

BANYAN TREE HOLDINGS LIMITED

(Company Registration Number 200003108H)

DILUTION OF 10% EQUITY INTEREST IN BANYAN TREE HOTELS MANAGEMENT (TIANJIN) CO., LTD.

Banyan Tree Holdings Limited ("BTH"/the "Company") wishes to announce that its indirect wholly-owned subsidiary, Banyan Tree Hotels & Resorts Pte. Ltd. ("BTHR"), has on 19 June 2014 entered into a capital increase agreement and an equity transfer agreement (the "Agreements") with Tianjin Wanrong Enterprise Management Co., Ltd. (the "Purchaser"), a company incorporated in the People's Republic of China, for the purchase of equity interest in Banyan Tree Hotels Management (Tianjin) Co., Ltd. ("BTHM") as follows:-

1. New issue of registered capital of RMB26,316 (approximately S\$5,395) in BTHM to the Purchaser ("New Issue") for a consideration of RMB14,157,895 (approximately S\$2,902,368); and
2. Transfer of registered capital of RMB26,316 (approximately S\$5,395) in BTHM from BTHR to the Purchaser ("Transfer") for a consideration of RMB14,157,895 (approximately S\$2,902,368).

The New Issue and Transfer (collectively known as the "Transaction") will result in a 10% reduction of BTHR's equity interest in BTHM from 100% to 90%.

The Purchaser is an investment vehicle of the Banyan Tree China Hospitality Fund (the "China Fund"). The Transaction is a result of China Fund completing its rights to purchase a 10% stake in BTHM for a consideration of RMB28.32 million (approximately S\$5,804,737) (the "Consideration") in accordance with the terms of the Limited Partnership Agreement of the China Fund established on 10 September 2010. The Transaction is subject to the approval of the relevant authorities (the "Approval") and that the Consideration will be payable by the Purchaser as stated below:

1. The New Issue will be payable in 3 stages; (i) RMB1.5 million (approximately S\$307,500) upon the Approval; (ii) RMB5 million (approximately S\$1,025,000) in 2015; (iii) RMB7,657,895 (approximately S\$1,569,868) in 2016.
2. The Transfer will be payable in lump sum which is RMB14,157,895 (approximately S\$2,902,368) upon the Approval.

The Consideration was arrived at on a "willing buyer, willing seller" basis.

The Transaction does not have any material impact on the Company's earnings per share and net tangible assets per share for the financial year ending 31 December 2014.

Mr Ho KwonPing, Executive Chairman and a controlling shareholder of the Company, is also a director of the Purchaser. The Company, through its subsidiaries, has invested an amount equivalent to 5% of the total capital commitments of the China Fund. Mr Ho KwonPing does not own shares in the Purchaser nor does he has any personal interest in the China Fund other than through the Company. The Company's indirect wholly-owned subsidiary, Tianjin Banyan Tree Capital Investment Management Co., Ltd. is the General Partner of the China Fund. Save as disclosed, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Transaction.

Jane Teah
Company Secretary
20 June 2014