

**BANYAN TREE HOLDINGS LIMITED**  
(Company Registration Number 200003108H)

**LAPSE OF INITIAL OPTION GRANTED TO VANKE SPV**

**1. Introduction**

Banyan Tree Holdings Limited ("**BTH**") refers to the announcement dated 10 August 2017 (the "**10 August Announcement**") in relation to, *inter alia*, the entry into of a share placement agreement (the "**Share Placement Agreement**") with Alps Investments Limited ("**Vanke SPV**") a wholly-owned subsidiary of China Vanke Co., Ltd. for, *inter alia*, the grant by BTH to Vanke SPV of an option to the Vanke SPV (the "**Initial Option**") to subscribe for 16,842,649 new shares of BTH in accordance with and subject to the terms of the Share Placement Agreement.

*(Note: All capitalised terms used but not defined herein shall have the same meanings given to them in the 10 August Announcement, unless otherwise expressly stated or the context otherwise requires.)*

**2. Initial Option, Additional Issuance and Additional Option**

The Board wishes to announce that the Initial Option which may be exercised under the Share Placement Agreement has lapsed on 19 April 2018 and is no longer exercisable by the Vanke SPV. BTH understands that the reason for Vanke SPV not exercising the Initial Option was due to the change in China's macro regulatory environment impacting overseas investments in the hotel industry. Vanke has assured BTH that the aspiration to establish a leading hotel management platform in China together with BTH has not changed.

Under the terms and conditions of the Share Placement Agreement, the Additional Issuance and the Additional Option are subject to, amongst others, the completion of the subscription of the Initial Option Shares. Accordingly as the Initial Option has not been exercised, the Additional Issuance and the Additional Option have lapsed. The ordinary resolution as tabled under item 7.5 in the notice of annual general meeting ("**AGM**") and as stated in paragraph 4.1 of the Letter to Shareholders dated 3 April 2018, relating to the Additional Issuance and Additional Option will not need to be approved by BTH shareholders at the AGM.

By Order of the Board

Jane Teah  
Company Secretary  
20 April 2018