

RNS Miscellaneous

Rule 19.6(b) update and Rule 19.6(c) confirmation

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 City Developments Limited
 28 September 2020

THE FOLLOWING ANNOUNCEMENT IS BEING MADE PURSUANT TO THE REQUIREMENTS OF RULE 19.6(C) OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE"), WHICH, INTER ALIA, REQUIRES A PARTY TO AN OFFER TO MAKE AN ANNOUNCEMENT AT THE END OF A PERIOD OF 12 MONTHS FROM THE DATE ON WHICH AN OFFER PERIOD ENDED CONFIRMING WHETHER IT HAS TAKEN, OR NOT TAKEN, THE COURSE OF ACTION SET OUT IN ITS STATED INTENTIONS

FOR IMMEDIATE RELEASE

28 September 2020

AGAPIER INVESTMENTS LIMITED

Rule 19.6(b) update and Rule 19.6(c) confirmation with respect to stated post-offer intentions with regard to Millennium & Copthorne Hotels plc (now renamed Millennium & Copthorne Hotels Limited)

Agapier Investments Limited ("**Bidco**"), a wholly-owned indirect subsidiary of City Developments Limited ("**CDL**"), announces that, further to the completion of its recommended cash offer for Millennium & Copthorne Hotels plc (now renamed Millennium & Copthorne Hotels Limited) ("**M&C**") on 27 September 2019, it has taken further courses of action that differ in respect to its post-offer intention statements made pursuant to Rules 2.7(c)(iv) and 24.2 of the Code (the "**Stated Intentions**"), as originally detailed in its announcement of 7 June 2019 and the offer document published on 15 August 2019 (the "**Offer Documentation**"), and as subsequently revised in Bidco's announcement of 27 May 2020 made pursuant to Rule 19.6(b) of the Code (the "**May Announcement**").

This announcement is required under Rules 19.6(b) and Rule 19.6(c) of the Code.

The Stated Intentions as at the date of the Offer Documentation, included that Bidco did not intend, amongst other things, to make material changes with regard to the continued employment of, or the conditions of employment of, M&C's employees and that the existing employment rights of the management and employees of M&C would be fully safeguarded in accordance with contractual and statutory requirements.

Further to the May Announcement, the ongoing adverse effects of the COVID-19 global pandemic and governmental restrictions continue to severely impact the global hospitality and tourism sector in which M&C operates. Approximately 30% of the M&C global hotel portfolio remains closed and the remaining hotels in M&C's portfolio have been operating at a significantly reduced scale due to the limited demand arising from continued restrictions on travel and services. In light of these circumstances, M&C have had to continue to implement certain business optimisation and cost control initiatives to minimise operating expenses. Since the May Announcement, it has been unfortunately necessary to further reduce M&C's global headcount by an aggregate percentage of approximately 23%, with each affected employee receiving entitlements in accordance with contractual and/or statutory requirements. In addition, M&C has continued to place approximately 35% of M&C's employees on furlough arrangements as at 31 August 2020, the terms of which are in accordance with the relevant guidelines issued by local governments. Furthermore, as announced in the May Announcement, senior management and executives in M&C remain on reduced salaries.

Other than as stated in this announcement, there are no changes to the Stated Intentions as at the date of the Offer Documentation and as subsequently revised in the May Announcement.

In accordance with the requirements of Rule 19.6(c) of the Code, Bidco's board of directors has duly confirmed in writing to the Panel on Takeovers and Mergers that Bidco has complied with the Stated Intentions as further subsequently revised in the May Announcement and this announcement.

Enquiries:

CDL and Bidco

Belinda Lee, Head, Investor Relations & Corporate

+65 68778315

FURTHER INFORMATION

The percentages contained in this announcement: (i) are based on information as at 31 August 2020 and changes are calculated against information as at 30 April 2020 as set out in the May Announcement; and (ii) exclude hotels operated under the M&C franchise model.

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