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## MILLENNIUM & COPTHORNE HOTELS PLC

### **M&C Hotels in Joint Venture to develop a new Millennium hotel in Beijing, the People's Republic of China**

Millennium & Copthorne Hotels plc ('M&C') is pleased to announce that its wholly-owned subsidiary, Millennium & Copthorne Hotels (Hong Kong) Limited ('M&C (HK)') has entered into a Definitive Framework Agreement (the 'DFA') with Beijing Xiangjiang Xingli Real Estate Development Co., Ltd. ('XJXL') and other parties. The DFA sets out the parties' intention to enter into joint venture arrangements to develop and operate a 5-star hotel (the 'Hotel') right in the heart of the new Central Business District in Beijing, the People's Republic of China.

The Hotel, to be called The Millennium Beijing, will comprise 28 levels with 520 guest rooms. The Hotel is located at the Beijing Fortune Plaza mixed-use development site along Dongsanhuan North Road in Chaoyang District, which is in the heart of the new Beijing Central Business District, and is also in close proximity to the China World Trade Centre. Currently under construction, the Hotel is scheduled to open in the first half of 2008, in advance of the Beijing Olympics. Construction of the frame of the building has already been completed.

Subject to certain conditions, M&C will initially hold 30% of the Joint Venture although this is expected to increase to 70% by 31 December 2006. The total development cost is expected to be approximately RMB 1.13 billion (approximately £77 million). Assuming M&C increases its share of the Joint Venture to 70%, its proportionate share of these costs will be approximately £53.9 million. The Joint Venture parties intend to fund the Joint Venture by way of capital contributions, shareholders' loans and financing from external financial institutions.

The Millennium Beijing will become M&C's second hotel in China, following the announcement of the management contract to operate The Millennium Hongqiao Shanghai, a 350 bedroom 5-star property scheduled to open around August this year.

Mr Kwek Leng Beng, Chairman of M&C Hotels, commented:

'Securing the Millennium Beijing anchors our presence in China and is a key development in our stated aim to grow in Asia. The long term prospects for this property are excellent due to the economic growth prospects both in China and especially in the Beijing Central Business District. Furthermore,

visibility for Beijing will be enhanced significantly with the impending Olympics in 2008, leading to more visitor arrivals to the capital.'

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