



BANYAN TREE

BANYAN TREE COMPLETES THIRD CLOSING OF INDOCHINA HOSPITALITY FUND

Singapore, 31 December, 2008 – The Board of Banyan Tree Holdings Limited (“BTH” and together with its subsidiaries, the “Group”) is pleased to announce that after the successful completion of its third closing (the “Third Closing”), Banyan Tree Indochina Hospitality Fund, L.P. (the “Indochina Fund” or the “Fund”) has a total amount of US\$268 million in capital commitments from investors.

The First and Second Closing

The Indochina Fund is a real estate development fund, established by BTH on 29 January 2008, primarily focusing on the hospitality sector in Vietnam and also in Cambodia and Laos. Its principal project is Laguna Hue, an integrated resort development in Central Vietnam. On 28 February 2008, the Group and two Anchor Investors, via a Feeder Fund, committed to invest, in aggregate, US\$100 million in the Fund. In July 2008, a number of other investors committed to invest, in aggregate, US\$68 million. Accordingly, after the Second Closing in July 2008, the Fund’s total capital commitments reached US\$168 million.

The Third Closing

Demonstrating their commitment to, and confidence in the long term success of, the Vietnamese economy and tourism industry and, more importantly, the Laguna Hue project, the Group and each of the Anchor Investors have increased their respective commitments by US\$16.7 million each to an aggregate of US\$50 million each. These increases in capital commitments bring the total commitments from the Group and the Anchor Investors (via the Feeder Fund) to US\$150 million.

In addition, the Fund has also successfully received a commitment of US\$50 million from an investor which is to be made via the Feeder Fund.

These new commitments bring the total capital raised by the Fund to date to US\$268 million. This significant increase in total capital committed means that the Fund is well placed to proceed with the development of the first phase (as described below) of Laguna Hue, without the need to rely on debt financing.

Laguna Hue

Located within an hour’s drive from both the Danang and Hue airports, Laguna Hue envisages the development of seven resorts (including one Banyan Tree resort and one Angsana resort), award-winning Banyan Tree and Angsana Spas, an 18-hole golf course, extensive MICE facilities and retail outlets. Residential villas and apartments will also be available for sale.

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To enable the core components of an integrated resort to be in place as soon as possible, the first phase of Laguna Hue has been redesigned to comprise the Banyan Tree and Angsana resorts and spas, residences for sale as well as the 18 hole golf course and clubhouse and related infrastructure. This platform is intended to enable Laguna Hue to generate initial cash flows as well and place the Fund in a better position to attract debt/equity financing for the remaining phases of the master plan.

Construction of the first phase of Laguna Hue is anticipated to commence in the first half of 2009.

Solicitation of further capital commitments

The Fund, will continue fund raising activities to seek further commitments from investors by the final closing date which is expected to occur in the first quarter of 2009.

By Order of the Board

Jane Teah
Company Secretary
31 December 2008

About Banyan Tree Holdings Limited

Banyan Tree Holdings Limited (“Banyan Tree” or the “Group”) is a leading manager and developer of premium resorts, hotels and spas in the Asia Pacific, with 25 resorts and hotels, 68 spas, 65 retail galleries, and two golf courses. The Group manages and/or has ownership interests in niche resorts and hotels. The resorts each typically has between 50 and 100 rooms and commands room rates at the high end of each property’s particular market.

Banyan Tree has seven operating business segments: hotel investment, hotel residence sales, hotel management, spa operations, gallery operations, property sales, design fees and others (design and project management, golf course operations and other businesses).

The Group’s primary business is the management, development and ownership of resorts and hotels. This is centered on two award-winning brands: Banyan Tree and Angsana. Banyan Tree also operates the leading integrated resort in Thailand – Laguna Phuket, through the Group’s subsidiary, Laguna Resorts & Hotels Public Company Limited.

As a leading operator of spas in the Asia Pacific, Banyan Tree’s spas are one of the key features in their resorts and hotels. Banyan Tree galleries, which complement their resorts, hotels and spas, help to extend the reach and scope of their brands.

Since the launch of the first Banyan Tree resort, Banyan Tree Phuket, in 1994, Banyan Tree has received over 400 awards and accolades for the resorts, hotels and spas that the Group manages. The Group has also received recognition for its commitment to environmental protection and emphasis on corporate social responsibility.