

General Announcement::Investor Presentation on Possible Offer for M&C Shares not owned by CDL

Issuer & Securities

Issuer/ Manager	CITY DEVELOPMENTS LIMITED
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Submitted By (Co./ Ind. Name)	Enid Ling Peek Fong
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	Please refer to the attached Investor Presentation on Possible Offer for Millennium & Copthorne Hotels plc Shares not owned by City Developments Limited.
Attachments	CDL_investor_presentation.pdf Total size =1109K



Investor Presentation
Possible offer for M&C shares not owned by CDL

November 2017



CITY DEVELOPMENTS LIMITED

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The Proposed 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 Proposed Offer will be made in the United States by Bidco and no one else.

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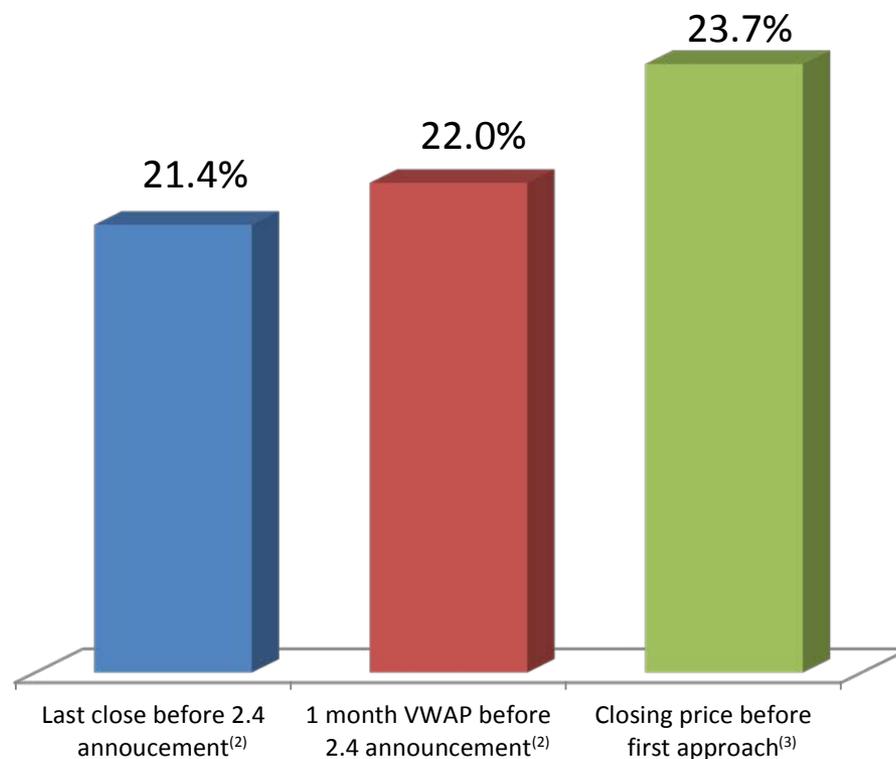


AN ATTRACTIVE PREMIA

POSSIBLE OFFER PRICE

Cash : 545.0 pence
Special dividend⁽¹⁾: 7.5 pence
552.5 pence

PREMIA ANALYSIS



(1) Special dividend payable to all M&C Shareholders upon the offer being declared wholly unconditional

(2) 2.4 Announcement was made on 9 October 2017

(3) First approach was made on 21 August 2017

Source: 2.4 announcement



WHY THE POSSIBLE OFFER?

M&C Challenges

- Intensifying competition from large-scale, asset light competitors
- Geopolitical instability
- Technology disruption
- Illiquid trading

CDL Challenges

- Volatile and cyclical residential development business
- Cooling measures in key gateway cities

Benefits of possible offer

- Ability to progress M&C's capital expenditure program with nimbleness and flexibility as a private entity
- Access to CDL's infrastructure, network, financial resources and execution capability
- Exit in cash in full

Benefits of possible offer

- M&C's recurring income which is a critical component to CDL's operating performance
- Buffer against volatility and cyclical nature of CDL's residential development business

Source: 2.4 announcement



MAINTAINING M&C'S OWNER AND OPERATOR TWIN STRATEGY

Organizational structure

- CDL intends to keep hotel and property development business operationally separate
- CDL has already established a separate standalone UK property development business

Difficulty in repositioning / redevelopment in key cities

- London restrictions on redevelopment:
 - Affordable housing component in new projects
 - Resistance to loss of hotel accommodation
 - Community infrastructure levies
 - Higher premia and ground rents payable to landowner
 - Rights to light by third parties
- New York moratorium on hotel conversions until 2019
- Singapore cooling measures
 - Qualifying Certificate penalty of 8% to 24% of land value of unsold units

M&C need to retain assets

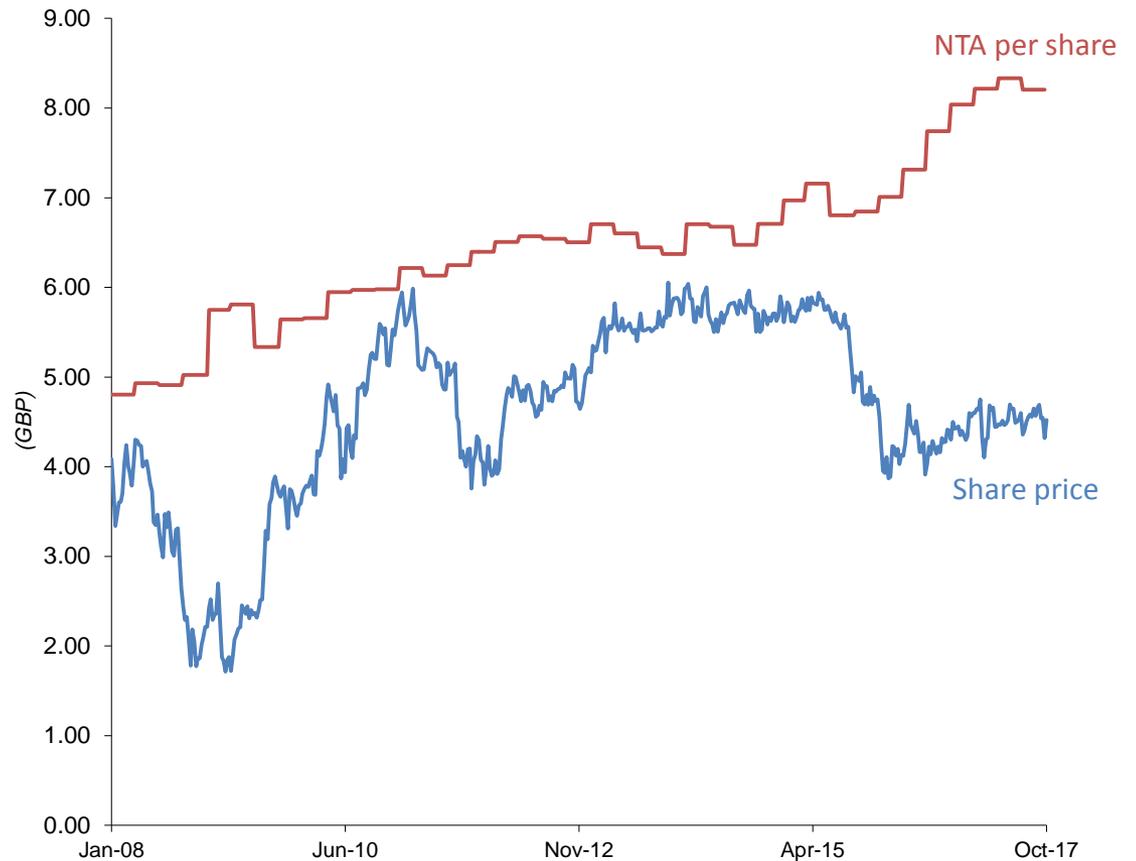
- M&C lacks scale to be asset light to compete vs larger competitors



Source: 2.4 announcement

NTA DOES NOT REPRESENT FAIR MARKET VALUE OF M&C AS HOTEL OPERATOR...

- M&C is valued on earnings, not NTA
- M&C has historically traded at a sizeable discount to reported net book value since 2008



Since 2008, M&C has consistently traded below its NTA

Source: FactSet as of 6 October 2017



M&C SHARE PRICE PERFORMANCE SINCE IPO



Source: FactSet as of 10 November 2017

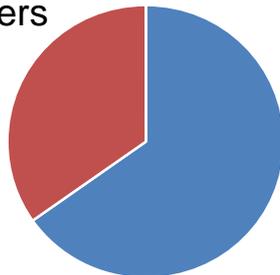


AN ALL-CASH POSSIBLE OFFER ALLOWS THE M&C SHAREHOLDERS TO REALISE VALUE OF THEIR INVESTMENT IN FULL AND IN CASH

552.5 pence
All cash

50%
Acceptance condition⁽¹⁾

Minority
Shareholders
34.8%



CDL
65.2%

22%
Premium to 1-month
VWAP

(1) Acceptance condition of (50% + 1) of M&C's independent shareholders

Source: 2.4 announcement

