

BANYAN TREE HOLDINGS LIMITED

(Company Registration Number 200003108H)

SALE AND LEASEBACK OF PROPERTY KNOWN AS “ANGSANA VELAVARU” IN MALDIVES

Banyan Tree Holdings Limited (the “Company/BTH”, and together with its subsidiaries, the “Group”) wishes to announce that its subsidiary, Maldives Bay Pvt Ltd (“MB”) has today entered into a conditional Sale and Purchase Agreement (“SPA”) with Sanctuary Sands Maldives Pvt Ltd (the “Purchaser”), a subsidiary of DBS Trustee Limited, as trustee of CDL Hospitality Real Estate Investment Trust to sell (the “Sale”) MB’s island lease of the property known as “Angsana Velavaru” located in the island of Velavaru in South Nilandhe Atoll, Republic of Maldives including the dry land and surrounding lagoon, and all the buildings, structures, facilities, installations, fixtures and fittings thereon (collectively, hereinafter referred to as the (“Property”). MB is 93.43% owned by BTH with the remaining 6.57% held by individuals unrelated to BTH.

As part of the Sale, MB has concurrently entered into a lease agreement (“Lease Agreement”) with the Purchaser to lease back the Property (“Lease”) for a period of 10 years (the “Lease Term”) and to continue to operate the Property as the existing Angsana Velavaru. Pursuant to the Lease Agreement, MB will pay the Purchaser a rent equivalent to gross operating profit (“GOP”) from the operation of Angsana Velavaru minus an applicable management fee which MB retains and which is pegged to the GOP (the “Management Fee”). The Lease is subject to a minimum rent of US\$6 million (“Minimum Rent”) for each applicable accounting period of 12 months (pro-rated accordingly for any part thereof). In the event that GOP is insufficient to meet the Minimum Rent, MB will be required to make top-up rent payments to the Purchaser to meet the Minimum Rent. However, the total amount of such top-ups is capped at US\$6 million in aggregate for the entire Lease Term. The Management Fee is calculated as a percentage of the GOP and allows MB to participate in the profits generated from the operations of Angsana Velavaru. The applicable percentage of the profit sharing will be determined in accordance with an agreed formula set out in the Lease Agreement .

The Sale is part of the Group’s ongoing strategy to unlock the value of its properties and accelerate the rebalancing of the Group’s asset portfolio and re-deploy capital to other growth regions. With the Lease , the Company continues to maintain its “Angsana” brand presence in the Maldives and participate in the profits generated from the operations of Angsana Velavaru.

The Sale is for an aggregate consideration of US\$71 million (approximately S\$86.8 million) (the “Consideration”). The Consideration was arrived at on a “willing buyer, willing seller” basis after taking into account, *inter alia*, MB’s unaudited net tangible assets as at the date of the Sale of which the Property constitutes its only asset. A deposit equivalent to 10% of the Consideration has been paid by the Purchaser upon signing of the SPA, with the balance of the Consideration which is US\$63.9 million to be payable upon completion. Completion shall take place no later than 5 business days from the date of approval of the Sale by the Ministry of Tourism, Arts and Culture in the Maldives.

For illustrative purposes, assuming the Sale has been completed on 31 December 2011, based on the audited financial results of the Group for the financial year ended 31 December 2011, the Sale will have the following impact to the Group’s earnings per share (“EPS”) and net tangible asset (“NTA”) per share:

	Before the Sale	After the Sale
	Singapore Cents	Singapore Cents
EPS (note 1)	0.20	2.11
NTA per share (note 2)	67.16	69.62

Note: 1. EPS is computed based on weighted average number of 759,428,527 ordinary shares for the twelve months period ended 31 December 2011

Note: 2. NTA per share is computed based on 759,639,280 ordinary shares in issue as at 31 December 2011.

None of the directors or controlling shareholders of BTH has any interest (other than through their shareholdings in BTH) in the Sale.

Jane Teah & Paul Chong

Joint Company Secretaries

4th January 2013