

# **BANYAN TREE HOLDINGS LIMITED**

(Company Registration Number 200003108H)

## **BANYAN TREE HOLDINGS LIMITED CLARIFIES ITS INVESTMENT IN LAGUNA VIETNAM**

Banyan Tree Holdings Limited ("Banyan Tree") wishes to confirm media reports that a delegation of its executives met with representatives of Vietnam's Thua Thien Hue People's Committee ("People's Committee") on 5<sup>th</sup> December 2007 in Hue. The meeting followed from Banyan Tree's success in securing the Investment Certificate to develop some 300 hectares of beachfront land along the coast in Co Du, Danang within the Loc Vinh Commune. The purpose of the meeting was for Banyan Tree to present its development master plan for the site.

The proposed master plan, prepared based on Banyan Tree's initial market studies, includes seven 4- and 5-star resorts, about 1,000 resort residences for sale, a championship golf course, MICE facilities and a retail and spa village.

The initial estimated total project cost for all components of the integrated resort, including the resort residences for sale, is about US\$870 million. This estimated cost is higher than what we have previously announced with the expanded scale and upgraded specs planned for this integrated resort. Funding for the project will come from various sources including bank debts, proceeds from property sales and equity to be injected from a new private equity fund to be set up and managed by Banyan Tree.

This new private equity fund is expected to have a fund size of between US\$300 million to US\$400 million out of which, Banyan Tree is expected to take up approximately 15% stake, with the balance to be raised from third party investors. All investors will be expected to contribute the amounts committed to the fund over a period of a few years during the development phase of the project.

The proposed master plan, cost estimates and project timelines are based on Banyan Tree's initial market and feasibility studies. More detailed studies will be carried out at each milestone in the project, to ensure that the initial findings are up to date. Necessary adjustments, if any, will be made to the various components of the project from time to time.

By Order of the Board

Jane Teah & Lee Kin Meng  
Joint Company Secretaries  
12 December 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.