

19 July 2006

MILLENNIUM & COPTHORNE HOTELS PLC
("the Company")

ANNOUNCEMENT

INITIAL PUBLIC OFFERING OF CDL HOSPITALITY TRUSTS

We refer to our earlier announcements:

- (1) dated 13 June 2006 in relation to the lodgement of CDL Hospitality Trusts' preliminary prospectus with the Monetary Authority of Singapore ("**MAS**") in connection with the proposed initial public offering of stapled securities ("**Stapled Securities**") in CDL Hospitality Trusts;
- (2) dated 23 June 2006 that the above preliminary prospectus had been amended and lodged with the MAS; and
- (3) dated 10 July 2006 in relation to the registration of the final prospectus of CDL Hospitality Trusts with the MAS in connection with the initial public offering (the "**Offering**") of 425,000,000 Stapled Securities by the manager of CDL Hospitality Real Estate Investment Trust ("**H-REIT**"), being M&C REIT Management Limited (the "**H-REIT Manager**"), and the trustee-manager of CDL Hospitality Business Trust ("**HBT**"), being M&C Business Trust Management Limited (the "**HBT Trustee-Manager**"), with the Company as the sponsor of the Offering.

Further to the above announcements, we are pleased to announce as follows.

ISSUE OF 698,000,000 STAPLED SECURITIES IN CDL HOSPITALITY TRUSTS

The H-REIT Manager and the HBT Trustee-Manager have today issued an aggregate of 698,000,000 Stapled Securities at the issue price of S\$0.83 per Stapled Security, with each Stapled Security comprising a unit in H-REIT and a unit in HBT.

The 698,000,000 Stapled Securities consist of an aggregate of 425,000,000 Stapled Securities issued in connection with the Offering and 273,000,000 Stapled Securities issued to Hospitality Holdings Pte. Ltd., an indirect wholly owned subsidiary of the Company, pursuant to a subscription agreement dated 12 June 2006 entered into between Hospitality Holdings Pte. Ltd., the H-REIT Manager and the HBT Trustee-Manager.

The Stapled Securities are expected to be listed on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") at, and commence trading on a "ready" basis from, 2.00 p.m. today, 19 July 2006 (Wednesday), subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Stapled Securities on a "ready" basis have been fulfilled.

**(A) COMPLETION OF ACQUISITION OF ORCHARD HOTEL,
M HOTEL, COPTHORNE KING'S HOTEL AND**

ORCHARD HOTEL SHOPPING ARCADE BY H-REIT AND

(B) DELIVERY OF POSSESSION OF GRAND COPTHORNE WATERFRONT HOTEL TO H-REIT

H-REIT completed its acquisition of the following properties this morning:

- (1) Orchard Hotel Singapore and Orchard Hotel Shopping Arcade, pursuant to a sale and purchase agreement dated 12 June 2006 between City Hotels Pte. Ltd., an indirect wholly

owned subsidiary of the Company, and DBS Trustee Limited, as trustee (the "**H-REIT Trustee**") of H-REIT;

- (2) M Hotel Singapore, pursuant to a sale and purchase agreement dated 12 June 2006 between Harbour View Hotel Pte. Ltd., an indirect wholly owned subsidiary of the Company, and the H-REIT Trustee; and
- (3) Copthorne King's Hotel Singapore, pursuant to a sale and purchase agreement dated 12 June 2006 between Republic Hotels & Resorts Limited, an indirect wholly owned subsidiary of the Company, and the H-REIT Trustee.

Further, pursuant to a sale and purchase agreement dated 12 June 2006 between City Developments Limited, the holding company of the Company, and the H-REIT Trustee in relation to the hotel known as Grand Copthorne Waterfront Hotel Singapore ("**Grand Copthorne Waterfront Hotel**"), H-REIT has this morning paid 90.0% of the purchase price to City Developments Limited and taken possession of the property. H-REIT will complete the acquisition of Grand Copthorne Waterfront Hotel following the excision and creation of a separate strata lot to comprise Grand Copthorne Waterfront Hotel.

The above properties, all of which are located in Singapore, comprise H-REIT's initial asset portfolio.

Concurrent with the completion of the sale and purchase agreements for Orchard Hotel and Orchard Hotel Shopping Arcade, Copthorne King's Hotel and M Hotel and the acceptance of delivery of possession of Grand Copthorne Waterfront Hotel, H-REIT has today entered into a 20-year fixed term lease with each of City Hotels Pte. Ltd., Republic Hotels & Resorts Limited and Harbour View Hotel Pte. Ltd., acting as the lessees of the hotels, with an option to renew for another term of 20 years at each lessee's option. Grand Copthorne Waterfront Hotel will be leased by H-REIT to Republic Hotels & Resorts Limited whilst the other three hotels will be leased to their respective vendors.

All dates and times referred to in this Announcement are Singapore dates and times. All corporations referred to in this Announcement, with the exception of the Company, are companies incorporated in Singapore.

ENQUIRIES

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