

BANYAN TREE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number 200003108H)

ANNUAL GENERAL MEETING TO BE HELD ON 6 MAY 2020**RESPONSE TO QUESTIONS FROM SHAREHOLDERS****Question 1:****What is the business and operating concept of Banyan Tree Escape?**

Response:

Banyan Tree Escape is a brand extension of our founding brand Banyan Tree that exemplifies its core values. It is a niche concept targeted to a fast growing segment of travelers seeking eco-oriented and hyperlocalised experiences. Small scale and with a light footprint, total key count ranges from 20 to 30 keys. It will be highly curated and all-inclusive for a seamless stay. The brand focuses on natural space as part of its major differentiator instead of built up gross floor area, and targeted destinations will be those that present natural beauty but are also easily accessible from main airports. We anticipate that demand for this type of product centred on wellbeing and nature, especially after the Coronavirus Disease 2019 (COVID-19), will be high.

Question 2:**What are the current assumptions the board is making on the economic and industry outlook?**

Response:

Since January 2020, the COVID-19 outbreak has caused substantial disruption in international economies and markets, which has intensified in recent weeks. Government travel, advisories, lockdowns, corporate restrictions and airline travel cancellations are already affecting the global economy and the aviation and hotel industry has been hit particularly hard. World Trade Organization economists have stated that they believe the decline in the world economy will likely exceed the trade slump brought on by the global financial crisis of 2008-2009. Estimates of the expected recovery in 2021 are equally uncertain, with outcomes depending largely on the duration of the outbreak and the effectiveness of the policy responses.

The Company is still assessing the impact on the earnings per share and net asset value per share of the Group for the financial year ending 31 December 2020. The Board will continue to monitor the evolving situation and will make the appropriate announcement(s) as and when there are material developments on this matter.

Question 3:

Is there any plausible reason that the company might need to raise cash in the coming months?

Response:

The worsening environment for hotel industry amid the COVID-19 pandemic are already affecting demand at the Group's hotels – the Group is experiencing cancellations, as well as a decline in forward books and transient business. These cancellations and reduced bookings are part of an industry-wide trend and are likely to continue in the near term in response to government travel advisories, lockdowns, increased travel restrictions from corporation and significant flight cancellations.

The Company is currently embarking on 3 types of cash conservation measures as follows:

- a. Reducing operating expenses such as unpaid leave program for associates, wage and hiring freeze, minimization of utilities consumption, deferment of spending on operating costs etc.
- b. Cessation or suspension of non-critical capital expenditure.
- c. Discussion with banks on moratorium of principal and interest repayments.

The Company estimates saving of approximately S\$70 million from the above cash conservation measures for the financial year ending 31 December 2020.

In light of the COVID-19 pandemic, companies all over the world are facing liquidity crunch and are raising cash or are in the process of raising cash to withstand the increasing uncertainties of the future. The Board is also exploring all possible options including equity capital fund raising options. The Company is seeking shareholders' approval for a usual general share issuance mandate at the upcoming AGM (see Ordinary Resolution 6.1 in the Notice of AGM) which, if approved, will help facilitate such equity capital fund raising for the rest of the year, within the parameters permitted under the Listing Manual as and when the Board deems it necessary.