables present revenue information based on the geographical location of customers or resorts and non-current assets information based on the geographical location of assets:

	Revenue		Non-current assets	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Singapore	**307**	617	**78,416**	79,550
South East Asia	**247,127**	180,329	**484,156**	478,850
Indian Oceania	**74,930**	83,523	**137,173**	130,888
Middle East	**2,322**	7,316	**–**	13
North East Asia	**38,938**	48,445	**75,240**	72,675
Rest of the world	**7,064**	7,136	**22,953**	23,705
	370,688	327,366	**797,938**	785,681

Non-current assets information presented above consist of property, plant and equipment, investment properties, intangible assets, land use rights, associates, prepaid island rental and prepayments as presented in the consolidated balance sheet.

48. Dividends

	COMPANY	
	2015 $'000	**2014 $'000**
Declared and paid during the financial year:		
Dividends on ordinary shares:		
– Final exempt (one-tier) dividend for 2014: 0.13 cent (2013: 1.00 cent) per share	**989**	7,600
Proposed but not recognised as a liability as at 31 December		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
– Final exempt (one-tier) dividend for 2015: Nil cent (2014: 0.13 cent) per share	**–**	988

49. Authorisation of financial statements

The financial statements for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Directors on 16 March 2016.

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Tel : +66 76 372 400
Fax : +66 76 324 375
phuket@banyantree.com

Amadeus	- BY HKT887
Galileo	- BY 12654
Sabre	- BY 177
Worldspan	- BY 1887

Banyan Tree Spa Sanctuary
33, 33/27 Moo 4 Srisoonthorn Road
Cherngtalay, Amphur Talang
Phuket 83110
Thailand
Tel : +66 76 372 400
Fax : +66 76 324 375
phuket@banyantree.com

Amadeus	- BY HKT887
Galileo	- BY 12654
Sabre	- BY 177
Worldspan	- BY 1887

DoublePool Villas by Banyan Tree
33, 33/27 Moo 4
Srisoonthorn Road
Cherngtalay, Amphur Talang
Phuket 83110
Thailand
Tel : +66 76 372 400
Fax : +66 76 324 375
phuket@banyantree.com

Amadeus	- BY HKT887
Galileo	- BY 12654
Sabre	- BY 177
Worldspan	- BY 1887

Banyan Tree Ringha
Hong Po Village
Jian Tang Town
Shangrila County
Diqing Tibetan Autonomous
Prefecture
Yunnan Province 674400
People's Republic of China
Tel : +86 887 828 8822
Fax : +86 887 828 8911
ringha@banyantree.com

Amadeus	- BY KMGBTR
Galileo	- BY 14853
Sabre	- BY 7158
Worldspan	- BY KMGBT

Banyan Tree Samui
99/9 Moo 4, Maret, Samui
Surat Thani 84310
Thailand
Tel : +66 77 915 333
Fax : +66 77 915 388
samui@banyantree.com

Amadeus	- BY USMBTS
Galileo	- BY 62546
Sabre	- BY 12424
Worldspan	- BY USMBT

Banyan Tree Sanya
Luhuitou Bay
No. 6 Luling Road
Sanya, Hainan Province
People's Republic of China
Tel : +86 898 8860 9988
Fax : +86 898 8860 1188
sanya@banyantree.com

Amadeus	- BY SYXBTT
Galileo	- BY 81509
Sabre	- BY 79610
Worldspan	- BY SYXBT

Worldwide Resorts

Banyan Tree Shanghai
On The Bund
19 Gong Ping Road
Hongkou District, Shanghai 200082
People's Republic of China
Tel : +86 212 509 1188
Fax: +86 212 509 1199
shanghaionthebund@banyantree.com

Amadeus	- BY SHASTB
Galileo	- BY 52477
Sabre	- BY 166891
Worldspan	- BY TCN80

Banyan Tree Tianjin Riverside
34 Haihe East Road,
Hebei District
Tianjin
People's Republic of China
Tel : +86 225 861 9999
Fax: +86 225 861 9998
tianjinriverside@banyantree.com

Amadeus	- BY TSNTIA
Galileo	- BY 50809
Sabre	- BY 168407
Worldspan	- BY TSNTR

Banyan Tree Ungasan
Jl. Melasti, Banjar Kelod
Ungasan, Bali 80364
Indonesia
Tel : +62 361 300 7000
Fax: +62 361 300 7777
ungasan@banyantree.com

Amadeus	- BY DPSBTU
Galileo	- BY 71042
Sabre	- BY 58289
Worldspan	- BY DPSBT

Banyan Tree Yangshuo
8 Yang Jia Cun, Fu Li Town Yangshuo,
Guangxi Province 541905
People's Republic of China
Tel : + 86 773 894 2022
reservations-yangshuo@banyantree.com

Amadeus	- BY KULBTY
Galileo	- BY B0865
Sabre	- BY 271059
Worldspan	- BY BTCNY

Middle East

RAK Beach
Al Jazirah
Al Hamra Beach Resort LLC
P.O. Box 35288
Ras Al Khaimah, UAE

Amadeus	- BY RKTRAK
Galileo	- BY 9388
Sabre	- BY 174678
Worldspan	- BY RKTRB

RAK Al Wadi LLC
Al Mazraa, P.O. Box 35288
Ras Al Khaimah, UAE
Tel : +971 7206 7777
Fax: +971 7243 5000
reservations-alwadi@banyantree.com

Amadeus	- BY RKTBTA
Galileo	- BY 78602
Sabre	- BY 59603
Worldspan	- BY RKTBT

South Asia

Banyan Tree Vabbinfaru
Vabbinfaru Island
North Malé Atoll
Republic of Maldives
Tel : +960 664 3147
Fax : +960 664 3843
vabbinfaru@banyantree.com

Amadeus	- BY MLE896
Galileo	- BY 12644
Sabre	- BY 39760
Worldspan	- BY 1896

ANGSANA HOTELS & RESORTS

Africa

Angsana Balaclava Mauritius
Turtle Bay
Balaclava
Republic of Mauritius
Tel : +230 204 1888
Fax: +230 204 1862
balaclava@angsana.com

Amadeus	- BY MRUABB
Galileo	- BY 57595
Sabre	- BY 143709
Worldspan	- BY MRUAB

Angsana Riads Collection
Morocco
Riad Dar Zaouia
N1 Riad Zitoun Jdid Derb
NaKouss Derb Zaouia
40000 Marrakech
Morocco
Tel : +212 524 388 905/6
Fax: +212 524 386 611
marrakech@angsana.com

Amadeus	- BY RAKANN
Galileo	- BY 13790
Sabre	- BY 81704
Worldspan	- BY RAKAN

Angsana Riads Dar Zaouia
N.1 Riad Zitoun Jdid-Medina
Derb NaKouss Derb Zaouia
40000 Marrakech
Morocco

Amadeus	- BY RAKANN
Galileo	- BY 13790
Sabre	- BY 81704
Worldspan	- BY RAKAN

Angsana Riad Bab Firdaus
N. 57-58 Rue de la Bahia
Riad Zitoun Jdid, Medina
40000 Marrakech
Morocco

Amadeus	- BY RAKANN
Galileo	- BY 13790
Sabre	- BY 81704
Worldspan	- BY RAKAN

Angsana Riad Blanc
N. 25 Derb Si Said
Riad Zitoun Jdid, Medina
40000 Marrakech
Morocco

Amadeus - BY RAKANN
Galileo - BY 13790
Sabre - BY 81704
Worldspan - BY RAKAN

Angsana Riad Lydines
N. 45 Derb Abda, Kasbah
40000 Marrakech
Morocco

Amadeus - BY RAKANN
Galileo - BY 13790
Sabre - BY 81704
Worldspan - BY RAKAN

Angsana Riad Si Said
N. 1-2-4 Derb Abbes El Fassi
Riad Zitoun Jdid, Medina
40000 Marrakech
Morocco

Amadeus - BY RAKANN
Galileo - BY 13790
Sabre - BY 81704
Worldspan - BY RAKAN

Angsana Riad Tiwaline
N. 10 Derb El Arsa
Riad Zitoun Jdid, Medina
40000 Marrakech
Morocco

Amadeus - BY RAKANN
Galileo - BY 13790
Sabre - BY 81704
Worldspan - BY RAKAN

Asia Pacific

Angsana Bintan
Jalan Teluk Berembang
Laguna Bintan Resort
Lagoi 29155
Bintan Resorts
Indonesia
Tel : +62 770 693 111
Fax : +62 770 693 222
reservations-bintan@angsana.com

Amadeus - BY SINANG
Galileo - BY 11741
Sabre - BY 55936
Worldspan - BY 80378

Angsana Fuxian Lake
No 8 Huanhu Beilu
Chengjiang
Yunnan Province 652500
People's Republic of China
Tel : +86 877 681 8888
Fax : +86 877 681 8889
fuxianlake@angsana.com

Amadeus - BY KMGAFL
Galileo - BY 16394
Sabre - BY 127890
Worldspan - BY KMGAF

Angsana Hangzhou
8 Westbrook Resort
Zijingang Road
Hangzhou
Zhejiang Province 310030
People's Republic of China
Tel : +86 571 8500 2000
Fax : +86 571 8500 2111
hangzhou@angsana.com

Amadeus - BY HGHAHH
Galileo - BY 33066
Sabre - BY 142420
Worldspan - BY HGHAH

Angsana Laguna Phuket
10 Moo 4 Srisoonthorn Road
Cherngtalay, Amphur Talang
Phuket 83110
Thailand
Tel : +66 76 324 101
Fax : +66 76 324 108
reservations-lagunaphuket@angsana.com

Amadeus - BY HKTALP
Galileo - BY 69833
Sabre - BY 33348
Worldspan - BY HKTAL

Angsana Lăng Cô, Central Vietnam
Cu Du Village,
Loc Vinh Commune,
Phu Loc District,
Thua Thien Hue Province,
Vietnam
Tel : +84 54 3695 800
Fax : +84 54 3695 900
langco@angsana.com

Amadeus - BY DADALL
Galileo - BY 58225
Sabre - BY 165714
Worldspan - BY DADAL

Angsana Tengchong •
Hot Spring Village
Mayugu International Hot
Springs Resort
Beihai Town, Tengchong County
Yunnan Province 679100
People's Republic of China
Tel : +86 875 899 9888
Fax : +86 875 899 8999
tengchong@angsana.com

Amadeus - BY BSOANG
Galileo - BY 32883
Sabre - BY 185650
Worldspan - BY TCZAN

Worldwide Resorts

Angsana Xi'an Lintong
No. 8 East Yuechun Road
Lintong District, Xi'an
Shaanxi Province 710600
People's Republic of China
Tel : +86 029 8387 8888
Fax: +86 029 8387 6666
reservations-xianlintong@angsana.com

Amadeus	- BY 81AANG
Galileo	- BY B6121
Sabre	- BY 284134
Worldspan	- BY ANCNX

South Asia

Angsana Bangalore
Northwest Country
Main Doddaballapur Road
Rajankunte
Bangalore 560064
India
Tel : +91 80 2846 8892
Fax: +91 80 2846 8897
bangalore@angsana.com

Amadeus	- WV BLRAOS
Galileo	- WV 69850
Sabre	- WV 34458
Worldspan	- WV BLRAO

Angsana Ihuru
North Malé Atoll
Republic of Maldives
Tel : +960 664 3502
Fax: +960 664 5933
ihuru@angsana.com

Amadeus	- WW MLEANG
Galileo	- WW 37922
Sabre	- WW 60405
Worldspan	- WW MLEIH

Angsana Velavaru
South Nilandhe Atoll
(Dhaalu Atoll)
Republic of Maldives
Tel : +960 676 0028
Fax: +960 676 0029
velavaru@angsana.com

Amadeus	- BY MLEANN
Galileo	- BY 13765
Sabre	- BY 74305
Worldspan	- BY MLEAN

ANGSANA AFFILIATED HOTELS

Asia Pacific

Maison Souvannaphoum Hotel
Rue Chao Fa Ngum
Ban Thatluang, PO Box 741
Luang Prabang
Laos
People's Democratic Republic
Tel : +856 71 254 609
Fax: +856 71 212 577
maison@angsana.com

Amadeus	- BY LPQMSH
Galileo	- BY 20916
Sabre	- BY 38056
Worldspan	- BY VTEMS

CASSIA HOTELS & RESORTS

Asia Pacific

Cassia Phuket
Moo 4 Tambon, Srisoonthorn Road
Cherngtalay, Amphur Talang
Phuket 83110, Thailand
Tel : +66 76 35 6999
reservations-phuket@cassia.com

Amadeus	- BY HKTCAT
Galileo	- BY B6859
Sabre	- BY 284831
Worldspan	- BY CATHP

Worldwide Offices

CORPORATE OFFICE

BANYAN TREE

Group Marketing Service
211 Upper Bukit Timah Road
Singapore 588182
Tel : +65 6849 5888
Fax: +65 6462 2800
corporate@banyantree.com

WORLDWIDE SALES

Americas

United States – Los Angeles
Tel : +18 05 212 8148
sales-losangeles@banyantree.com

United States – New York
Tel : +18 32 542 3956
sales-newyork@banyantree.com

Asia Pacific

Australia
Tel : +61 29 411 5576
Fax: +61 29 279 0780
sales-sydney@banyantree.com

China - Beijing
Tel : +86 10 8515 1828
Fax: +86 10 8587 0308
sales-beijing@banyantree.com

China - Chengdu
Tel : +86 28 6606 7133
sales-chengdu@banyantree.com

China - Guangzhou
Tel : +86 20 2826 1896
Fax: +86 20 2826 1897
sales-guangzhou@banyantree.com

China - Shanghai
Tel : +86 21 6335 2929
Fax: +86 21 6335 0658
sales-shanghai@banyantree.com

Hong Kong
Tel : +852 2312 1815
Fax: +852 2314 4471
sales-hongkong@banyantree.com

Japan & Korea
Tel : +81 35 542 3511
Fax: +81 35 542 3512
sales-tokyo@banyantree.com

Taiwan
Tel : +88 62 2509 2368
Fax: +88 62 2509 2286
sales-taiwan@banyantree.com

Europe

Germany, Austria & Switzerland
Tel : +49 302 8873 2911
Fax: +43 676 7752 555
sales-germany@banyantree.com

Russia
Tel : +79 65 351 0226
sales-russia@banyantree.com

United Kingdom
Tel : +4420 7709 3032
sales-london@banyantree.com

TOLL-FREE NUMBERS

America

United States
Tel : 180 0591 0439

Mexico
Tel : 00 188 8213 4992

Other Countries
Tel : +140 7284 4284

Asia Pacific

Australia
Tel : 18 0005 0019

China
Tel : 400 921 9789

Hong Kong
Tel : 80 0903 881

Japan
Tel : 01 2077 8187

Singapore
Tel : 180 0232 5599

Other Countries
Tel : +65 6232 5505

Europe

Germany
Tel : 00 800 3002 0000

United Kingdom
Tel : 00 800 3002 0000

Other Countries
Tel : +49 69 6641 9608

Middle East

United Arab Emirates
Tel : 80 0065 0586

Worldwide Offices

CORPORATE OFFICE

ANGSANA

Group Marketing Service
211 Upper Bukit Timah Road
Singapore 588182
Tel : +65 6849 5796
Fax : +65 6463 2800
corporate@angsana.com

WORLDWIDE SALES

Americas

United States – Los Angeles
Tel : +18 05 212 8148
sales-losangeles@angsana.com

United States – New York
Tel : +18 32 542 3956
sales-newyork@angsana.com

Asia Pacific

Australia
Tel : +61 29 411 5576
Fax : +61 29 279 0780
sales-sydney@angsana.com

China - Beijing
Tel : +86 10 8515 1828
Fax : +86 10 8587 0308
sales-beijing@angsana.com

China - Chengdu
Tel : +86 28 6606 7133
sales-chengdu@angsana.com

China - Guangzhou
Tel : +86 20 2826 1896
Fax : +86 20 2826 1897
sales-guangzhou@angsana.com

China - Shanghai
Tel : +86 21 6335 2929
Fax : +86 21 6335 0658
sales-shanghai@angsana.com

Hong Kong
Tel : +852 2312 1815
Fax : +852 2314 4471
sales-hongkong@angsana.com

Japan & Korea
Tel : +81 35 542 3511
Fax : +81 35 542 3512
sales-tokyo@angsana.com

Taiwan
Tel : +88 62 2509 2368
Fax : +88 62 2509 2286
sales-taiwan@angsana.com

Europe

Germany, Austria & Switzerland
Tel : +43 676 7752 555
sales-germany@angsana.com

Russia
Tel : +79 65 351 0226
sales-russia@angsana.com

United Kingdom
Tel : +4420 7709 3032
sales-london@angsana.com

TOLL-FREE NUMBERS

America

United States
Tel : 180 0591 0439

Mexico
Tel : 00 188 8213 4992

Other Countries
Tel : +140 7284 4284

Asia Pacific

Australia
Tel : 18 0005 0019

China
Tel : 400 921 9567

Hong Kong
Tel : 80 0903 881

Japan
Tel : 01 2077 8187

Singapore
Tel : 180 0849 5788

Other Countries
Tel : +65 6232 5505

Europe

Germany
Tel : 00 800 3002 0000

United Kingdom
Tel : 00 800 3002 0000

Other Countries
Tel : +49 69 6641 9608

Middle East

United Arab Emirates
Tel : 80 0065 0586

Corporate Information

Board of Directors

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

Audit & Risk Committee

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

Nominating & Remuneration Committee

Chia Chee Ming Timothy *(Chairman)*
Elizabeth Sam
Chan Heng Wing

Management Team

Claire Chiang
Ho KwonCjan
Eddy See Hock Lye
Shankar Chandran
Dharmali Kusumadi
Des Pugson
Stuart Reading
Shelly Yeo
Hokan Limin
Timothy Cheong
Cindy Lee
Maximilian Lennkh
Foong Pohmun
Sachiko Shiina
Philip Lim
Kenneth Law
Kanruethai Roongruang
Gavin Herholdt
Alan Chin
Carolyn Zhang

Registered Address

Banyan Tree Holdings Limited
211 Upper Bukit Timah Road
Singapore 588182
Tel : +65 6849 5888
Fax : +65 6462 0186

Share Registrar

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

Auditor

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583

Partner in charge
(since financial year ended 31 December 2014)
Tan Chian Khong

Solicitors

WongPartnership LLP

Bankers

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

Company Secretary

Jane Teah
Tel : +65 6849 5886
Fax : +65 6462 0186
jane.teah@banyantree.com

Business Development

Jackson Tan
Tel: +65 6389 1381
Fax: +65 6462 0186
bd@banyantree.com

Group Sales & Marketing

211 Upper Bukit Timah Road
Singapore 588182
Tel : +65 6849 5888
Fax : +65 6462 9800
pr@banyantree.com

Statistics of Shareholdings

as at 16 March 2016

Share Capital

Issued and Paid-up Capital	$199,994,894
Class of Shares	Ordinary Shares
Voting Rights	One vote per share except for treasury shares

Distribution Of Shareholdings

Size of Shareholdings	No. of shareholders	%	No. of shares	%
1 – 99	18	0.59	515	0.00
100 – 1,000	406	13.27	378,975	0.05
1,001 - 10,000	1,794	58.65	9,548,324	1.25
10,001 - 1,000,000	823	26.90	42,116,846	5.54
1,000,001 AND ABOVE	18	0.59	708,677,120	93.16
Total	**3,059**	**100.00**	**760,721,780***	**100.00**

* The total number of issued shares excludes the 680,500 treasury shares. Percentage of 680,500 treasury shares against total number of issued shares (excluding treasury shares) is 0.09%.

Substantial Shareholders[1]

	Direct interests No. of shares	%[2]	Deemed interests No. of shares	%[2]
Ho KwonPing[3]	–	–	291,903,182	38.37
Claire Chiang[3]	–	–	291,903,182	38.37
Ho KwonCjan[4]	16,000,000	2.10	49,629,000	6.52
Bibace Investments Ltd[5]	–	–	285,103,182	37.48
Qatar Holding LLC[6]	–	–	205,870,443	27.06
Qatar Investment Authority[7]	–	–	205,870,443	27.06

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

2 Percentage shareholding is based on issued share capital as at 16 March 2016 (excluding treasury shares).

3 Ho KwonPing and Claire Chiang are each deemed to have an interest in the shares held by Recourse Investments Ltd., HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited (acting as nominees for Bibace Investments Ltd) and Raffles Nominees (Pte.) Limited (acting as nominee for KAP Holdings Ltd.).

4 Ho KwonCjan is deemed to have an interest in the Shares held by ICD (HK) Limited, Freesia Investments Ltd and Raffles Nominees (Pte.) Limited (acting as nominee for Li-Ho Holdings (Private) Limited).

5 Bibace Investments Ltd is deemed to have an interest in the Shares held by its nominees, HSBC (Singapore) Nominees Pte Ltd and Raffles Nominee (Pte.) Limited.

6 Qatar Holding LLC ("QH") is deemed to have an interest in the shares held through third party nominees.

7 Qatar Investment Authority is deemed to have an interest in the shares held by its wholly-owned subsidiary, QH.

Twenty Largest Shareholders (As shown in the Register of Members and Depository Register)

No.	Name	No. of Shares	%
1.	HSBC (Singapore) Nominees Pte Ltd	282,601,682	37.15
2.	DBSN Services Pte. Ltd.	236,072,943	31.03
3.	Citibank Nominees Singapore Pte Ltd	52,027,754	6.84
4.	BNP Paribas Nominees Singapore Pte Ltd	32,800,000	4.31
5.	ICD (HK) Limited	31,000,000	4.08
6.	Raffles Nominees (Pte) Limited	20,638,900	2.71
7.	Ho KwonCjan	16,000,000	2.10
8.	DBS Nominees (Private) Limited	10,360,715	1.36
9.	Freesia Investments Ltd	10,000,000	1.31
10.	Recourse Investments Ltd.	6,000,000	0.79
11.	Lee Pineapple Company Pte Ltd	2,200,000	0.29
12.	Goi Seng Hui	1,772,000	0.23
13.	Maybank Kim Eng Securities Pte. Ltd.	1,413,066	0.19
14.	United Overseas Bank Nominees (Private) Limited	1,355,700	0.18
15.	Bank Of Singapore Nominees Pte. Ltd.	1,149,000	0.15
16.	Lee Seng Tee	1,100,000	0.14
17.	Ariel P Vera	1,098,000	0.14
18.	DB Nominees (Singapore) Pte Ltd	1,087,360	0.14
19.	Phillip Securities Pte Ltd	892,800	0.12
20.	DBS Vickers Securities (Singapore) Pte Ltd	804,600	0.11
	Total	**710,374,520**	**93.37**

As at 16 March 2016, approximately 25.55% of the Company's issued ordinary shares (excluding treasury shares) is held by the public and, therefore Rule 723 of the Listing Manual is complied with.

Notice of Annual General Meeting

Banyan Tree Holdings Limited
(Incorporated in the Republic of Singapore)
(Company Registration No. 200003108H)

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting ("**AGM**") of the Company will be held at Ballroom 1 Lower Lobby, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178, on Thursday, 28 April 2016 at 2.30 p.m. to transact the following business:

Ordinary Business

1 To receive and adopt the Directors' Statement and Audited Accounts for the financial year ended 31 December 2015 and the Auditors' Report thereon.

2 To re-elect the following directors who are retiring by rotation in accordance with Articles 93 and 94 of the Company's Articles of Association comprising part of the Constitution of the Company (the "**Constitution**") and who, being eligible, offer themselves for re-election:
i. Mr Ho KwonPing.
ii. Mr Chan Heng Wing.
iii. Mr Ariel P Vera.

3 To approve payment of Directors' Fees of S$438,959 for the financial year ended 31 December 2015 (FY2014: S$454,231).

4 To re-appoint Ernst & Young LLP as the Auditors of the Company to hold office until the next AGM and to authorise the directors of the Company ("**Directors**") to fix their remuneration.

Special Business

5 To consider and, if thought fit, to pass the following ordinary resolutions, with or without modifications:

5.1 That authority be and is hereby given to the Directors, pursuant to Section 161 of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**"), to:

(a) (i) issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution 5.1 may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution 5.1 was in force,

Notice of Annual General Meeting

Banyan Tree Holdings Limited
(Incorporated in the Republic of Singapore)
(Company Registration No. 200003108H)

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution 5.1 (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 5.1) shall not exceed 50 per cent of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 5.1) shall not exceed 20 per cent of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) at the time this Resolution 5.1 is passed, after adjusting for:

(i) any new Shares arising from the conversion or exercise of any convertible securities or Share options or vesting of Share awards which are outstanding or subsisting at the time this Resolution 5.1 is passed; and

(ii) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising the authority conferred by this Resolution 5.1, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST ("**Listing Manual**") for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 5.1 shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

5.2 That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual, for the Company, its subsidiaries and its associated companies which are entities at risk as defined under Chapter 9 of the Listing Manual, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Letter to Shareholders dated 12 April 2016 (the "**Letter**"), with any person who falls within the classes of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders and in accordance with the review procedures for interested person transactions as set out in the Appendix to the Letter (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next AGM of the Company is held or required by law to be held, whichever is the earlier;

(c) the Audit and Risk Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the SGX-ST from time to time; and

(d) the Directors be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

5.3 That:

(a) for the purposes of the Companies Act, the authority conferred on the Directors to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) (each a "**Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Listing Manual as may for the time being be applicable, be and is hereby approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM is held or required by law to be held; and

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Maximum Limit**" means that number of Shares representing not more than 1 per cent of the total number of issued Shares (excluding treasury shares) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares); and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding related expenses) which shall not exceed:

(i) in the case of a Market Purchase, 105 per cent of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120 per cent of the Highest Last Dealt Price,

where:

"**Relevant Period**" means the period commencing from the date on which this Resolution is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days (a "Market Day" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

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"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

5.4 That :

(1) a new share incentive scheme to be known as the "Banyan Tree Share Award Scheme 2016" (the "**Share Award Scheme**"), under which awards ("**Awards**") of fully-paid Shares, their equivalent cash value or combinations thereof, will be granted, free of charge, to eligible participants under the Share Award Scheme, the rules and summary details of which are set out in the Letter, be and is hereby approved and adopted with effect from the date of the AGM;

(2) the Directors be and are hereby authorised:

(a) to establish and administer the Share Award Scheme; and

(b) to modify and/or alter the Share Award Scheme at any time and from time to time, provided that such modifications and/or alterations are effected in accordance with the provisions of the Share Award Scheme, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Share Award Scheme; and

(3) the Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the Share Award Scheme and to issue and/or transfer from time to time such number of fully paid-up Shares as may be required to be issued and/or transferred pursuant to the vesting of Awards under the Share Award Scheme, provided that the total number of Shares which may be issued and/or transferred pursuant to Awards granted under the Share Award Scheme on any date, when added to:

(a) all Awards granted under the Share Award Scheme; and

(b) all Shares, options or awards granted under any share scheme of the Company then in force,

shall not exceed 5% of the total number of issued shares of the Company (excluding treasury shares) on the day preceding the relevant date of the Award.

6. To transact any other business as may properly be transacted at an AGM.

By Order of the Board

Jane Teah
Company Secretary
Singapore, 12 April 2016

Explanatory Notes

In relation to Ordinary Resolution 2(i), Mr Ho KwonPing will, upon re-election as Director, continue to serve as Executive Chairman of the Company.

In relation to Ordinary Resolution 2(ii), Mr Chan Heng Wing will, upon re-election as Director, continue to serve as a member of the Nominating & Remuneration Committee. Mr Chan is considered an Independent Director.

In relation to Ordinary Resolution 2(iii), Mr Ariel P Vera will, upon re-election as Director, continue to serve as a Non-Executive and Non-Independent Director.

Ordinary Resolution 3, if passed, relates to the payment of Directors' fees for the financial year ended 31 December 2015. Directors' fees are for services rendered by the Non-Executive Directors on the Board as well as the various Board Committees. The amount also includes complimentary accommodation, spa and gallery benefits provided to the Non-Executive Directors.

Detailed information on the Directors who are proposed to be re-elected can be found under the "Board of Directors" and "Corporate Governance Report" in the Company's Annual Report 2015.

Statement pursuant to Article 56 of the Company's Articles of Association comprising part of the Constitution

Ordinary Resolution 5.1, if passed, will empower the Directors, from the date of the passing of Ordinary Resolution 5.1 to the date of the next AGM, to issue Shares and to make or grant Instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such Instruments, up to an amount not exceeding in total 50 per cent of the total number of issued Shares (excluding treasury shares), with a sub-limit of 20 per cent of the total number of issued Shares (excluding treasury shares) for issues other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) at the time that Ordinary Resolution 5.1 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or Share options or vesting of Share awards which are outstanding or subsisting at the time that Ordinary Resolution 5.1 is passed, and (b) any subsequent bonus issue, consolidation or sub-division of Shares.

Ordinary Resolution 5.2, if passed, will authorise the Interested Person Transactions as described in the Letter and recurring in the year, and will empower the Directors to do all acts necessary to give effect to the IPT Mandate. This authority shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM of the Company is or is required by law to be held, whichever is the earlier.

Ordinary Resolution 5.3, if passed, will empower the Directors to exercise all powers of the Company to purchase or otherwise acquire (whether by way of market purchases or off-market purchases) Shares of the Company on the terms of the Share Buyback Mandate as set out in the Letter. This authority shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM of the Company is or is required by law to be held, whichever is the earlier.

Apart from using its internal sources of funds, the Company may obtain or incur borrowings to finance its purchases or acquisitions of Shares. The Directors do not propose to exercise the Share Buyback Mandate to such extent that it would result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The amount of financing required for the Company to purchase its Shares pursuant to the Share Buyback Mandate and the impact on the Company's financial position, cannot be realistically ascertained as at the date of this Notice as this will depend on factors such as the aggregate number of Shares purchased and the purchase prices paid at the relevant times.

An illustration of the financial impact of the Share purchases by the Company pursuant to the Share Buyback Mandate on the audited financial statements of the Group for the financial year ended 31 December 2015 is set out in the Letter.

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Ordinary Resolution 5.4, if passed, will adopt the proposed Share Award Scheme in the manner as set out in the Letter. The Company has in place two existing share incentive schemes, the Banyan Tree Share Option Scheme (the "**ESOS 2006**") and the Banyan Tree Performance Share Plan (the "**PSP 2006**"), which were adopted at the annual general meeting of the Company held on 28 April 2006. The ESOS 2006 and the PSP 2006 will be expiring on 27 April 2016. The Company does not intend to extend the duration of, or replace, ESOS 2006. In view of the impending expiry of the PSP 2006, the Company wishes to adopt the Share Award Scheme to replace the existing PSP 2006, subject to, and upon, approval of Shareholders being obtained for the Share Award Scheme at the AGM. The rationale for the adoption of the Share Award Scheme, details of and a summary of the principal rules of the Share Award Scheme is set out in the Letter.

Notes

1. A member of the Company entitled to attend and vote at the AGM, and who is not a Relevant Intermediary, is entitled to appoint not more than two proxies to attend and vote instead of him. A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different class of share or shares held by such member. Such proxy need not be a member of the Company.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

2. The instrument appointing a proxy or proxies must be lodged at the registered office of the Company at 211 Upper Bukit Timah Road, Singapore 588182, not less than 48 hours before the time appointed for the AGM. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the annual general meeting as certified by The Central Depository (Pte) Limited to the Company.

Proxy Form

Banyan Tree Holdings Limited
(Incorporated in the Republic of Singapore)
(Company Registration No. 200003108H)

IMPORTANT:
1. For investors who have used their CPF monies to buy ordinary shares in the capital of Banyan Tree Holding Limited ("Shares"), this Annual Report is forwarded to them at the request of their CPF Agent Banks and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ____ (Name)

of ____ (Address)

being a member/members of Banyan Tree Holdings Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares (Ordinary Shares)	%

and/or (please delete as appropriate)

			No. of Shares (Ordinary Shares)	%

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting (the "**AGM**") of the Shareholders of the Company to be held on Thursday, 28 April 2016 at Ballroom 1 Lower Lobby, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178, at 2.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM and at any adjournment thereof. If no person is named in the above boxes, the Chairman of the AGM shall be my/our proxy to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder for me/us on my/our behalf, at the AGM and at any adjournment thereof.

Resolution No.	Resolutions relating to:		No. of Votes For*	No. of Votes Against*
As Ordinary Business				
1	Directors' Statement and Audited Accounts for the financial year ended 31 December 2015			
2	Re-election of Directors pursuant to Articles 93 and 94	(i) Ho KwonPing		
		(ii) Chan Heng Wing		
		(iii) Ariel P Vera		
3	Approval of Directors' Fees			
4	Re-appointment of Ernst & Young LLP as Auditors			
As Special Business				
5.1	Authority to issue new Shares			
5.2	The Proposed Renewal of the Shareholders' Mandate for Interested Person Transactions			
5.3	The Proposed Renewal of the Share Buyback Mandate			
5.4	The Proposed Adoption of the Share Award Scheme			

* If you wish to exercise all your Votes "For" or "Against", please indicate with a " ✓ " within the box provided. Alternatively, please indicate the number of Votes as appropriate.

Dated this __________ day of ______________ 2016

Total number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Member(s) or Common Seal

Important: Please read notes on the reverse carefully before completing this form.

1st fold along line

Affix postage stamp

Banyan Tree Holdings Limited
211 Upper Bukit Timah Road
Singapore 588182
Attention: Company Secretary

2nd fold along line

Notes:

1. Please insert the total number of Shares held by you. If you only have Shares entered against your name in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you (in both the Register of Members and the Depository Register).

2. (a) A member of the Company entitled to attend and vote at a meeting of the Company, and who is not a Relevant Intermediary, is entitled to appoint one or two proxies to attend and vote instead of him. Such proxy need not be a member of the Company. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy shall be deemed as representing 100 per cent of the shareholding and the second named proxy shall be deemed as an alternate to the first named proxy.

   (b) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where more than one proxy is appointed, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the instrument appointing a proxy or proxies the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF investors as its proxies shall comply with this Note.

   (c) "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore (the "Companies Act").

3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 211 Upper Bukit Timah Road, Singapore 588182, not less than 48 hours before the time appointed for the AGM.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act.

6. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the member, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Note About Printing:
In line with Banyan Tree's continuing efforts to promote environmental sustainability, this report is a Forest Stewardship Council™ (FSC™) certified print job. If you would like additional copies or to share this report, we encourage you to join the bulk of our shareholders and enjoy the soft copy in order to reduce consumption of resources from printing and distributing hard copies. The portable document format (PDF) soft copy is available for download via Banyan Tree's website: **www.banyantree.com**.

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Inspired by
Sedgwick Richardson

BANYAN TREE

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