

BANYAN TREE HOLDINGS LIMITED

(Company Registration Number 200003108H)

Litigation - Legal suit brought by TMB Public Company Limited as the Plaintiff against Laguna Resorts & Hotels Public Company Limited as the Defendant

The Board of Directors of Banyan Tree Holdings Limited (“BTH”) wishes to announce that TMB Public Company Limited (“TMB”) has brought a case in the Court of First Instance of Thailand against its subsidiary, Laguna Resorts & Hotels Public Company Limited (“LRH”) for the revocation of shareholders’ resolutions passed at the Extraordinary General Meeting of LRH held on 4 July 2007 (“EGM”) relating to an issue of shares to its shareholders in connection with the non-renounceable rights issue undertaken by LRH and the cancellation of the registration of these resolutions with the Public Companies Registrar of Thailand. TMB is a security agent acting on behalf of the creditors of Thai Wah Public Company Limited (TWC) which is a shareholder of LRH, holding 27,983,542 shares. Prior to the EGM, TMB applied to the Southern Bangkok Civil Court for a court order to allow it to attend the EGM on TWC’s behalf but TMB’s application was dismissed.

TMB alleged that it had a direct interest in attending and voting at LRH’s EGM but was not allowed to attend the EGM. LRH has taken the position that the TMB representative did not have the proper proxy form signed by TWC, and was therefore not allowed to attend the EGM

A decision on the case from the Court of First Instance is currently pending.

If the Court of First Instance rules in TMB’s favour, LRH has a right to appeal to the Court of Appeal with a further appeal to the Supreme Court if the Court of Appeal upholds the ruling of the Court of First Instance. The consequence of a decision against LRH would be that all previous acts in relation to LRH’s capital increase would be revoked and cancelled and that LRH would have to ensure that all of its shareholders are reinstated to the position they were in at the outset as if there had been no capital increase. In that event, LRH would have to indemnify the shareholders against the payments made to acquire the newly issued shares. The consequence of this is that BTH’s shareholding interest in LRH will revert to 51.78% from the current 65.75%.

LRH has had extensive discussions with its lawyers and came to the conclusion that the case is without merit and is unlikely to succeed.

BTH will make further announcements in the event that there are any material developments.

Jane Teah & Lee Kin Meng
Joint Company Secretaries
17 October 2007

DBS Bank Ltd and UBS AG, acting through its business group, UBS Investment Bank, were the joint global co-ordinators and bookrunners of the initial public offering of the shares in Banyan Tree Holdings Limited.