



MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED

STOCK EXCHANGE ANNOUNCEMENT

24 December 2014

ACQUISITION OF REMAINING SHARES IN KIN HOLDINGS LIMITED

Millennium & Copthorne Hotels New Zealand Limited (NZX:MCK) advises that it has today entered into a conditional agreement with the Tai Tak Group (**Tai Tak**) for the acquisition of the remaining 38.7% of the shares in KIN Holdings Limited (**KIN Holdings**) which MCK does not already own.

KIN Holdings is currently the holding company for MCK's Australian operations and assets, which include the residential units at the Zenith Residences in Sydney and a sales office.

The price agreed for the acquisition of the shares is NZ\$ 31 million in cash, which is subject to adjustment in relation to working capital.

Completion of the purchase is subject to approval by the Australian Foreign Investment Review Board (FIRB) and is expected to take place on the last business day of the month in which that approval is obtained.

MCK's acquisition of the minority interest in KIN Holdings ends a long established association in Australia with the Tai Tak Group, a Singaporean family-owned private investment group, that started in the early 1990s. KIN Holdings and its subsidiaries, which included the formerly listed Kingsgate International Corporation Limited, owned and developed a number of residential and commercial mixed-used developments and other assets in Sydney such as the Birkenhead Point Marina development in Drummoyne and Kingsgate Shopping Centre in Potts Point (which were progressively sold in the early 2000s). More recently, MCK and Tai Tak were involved as foundation shareholders in First Sponsor Group Limited which listed on the Singapore Exchange earlier this year.

MCK's Managing Director, Mr. B K Chiu, thanked the Tai Tak Group for their involvement in the joint operation over more than twenty years.

"The Tai Tak Group have been long term investors with us in Australia and more recently in China and we have greatly appreciated their input. We fully respect and appreciate that their investment focus has shifted to other directions and we thank them for their unqualified support", he said.

MCK applied for, and has been granted, a waiver from the requirement under Rule 9.2.1 of the NZX Main Board Listing Rules to obtain the prior approval of MCK shareholders in relation to the acquisition of the remaining KIN Holdings shares. NZX Regulation will announce that waiver decision today. The waiver was required because:

- the purchase price is approximately 22% of MCK's current average market capitalisation. As such, the acquisition will be a "Material Transaction" under the NZX Main Board Listing Rules; and
- MCK and Tai Tak are "Related Parties" for the purposes of the NZX Main Board Listing Rules.

ENDS

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Managing Director / Group Company Secretary