

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

**ENTRY INTO DEFINITIVE AGREEMENTS RELATING TO THE TRANSACTION WITH
AFFILIATES OF CHINA VANKE CO., LTD.**

1. INTRODUCTION

Banyan Tree Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement dated 8 December 2023 (the "**Term Sheet Announcement**") in which it announced the entry by the Company's subsidiaries, Banyan Tree Services Pte. Ltd. ("**BTS**") and Banyan Tree China Pte. Ltd. ("**BTC**", and together with BTS, the "**BT Entities**") into a term sheet with Tritonia Company Limited ("**Tritonia**") and China Voyage Limited ("**China Voyage**") (Tritonia and China Voyage collectively, the "**Relevant Entities**"). Tritonia and China Voyage are subsidiaries of China Vanke Co., Ltd. ("**Vanke**").

Please note that all capitalised terms used but not defined in this announcement shall have the same meanings ascribed to them in the Term Sheet Announcement, unless otherwise expressly defined or as the context otherwise requires.

It was announced in the Term Sheet Announcement that under the terms of the Term Sheet:

- (a) 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; and
- (b) the BT Entities (or their affiliates) will also acquire all of the equity interest in Banyan Tree Hotels Management (Tianjin) Co., Ltd. ("**CHMC**") held by Tianjin Wan Rong Enterprise Management Co., Ltd. ("**TJWR**"), an indirect wholly-owned subsidiary of JVCo1, 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,

(collectively, the "**Proposed Transaction**").

As stated in the Term Sheet Announcement, the acquisition of JVCo2, JVCo3 and CHMC by the BT Entities (or their affiliates) is in the ordinary course of business of the Company and is part of the Company's existing principal business, and 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.

2. EXECUTION OF DEFINITIVE AGREEMENTS

The Company wishes to announce that the BT Entities and their affiliates and the Relevant Entities and their affiliates have entered into definitive sale and purchase agreements and equity transfer agreements for the Proposed Transaction (collectively, the "**SPAs**") today. The SPAs are:

- (a) the sale and purchase agreement relating to the sale by BTC of all of its ordinary shares in JVCo1 (amounting to 40% of all issued ordinary shares of JVCo1) to Tritonia;
- (b) the sale and purchase agreement relating to the acquisition by BTB of all of the ordinary shares which JVCo1 and China Voyage hold in JVCo2 (amounting to 60% of all issued ordinary shares of JVCo2);
- (c) the sale and purchase agreement relating to the acquisition by BTS of all of the ordinary shares which JVCo1 and China Voyage hold in JVCo3 (amounting to 60% of all issued ordinary shares of JVCo3);
- (d) the equity transfer agreement relating to the acquisition by 冠市场营销服务(上海)有限公司 (Banyan Tree Marketing (Shanghai) Co., Ltd.) of all of the equity interest held by TJWR in CHMC (amounting to 10% of the equity interest of CHMC); and
- (e) the equity transfer agreement relating to the sale by BTBJ of all of the equity interest which it holds in CLP (amounting to 100% of the equity interest of CLP) to 成都悦榕第一置业有限公司 (Chengdu Banyan Tree First Real Estate Co., Ltd.).

In connection with the Proposed Transaction, the BT Entities and their affiliates and the Relevant Entities and their affiliates will also be entering into other definitive documents on or prior to the completion of the Proposed Transaction (these together with the SPAs, the "**Definitive Agreements**"). The Definitive Agreements will include, among others:

- (a) an undertaking given by the Company under which it undertakes to the Relevant Entities and certain affiliates to, *inter alia*, procure the BT Entities and their affiliates to perform their respective obligations under the relevant transaction documents relating to the Proposed Transaction and to indemnify the Relevant Entities and certain affiliates against any loss incurred by them as a result of failure by the BT Entities and their affiliates to comply with the obligations, undertakings, representations, warranties and indemnities under the relevant transaction documents and/or enforcement of their remedies in connection thereto; and

- (b) an undertaking given by Chogori Investment (Hong Kong) Limited, a subsidiary of Vanke, under which it undertakes to the relevant BT Entities and their relevant affiliates to procure the Relevant Entities and certain affiliates to perform their obligations under the relevant transaction documents relating to the Proposed Transaction and to indemnify the BT Entities and their affiliates against any loss incurred by them as a result of the failure by the Relevant Entities and certain affiliates to comply with the obligations, undertakings, representations and warranties under the relevant transaction documents and/or enforcement of their remedies in connection thereto.

Further information on the Proposed Transaction, including the target entities, the consideration and the source of funds for the Proposed Transaction, have been set out in the Term Sheet Announcement.

3. FINANCIAL INFORMATION RELATING TO THE PROPOSED TRANSACTION

Acquisition of the stakes in JVCo2, JVCo3 and CHMC	RMB 'million
Consideration	480
Net asset value ¹	235
Net tangible asset value ¹	70
Valuation ²	Between 440 and 486

Note:

- (1) Based on latest management accounts of JVCo2, JVCo3 and CHMC as at 30 November 2023.
- (2) Based on valuation as at 30 September 2023 performed by a professional independent valuer for JVCo3 and CHMC using the market approach. No valuation was performed for JVCo2 as the Company is of the opinion that the fair market value of the stake in JVCo2 on acquisition will be immaterial as the principal business of JVCo2 is providing ancillary services to hotels managed by CHMC and future cash flows are expected to be immaterial.

Disposal of the stake in JVCo1	RMB 'million
Consideration	30
Book value ¹	30

Note:

- (1) Based on the book value recorded by the Group as at 30 November 2023. The Group records its investment in JVCo1 as unquoted equity shares measured at fair value as disclosed in Note 48(b) of the Financial Statements of the Group's Annual Report 2022 and had adopted the same accounting policy for the current financial year. The Company is of the opinion that the book value approximates the market value of the investment and no independent third party valuation was required.

Disposal of the stake in CLP	RMB
Consideration	1
Book value ¹	-6

Note:

(1) Based on the book value as at 30 November 2023. No valuation was performed for CLP as it is in a net liability position and the Company does not expect CLP to be profitable in the foreseeable future.

4. RATIONALE FOR THE PROPOSED TRANSACTION

The Company reiterates that the Proposed Transaction 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.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in the Term Sheet Announcement, 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).

6. FURTHER INFORMATION

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

Completion of the Proposed Transaction is subject to the satisfaction by the relevant parties of the conditions precedent set out in the Definitive Agreements, and there is no certainty or assurance as at the date of this announcement that the Proposed Transaction would be completed. 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
27 December 2023