

BANYAN TREE HOLDINGS LIMITED
(Company Registration Number 200003108H)

**RECEIPT OF THE SGX-ST'S APPROVAL-IN-PRINCIPLE IN RELATION TO THE LISTING AND QUOTATION
OF THE CONVERSION SHARES AND THE PLACEMENT SHARES**

**AMENDMENTS TO SUBSCRIPTION AGREEMENT AND COLLABORATION AGREEMENT
WITH ACCOR S.A.**

1. Introduction

Banyan Tree Holdings Limited ("BTH") refers to the announcement dated 27 April 2017 (the "27 April Announcement") in relation to, *inter alia*, the entry into of a subscription agreement (the "SA") with Accor S.A. ("Accor") for (a) the issue by BTH to Accor of an irredeemable convertible debenture of S\$24,000,000 principal amount and issue price (the "Debenture") and (b) the grant by BTH to Accor of an option to acquire up to 10% of the share capital of BTH, on a fully diluted basis (the "Option") (collectively, the "Proposed Issuance").

(Note: All capitalised terms used but not defined herein shall have the same meanings given to them in the 27 April Announcement, unless otherwise expressly stated or the context otherwise requires.)

2. Receipt of the SGX-ST's Approval-In-Principle

BTH wishes to announce that it has, on 27 July 2017, received the in-principle approval of Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of up to 95,433,507 new BTH shares ("Shares") to be issued upon the conversion of the Debenture and the exercise of the Option (the "Conversion Shares" and the "Placement Shares", respectively), which represents approximately 12.5% of the existing issued Shares (excluding treasury shares) and which will represent approximately 10% of the enlarged share capital of BTH on a fully diluted basis as at the Issue Date and taking into account the Shares to be issued to Vanke under the Vanke Transaction.

Based on the submissions and representations to the SGX-ST and the amendment of the Debenture's Floor Price to S\$0.47 in the SA, the SGX-ST has advised that it has approved in-principle BTH's additional listing application in respect of the Proposed Issuance subject to the following:

- (a) compliance with the SGX-ST's listing requirements;
- (b) a written undertaking from BTH that it will comply with Rule 704(30) and Rule 1207(20) of the listing manual of the SGX-ST (the "Listing Manual") in relation to the use of the proceeds from the proposed placement of shares and where proceeds are to be used for working capital purposes, BTH will disclose a breakdown with specific details on the use of proceeds for working capital in BTH's announcements on use of proceeds and in the annual report;
- (c) a written undertaking from BTH that it will comply with Rule 803 of the Listing Manual;
- (d) a written confirmation from BTH that it will not issue the Proposed Issuance to persons prohibited under Rule 812(1) of the Listing Manual; and

- (e) announcement of the conditions under which the price of the Debenture and Option may be adjusted and the conditions under which the Debenture and Option may be redeemed.

BTH will be providing the undertaking referred to in paragraph 2(b) above to the SGX-ST. BTH had previously provided the undertaking and confirmation referred to in paragraphs 2(c) and (d) to the SGX-ST.

In accordance with paragraph 2(e) above, please refer to Schedule 1 to this announcement for an extract of Condition 5.3 of the terms and conditions of the Debenture (the "Terms and Conditions"), which sets out the conditions under which the price of the Conversion Shares will be adjusted. Under the SA, if any of the events specified in Condition 5.3 of the Terms and Conditions of the Debenture were to occur prior to the issue of the Placement Shares, the adjustments set out in Condition 5.3 of the Terms and Conditions of the Debenture shall (if applicable) apply, *mutatis mutandis*, to the calculation of the price of the Placement Shares and the kind of securities to be issued. The Debenture and Option are not redeemable.

The in-principle approval of the SGX-ST for the listing and quotation of the Conversion Shares and the Placement Shares is not to be taken as an indication of the merits of the Debenture, the Option, the Conversion Shares, the Placement Shares, BTH and/or its subsidiaries.

3. Amendments to Subscription Agreement and Collaboration Agreement with Accor S.A.

BTH wishes to announce that it has on 27 July 2017 entered into a supplemental letter with Accor, with respect to, *inter alia*, the following:

- (i) in connection with paragraph 2 above, the Floor Price of the Debenture shall be amended to S\$0.47 (from the previous definition which referred to the higher of (A) S\$0.40 and (B) the lowest price allowed pursuant to the listing rules of the SGX-ST, without BTH being required to obtain any approval of its shareholders); and
- (ii) BTH and Accor have acknowledged and agreed that the number of Shares to be allotted and issued by BTH to Accor under the Debenture and the Option shall be no more than 95,433,507 Shares (the "Cap"). The Cap is, *inter alia*, on the basis that the maximum number of Shares issued and issuable to Vanke under the Vanke Transaction shall not exceed 95,433,507 Shares.

In addition, Accor and BTH have also agreed that assuming the Debenture is converted at the Floor Price of S\$0.47 following expiry of the 4½ Year Period, the initial term of the Collaboration under the CA shall be for a period of 12 years instead of 10 years.

4. Financial Effects of the Debenture and the Option

Conversion Shares and Placement Shares

As mentioned in paragraph 3 above, the maximum aggregate number of Conversion Shares and Placement Shares (assuming the full conversion and exercise of the Debenture and Option (as the case may be) and taking into account the Shares to be issued under the Vanke Transaction (based on a maximum of 95,433,507 Shares)) is 95,433,507 Shares, which

represents approximately 12.5% of the existing issued Shares (excluding treasury shares) and which will represent approximately 10% of the enlarged share capital of BTH on a fully diluted basis as at the Issue Date and taking into account the Shares to be issued under the Vanke Transaction.

Financial Effects

The illustrative financial effects of the Debenture and the Option, assuming a conversion price per Share of S\$0.60 under the Debenture and the exercise in full by Accor of its Option at a price per Share of S\$0.60, are as set out below. The illustrative figures are based on the issued share capital of BTH as at the date of this announcement and the unaudited results of BTH for the first quarter ended 31 March 2017.

Share Capital

	Before the issue of the Debenture and Option	After the issue of the Debenture and Option but before any conversion	Assuming conversion of the Debenture at S\$0.60	After the conversion of the Debenture and exercise in full of the Option
Number of Shares ¹	761,194,280	761,194,280	801,194,280	856,627,787

Net Tangible Assets ("NTA")²

	Before the issue of the Debenture and Option	After the issue of the Debenture and Option but before any conversion	Assuming conversion of the Debenture at S\$0.60	After the conversion of the Debenture and exercise in full of the Option
NTA (S\$'000)	522,851	522,851	546,851	580,111
NTA per Share ³ (Singapore cents)	68.69	68.69	68.25	67.72

Earnings

	Before the issue of the Debenture and Option	After the issue of the Debenture and Option but before any conversion	Assuming conversion of the Debenture at S\$0.60	After the conversion of the Debenture and exercise in full of the Option
Net profit attributable to shareholders (S\$'000)	1,199	1,199	1,199	1,199
Earnings per Share ³ (Singapore cents)	0.16	0.16	0.15	0.14

Gearing

	Before the issue of the Debenture and Option	After the issue of the Debenture and Option but before any conversion	Assuming conversion of the Debenture at S\$0.60	After the conversion of the Debenture and exercise in full of the Option
Net debt (S\$'000)	503,719	503,719	479,719	446,459
Total equity (S\$'000)	726,252	726,252	750,252	783,512
Net gearing	0.69	0.69	0.64	0.57

Notes:

- (1) Excludes 208,000 treasury shares and any vesting of share awards.
- (2) Excludes minority interests.
- (3) Based on the number of Shares shown in Note 1.

By Order of the Board

Jane Teah
Company Secretary
27 July 2017

SCHEDULE 1
EXTRACT OF CONDITION 5.3 OF THE TERMS AND CONDITIONS OF THE DEBENTURE

Terms used in Condition 5.3 of the Terms and Conditions shall, unless expressly defined otherwise, have the same meanings as the expressions used in the SA and the Terms and Conditions.

"5.3 Adjustments to Conversion Price

The Conversion Price will be subject to adjustment in the following events and PROVIDED ALWAYS that no adjustment or reset (as the case may be) involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 5.3(a) below:

- (a) Consolidation, Subdivision or Reclassification: If and whenever there shall be an alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such alteration; and

B is the aggregate number of issued Shares immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- (b) Capitalisation of Profits or Reserves:

If and whenever the Issuer shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves including Shares paid up out of distributable profits or reserves (except any Scrip Dividend) and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such issue; and

B is the aggregate number of issued Shares immediately after such issue.

Such adjustment shall become effective from the date of issue of the Shares.

- (c) Capital Distributions: If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution attributable to one (1) Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or if a record date is fixed therefor, immediately after such record date.

- (d) Other Offers to Shareholders: The issue, sale or distribution by or on behalf of (i) the Issuer or any of its Subsidiaries or (ii) (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity, of any securities in connection with an offer pursuant to which the Issuer's Shareholders generally (meaning for these purposes the holders of at least 60 per cent. of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them above.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which such issue is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one (1) Share.

Such adjustment shall become effective on the date of issue of the securities.

- (e) Corporate Restructuring. If the Issuer undertakes a transaction (the "Transaction") whereby all its shareholders are given the right to exchange their Shares for securities of another corporation (the "New Entity") or other property (including cash) or any combination of the foregoing and the Securities Industry Council of Singapore has ruled that the Transaction is exempted from the provisions of the Singapore Code on Take-overs and Mergers (in particular and without limitation to Rule 19), then as a condition to and subject to the completion of the Transaction, the Issuer shall ensure that:

- (i) if a notice of an Automatic Conversion Event had been given by the Issuer or a Conversion Notice had been given by the Debenture Holder, the Issuer shall not complete the Transaction until the Conversion Shares have been issued to the Debenture Holder and the Debenture Holder is offered a right to exchange the Conversion Shares for securities of the New Entity or other property (including cash) or any combination of the foregoing on the same terms and conditions as the Issuer's shareholders; and

- (ii) if neither a notice of an Automatic Conversion Event nor a Conversion Notice has been given, the Debenture Holder shall have the right to receive a new debenture in form and substance similar to the Debenture (with a right to convert such Debenture into rights to receive such securities in the New Entity on the same terms as under the original Debenture), or in exchange for the cancellation of its Debenture, to receive such securities in the New Entity or such other property (including cash) or any combination of the foregoing as if the Debenture Holder held Shares that it would have been entitled to be issued if it has converted its Debenture immediately prior to the Transaction based on the conversion price of S\$0.60.
- (f) Other Events: If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one (1) or more events or circumstances not referred to in this Condition 5, the Issuer shall, at its own expense, consult an Independent Investment Bank to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the Independent Investment Bank such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that (i) where the events or circumstances giving rise to any adjustment pursuant to this Condition 5 have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 5 as may be advised by the Independent Investment Bank to be in their opinion appropriate to give the intended result; and (ii) any material alteration to the terms of the Debenture to the advantage of the Debenture Holder but is materially prejudicial to the interests of the shareholders of the Issuer shall not be effected without the prior approval of the shareholders of the Issuer at a general meeting of the shareholders, except where the alteration is made pursuant to the terms of this Debenture.
- (g) For the avoidance of doubt, the issue of Shares to a third party (who is not, at the time of such issue, an existing Shareholder) on its own will not trigger any adjustment to the Conversion Price under this Conditions 5.3 or require the Issuer to make a determination under Condition 5.3(f).

For the purposes of these Conditions:

"Capital Distribution" means: (i) any distribution of assets in specie by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets in specie includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid by way of capitalisation of reserves)); and (ii) any dividend (including any cash or Scrip Dividend) or distribution of any kind by the Issuer for any financial period (whenever paid and however described).

"Current Market Price" means, in respect of a Share at a particular date, the average of the daily Volume Weighted Average Price for one (1) Share (being a Share carrying full entitlement to dividend) on each of the 90 consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said 90 Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (A) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share; or
- (B) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;

and provided further that if the Shares on each of the said five (5) Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share.

"Fair Market Value" means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank, acting as an expert, provided that (A) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend, (B) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such investment banks) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five (5) trading days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded.

"Independent Investment Bank" means an independent investment bank of repute (acting as an expert) selected by the Issuer.

"Relevant Cash Dividend" means any cash dividend specifically declared by the Issuer.

"Relevant Stock Exchange" means at any time, in respect of the Shares, the SGX-ST or the Alternative Stock Exchange.

"Scrip Dividend" means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend being a dividend which the Shareholders concerned would or could otherwise have received.

A reference to a "Subsidiary" of any person is to any company or other business entity of which that person owns or controls (either directly or through one (1) or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or under regulations or generally accepted accounting principles from time to time should have its accounts consolidated with those of that person.

On any adjustment, the relevant Conversion Price, if not an integral multiple of one Singapore cent, shall be rounded down to the nearest Singapore cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would

be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to the Debenture Holder in accordance with Condition 12 as soon as practicable after the determination thereof.

Where more than one (1) event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of an Independent Investment Bank, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Investment Bank to be in their opinion appropriate in order to give such intended result. No adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered or granted to employees (including directors) of the Issuer or any Subsidiary of the Issuer pursuant to any employee share scheme (and which employee share scheme is in compliance with the listing rules of the SGX-ST or, if applicable, those of an Alternative Stock Exchange)."