



News Release

Memorandum Of Understanding With The People's Government Of Yangshuo County

Further to the news release on 13 November 2006, Banyan Tree Holdings Limited wishes to announce that it has signed an updated non-binding Memorandum of Understanding ("MOU") with The People's Government of Yangshuo County, for the acquisition of land and subsequent development of luxury hotels and resorts in Yangshuo, Guilin, China ("Investment").

Based on the MOU, the parties will proceed in good faith to negotiate on such further details of the Investment as are necessary.

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.

