

General Announcement::Possible Cash Offer for Millennium & Copthorne Hotels plc

Issuer & Securities

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Announcement Details

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Attachments	<p>CDL - 9 Oct 2017.PDF</p> <p>Total size =174K</p>

CITY DEVELOPMENTS LIMITED

(Company Registration No. 196300316Z)

(Incorporated in the Republic of Singapore)

POSSIBLE CASH OFFER FOR MILLENNIUM & COPTHORNE HOTELS PLC BY CITY DEVELOPMENTS LIMITED

The Board of Directors of City Developments Limited (the “**Company**”) wishes to announce that the Company and the independent non-executive directors of Millennium & Copthorne Hotels plc (the “**Target**”), a 65.204%-subsidiary¹ of the Company listed on the Main Market of the London Stock Exchange (“**LSE**”), have jointly released an announcement (the “**Joint Announcement**”) on the LSE today in relation to a possible cash offer to be made by Agapier Investments Limited, a wholly-owned subsidiary of the Company, for the Target. A copy of the Joint Announcement is attached as an Appendix to this announcement.

There can be no certainty that a formal offer will be made. The possible cash offer will be made solely by certain offer documentation, which will set out the full terms and conditions of any offer. The Company will make an appropriate announcement in the event of any material developments.

The Company wishes to advise shareholders of the Company to refrain from taking any action in respect of their shares or other securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in such shares or other securities.

**BY ORDER OF THE BOARD OF
CITY DEVELOPMENTS LIMITED**

Shufen Loh @ Catherine Shufen Loh

Company Secretary

Date: 9 October 2017

¹ The percentage shareholding is based on 324,751,275 ordinary shares of the Target in issue as at 9 October 2017.

Appendix

Joint Announcement

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

THIS IS AN ANNOUNCEMENT OF A POSSIBLE OFFER UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE"). THIS ANNOUNCEMENT IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

9 October 2017

**POSSIBLE CASH OFFER for
Millennium & Copthorne Hotels plc ("M&C")
by
City Developments Limited ("CDL")**

Following a period of negotiation between the parties, CDL 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 price at which the M&C Independent Directors would recommend a possible cash offer to be made by Agapier Investments Limited, a wholly-owned subsidiary of CDL, to acquire all of the outstanding ordinary shares in M&C ("**M&C Shares**") that CDL and its subsidiaries do not already own (the "**Proposed Offer**").

Under the terms of the Proposed Offer, shareholders in M&C ("**M&C Shareholders**") would be entitled to receive 552.5 pence in cash for each M&C Share held (the "**Proposed Offer Consideration**").

The Proposed Offer Consideration represents:

- a premium of approximately 23.7 per cent. to the closing price per M&C Share of 446.7 pence 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 22.0 per cent. to the volume-weighted average share price of the M&C Shares of the period of one month prior to 6 October 2017 (being the last business day prior to the date of this announcement) of 452.7 pence per M&C Share; and
- a premium of approximately 21.4 per cent. to the closing price per M&C Share of 455.0 pence on 6 October 2017 (being the last business day prior to the date of this announcement).

The Proposed Offer Consideration would be made up of a cash amount of 545 pence per M&C Share payable by Agapier Investments Limited, together with a special dividend of 7.5 pence per M&C Share (the "**Proposed Special Dividend**") payable to all M&C Shareholders upon the offer becoming or being declared wholly unconditional.

The M&C Independent Directors, who do not include the appointees of CDL to the M&C board (such appointees being Kwek Leng Beng, Kwek Leng Peck and Kwek Eik Sheng), formed an independent committee to evaluate the Proposed Offer.

The M&C Independent Directors, who have been so advised by Credit Suisse, consider the financial terms of the Proposed 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 the Proposed Offer to M&C Shareholders, subject to finalisation of the other terms and conditions.

CDL 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. CDL also confirms it has no intention to sell or repurpose any of M&C's hotels in London or in New York.

As at 9 October 2017, CDL indirectly owns 211,749,487 M&C Shares, representing approximately 65.20 per cent. of the issued ordinary share capital of M&C. The Offer values the entire issued ordinary share capital of M&C at approximately £1,794 million.

Discussions on the other terms and conditions of the Proposed Offer, including which regulatory clearances the parties will be required to seek and obtain in relation to any offer, are ongoing between CDL and the M&C Independent Directors.

Further information

In accordance with Rule 2.6(a) of the Code, CDL is required, by not later than 5.00 p.m. on 6 November 2017, either to announce a firm intention to make an offer in accordance with Rule 2.7 of the Code or to announce that it does not intend to make an offer for M&C, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

CDL reserves the right to make an offer at any time at a price below 552.5 pence per M&C Share:

- (a) if the actual diluted number of shares in M&C is greater than the assumed number of 325,403,550; or
- (b) by the amount of any dividend (or other distribution) which is paid or becomes payable by M&C to its shareholders after the date of this announcement except for the Proposed Special Dividend, which the M&C Shareholders will be entitled to receive.

There can be no certainty that a formal offer will be made. The Proposed Offer will be made solely by certain offer documentation, which will set out the full terms and conditions of any offer.

A further statement will be made as appropriate.

Enquiries:**CDL**

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

Deutsche Bank

Joint Financial Adviser to CDL

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

HSBC Bank plc

Joint Financial Adviser to CDL

Oliver Smith +44 (0) 20 7991 8888
Barry Rose

M&C

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:

Instinctif Partners Limited

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

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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 of the M&C Independent Directors (the "Independent Committee") and for no one else in connection with the Proposed 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 Proposed 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 Proposed Offer, the content of this announcement or any other matters described in this announcement.

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This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to this announcement or otherwise. Any offer will be made solely by certain offer documentation which will contain the full terms and conditions of any offer, including details of how it may be accepted.

This announcement has been prepared for the purposes of complying with English law and the Code and 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 of jurisdictions outside the United Kingdom.

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom and the availability of any offer to shareholders of M&C who are not resident in the United Kingdom may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or shareholders of M&C who are not resident in the United Kingdom will need to inform themselves about, and observe, any applicable requirements.

Overseas Shareholders

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law (a "Restricted Jurisdiction"). Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

Unless otherwise determined by CDL or required by the Code, and permitted by applicable law and regulation, the Proposed 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 Proposed Offer shall not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Proposed 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 Proposed Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Proposed Offer.

The availability of the Proposed 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 Proposed Offer would be made for the securities of M&C, a company incorporated under the laws of England and Wales, and would be made in the United States in compliance with, and reliance on, the applicable provisions of Section 14(e) of the US Securities Exchange Act of 1934 (the "Exchange Act") and Regulation 14E thereunder. The Proposed Offer would be made in the United States by CDL and no one else.

The Proposed Offer would be subject to disclosure and procedural requirements of the United Kingdom which are different from those in the United States. In addition, the payment and settlement procedures with respect to the Proposed Offer would comply with the relevant United Kingdom rules, which differ from United States payment and settlement procedures.

In accordance with normal UK market practice, CDL, certain affiliated companies and its nominees or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, M&C shares, other than pursuant to the Proposed Offer, before or during the period in which the Proposed Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. If such purchases or arrangements to purchase were to be made they would be made outside the United States and would comply with applicable law, including the Exchange Act.

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 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (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 pm (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 must also be made by the offeree company and by any offeror and Dealing Disclosures must also 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 Takeover 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.

Publication on Website

In accordance with Rule 26.1 of the Code, a copy of this announcement 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/london-stock-exchange> promptly and by no later than 12 noon (London time) on the business day following this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Rule 2.9 disclosure

In accordance with Rule 2.9 of the Code, M&C announces that, as at the date of this announcement, it has 324,751,275 ordinary shares of 30 pence each in issue and admitted to trading on the main market of the London Stock Exchange. Each ordinary share carries the right to one vote. M&C does not hold any ordinary shares in treasury. The International Securities Identification Number for the ordinary shares is GB0005622542.

The above figure may be used by shareholders to determine the percentage of issued share capital they hold in M&C and if they are required to notify their interest in, or a change to their interest in, M&C under the FCA's Disclosure Guidance and Transparency Rules.