

**BANYAN TREE HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number 200003108H)

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**ENTRY INTO TERM SHEET RELATING TO PROPOSED TRANSACTION WITH  
AFFILIATES OF CHINA VANKE CO., LTD.**

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**1. INTRODUCTION**

- 1.1 Banyan Tree Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's subsidiaries, Banyan Tree Services Pte. Ltd. ("**BTS**") and Banyan Tree China Pte. Ltd. ("**BTC**"; and together with BTS, the "**BT Entities**") have on 8 December 2023 entered into a term sheet ("**Term Sheet**") with Tritonia Company Limited ("**Tritonia**") and China Voyage Limited ("**China Voyage**") (Tritonia and China Voyage collectively, the "**Relevant Entities**"; and together with the BT Entities, the "**Parties**", and each, a "**Party**"). Tritonia and China Voyage are subsidiaries of China Vanke Co., Ltd. ("**Vanke**").
- 1.2 The Term Sheet sets out agreed terms on which the BT Entities (or their affiliates) will acquire all of the Relevant Entities' interest in Banyan Tree Services (China) Pte. Ltd. ("**JVCo2**") and Banyan Tree Hotel Management (China) Pte. Ltd. ("**JVCo3**"), being the joint venture entities providing hotel management and other ancillary services in the People's Republic of China ("**PRC**"), and Tritonia will acquire all of BTC's interest in Banyan Tree Assets (China) Holdings Pte. Ltd. ("**JVCo1**"), being a joint venture entity which owns hotels in the PRC, following which the Group and the Relevant Entities will cease to be joint venture partners in these entities (collectively, the "**Proposed Transaction**"). More information on the respective joint venture entities can be found in paragraph 2 below.
- 1.3 As part of the Proposed Transaction, the equity interest in Banyan Tree Hotels Management (Tianjin) Co., Ltd. ("**CHMC**") held by Tianjin Wanrong Enterprise Management Co., Ltd ("**TJWR**"), an indirect wholly-owned subsidiary of JVCo1, will also be acquired by the BT Entities (or their affiliates), and JVCo1 will acquire all of the equity interest in Chengdu Laguna Property Services Co., Ltd ("**CLP**") from Banyan Tree Hotels Management (Beijing) Co., Ltd ("**BTBJ**"), a wholly-owned subsidiary of JVCo2. More information on CHMC and CLP can be found in paragraph 2 below.
- 1.4 Mr. Ding ChangFeng is a Non-Executive and Non-Independent Director of the Company. He is also a Group Partner of Vanke. Given the foregoing, Mr. Ding shall abstain from the Board's deliberations and approval of the Proposed Transaction.
- 1.5 The Term Sheet sets out legally binding terms of the Proposed Transaction that will form the basis for good faith negotiation of definitive documentation regarding the Proposed Transaction ("**Definitive Documents**").

## 2. INFORMATION ON THE TARGET ENTITIES

### 2.1 JVCo1

JVCo1, a private limited company incorporated in Singapore, is in the business of investing in and developing hotels and resorts in the PRC. The existing ordinary shareholders of JVCo1 are Tritonia (94.8%) and BTC (5.2%).

### 2.2 JVCo2

JVCo2, a private limited company incorporated in Singapore, is in the business of providing hotels and resorts management and ancillary services to hotels and resorts in the PRC (such as architecture planning and interior design). The existing ordinary shareholders of JVCo2 are JVCo1 (40%), Banyan Tree Businesses Pte. Ltd. (40%) and China Voyage (20%).

### 2.3 JVCo3

JVCo3, a private limited company incorporated in Singapore, is in the business of providing hotels and resorts management and ancillary services to hotels and resorts in the PRC (such as marketing sale plan consultancy services). The existing ordinary shareholders of JVCo3 are BTS (40%), JVCo1 (40%) and China Voyage (20%).

### 2.4 CHMC

CHMC, a corporation incorporated in the PRC, is the Group's subsidiary in the business of providing hotel management services. The existing shareholders of CHMC are Sanctuary Management Pte. Ltd., a wholly-owned subsidiary of JVCo3 (90%) and TJWR (10%).

### 2.5 CLP

CLP, a corporation incorporated in the PRC, is in the business of providing property management services. BTBJ is presently the sole shareholder of CLP.

## 3. AGREED TERMS RELATING TO THE PROPOSED TRANSACTION

### 3.1 Sale and Purchase transactions

The Proposed Transaction will involve:

- (a) the proposed acquisition by the BT Entities (or their affiliates) of the following shares and equity interests (collectively, the "**Vanke Sale Shares**") from the Relevant Entities (or their affiliates):
  - (i) 40% of all issued ordinary shares of JVCo2 held by JVCo1;
  - (ii) 40% of all issued ordinary shares of JVCo3 held by JVCo1;
  - (iii) 20% of all issued ordinary shares of JVCo2 held by China Voyage;
  - (iv) 20% of all issued ordinary shares of JVCo3 held by China Voyage; and
  - (v) 10% of the equity interest of CHMC from TJWR;

- (b) the proposed sale of all of all issued ordinary shares of JVCo1 held by BTC (the "**Banyan Sale Shares**") to Vanke (or its affiliate); and
- (c) the proposed acquisition of 100% of the equity interest of CLP (the "**CLP Stake**") by JVCo1 or its subsidiary from BTBJ.

### 3.2 **Consideration**

The agreed valuation of the Vanke Sale Shares is RMB480,000,000 ("**Aggregate Consideration**") and the agreed valuation of the Banyan Sale Shares is RMB30,000,000 ("**JVCo1 Consideration**"). The CLP Stake will be transferred for nominal consideration of RMB1.

The Aggregate Consideration shall be satisfied by:

- (a) cash payment of RMB425,000,000 to be paid in accordance with an agreed payment schedule; and
- (b) the remaining sum of RMB55,000,000 to be off set against the JVCo1 Consideration and receivables owing by the subsidiaries of JVCo1 to the subsidiaries of JVCo2 and JVCo3.

The aforesaid consideration was determined following arm's length negotiations between the Company and Vanke, conducted on a willing-buyer willing-seller basis. This negotiation process took into consideration various factors, including but not limited to current performance as well as future market outlook and projected performance of the various target entities.

## 4. **SOURCE OF FUNDS**

The Group will fund the cash component of the Aggregate Consideration through its internal resources.

## 5. **DEFINITIVE DOCUMENTS**

The Parties shall negotiate in good faith towards finalisation of the Definitive Documents as set out in the Term Sheet, on or prior to the date falling 30 days from the date of the Term Sheet. The Definitive Documents will incorporate the terms set out in the Term Sheet as well as other terms as agreed between the Parties.

## 6. **RATIONALE FOR THE PROPOSED TRANSACTION**

The acquisition of the Vanke Sale Shares reinforces the Company's dedication to the Chinese market, allowing us to capitalise on the growth opportunities within the region and strengthen our position as a key player in the hospitality industry. It will enable the Company to streamline strategic decision-making in response to market dynamics and enhance operational efficiency in day-to-day operations. The divestment of the hotel ownership component is in line with the Company's asset-light strategy.

As the acquisition of the Vanke Sale Shares is in the ordinary course of business of the Company and is part of the Company's existing principal business, such acquisition will not constitute a "transaction" for the purposes of Chapter 10 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited.

**7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed above, none of the directors of the Company nor (in so far as the directors are aware) any controlling shareholders of the Company or their respective associates (as defined in the Listing Manual) has any interest, whether direct or indirect, in the Proposed Transaction (other than through their shareholdings in the Company).

**8. FURTHER INFORMATION**

The Company will make further announcement(s) upon execution of the Definitive Documents and/or when there are material developments on the Proposed Transaction, in accordance with its obligations under the Listing Manual.

Closing is subject to the execution by the relevant parties of the Definitive Documents, and there is no certainty or assurance as at the date of this announcement as to when the Definitive Documents will be signed or completed or as to the terms thereof. Shareholders and potential investors of the Company should therefore exercise caution when trading the shares of the Company and consult professional advisors if they have any doubts as to the actions they should take.

By Order of the Board

Tan Min Hai Edmund  
Company Secretary  
8 December 2023