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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

8 December 2017

INCREASED RECOMMENDED FINAL CASH OFFER

for

Millennium & Copthorne Hotels plc (“M&C”)

by

Agapier Investments Limited (“Bidco”)

(a company indirectly and wholly-owned by City Developments Limited (“CDL”))

Summary

- Further to the announcements on 9 October 2017 and 19 October 2017 setting out details of a possible offer by Bidco for M&C (the “**Possible Offer**”), the boards of CDL and Bidco and the independent non-executive directors of M&C (the “**M&C Independent Directors**”) are pleased to announce that they have reached agreement on the terms of an increased recommended cash offer pursuant to which Bidco will acquire the entire issued and to be issued ordinary share capital of M&C not already held by CDL and its subsidiaries (the “**CDL Group**”) (and persons acting in concert with them), which is final and will not be increased (the “**Final Offer**”).
- Under the terms of the Possible Offer, M&C Shareholders would have been entitled to receive a cash amount of 545 pence per M&C Share payable by Bidco together with a special dividend of 7.5 pence per M&C Share payable to all M&C Shareholders upon the Possible Offer becoming or being declared wholly unconditional.
- Under the terms of the Final Offer, M&C Shareholders will be entitled to receive an increased cash amount of 600 pence per M&C Share payable by Bidco (the “**Final Offer Price**”) together with an increased special dividend of 20 pence per M&C Share (the “**Special Dividend**”) payable by M&C to all M&C Shareholders upon the Final Offer becoming or being declared wholly unconditional.
- Under the terms of the Final Offer including the Special Dividend, M&C Shareholders will be entitled to receive in aggregate:

for each M&C Share	620 pence in cash (which includes the Special Dividend)
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- The Final Offer Price plus the Special Dividend represent:
 - a premium of approximately 38.8 per cent. to the Closing Price of the M&C Shares of 446.7 pence per M&C Share on 18 August 2017 (being the last Business Day prior to the date on which an initial proposal was received by M&C from CDL);
 - a premium of approximately 37.0 per cent. to the volume weighted average price of the M&C Shares for the period of the month prior to 6 October 2017 (being the last Business Day prior to the start of the Offer Period) of 452.7 pence per M&C Share; and

- a premium of approximately 36.3 per cent. to the Closing Price of the M&C Shares of 455.0 pence per M&C Share on 6 October 2017 (being the last Business Day prior to the start of the Offer Period).
- The M&C Independent Directors, who have been so advised by Credit Suisse as to the terms of the Final Offer, consider the terms of the Final Offer to be fair and reasonable. In providing advice to the M&C Independent Directors, Credit Suisse has taken into account the commercial assessments of the M&C Independent Directors. Accordingly, the M&C Independent Directors intend unanimously to recommend that M&C Shareholders accept the Final Offer.
- The background to and reasons for the Final Offer by Bidco are described in detail in paragraph 4 of the full announcement, below. The background to and reasons for the M&C Independent Directors' recommendation are described in detail in paragraph 6 of the full announcement, below.
- The Final Offer is conditional on, amongst other things, Bidco securing valid acceptances of the Final Offer in respect of more than 50 per cent. in nominal value of the M&C Shares not already owned by the CDL Parties and of the voting rights attached to those shares. This Acceptance Condition is not waivable by Bidco.
- Upon the Final Offer becoming or being declared wholly unconditional, M&C will apply for de-listing from the Official List of the UKLA.
- CDL is an established Singapore-based international property and hotel conglomerate involved in real estate development and investment, hotel ownership and management, facilities management and the provision of hospitality solutions. CDL currently owns and manages a portfolio of residential and investment properties, with extensive operations in 97 locations in 26 countries. Shares in CDL are admitted to trading on the SGX. Bidco is an indirect, wholly-owned subsidiary of CDL.
- M&C is an international hotel group which owns, leases, manages, franchises, invests in and/or operates 137 hotels in 27 countries around the world. The M&C Shares are listed on the premium segment of the Official List of the UKLA and are admitted to trading on the Main Market of the London Stock Exchange.
- As at 7 December 2017 (being the Last Practicable Date), the CDL Group owns 211,749,487 M&C Shares, representing approximately 65.20 per cent. of the issued ordinary share capital of M&C.
- The Final Offer values the entire issued ordinary share capital of M&C as at the date of this announcement at approximately £2,014 million.
- The Offer Document, containing further information about the Final Offer, will be published as soon as practicable.
- Grant Kelley, CEO of CDL, commented:

"We are pleased to have reached agreement on a final, recommended increased offer for M&C which enables shareholders to exit at a substantial premium. We are absolutely committed to maintaining M&C's strategy as both a hotel owner and operator, recognising the value of M&C's long term, recurring income stream which has always been a critical component of CDL's overall operating performance. In taking M&C private, we believe the company will be best placed to compete in this increasingly competitive global landscape,

benefitting from greater investment and the ability to further leverage CDL's significant infrastructure and resources."

- The Independent Committee commented:

"By engaging in this process and continuing discussions over a period of many months, the negotiating parties have secured a successful outcome for the M&C Shareholders. The Final Offer represents a 36.3 per cent. premium to the closing share price prior to the initial announcement in October and has the M&C Independent Directors' unanimous support. The M&C Independent Directors have secured further commitment from CDL that it intends to remain a hotel owner and operator and has no intention to sell or repurpose any hotels in London or New York for at least 3 years.

This Final Offer provides M&C Shareholders with the ability to realise their investments in cash at a valuation which has not been seen pre-bid since 2007. Having brought a firm offer to the M&C Shareholders it is now in their hands to decide the outcome, with the requirement of at least 50 per cent. acceptance of independent shareholders for the transaction to succeed."

This summary should be read in conjunction with the full text of this announcement, including the Appendices. The Final Offer will be subject to the Conditions and further terms set out in Appendix I to this announcement and to the full terms and conditions which will be set out in the Offer Document. Appendix II to this announcement contains the sources of information and bases of calculations of certain information contained in this announcement and Appendix IV contains definitions of certain expressions used in this summary and in this announcement.

Enquiries:

City Developments Limited and Agapier Investments Limited

Belinda Lee, Head, Investor Relations & Corporate Communications +65 6428 9315

Deutsche Bank AG

Joint Financial Adviser to CDL

Philip Lee +65 6423 8001

Rohit Satsangi +852 2203 8888

Chris Raff +44 (0) 20 7545 8000

HSBC

Joint Financial Adviser to CDL

+44 (0) 20 7991 8888

Oliver Smith

Barry Rose

Millennium & Copthorne Hotels plc

Jonathon Grech, Group General Counsel and Company Secretary + 44 (0) 20 7872 2444

Peter Krijgsman, Financial Communications (Media)

LEI Number: 2138003EQ1O4LZ1JNH19

Credit Suisse International

Financial Adviser and Corporate Broker to M&C

John Hannaford

+44 (0) 20 7888 8888

Stuart Upcraft

Media Enquiries:

For CDL – Tulchan Communications LLP

Peter Hewer

+44 (0) 20 7353 4200

Will Smith

For M&C – Instinctif Partners Limited

Matthew Smallwood

+44 (0) 20 7457 2020

Mark Reed

Linklaters LLP is retained as legal adviser to CDL. Herbert Smith Freehills LLP is retained as legal adviser to M&C.

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HSBC Bank plc, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as financial adviser to CDL and for no-one else in connection with the subject matter of this announcement and will not be responsible to anyone other than CDL for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

*Credit Suisse International ("**Credit Suisse**") is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Credit Suisse is acting exclusively for the Independent Committee and for no-one else in connection with the Final Offer, the content of this announcement and other matters described in this announcement. Credit Suisse will not regard any other person as its client in relation to the Final Offer, the content of this announcement and other matters described in this announcement and will not be responsible to anyone other than the Independent Committee for providing the protections afforded to its clients, nor for providing advice to any other person in relation to the Final Offer, the content of this announcement or any other matters described in this announcement.*

Save for the responsibilities and liabilities, if any, of Credit Suisse under FSMA or the regulatory regime established thereunder, Credit Suisse does not assume any responsibility whatsoever and makes no representations or warranties, express or implied, in relation to the content of this announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by the Independent Committee, or on the Independent

Committee's behalf, or by Credit Suisse, or on its behalf, and nothing contained in this announcement is, or shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with the Independent Committee or the Final Offer. Credit Suisse disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this announcement or any such statement.

This announcement is for information purposes only. It is not intended to and does not constitute, or form part of, an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Final Offer or otherwise. The Final Offer will be made solely by means of an Offer Document and the Form of Acceptance accompanying the Offer Document (or, in the event that the Final Offer is to be implemented by way of a scheme of arrangement, a scheme document) which will contain the full terms and conditions of the Final Offer, including details of how the Final Offer may be accepted.

Bidco reserves the right to elect (with the consent of the Panel) to implement the acquisition of M&C by way of a court-approved scheme of arrangement in accordance with Part 26 of the Companies Act. In such event, the acquisition will be implemented on substantially the same terms, subject to appropriate amendments, as those which would apply to the Final Offer.

The Final Offer will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the Financial Conduct Authority and the UKLA.

This announcement does not constitute a prospectus or prospectus equivalent document.

Overseas Shareholders

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws and/or regulations of any jurisdictions other than the United Kingdom should inform themselves of, and observe, any applicable requirements. Any failure to comply with the applicable legal and/or regulatory requirements may constitute a violation of the laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Final Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

This announcement has been prepared for the purposes of complying with English law, the Listing Rules, the rules of the London Stock Exchange and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and/or regulations of jurisdiction outside the United Kingdom.

Unless otherwise determined by Bidco or required by the Code, and permitted by applicable law and regulation, the Final Offer shall not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and the Final Offer shall not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Final Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Final Offer (including agents, custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such Restricted Jurisdiction as doing so may invalidate any purported acceptance of the Final Offer. Any person (including, without limitation, any agent, custodian, nominee and

trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this announcement and/or the Offer Document and/or any other related document to any jurisdiction outside the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction.

The availability of the Final Offer to M&C Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

If you are a Resident of the United States, please read the following:

The Final Offer is being made for the securities of M&C, a company incorporated under the laws of England and Wales, and is being made in the United States in compliance with, and reliance on, Section 14(e) of the US Securities Exchange Act of 1934 (the "**Exchange Act**") and Regulation 14E thereunder. The Final Offer will be made in the United States by Bidco and no-one else.

The Final Offer is subject to the disclosure and procedural requirements of the United Kingdom which are different from those in the United States.

It may be difficult for United States holders of shares in CDL or M&C to enforce their rights and claims arising out of the United States federal securities laws, since CDL, Bidco and M&C are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. Holders in the United States may not be able to sue a non-United States company or its officers or directors in a non-United States court for violations of United States securities laws. Further, it may be difficult to compel a non-United States company and its affiliates to subject themselves to a United States court's judgment.

Forward Looking Statements

This announcement, including any information included or incorporated by reference in this announcement, contains statements about Bidco, CDL and M&C that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's or CDL's or M&C's operations; and (iii) the anticipated effects of the Final Offer on the Wider CDL Group and the business and operations of M&C.

Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Much of the risk and uncertainty relates to factors that are beyond the companies' abilities to control or estimate precisely, such as future events, future market conditions and the behaviours of other market participants. Other unknown or unpredictable factors could affect future operations and/or cause actual results to differ materially from those in the forward looking statements. Such forward looking statements should be construed in the light of such factors, and therefore undue reliance should not be placed on such statements.

Each forward looking statement speaks only as at the date of this announcement. Neither Bidco nor CDL or M&C, nor any of their respective associates or directors, officers, employees, managers, agents, representatives, partners, members, consultants or advisers: (i) provide any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements will actually occur; nor (ii) assume any obligation to, and do not intend to, revise or update these forward looking statements, except as required pursuant to applicable law. Bidco and CDL disclaim any obligation to update any forward looking or other statements contained herein, except as required by applicable law. All forward looking statements contained in this announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

No Profit Forecasts or Estimates

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Bidco, M&C or CDL, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Bidco, M&C or CDL, as appropriate.

Disclosure Requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company, and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures have been made by the offeree company and by any offeror and Dealing Disclosures must be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk>, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Electronic Communications

Please be aware that addresses, electronic addresses and certain information provided by M&C Shareholders, persons with information rights and other relevant persons for the receipt of communications from M&C may be provided to Bidco during the Offer Period as requested under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

Publication on Website and Availability of Hard Copies

In accordance with Rule 26.1 of the Code, a copy of this announcement, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, will be available on the website of CDL at: www.cdl.com.sg/Millennium-Offer and M&C at: <https://investors.millenniumhotels.com/regulatory-announcements-and-news/city-developments-ltd-offer-documents> promptly and by no later than 12 noon (London time) on the Business Day following this announcement. For the avoidance of doubt, the contents of these websites referred to in this announcement are not incorporated into and do not form part of this announcement.

You may request a hard copy of this announcement by contacting Equiniti Limited on 0371-384-2343 (if calling within the UK) or +44 (0)121-415-7047 (if calling from outside the UK). Lines are open Monday to Friday 8.30 a.m. to 5.30 p.m., excluding UK Bank Holidays. You may also request that all future documents, announcements and information to be sent to you in relation to the Final Offer should be in hard copy form.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

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Millennium & Copthorne Hotels plc (“M&C”)

by

Agapier Investments Limited (“Bidco”)

(a company indirectly and wholly-owned by City Developments Limited (“CDL”))

1 Introduction

The boards of CDL and Bidco and the independent non-executive directors of M&C (the “**M&C Independent Directors**”) are pleased to announce that they have reached agreement on the terms of an increased recommended cash offer pursuant to which Bidco will acquire the entire issued and to be issued ordinary share capital of M&C not already held by CDL and its subsidiaries (the “**CDL Group**”) (and persons acting in concert with them), which is final and will not be increased (the “**Final Offer**”).

2 The Final Offer

On 9 October 2017 and 19 October 2017, the boards of CDL and Bidco and the M&C Independent Directors announced a possible recommended cash offer pursuant to which Bidco would acquire the entire issued and to be issued ordinary share capital of M&C not already held by the CDL Group (the “**Possible Offer**”).

Under the terms of the Possible Offer, M&C Shareholders would have been entitled to receive a cash amount of 545 pence per M&C Share payable by Bidco together with a special dividend of 7.5 pence per M&C Share payable to all M&C Shareholders upon the Possible Offer becoming or being declared wholly unconditional.

Under the terms of the Final Offer, which will be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Offer Document, M&C Shareholders will be entitled to receive an increased cash amount of 600 pence per M&C Share payable by Bidco (the “**Final Offer Price**”) together with an increased special dividend of 20 pence per M&C Share (the “**Special Dividend**”) payable by M&C to all M&C Shareholders upon the Final Offer becoming or being declared wholly unconditional.

Under the terms of the Final Offer including the Special Dividend, M&C Shareholders will be entitled to receive in aggregate:

for each M&C Share	620 pence in cash (which includes the Special Dividend)
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The Final Offer Price plus the Special Dividend represent:

- a premium of approximately 38.8 per cent. to the Closing Price of the M&C Shares of 446.7 pence per M&C Share on 18 August 2017 (being the last Business Day prior to the date on which an initial proposal was received by M&C from CDL);
- a premium of approximately 37.0 per cent. to the volume weighted average price of the M&C Shares for the period of the month prior to 6 October 2017 (being the last Business Day prior to the start of the Offer Period) of 452.7 pence per M&C Share; and
- a premium of approximately 36.3 per cent. to the Closing Price of the M&C Shares of 455.0 pence per M&C Share on 6 October 2017 (being the last Business Day prior to the start of the Offer Period).

The M&C Independent Directors, who have been so advised by Credit Suisse as to the terms of the Final Offer, consider the terms of the Final Offer to be fair and reasonable. In providing advice to the M&C Independent Directors, Credit Suisse has taken into account the commercial assessments of the M&C Independent Directors. Accordingly, the M&C Independent Directors intend unanimously to recommend that M&C Shareholders accept the Final Offer.

The Final Offer is conditional on, amongst other things, Bidco securing valid acceptances of the Final Offer in respect of more than 50 per cent. in nominal value of the M&C Shares not already owned by the CDL Parties and of the voting rights attached to those shares. This Acceptance Condition is not waivable by Bidco. The Final Offer is not conditional on the New Zealand regulatory consents as set out in the announcement of the Possible Offer as the relevant ministers of the New Zealand government have now approved the application by CDL for the indirect acquisition of interests in sensitive land and significant business assets in New Zealand that would occur as a result of the Final Offer.

Upon the Final Offer becoming or being declared wholly unconditional, M&C will apply for de-listing from the Official List of the UKLA.

Other than the Special Dividend, if any dividend or other distribution is authorised, declared, made or paid in respect of M&C Shares on or after the date of this announcement, the Final Offer Price will be reduced by the amount of any such dividend or other distribution.

The M&C Shares will be acquired under the Final Offer fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid (other than the Special Dividend), or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of this announcement.

M&C Shareholders who are on the register of members of M&C at 6.00 p.m. (London time) on the Business Day immediately prior to the Final Offer becoming wholly unconditional shall be entitled to receive the Special Dividend.

As at 7 December 2017 (being the Last Practicable Date), CDL holds 211,749,487 M&C Shares through its wholly-owned subsidiaries Singapura Developments (Private) Limited and Reach Across International Limited, representing approximately 65.20 per cent. of the issued ordinary share capital of M&C.

The Final Offer values the entire issued ordinary share capital of M&C as at the date of this announcement at approximately £2,014 million.

3 M&C Independent Directors

The M&C Independent Directors, which excludes the appointees of CDL to the M&C board (such appointees being Kwek Leng Beng, Kwek Leng Peck and Kwek Eik Sheng), have established an Independent Committee to which has been delegated the exercise of all powers of the M&C board in relation to the Final Offer.

4 Background to and reasons for the Final Offer

CDL has been a highly supportive shareholder since M&C's initial public offering on the London Stock Exchange in 1996. However, given the many challenges M&C faces today, CDL believes that taking M&C private is in the best interests of all M&C Shareholders. Accordingly, CDL was pleased to announce on 9 October 2017 that it had agreed with the M&C Independent Directors certain terms of a possible recommended cash offer for the entire issued and to be issued ordinary share capital of M&C not already held by the CDL Group.

CDL subsequently engaged with a number of the M&C Shareholders to discuss the Possible Offer and CDL's reasons for it. As was set out in CDL's announcement of 19 October 2017, CDL believes that

- A.** M&C faces multiple challenges and a highly competitive landscape;
- B.** significant capital investment is needed which could adversely impact M&C's earnings; and
- C.** taking M&C private will make the company a more nimble and efficient organisation and will provide it with the ability to further leverage CDL's significant infrastructure and resources.

Separately, CDL recognises that a number of M&C Shareholders have compared the terms of the Possible Offer to M&C's net asset value. CDL firmly believes that it is not appropriate to value M&C on an asset value basis for the following reasons:

- D.** M&C is operated and valued as a hotel company;
- E.** CDL intends to maintain M&C's twin strategy as both a hotel owner and operator; and
- F.** the multiple challenges faced by M&C as outlined in more detailed in this paragraph.

CDL believes that the terms of the Possible Offer were fair and reasonable and notes that the M&C Independent Directors were of the same opinion. Nonetheless, CDL is prepared to improve the terms of the Possible Offer by 12.2 per cent. such that under the terms of the Final Offer, M&C Shareholders will be entitled to receive in aggregate 620 pence in cash (which includes the Special Dividend).

As the CDL Group owns approximately 65.20 per cent. of M&C, CDL believes that there is little possibility of any third party offeror emerging and hence the Final Offer is likely to be the only liquidity event that M&C Shareholders will have the opportunity to benefit from in the near to medium term. Moreover, setting the Acceptance Condition at more than 50 per cent. of the M&C Shares not already owned by the CDL Parties maximises the prospect of the Final Offer being declared unconditional and, if successful, would facilitate a de-listing

of M&C. Note that CDL's intention would be for M&C to de-list as soon as practicable after the Final Offer is declared wholly unconditional.

Further detail on the issues referenced in bullets A – F above is provided below for reference.

A) M&C faces multiple challenges and a highly competitive landscape

CDL believes that M&C currently faces multiple challenges, including intensifying competition from large-scale asset-light hotel conglomerates and geo-political instability across the regions in which it operates.

In the UK, the business faces a challenging demand outlook given the uncertainties presented by Brexit, and the economic environment. Corporate bookings and demand for meetings, conferences and exhibitions are an area of particular concern. Moreover, as a result of Brexit many experienced European employees in the hotel and catering industries are expected to relocate to other European Union countries, resulting in a shortage of skilled labour. The increases in the National Living Wage (an obligatory minimum wage in the UK) which were implemented on 1 April 2016 and will be in effect for 4 years until 2020, will further accelerate the cost pressures faced by M&C in the UK.

In the US, the business faces challenges of (i) potential declines in UK and EU tourist travel due to weakened GBP/ Euro FX rates; (ii) excess hotel supply in key locations such as New York; and (iii) pressure on margins caused by the rise of online booking platforms.

In Asia, M&C faces a number of issues including escalating political tensions, resulting in a dampening of demand in Seoul and Tokyo driven by fears of military conflict on the Korean Peninsula, and a significant decline in Chinese outbound tourism.

B) Significant capital investment is needed which could adversely impact M&C's earnings

To maintain M&C's competitiveness, CDL believes that significant maintenance expenditure is required across many of the M&C Group's properties. In a number of cases where refurbishment plans have been announced, works have been delayed and several properties have not had significant new investment for many years.

CDL believes that a significant proportion of the capital expenditure required by the M&C Group is in relation to projects that would be designed to maintain core infrastructure and customer service levels rather than generate incremental returns. Accordingly, whilst a programme of material capital investment may adversely impact M&C's earnings and cashflows in the near term, there can be no guarantee that it would necessarily deliver improved returns in the medium term.

C) Taking M&C private will make it a more nimble and efficient organisation and will provide it with the ability to further leverage CDL's significant infrastructure and resources

To meet M&C's challenges and long-term financial requirements, CDL believes that M&C's hotel business can be best navigated if the company becomes a private entity.

If M&C is taken private, CDL can then provide M&C with direct access to CDL's larger infrastructure as a diversified, global real estate operating company.

CDL believes that M&C can leverage on CDL's network, financial resources and its reputable execution capabilities to effect a quicker turnaround. M&C can then also benefit from CDL's long-standing track record and experienced in-house team of project experts who can execute a renovation of parts of M&C's portfolio with lower cost and at a quicker pace. Nimbleness and flexibility will be a distinct advantage in the highly competitive operating environment that M&C faces.

D) M&C is operated and valued as a hotel company

The market and analyst community have noted the discrepancy between the value of M&C Shares based on present and future hotel earnings and on a net asset valuation. During the two years prior to the commencement of the Offer Period M&C has traded within a narrow trading range with an average closing share price of 444 pence.

CDL believes that in view of its intent to retain an asset ownership model, coupled with M&C's lack of scale and scope to replicate an asset-light business model, M&C's net asset value has not, and will not be, realised, either practically or operationally. Moreover, M&C's significant capex requirements will likely present further earnings and cashflow headwinds in the years ahead.

E) CDL intends to maintain M&C's twin strategy as both a hotel owner and operator

This twin strategy was implemented long ago and has been the bedrock of M&C's business model for over 20 years. This strategy has been reiterated in several of M&C's announcements and financial statements. CDL believes in maintaining M&C's current business model and working steadfastly towards streamlining its operations and improving its performance, while also investing capital expenditure where required.

The generation of recurring income from M&C has been a critical part of CDL's operating performance, as it provides a buffer against the volatility and cyclical nature of CDL's residential development business. Today, recurring income is even more important as margins on new residential projects are being reduced due to higher land costs and ongoing property cooling measures in several key gateway cities, particularly in Singapore.

It should be noted that CDL has already invested resources and established a separate, standalone business group in UK to work independently on its development projects comprising UK sites which CDL had progressively acquired selectively, since 2013. Further, CDL believes that keeping both the hotel and development businesses operationally separate, is aligned with CDL Group's long-term policy and strategy.

F) Irrespective of CDL's strategy, there would likely be significant impediments to a conversion or repurposing strategy for M&C's hotel assets

Different countries have different regulatory requirements, rules and restrictions, capital gains tax, income or corporate taxes as well as approval processes for property development that can be overly onerous and time consuming. These can incur significant costs and would carry certain political and economic risks, if CDL wished hypothetically to redevelop or reposition M&C assets. Thus, CDL is actively discouraged from pursuing this approach.

For example, as a developer, CDL is acutely aware that the shortage of affordable housing in London will create pressure to provide for affordable housing components in future residential developments (including the proposal to seek 35 per cent. of new residential accommodation to be provided as affordable housing). Whilst CDL expects this alone will severely impact the financial viability of any potential redevelopment activities, CDL also notes that several London boroughs have adopted policies to resist the loss of hotel accommodation, and any uplift in floor space may be subject to community infrastructure levies.

Furthermore, for hotels held on a long-term leasehold basis, the landowner with the reversionary interest may look to extract significant premia and higher ground rents on any potential redevelopments. Moreover, any extension of the hotels beyond their current building envelope may affect third party rights to light, resulting in potential injunctions or compensation payments. Collectively, and irrespective of M&C's attractiveness as a recurring income portfolio, these factors will continue to disincentivise CDL from pursuing any residential conversion strategy.

Similarly, in New York City, CDL notes the moratorium on the conversion of hotels with more than 150 rooms into condominiums in order to stem potential job losses from hotel closures is an impediment to any conversion or repurposing strategy. The moratorium was imposed in 2015 for two years, and was recently renewed for a further two years until 2019.

In Singapore, residential developers are subject to various cooling measures, which impose taxes and other regulatory constraints on developers. Of particular note, the Qualifying Certificate ("QC") scheme imposes a series of escalating penalties on certain residential developers in Singapore, including CDL, if they do not complete their development within five years and do not sell the units within an additional two years post-completion. The QC penalties are equivalent to 8 per cent. of the land value in the first year of extension, increasing to 16 per cent. for the second year, and 24 per cent. for the third year and beyond.

These restrictions in the key cities of London and New York, as well as Singapore, highlight the severe impediments to pursuing a conversion or repurposing strategy for M&C's hotel assets.

5 Recommendation

The M&C Independent Directors, who have been so advised by Credit Suisse as to the terms of the Final Offer, consider the terms of the Final Offer to be fair and reasonable. In providing advice to the M&C Independent Directors, Credit Suisse has taken into account the commercial assessments of the M&C Independent Directors. Accordingly, the M&C Independent Directors intend unanimously to recommend that M&C Shareholders accept the Final Offer.

6 Background to and reasons for the M&C Independent Directors' recommendation

Context

The M&C Independent Directors were approached by CDL on 21 August 2017 with an offer to take the company private for 510 pence per M&C Share in cash. This initial offer was rejected outright. CDL subsequently returned with a revised proposal on 14

September 2017, which was also rejected. As well as rejecting the second proposal with respect to value, the M&C Independent Directors sought to better understand the intentions of CDL with regards to its potential future ownership of M&C in a private context, specifically as to whether any attempt would be made to sell or repurpose operating hotels within the group.

After a period of further negotiation, CDL made a third proposal of 545 pence per M&C Share in cash together with a special dividend of 7.5 pence per M&C Share, conditional *inter alia* on the recommendation of the M&C Independent Directors, as well as providing assurances over the future strategy for the group and its assets.

On 19 October 2017, it was announced that the Independent Committee had concluded that the Possible Offer of 545 pence per M&C Share in cash together with a special dividend of 7.5 pence per M&C Share would represent fair and reasonable value and that they intended to recommend the proposed offer unanimously.

Increased Final Offer

Since the announcement of the Possible Offer, the Independent Committee has received a wide range of feedback from Independent M&C Shareholders, held constructive dialogue with CDL and has continued to carefully consider the merits of the Possible Offer. As a result of their findings the M&C Independent Directors indicated to CDL that they would need to improve the terms of the Possible Offer. On 8 December 2017, CDL made a further proposal to the Independent Directors of 600 pence per M&C Share in cash together with an increased special dividend of 20 pence per M&C Share, again conditional *inter alia* on the recommendation of the M&C Independent Directors.

Value of the Final Offer

In considering the Final Offer, the M&C Independent Directors have taken into account both the potential growth in the business and the risks inherent in the continued execution of M&C's strategy, as well as the underlying assets of M&C. These factors have been considered against the certainty of a cash offer at a level that the M&C Independent Directors believe is unlikely to be seen in the public markets, absent bid speculation, in the medium term.

As previously announced:

- the M&C Independent Directors have considered the structural and cyclical challenges M&C faces in the medium term, to address and adapt to changing market dynamics, as well as implementing and successfully executing several significant capital expenditure initiatives in multiple hotel locations;
- M&C continues to undergo significant management change, in particular at Chief Executive level; and
- in forming its view on the Final Offer, the M&C Independent Directors have had regard to a number of valuation methodologies to assess a fair market value of M&C as a hotel owner and operator. The cash flows of the business have been valued and account has been taken of the underlying assets of M&C. The Final Offer represents a premium of approximately 36.3 per cent. to the Closing Price per M&C Share of 455 pence on 6 October 2017 (the last date prior to the commencement of the Offer Period), which is within the range of premia paid in other UK take-private transactions undertaken by controlling shareholders. Whilst

an assessment of the underlying assets of M&C is a relevant reference point (as set out below), it is important to note that M&C has traded, and continues to be valued by the market, primarily on an earnings basis. M&C has historically traded at a sizeable discount to reported net book value (defined as total assets less total liabilities and minority interests, as set out in the M&C annual and quarterly reports) since the financial crisis of 2008 and for most of its 21 year history as a listed company.

In addition, the M&C Independent Directors have been mindful that a number of the M&C Group's assets have not had significant new investment for many years. For instance, updates on the refurbishments of the Millennium Mayfair (originally announced in November 2010) and Millennium Knightsbridge (originally announced in July 2014) were announced in February 2016 for £80 million and £50 million respectively. Since then, both projects were delayed further in order for the Board and management team to review their scope and costing. The refurbishment of the Millennium Knightsbridge is now projected to start in 2018 whilst the works at the Millennium Mayfair have just commenced, with a reduced scope of £40 million. With regard to these and other properties marked for refurbishment, capital expenditure will be required to improve the standards and facilities at those properties in line with customers' expectations of M&C and also to maintain the returns on these assets. Some of this expenditure will need to be directed at the core infrastructure of the assets, such as their mechanical, electrical and plumbing systems. As such, it is expected that a portion of the capital expenditure required in respect of the M&C Group hotel estate will not necessarily deliver improved returns on those assets in the medium term.

Furthermore, certain large development projects, including the proposed developments in Sunnyvale, California (redevelopment originally announced in November 2005) and Seoul, South Korea (acquired in April 2013), will require significant capital expenditure in the short to medium term in the event they proceed. These projects are also expected to have longer dated return profiles reflecting the time taken to complete construction and to scale up operations. Approximately £290 million was earmarked for these projects, comprised of £200 million for Sunnyvale and £90 million for Seoul, as disclosed in February 2016, although both projects have since been placed under review as part of value engineering exercises to help reduce their scope in light of the challenges facing the business and the current macro-economic environment.

Accordingly, the M&C Independent Directors have identified a number of areas where planned capital expenditure projects have been delayed and where the anticipated levels of investment required may not yield immediate returns.

Post Offer Intention Statements and Property Valuations

As previously announced, the M&C Independent Directors:

- have had particular regard to the prior statements by CDL that it does not intend to change strategy with respect to asset ownership at M&C. Further details concerning the reasoning behind CDL's decision to maintain its existing strategy are contained in the "Background to and reasons for the Final Offer" section of this Announcement); and
- in response to CDL's statements regarding its proposed future operating model, the M&C Independent Directors requested a confirmatory Post Offer Intention Statement in accordance with Rule 19.6 of the Code from CDL. As a result, Bidco confirmed that

it intends to maintain M&C's current business model, in particular to run the business as an owner and operator of its hotel portfolio and also confirms it has no intention to sell or repurpose any of M&C's hotels in London or in New York.

Having taken into account the range of feedback received from Independent M&C Shareholders in response to earlier announcements, the M&C Independent Directors requested that CDL further clarify its plans as described in its earlier Post Offer Intention Statement (as set out above) by confirming that the Post Offer Intention Statement in relation to any intention to sell or repurpose any of M&C's hotels in London or in New York will be deemed to apply for a period of three years from the date on which the Offer Period ends rather than the one year as previously proposed. CDL has agreed to this request.

As an owner and operator of hotels, it has not been M&C's strategy to realise value by selling or repurposing its assets, and in any event the M&C Independent Directors believe that CDL would oppose such a strategy in future, by exercising its rights as a controlling shareholder (given the rationale outlined in CDL's "Background to and reasons for the Final Offer" section of this announcement). In light of this and the extended Post Offer Intention Statement in relation to any intention to sell or repurpose any of M&C's hotels in London or in New York, the M&C Independent Directors remain of the view that a listed M&C would continue to trade as a hotel owner and operator and there would be limited opportunity for the Independent M&C Shareholders to benefit from a sale or repurposing of the assets of M&C as a listed entity in the medium term, if at all.

The M&C Independent Directors nonetheless also engaged CBRE Hotels Limited ("**CBRE**"), a leading international property adviser, in the capacity of external valuer as defined by the RICS Valuation Global Standards 2017, to undertake valuations of certain of the M&C's wholly owned key assets (the "**Valuation Report**"), being the Copthorne Tara Hotel, Millennium Gloucester Hotel and The Bailey's Hotel in London, and the Millennium Broadway (including the Hudson Theatre), Premier Hotel and Millennium Hilton One UN Plaza Hotel in New York (the "**Valued Properties**").

In selecting the Valued Properties, the M&C Independent Directors had regard to several factors including: i) the relative proportion of the total non-current assets of M&C represented by each of the Valued Properties; ii) the time period since an independent valuation of the Valued Properties was last undertaken; iii) the importance of the gateway cities of London and New York to M&C's strategy; iv) M&C's ownership interest in the Valued Properties; and v) the trading performance of the Valued Properties, in particular the New York properties which as of 30 September 2017 were loss-making. Valuations were not conducted on any of the hotels in Singapore on the basis that these assets are owned by CDL Hospitality Trusts, in which M&C holds a 36.7 per cent. interest.

The M&C Independent Directors also have had regard to the fact that a sale of assets needs to take into account tax and transaction costs, which can be significant in asset transactions. Indeed, if the Valued Properties were to be sold at the values indicated in the Valuation Report, M&C expects such sales would incur corporation tax charges of approximately £49.2 million in respect of the London properties and approximately US\$34.1 million (net of available tax credits) in respect of the New York properties, such liabilities being expected to crystallise on a disposal. These estimated tax charges assume that the properties are sold via asset sales, that no rollover relief would be available or impact the amounts charged and that no specialised tax planning strategies are implemented. They also do not take into account any personal property or other transfer taxes that may apply.

Further information regarding the valuations of the Valued Properties is included in the Valuation Report which is available on M&C's website (at <https://investors.millenniumhotels.com/regulatory-announcements-and-news/city-developments-ltd-offer-documents>). Information of the Valuation Report is also set out in Appendix III to this Announcement.

The table below summarises the respective book values (as reflected in Property, plant and equipment on the M&C consolidated statement of financial position as at 30 September 2017) and the market values (as defined in the RICS Valuation Global Standards 2017) valuation as set out in the Valuation Report for each of the Valued Properties:

Property name	Market value as set out in the Valuation Report	Book value
London		
Copthorne Tara Hotel	£258,000,000	£119,692,566
Millennium Gloucester Hotel	£217,000,000	£175,453,167
The Bailey's Hotel	£110,000,000	
New York		
Millennium Broadway, Premier Hotel and Hudson Theatre	US\$290,000,000	US\$243,507,061
Millennium One UN Hilton Hotel	US\$180,000,000	US\$193,720,628

Note: The Millennium Gloucester Hotel and the Bailey's Hotel have a combined balance sheet and the book value is therefore presented on a combined basis.

Presenting the Final Offer to Shareholders

Some Independent M&C Shareholders have expressed a view that M&C should be valued by reference to its asset value. The Independent Committee has assessed the value of the Final Offer by reference to M&C as an ongoing hotel owner and operator and has adopted the approach to value set out above.

Whilst, as set out above, the M&C Independent Directors have engaged an external valuer to value certain key assets, the M&C Independent Directors continue to believe that such values are unlikely to be realised either in a listed M&C with CDL as a controlling shareholder or indeed by CDL following a successful offer (based on public statements made by CDL and its three year Post Offer Intention Statement in relation to any intention to sell or repurpose any of M&C's hotels in London or in New York).

M&C Independent Directors have received feedback from Independent M&C Shareholders throughout the Offer Period and are keen that such shareholders have the opportunity to consider this Final Offer. The Acceptance Condition requires the Independent M&C Shareholders that represent a majority of the voting rights held by such shareholders to decide the outcome of the Final Offer. This means that the closing of the Final Offer and the de-listing of M&C is completely in the hands of the Independent M&C Shareholders. The non-waivable Acceptance Condition has been an important factor for the Independent Committee in assessing the merits of whether to support an offer being presented to Independent M&C Shareholders.

Conclusion

The M&C Independent Directors have concluded, on the basis of the above, that they should support the Final Offer being made to the Independent M&C Shareholders.

The Final Offer represents an opportunity for Independent M&C Shareholders to realise their investment in cash today at a certain valuation.

As CDL holds a controlling interest in M&C, the M&C Independent Directors believe it is unlikely that there would be any third party competing offers for Independent M&C Shareholders to consider.

Finally, the Acceptance Condition ensures that CDL will acquire further M&C Shares via the Final Offer **only** if the Independent M&C Shareholders holding a majority of the independent shareholder voting rights choose to accept the Final Offer.

Given the factors highlighted above, the M&C Independent Directors believe the Final Offer represents fair and reasonable value and intend to unanimously recommend the Final Offer to M&C Shareholders.

7 Information on CDL

CDL is an established Singapore-based international property and hotel conglomerate involved in real estate development and investment, hotel ownership and management, facilities management and the provision of hospitality solutions. CDL currently owns and manages a portfolio of residential and investment properties, with extensive operations in 97 locations in 26 countries encompassing Asia, Europe, the Middle East, North America, New Zealand and Australia.

CDL has developed over 40,000 homes and owns over 18 million square feet of lettable office, industrial, retail, residential and hotel space globally. In 2016, CDL achieved revenue of S\$3.9 billion (£2.1 billion) and net profit before tax of S\$914 million (£486 million), with a net asset value of approximately S\$9.3 billion (£5.2 billion) as at 31 December 2016.

CDL is a limited company registered in Singapore. Shares in CDL are admitted to trading on the SGX.

Further information in relation to the financial effects of the Final Offer prepared for the purposes of an announcement required under the SGX regulations is set out in Part B of Appendix II to this announcement.

8 Information on Bidco

Bidco is a limited company registered in the British Virgin Islands. It is an indirect, wholly-owned subsidiary of CDL.

9 Information on M&C

M&C is an international hotel group which owns, leases, manages, franchises, invests in and/or operates 137 hotels in 27 countries around the world.

M&C is a public limited company registered in England and Wales. M&C Shares are listed on the premium segment of the Official List of the UKLA and admitted to trading on the Main Market of the London Stock Exchange.

10 Management, employees and locations

CDL intends to work with the management team and employees of M&C to meet the operational challenges faced by M&C. Following the Final Offer becoming or being declared unconditional in all respects, CDL intends that the existing employment rights, including pension rights, of the management and employees of M&C shall be fully safeguarded in accordance with contractual and statutory requirements. CDL has no intention to make any material changes in the employment of, or in the conditions of employment of, M&C's employees, unless otherwise agreed with the relevant employee.

No proposals have yet been made on the terms of any incentivisation arrangements for relevant employees or management and no discussions have taken place regarding the terms of any such arrangements. Any such discussions and the implementation of any incentive arrangements would occur following completion of the Final Offer.

Separately, the M&C Independent Directors have confirmed that they intend to resign as M&C directors following the Final Offer becoming or being declared wholly unconditional.

CDL will consider the impact of M&C's integration into the CDL Group after the Final Offer has completed. Given the operational challenges faced by M&C, CDL believes that the CDL Group will have to become increasingly involved in the operational and financial management of the M&C Group. However, cost reduction is not a key part of the rationale for the Final Offer and there is no intention to vary the balance of skills and functions of the employees and management of the M&C Group.

CDL intends to identify opportunities to improve the operating and financing efficiency of M&C's hotels in London, New York and other locations by leveraging on CDL's infrastructure, network, financial resources and execution capabilities. In particular, CDL intends to seek:

- improvements to M&C's project management activities in relation to planned capital expenditures and renovations in order to maximise the impact while reducing the costs of such programmes; and
- to support M&C's financing activities by leveraging on CDL's funding platform and its key banking and capital markets relationships with financial institutions.

Notwithstanding the above, CDL wishes to emphasise that further analysis is required before any plans can be finalised and it is expected that this will only occur following completion of the Final Offer. However, Bidco confirms that it intends to maintain M&C's current business model, in particular to run the business as an owner and operator of its hotel portfolio. Bidco also confirms it has no intention to sell or repurpose any of M&C's hotels in London or in New York for a period of at least three years from the date on which the Offer Period ends. Bidco has no intention of moving M&C's headquarters from London.

The recent consultation paper issued by the Panel in September 2017 proposes that offerors should state their intentions as regards the offeree's research and development functions. However, given the nature of M&C's business, as an owner and operator of hotels, M&C has no separate research and development functions.

In this paragraph 10, references to CDL's intentions refer to its intentions for the twelve months following the Final Offer becoming unconditional as to acceptances, other than as set out above in relation to the sale or repurposing of any of M&C's hotels in London or in New York.

11 M&C Share Schemes

Participants in the M&C Share Schemes will be contacted regarding the effect of the Final Offer on their rights under the M&C Share Schemes and appropriate proposals will be made to such participants in due course. Details of such proposals will be set out in the Offer Document and in separate letters to be sent to participants of the M&C Share Schemes and are summarised below.

The Final Offer will extend to any M&C Shares which are unconditionally allotted or issued as a result of the exercise of existing options and vesting of existing awards under the M&C Share Schemes before the date on which the Final Offer closes.

Awards under the LTIP will not accelerate as a result of the Final Offer, and instead will remain outstanding and capable of vesting on their normal vesting dates. Awards under the ABP and ESP will accelerate and vest as to a time pro-rated proportion on the Final Offer becoming or being declared wholly unconditional, and the remaining proportion of these awards will remain outstanding and capable of vesting on their normal vesting dates. Consideration will be given to adjusting the terms of the awards which remain outstanding as appropriate in light of these awards continuing after the Final Offer becomes or is declared wholly unconditional. On vesting, either on or after the Final Offer becoming or being declared wholly unconditional, participants in the LTIP, ABP and ESP will receive a payment in lieu of the Special Dividend by reference to each M&C Share in respect of which the awards vest.

Options under the all employee Sharesave Plans will become exercisable in accordance with their terms in the event that M&C Shares become the subject of a compulsory purchase process pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act, as described in paragraph 15 below. Participants will then be entitled to accept the Final Offer in respect of the M&C Shares acquired on exercise. Bidco has also agreed that in such case participants may be compensated in respect of losing the opportunity of being able to continue saving under these arrangements as a result of early exercise.

In the event that M&C Shares do not become the subject of a compulsory purchase process pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act, options under the Sharesave Plans will continue to remain outstanding until their normal maturity dates, subject to their terms.

In either case, subject to the Final Offer becoming or being declared wholly unconditional, participants will also receive a payment in lieu of the Special Dividend in respect of any M&C Shares acquired after the record date of the Special Dividend pursuant to the exercise of options under the Sharesave Plans, and, if required, a payment to compensate participants for any UK income tax or employee national insurance contributions payable in connection with the acquisition of M&C Shares pursuant to the exercise of their options under the Sharesave Plans.

ABP and ESP awards which vest on or after the Final Offer becomes or is declared wholly unconditional will be settled in cash calculated by reference to the Final Offer Price.

Any vesting or exercise of awards or options under the LTIP and Sharesave Plans after the Final Offer becomes or is declared wholly unconditional may be satisfied by newly issued M&C Shares. Any M&C Shares issued after the Final Offer ceases to be capable of acceptance would, pursuant to an amendment to the M&C articles of association which Bidco will implement as soon as practicable following the Final Offer becoming or being

declared wholly unconditional, be immediately transferred to Bidco in consideration of a cash payment calculated by reference to the Final Offer Price. Any vesting of awards under the LTIP may, alternatively, be settled in cash calculated by reference to the Final Offer Price.

12 Financing

CDL will provide Bidco with the cash consideration payable under the Final Offer from its existing cash resources as well as funds made available to CDL under a S\$800,000,000 dual currency credit facility that has been arranged between CDL and Oversea-Chinese Banking Corporation Limited.

CDL entered into a loan facility agreement with Oversea-Chinese Banking Corporation Limited as lender dated 12 October 2017 (the “**Facility Agreement**”) pursuant to which a S\$800,000,000 dual currency credit facility is made available to CDL to finance part of the cash consideration payable pursuant to the Final Offer or (if so elected) pursuant to a Scheme (and, in each case, to finance fees, costs and expenses in connection with the Final Offer or a Scheme, as applicable). Further details in respect of the Facility Agreement and financing arrangements will be included in the Offer Document.

Bidco intends to use funds made available to it by CDL from CDL’s existing cash resources and pursuant to the Facility Agreement to finance the acquisition of M&C Shares pursuant to the Final Offer.

Deutsche Bank AG and HSBC, financial advisers to CDL, are satisfied that sufficient resources are available to satisfy in full the cash consideration payable by Bidco to M&C Shareholders under the terms of the Final Offer. This cash confirmation does not apply to the Special Dividend, which is payable by M&C.

13 Offer Document

It is expected that the Offer Document and the Form of Acceptance accompanying the Offer Document will be published as soon as practicable and (save with the consent of the Panel) within 28 days of this announcement. The Offer Document and Form of Acceptance will be made available to all M&C Shareholders and, for information purposes only, to holders of options and awards granted under the M&C Share Schemes, at no charge to them.

M&C Shareholders are urged to read the Offer Document and the accompanying Form of Acceptance when they are sent to them because they will contain important information.

14 Conditions to the Final Offer

It was announced on 19 October 2017 that the Possible Offer would be subject to certain conditions, including: (i) the granting of consent under the New Zealand Overseas Investment Act 2005 and/or receipt of applicable exemptions in accordance with the New Zealand Overseas Investment Regulations 2005 by the New Zealand Overseas Investment Office (the "OIO") for the indirect acquisition of interests in sensitive land and significant business assets in New Zealand that would occur as a result of the Possible Offer; and (ii) the granting by the Takeovers Panel of New Zealand of an unconditional exemption from the requirements of rule 6(1) of the New Zealand Takeovers Code.

On 3 November 2017, the boards of CDL and Bidco and the M&C Independent Directors announced an extension of the relevant deadline to announce a firm intention to make an offer in accordance with Rule 2.6(a) of the Code to 5.00 p.m. on 8 December 2017 in order to provide sufficient time for CDL and Bidco to obtain further clarity on the timing and outcome of the OIO approval. Following the date of that extension announcement, both of these proposed conditions have now been satisfied.

Accordingly, the Final Offer will be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Offer Document, which include Bidco securing valid acceptances of the Final Offer in respect of more than 50 per cent. in nominal value of the M&C Shares not already owned by the CDL Parties and of the voting rights attached to those shares as set out in paragraph 1(a) of Appendix I to this announcement.

15 Compulsory acquisition, de-listing and re-registration

If Bidco receives acceptances under the Final Offer in respect of, and/or otherwise acquires, 90 per cent. or more of the M&C Shares by nominal value and voting rights attaching to such shares to which the Final Offer relates (the expression "shares to which the Final Offer relates" shall be construed in accordance with Chapter 3 of Part 28 of the Companies Act), and assuming that all of the other Conditions of the Final Offer have been satisfied or waived (if capable of being waived), Bidco intends to exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining M&C Shares on the same terms as the Final Offer.

After the Final Offer becomes or is declared wholly unconditional, M&C will make an application for the cancellation of the listing of M&C Shares on the Official List of the UKLA and for the cancellation of trading of the M&C Shares on the London Stock Exchange's Main Market for listed shares.

It is anticipated that cancellation of the listing of M&C Shares on the Official List of the UKLA and cancellation of trading of the M&C Shares on the London Stock Exchange's Main Market for listed shares will take effect no earlier than 20 Business Days after the date on which Bidco has, by virtue of its shareholdings and acceptances of the Final Offer, acquired or agreed to acquire issued share capital carrying 75 per cent. of the voting rights of M&C as well as a majority of voting rights held by the Independent M&C Shareholders. Bidco will notify M&C Shareholders when the required percentages have been attained (or the compulsory acquisition notices served) and confirm that the notice period has commenced and the anticipated date of cancellation.

It is also intended that, following the Final Offer becoming or being declared wholly unconditional and the M&C Shares having been de-listed, M&C will be re-registered as a private company.

Such cancellation and re-registration will significantly reduce the liquidity and marketability of any M&C Shares not assented to the Final Offer and their value may be affected as a consequence. Any remaining M&C Shareholders would become minority shareholders in a privately controlled limited company and may be unable to sell their M&C Shares and there can be no certainty that any dividends or other distributions will be made by M&C or that the M&C Shareholders will again be offered as much for the M&C Shares held by them as under the Final Offer.

16 Termination of Cooperation Agreement

CDL and M&C are party to an amended and restated cooperation agreement dated 14 November 2014 (as may be further amended from time to time) (the “**Cooperation Agreement**”) which currently governs the conduct and relationship between CDL and M&C.

CDL and M&C entered into a deed of termination on 8 December 2017 (the “**Termination Deed**”) pursuant to which each of CDL and M&C has agreed to terminate the Cooperation Agreement, conditional upon the Final Offer becoming or being declared wholly unconditional and with effect from the de-listing of the M&C Shares from the Official List of the UKLA.

17 Dividend

Other than the Special Dividend, if any dividend or other distribution is authorised, declared, made or paid in respect of M&C Shares on or after the date of this announcement, the Final Offer Price will be reduced by the amount of any such dividend or other distribution.

18 Disclosure of Interests in M&C

Bidco made an *Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Code* on 23 October 2017.

As at the close of business on 7 December 2017 (being the Last Practicable Date), neither Bidco, nor any of its directors, nor any member of the CDL Group nor any director of CDL has (i) any interest in or right to subscribe for any relevant securities of M&C, nor (ii) any short positions in respect of relevant M&C Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor (iii) borrowed or lent any relevant M&C Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code), save for any borrowed shares which had been either on-lent or sold, save as set out in the following table:

Name	Nature of Interest	Number of M&C Shares
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CDL ¹	Holder of ordinary shares	211,749,487
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“Interests in securities” for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an “interest” by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

19 General

The Final Offer will be made subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Offer Document. The bases and sources of certain financial information contained in this announcement are set out in Appendix II to this announcement. Appendix III to this announcement contains information on the Valuation Report. Certain terms used in this announcement are defined in Appendix IV to this announcement.

Deutsche Bank AG, Singapore Branch, HSBC, CBRE and Credit Suisse have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

20 Property Valuations

Information regarding the valuation of the Valued Properties by CBRE is included in the Valuation Report, information on which is set out in Appendix III of this announcement).

Copies of the Valuation Report will be made available on M&C's website at <https://investors.millenniumhotels.com/regulatory-announcements-and-news/city-developments-ltd-offer-documents>.

21 Documents available on website

Copies of the following documents will be made available on CDL's website at: www.cdl.com.sg/Millennium-Offer and M&C's website at: <https://investors.millenniumhotels.com/regulatory-announcements-and-news/city-developments-ltd-offer-documents> until the end of the Final Offer:

- this announcement;
- the Facility Agreement (and any documents relating to the financing of the Final Offer) referred to in paragraph 12 above;
- the Termination Deed referred to in paragraph **Error! Reference source not found.** above; and
- the Valuation Report referred to in paragraph 20 above.

¹ CDL holds ordinary shares through its wholly-owned subsidiary, Singapura Developments (Private) Limited and Reach Across International Limited.

Enquiries:

City Developments Limited and Agapier Investments Limited

Belinda Lee, Head, Investor Relations & Corporate Communications +65 6428 9315

Deutsche Bank AG

Joint Financial Adviser to CDL

Philip Lee +65 6423 8001
Rohit Satsangi +852 2203 8888
Chris Raff +44 (0) 20 7545 8000

HSBC

Joint Financial Adviser to CDL +44 (0) 20 7991 8888

Oliver Smith
Barry Rose

Millennium & Copthorne Hotels plc

Jonathon Grech, Group General Counsel and Company Secretary + 44 (0) 20 7872 2444

Peter Krijgsman, Financial Communications (Media)
LEI Number: 2138003EQ1O4LZ1JNH19

Credit Suisse International

Financial Adviser and Corporate Broker to M&C

John Hannaford +44 (0) 20 7888 8888
Stuart Upcraft

Media Enquiries:

For CDL – Tulchan Communications LLP

Peter Hewer +44 (0) 20 7353 4200
Will Smith

For M&C – Instinctif Partners Limited

Matthew Smallwood +44 (0) 20 7457 2020
Mark Reed

Linklaters LLP is retained as legal adviser to CDL. Herbert Smith Freehills LLP is retained as legal adviser to M&C.

Important Notices

Deutsche Bank AG is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority and in Singapore by the Monetary Authority of Singapore. Details about the extent of Deutsche Bank AG's authorisation and regulation by the Prudential Regulation Authority, the Financial Conduct Authority and the Monetary Authority of Singapore are available on request. Deutsche Bank AG, acting through its Singapore branch, is acting as

financial adviser to CDL and no-one else in connection with the subject matter of this announcement and will not be responsible to anyone other than CDL for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

HSBC Bank plc, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as financial adviser to CDL and for no-one else in connection with the subject matter of this announcement and will not be responsible to anyone other than CDL for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

*Credit Suisse International (“**Credit Suisse**”) is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Credit Suisse is acting exclusively for the Independent Committee and for no-one else in connection with the Final Offer, the content of this announcement and other matters described in this announcement. Credit Suisse will not regard any other person as its client in relation to the Final Offer, the content of this announcement and other matters described in this announcement and will not be responsible to anyone other than the Independent Committee for providing the protections afforded to its clients, nor for providing advice to any other person in relation to the Final Offer, the content of this announcement or any other matters described in this announcement.*

Save for the responsibilities and liabilities, if any, of Credit Suisse under FSMA or the regulatory regime established thereunder, Credit Suisse does not assume any responsibility whatsoever and makes no representations or warranties, express or implied, in relation to the content of this announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by the Independent Committee, or on the Independent Committee's behalf, or by Credit Suisse, or on its behalf, and nothing contained in this announcement is, or shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with the Independent Committee or the Final Offer. Credit Suisse disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this announcement or any such statement.

This announcement is for information purposes only. It is not intended to and does not constitute, or form part of, an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Final Offer or otherwise. The Final Offer will be made solely by means of an Offer Document and the Form of Acceptance accompanying the Offer Document (or, in the event that the Final Offer is to be implemented by way of a scheme of arrangement, a scheme document) which will contain the full terms and conditions of the Final Offer, including details of how the Final Offer may be accepted.

Bidco reserves the right to elect (with the consent of the Panel) to implement the acquisition of M&C by way of a court-approved scheme of arrangement in accordance with Part 26 of the Companies Act. In such event, the acquisition will be implemented on substantially the same terms, subject to appropriate amendments, as those which would apply to the Final Offer.

The Final Offer will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the Financial Conduct Authority and the UKLA.

This announcement does not constitute a prospectus or prospectus equivalent document.

Overseas Shareholders

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws and/or regulations of any jurisdictions other than the United Kingdom should inform themselves of, and observe, any applicable requirements. Any failure to comply with the applicable legal and/or regulatory requirements may constitute a violation of the laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Final Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

This announcement has been prepared for the purposes of complying with English law, the Listing Rules, the rules of the London Stock Exchange and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and/or regulations of jurisdiction outside the United Kingdom.

Unless otherwise determined by Bidco or required by the Code, and permitted by applicable law and regulation, the Final Offer shall not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and the Final Offer shall not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Final Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Final Offer (including agents, custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such Restricted Jurisdiction as doing so may invalidate any purported acceptance of the Final Offer. Any person (including, without limitation, any agent, custodian, nominee and trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this announcement and/or the Offer Document and/or any other related document to any jurisdiction outside the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction.

The availability of the Final Offer to M&C Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

If you are a Resident of the United States, please read the following:

The Final Offer is being made for the securities of M&C, a company incorporated under the laws of England and Wales, and is being made in the United States in compliance with, and reliance on, Section 14(e) of the Exchange Act and Regulation 14E thereunder. The Final Offer will be made in the United States by Bidco and no-one else.

The Final Offer is subject to the disclosure and procedural requirements of the United Kingdom which are different from those in the United States.

It may be difficult for United States holders of shares in CDL or M&C to enforce their rights and claims arising out of the United States federal securities laws, since CDL, Bidco and M&C are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. Holders in the United States may not be able to sue a non-United States company or its officers or directors in a non-United States court for violations of United States securities laws. Further, it may be difficult to compel a non-United States company and its affiliates to subject themselves to a United States court's judgment.

Forward Looking Statements

This announcement, including any information included or incorporated by reference in this announcement, contains statements about Bidco, CDL and M&C that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's or CDL's or M&C's operations; and (iii) the anticipated effects of the Final Offer on the Wider CDL Group and the business and operations of M&C.

Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Much of the risk and uncertainty relates to factors that are beyond the companies' abilities to control or estimate precisely, such as future events, future market conditions and the behaviours of other market participants. Other unknown or unpredictable factors could affect future operations and/or cause actual results to differ materially from those in the forward looking statements. Such forward looking statements should be construed in the light of such factors, and therefore undue reliance should not be placed on such statements.

Each forward looking statement speaks only as at the date of this announcement. Neither Bidco nor CDL or M&C, nor any of their respective associates or directors, officers, employees, managers, agents, representatives, partners, members, consultants or advisers: (i) provide any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements will actually occur; nor (ii) assume any obligation to, and do not intend to, revise or update these forward looking statements, except as required pursuant to applicable law. Bidco

and CDL disclaim any obligation to update any forward looking or other statements contained herein, except as required by applicable law. All forward looking statements contained in this announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

No Profit Forecasts or Estimates

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Bidco, M&C or CDL, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Bidco, M&C or CDL, as appropriate.

Disclosure Requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company, and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures have been made by the offeree company and by any offeror and Dealing Disclosures must be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the

Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk>, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129.

Electronic Communications

Please be aware that addresses, electronic addresses and certain information provided by M&C Shareholders, persons with information rights and other relevant persons for the receipt of communications from M&C may be provided to Bidco during the Offer Period as requested under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

Publication on Website and Availability of Hard Copies

In accordance with Rule 26.1 of the Code, a copy of this announcement, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, will be available on the website of CDL at: www.cdl.com.sg/Millennium-Offer and M&C at: <https://investors.millenniumhotels.com/regulatory-announcements-and-news/city-developments-ltd-offer-documents> promptly and by no later than 12 noon (London time) on the Business Day following this announcement. For the avoidance of doubt, the contents of these websites referred to in this announcement are not incorporated into and do not form part of this announcement.

You may request a hard copy of this announcement by contacting Equiniti Limited on 0371-384-2343 (if calling within the UK) or +44 (0)121-415-7047 (if calling from outside the UK). Lines are open Monday to Friday 8.30 a.m. to 5.30 p.m.; excluding UK Bank Holidays. You may also request that all future documents, announcements and information to be sent to you in relation to the Final Offer should be in hard copy form.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

APPENDIX I

CONDITIONS AND FURTHER TERMS OF THE Final Offer

1 Conditions of the Final Offer

The Final Offer will be subject to the following Conditions:

Acceptance Condition

- (a) valid acceptances of the Final Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on the first closing date (or such later time(s) and/or date(s) as Bidco may, subject to the rules of the Code or with the consent of the Panel and in accordance with the applicable provisions of the Exchange Act, decide) in respect of more than 50 per cent. in nominal value of the M&C Shares not already owned by the CDL Parties as at 8 December 2017 and of the voting rights attached to those shares, including for this purpose (except to the extent otherwise agreed by the Panel) any such voting rights attaching to M&C Shares that are unconditionally allotted or issued before the Final Offer becomes or is declared unconditional as to acceptances whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

For the purposes of this Condition:

- (i) M&C Shares which have been unconditionally allotted but not issued before the Final Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, will be deemed to carry the voting rights they will carry upon issue; and
- (ii) valid acceptances will be deemed to have been received in respect of M&C Shares which are treated for the purposes of Part 28 of the Companies Act as having been acquired or contracted to be acquired by Bidco by virtue of acceptances of the Final Offer;

Notifications, waiting periods and Authorisations

- (b) all notifications, filings or applications which are necessary or considered appropriate or desirable by Bidco having been made in connection with the Final Offer and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Final Offer and all Authorisations deemed reasonably necessary or appropriate by Bidco in any jurisdiction for or in respect of the Final Offer and, except pursuant to Chapter 3 of Part 28 of the Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, M&C or any other member of the Wider M&C Group by any member of the Wider CDL Group having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider M&C Group or the Wider CDL Group has entered into contractual arrangements and all such Authorisations necessary, appropriate or desirable to carry on the business of any member of the Wider M&C Group in any jurisdiction having been obtained and all such Authorisations remaining in full force

and effect at the time at which the Final Offer becomes otherwise wholly unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

General antitrust and regulatory

- (c) no antitrust regulator or Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and, in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
 - (i) require, prevent or delay the divestiture or alter the terms envisaged for such divestiture by any member of the Wider CDL Group or by any member of the Wider M&C Group of all or any material part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
 - (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider CDL Group or the Wider M&C Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider M&C Group or any asset owned by any third party (other than in the implementation of the Final Offer);
 - (iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider CDL Group, directly or indirectly, to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in M&C or on the ability of any member of the Wider M&C Group or any member of the Wider CDL Group, directly or indirectly, to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider M&C Group;
 - (iv) otherwise adversely affect any or all of the business, assets, profits or prospects of any member of the Wider M&C Group or any member of the Wider CDL Group;
 - (v) result in any member of the Wider M&C Group or any member of the Wider CDL Group ceasing to be able to carry on business under any name under which it presently carries on business;
 - (vi) make the Final Offer, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, M&C by any member of the Wider CDL Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, prevent or prohibit, restrict, restrain, or delay or otherwise interfere with the implementation of, or impose additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Final Offer or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, M&C by any member of the Wider CDL Group;

- (vii) require, prevent or delay a divestiture by any member of the Wider CDL Group of any shares or other securities (or the equivalent) in any member of the Wider M&C Group or any member of the Wider CDL Group; or
- (viii) impose any material limitation on the ability of any member of the Wider CDL Group or any member of the Wider M&C Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider CDL Group and/or the Wider M&C Group,

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Final Offer or the acquisition or proposed acquisition of any M&C Shares or otherwise intervene having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

- (d) there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider M&C Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Final Offer or the acquisition or the proposed acquisition by any member of the Wider CDL Group of any shares or other securities (or the equivalent) in M&C or because of a change in the control or management of any member of the Wider M&C Group or otherwise, could or might reasonably be expect to result in:
 - (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider M&C Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) the creation, save in the ordinary and usual course of business, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider M&C Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
 - (iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider M&C Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
 - (iv) any liability of any member of the Wider M&C Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
 - (v) the rights, liabilities, obligations, interests or business of any member of the Wider M&C Group or any member of the Wider CDL Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider M&C Group or any member of the Wider CDL Group in or with any other person or body or firm or company (or any

arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected, or any onerous obligation or liability arising or any adverse action being taken thereunder;

- (vi) any member of the Wider M&C Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (vii) the value of, or the financial or trading position or prospects of, any member of the Wider M&C Group being prejudiced or adversely affected; or
- (viii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider M&C Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider M&C Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) above;

Certain events occurring since 31 December 2016

- (e) except as Disclosed, no member of the Wider M&C Group having since 31 December 2016:
 - (i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of M&C Shares out of treasury (except, where relevant, as between M&C and wholly-owned subsidiaries of M&C or between the wholly-owned subsidiaries of M&C and except for the issue or transfer out of treasury of M&C Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the M&C Share Schemes);
 - (ii) other than the Special Dividend, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of M&C to M&C or any of its wholly-owned subsidiaries;
 - (iii) other than pursuant to the Final Offer (and except for transactions between M&C and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of M&C and transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider M&C Group taken as a whole;

- (iv) except for transactions between M&C and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of M&C, and for transactions in the ordinary course of business, disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so;
- (v) except for transactions between M&C and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of M&C, issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness in each case which is material in the context of the Wider M&C Group taken as a whole;
- (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is likely to be restrictive on the business of any member of the Wider M&C Group and in each case which is material in the context of the Wider M&C Group taken as a whole;
- (vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, service agreement, commitment or arrangement with any director or, except for salary increases, bonuses or variations of terms in the ordinary course, senior executive of any member of the Wider M&C Group;
- (viii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider M&C Group which are material in the context of the Wider M&C Group taken as a whole;
- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (x) waived, compromised or settled any claim which is material in the context of the Wider M&C Group as a whole;
- (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider M&C Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider M&C Group taken as a whole;
- (xii) made any material alteration to its memorandum or articles of association or other incorporation documents;
- (xiii) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any change to:

- (a) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider M&C Group for its directors, employees or their dependants;
 - (b) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
 - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to;
- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
 - (xv) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
 - (xvi) except for transactions between M&C and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of M&C, made, authorised, proposed or announced an intention to propose any change in its loan capital;
 - (xvii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities which is material in the context of the Wider M&C Group as a whole; or
 - (xviii) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (e);

No adverse change, litigation, regulatory enquiry or similar

- (f) except as Disclosed, since 31 December 2016 there having been:
 - (i) no adverse change in, and no circumstance having arisen which would or might be expected to result in any adverse change in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider M&C Group;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider M&C Group or to which any member of the Wider M&C Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened,

announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider M&C Group which in any such case is material in the context of the Wider M&C Group taken as a whole;

- (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider M&C Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider M&C Group which in any such case is material in the context of the Wider M&C Group taken as a whole;
- (iv) no contingent or other liability having arisen or become apparent to Bidco or increased other than in the ordinary course of business which is reasonably likely to materially adversely affect the business, assets, financial or trading position or profits or prospects of any member of the Wider M&C Group; and
- (v) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider M&C Group which is necessary for the proper carrying on of its business;

No discovery of certain matters regarding information, liabilities and environmental issues

- (g) Bidco not having discovered:
 - (i) that any financial, business or other information concerning the Wider M&C Group publicly announced prior to the date of the announcement or disclosed at any time to any member of the Wider CDL Group by or on behalf of any member of the Wider M&C Group prior to the date of the announcement is materially misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not materially misleading;
 - (ii) that any member of the Wider M&C Group is subject to any liability, contingent or otherwise, and which is material in the context of the Wider M&C Group taken as a whole;
 - (iii) that any past or present member of the Wider M&C Group has not complied with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider M&C Group;
 - (iv) that there has been a disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or

regulation), would be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider M&C Group;

- (v) that there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider M&C Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto; or
- (vi) that circumstances exist (whether as a result of making the Final Offer or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider M&C Group would be likely to be required to institute) an environment audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider M&C Group (or on its behalf) or by any person for which a member of the Wider M&C Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest;

Anti-corruption

- (h) any member of the Wider M&C Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation;

Sanctions

- (i) any past or present member of the Wider M&C Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governments or supranational body or authority in any jurisdiction; or

No criminal property

- (j) any asset of any member of the Wider M&C Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

2 Certain further terms of the Final Offer

- 2.1** Bidco reserves the right to waive, in whole or in part, all or any of the above Conditions 1(b) to 1(j) (inclusive).
- 2.2** Save as specified by the Panel, the Final Offer will lapse unless all the above Conditions have been fulfilled or, where permitted, waived or, where appropriate,

have been determined by Bidco to be or remain satisfied, by midnight (London time) on the twenty-first day after the later of the first closing date of the Final Offer and the date on which the Acceptance Condition is fulfilled (or, in each case, such later date as Bidco may determine, in accordance with the Code and the applicable provisions of the Exchange Act).

2.3 Bidco will be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 1(b) to 1(j) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.

2.4 The Final Offer will lapse if:

(a) in so far as the Final Offer or any matter arising from or relating to the Final Offer constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the Regulation and there is then a CMA Phase 2 Reference; or

(b) in so far as the Final Offer or any matter arising from the Final Offer does not constitute a concentration with a Community dimension within the scope of the Regulation, the Final Offer or any matter arising from or relating to the Final Offer becomes subject to a CMA Phase 2 Reference,

in each case before the later of 1.00 p.m. (London time) on the first closing date of the Final Offer and the date when the Final Offer becomes or is declared unconditional as to acceptances.

2.5 The M&C Shares acquired under the Final Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid (other than the Special Dividend), or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of this announcement.

2.6 If, after the date of this announcement but prior to all the Conditions having been fulfilled or (if capable of waiver) waived and for so long as the Final Offer remains open for acceptance, any dividend or other distribution is declared, paid or made or becomes payable by M&C (other than the Special Dividend), Bidco reserves the right (without prejudice to any other right Bidco may have), with the consent of the Panel, to invoke Condition 1(e)(ii) above to reduce the amount of consideration payable under the Final Offer by the same amount as such dividend or distribution, and accordingly reduce the Final Offer Price (excluding associated tax credit). Furthermore, Bidco reserves the right to reduce the consideration payable under the Final Offer in respect of a M&C Share in such circumstances as are, and by such amount as is, permitted by the Panel.

If any such dividend or distribution occurs, any reference in this announcement to the consideration payable or the Final Offer Price will be deemed to be a reference to the consideration or Final Offer Price as so reduced. If such reduction occurs, notwithstanding the terms on which the M&C Shares are expressed to be acquired by Bidco pursuant to the Final Offer in this Appendix I, the M&C Shares will be acquired by or on behalf of Bidco pursuant to the Final Offer together with all rights now and hereafter attaching to such shares including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid (other than the Special Dividend), or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of this announcement if applicable.

To the extent that such a dividend or distribution (other than the Special Dividend) has been declared, paid, made or is payable is or will be (i) transferred pursuant to the Final Offer on a basis which entitles Bidco to receive the dividend or distribution and to retain it or (ii) cancelled, the consideration payable and the Final Offer Price will not be subject to change in accordance with this paragraph.

Any exercise by Bidco of its rights referred to in this paragraph will be the subject of an announcement and, for the avoidance of doubt, will not be regarded as constituting any revision or variation of the Final Offer.

- 2.7** If the Final Offer lapses, the Final Offer will cease to be capable of further acceptance and accepting M&C Shareholders and Bidco will cease to be bound by Forms of Acceptance submitted at or before the time when the Final Offer so lapses.
- 2.8** The availability of the Final Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
- 2.9** The Final Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within such Restricted Jurisdiction (unless otherwise determined by Bidco) and the Final Offer cannot be accepted by any such use, means or instrumentality or otherwise from any Restricted Jurisdiction.
- 2.10** The Final Offer is governed by the law of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix I (and, in the case of certificated M&C Shares, the Form of Acceptance). The Final Offer will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the Financial Conduct Authority and the UKLA.
- 2.11** Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

APPENDIX II

SOURCES OF INFORMATION AND BASES OF CALCULATION

Part A

- (i) The value placed by the Final Offer on the existing issued share capital of M&C is based on 324,760,755 M&C Shares in issue on 7 December 2017, being the Last Practicable Date.
- (ii) The Closing Prices referenced in this announcement are taken from the Daily Official List.
- (iii) Unless otherwise stated, the financial information relating to M&C is extracted from the audited consolidated financial statements for the financial year to 31 December 2016 (“**FY2016**”) of the M&C Group (the “**M&C FY2016 Results**”), prepared in accordance with IFRS as required by EU law (IAS Regulation EC 1606/2002).
- (iv) Unless specified otherwise, the SGD:GBP exchange rates used in this announcement are those set out in paragraph 1.1(vi) of Part B of this Appendix II.
- (v) The market value of the M&C Shares that are the subject of the Final Offer, calculated based on the volume weighted average price of approximately 575 pence per M&C Share for all trades done on 7 December 2017 (being the last full day of trading in M&C Shares on the LSE immediately prior to the date of this announcement), is approximately £654 million.²

Part B

Pro Forma Effects of the Final Offer for CDL

- 1.1 **Bases and Assumptions.** The following pro forma financial effects of the Final Offer have been computed based on the audited consolidated financial statements for FY2016 of the CDL Group (the “**CDL FY2016 Results**”) and the M&C FY2016 Results. The following pro forma financial effects of the Final Offer are for illustrative purposes only, and are neither indicative of the actual financial effects of the Final Offer on the net tangible assets (the “**NTA**”) and/or earnings of the CDL Group, nor represent the actual or future financial position and/or results of the CDL Group immediately after the close of the Final Offer or upon completion of the Final Offer. The pro forma financial effects have also been prepared based on the following bases and assumptions:
- (i) no downstream offer in respect of any listed downstream entities of the M&C Group will be required as a result of the Final Offer;
 - (ii) the Final Offer is accepted in full on the basis of the fully-diluted issued share capital of M&C and as a result of which M&C becomes a wholly-owned indirect subsidiary of CDL;
 - (iii) the aggregate cash consideration payable pursuant to the Final Offer is the maximum aggregate cash consideration payable by CDL pursuant to the Final

² Calculated based on the fully-diluted issued share capital of M&C (but excluding M&C Shares held by the CDL Group as at 7 December 2017). The number of M&C Shares subject to existing options and awards granted under the M&C Share Schemes which are capable of being satisfied by the new issue of M&C Shares is 635,768 and, for the purposes of this announcement, the “fully-diluted issued share capital of M&C” means the total number of M&C Shares which would be in issue if this number of M&C Shares were issued pursuant to the exercise or vesting of such options and awards.

Offer, being approximately £681.9 million (equivalent to approximately S\$1,235 million³), and will be funded through a combination of internal cash resources and external borrowings of CDL;⁴

- (iv) the Special Dividend of 20 pence per M&C Share will be funded by M&C through its internal cash resources;
- (v) any synergies or fees and expenses which may be realised or incurred following the completion of the Final Offer or in connection with the Final Offer have not been taken into account; and
- (vi) the M&C FY2016 Results are reported in pounds sterling (£) and, accordingly, the figures therein used for the purposes of the computation of the pro forma financial effects of the Final Offer have been converted, where necessary, into Singapore Dollar (S\$) based on the exchange rates adopted by CDL when consolidating the M&C FY2016 Results in the CDL Group FY2016 Results, being:
 - (a) the closing exchange rate of S\$1.7808:£1 as at 31 December 2016 for the translation of the balance sheet items;⁵ and
 - (b) the average exchange rate of S\$1.8791:£1 for FY2016 for the translation of the profit and loss items.⁶

1.2 **Earnings.** For illustrative purposes only and assuming that the Final Offer had been completed on 1 January 2016, being the beginning of FY2016, the pro forma financial effects of the Final Offer on the earnings per CDL Share (the “EPS”) are as follows:

	Before the Final Offer	After the Final Offer
Net profit after tax and non-controlling interests (S\$ million)	653	690
EPS – Basic (S\$)⁷	0.70	0.75
EPS – Diluted (S\$)⁸	0.69	0.72

³ The exchange rate of SGD to GBP used in this paragraph is based on the exchange rate of S\$1.8116:£1 as at 7 December 2017, being the Last Practicable Date.

⁴ Internal cash resources incur a 1 per cent. opportunity cost of cash while borrowings incur 1.75 per cent. cost of debt.

⁵ Being the exchange rate compiled from the Straits Times adopted by CDL when consolidating the M&C FY2016 Results in the CDL Group FY2016 Results.

⁶ Being average of the exchange rates from December 2015 to December 2016 compiled from the Straits Times adopted by CDL when consolidating the M&C FY2016 Results in the CDL Group FY2016 Results.

⁷ EPS-Basic is calculated based on the weighted average number of CDL Shares of 909,301,330 as at 31 December 2016.

⁸ EPS-Diluted is calculated based on weighted average number of CDL Shares of 954,300,228, after adjusting for potential ordinary shares issuable under preference shares of CDL, as at 31 December 2016.

- 1.3 **NTA.** For illustrative purposes only and assuming that the Final Offer had been completed on 31 December 2016, being the end of FY2016, the pro forma financial effects on the NTA per CDL Share are as follows:

	Before the Final Offer	After the Final Offer
Net assets (S\$ million)	9,294	9,443
Less: intangibles (S\$ million)	(3)	(3)
NTA (S\$ million)	9,291	9,440
Number of CDL Shares	909,301,330	909,301,330
NTA per CDL Share (S\$)	10.22	10.38

- 1.4 **Share Capital.** The Final Offer will not have any impact on the issued share capital of CDL.

APPENDIX III INFORMATION ON THE VALUATION REPORT

The following market values reported in the Valuation Report dated 8 December 2017 prepared by CBRE Hotels Limited (“**CBRE**”) must be read in conjunction with the Valuation Report which will be made available on M&C's website at: <https://investors.millenniumhotels.com/regulatory-announcements-and-news/city-developments-ltd-offer-documents> and CDL's website at: www.cdl.com.sg/Millennium-Offer.

The Valuation Report reported the following market values of the Valued Properties as at 3 November 2017 (the "**Valuation Date**"):

Property name	Market value as set out in the Valuation Report
Copthorne Tara Hotel, London	£258,000,000
Millennium Gloucester Hotel, London	£217,000,000
The Bailey's Hotel, London	£110,000,000
Millennium Broadway, Premier Hotel and Hudson Theatre, New York	US\$290,000,000
Millennium One UN Hilton Hotel	US\$180,000,000

In accordance with the engagement letter dated 30 October 2017 entered into between M&C and CBRE, CBRE has reported that:

1. the Valuation Report was prepared by CBRE in accordance with the RICS Valuation Global Standards 2017 (which incorporate the International Valuation Standards and the RICS Valuation – Professional Standards UK January 2014 (revised April 2015) (the Red Book)) in the capacity of an external valuer and for a Regulated Purpose (as defined in the RICS Valuation Global Standards 2017);
2. it consents to the publication of the Valuation Report on M&C's website and CDL's website following this announcement and acknowledges that the Valuation Report may need to be included in any further documents or announcements to be published in connection with the Final Offer and in accordance with the Code;
3. it has valued the Valued Properties individually and on the basis of market value and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole;
4. in its opinion, having regard to the information provided to it by M&C, the market value of the Valued Properties, as at the date of this announcement would not, in accordance with Rule 29.4 of the Code, be materially different from the valuation of those same Valued Properties at the Valuation Date;
5. for the purposes of the Code, CBRE is responsible for the Valuation Report and it accepts responsibility for the information contained in the Valuation Report and confirms that to the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in the Valuation Report is in accordance with the facts and contains no omissions likely to affect its import;

6. the Valuation Report complies with and has been prepared in accordance with, and on the basis of, the Code; and
7. the Valuation Report may not be reproduced, in whole or in part, or used in connection with, or for, any other purpose without the prior written consent of CBRE.

APPENDIX IV DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise.

“ABP”	the Annual Bonus Plan
“Acceptance Condition”	the condition as set out in paragraph 1(a) of Appendix I to this announcement
“Authorisations”	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals
“Bidco”	Agapier Investments Limited, a company incorporated in the British Virgin Islands with British Virgin Islands Company Number 1886128 whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
“Business Day”	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in the City of London
“CBRE”	CBRE Hotels Limited
“CDL”	City Developments Limited, a company incorporated in Singapore with registration number 196300316Z whose registered office is at 36 Robinson Road, #04-01 City House, Singapore 068877
“CDL FY2016 Results”	the audited consolidated financial statements of the CDL Group for the year ended 31 December 2016
“CDL Group”	CDL and its subsidiaries
“CDL Parties”	Bidco, CDL and those persons acting in concert (within the meaning of the term given in the Code) with them
“CDL Shares”	ordinary shares in the capital of CDL
“Closing Price”	the closing middle market price of a M&C Share on a particular trading day as derived from the Daily Official List
“CMA Phase 2 Reference”	a reference of the Final Offer to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
“Code”	the City Code on Takeovers and Mergers
“Companies Act”	the Companies Act 2006, as amended
“Competition and Markets Authority”	a UK statutory body established under the Enterprise and Regulatory Reform Act 2013

“Cooperation Agreement”	an amended and restated cooperation agreement dated 14 November 2014 (as may be further amended from time to time)
“Conditions”	the conditions of the Final Offer, set out in Appendix I to this announcement and to be set out in the Offer Document, and “Condition” means any one of them
“Credit Suisse”	Credit Suisse International
“Daily Official List”	the Daily Official List published by the London Stock Exchange
“Dealing Disclosure”	has the same meaning as in Rule 8 of the Code
“Disclosed”	the information disclosed by, or on behalf, of M&C in any announcement to a Regulatory Information Service by, or on behalf of, M&C prior to the publication of the announcement
“ESP”	the 2016 Executive Share Plan
“Exchange Act”	the US Securities Exchange Act of 1934
“Financial Conduct Authority”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000
“Facility Agreement”	the loan facility agreement entered into by CDL with Oversea-Chinese Banking Corporation Limited as lender dated 12 October 2017 pursuant to which a S\$800,000,000 dual currency credit facility is made available to CDL to finance part of the cash consideration payable pursuant to the Final Offer or (if so elected) pursuant to a Scheme (and, in each case, to finance fees, costs and expenses in connection with the Final Offer or a Scheme, as applicable)
“Final Offer”	the increased recommended final cash offer, made by Bidco, which is final and will not be increased to acquire the entire issued and to be issued ordinary M&C Shares on the terms and subject to the Conditions to be set out in the Offer Document and (in respect of M&C Shares in certificated form) the Form of Acceptance and including, where the context permits, any subsequent revision, variation, extension or renewal of such offer)
“Final Offer Price”	600 pence per M&C Share
“Form of Acceptance”	the form of acceptance and authority relating to the Final Offer which will accompany the Offer Document for use by M&C Shareholders with shares in certificated form in connection with the Final Offer
“FSMA”	Financial Services and Markets Act 2000
“FY2016”	financial year ended 31 December 2016

“HSBC”	HSBC Bank plc
“IFRS”	International Financial Reporting Standards
“Independent Committee”	the independent committee of the M&C Independent Directors
“Independent M&C Shareholders”	M&C Shareholders other than the CDL Parties
“Last Practicable Date”	7 December 2017, being the last practicable date prior to the date of this announcement
“Listing Rules”	the rules and regulations made by the Financial Conduct Authority in its capacity as the UK Listing Authority under the Financial Services and Markets Act 2000, and contained in the UKLA’s publication of the same name
“London Stock Exchange”	London Stock Exchange plc
“LTIP”	the 2016 Long Term Incentive Plan and the 2006 Long Term Incentive Plan
“M&C”	Millennium & Copthorne Hotels plc, a company incorporated in England and Wales with registration number 03004377 whose registered office is at Victoria House, Victoria Road, Horley, Surrey, RH6 7AF
“M&C FY2016 Results”	the audited consolidated financial statements of the M&C Group for the year ended 31 December 2016
“M&C Group”	M&C and its subsidiary undertakings and, where the context permits, each of them
“M&C Independent Directors”	the independent non-executive directors of M&C which excludes the appointees of CDL to the M&C board of directors (such appointees being Kwek Leng Beng, Kwek Leng Peck and Kwek Eik Sheng)
“M&C Shareholders”	the holders of M&C Shares
“M&C Share Schemes”	the LTIP, the ABP, the ESP and the Sharesave Plans
“M&C Shares”	the existing unconditionally allotted or issued and fully paid ordinary shares of 30 pence each in the capital of M&C and any further such ordinary shares which are unconditionally allotted or issued while the Final Offer remains open for acceptance or before such earlier date as Bidco (subject to the Code) may determine, not, unless the Panel so permits, being earlier than the date on which the Final Offer is declared unconditional as to acceptances or, if later, the first closing date of the Final Offer
“Main Market”	the main market of the London Stock Exchange
“NTA”	net tangible assets
“Offer Document”	the document to be despatched to M&C Shareholders containing the full terms and conditions of the Final Offer

“Offer Period”	the Offer Period (as defined by the Code) relating to M&C, which commenced on 9 October 2017
“OIO”	the New Zealand Overseas Investment Office
“Opening Position Disclosure”	has the same meaning as in Rule 8 of the Code
“Panel”	the Panel on Takeovers and Mergers
“Post Offer Intention Statement”	has the same meaning as in the Code
“Prudential Regulation Authority”	the Prudential Regulation Authority in the UK
“Registrar”	the Registrar of Companies in England and Wales
“Regulation”	Council Regulation (EC) 139/2004
“Regulatory Information Service”	any of the services set out in Appendix III to the Listing Rules
“Restricted Jurisdiction”	any jurisdiction local laws or regulations may result in significant risk of civil, regulatory or criminal exposure if information concerning the Final Offer is sent or made available to M&C Shareholders in that jurisdiction
“Scheme”	a scheme of arrangement (as that term is defined in the Companies Act) under Part 26 of the Companies Act between Bidco and M&C Shareholders (should Bidco elect to acquire M&C by way of scheme of arrangement)
“Sharesave Plans”	the 2016 Sharesave Plan and the 2006 Sharesave Plan
“SGX”	the Singapore Exchange
“Significant Interest”	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking
“Special Dividend”	the special dividend of 20 pence per M&C Share to be paid conditional upon the Final Offer being declared wholly unconditional
“Termination Deed”	the deed of termination entered into between M&C and CDL to terminate the Cooperation Agreement
“Third Party”	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction
“UKLA”	the UK Listing Authority, being the Financial Conduct Authority Limited acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland

“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America, and the District of Columbia
"Valuation Report"	report dated 8 December 2017 prepared by CBRE Hotels Limited in respect of the valuation undertaken by CBRE of the Valued Properties
"Valued Properties"	Copthorne Tara Hotel, Millennium Gloucester Hotel and The Bailey's Hotel in London, and the Millennium Broadway (including the Hudson Theatre), Premier Hotel and Millennium Hilton One UN Plaza Hotel in New York
“Wider CDL Group”	CDL and associated undertakings and any other body corporate, partnership, joint venture or person in which CDL and all such undertakings (aggregating their interests) have a Significant Interest
“Wider M&C Group”	M&C and associated undertakings and any other body corporate, partnership, joint venture or person in which M&C and such undertakings (aggregating their interests) have a Significant Interest

For the purposes of this announcement, **“subsidiary”**, **“subsidiary undertaking”**, **“undertaking”** and **“associated undertaking”** have the respective meanings given thereto by the Companies Act.

All references to **“GBP”**, **“pounds”**, **“pounds Sterling”**, **“Sterling”**, **“£”**, **“pence”**, **“penny”** and **“p”** are to the lawful currency of the United Kingdom.

All references to **“S\$”** and **“Singapore Dollars”** are to the lawful currency of the Republic of Singapore.

All the times referred to in this announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.