

Name
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Post Code

Account Number:

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is authorised pursuant to the Financial Services and Markets Act 2000 or, if you are in a territory outside the United Kingdom, is an appropriately authorised independent financial adviser.

15 August 2019

To: holders of options under the Millennium & Copthorne Hotels plc 2016 Sharesave Plan and the Millennium & Copthorne Hotels plc 2006 Sharesave Plan (the "Sharesave Plans")

Your Choices in a Nutshell:

If the Final Offer becomes (or is declared) wholly unconditional and a "squeeze-out" notice is served (see section 2 below), you can exercise any **unvested Options** you hold in part early following service of the "squeeze-out" notice using the Exercise Form and using monthly savings you have made to the date of early exercise. Once your Option has been exercised and you become a shareholder, you will receive:

- the Final Offer Price of 685 pence per M&C Share; and
- a Compensation Payment in respect of up to a maximum of 9 months of missed savings opportunity.

See section 4 and the relevant FAQs for further information.

If no "squeeze-out" notice is served, your unvested Options will not become exercisable early. These Options will become exercisable on their existing terms and you will continue to make monthly savings for the normal savings period

In respect of any Options which matured on 1 August 2019 and which you have not yet exercised and have not yet lapsed:

- if you have not requested repayment of your savings, you can:
 - exercise your Option through Equiniti's online share plan portal (the "**ESP Portal**") and accept (**by 20 September 2019**) the Final Offer by completing and returning a Form of Acceptance in respect of any M&C Shares you acquire on exercise; or
 - exercise your Option using the Exercise Form so that the exercise of your Option will only take place if a "squeeze-out" notice is served; or
- if you have already requested or received repayment of your savings but would like to exercise your Option and accept (before the Final Offer closes) the Final Offer, you must contact the Equiniti helpline on 0371 384 2949 to discuss how you can do this.

In either case, you will receive the Final Offer Price of 685 pence for each M&C Share. If you want to do this by accepting the Final Offer, you will need to complete and return the enclosed Form of Acceptance using the enclosed pre-paid envelope. If you do not receive a Form of Acceptance, please contact the Equiniti helpline on 0371 384 2949 to be sent one. **Your exercise instructions and the Form of Acceptance must be received by Equiniti by 20 September 2019 in order to ensure they are received in sufficient time to be processed while the Final Offer remains open for acceptance.** See section 5 and the relevant FAQs for further information.

If you want to exercise your Option using the Exercise Form, you should sign, date and return the Exercise Form by post using the enclosed pre-paid envelope as soon as possible so that it is received by 5pm UK time on 20 September 2019 at the latest.

Dear Participant,

1. **BACKGROUND**

On 7 June 2019, the Boards of City Developments Limited ("**CDL**") and Agapier Investments Limited and the independent directors of Millennium & Copthorne Hotels plc ("**M&C**") announced that they had reached agreement on the terms of a recommended pre-conditional final cash offer for all of the shares in M&C ("**M&C Shares**") which are not already held by CDL and its subsidiaries (the "**Final Offer**") (and persons acting in concert with them) (together the "**CDL Parties**").

You are receiving this letter because you hold one or more Options under one or both of the Sharesave Plans (your "**Options**"), and this letter explains the effect of the Final Offer on your Options.

2. **ABOUT THE FINAL OFFER**

Under the Final Offer, shareholders will be entitled to receive a price of 685 pence per M&C Share (the "**Final Offer Price**").

The Final Offer is subject to certain conditions, including that it needs to be accepted in respect of at least 50% of the M&C Shares which are not already held by the CDL Parties as at 7 June 2019. Once (and if) these conditions are met (or, to the extent possible, are waived), the Final Offer will become (or be declared) "wholly unconditional".

After the Final Offer becomes (or is declared) wholly unconditional, and if it is accepted by M&C Shareholders representing 90% of the M&C Shares which are subject to the Final Offer, CDL would be entitled to serve a "squeeze-out" notice – and CDL has announced that it intends to serve this notice if it becomes able to do so. A "squeeze-out" notice would (in summary) become effective six weeks (the "**Squeeze-out Period**") after it is served, and it would mean that the CDL Parties would compulsorily acquire all of the remaining M&C Shares in issue at the time the notice is served.

Full details of the Final Offer are set out in the offer document dated 15 August 2019 (the "**Offer Document**"). Copies of the Offer Document and this letter are available on CDL's website at <http://www.cdl.com.sg/Millennium-Offer> and on M&C's website at <https://investors.millenniumhotels.com/regulatory-announcements-and-news/city-developments-ltd-offer-documents>. For the avoidance of doubt, the contents of CDL's website and M&C's website are not incorporated into, and do not form part of, this letter.

3. **A REMINDER OF THE SHARESAVE PLANS**

Under the Sharesave Plans, you have been saving each month under a savings contract. You have also been granted an Option over M&C Shares, which is subject to an "exercise price" that was set at the date on which you were granted your Option.

When your Options become capable of "exercise" (either on their normal maturity or early because of a "squeeze-out" notice being served following the Final Offer) you can then use the monthly savings you have made under your savings contract to purchase M&C Shares at a price equal to the "exercise price" of your Options.

The "exercise price" of your Options depends on the date(s) on which you participated in the Sharesave Plans and your Options were granted, but will be between 330 pence and 469 pence per M&C Share.

The Sharesave Plans are administered on behalf of M&C by Equiniti Limited ("**Equiniti**").

- Most of the Options have not reached their normal maturity yet and so are not currently capable of exercise. The effect of the Final Offer on these Options is described in section 4 below.

- Some participants hold Options which reached maturity on 1 August 2019 but which have not yet been exercised. The effect of the Final Offer on these Options is described in section 5 below.

4. EFFECT OF THE FINAL OFFER ON UNVESTED OPTIONS UNDER THE SHARES SAVE PLANS

This section is relevant for all Options under the Sharesave Plans except those Options which reached maturity on 1 August 2019 and which have not yet been exercised.

The Final Offer may cause these unvested Options to become exercisable early – but this will only occur if a "squeeze-out" notice is served (as described in section 2 above).

If this happens, you can exercise these Options in part, using the monthly savings you have made up until the date of this early exercise. The M&C Shares you acquire on exercise will then be acquired from you and you will receive:

1. the **Final Offer Price** of 685 pence per M&C Share: this is payable on each M&C Share you acquire on exercise of your Options and is the same amount as is payable for the purchase of M&C Shares in accordance with the terms of the Final Offer. Details of how the Final Offer Price will be paid to you are set out in the attached FAQs; and
2. a **Compensation Payment**: this will be a payment to compensate you for the fact that, by exercising early, you would not be able to continue saving for the full length of your saving arrangement and so are not able to exercise your Options in full. Details of how this amount will be calculated are set out in the attached FAQs.

Please be aware that if a "squeeze-out" notice is served and your Options are not exercised before the expiry of the Squeeze-out Period, they will then lapse, and you will cease to be able to exercise them or receive any of the payments described above (you will instead receive repayment of your accrued savings).

Action required as a result of this letter:

You can submit the enclosed Exercise Form to ensure that these Options are exercised if they become capable of early exercise as a result of the Final Offer so that you receive the **Final Offer Price** (of 685 pence per M&C Share) and the additional **Compensation Payment**.

To do so you should sign, date and return the Exercise Form by post using the enclosed pre-paid envelope as soon as possible so that it is received by 5pm UK time on 20 September 2019 at the latest.

It is possible that a "squeeze-out" notice will not be served. In this case, these Options will not become exercisable early. Instead, you will continue to hold these Options on their existing terms, and continue to make monthly savings, so that these Options will become capable of exercise in accordance with their normal terms.

Further information on all of the above is set out in the attached FAQs, which you should review.

5. OPTIONS WHICH REACHED MATURITY ON 1 AUGUST 2019

This section is only relevant to you if you hold an Option which matured on 1 August 2019 and which you have not yet exercised and which has not yet lapsed.

Some of the Options under the Sharesave Plans which matured and became capable of exercise on 1 August 2019 have not yet been exercised and have not yet lapsed. For some participants, this is only because you have not yet chosen to exercise. For other participants, this is because you have chosen to receive repayment of your accrued savings instead of exercising your Option. If you have already exercised your Option and sold your M&C Shares, this section 5 is not relevant to you.

If you have already exercised your Option and wish to accept the Final Offer

If you have already exercised your Option by submitting a Maturity Instruction via the ESP Portal facility, you will need to complete a Form of Acceptance and return this with your share certificate to Equiniti to accept the Final Offer in respect of the M&C Shares you acquired. If you have not already been sent a Form of Acceptance or do not have your share certificate, please contact the Equiniti helpline on 0371 384 2949 to be sent one. If

you do not accept the Final Offer, your shares will be compulsorily acquired for the Final Offer Price but only if a "squeeze-out" notice is served. However, you should note that the Final Offer Price payable for your M&C Shares on closure of a "squeeze-out" will be held by the "dissenter registrar". Details of any dissenter registrar will be made available if required in due course.

If you have received repayment of your savings and now want to exercise your Option

If you hold one of these Options and have received repayment of the savings that you made, you are still able to exercise your Option (and receive the Final Offer Price of 685 pence per M&C Share as described above). However, you will need to repay your accrued savings (including any bonus payment, if applicable) in order to be able to do so (as those savings are needed to pay the Option exercise price). **If you are in this position and wish to exercise this Option you need to contact the Equiniti helpline on 0371 384 2949.**

If you have not yet received repayment of your savings and want to exercise your Option

As long as you take action by **20 September 2019** you can exercise your Option through the ESP Portal and accept (before the Final Offer closes) the Final Offer in respect of any M&C Shares you acquire on exercise.

If you exercise your Option through the ESP Portal you will receive M&C Shares on exercise and can accept the Final Offer by completing a Form of Acceptance and returning it using the enclosed pre-paid envelope while the Final Offer remains open for acceptance. A Form of Acceptance is enclosed with this letter. If you do not receive a Form of Acceptance, you should contact the Equiniti helpline on 0371 384 2949 to be sent one. **Your exercise instructions and the Form of Acceptance must be received by Equiniti by 20 September 2019 in order to ensure they are received in sufficient time to be processed while the Final Offer remains open for acceptance. You do not need to send your share certificate with the Form of Acceptance.** This is because Equiniti will, after processing your Option exercise, hold your share certificate to your order to try to ensure you can respond by **20 September 2019**. Equiniti will hold your share certificate to your order until 27 September 2019 after which time they will send it to you if they have not received a Form of Acceptance from you.

If you accept the Final Offer before the Final Offer closes, and the Final Offer becomes (or is declared) wholly unconditional, you would receive the Final Offer Price. If the Final Offer does not become (or is not declared) wholly unconditional, you will retain your M&C Shares, the value of which will depend on the M&C share price at that time.

Alternatively, you can exercise using the Exercise Form in which case your Option will not be exercised until after a "squeeze-out" notice has been served. Your M&C Shares would then be purchased from you for the Final Offer Price. If a "squeeze-out" notice is not served the Exercise Form will be of no effect and you will continue to hold your Options on its existing terms. You will then have until 1 February 2020 to either exercise your Option or request repayment of your savings.

Where your options are exercised, you will be able to receive a total value of the Final Offer Price (685 pence) for each M&C Share acquired on exercise.

Further information on all of the above is set out in the attached FAQs, which you should review.

Action required as a result of this letter:

If you hold an Option which reached maturity on 1 August 2019 which has not yet lapsed but for which you have not yet received repayment of your savings either:

- **to exercise your Option and accept the Final Offer, you should exercise via the ESP Portal and complete and return a Form of Acceptance by post using the enclosed pre-paid envelope so that it is received by Equiniti by 20 September 2019 in order to ensure your exercise instructions and Form of Acceptance are received in sufficient time to be processed before the Final Offer closes; or**
- **to exercise using the Exercise Form (meaning that your Option will be exercised only after a "squeeze-out" notice has been served) sign, date and return the Exercise Form by post**

using the enclosed pre-paid envelope as soon as possible so that it is received by 5pm UK time on 20 September 2019 at the latest.

OR

If you hold an Option which reached maturity on 1 August 2019 and for which you have already received repayment of your savings then, if you wish to exercise this Option, you need to contact the Equiniti helpline on 0371 384 2949 to discuss how to repay your savings and exercise your Option.

If you do not exercise this Option it will lapse on expiry of the Squeeze-out Period if a "squeeze-out" notice is served or, if earlier, 1 February 2020.

6. RECOMMENDATIONS

The independent directors of M&C, who have been so advised by Credit Suisse International as to the financial terms of the proposal, consider the proposal set out in this letter to be fair and reasonable in the context of the Final Offer. In providing its advice to the independent directors of M&C, Credit Suisse International has taken into account the commercial assessments of the independent directors of M&C.

The independent directors of M&C unanimously recommend that, to the extent to which they are or become capable of exercise, you exercise your Options and, where relevant, accept the Final Offer in respect of the M&C Shares you acquire as set out in this letter.

Sent on behalf of

**The independent directors of
Millennium & Cophorne Hotels plc**

Agapier Investments Limited

FREQUENTLY ASKED QUESTIONS

Do I need to do anything in respect of my current monthly savings?

No. You do not need to take any action in respect of your current monthly savings. In fact, if you were to stop your contributions your Options would, in due course, lapse and you would not be able to acquire M&C Shares or sell them under the Final Offer.

What happens if I do not exercise my Options?

If you do not return the Exercise Form, or do not otherwise exercise your unvested Options, and a "squeeze-out" notice is served, your unvested Options will lapse on expiry of the Squeeze-out Period (i.e. six weeks later). This means you will not be able to buy any M&C Shares and so will not be able to sell them and receive the Final Offer Price or the Compensation Payment. Instead, you will only receive repayment of the savings you have made into your savings arrangement.

The Options which reached maturity on 1 August 2019 but which have not yet been exercised will lapse on the earlier of the expiry of the Squeeze-out Period if a "squeeze-out" notice is served and 1 February 2020 (their "normal course" lapse date).

If I use the Exercise Form, do I need to provide any additional cash to exercise my Options?

Your Options will be exercised using the savings you have made under the Sharesave Plans. This means that for most Options you do not need to provide any other funds in order to exercise your Options.

The only exception to this is if you hold an Option which reached maturity on 1 August 2019 and for which you have already received repayment of your accrued savings. In this case you would need to repay these savings to be able to exercise your Option. If you are in this position and wish to exercise this Option you need to contact the Equiniti helpline on 0371 384 2949.

If I use the Exercise Form, when will my Options be exercised and when will I receive M&C Shares?

If a "squeeze-out" notice is served your unvested and vested Options will be exercised within the Squeeze-out Period. If the Board determines it is practicable to delay that exercise within the context of the timetable of the Final Offer to allow an additional monthly contribution to be credited to your account (in respect of unvested Options) it will do so. However, it may be that this is not practicable, in which case your Options will be exercised shortly after the "squeeze-out" notice is served.

If you use the Exercise Form to exercise your Options, exactly when your M&C Shares will be issued to you in satisfaction of your Options will be dependent upon a number of factors, including whether the Final Offer remains open at the time your exercise is processed. However, you will receive M&C Shares and then the Final Offer Price regardless of when M&C Shares are issued to you in satisfaction of your Options.

If a "squeeze-out" notice is not served the Exercise Form would simply have no effect on your unvested or vested Options. You would then be able to exercise your unvested Options in due course, and your vested Options as normal, in accordance with their normal terms (and you would need to submit a normal exercise request to do so).

If any of the above scenarios apply, you will receive the Final Offer Price for each M&C Share you are entitled to receive upon exercise of your Options.

If I hold an Option which matured on 1 August 2019, can I exercise this and accept the Final Offer?

If you exercise your Option through the ESP Portal you will receive M&C Shares on exercise and can accept the Final Offer by completing a Form of Acceptance. Your exercise instructions and the Form of Acceptance must be received by Equiniti by **20 September 2019** in order to ensure they are received in sufficient time to be processed while the Final Offer remains open for acceptance. You do not need to send your share certificate with the Form of Acceptance. This is because Equiniti will, after processing your Option exercise, hold your share certificate to your order to try to ensure you can respond by **20 September 2019**. Equiniti will hold your share certificate to your order until 27 September 2019 after which time they will send it to you if they have not received a Form of Acceptance from you. If you accept the Final Offer before the Final Offer closes, and the Final Offer becomes (or is declared) wholly unconditional, you will receive the Final Offer Price. If the

Final Offer does not become (or is not declared) wholly unconditional, you will retain your M&C Shares, the value of which will depend on the M&C share price at that time.

If I hold an Option which matured on 1 August 2019, can I exercise this and accept the Final Offer after the deadline of 20 September 2019?

If you exercise your Option through the ESP Portal after 20 September 2019 and/or your Form of Acceptance is not received by 20 September 2019, neither M&C nor the CDL Parties can guarantee your instructions will be processed before the Final Offer closes, meaning that you may not be able to accept the Final Offer. Therefore, if you want to accept the Final Offer, you are strongly encouraged to exercise your Option and complete and return the Form of Acceptance so that they are received by Equiniti by 20 September 2019.

If it is possible to process your instructions before the Final Offer closes, this will be done meaning that if the Final Offer becomes (or is declared) wholly unconditional, you will receive the Final Offer Price under the Final Offer.

If it is not possible to process your instructions before the Final Offer closes, your Option will be exercised and you will receive M&C Shares. However, you will not have accepted the Final Offer (even where you have completed and returned a Form of Acceptance). The implications of this for you depend on exactly when your M&C Shares are issued to you.

- Wherever possible, in this scenario your M&C Shares will only be issued to you once M&C is delisted and has amended its articles of association, meaning that you will have your M&C Shares automatically purchased for 685 pence per M&C Share (the Final Offer Price) when they are issued to you.*
- Where this is not possible, your M&C Shares will be issued to you before M&C is delisted and has amended its articles of association, meaning that you will continue to hold your M&C Shares in the normal way. If a "squeeze-out" notice is served, the CDL Parties will compulsorily acquire your M&C Shares at the end of the Squeeze-out Period and you will be entitled to receive 685 pence per M&C Share. However, you should note that the Final Offer Price payable for your M&C Shares on closure of a "squeeze-out" will be held by the "dissenter registrar". Details of any dissenter registrar will be made available if required in due course. You should also note that it is possible that a "squeeze-out" notice will not be served.*

How will the Final Offer Price be paid to me?

If you accept the Final Offer by returning (in sufficient time for processing before the Final Offer closes) a Form of Acceptance in respect of M&C Shares issued to you prior to the M&C articles being amended, the payment process/timing set out in the Offer Document will apply to you.

Otherwise, except as set out above where your M&C Shares are subject to a "squeeze-out" process, the Final Offer Price will be paid to you through payroll as soon as practicable. If any income tax and National Insurance contributions arise on the exercise of your Options, this will be deducted from the payment due to you but any compensation from CDL in respect of such income tax and National Insurance contributions charge will also be paid to you through payroll.

When do I need to complete a Form of Acceptance?

You need to complete a Form of Acceptance if you want to accept the Final Offer. This is likely to be particularly relevant if you are exercising Options which matured on 1 August 2019. It may also be relevant to you if you receive M&C Shares during the Squeeze-out Period at a time when the Final Offer remains open for acceptances, and you wish to accept the Final Offer rather than wait for your M&C Shares to be automatically acquired from you following the end of the Squeeze-out Period.

If you don't complete the Form of Acceptance, you will not benefit directly from the Final Offer. However, if the Final Offer becomes (or is declared) wholly unconditional (and, where relevant, a "squeeze-out" notice is served) you will be able to receive the Final Offer Price via other means, provided you exercise your Options before they lapse.

If you have an Option which matured on 1 August 2019, a Form of Acceptance is enclosed with this letter. If you do not receive a Form of Acceptance, you should contact the Equiniti helpline on 0371 384 2949 to be sent one. Your exercise instructions and the Form of Acceptance must be received by Equiniti by **20 September 2019** in order to ensure they are received in sufficient time to be processed while the Final Offer remains open for acceptance.

I want to accept the Final Offer after exercising my Options but the Final Offer is now closed. What do I do?

If you exercise your Options or their exercise is processed after the Final Offer has closed, you will be issued your M&C Shares only once M&C is delisted and has amended its articles of association, meaning that you will have your M&C Shares purchased for 685 pence (as well as receiving, if applicable, the Compensation Payment). This means you will never be disadvantaged by being left with shares in a non-listed company which you may struggle to sell.

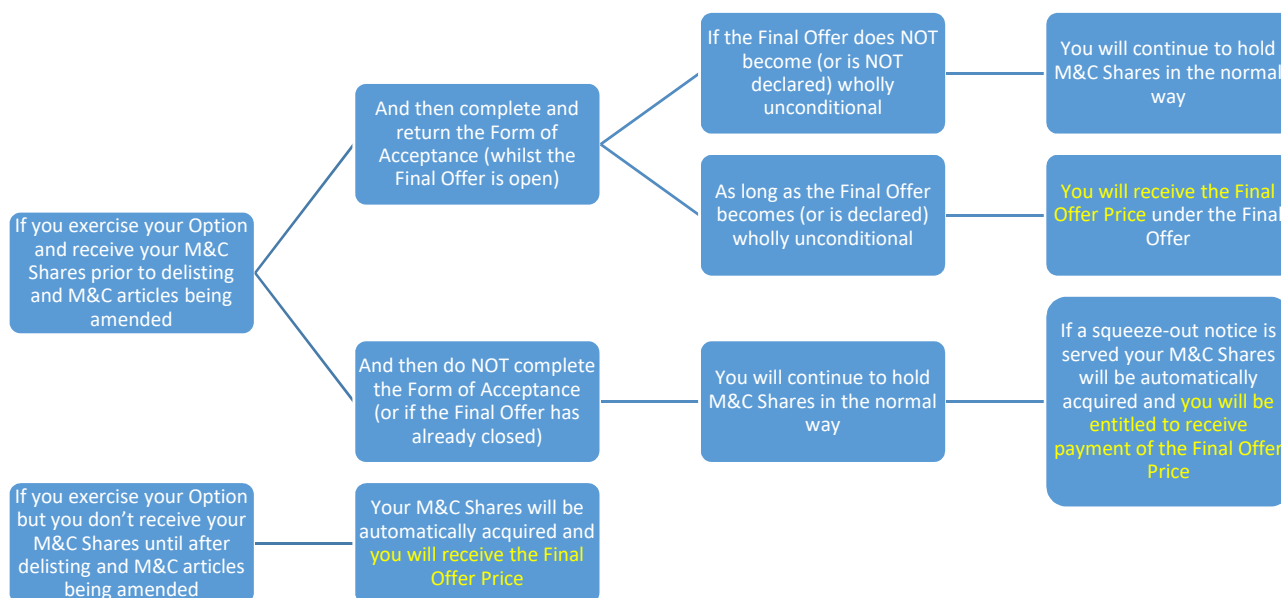
How do I become entitled to the Final Offer Price in respect of my unvested Options?

You should complete and return the Exercise Form that has been sent to you and if a "squeeze-out" notice is served on M&C shareholders generally:

1. your Options will be exercised to the extent of the savings made under your savings contract with Equiniti at the time of exercise; and
2. you will receive M&C Shares but these will be immediately sold to the CDL Parties for the Final Offer Price of 685 pence; and
3. you will also receive the Compensation Payment as if you had a made up to a maximum of 9 additional monthly contributions to your savings contract.

Amounts due to you will be paid to you through payroll.

How do I become entitled to the Final Offer Price in respect of my Options which matured on 1 August 2019?



Note that the Final Offer Price payable for your M&C Shares on closure of a "squeeze-out" will be held by the "dissenter registrar". Details of any dissenter registrar will be made available if required in due course.

What is the Compensation Payment for? When is it payable? And how is it calculated?

If a "squeeze-out" notice is served you would only be able to exercise your unvested Options in part (using the monthly savings made to the date of early exercise) and so would be deprived of the chance to continue saving for the full length of your savings arrangement. (You will not be able to continue to hold your unvested Options

because, as explained above, they will lapse six weeks after a "squeeze-out" notice is served if you do not exercise them).

As a result, if a "squeeze-out" notice is served and you exercise your unvested Options, M&C and CDL have agreed that you can receive the Compensation Payment. The Compensation Payment will be calculated by reference to the notional number of M&C Shares you could have acquired on exercise of your Options if you had been able to make up to a maximum of an additional 9 months' worth of savings (or, if fewer, as if you had been able to save to the end of the normal maturity of your savings arrangement). The Compensation Payment will be made on that number of M&C Shares, at an amount calculated as 685 pence (i.e. the Final Offer Price) less the exercise price of your Options.

For example, if a participant holds a three year Option granted in 2018 (which would normally mature on 1 August 2021), saving £250 per month with an exercise price of 436 pence per share. If a "squeeze-out" notice were served in, say, mid-October 2019, the Option would likely be exercised in November (to allow savings to be accumulated for October 2019). The participant has lost the opportunity to make 21 monthly contributions to the savings contract.

This would mean that the option can be exercised using savings accumulated over 15 months (i.e. from 1 August 2018 to end October 2019).

The amount of the Compensation Payment would be £1,284.84 (before tax). This is calculated as follows:

- a further 9 months' worth of savings would be £2,250;
- based on an exercise price of 436 pence per share, the participant could have acquired 516 M&C Shares with their £2,250 savings; and
- the value of the gain (685 pence – 436 pence) on 516 shares at the Final Offer Price would be £1,284.84

If you exercise your Options using the enclosed Exercise Form this payment would be calculated on your behalf and paid to you automatically through payroll as soon as practicable following calculation of the amount of the Compensation Payment.

Why do I not receive the Compensation Payment on Options which reached maturity on 1 August 2019?

The Compensation Payment provides compensation in the event that participants cease to be able to make their full number of monthly savings as a result of the Final Offer. This is not relevant to Options which reached maturity on 1 August 2019, as the maximum permitted number of savings would already have been made in respect of these Options.

If a "squeeze-out" notice is served why can I only exercise my unvested Options in part and not in full?

The Sharesave Plans are governed by specific tax legislation, which provides the applicable tax advantages, but also means that the Options can only be exercised using savings made into your savings arrangement. The legislation does not permit you to "top up" your savings as if you had saved until the normal maturity date, and so if a "squeeze-out" notice is served you can only exercise your unvested Options using the number of savings you have made to that time. However, because of this CDL and M&C have agreed that you can receive the Compensation Payment as described above.

If I use the Exercise Form will all my Options be exercised? What if I don't want to exercise all of my Options?

If you use the Exercise Form all of your unvested Options will be exercised if a "squeeze-out" notice is served as explained in this letter (so you do not need to complete separate Exercise Forms if you hold more than one Option). In addition, if you hold an Option which matured on 1 August 2019 and for which you have not yet received repayment of your savings then this Option will also be exercised for you if a "squeeze-out" notice is served and if you use the Exercise Form. If you hold more than one Option and wish to exercise only some of your Options you could do so, and in which case you would need to contact the Equiniti helpline on 0371

384 2949. However, please be aware that if you do not exercise any of your Options those Options may lapse as explained in this letter (and using the enclosed Exercise Form would ensure that this does not happen).

What happens if a "squeeze-out" notice is not served?

It is possible that a "squeeze-out" notice will not be served. In this case:

- *your unvested Options will not become exercisable early. Instead, you will continue to hold your unvested Options on their existing terms, and continue to make monthly savings, so that your unvested Options will become capable of exercise in accordance with their normal terms (and in which case you would need to submit a normal exercise request to exercise these Options in due course). Where currently unvested Options become exercisable in accordance with their normal terms, we will write to you and explain the choices available to you at that time; and*
- *for Options which reached maturity on 1 August 2019 but which have not yet been exercised or lapsed, if no "squeeze-out" notice has been served these will lapse on 1 February 2020 if they are not exercised before that time. In this situation, M&C will ask Equiniti to contact any participant who holds such an Option to remind them of the time period for exercise and how to submit a Maturity Instruction through the ESP Portal.*

What are the tax consequences of exercising my Options after the Final Offer becomes (or is declared) wholly unconditional?

There are two separate consequences that you need to be aware of: (1) the tax consequences of exercising your Options and receiving the Final Offer Price of 685 pence for each M&C Share you acquire on exercise (whether this is an early exercise following the issue of a squeeze-out notice or not); and (2) the tax consequences of receiving the Compensation Payment.

Consequences of exercising your Options and receiving the Final Offer Price of 685 pence for each M&C Share you acquire on exercise

The tax consequences of the exercise of your Options after the Final Offer becomes (or is declared) wholly unconditional depends on the circumstances at that time, and so we will write to you further to give you more detail.

However, in summary, we currently expect that the exercise of your Options will be free of income tax and National Insurance contributions. Instead, the "gain" you make on exercise of your Options would be expected to be a capital gain. You are entitled to make capital gains of up to £12,000 (for the 2019/2020 tax year) without paying tax on those gains, so if you do not make gains in excess of this level the exercise of your Options and receipt of the Final Offer Price would be expected to be tax free.

Due to the way that the applicable legislation operates, it is possible that, due to circumstances changing, income tax and National Insurance contributions could arise on the exercise of your Options. However, CDL and M&C have agreed that, if this occurs, you will be paid an additional amount that will (after deduction of the further tax liabilities that arise on that payment) fully compensate you for these liabilities.

This position (including eligibility for compensation for any income tax or National Insurance contributions liabilities that arise on exercise) would apply at any time when your Options are exercised after the Final Offer becomes (or is declared) wholly unconditional (whether early, as a result of a "squeeze-out" notice being served, or in accordance with their normal terms).

As mentioned above, we will provide further details.

Consequences of receiving the Compensation Payment

This amount is taxable, and will be subject to income tax and National Insurance contributions in the same way as salary. As with salary, this amount will be paid through payroll subject to deductions for these liabilities.

What happens if I leave M&C?

This depends on when you leave and for what reason.

The normal rules of the Sharesave Plans in respect of leaving employment continue to apply before your Options are exercised. This means that if you leave then your Options will either lapse or become capable of exercise early, depending on your reason for leaving.

If you leave and your Options lapse then this letter would stop being relevant to you (and, even if you have returned the Exercise Form, you would not be able to exercise any Options which lapse).

If you leave and as a result you are able to exercise your Options before the Final Offer becomes (or is declared) wholly unconditional, then you would receive M&C Shares on exercise of your Options, and (provided the Final Offer remains open) you would then be able to accept the Final Offer (and receive the Final Offer Price) in respect of those M&C Shares as long as your instructions are received in sufficient time for processing. In that case you would not be eligible to receive the Compensation Payment. You will receive further information if this situation arises.

If you leave and as a result you are able to exercise your Options after the Final Offer becomes (or is declared) wholly unconditional, but before a "squeeze-out" notice is served, then:

- you will be able to exercise your Options and accept the Final Offer (by completing and returning a Form of Acceptance to Equiniti by 20 September 2019, or where you do not accept the Final Offer have your M&C Shares purchased from you under the squeeze-out process (if a "squeeze-out" notice is served)); or*
- where the Final Offer has closed, you will be issued your M&C Shares only once M&C is delisted and M&C's articles of association have been amended so that the M&C Shares that you acquire on exercise would be immediately purchased from you.*

Either way, you would then receive the Final Offer Price in respect of each M&C Share you acquire on exercise of your Options (as well as, if any income tax and National Insurance contributions arise on the exercise of your Options, full compensation for those liabilities), as described in this letter. You would not, however, be eligible to receive the Compensation Payment. You will receive further information if this situation arises.

How will I know when the Final Offer has become (or has been declared) wholly unconditional?

This will be announced on the London Stock Exchange, on M&C's website and in the press. It will also be announced via internal employee communications.

CDL has announced that it intends to delist M&C once the Final Offer becomes (or is declared) wholly unconditional. What effect does this have?

This will not affect your Options, and the treatment of your Options described in this letter will still apply.

In particular, this means that if your Options are exercised after the Final Offer becomes (or is declared) wholly unconditional and M&C is delisted and once M&C amends its articles of association you will have your M&C Shares purchased for 685 pence (as well as receiving, if applicable, the Compensation Payment). This means you will never be disadvantaged by being left with shares in a non-listed company which you may struggle to sell.

Who are Agapier Investments Limited?

Agapier Investments Limited is a company that is indirectly and wholly owned by CDL. This is the company which CDL is using to purchase the M&C Shares which are not already held by the CDL Parties.

How can I find out more information about the Final Offer?

More information on the Final Offer is set out in the Offer Document, which is available at <https://investors.millenniumhotels.com/regulatory-announcements-and-news/city-developments-ltd-offer-documents>.

What about other awards I hold over M&C Shares under other share plans?

Separate letters will be sent in respect of options and awards held under M&C's other share plans.

TERMS AND CONDITIONS

These terms and conditions are important: they apply both to this letter and to the enclosed Exercise Form. You should read these terms and conditions carefully before completing the Exercise Form. You should keep a copy of your completed Exercise Form and a copy of these terms and conditions for future reference.

1. The Exercise Form applies in respect of each Option which you hold.
2. By signing the Exercise Form you confirm that you have had the opportunity to review the Offer Document (which is available at <https://investors.millenniumhotels.com/regulatory-announcements-and-news/city-developments-ltd-offer-documents>), this letter and the Exercise Form, and have read and irrevocably agree to their respective terms and conditions.
3. In the Exercise Form the term "Unvested Options" means any Options held by you other than those which reached maturity on 1 August 2019 and "Vested Option" means, if applicable, an Option held by you which reached maturity on 1 August 2019, which has not otherwise been exercised or lapsed and in respect of which you have not obtained repayment of the savings accrued in the savings contract linked with such Option.

Returning the Exercise Form

4. The Exercise Form will be of no effect unless it is received in accordance with the instructions set out on the Exercise Form at the address marked on the enclosed pre-paid envelope by **20 September 2019** (unless M&C at its absolute discretion accepts a late receipt of the Exercise Form). You may not be notified that your Exercise Form was not received by the deadline.

Unvested Options

5. The exercise of your Unvested Options pursuant to the Exercise Form will take effect on such date following service of a "squeeze-out" notice pursuant to section 979 of the Companies Act 2006 as is determined by the Board of M&C (with the intention that, to the extent that the Board determines it to be practicable to do so, the exercise date shall be set so as to allow as many contributions to the savings arrangement linked to your Options to be made as is reasonably possible).
6. By signing the Exercise Form you acknowledge that: (i) the Compensation Payment shall be calculated based on the number of M&C Shares that could have been acquired on exercise of your Unvested Options had you made, at the same rate as your standard monthly saving contributions, an additional nine months' of savings contributions into the savings arrangement linked to your Unvested Options (or, if fewer, the number of additional months' of savings contributions as would have resulted in you making the maximum number of permitted contributions); and (ii) that this amount shall be paid to you as soon as is reasonably practicable following the exercise of your Unvested Options, subject to deductions for income tax and employee National Insurance contributions.

Vested Option

7. The exercise of your Vested Options pursuant to the Exercise Form will take effect on such date following service of a "squeeze-out" notice pursuant to section 979 of the Companies Act 2006 as is determined by the Board of M&C.

Other terms relating to all Options

8. If a squeeze-out notice pursuant to section 979 of the Companies Act 2006 is not served, the Exercise Form shall have no effect in respect of vested Options or Unvested Options.
9. By signing the Exercise Form you accept that the consideration payable pursuant to purchase of the M&C Shares acquired on exercise of your Options will be paid as set out in this letter and the terms of the Final Offer and the articles of association of M&C (as applicable).
10. By signing the Exercise Form you acknowledge that, in the event that the exercise of any of your Options on or at any time after the Final Offer becomes (or is declared) wholly unconditional gives rise to any liability to income tax and employee National Insurance contributions (an "**Options Tax Liability**"), M&C shall make an additional payment to you of an amount that, after deductions of income tax and employee National Insurance contributions, shall be equal to the value of any such Options Tax Liability.
11. In connection with any exercise of Options pursuant to the Exercise Form you give authority to Equiniti Limited to apply the savings accrued in the savings arrangement linked with such Option in paying the exercise price of such Option, and acknowledge that any surplus cash amount in your savings arrangement not used to acquire M&C Shares (being an amount less than the exercise price in respect of one M&C Share) will be returned to you as soon as practicable following the exercise of your Options.
12. By signing the Exercise Form, you agree that the share certificate for your M&C Shares will be held on your behalf by such person nominated by M&C.

Investment decision and taxation

13. Exercising your Options is a personal decision, and if you are in any doubt as to the decision you should take you are recommended to consult an independent financial adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000. For legal reasons, neither M&C or CDL, nor any company in their respective groups, nor any officers, employees or agents of any such company, can give any legal, financial or tax advice, and by signing the Exercise Form you acknowledge that you have not relied on any investment, tax or other advice from any such company or person.
14. By signing the Exercise Form you acknowledge that reporting any capital gains and paying any capital gains tax that arises in respect of the disposal of the M&C Shares acquired on exercise of your Options is your responsibility.

General

15. Receipt of documents may not be acknowledged and documents will be dispatched by post at your risk.
16. None of M&C nor CDL nor Agapier Investments Limited, nor any company in their respective groups, nor any officers, employees or agents of any such company can be held responsible for any failure in the delivery of the Exercise Form or any consequent loss.

17. If any Options to which the Exercise Form would otherwise have applied lapse (to any extent) prior to the date on which the relevant terms of the Exercise Form become effective, the Exercise Form will be of no effect in respect of such Options or the M&C Shares acquired on exercise of such Options (or part thereof).
18. The information collected in the Exercise Form will be used for data processing for which M&C is responsible and will be transmitted to any person(s) who require(s) such information for the purposes of carrying out your instructions, and such persons will include CDL and employees of CDL (who may be based in Singapore or other jurisdictions).
19. This letter and the Exercise Form are each governed by and shall be construed in accordance with the laws of England.

NOTES

In the event of any differences between this letter and the rules of the applicable share plan that governs the options to which this letter relates and the relevant legislation, the rules of such share plan and the legislation will apply. Copies of the rules are available at Victoria House, Victoria Road, Horley, Surrey, RH6 7AF.

The release, publication or distribution of this letter in, into or from jurisdictions other than the United Kingdom or the United States and the availability of the Final Offer to shareholders of M&C who are not resident in the United Kingdom or the United States may be restricted by the laws of those jurisdictions. Therefore persons into whose possession this communication comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful.

The directors of Agapier Investments Limited, whose names are set out in paragraph 3.1 of Appendix V of the Offer Document, accept responsibility for the information contained in this letter other than that relating to CDL, M&C, the independent directors of M&C and their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the directors of Agapier Investments Limited (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of CDL, whose names are set out in paragraph 3.2 of Appendix V of the Offer Document, accept responsibility for the information contained in this letter relating to Agapier Investments Limited, CDL, themselves and their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the directors of CDL (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The independent 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), whose names are set out in paragraph 3.3 of Appendix V of the Offer Document, accept responsibility for the information contained in this letter relating to M&C, themselves and their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the independent directors of M&C (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Credit Suisse International, 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 exclusively for the independent committee of the M&C board (comprising the independent directors of M&C) and no one else in connection with the Final Offer and will not be responsible to anyone other than the independent committee of the M&C board for providing the protections afforded to its clients or for providing advice in relation to the Final Offer.

Credit Suisse International has given and not withdrawn their written consent to the issue of this letter with the inclusion of the references to their name in the form and context in which they appear.

Accidental omission to dispatch this letter to any person to whom the proposals herein are made or should be made shall not invalidate the proposals in any way.

This letter is governed by and should be construed in accordance with English law.