

BANYAN TREE HOLDINGS LIMITED
(Company Registration Number 200003108H)

ENTRY INTO TERM SHEETS WITH ACCOR S.A.

1. The Term Sheets

Banyan Tree Holdings Limited ("BTH") wishes to inform shareholders that it has today entered into two binding term sheets with Accor S.A. ("Accor", and together with BTH, the "Parties"). Accor is a multinational hotel group headquartered in Paris, France, which owns, operates and franchises more than 4,000 hotels across all inhabited continents.

The term sheets relate to the following (together, the "Proposed Transaction"):

- (a) a proposed strategic collaboration (the "Collaboration") between Accor and BTH, to take effect after signing of the definitive agreements, pursuant to which Accor and BTH agree to co-develop hotels (including branded serviced residences) and branded residences under the Banyan Tree, Angsana, Cassia and Dhawa brands and other brands of BTH (the "BT Brands") globally (excluding certain territories exclusive to BTH). The Collaboration will involve the Parties carrying out business development activities with a view to securing hotel management and residence licensing agreements to manage co-developed hotels and branded residences. Such co-developed hotels and branded residences will be managed by Accor under BTH brand and quality standards. BTH will continue to undertake brand management activities. Other activities such as training, sales and marketing, technical assistance, etc. will be undertaken by the Parties in accordance with the Collaboration term sheet. As further elaborated below, BTH may also solely develop its own hotel contracts in regions designated for co-developed hotels. BTH will also have access to Accor's global reservations and sales network and loyalty programme. For each co-developed hotel and branded residence, BTH and Accor will share the management and other fees received through Accor. The Collaboration shall be for an initial term of 10 years subject to extension and earlier termination in accordance with the term sheet;
- (b) the proposed issue by BTH to Accor of a convertible debenture, subject to the fulfilment of certain conditions precedent, of S\$24 million principal amount and issue price, with a coupon rate of 3.5% per annum payable quarterly. The principal amount of the debenture is convertible to BTH shares ("Shares") as follows: 1. automatically, if at any time during the period of 4½ years from the issue date of the debenture, the volume weighted average price for trades done on the Shares on the SGX-ST for the immediately preceding 90 consecutive trading days (the "VWAP") reaches S\$0.60 (the "Strike Price"), in which case the conversion will be at the Strike Price; 2. automatically at the end of the 4½ year period, whereupon the conversion price will be the lower of (i) 115% of the VWAP immediately preceding the relevant date, and (ii) the Strike Price, and subject to a minimum conversion price of S\$0.40 (subject to compliance with the SGX-ST listing rules); 3. at Accor's option, if at any time during the 4½ year period, BTH

announces a rights issue or preferential offer of Shares, in which case the conversion will be at the Strike Price. The debenture term sheet also provides for an option, exercisable within 6 months after conversion, for Accor to further purchase such number of Shares which would result in Accor having an interest in Shares representing no more than 10% of the share capital of BTH, at a price equivalent to 115% of the VWAP immediately preceding the exercise of the option (subject to compliance with the listing rules of the SGX-ST). It is further contemplated that there will be certain limited events requiring adjustment to the number of Shares that Accor will receive and/or the applicable exercise prices (as appropriate), to be set out in the definitive agreements.

2. Nomination of director

In connection with the Proposed Transaction, Accor will nominate one (1) director to the board of directors of BTH (the "Board"). The appointment will be subject to evaluation and recommendation by the Nominating and Remuneration Committee and approval by the Board and/or shareholders in accordance with BTH's Constitution. Accor has indicated to BTH that its first nominee to the Board will be Sebastien Bazin, the CEO and Chairman of Accor group.

3. Definitive Agreements

Under the term sheets, the Parties will use reasonably commercial endeavours to agree and enter into definitive agreements in relation to the Proposed Transaction, which will incorporate the terms set out in the term sheets and other terms as agreed between the Parties, within a period of 90 days from the date of the term sheets, subject to extension in accordance therewith. In the event that the definitive agreements are not entered into within the relevant period, they shall terminate and the Parties will no longer have any further obligations under the term sheets.

4. General Mandate

The proposed issue of Shares upon conversion of the debenture and exercise of the option pursuant to the debenture term sheet will be made pursuant to the general mandate for issue of shares and securities granted to the Board at the annual general meeting of BTH held on 28 April 2016.

5. Rationale for the Proposed Transactions

The strategic alliance with Accor allows BTH to remain as an independent company, tapping on Accor and leveraging on its strengths and experience to grow BTH's brands around the world. The Proposed Transaction will propel BTH's brands to global reach and range and strengthen BTH's ability to embrace change and innovation in the hospitality industry with a strong global partner. The proposed Collaboration will also enable BTH to strengthen its revenue stream through the fees received from the Collaboration while providing expansion

opportunities for BTH. The proposed Collaboration will not impede nor restrict BTH's ability to engage in its own business development activities and secure hotel management contracts entirely for itself provided that such contracts and co-developed hotel contracts if similarly branded shall not be closer than a mutually agreed distance from each other. Accor shall also be excluded from co-development rights in mainland China, Thailand, Vietnam, certain parts of Mexico, Jeju Island (South Korea) and certain parts of the Maldives, unless expressly permitted by BTH.

All co-developed hotels will be operated in accordance with quality assurance and brand standards controlled by BTH. A mutually agreed process and a series of Brand Assurance Protocols from BTH will ensure the suitability of a proposed Collaboration project for the BT Brands.

6. Interests of Directors and Substantial Shareholders and Accor

None of the directors of BTH nor (in so far as the directors are aware) any substantial shareholders of BTH or their respective associates have any interest, whether direct or indirect, in the Proposed Transaction (other than through their shareholdings in BTH). As of the date hereof, Accor does not have any interests, direct or indirect, in BTH's issued share capital. Accor is not related to any of the directors of BTH.

7. Announcements

Further announcements on the status of the definitive agreements and the Proposed Transaction will be made in due course as and when appropriate, and in accordance with the listing rules of the SGX-ST.

By Order of the Board

Jane Teah
Company Secretary

8 December 2016