

ANNOUNCEMENT ON NOTICE OF INTENTION TO MAKE A FULL TAKEOVER OFFER BY  
CDL HOTELS HOLDINGS NEW ZEALAND LIMITED FOR ORDINARY SHARES IN  
MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED UNDER THE TAKEOVERS  
CODE OF NEW ZEALAND

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1. INTRODUCTION

- 1.1. **Offer.** The Board of Directors of City Developments Limited (the “**Company**”) wishes to announce that CDL Hotels Holdings New Zealand Limited (“**CDLHH NZ**”), a wholly-owned subsidiary of the Company, intends to make a full offer under the Takeovers Regulations 2000 of New Zealand as amended including by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993 of New Zealand (the “**NZ Takeovers Code**”) to purchase all of the fully paid ordinary shares (“**MCK Shares**”) in Millennium & Copthorne Hotels New Zealand Limited (“**MCK**”) not already held by CDLHH NZ (the “**Offer**”).
- 1.2. **Notice of Intention.** Details of the Offer are contained in the notice of intention for the Offer dated 20 January 2025 (the “**Notice of Intention**”) released by CDLHH NZ and the terms and conditions of the Offer as set out in the form of the offer document and acceptance form attached to the Notice of Intention (the “**Form of Offer Document**”).

A copy of the Notice of Intention (including the Form of Offer Document) is available at [www.nzx.com/companies/MCK](http://www.nzx.com/companies/MCK).

2. INFORMATION ON MCK

MCK is a hotel group which currently owns, leases and/or has under franchise 18 hotels in New Zealand. MCK also has a majority stake in land developer CDL Investments New Zealand Limited and also has property interests in Australia through its Kingsgate Group subsidiaries. MCK is a limited company registered in New Zealand. The MCK Shares are listed on the New Zealand Stock Exchange (“**NZX**”).

As at the close of trading on NZX on 17 January 2025, being the last full day of trading in MCK Shares on the NZX immediately prior to the date of the Notice of Intention (the “**Last Trading Day**”), CDLHH NZ holds 80,017,014 MCK Shares, representing approximately 75.86%<sup>1</sup> of all MCK Shares.

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<sup>1</sup> The shareholding percentage figure is based on 105,478,743 MCK Shares in issue (excluding treasury stock) as at the Last Trading Day.

### 3. RATIONALE OF THE OFFER

The Offer is being made with a view to delist and privatise MCK, which will simplify the ownership structure of the Company's New Zealand investment entities.

If CDLHH NZ becomes entitled to invoke the compulsory acquisition provisions of the NZ Takeovers Code, it intends to compulsorily acquire all the outstanding MCK Shares and CDLHH NZ may also elect to seek to have the MCK RPS (as defined below) redeemed. If as a result MCK is delisted from NZX, MCK will be able to save on listing fees and other associated costs relating to the maintenance of a listed status on the NZX. These savings can be reinvested into MCK's portfolio of assets and operational needs.

Additionally, the trading volume of the MCK Shares on the NZX has historically been low, and the Company aims to provide minority shareholders with a liquidity event at a significant premium.

### 4. SALIENT TERMS OF THE OFFER

CDLHH NZ has the right not to proceed with its Offer. However, the current intention is to do so.

Based on the Notice of Intention, the Offer will be made based on, among other terms, the following terms:

- (i) **The Offer.** CDLHH NZ offers to purchase all the MCK Shares not already held by CDLHH NZ, on the terms and subject to the conditions set out in the Form of Offer Document.
- (ii) **Consideration.** The consideration offered by CDLHH NZ is NZD 2.25 (approximately SGD 1.72<sup>2</sup>) for each MCK Share, payable in cash, as may be adjusted in accordance with the terms set out in the Form of Offer Document (the "**Offer Price**").
- (iii) **Conditions.** The Offer is conditional on:
  - (a) CDLHH NZ receiving acceptances by no later than 5:00pm on 2 May 2025 (unless extended in accordance with the NZ Takeovers Code) in respect of MCK Shares that would, when taken together with MCK Shares already held or controlled by CDLHH NZ, confer on CDLHH NZ 90% or more of the voting rights in MCK;

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<sup>2</sup> Unless otherwise stated, all Singapore dollar (SGD) equivalent of New Zealand dollar (NZD) amounts in this Announcement are based on the SGD/NZD Spot Exchange Rate of SGD 1.00: NZD 1.31 as at the Last Trading Day, extracted from the Bloomberg Terminal.

- (b) CDLHH NZ obtaining consent under the Overseas Investment Act 2005 of New Zealand and the Overseas Investment Regulations 2005 of New Zealand for CDLHH NZ to own and control all the MCK Shares; and
- (c) none of the prescribed events set out in the Form of Offer Document occurring in the period from (and including) the 20<sup>th</sup> day of January 2025 until the Offer is declared unconditional by CDLHH NZ.

## 5. ACQUISITION OF REDEEMABLE PREFERENCE SHARES

In connection with, but distinct from, the Offer, CDLHH NZ intends to concurrently acquire, via on-market acquisitions, non-voting redeemable preference shares issued by MCK (the “**MCK RPS**”, and such acquisitions, the “**RPS On-Market Acquisitions**”) not already held by CDLHH NZ. While the MCK RPS are not included in the Offer, CDLHH NZ is willing to acquire the MCK RPS at NZD 1.70 (approximately SGD 1.30) per MCK RPS (the “**RPS Offer Price**”) via its broker, Craigs Investment Partners, through buying on the NZX Main Board.

As at the Last Trading Day, CDLHH NZ holds 48,169,766 MCK RPS, representing approximately 91.34%<sup>3</sup> of all MCK RPS.

## 6. AGGREGATE CONSIDERATION

- 6.1. MCK Shares.** Assuming that (a) the total number of MCK Shares which are subject to the Offer is 25,461,729<sup>4</sup>, and (b) there is full acceptance of the Offer in respect of all such MCK Shares (including by way of compulsory acquisition), the maximum aggregate cash consideration payable by CDLHH NZ, based on the Offer Price, if the Offer is declared unconditional in all respects will be NZD 57,288,890 (approximately SGD 43,731,977) (the “**Offer Maximum Consideration**”).<sup>5</sup>

The Offer Price was arrived at taking into account, among other matters, the prevailing and historical market price of the MCK Shares, the industry and business environment that MCK is operating in as well as the rationale for the Offer set out in paragraph 3 above.

<sup>3</sup> The shareholding percentage figure is based on 52,739,543 MCK RPS in issue as at the Last Trading Day.

<sup>4</sup> Being the number of MCK Shares in issue (excluding treasury stock) as at the Last Trading Day less the number of MCK Shares already held by CDLHH NZ.

<sup>5</sup> The Offer Maximum Consideration excludes transaction costs. CDLHH NZ is obliged under the NZ Takeovers Code to reimburse MCK for its costs incurred in respect of the Notice of Intention and the Offer.

- 6.2. MCK RPS.** Assuming that (a) all of the 4,569,777 MCK RPS not already held by CDLHH NZ are acquired pursuant to the RPS On-Market Acquisitions and (b) CDLHH NZ acquires each of such MCK RPS at the RPS Offer Price, the aggregate cash consideration payable by CDLHH NZ for the MCK RPS to be acquired pursuant to the RPS On-Market Acquisitions will be NZD 7,768,621 (approximately SGD 5,930,245) (the “**RPS Aggregate Consideration**”).<sup>6</sup>

The RPS Offer Price was arrived at taking into account, among other matters, the prevailing and historical market price of the MCK RPS, the industry and business environment that MCK is operating in as well as the rationale for the Offer set out in paragraph 3 above.

## **7. VALUE OF THE ASSETS BEING ACQUIRED**

- 7.1. MCK Shares.** The market value of the MCK Shares being acquired pursuant to the Offer, calculated based on the volume weighted average price (“**VWAP**”) of approximately NZD 1.80 (approximately SGD 1.37) per MCK Share for all trades done on the Last Trading Day, is approximately NZD 45,831,112 (approximately SGD 34,985,582).<sup>7</sup>

Based on the unaudited financial results for the six-month period ended 30 June 2024 of MCK (the “**1H2024 Financial Statements**”), MCK recorded a net asset value of approximately NZD 532,021,000 (approximately SGD 406,122,901) and a net tangible asset value of approximately NZD 532,021,000 (approximately SGD 406,122,901), as at 30 June 2024. Accordingly, the net asset value and the net tangible asset value attributable to the MCK Shares which are subject to the Offer are approximately NZD 85,617,000 (approximately SGD 65,356,489) and approximately NZD 85,617,000 (approximately SGD 65,356,489) respectively, as at 30 June 2024.

- 7.2. MCK RPS.** The market value of the MCK RPS to be acquired pursuant to the RPS On-Market Acquisitions, calculated based on the VWAP of approximately NZD 1.70 (approximately SGD 1.30) per MCK RPS for all trades done on 6 December 2024, being the day on which MCK RPS were last traded on the NZX prior to the date of the Notice of Intention, is approximately NZD 7,768,621 (approximately SGD 5,930,245).<sup>8</sup>

Based on the 1H2024 Financial Statements, the net asset value and the net tangible asset value attributable to the MCK RPS to be acquired pursuant to the RPS On-Market Acquisitions are approximately NZD 15,366,000 (approximately SGD 11,729,771) and approximately NZD 15,366,000 (approximately SGD 11,729,771) respectively, as at 30 June 2024.

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<sup>6</sup> The RPS Aggregate Consideration excludes transaction costs.

<sup>7</sup> Calculated based on the number of MCK Shares in issue (excluding treasury stock) as at the Last Trading Day less the number of MCK Shares already held by CDLHH NZ.

<sup>8</sup> Calculated based on the number of MCK RPS in issue as at the Last Trading Day less the number of MCK RPS already held by CDLHH NZ.

## **8. IMPACT ON THE CDL GROUP**

The implementation of the Offer and the RPS On-Market Acquisitions, and the payment of the Offer Maximum Consideration and RPS Aggregate Consideration, are not expected to have any material impact on the consolidated net tangible assets or consolidated earnings per share of the CDL Group for the financial year ending 31 December 2025.

## **9. INTERESTS OF THE DIRECTORS OR CONTROLLING SHAREHOLDERS OF CDL**

Save for the 906,000 MCK Shares (representing approximately 0.86%<sup>9</sup> of all MCK Shares) and 453,000 MCK RPS (representing approximately 0.86%<sup>10</sup> of all MCK RPS) held by Mr. Kwek Leng Beng, the Executive Chairman and an executive director of the Company, none of the directors nor any of the controlling shareholders of CDL has any interest, direct or indirect, in the Offer or the RPS On-Market Acquisitions.

### **By Order of the Board**

Yeo Swee Gim, Joanne  
Enid Ling Peek Fong  
Company Secretaries  
20 January 2025

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<sup>9</sup> The shareholding percentage figure is based on 105,478,743 MCK Shares in issue (excluding treasury stock) as at the Last Trading Day.

<sup>10</sup> The shareholding percentage figure is based on 52,739,543 MCK RPS in issue as at the Last Trading Day.