



News Release

Acquisition Of A New Wholly-Owned Subsidiary

The Board of Directors of Banyan Tree Holdings Limited wishes to announce that its wholly-owned subsidiary, Banyan Tree China Holdings Pte. Ltd., has acquired a newly incorporated Cayman subsidiary, known as "Sanctuary Dunhuang (Cayman) Limited" ("SDCL").

SDCL has an authorized share capital of US\$50,000.00 and its principal activity is that of an investing holding company.

By Order of the Board

Jane Teah
Company Secretary
29th October 2008