

Millennium & Copthorne Hotels New Zealand Limited

Consolidated Income Statement

For the year ended 31 December 2024

DOLLARS IN THOUSANDS	Note	<u>Group</u> 2024	<u>Group</u> 2023
Hotel revenue		109,486	101,072
Rental income		4,028	3,944
Property sales		62,670	40,643
Revenue		176,184	145,659
Cost of sales	3,10	(78,328)	(67,879)
Gross profit		97,856	77,780
Other income		-	397
Administration expenses	2,3	(29,795)	(25,532)
Other operating expenses	2,3	(25,600)	(20,501)
Operating profit		42,461	32,144
Finance income	4	5,347	7,700
Finance costs	4	(2,235)	(2,444)
Net finance income		3,112	5,256
Share of profit of joint venture, net of tax	24	1,508	73
Profit before income tax		47,081	37,473
Income tax expense	5	(38,293)	(10,556)
Profit for the year		8,788	26,917
Attributable to:			
Owners of the parent		2,762	21,602
Non-controlling interests		6,026	5,315
Profit for the year		8,788	26,917
Basic and diluted earnings per share (cents)	8	1.75	13.65

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

DOLLARS IN THOUSANDS	<u>Group</u> 2024	<u>Group</u> 2023
Profit for the year	8,788	26,917
Other comprehensive income		
Items that are or may be reclassified to profit or loss		
Foreign exchange translation movements	2,226	416
Total comprehensive income for the year	11,014	27,333
Total comprehensive income for the year attributable to :		
Owners of the parent	4,988	22,018
Non-controlling interests	6,026	5,315
Total comprehensive income for the year	11,014	27,333

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

Group

Attributable to equity holders of the Group

DOLLARS IN THOUSANDS	Share Capital	Exchange Reserve	Retained Earnings	Treasury Stock	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2024	383,266	(980)	165,656	(26)	547,916	114,536	662,452
Movement in exchange translation reserve	-	2,226	-	-	2,226	-	2,226
Total other comprehensive income	-	2,226	-	-	2,226	-	2,226
Profit for the year	-	-	2,762	-	2,762	6,026	8,788
Total comprehensive income for the year	-	2,226	2,762	-	4,988	6,026	11,014
Transactions with owners, recorded directly in equity:							
Dividends paid to:							
Owners of the parent	-	-	(4,747)	-	(4,747)	-	(4,747)
Non-controlling interests	-	-	-	-	-	(4,537)	(4,537)
Supplementary dividends	-	-	(94)	-	(94)	-	(94)
Foreign investment tax credits	-	-	94	-	94	-	94
Movement in non-controlling interests without a change in control	-	-	(242)	-	(242)	965	723
Balance at 31 December 2024	383,266	1,246	163,429	(26)	547,915	116,990	664,905

The accompanying notes form part of, and should be read in conjunction with, these financial statements.



Millennium & Copthorne Hotels New Zealand Limited

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

Group

Attributable to equity holders of the Group

DOLLARS IN THOUSANDS	Share Capital	Exchange Reserve	Retained Earnings	Treasury Stock	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2023	383,266	(1,396)	149,175	(26)	531,019	111,682	642,701
Movement in exchange translation reserve	-	416	-	-	416	-	416
Total other comprehensive income	-	416	-	-	416	-	416
Profit for the year	-	-	21,602	-	21,602	5,315	26,917
Total comprehensive income for the year	-	416	21,602	-	22,018	5,315	27,333
Transactions with owners, recorded directly in equity:							
Dividends paid to:							
Owners of the parent	-	-	(4,747)	-	(4,747)	-	(4,747)
Non-controlling interests	-	-	-	-	-	(4,324)	(4,324)
Supplementary dividends	-	-	(98)	-	(98)	-	(98)
Foreign investment tax credits	-	-	98	-	98	-	98
Movement in non-controlling interests without a change in control	-	-	(374)	-	(374)	1,863	1,489
Balance at 31 December 2023	383,266	(980)	165,656	(26)	547,916	114,536	662,452

The accompanying notes form part of, and should be read in conjunction with, these financial statements.



Millennium & Copthorne Hotels New Zealand Limited

Consolidated Statement of Financial Position

As at 31 December 2024

DOLLARS IN THOUSANDS	Note	<u>Group</u> 2024	<u>Group</u> 2023
SHAREHOLDERS' EQUITY			
Issued capital	7	383,240	383,240
Reserves		164,675	164,676
Equity attributable to owners of the parent		547,915	547,916
Non-controlling interests		116,990	114,536
TOTAL EQUITY		664,905	662,452
Represented by:			
NON CURRENT ASSETS			
Property, plant and equipment	9	283,430	263,051
Development properties	10	228,634	217,221
Investment properties	11	36,301	35,834
Investment in associates		2	2
Investment in joint venture	24	46,554	43,943
Total non-current assets		594,921	560,051
CURRENT ASSETS			
Cash and cash equivalents	12	39,726	11,256
Short term bank deposits		1,571	64,075
Trade and other receivables	13	23,497	20,391
Advances to related parties	20	65,326	62,516
Inventories		1,771	1,640
Development properties	10	35,454	26,861
Total current assets		167,345	186,739
Total assets		762,266	746,790
NON CURRENT LIABILITIES			
Lease liability	22	26,726	27,111
Deferred tax	15	32,718	7,001
Interest-bearing loans and borrowings	14, 26	3,000	-
Total non-current liabilities		62,444	34,112
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	14, 26	-	11,968
Trade and other payables	16	30,524	32,348
Trade payables due to related parties	20	1,767	2,318
Lease liability	22	370	215
Income tax payable		2,256	3,377
Total current liabilities		34,917	50,226
Total liabilities		97,361	84,338
NET ASSETS		664,905	662,452

For and on behalf of the board



LS PRESTON, DIRECTOR,
24 February 2025



SNB HARRISON, MANAGING DIRECTOR,
24 February 2025



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

DOLLARS IN THOUSANDS	Note	<u>Group</u> 2024	<u>Group</u> 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		172,358	142,092
Receipts from insurers		-	397
Interest received		5,196	8,248
Cash was applied to:			
Payments to suppliers and employees		(126,244)	(99,843)
Purchases of development land	1	(23,720)	(20,407)
Interest paid		(175)	(104)
Income tax paid		(13,738)	(10,701)
Net cash inflow from operating activities		13,677	19,682
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was (applied to)/provided from:			
Proceeds from the sale of property, plant and equipment		30	387
Purchases of property, plant and equipment	9	(28,448)	(13,901)
Purchases of investment property		(1,017)	(386)
Investment in joint venture	24	-	(44,048)
Advance to joint venture	20	-	(62,261)
Divestments in short term bank deposits		62,504	47,871
Net cash (outflow)/inflow from investing activities		33,069	(72,338)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was (applied to)/provided from:			
Drawdown/(Repayment) of borrowings	14	(8,968)	11,968
Lease payments	22(c)	(2,174)	(2,161)
Dividends paid to shareholders of Millennium & Copthorne Hotels New Zealand Ltd	7	(4,747)	(4,747)
Dividends paid to non-controlling shareholders		(4,537)	(4,324)
Net cash inflow/(outflow) from financing activities		(20,426)	736
Net increase/(decrease) in cash and cash equivalents		26,320	(51,920)
Add opening cash and cash equivalents		11,256	61,387
Exchange rate adjustment		2,150	1,789
Closing cash and cash equivalents	12	39,726	11,256



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Consolidated Statement of Cash Flows - continued

For the year ended 31 December 2024

DOLLARS IN THOUSANDS	Note	<u>Group</u> 2024	<u>Group</u> 2023
RECONCILIATION OF NET PROFIT FOR THE YEAR TO CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		8,788	26,917
Adjusted for non-cash items:			
Share of profit joint venture		(1,508)	(73)
Gain on sale of property, plant and equipment	2	(1)	(376)
Depreciation of property, plant and equipment and investment property	9, 11	7,751	7,845
Depreciation of Right-Of-Use assets	9	895	850
Unrealised foreign exchange losses		(659)	435
Interest expense		2,017	1,956
Income tax expense	5	38,293	10,556
		55,576	48,110
Adjustments for movements in working capital:			
(Increase) in trade & other receivables		(3,106)	(5,955)
(Increase) in inventories		(131)	(231)
(Increase) in development properties		(19,618)	(15,576)
(Decrease)/ Increase in trade & other payables		(1,770)	4,324
(Decrease) in related parties		(3,361)	(185)
Cash generated from operations		27,589	30,487
Interest paid		(175)	(104)
Income tax paid		(13,738)	(10,701)
Cash inflows from operating activities		13,677	19,682
Reconciliation of movement of liabilities to cash flows arising from financing activities			
External borrowings as at 01 January		11,968	-
Proceeds from borrowings		3,000	11,968
Repayment of term loans		(11,968)	-
Financing cash flows		(8,968)	11,968
External borrowings as at 31 December		3,000	11,968



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

Significant accounting policies

Millennium & Copthorne Hotels New Zealand Limited is a company domiciled in New Zealand registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. Millennium & Copthorne Hotels New Zealand Limited (the "Company") is a Financial Markets Conduct Reporting Entity in terms of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013. The financial statements of the Company for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group"). The registered office is located at Level 7, 23 Customs Street East, Auckland, New Zealand.

The principal activities of the Group are ownership and operation of hotels in New Zealand; development and sale of residential land in New Zealand; investment properties comprising commercial warehousing and retail shops in New Zealand; and development and sale of residential units in Australia.

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRSs) as appropriate for Tier 1 profit-oriented entities. The financial statements also comply with International Financial Reporting Standards (IFRSs).

The financial statements were authorised for issuance on 24 February 2025.

(b) Basis of preparation

The financial statements are presented in the Company's functional currency of New Zealand Dollars, rounded to the nearest thousand, unless otherwise indicated. They are prepared on the historical cost basis and on a going concern basis.

The preparation of financial statements in conformity with NZ IFRSs requires management to make judgments, estimates and assumptions that affect the application of the Group's policies and reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 21 - Accounting Estimates and Judgements.

(c) Change in accounting policies and new standards adopted in the year

The accounting policies have been applied consistently to all periods presented in the consolidated financial statements. The Group adopted all new and amended standards that became effective during the reporting period, specifically FRS-44 New Zealand Additional Disclosures of Fees for Audit Firms' Services and Amendment to NZ IAS 1 Non-current Liabilities with Covenants. The accounting policies are now included within the relevant notes to the consolidated financial statements.

Several new and amended standards are effective for annual periods starting after January 1, 2025. The Group has not early adopted any new or amended standards in preparing the consolidated financial statements. Further details can be found in note 23.

(d) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to New Zealand dollars at foreign exchange rates ruling at the dates the fair value was determined.

(e) Insurance proceeds

Compensation from third parties for items of property, plant and equipment that were damaged, impaired, lost or given up is included in the profit or loss when the compensation becomes virtually certain. Any subsequent purchase or construction of replacement assets are separate economic events and are accounted for separately.



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

Significant accounting policies - continued

(f) Revenue

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation.

Revenue represents amounts derived from:

- The ownership, management and operation of hotels: revenue from sale of goods is recognised at the point control is transferred to the customer (point of sale) and for services provided, over the period the service is provided.
- Income from property rental: recognised on an accruals basis, straight line over the lease period. Lease incentives granted are recognised as an integral part of the total rental income.
- Income from development property sales: recognised when the customer obtains control (when the title is transferred) of the property and is able to direct and obtain the benefits from the property. The Group grants settlement terms of up to 12 months on certain sections as part of the Sale and Purchase agreement for unconditional sales. In some instances, the acquirers are permitted access to the residential sections for building activities prior to settlement. However, the acquirer does not obtain substantially all of the remaining benefits of the asset until final settlement of the land and title has passed.

(f) Pillar 2

The Group has adopted the International Tax Reform - Pillar Two Model Rules - Amendments to NZ IAS 12 approved by the New Zealand External Reporting Board from the issuance date of 10 August 2023. The amendments provide a temporary mandatory exception from deferred tax accounting and require new disclosures in the annual financial statements in relation to the implementation of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. The Group has applied the exception with immediate effect. The mandatory exception applies retrospectively. The group has a presence in jurisdictions that have enacted or substantively enacted legislation in relation to the Pillar Two model rules. The ultimate parent of the group also being captured under the said rule in their country of operation. Refer to income tax note 5 for detail discussion.



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited
Notes to the Consolidated Financial Statements for the year ended 31 December 2024

Index

1. Segment reporting
2. Administration and other operating expenses
3. Personnel expenses
4. Net finance income
5. Income tax expense
6. Imputation credits
7. Capital and reserves
8. Earnings per share
9. Property, plant and equipment
10. Development properties
11. Investment properties
12. Cash and cash equivalents
13. Trade and other receivables
14. Interest-bearing loans and borrowings
15. Deferred tax assets and liabilities
16. Trade and other payables
17. Financial instruments
18. Capital and land development commitments
19. Related parties
20. Group entities
21. Accounting estimates and judgements
22. Lease
23. New standard and interpretations issued but not yet adopted
24. Investment in joint venture
25. Non-controlling interests (“NCI”)
26. Subsequent events



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

1. Segment reporting

Operating segments

The Group consisted of the following main operating segments:

- Hotel operations, comprising income from the ownership and management of hotels.
- Residential land development, comprising the development and sale of residential land sections.
- Residential and commercial property development, comprising the development and sale of residential apartments.
- Investment property, comprising rental income from the ownership and leasing of retail shops and industrial warehouses.

The Group has no major customer representing greater than 10% of the Group's total revenue.

(a) Operating Segments

<i>Dollars in thousands</i>	Hotel Operations		Residential Land Development		Investment Property		Residential Property Development		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
External revenue	109,486	101,072	46,313	28,284	2,746	2,494	17,611	13,809	176,184	145,659
Earnings before interest, depreciation & amortisation	17,356	19,299	22,255	13,697	2,731	2,473	8,765	5,371	51,107	40,840
Finance income	2,180	2,411	2,381	3,514	-	-	786	1,775	5,347	7,700
Finance expense	(2,224)	(2,429)	(9)	(12)	-	-	(2)	(3)	(2,235)	(2,444)
Depreciation and amortisation	(7,183)	(6,900)	(8)	(7)	(550)	(933)	(10)	(6)	(7,751)	(7,846)
Depreciation of Right-of-use assets	(846)	(806)	(39)	(34)	-	-	(10)	(10)	(895)	(850)
Share of profit of Joint venture	1,508	73	-	-	-	-	-	-	1,508	73
Profit before income tax	10,791	11,648	24,580	17,158	2,181	1,540	9,529	7,127	47,081	37,473
Income tax expense	(24,547)	(3,179)	(6,852)	(4,805)	(4,528)	(431)	(2,366)	(2,141)	(38,293)	(10,556)
Profit after income tax	(13,756)	8,469	17,728	12,353	(2,347)	1,109	7,163	4,986	8,788	26,917
Cash & cash equivalents and short term bank deposits	2,599	16,982	33,287	52,159	-	-	5,411	6,190	41,297	75,331
Investment in associates	-	-	2	2	-	-	-	-	2	2
Investment in joint venture	46,555	43,943	-	-	-	-	-	-	46,555	43,943
Other segment assets	364,960	339,925	259,032	231,231	36,301	35,834	14,119	20,524	674,412	627,514
Total assets	414,114	400,850	292,321	283,392	36,301	35,834	19,530	26,714	762,266	746,790
Segment liabilities	(58,256)	(68,516)	(2,362)	(4,053)	-	-	(1,769)	(1,391)	(62,387)	(73,960)
Tax liabilities	(27,720)	(7,393)	(2,229)	(1,449)	(4,379)	-	(646)	(1,536)	(34,974)	(10,378)
Total liabilities	(85,976)	(75,909)	(4,591)	(5,502)	(4,379)	-	(2,415)	(2,927)	(97,361)	(84,338)
Property, plant and equipment expenditure	27,830	13,821	2	56	-	-	616	14	28,448	13,901
Investment property expenditure	-	-	-	-	1,017	386	-	-	1,017	386
Residential land development expenditure	-	-	22,458	10,135	-	-	-	-	22,458	10,135
Purchase of land for residential land development	-	-	23,720	20,407	-	-	-	-	23,720	20,407



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

1. Segment reporting - continued

(b) Geographical areas

The Group operates in the following main geographical areas:

- New Zealand.
- Australia.

Segment revenue is based on the geographical location of the asset.

<i>Dollars In Thousands</i>	New Zealand		Australia		Group	
	2024	2023	2024	2023	2024	2023
External revenue	158,573	131,850	17,611	13,809	176,184	145,659
Earnings before interest, depreciation & amortisation	42,360	35,487	8,747	5,353	51,107	40,840
Finance income	3,381	5,925	1,966	1,775	5,347	7,700
Finance expense	(2,233)	(2,441)	(2)	(3)	(2,235)	(2,444)
Depreciation and amortisation	(7,741)	(7,840)	(10)	(6)	(7,751)	(7,846)
Depreciation of Right-Of-Use Assets	(885)	(840)	(10)	(10)	(895)	(850)
Share of profit of joint venture	-	-	1,508	73	1,508	73
Profit before income tax	34,882	30,291	12,199	7,182	47,081	37,473
Income tax (expense)/credit	(35,931)	(8,422)	(2,362)	(2,134)	(38,293)	(10,556)
Profit after income tax	(1,049)	21,869	9,837	5,048	8,788	26,917
Cash & cash equivalents and short term bank deposits	35,886	69,141	5,411	6,190	41,297	75,331
Investment in associates	2	2	-	-	2	2
Investment in joint venture	-	-	46,555	43,943	46,555	43,943
Investment properties	36,301	35,834	-	-	36,301	35,834
Segment assets	560,240	508,895	77,871	82,785	638,111	591,680
Total assets	632,429	613,872	129,837	132,918	762,266	746,790
Segment liabilities	(29,970)	(29,976)	(32,417)	(43,984)	(62,387)	(73,960)
Tax liabilities	(34,328)	(8,842)	(646)	(1,536)	(34,974)	(10,378)
Total liabilities	(64,298)	(38,818)	(33,063)	(45,520)	(97,361)	(84,338)
Material additions to segment assets:						
Property, plant and equipment expenditure	27,832	13,887	616	14	28,448	13,901
Investment property expenditure	1,017	386	-	-	1,017	386
Residential land development expenditure	24,236	10,135	-	-	24,236	10,135
Purchase of land for residential land development	23,720	20,407	-	-	23,720	20,407

An operating segment is a distinguishable component of the Group:

- that is engaged in business activities from which it earns revenues and incurs expenses;
- whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions on resource allocation to the segment and assess its performance; and
- for which discrete financial information is available.

Segment information is presented in respect of the Group's reporting segments. Operating segments are the primary basis of segment reporting. The Group has determined that its chief operating decision maker is the Board of Directors on the basis that it is this group which determines the allocation of resources to segments and assesses their performance.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

2. Administration and other operating expenses

<i>Dollars In Thousands</i>	Note	Group	
		2024	2023
Depreciation	9, 11	8,646	8,695
Fees incurred for services received from audit firm			
Audit fees		475	374
Out of scope audit fees relating to prior year		22	-
Tax Compliance		42	40
Tax Advisory		2	61
Green House Gas reporting assurance		119	-
Strategy support advisory services		-	74
Agreed upon procedures		7	-
Directors' fees	19	392	350
Rental expenses		722	694
Provision for bad debts			
Debts written off		25	20
Movement in doubtful debt provision		(112)	127
Net loss/ (gain) on disposal of property, plant and equipment		1	(376)

3. Personnel expenses

<i>Dollars In Thousands</i>	Group	
	2024	2023
Wages and salaries	49,057	44,109
Wage subsidies	-	(30)
Employee related expenses and benefits	2,004	2,078
Contributions to defined contribution plans	697	625
Increase in liability for long-service leave	30	76
	51,788	46,858

Employee long-term service benefits

The Group's net obligation in respect of long-term service benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using their expected remuneration and an assessment of the likelihood that the liability will arise.

4. Net finance income

Recognised in the income statement

<i>Dollars In Thousands</i>	Group	
	2024	2023
Interest income	4,476	7,700
Foreign exchange gain	871	-
Finance income	5,347	7,700
Interest expense	(2,022)	(2,009)
Foreign exchange loss	(212)	(435)
Finance costs	(2,234)	(2,444)
Net finance income recognised in the income statement	3,112	5,256

Finance income and expenses

Finance income comprises interest income on funds invested, dividend income and foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest payable on borrowings calculated using the effective interest rate method, interest costs on lease liability and foreign exchange losses that are recognised in the income statement.

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

4. Net finance income - continued

Recognised in other comprehensive income

<i>Dollars In Thousands</i>	Group	
	2024	2023
Foreign exchange translation movements	2,226	416

Exchange translation of financial statements of foreign operations

The assets and liabilities of foreign operations are translated to New Zealand dollars at foreign exchange rates ruling at the balance date. The revenues and expenses of foreign operations are translated to New Zealand dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on re-translation are recognised directly as a separate component of equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the exchange reserve is released into the income statement.

5. Income tax expense

Recognised in the income statement

<i>Dollars In Thousands</i>	Group	
	2024	2023
Current tax expense		
Current year	12,820	13,142
Adjustments for prior years	(229)	132
	12,591	13,274
Deferred tax expense		
Origination and reversal of temporary difference	(58)	(2,718)
Changes in treatment of building depreciation	25,760	-
	25,702	(2,718)
Total income tax expense in the income statement	38,293	10,556

The Group qualified for tax relief in rolling over the depreciation recovery from the disposal of Copthorne Hotel Christchurch Central in 2012. No replacement property was acquired during 2023 and the tax relief ended on 31 December 2023. In 2023, the deferred liability of \$3.02 million provided for the depreciation recovery was released and an equivalent amount was provided in the current tax expense.

Reconciliation of tax expense

<i>Dollars In Thousands</i>	Group	
	2024	2023
Profit before income tax	47,081	37,473
Income tax at the company tax rate of 28% (2023: 28%)	13,183	10,492
Adjusted for:		
Non-deductible expenses	37	-
Tax rate difference (if different from 28% above)	189	146
Tax exempt income	(647)	(214)
Removal of deductibility of tax depreciation for industrial and commercial buildings	25,760	-
(Over)/Under - provided in prior years	(229)	132
Total income tax expense	38,293	10,556
Effective tax rate (excluding off-one changes on tax depreciation impact)	28%	28%

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that neither affect accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

5. Income tax expense - continued

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities are offset only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities; the Group intends to settle net; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Removal of tax depreciation on commercial and industrial buildings

From the 2020/21 tax year, the Group has been depreciating its commercial and industrial buildings on a 2% diminishing value basis, following the reinstatement of tax depreciation for buildings with a useful life of 50 years or more as part of the government's COVID-19: Economic Response Package.

Effective from 1 April 2024, the tax depreciation rate reverted to 0%, impacting the tax value of buildings held from the 2024/25 tax year onwards. The Group recognises deferred tax on temporary differences at the tax rates expected to apply when these differences reverse, using the tax rates enacted or substantively enacted at the balance sheet date. The change in tax legislation effective from 1 April 2024 eliminates the tax base of commercial and industrial buildings, thereby creating a temporary difference that leads to a deferred tax liability. This liability is recognised unless the initial recognition exemption (IRE) under NZ IAS 12 applies, which precludes the recognition of deferred tax on initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit and is a non cash item.

Deferred Tax on Buildings

The impact of the removal of tax depreciation on commercial and industrial buildings, which reduced the tax base to nil creating a significant taxable temporary difference for all the Group's hotel assets and commercial buildings, classified as either Property, Plant and Equipment or investment properties, irrespective of their date of acquisition. The recognition of this temporary difference as a deferred tax liability depends on whether the buildings were acquired through business combination and whether the initial recognition exception (IRE) in NZ IAS 12 was previously applied.

The change in tax legislation effective from 1 April 2024 eliminates the tax base for these assets, thereby creating a temporary difference that leads to a deferred tax liability (DTL). As part of recognising the DTL, a one-off tax expense of \$25.8m has been recognised within the year ended 31 December 2024.

Pillar 2

The Group operates in multiple jurisdictions, some of which have enacted or substantively enacted tax legislation to implement the Pillar Two Model Rules from a date commencing on or after 1 January 2024. Based on the assessment carried out, management concluded that there is no current tax impact in the Group's financial statements for the year ended 31 December 2024. The Group has applied a temporary mandatory exception from deferred tax accounting in respect of the Pillar Two Model Rules and will account for any top-up tax liabilities arising from the application of the rules as a current tax when it is incurred. Under the Pillar Two Model Rules, the Group will be required to pay a top-up tax if the effective tax rate per jurisdiction (calculated using the prescribed approach) is below the 15% minimum rate.

The group continues to monitor and evaluate the domestic implementation of the Pillar Two rules in the jurisdictions in which it operates. The group's potential exposure to Pillar Two taxes, based on legislation that is enacted or substantively enacted, is not expected to be material.

6. Imputation credits

<i>Dollars In Thousands</i>	Group	
	2024	2023
Imputation credits available for use in subsequent reporting periods	140,351	134,317

The KIN Holdings Group has A\$16.13 million (2023: A\$13.11 million) franking credits available as at 31 December 2024.



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

7. Capital and reserves

Share capital

	Group		Group	
	2024 Shares	2024 \$000's	2023 Shares	2023 \$000's
Ordinary shares issued 1 January	105,578,290	350,048	105,578,290	350,048
Ordinary shares issued at 31 December - fully paid	105,578,290	350,048	105,578,290	350,048
Redeemable preference shares 1 January	52,739,543	33,218	52,739,543	33,218
Redeemable preference shares issued at 31 December - fully paid	52,739,543	33,218	52,739,543	33,218
Ordinary shares repurchased and held as treasury stock 1 January	(99,547)	(26)	(99,547)	(26)
Ordinary shares repurchased and held as treasury stock 31 December	(99,547)	(26)	(99,547)	(26)
Total shares issued and outstanding	158,218,286	383,240	158,218,286	383,240

At 31 December 2024, the authorised share capital consisted of 105,578,290 ordinary shares (2023: 105,578,290 ordinary shares) with no par value and 52,739,543 redeemable preference shares (2023: 52,739,543 redeemable preference shares) with no par value.

The non-voting redeemable preference shares rank equally with ordinary shares with respect to all distributions made by the Company (including without limitation, to dividend payments) except for any distributions made in the context of a liquidation of the Company. The Company reserves the right to the redemption of these preference shares as well as any distributions relating to these shares and makes no guarantee that these preference shares will be redeemed or that dividends will be paid in respect of these preference shares.

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributed costs, is recognised as a change in equity. Repurchased shares are classified as treasury stock and presented as a deduction from total equity.

Exchange reserve

The exchange reserve comprises the foreign exchange differences arising from the translation of the financial statements of foreign operations.

Dividends

The following dividends were declared and paid during the year ended 31 December:

<i>Dollars In Thousands</i>	Company	
	2024	2023
Ordinary Dividend - 3.0 cents per qualifying share (2023: 3.0 cents)	4,747	4,747
Supplementary Dividend - 0.0053 cents per qualifying share (2023: 0.053 cents)	94	98
	4,841	4,845

After 31 December 2024, there will be no dividends declare by the directors.

Dividends and tax

Dividends are recognised as a liability in the period in which they are declared. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

8. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2024 was based on the profit attributable to ordinary and redeemable preference shareholders of \$2,762,000 (2023: \$21,602,000) and weighted average number of shares outstanding during the year ended 31 December 2024 of 158,218,286 (2023: 158,218,286), calculated as follows:



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

8. Earnings per share - continued

Profit attributable to shareholders

<i>Dollars In Thousands</i>	Group	
	2024	2023
Profit for the year	8,788	26,917
Profit attributable to non-controlling interests	(6,026)	(5,315)
Profit attributable to shareholders	2,762	21,602

Weighted average number of shares

	Group	
	2024	2023
Weighted average number of shares (ordinary and redeemable preference shares)	158,317,833	158,317,833
Effect of own shares held (ordinary shares)	(99,547)	(99,547)
Weighted average number of shares for earnings per share calculation	158,218,286	158,218,286

Diluted earnings per share

The calculation of diluted earnings per share is the same as basic earnings per share.

	Group	
	2024	2023
Basic and Diluted Earnings per share (cents per share)	1.75	13.65

9. Property, plant and equipment

<i>Dollars In Thousands</i>	Group						Total
	Freehold Land	Buildings	Plant, Equipment, Fixtures & Fittings	Motor Vehicles	Work In Progress	Right Of Use Asset	
Cost							
Balance at 1 January 2023	46,661	217,672	108,440	76	2,954	28,125	403,928
Acquisitions	-	-	28	-	13,873	2,677	16,578
Disposals	-	-	(151)	-	(300)	(1,979)	(2,430)
Transfers between categories	-	4,193	4,295	-	(8,488)	-	-
Movements in foreign exchange	-	-	2	-	-	-	2
Balance at 31 December 2023	46,661	221,865	112,614	76	8,039	28,823	418,078
Balance at 1 January 2024	46,661	221,865	112,614	76	8,039	28,823	418,078
Acquisitions	-	616	2	-	27,830	79	28,527
Disposals	-	(15)	(107)	-	-	(63)	(185)
Transfers between categories	-	13,603	4,886	-	(18,489)	-	-
Movements in foreign exchange	-	-	15	-	-	-	15
Balance at 31 December 2024	46,661	236,069	117,410	76	17,380	28,839	446,435
Depreciation and impairment losses							
Balance at 1 January 2023	-	(52,086)	(94,002)	(72)	-	(2,489)	(148,649)
Depreciation charge for the year	-	(3,538)	(3,370)	(4)	-	(850)	(7,762)
Disposals	-	-	140	-	-	1,246	1,386
Movements in foreign exchange	-	-	(2)	-	-	-	(2)
Balance at 31 December 2023	-	(55,624)	(97,234)	(76)	-	(2,093)	(155,027)
Balance at 1 January 2024	-	(55,624)	(97,234)	(76)	-	(2,093)	(155,027)
Depreciation charge for the year	-	(3,735)	(3,466)	-	-	(895)	(8,096)
Disposals	-	-	93	-	-	32	125
Movements in foreign exchange	-	-	(7)	-	-	-	(7)
Balance at 31 December 2024	-	(59,359)	(100,614)	(76)	-	(2,956)	(163,005)
Carrying amounts							
At 1 January 2023	46,661	165,586	14,438	4	2,954	25,636	255,279
At 31 December 2023	46,661	166,241	15,380	-	8,039	26,730	263,051
At 31 December 2024	46,661	176,710	16,796	-	17,380	25,883	283,430

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

9. Property, plant and equipment - continued

Initial recording

Items of property, plant and equipment are initially stated at cost. The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs, which have been incurred in bringing the assets to the location and condition necessary for their intended service. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Capital expenditure on major projects is recorded separately within property, plant and equipment as capital work in progress. Once the project is complete the balance is transferred to the appropriate property, plant and equipment categories. Capital work in progress is not depreciated.

Subsequent measurement

Property, plant and equipment is subsequently measured at cost less accumulated depreciation and impairment losses. The Group recognises the cost of replacing part of such an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Impairment

The Group assesses impairment of non-current tangible assets at each reporting date when there are indicators of impairment. If an impairment indicator exists, the recoverable amount is estimated at the cash generating unit ("CGU") or individual asset level. A CGU is the smallest asset group that generates cash inflows from continuing use that are independent of other assets or cash generating units "CGU". Management has determined that each hotel site represents a separate CGU for the purpose of the impairment assessment, unless separate land titles are not used for generation of cash flows by the hotel the CGU is the equivalent of the hotel assets recorded as property, plant and equipment. The recoverable amount of assets or CGU is the greater of their fair value less disposal costs and their value in use. An impairment loss is recognised in the income statement whenever the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Market capitalisation is lower than the net assets indicating potential impairment. In response management used judgement to identify impairment indicators at the CGU or individual material asset level including using thresholds to identify hotels with smaller headroom based on prior valuations, and the hotels performance being below expectation among other factors. Indicators of impairment were identified with reference to the individual hotels trading conditions and independent valuations.

The recoverable amounts of the Group's CGUs or individual assets are based on fair value less cost of disposal or value in use determined by an independent valuer. In 2024 the recoverable amount of the CGU was determined by independent appraiser Colliers and Bower valuations Limited and in 2023 recoverable amount was determined by internal review conducted by management and supplemented by external review on selected hotels by an independent registered valuer Bower Valuations Limited.

The valuation methods used require the independent appraiser to make a number of assumptions including estimating the future cash flows expected to arise from the cash-generating units, suitable discount, capitalisation and square meter rates, as well as value per room, to determine the recoverable value.

Valuation methodologies used are explained below:

Income capitalisation method	Capitalisation methodology converts short term earnings derived from a property into value. The central premise of this approach is that the adopted capitalisation rate is derived from the yields indicated by sales of similar property investments. The yields derived from comparable sales evidence are purported to reflect any expectations of future growth in income and capital value.
Discounted cash flow method	The discounted cashflow analysis (DCF) is based on the concept that an investment value is the time adjusted value of future cashflows which can be obtained from an asset. This requires explicit assumptions to be made regarding prospective income and expenses, including occupancy and average daily rate, as well as timing and duration of cash flows over the holding period. A five (5) year horizon with a terminal value has been adopted by Colliers and Bower Valuations Limited to reflect the sustainable earnings profile of the asset.
Sales comparison approach	Fair value is determined by applying positive and negative adjustments to recently transacted assets of a similar nature

The property valuations require the use of judgements specific to the properties, as well as consideration of the prevailing market conditions. As at 31 December 2024, the hotel property market and economy, were impacted by the economic uncertainty resulting from high interest rates, inflation and geopolitical unrest, slower global growth, recession as well as continued recovery of international travel from COVID 19. Significant assumptions used in the valuation are inherently subjective and in times of economic uncertainty the degree of subjectivity maybe higher than it might otherwise be. Key estimates and judgements are influenced by these uncertainties. As at the date of valuation, there remains a lower number of recent hotel sales transactions, which increases the uncertainty around valuation conclusions. A difference in the key assumptions, when aggregated, could result in a significant change to the valuation of a property.

The assumptions and judgements applied in the estimation of the recoverable amounts of all CGUs correspond to Level 3 category of NZ IFRS 13 fair value hierarchy. The key unobservable inputs that required significant estimation and judgements are presented below:



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

9. Property, plant and equipment - continued

Key valuation input	Range of valuation input value		Measurement of sensitivity on valuation	
	2024	2023	Increase in the input	Decrease in the input
Occupancy rate	59% - 83%	64% - 85%	Higher	Lower
Average daily rate	\$185 - \$214	\$166 - \$271	Higher	Lower
Rev PAR*	\$121 - \$177	\$118 - \$231	Higher	Lower
Discount rate	10% - 12%	8% - 11%	Lower	Higher
Capitalization rate	9% - 11%	7% - 10%	Lower	Higher
SQM rate	449	420	Lower	Higher

* Revenue per Available Room - a hospitality metric combining average room rate and occupancy rate.

Two hotel assets were considered sensitive to impairment:

- The recoverable amount of one of the hotel assets was determined on a highest and best use, being fair value of the land less demolition costs using comparative land sales data. The fair value of this hotel asset exceeded its carrying value by \$0.9 million and is considered to be sensitive to impairment from a reasonably possible change in square metre rate.
- The recoverable amount of one of the hotel assets had a carrying value equivalent to its recoverable amount of \$15.2 million. Any material change in key assumptions (listed in the above table) would therefore result in an impairment.

Management and the directors believe that the key assumptions used, and estimates made, represent the most realistic assessment of each CGU.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Building core 50 years or lease term if shorter
- Building surfaces and finishes 30 years or lease term if shorter
- Plant and machinery 15 - 20 years
- Furniture and equipment 10 years
- Soft furnishings 5 - 7 years
- Computer equipment 5 years
- Motor vehicles 4 years

No residual values are ascribed to building surfaces and finishes. Residual values ascribed to building core depend on the nature, location and tenure of each property. Depreciable values ascribed to building core range between 10% to 24% of the building core.

Disposal or retirement

Gains or losses arising from the disposal or retirement of property, plant and equipment are determined as the difference between the actual net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

Right of use assets

The accounting policy for right of use asset is disclosed in Note 22.

Pledged assets

A total of three (2023: three) hotel properties with a total book value of \$83.25 million (2023: \$75.33 million) are pledged to the bank as security against the loan facility disclosed in Note 14.

Climate-related disclosure

The Group continues to assess the impact of climate change on its business and its tangible assets. Climate change poses significant risks and challenges for the hotel industry and for the land development industry (residential and commercial), as it affects the physical, operational, and financial aspects of hotel properties. Extreme weather events, such as floods, storms, heatwaves, and droughts, can damage the hotel infrastructure, disrupt the supply chain, reduce the occupancy and revenue, and increase the insurance and maintenance costs. While hotel investors, managers, and owners are increasingly cognisant of the climate-related impacts on their properties, the investment community have yet to price in the climate-related impacts on the asset values. This means that the current market value of hotel properties may not reflect the potential losses or gains associated with their exposure to climate risks or their adoption of sustainability measures, decarbonisation initiatives, and sound environmental stewardship. While valuers have made no explicit adjustments to the recoverable amount of the selected properties in respect of climate change matters, it is anticipated that climate change may have a greater influence on valuations in the future as investment markets place a greater emphasis on climate change and a property's environmental resilience and credentials. Known climate risks are reflected in the adopted capitalisation and discount rates.

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

10. Development properties

<i>Dollars In Thousands</i>	Group	
	2024	2023
Development land	251,445	224,540
Residential development	12,643	19,542
	264,088	244,082
Less expected to settle within one year	(35,454)	(26,861)
	228,634	217,221
Development land recognised in cost of sales	19,274	10,926
Residential development recognised in cost of sales	7,381	6,052

Development properties are recognised and measured in accordance with NZ IAS 2 Inventories. They are carried at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, and holding costs such as interest. Interest and other holding costs incurred after completion of development are expensed as incurred. All holding costs are written off through profit or loss in the year incurred with the exception of interest holding costs which are capitalised during the period when active development is taking place. No interest (2023: nil) has been capitalised during the year.

Residential development at balance date consists of the residential development known as Zenith Residences in Sydney, Australia.

The Group's inventory of development property is reviewed at each balance date to ensure its carrying amount is recorded at the lower of its cost and net realisable value. The net realisable value of the development property is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale. The determination of net realisable value of inventory involves estimates taking into consideration prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling costs. An impairment loss is recognised in the income statement to the extent that the carrying value of development property exceeds its estimated net realisable value.

The fair value of development property held at 31 December 2024 was determined by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited. The fair value is determined to estimate the net realisable value. The net realisable value as determined by the independent registered valuer, exceeds the carrying value of development property.

11. Investment properties

Group

<i>Dollars In Thousands</i>	Freehold Land	Buildings	Work In Progress	Total
Cost				
Balance at 1 January 2023	659	36,330	-	36,989
Transfers between categories	-	386	(386)	-
Additions	-	-	386	386
Balance at 31 December 2023	659	36,716	-	37,375
Balance at 1 January 2024	659	36,716	-	37,375
Transfers between categories	-	-	-	-
Additions	-	-	1,017	1,017
Balance at 31 December 2024	659	36,716	1,017	38,392
Depreciation and impairment losses				
Balance at 1 January 2023	-	608	-	608
Depreciation charge for the year	-	933	-	933
Balance at 31 December 2023	-	1,541	-	1,541
Balance at 1 January 2024	-	1,541	-	1,541
Depreciation charge for the year	-	550	-	550
Balance at 31 December 2024	-	2,091	-	2,091
Carrying amounts				
At 1 January 2024	659	35,175	-	35,834
At 31 December 2024	659	34,625	1,017	36,301

Investment properties consist of commercial warehousing at Wiri in Auckland, retail shops at Prestons Park in Christchurch, and retail shops at Stonebrook in Rolleston which are fully operational. The fair value of investment properties held at 31 December 2024 was determined by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited as \$65.1 million (2023: \$62.7 million).

The accompanying notes form part of, and should be read in conjunction with, these financial statements.



Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

11. Investment properties - continued

The fair value measurement was categorised as Level 3 (highest of the fair value hierarchy) based on the inputs to the valuation methodology used i.e. primarily the income capitalisation approach with discounted cash flow and depreciated replacement cost approaches used to corroborate.

Investment properties are properties held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services, or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment properties. Costs of self-constructed investment properties include costs of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs. Gains and losses on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amounts of the investment properties) are recognised in the profit and loss.

Land is not depreciated. Depreciation on the investment properties is computed by asset classes using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Building core 50 years
- Building surfaces and finishes 30 years
- Building services 20 - 30 years

No residual values are ascribed to building surfaces and finishes. Residual values ascribed to building core depend on the nature, location and tenure of each property. Depreciable values of 10% are ascribed to building core.

Impairment

Annual reviews of the carrying amounts of investment properties are undertaken for indicators of impairment. Where indicators of impairment were identified, the recoverable amounts were estimated based on external valuations undertaken. The cash generating units (CGU) are individual properties. The recoverable amounts of the investment properties, being the higher of the fair value less costs to sell and value-in-use, were predominantly determined using the fair value less costs to sell basis and were estimated using primarily the income capitalisation approach with discounted cash flow and depreciated replacement cost approaches used to corroborate.

During the year, management identified two (2023: two) properties with a carrying value of \$14.5 million (2023: \$13.7 million) that had indicators of impairment. Average market capitalisation rates appropriate to the properties range from 6.25% to 7.25% (2023: 6.50% to 7.00%). Average market rent per square metre rates appropriate to the properties range from \$318 to \$396 (2023: \$341 to \$358). There is no impairment expense recognised in the period (2023: no impairment).

Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during 2024 was \$2.7 million (2023: \$2.49 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

<i>Dollars In Thousands</i>	Group	
	2024	2023
Within 1 year	2,745	2,665
More than 1 year but within 2 years	2,793	2,675
More than 2 years but within 3 years	2,835	2,722
More than 3 years but within 4 years	2,784	2,760
More than 4 years but within 5 years	1,947	2,668
After 5 years	708	2,553
	13,812	16,043

12. Cash and cash equivalents

<i>Dollars In Thousands</i>	Group	
	2024	2023
Cash	35,638	6,835
Call deposits	4,088	4,421
	39,726	11,256

Cash and cash equivalents comprise cash balances and call deposits with a maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

13. Trade and other receivables

<i>Dollars In Thousands</i>	Group	
	2024	2023
Trade receivables	9,594	9,728
Less provision for doubtful debts	(86)	(206)
Other trade receivables and prepayments	13,989	10,869
	23,497	20,391

Trade and other receivables are stated at their cost less impairment losses. The carrying amounts of the trade receivables, other trade receivables, and prepayments are reviewed at each balance date to determine whether there is any indication of impairment. The Group applies the simplified approach to providing for expected credit losses prescribed by NZ IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The allowance for doubtful debts on trade receivables are either individually or collectively assessed based on number of days overdue. The Group takes into account the historical loss experience and incorporates forward looking information and relevant macroeconomic factors

14. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see Note 17.

Group		31 December 2024				31 December 2023	
<i>Dollars in Thousands</i>	Currency	Interest Rate	Facility Total	Face Value	Carrying Amount	Face Value	Carrying Amount
Revolving credit	NZD	5.42%	115,000	3,000	3,000	10,000	10,000
Overdraft	NZD	5.42%	5,000	-	-	1,968	1,968
TOTAL			120,000	3,000	3,000	11,968	11,968
Current				-	-	11,968	11,968
Non-current				3,000	3,000	-	-

Terms and debt repayment schedule

The Group has adopted classification of liabilities as current or non-current (amendments to NZIAS 1) from 1 January 2024. The bank facilities are secured over hotel properties with a carrying amount of \$83.25 million (2023: \$75.33 million) - refer to Note 9. The Group facilities were renewed on 22 December 2023 with a new maturity date of 31 January 2027. The Group has complied with the bank covenants. The interest-bearing borrowings were classified as non-current as the Group has an existing right to defer settlement of the loan for at least 12 months after the reporting period.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

15. Deferred tax assets and liabilities

Deferred tax is recognised in respect of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that neither affect accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities are offset only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities; the Group intends to settle net; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Impact of change in tax depreciation

In 2020 as part of the response to the Covid-19, all components of commercial buildings were able to be depreciated for tax purposes. On 28 March 2024, the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) legislation was enacted, encompassing a range of changes to tax legislation including the removal of the tax deduction for depreciation on building core of commercial buildings. As a result of the change in legislation, income tax expense and deferred tax liability has increased by \$25.8m for the year.



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

15. Deferred tax assets and liabilities - continued

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

<i>Dollars In Thousands</i>	Group					
	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
Property, plant and equipment (includes Right of use assets)	-	-	39,142	17,481	39,142	17,481
Investment property	-	-	4,379	345	4,379	345
Development properties	(750)	(212)	-	-	(750)	(212)
Accruals	(147)	(474)	-	-	(147)	(474)
Employee benefits	(1,999)	(2,074)	-	-	(1,999)	(2,074)
Lease liability	(7,586)	(7,651)	-	-	(7,586)	(7,651)
Trade and other payables	(1,247)	(1,297)	-	-	(1,247)	(1,297)
Net investment in foreign operations	-	-	926	883	926	883
Net tax (assets) / liabilities	(11,729)	(11,708)	44,447	18,709	32,718	7,001

Movement in deferred tax balances during the year

<i>Dollars In Thousands</i>	Group			
	Balance 1 Jan 23	Recognised in Income	Recognised in equity	Balance 31 Dec 23
Property, plant and equipment (includes Right of use assets)	19,776	(2,295)	-	17,481
Investment property	157	188	-	345
Development properties	(388)	179	(3)	(212)
Accruals	(454)	(18)	(2)	(474)
Employee benefits	(1,715)	(359)	-	(2,074)
Lease liability	(7,193)	(458)	-	(7,651)
Trade and other payables	(1,342)	45	-	(1,297)
Net investment in foreign operations	876	-	7	883
	9,717	(2,718)	2	7,001

Movement in deferred tax balances during the year

<i>Dollars In Thousands</i>	Group			
	Balance 1 Jan 24	Recognised in Income	Recognised in equity	Balance 31 Dec 24
Property, plant and equipment (includes Right of use assets)	17,481	21,661	-	39,142
Investment property	345	4,034	-	4,379
Development properties	(212)	(538)	-	(750)
Accruals	(474)	327	-	(147)
Employee benefits	(2,074)	75	-	(1,999)
Lease liability	(7,651)	65	-	(7,586)
Trade and other payables	(1,297)	50	-	(1,247)
Net investment in foreign operations	883	28	15	926
	7,001	25,702	15	32,718

16. Trade and other payables

<i>Dollars In Thousands</i>	Group	
	2024	2023
Trade payables	3,948	2,790
Employee entitlements	7,518	7,652
Non-trade payables and accrued expenses	19,058	21,906
	30,524	32,348

Trade and other payables are stated at amortised cost.

17. Financial instruments

The Group only holds non-derivative financial instruments which comprise cash and cash equivalents, trade and other receivables, trade receivables due from related parties, related party advances, secured bank loans, trade and other payables and trade payables due to related parties.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the income statement, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described in accounting policies below.

The accompanying notes form part of, and should be read in conjunction with, these financial statements.



Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

17. Financial instruments - continued

On initial recognition, a financial asset is classified as subsequently measured at: Amortised cost; FVOCI- debt investment; FVOCI- equity investment; or FVTPL. Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfer the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. Exposure to credit, liquidity and market risks arises in the normal course of the Group's business.

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from

its financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following table sets out the undiscounted contractual and expected cash flows for all financial liabilities:

2024							
<i>Dollars In Thousands</i>	Statement of Financial Position	Contractual Cash Out Flows	6 Months or Less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
Interest-bearing loans and borrowings	3,000	3,000	-	-	3,000	-	-
Trade Payables	3,948	3,948	3,948	-	-	-	-
Other payables	26,576	26,576	26,576	-	-	-	-
Trade payables due to related parties	1,767	1,767	1,767	-	-	-	-
Total non-derivative liabilities	35,291	35,291	32,291	-	3,000	-	-

2023							
<i>Dollars In Thousands</i>	Statement of Financial Position	Contractual Cash Out Flows	6 Months or Less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
Interest-bearing loans and borrowings	11,968	11,968	11,968	-	-	-	-
Trade Payables	2,790	2,790	2,790	-	-	-	-
Other payables	29,558	29,558	29,558	-	-	-	-
Trade payables due to related parties	2,318	2,318	2,318	-	-	-	-
Total non-derivative liabilities	46,634	46,634	46,634	-	-	-	-

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets. There are no significant aged debtors which have not been fully provided for.

Investments are allowed only in short-term financial instruments and only with counterparties (minimum rating of Moody's Aa3) approved by the Board, such that the exposure to a single counterparty is minimized.

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

17. Financial instruments - continued

The related party advances to Marquee Hotel Holdings Pty Ltd detailed in note 20 were part of the acquisition of the Sofitel Brisbane Central hotel in Queensland. At balance date there were no indicators of impairment of the advances based on asset condition, economic environment and trading results of the hotel.

At balance date there were no significant non-related party concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The maximum exposure to credit risk for non-related party advances in Australia is \$8,300 (2023: \$11,000). All other credit risk exposure relates to New Zealand.

Market risk

(i) Interest rate risk

In managing interest rate risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings with an ongoing review of its exposure to changes in interest rates on its borrowings, the maturity profile of the debt, and the cash flows of the underlying debt. The Group maintains its borrowings at fixed rates on short term which gives the Group flexibility in the context of the economic climate, business cycle, loan covenants, cash flows, and cash balances.

An increase of 1.0% in interest rates on deposits would have increased profit before tax for the Group in the current period by \$0.64 million (2023: \$1.43 million increase), assuming all other variables remained constant.

Effective interest and re-pricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities the following table indicates their effective interest rates at the balance date and the periods in which they re-price.

Group	Note	2024			2023				
		Effective interest rate	6 months or less	6 to 12 months	Effective interest rate	6 months or less	6 to 12 months		
Interest bearing cash & cash equivalents *	12	0.00% to 4.25%	39,726	39,726	-	0.00% to 5.50%	11,256	11,256	-
Short term bank deposits *		5.25% to 5.91%	1,571	75	1,496	0.85% to 6.05%	64,075	58,075	6,000
Secured bank loans *	14	5.42%	3,000	3,000	-	6.43% to 6.4525%	10,000	10,000	-
Bank overdrafts *	14	5.42%	-	-	-	6.63%	1,968	1,968	-
Intercompany Loan*		5.75%	19,556	19,556	-	5.68%	19,086	19,086	-

* These assets / (liabilities) bear interest at a fixed rate

(ii) Foreign currency risk

The Group owns 100.00% (2023: 100.00%) of KIN Holdings Limited. Substantially all the operations of this subsidiary which includes the Joint Venture is denominated in foreign currencies. The foreign currencies giving rise to this risk are Australian Dollars. The Group has determined that the primary risk affects the carrying values of the net investments and loan receivable from its foreign operations as disclosed in note 20 with the currency movements being recognised in the foreign currency translation reserves and income statement respectively. The Group has not taken any instruments to manage this risk. The Group is not exposed to any other foreign currency risks.

Capital management

The Group's capital includes share capital and retained earnings.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group is not subject to any externally imposed capital requirements.

The allocation of capital is, to a large extent, driven by optimisation of the return achieved on the capital allocated.

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. There were no changes in the Group's capital management policies during the year.

The accompanying notes form part of, and should be read in conjunction with, these financial statements.



Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

17. Financial instruments - continued

Fair values

The fair values together with the carrying amounts shown in the statement of financial position are as follows:

Group	Note	Carrying amount		Fair value	
		2024	2024	2023	2023
<i>Dollars In Thousands</i>					
LOANS AND RECEIVABLES					
Cash and cash equivalents	12	39,726	39,726	11,256	11,256
Short term bank deposits		1,571	1,571	64,075	64,075
Trade and other receivables	13	23,497	23,497	20,391	20,391
Advances to related parties	20	65,326	65,326	62,516	62,516
OTHER LIABILITIES					
Secured bank loans and overdrafts	14	(3,000)	(3,000)	(11,968)	(11,968)
Trade and other payables	16	(30,524)	(30,524)	(32,348)	(32,348)
Trade payables due to related parties	20	(1,767)	(1,767)	(2,318)	(2,318)
		94,829	94,829	111,604	111,604

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table:

- Cash, accounts receivable, accounts payable and related party balances. The carrying amounts for these balances approximate their fair value because of the short maturities of these items.
- Borrowings. The carrying amounts for the borrowings represent their fair values because the interest rates are reset to market periodically, every 1 to 2 months.

18. Capital and land development commitments

As at 31 December 2024, the Group had entered into contractual commitments for the acquisition of the Mayfair Hotel Christchurch, capital expenditure, development expenditure, and purchases of land. Development expenditure represents amounts contracted and forecast to be incurred in 2024 in accordance with the Group's development programme.

<i>Dollars In Thousands</i>	Group	
	2024	2023
Mayfair Hotel Christchurch	31,900	-
Capital expenditure	7,968	1,330
Development expenditure	24,269	19,743
Land purchases	13,261	6,620
	77,398	27,693

19. Related parties

Identity of related parties

The Group has a related party relationship with its parent, subsidiaries (see Note 20), joint venture and with its directors and executive officers.

Transactions with key management personnel

Directors of the Company and their immediate relatives control nil (2023: Nil) of the voting shares of the Company. There were no loans (2023: \$nil) advanced to directors for the year ended 31 December 2024. Key management personnel include the Board comprising non-executive directors, executive directors and executive officers.

Total remuneration for key management personnel

<i>Dollars In Thousands</i>	Group	
	2024	2023
Non-executive directors	392	350
Executive director	563	499
Executive officers	894	734
	1,849	1,583

Non-executive directors receive director's fees only. Executive director and executive officers receive short-term employee benefits which include a base salary and an incentive plan. They do not receive remuneration or any other benefits as a director of the Parent Company or its subsidiaries. Directors' fees are included in "administration expenses" (see Note 2) and remuneration for executive director and executive officers are included in "personnel expenses" (see Note 3).



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

20. Group entities

Control of the Group

Millennium & Copthorne Hotels New Zealand Limited is a 80.97% (2023: 75.78%) owned (economic interests from both ordinary and preference shares) subsidiary of CDL Hotels Holdings New Zealand Limited which is a wholly owned subsidiary of Millennium & Copthorne Hotels Ltd in the United Kingdom. The ultimate parent company is Hong Leong Investment Holdings Pte Ltd in Singapore.

At balance date there were related party advances owing from/(owing to) the following related companies:

<i>Dollars In Thousands</i>	Nature of balance	Group	
		2024	2023
Trade payables and receivables due to related parties			
Millennium & Copthorne Hotels Limited	Recharge of expenses	(1,767)	(1,772)
Marquee Hotel Holdings Pty Ltd	Interest bearing advance	19,556	19,086
Marquee Hotel Holdings Pty Ltd	Interest free advance	44,195	43,132
Marquee Hotel Holdings Pty Ltd	Interest receivable	-	43
CDLHT (BVI) One Ltd	Recharge of expenses	1,581	255
CDLHT (BVI) One Ltd	Rent	(6)	(546)
		63,559	60,198

No debts with related parties were written off or forgiven during the year. Interest at 5.75% was charged on interest bearing advance during 2024. No interest was charged for the other payables or on the interest free advance. The related party advances to Marquee Hotel Holdings Pty Ltd are unsecured and repayable on demand.

At the balance sheet date, there was an amount owing to CDLHT (BVI) One Ltd of \$6,000 (2023 \$291,000) being the net amount of rent payable with respect to the leasing of the property and the recoverable amount in relation to expenses paid on behalf.

During 2024, the Group had the following transactions with related parties:

<i>Dollars In Thousands</i>	Nature of balance	Group	
		2024	2023
Marquee Hotel Holdings Pty Ltd	Interest receivable	1,180	43
CDLHT (BVI) One Ltd	Management, franchise and incentive income	932	960
M&C Reservation Services Ltd (UK)	Insurance recharge, Management and marketing support*	(1,846)	(161)
CDL Hotels Holdings New Zealand Limited	Accounting support fee received	60	60

*The amount recognised in profit and loss in the reporting period was \$1.1m.

Subsidiary companies

The principal subsidiary companies of Millennium & Copthorne Hotels New Zealand Limited included in the consolidation as at 31 December 2024 are:

	Principal Activity	Principal Place of Business	Group Holding % 2024	Group Holding % 2023
Context Securities Limited	Investment Holding	NZ	100.00	100.00
Copthorne Hotel & Resort Bay of Islands Joint Venture	Hotel Operations	NZ	49.00	49.00
Quantum Limited	Holding Company	NZ	100.00	100.00
100% owned subsidiaries of Quantum Limited are:				
Hospitality Group Limited	Holding Company	NZ		
100% owned subsidiaries of Hospitality Group Limited are:				
Hospitality Leases Limited	Lessee Company/Hotel Operations	NZ		
QINZ Anzac Avenue Limited	Hotel Owner	NZ		
Hospitality Services Limited	Operations/Franchise Holder	NZ		
CDL Investments New Zealand Limited	Holding Company	NZ	65.31	65.54
100% owned subsidiaries of CDL Investments New Zealand Limited are:				
CDL Land New Zealand Limited	Property Investment and Development	NZ		
KIN Holdings Limited	Holding Company	NZ	100.00	100.00
100% owned subsidiaries of KIN Holdings Limited are:				
Kingsgate Investments Pty Limited	Residential Apartment Developer	Australia		
Kingsgate Holdings Pty Limited	Investment in JV	Australia		

All of the above subsidiaries have a 31 December balance date.

The Group is able to control the Copthorne Hotel & Resort Bay of Islands Joint Venture through its management agreement with the Joint Venture and is exposed to variable returns accordingly. Therefore, the results of the Joint Venture are consolidated from the date control commenced until the date control ceases.

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

20. Group entities - continued

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealised gains arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

21. Accounting estimates and judgements

Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below.

Development property

The Group is also exposed to a risk of impairment to development properties should the carrying value exceed the net realisable value due to market fluctuations in the value of development properties. However, there is no indication of impairment as the net realisable value of development properties significantly exceed the carrying value determined by an independent registered valuer.

The valuer adopts the Sales Comparison Approach to determine rates per hectare/per square metre for block land holdings in addition to recent section sales to derive the gross realisation values. The net realisable values are determined from gross realisation values after deducting appropriate selling costs.

For residential land under development and is yet to commence development in the short term, the valuer adopts the Residual Subdivision Approach. This approach considers the gross realisation values of the sections less costs associated with development including GST, sales commissions, legal fees, civil and development costs including Council contributions, professional fees, and contingency allowances. In addition, holding costs are deducted for the estimated timing of development and sell down periods.

In both valuation approaches, the valuer makes assumptions relating to section prices, sell down periods, consumer confidence, unemployment rates, interest rates, and external economic factors. These assumptions are sensitive to economic factors such as net migration, Official Cash Rate set by the Reserve Bank, inflation, residential market activity, and business confidence.

Investment property

The Group is also exposed to a risk of impairment to investment properties should the carrying value exceed the recoverable amount due to market fluctuations in the value of investment properties. However, there is no indication of impairment as the recoverable amount determined by an independent registered valuer significantly exceeds the carrying value of investment properties. In determining the recoverable amount, the valuer adopts the Income Capitalisation Approach whereby the assessed market rent for each asset is capitalised in perpetuity from the valuation date at an appropriate capitalisation rate, and uses the discounted cash flow and depreciated replacement cost approaches to corroborate. The adopted capitalisation rate reflects the nature, location, and tenancy profile of the property together with current market investment criteria as evidenced by recent sales. The recoverable amount is sensitive to movements in the adopted capitalisation rate and the market rent.

Property, plant, and equipment

The Group determines whether tangible fixed assets are impaired when indicators of impairments exist or based on the annual impairment assessment. The annual assessment requires an estimate of the recoverable value of the cash generating units to which the tangible fixed assets are allocated, which is predominantly at the individual hotel site level. The recoverable amounts of the Group's cash generating units or individual assets are based on fair value less cost of disposal or value in use determined by an independent valuer. The valuation methods used require the independent appraiser to make a number of assumptions including estimating the future cash flows expected to arise from the cash-generating units, suitable discount, capitalisation and square meter rates, as well as value per room, to determine the recoverable value.

22. Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in NZ IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset was recognised at cost on initial recognition, which comprised the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

22. Lease - continued

The right of use asset is depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

22(a) Lease Liability

The expected contractual undiscounted cash outflows of lease liabilities are as follows:

<i>Dollars In Thousands</i>	Group	
	2024	2023
Less than 6 months	1,110	1,081
More than 6 months but within 12 months	1,156	1,079
More than 1 year but within 2 years	2,227	2,253
More than 2 years but within 5 years	6,232	10,507
After 5 years	93,666	91,584
	104,391	106,504

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the Statement of Financial Position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

22(b) Schedule of right-of-use assets by class

<i>Dollars In Thousands</i>	Lease term	Carrying value @ 01/01/24	Depreciation on right-of-use asset for the year	Addition during the year	Disposal during the year	Movement in foreign exchange	Carrying value @ 31/12/24
Land sites at hotels	Renewal at 21 year cycles for perpetuity	20,322	(344)	-	-	-	19,978
Corporate office building and hotel carpark	Between 5 to 23 years	5,727	(287)	5	-	-	5,445
Motor vehicles	Between 12 to 45 months	681	(264)	74	(31)	-	460
Totals		26,730	(895)	79	(31)	-	25,883

The accompanying notes form part of, and should be read in conjunction with, these financial statements.



Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

22(c) Schedule of lease liabilities by class

<i>Dollars In Thousands</i>	Lease term	Carrying value @ 01/01/24	Interest expense for the year	Addition during the year	Disposal during the year	Lease payment for the year	Carrying value @ 31/12/24
Land sites at hotels	Renewal at 21 year cycles for perpetuity	20,931	1,281	-	-	(1,323)	20,889
Corporate office building and hotel carpark	Between 5 to 23 years	5,688	549	5	-	(530)	5,712
Motor vehicles	Between 12 to 45 months	707	66	52	(9)	(321)	495
Totals		27,326	1,896	57	(9)	(2,174)	27,096

22(d) Exemptions and exclusions

Exempted were motor vehicle leases shorter than 12 months and leased assets with value below \$8,000. Excluded were variable rentals and lease payments. The following table summarizes these leases by class:

<i>Dollars In Thousands</i>	Expense recognised in the Profit & Loss	Lease commitments @ 31/12/24	Lease commitments within one year	Lease commitments between one and 5 years	Lease commitments more than 5 years
Short term leases <12 months	112	112	112	-	-
Low value leased assets	23	56	14	42	-
Variable lease payments under service and management contracts	587	13,867	577	2,309	10,981
Total	722	14,036	703	2,351	10,981

23. New standard and interpretations issued but not yet adopted

A number of amended standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. The Group has not early adopted any new or amended standards in preparing the consolidated financial statements.

The Group is in the process of finalising the evaluation of impact from the following new and amended standards, including changes in the Presentation and Disclosure in Financial Statements in line with NZ IFRS 18. The Group does not expect material financial impact from these new and amended standards but note this may change the presentation and disclosures of the consolidated financial statements.

- Amendments to NZ IAS21 Lack of Exchangeability.
- Amendments to NZ IFRS 9 and NZ IFRS 7 Classification and Measurement of Financial Instruments.
- Annual Improvements to NZ IFRS Accounting Standards - Volume 11.
- NZ IFRS 18 Presentation and Disclosure in Financial Statements.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.
- Amendments to NZ IFRS 10 and NZ IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

24. Investment in joint venture

A joint venture is an arrangement in which the Group has joint control, over the financial and operating policies. They are accounted for using the equity method. The financial statements include the Group's share of the income, expenses and reserves of the joint venture from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the joint venture.

During the previous year, the Group through Kingsgate Holdings Pty Limited (100% subsidiary) formed a 50:50 joint venture with its Parent Company to acquire the leasehold assets and the freehold assets of the Sofitel Brisbane Central hotel in Queensland, Australia. The joint venture is Marquee Hotel Holdings Pty Limited. Within the Marquee Hotel Holdings group, there are six wholly owned entities. Marquee Hotel Holdings group completed the acquisition of the Sofitel Brisbane Central on 15 December 2023. The hotel is managed by an external hotel management group.

The Group's share of profit in its joint venture for the year was \$1.508m (2023: \$0.073m).



The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

24. Investment in joint venture - continued

	Principal Activity	Principal Place of Business	Group Holding % 2023
Marquee Hotel Holdings Pty Limited	Investment Holding	Australia	50.00
100% owned subsidiaries of Marquee Hotel Holdings Pty Limited are:			
Marquee Brisbane Hotel Pty Limited	Trustee Company of Marquee Brisbane Hotel Trust	Australia	
Marquee Brisbane Hotel Trust	Lessee of leasehold assets expiring 30 December 2057	Australia	
Marquee Brisbane Hotel 2 Pty Limited	Trustee Company of Marquee Brisbane Hotel 2 Trust	Australia	
Marquee Brisbane Hotel 2 Trust	Lessee of leasehold assets expiring 24 May 2120	Australia	
Marquee Hotel Operations Pty Limited	Trustee Company of Marquee Hotel Operations Pty Trust	Australia	
Marquee Hotel Operations Pty Trust	Hotel Assets and Operations	Australia	

Summary financial information for joint venture, not adjusted for the percentage ownership held by the Group:

<i>Dollars In Thousands</i>	Group	Group
	2024	2023
Non-current assets	203,903	202,650
Current assets	26,112	27,477
Non-current liabilities	(1,382)	-
Current liabilities	(135,525)	(142,241)
Net assets (100%)	93,108	87,886
Group's share (50%)	46,554	43,943

The current assets balance of the joint venture includes a cash and cash equivalents balance of \$21.74m (2023:\$26.12m). The current liabilities balance of the joint venture includes balances owing to shareholders of \$125.87m (2023:\$124.5m).

	Group	Group
	2024	2023
Revenue	53,470	2,142
Operating profit/(loss)	6,074	(175)
Interest (expense)/income	(1,756)	384
Income tax expense	(1,301)	(63)
Profit for the year (100%)	3,017	146
Group's share of profit (50%)	1,508	73

Movements in the carrying value of joint venture:

	Group	Group
	2024	2023
Balance at 1 January	43,943	-
Purchase of investment	-	44,048
Share of profit for the year	1,508	73
Foreign exchange adjustments	1,103	(178)
Balance at 31 December	46,554	43,943

25. Non-controlling interests ("NCI")

The following subsidiary has material NCI.

	Principal Activity	Principal Place of Business	Holding % 2024	Holding % 2023
CDL Investments New Zealand Limited "CDI"	Property Investment and Development	NZ	34.69	34.46

The following is the summarised financial information for CDL Investments New Zealand Limited and subsidiary. The information is before intercompany eliminations with other companies in the Group.

The accompanying notes form part of, and should be read in conjunction with, these financial statements.



Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

25. Non-controlling interests ("NCI") - continued

<i>Dollars In Thousands</i>	CDI Group	
	2024	2023
Revenue	49,059	30,779
Profit after tax	15,381	13,463
Profit attributable to NCI	5,336	4,639
Other comprehensive income	-	-
Total comprehensive income	15,381	13,463
Other comprehensive income attributable to NCI	5,336	4,639
Current assets	70,172	80,244
Non-current assets	258,450	238,984
Current liabilities	(4,593)	(5,162)
Non-current liabilities	(4,377)	(341)
Net assets	319,652	313,725
Net assets attributable to NCI	110,887	108,110

<i>Dollars In Thousands</i>	CDI Group	
	2024	2023
Cash outflow from operating activities	(8,129)	(10,309)
Cash inflow/(outflow) from investing activities	48,497	(10,325)
Cash outflow from financing activities	(9,724)	(8,874)
Net increase/(decrease) in cash and cash equivalents	30,644	(29,508)
Dividends paid to NCI during the year	3,507	3,437

26. Subsequent events

The acquisition of the Mayfair Hotel Christchurch was completed on 22 January 2025. This was a freehold acquisition of the existing 67 room hotel which was originally opened mid-2022 and located at 155 Victoria Street, Christchurch for \$31.9m. Refer also the NZX announcement made 22 January 2025.

Post balance date, the purchase of 6.5 hectares of land for \$13.3 million in Hamilton was settled during January 2025. The settlement will be recognised as an increase in land classified as development property in 2025.

On 10 February 2025, Millennium & Copthorne Hotels New Zealand Limited (MCK) received a takeover offer from CDL Hotels Holdings New Zealand Limited (CDLHH NZ) for \$2.25 per share for all shares not already held by CDLHH NZ, which currently holds 75.8% of MCK's shares. The MCK Independent Directors considered the offer too low and inadequate, as it did not reflect the value of MCK's assets and recovery potential. They advised shareholders to take no action until the Target Company Statement, including an independent assessment by Northington Partners Limited, is published on 24 February 2025. The offer is conditional and must remain open until at least 8 May 2025.

The offer includes a condition preventing MCK from declaring or paying a dividend from 20 January 2025 until the offer is unconditional or lapses. Despite MCK's Independent Committee requesting a waiver to allow a final dividend for the 2024 financial year, CDLHH NZ did not agree. Consequently, MCK will not declare a final dividend for 2024.



The accompanying notes form part of, and should be read in conjunction with, these financial statements.



Independent Auditor's Report

To the Shareholders of Millennium & Copthorne Hotels New Zealand Limited (**Group**)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Millennium & Copthorne Hotels New Zealand Limited (the **Company**) and its subsidiaries (the **Group**) on pages 1 to 31 present fairly in all material respects:

- the Group's financial position as at 31 December 2024 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Millennium & Copthorne Hotels New Zealand Limited in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ)(Revised) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has provided other services to the Group in relation to agreed upon procedures, tax compliance, taxation advisory and limited assurance services in respect of Green House Gas Emissions reporting. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.



Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at \$4.75m determined with reference to a benchmark of the Group's total assets. We chose the benchmark because, in our view, this is a key measure of the Group's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the Shareholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter

How the matter was addressed in our audit

Impairment of hotel assets

Refer to Note 9 to the financial statements.

Impairment of hotel assets is a key audit matter given the magnitude of the balance (hotel assets being 37% of total assets), conditions that indicate potential impairment and the judgement required by us in assessing the group's key valuation assumptions to determine the value of specific hotel assets.

The recoverable amount of hotel assets was determined by an external valuer. We focused on the key assumptions in the valuation models including the projected occupancy rates, average daily room rates (ADRs), discount rates, terminal capitalisation rates, capitalisation rates and square metre rates. Due to the ongoing recovery of international travel from COVID-19, current economic conditions including recession and high interest rates, and lower level of sales evidence from comparable market transactions, the level of estimation uncertainty in the valuation remains heightened compared to stable market conditions.

Our audit procedures included:

- Evaluating the group's determination of the appropriate unit of measure for impairment testing purposes, or changes thereto, the cash-generating unit ("CGU").
- Assessing each hotel asset for impairment indicators with consideration of changes in contractual arrangements, economic conditions, financial performance, physical quality of the underlying asset and capital expenditure requirements, among other factors.
- Assessing the scope of work performed, competency, professional qualifications, independence, and experience of the external valuers engaged by the group. This included direct enquiry and challenge of the external valuers' methods and assumptions.
- Assessing the appropriateness of the valuation methodology applied by the external valuers with reference to accepted methods approved by our internal valuation specialists.
- Challenging the group's key valuation assumptions (occupancy rates, ADRs, projected direct costs, discount rates, capitalisation rates and terminal capitalisation rates) included in the external valuations by:
 - comparing to externally derived data from hotel industry reports and other market data.
 - assessing the relevance and reasonableness of the key assumptions with reference to rates used in the prior year external valuations, financial performance and recent market evidence presented by the valuer.
- Assessing the accuracy of the external valuer's and management's previous forecasts to inform our evaluation of the forecasts incorporated into the valuation models. This included comparing actual occupancy



The key audit matter

How the matter was addressed in our audit

rates, ADRs and direct costs to the assumptions projected over the forecast period and used in the prior period valuations.

- Assessing hotels that are most sensitive to impairment using sensitivity analysis over key assumptions and comparing the headroom.
- Assessing the adequacy of the disclosures made in the financial statements by using our understanding obtained from our testing and against the requirements of the relevant accounting standards.

We did not identify material exceptions from procedures performed, and the financial statement disclosure is consistent with the requirements of the accounting standards.

Capitalisation and allocation of development costs

Refer to Note 10 to the financial statements.

The group's development property comprises land and development costs incurred to develop land into subdivisions and individual properties for sale. The development property portfolio represents 35% of total assets on the consolidated statement of financial position.

The capitalisation and allocation of development costs is a key audit matter as determining whether to capitalise or expense costs relating to development of land is subjective, as it depends on whether the costs enhance the land or maintain the current value. In addition, there is significant judgement in determining whether obligations exist for future costs and how to allocate capitalised development costs to individual properties or stages.

The key judgements used in this determination are:

- Whether costs are eligible for capitalisation under the relevant accounting standards.
- the allocation of capitalised costs to the individual projects, stages and land lots and the associated recognition of cost of sales.
- Whether a capitalised cost and the associated liability for future obligations should be recorded under the relevant accounting standard.

Our audit procedures included:

- Evaluating the group's accounting policy for capitalisation of development costs using the criteria in the accounting standard.
- Developing an understanding of the key controls over the cost capitalisation and allocation process.
- Agreeing a sample of capitalised development costs to supporting documentation. For each selected transaction we:
 - considered the nature of the costs capitalised and evaluated whether they are eligible for capitalisation under the relevant accounting standard.
 - assessed the appropriateness of allocation to the individual project stages and land lots.
- Agreeing a sample of land acquisitions to sales and purchase agreements, settlement document and cash payment.
- Performing analytical procedures in relation development property costs of sales to assess that margins recognised between periods were appropriate, including considering alternative methods of allocation.
- Performing a retrospective review of the forecast costs and cost of sales to ensure the reasonableness of forecast cost estimation.
- Evaluating the reasonableness of the group's judgement to record liabilities for future obligations and that these have been appropriately measured and recorded in accordance with the applicable accounting standard.
- Assessing disclosures included in the consolidated financial statements in respect of the development properties using our understanding obtained from our testing and against the requirements of the accounting standards.

Our testing did not identify any material exceptions related to capitalised development costs, the allocation of those costs to individual project stages and the recognition of future development cost obligations.

Other information

The Directors, on behalf of the Group, are responsible for the other information included in the entity's Annual Report and Annual Climate Statement (prepared in accordance with the Aotearoa New Zealand Climate Standards). The other information in the Annual Report includes the Chairman's Review, Managing Director's Review, disclosures relating to Corporate Governance, Financial Summary, and the other information included in the Annual Report. The Annual Climate Statement discloses information about the effects of climate change on the entity's business.

Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Annual Report and Annual Climate Statement are expected to be made available to us after the date of the Independent Auditor's Report and we will report the matters identified, if any, to those charged with governance.

Use of this independent auditor's report

This independent auditor's report is made solely to the Shareholders. Our audit work has been undertaken so that we might state to the Shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the Shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of Directors for the consolidated financial statements

The Directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.



x Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Geoff Lewis.

For and on behalf of:

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

Auckland

24 February 2025

Results for announcement to the market		
Name of issuer	Millennium & Copthorne Hotels New Zealand Limited	
Reporting Period	12 months to 31 December 2024	
Previous Reporting Period	12 months to 31 December 2023	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$176,184	20.96%
Total Revenue	\$176,184	20.96%
Net profit/(loss) from continuing operations	\$2,762	(87.21%)
Total net profit/(loss)	\$2,762	(87.21%)
Final Dividend		
Amount per Quoted Equity Security	XX	
Imputed amount per Quoted Equity Security	XX	
Record Date	XX	
Dividend Payment Date	XX	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$3.46	\$3.46
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to Chairman's Statement and Media Release	
Authority for this announcement		
Name of person authorised to make this announcement	Takeshi Ito – Company Secretary	
Contact person for this announcement	Takeshi Ito – Company Secretary	
Contact phone number	+64 215 915 31	
Contact email address	takeshi.ito@millenniumhotels.com	
Date of release through MAP	24 Feb, 2025	

MCK FY24 Results for 12 months ended 31 December 2024

Significant uplift in results; material growth in revenue and earnings over past two years

- Revenue \$176.2m, up 21.0%
- Operating profit \$42.5m, up 32.1%
- Profit before tax \$47.1m, up 25.6%
- Profit after tax of \$2.8m attributable to MCK shareholders includes a one off, non-cash deferred tax adjustment¹. Excluding this, profit after tax would be \$27.2m
- Total Assets \$762.3m (2023: \$746.8m) which includes property assets at a book value of \$694.1m. Fair market value of property assets assessed as \$1.1b as at 31 December 2024²
- Net asset backing per share on market value basis assessed as \$5.39 per share³.

24 February 2025: Millennium & Copthorne Hotels New Zealand Limited (the Company, MCK) (NZX: MCK) has announced its results for the 12 months to 31 December (FY24), reporting a significant uplift in revenue and a continued improvement in profit before tax despite the weaker tourism and property markets in 2024.

The improvement was driven by continued positive growth in the NZ Hotel business, with CDI Investments delivering a solid result as the cooldown in the property market has started to stabilise.

The company has continued to build the value of its hotel and property portfolio, which grew to \$1.1b as at 31 December 2024². Significant milestones have been achieved as MCK continues to progress its long term refurbishment and upgrade of hotel properties. The full benefits from these initiatives will be seen in future years. Land was acquired in Whangarei for a future hotel and, following financial year-end, MCK settled the acquisition of The Mayfair Hotel in Christchurch for \$31.9m, further expanding its network.

FY24 was the first year of ownership in the 50% joint venture which acquired the Sofitel Brisbane Hotel in December 2023. The hotel has seen consistent and strong demand across all major segments following a soft Q1, and an increased profit contribution is expected in FY25.

Sales of the Zenith Apartments in Sydney are continuing, with nine apartments sold during the year and the remaining 22 apartments either held for sale or rented. The company will continue to progress further sales during 2025.

MCK's chairman, Colin Sim, said: "The strong results demonstrate the resilience of our business and the value of the Revive and Thrive strategy. We are now nearing the end of the Revive stage and expect to move to Thrive in late 2025.

¹ Includes one-off deferred tax adjustment of \$25.8m, made as a result of government legislation change.

² Unaudited, assessed market valuation based on analysis by independent property experts as at 31 December 2024. Includes 100% of: NZ hotels, Zenith Apartments, and CDI property assets; and 50% Sofitel Brisbane Hotel.

³ Adjusted for MCK proportion of shareholding being 100% NZ hotels and Zenith Apartments, 65% of CDI and 50% Sofitel Brisbane and including an allowance for tax on the revaluation of property assets.

“We continue to invest into targeted growth opportunities that will add value for our shareholders. Over the past few years, we have invested significantly in refurbishing and upgrading our hotels and have expanded our network through acquisition. We have also identified surplus land adjacent to our hotels (including at Rotorua, Queenstown and Palmerston North), which provide optionality for further development or sale.

“The long-term macro drivers for our business are positive – the tourism and property markets are both expected to start to recover in the coming year; New Zealand is a top tourist destination and tourism is New Zealand’s second highest export earner. We are well positioned to benefit as visitor numbers build up again over the coming year, with a national network of quality hotels in attractive locations, many of which have been recently refurbished.”

Financial Performance

For the FY24 year, MCK delivered its highest revenue result in five years, with a 21.0% yoy increase to \$176.2m.

Operating profit increased 32.1% yoy to \$42.5m, as a result of increased revenue and a focus on cost management. Profit before tax was up 25.6% yoy to \$47.1m. Income Tax expense included a \$25.8m one off, non-cash deferred tax adjustment (as noted in the 1H24 results release). Profit after tax attributable to MCK shareholders of \$2.8m would have been \$27.2m excluding the one-off tax adjustment impact.

CDL Investments New Zealand Limited (CDI), MCK’s 65% owned subsidiary, improved its pre-tax performance in 2024 against the previous year. CDI reported revenue of \$49.1m and profit before tax of \$26.8m. Profit after tax was \$15.4m, including a one-off non-cash tax liability adjustment of approximately \$3.9m. These results confirm that property markets in New Zealand are showing signs of improvement and there is now a positive momentum shift.

The company has a robust balance sheet, with a net cash position of \$41.3m as at 31 December 2024. Bank debt was \$3.0m at year end, with a further drawdown in January 2025 for the \$31.9m settlement of The Mayfair Hotel. The book value of property assets was \$694.1m, with the fair market value assessed as \$1.1b², contributing to a market value NTA per share attributable to MCK shareholders of \$5.39 per share³.

A final dividend was not declared for FY24 due to the conditions of the CDLHH NZ takeover offer currently in process, which prevents a dividend from being paid.

2025 Outlook

The expected improvement in the tourism and property markets will directly benefit both MCK and CDI.

MCK Managing Director, Stuart Harrison, said: “Our strong FY24 demonstrates the progress we are making on our strategy and we are poised to Thrive from late 2025 onwards. We are focused on the ongoing control over the controllables with strong staffing levels and increasing room capacity. Our refurbishment and upgrades of key hotel properties are substantially complete, delivering an increased number of rooms available for sale in 2025. Our teams are highly focused on securing business across all market segments and in all regions as we grow the My Millennium loyalty scheme and encourage customer bookings. We will also be identifying and assessing opportunities for surplus land at several of our hotels.”

CDI are looking to advance development works across key sites, particularly the two projects in Hamilton and the Hawkes Bay, which were included in the Fast-track approvals legislation. With a number of pre-titled residential section sales from the Iona and Prestons Park developments in-hand and work already underway developing additional stages, these developments will be critical to their results and success in 2025.

Stuart said: “There is no question that MCK has a positive future ahead of it and will continue to be a leading hotel owner and operator in New Zealand for many years to come. 2025 represents MCK’s 30th year of continuous operations in New Zealand and we intend to continue delivering quality customer experiences for another thirty years and more.”

ENDS

Issued by Millennium & Copthorne Hotels New Zealand Limited

For investor relations enquiries, please contact:

Stuart Harrison, Managing Director

M: +64 21 869 216

E: enquiries@mckhotels.co.nz

About Millennium & Copthorne Hotels New Zealand Limited

Millennium & Copthorne Hotels New Zealand Limited (NZX:MCK) is the only NZSX listed hotel owner-operator with 19 owned/leased/franchised hotels based in New Zealand under the Millennium, Grand Millennium, M Social, Copthorne and Kingsgate brands. As part of the Millennium & Copthorne Hotels group, we are proud to be part of a global network of over 120 properties in gateway cities across Asia, Europe, North America, the Middle East and New Zealand. MCK also has property interests in Australia through its Kingsgate Group subsidiaries including a 50% ownership interest in the Sofitel Hotel Brisbane Central through a joint venture. MCK is the majority shareholder in land developer CDL Investments New Zealand Limited (NZX:CDI).

For more information, visit our website: www.millenniumhotels.co.nz



FY24 RESULTS PRESENTATION

FOR THE YEAR ENDED 31 DECEMBER 2024

Salt Restaurant, Millennium Hotel New Plymouth, Waterfront

**Strategic execution delivering
strong uplift in results**

**Ready to leverage demand
as tourism market recovers**

FY24 Performance Snapshot

Significant uplift in results; material growth in revenue and earnings over past two years

<p>TOTAL REVENUE</p> <p>\$176.2m +21.0%</p>	<p>NZ HOTEL REVENUE</p> <p>\$109.5m +8.3%</p>	<p>GROUP PROFIT BEFORE TAX</p> <p>\$47.1m +25.6%</p>
<p>EARNINGS PER SHARE</p> <p>17.17¹ cents +25.8%</p>	<p>PROPERTY ASSETS</p> <p>BOOK VALUE \$694.1m</p> <p>MARKET VALUE² \$1.1b</p>	<p>NTA PER SHARE</p> <p>BOOK VALUE \$3.46</p> <p>MARKET VALUE \$5.39³</p>

- Hotels: Continuing positive growth in hotel business
- CDL Investments: Solid turnaround with the cooldown in property sales stabilising
- Use of capital: Continue to invest in hotel property refurbishments and network expansion

1. Adjusted for one-off deferred tax adjustment, made as a result of government legislation change

2. Unaudited, assessed market valuation based on analysis by independent property experts as at 31 December 2024. Includes 100% of: NZ hotels, Zenith Apartments and CDI property assets; and 50% of: Sofitel Brisbane Hotel

3. Unaudited, adjusted for MCK proportion of shareholding being 100% NZ hotels and Zenith Apartments, 65% of CDI and 50% Sofitel Brisbane and including an allowance for tax on the revaluation of property assets

FY24 Summary Messages

Strong execution on plan delivering results, supported by high value portfolio. Will benefit as travel and property markets rebound driven by economic recovery

Economic headwinds

- Reduced domestic and corporate travel spend
- Cooldown in property sales
- Recovery expected late 2025
- Well positioned to win when demand returns

Strategic execution

- Strong results proving resilience of business and value of Revive and Thrive strategy
- Revive stage almost complete, moving to Thrive in late 2025
- Robust balance sheet providing optionality, ready to deploy

Valuable asset portfolio

- 19* NZ hotel properties in attractive locations
- Fair value of NZ hotel properties of \$512m
- Majority shareholding in CDI, joint venture in Sofitel Brisbane, owner of 22 apartments in Zenith Residences (Sydney)

Long term drivers are positive

- New Zealand is a top tourist destination and the second highest export earner for NZ
- Domestic and international travel spend will increase as economic headwinds ease

**incl The Mayfair Hotel settled post-FY24 year end*

FY24 Key Events

Positive year of progress, accelerating the return to pre-covid performance

- First year of 50% JV ownership in Sofitel Brisbane
- Purchase of land in Whangarei for the building of a new hotel in the future
- Entered into agreement for the acquisition of the Mayfair Hotel Christchurch which settled in January 2025
- Significant milestones achieved in hotel room refurbishment programme at Millennium Hotel Queenstown, Millennium Hotel Rotorua, Copthorne Hotel & Resort Bay of Islands and Copthorne Hotel Palmerston North
- Appointment of Anand Rambhai as new VP Finance
- CDI results reflected a solid turnaround from FY2023 as property markets have stabilised.

Revive And Thrive FY23 To FY26

Key initiatives

ACHIEVED

FY23

REVIVAL

- Bring rooms back online
- Building occupancy back to former levels
- Attract and retain full complement of staff
- Marketing and sales activity to drive guest visits
- Continued investment in refurbishment and upgrades

ACHIEVED / IN PROGRESS

FY23 - 24

EARLY STAGE GROWTH

- Identify opportunities to fill the gaps in the New Zealand hotel network
- Build beachhead in Australia
- Formalise strategy for sustainable operations achieving Toitu certification
- Continued investment in refurbishment and upgrades

FUTURE PLANNING

FY25 - 26

ACCELERATE GROWTH

- Optimise hotel network and under-utilised land and buildings
- Setting of sustainability targets for sustainable operations
- Continued investment in refurbishment and upgrades
- Expand footprint in Australia
- Continue to identify opportunities to fill the gaps in the New Zealand hotel network

BUSINESS PERFORMANCE

Our Business

NZ Hotel brands:

- Lifestyle – M Social
- Premium - Millennium Collection
- Comfortable - Copthorne incl Kingsgate

Australia:

- Zenith Residences – Exit Strategy
- JV - Sofitel Brisbane Central

CDL Investments New Zealand:

- Land developments
- Investment properties
- Projects in progress across New Zealand

- Own and operate hotels across New Zealand; building beachhead in Australia
- Experienced executive team
- ~1,200 team members across New Zealand and Australia
- Own 65% shareholding in CDL Investments NZ – residential and commercial land development
- NZX-listed. Board with independent Chairman, as well as representation from majority shareholder
- MCK is 76% owned by CDL Hotels Holdings, a 100% subsidiary of Hong Leong Group

NZ Hotel Business

Focus on making sure we have the best product available to capture existing demand as the tourism market recovers

FY2024 Hotel Revenue increase of 8.3% year on year to \$109.5m

Q1 2024: Positive start to the year. First quarter in five years without the impact of covid, weather events or large staffing shortages

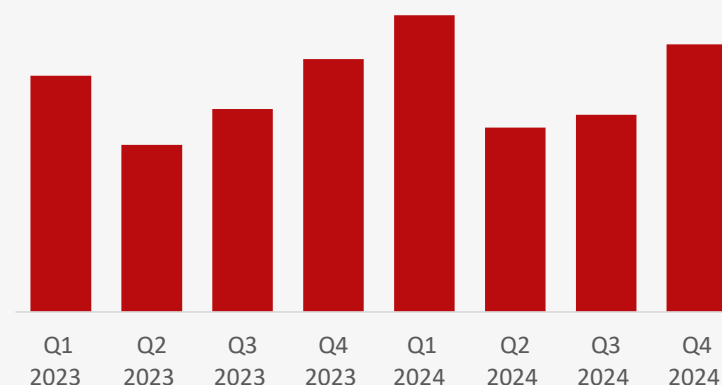
Q2 & Q3 2024: Steady trading as hotels adjusted with no special events (sport, concerts etc) to create demand

Q4 2024: Positive flow of international visitors and domestic market with concerts in Auckland

Good staffing levels and increased room capacity

Average hotel occupancy up 5% on prior year to 66%

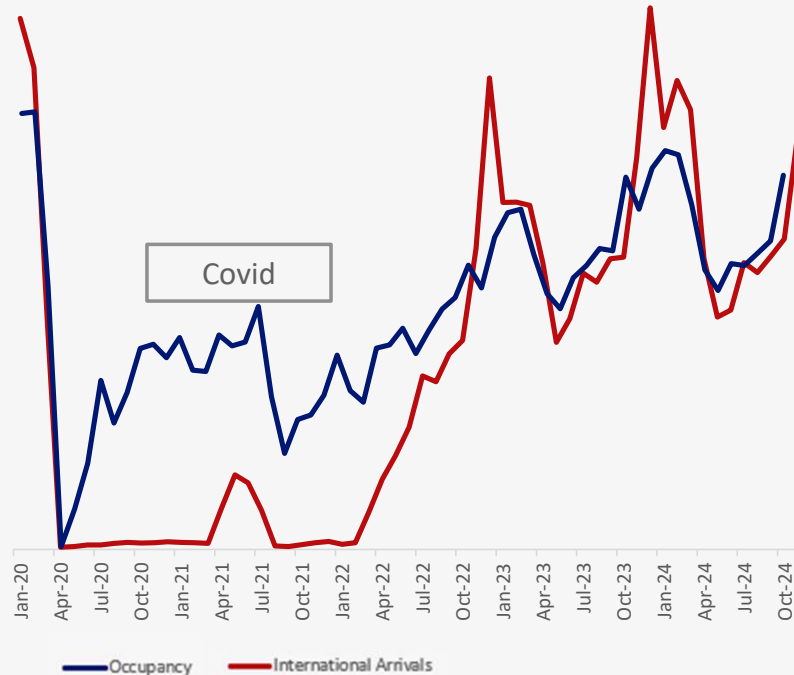
NZ Hotels Quarterly Revenue



New Zealand's Tourism Market

Short term impact of economic headwinds, on track for recovery to pre-pandemic levels.
MCK well positioned for tourism uplift

Correlation between increasing international visitor numbers and occupancy



- Tourism continues to recover and demand from overseas continues to improve
- Softer domestic consumer and corporate travel as fiscal conditions bite
- 2023 peaks reflect special events eg 2023 FIFA Women's World Cup. Limited events attracting international visitors to New Zealand in 2024
- International visitor arrivals expected to return to pre-covid levels by Q1 2027(TECNZ, Westpac)

Continued Investment Into Hotel Network

Expansion and improvement; Full benefits of refurbishment programme yet to be realised

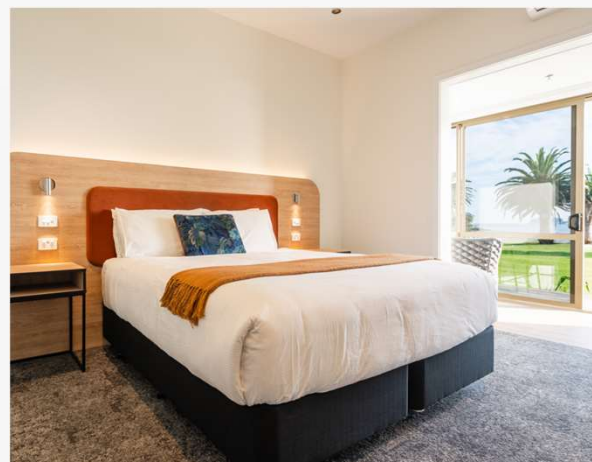
FILLING IN THE GAPS IN OUR NETWORK		
Brisbane Sofitel Hotel (50% JV)	Acquired December 2023	\$95.4m
Whangarei land	Acquired August 2024	\$2.2m
The Mayfair Hotel, Christchurch	Acquired January 2025, adding 67 rooms & suites	\$31.9m

SIGNIFICANT MILESTONES ACHIEVED IN REFURBISHMENT PROGRAMME		
Key projects in progress	Size	Timing
Millennium Hotel Queenstown	202 rooms completed 15 suites commenced	FY23 - FY24 FY25
Millennium Hotel Rotorua	99 rooms completed 127 rooms and 2 suites commenced	FY23 - FY24 FY25
Copthorne Hotel Palmerston North	Recladding and other works – nearing completion	FY23 - FY25
Copthorne Hotel & Resort Bay of Islands	90 rooms completed (of which 40 are reinstated rooms) Exterior repainting - completed	FY24

Key Hotel Property Projects Underway



**Millennium Hotel
Queenstown**
Refurbishment



**Copthorne Hotel &
Resort Bay of Islands**
Refurbishment &
repainting



Millennium Hotel Rotorua
Refurbishment



**Copthorne Hotel
Palmerston North**
Recladding, reglazing &
air-conditioning

Australia Operations

Strong performance from Sofitel Brisbane, positive progress on apartment sales

Sofitel Brisbane

- Acquisition settled December 2023 (50% JV)
- One of the more established and most reputable luxury hotels in Brisbane
- Consistent demand following soft Q1 with strong demand across all major segments
- Increasing contribution to group profitability expected to continue

Zenith Apartments

- Sale of nine apartments
- Remaining 22 apartments delivering good rental income
- Transfer of several units from rental pool to vacant to meet market demand as part of sell-down

Sofitel Brisbane Joint Venture		FY24 \$m
Hotel Revenue	100%	53.47
Hotel Operating profit		6.07
Profit after tax for the year		3.02
MCK's share of: Profit after tax	50%	1.51
Interest Income		1.18

Zenith Apartments – 100%	FY24	FY23	
Units sold this year	9	5	
Units Available	22	31	
Rental & Sales Income	17.6m	13.8m	27.5%
Profit before tax for the year	9.5m	7.1m	33.7%

CDL Investments

Solid result despite weak property market, expect value uplift as economic recovery reignites demand

- Total land holding 302ha
- Estimated yield circa 3,500 sections*
- Maintained a nationwide geographical spread
- Diverse portfolio across development and investment

Continually looking to grow the Portfolio

- Acquired 10.79ha residential land in Richmond, Nelson
- Acquired 10.08ha industrial zoned land in Harewood, Christchurch
- R2 Growth Cell (Hamilton) and Arataki Rd (Havelock North) projects included in Fast-track Approvals legislation

	FY24	FY23	
Revenue	49.1	30.8	59.4%
Operating profit	24.4	15.2	60.5%
Profit before tax	26.8	18.7	43.1%
Development properties	251.4	224.5	
Investment properties	36.3	35.8	
Cash and bank deposits	33.3	52.2	
Total assets	328.6	319.2	2.9%
Bank debt	0	0	
Net assets	319.7	313.7	1.9%

2024 FINANCIAL RESULTS

Group Summary

Strong trading despite headwinds, benefiting from increased revenue

- Uplift in revenue driven by NZ Hotels business & property sales stabilising
- Improvement in operating profit driven by increased revenue and a focus on cost management
- Profit before tax an increase of 25.6% yoy
- Profit after tax includes a one-off, non-cash \$25.8m deferred tax adjustment due to government tax legislation changes on depreciation
- **Excluding tax adjustment, profit after tax attributable to MCK shareholders would be \$27.2m**
- Dividend will not be paid due to CDLHH NZ takeover offer

	FY24	FY23	
Revenue	176.2	145.7	21.0%
Operating profit	42.5	32.1	32.1%
Net finance income	3.1	5.3	
Share of profit of joint venture (Sofitel Brisbane)	1.5	0.1	
Profit before tax	47.1	37.5	25.6%
One off deferred tax adjustment	25.8	-	
Profit after tax and NCI (attributable to MCK shareholders)	2.8	21.6	(87.2)%
Earnings per share	1.75c	13.65c	
EPS excl. one-off deferred tax adjustment	17.17c	13.65c	
Dividend (per share)	0.0c	3.0c	

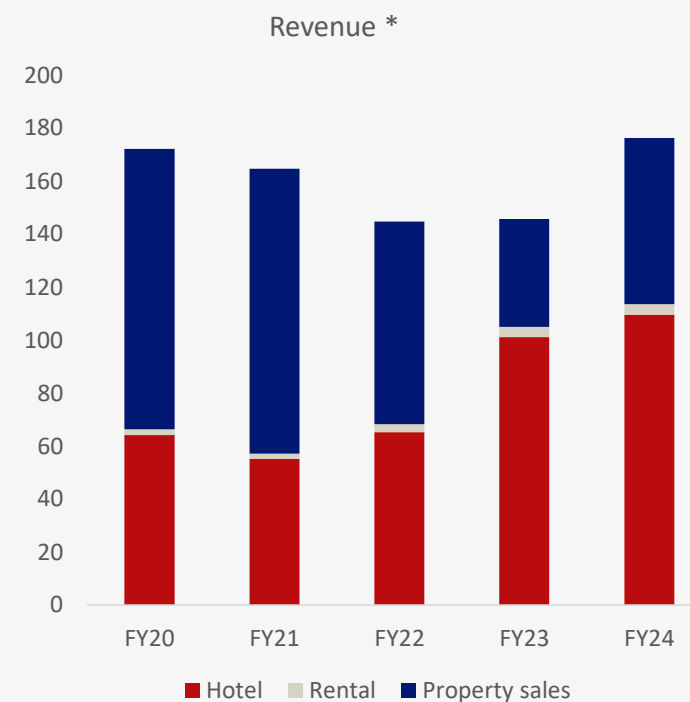
Strong 21% revenue uplift to \$176.2m

Driven by increasing demand in Hotel business and stabilising of property sales

Highest revenue result in past 5 years*

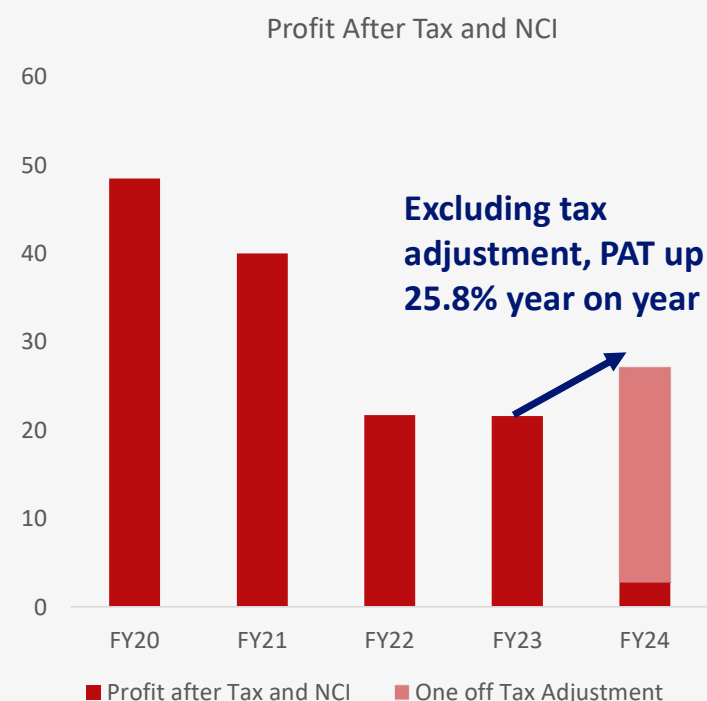
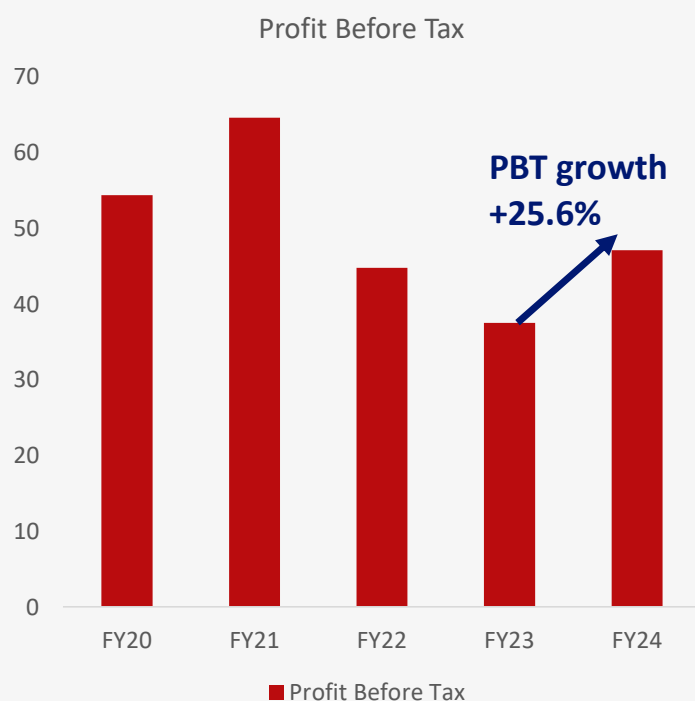
- NZ Hotel operations: First uninterrupted period of trading since the pandemic
- CDL Investments: Signs of recovery with a solid turnaround in a weak property market
- Australia: Ongoing rental income and further sell-down of Zenith apartments

* Excludes revenue from Sofitel Brisbane as this is a joint venture and is therefore equity accounted



Focus on profit improvement is delivering

Profit before tax up 25.6% year on year



Robust Balance Sheet

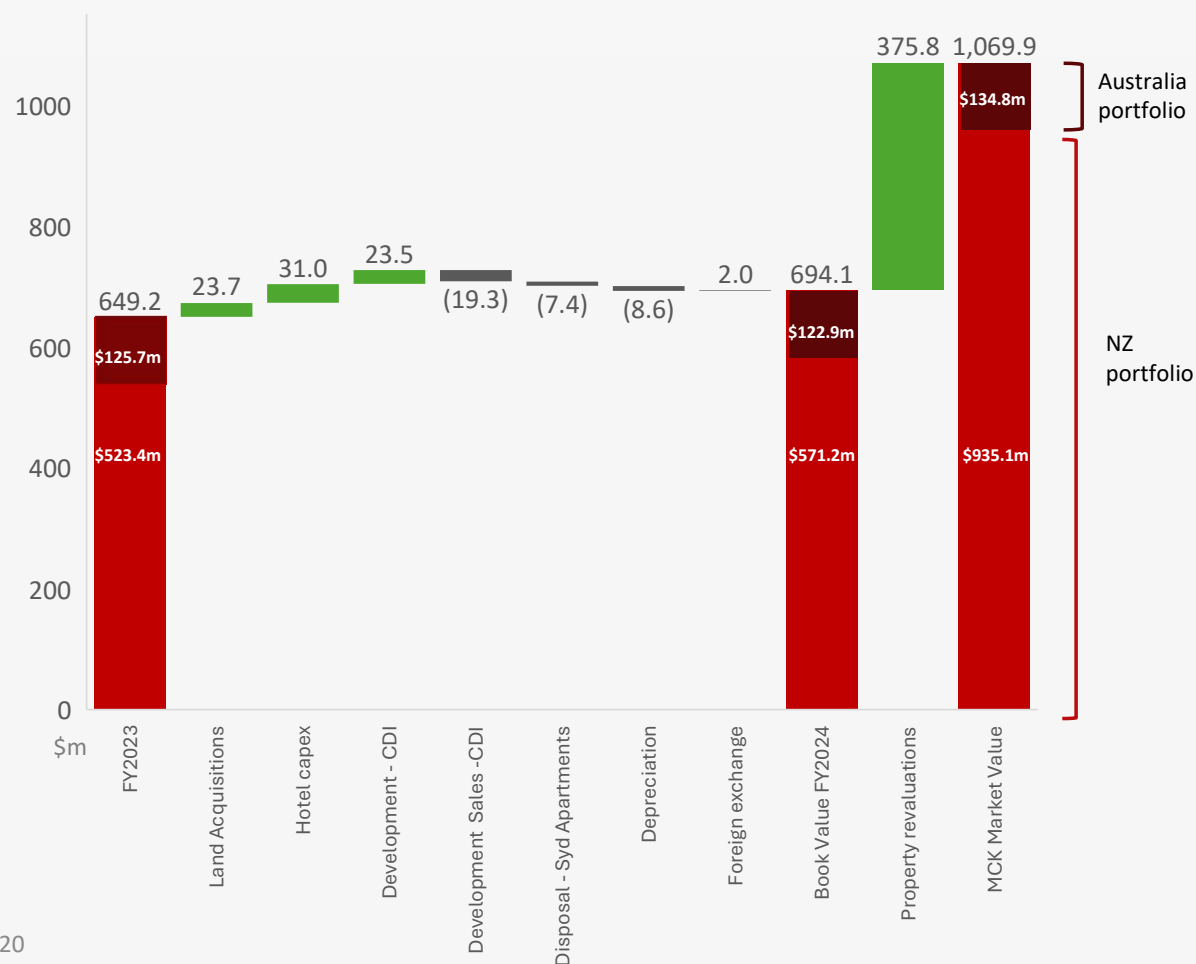
Ready to deploy, provides optionality for growth phase

- PP&E movement reflects ongoing hotel refurbishment
- Development property acquisitions by CDL Investments
- Investment properties are the Zenith Apartments & CDL Investments Commercial / Retail Properties
- Utilisation of the bank facility, with a further draw down in January 2025 for the settlement of the Mayfair Hotel
- Positive cash positions as at 31 December, with \$41.3m on a consolidated basis

	FY24	FY23	
Property, plant and equipment	283.4	263.1	
Development properties	264.1	244.1	
Investment properties	36.3	35.8	
Investment in JV	46.6	43.9	
Loans in JV	63.8	62.2	
Cash and bank deposits	41.3	75.3	
Total assets	762.3	746.8	2.1%
Bank debt	3.0	12.0	
Deferred tax liability	32.7	7.0	
Other Liabilities	61.6	65.4	
Net Assets	664.9	662.5	0.4%
NTA per share	3.46	3.46	

Property Portfolio

Actively managing the portfolio with hotel refurbishments, land development and property sales



Book value \$694.1m

- Hotel land and buildings carried at historic cost including refurbishments less depreciation
- Investment Properties consist of commercial warehousing & retail shops –carried at cost less depreciation
- Development land – carried at the lower of cost, including acquisition, development and holding costs.
- Property revaluations are not recognised on Balance Sheet

Fair market value \$1.1billion¹

1. Unaudited, assessed market valuation based on analysis by independent property experts as at 31 December 2024. Includes 100% of: NZ hotels, Zenith Apartments and CDI property assets; and 50% Sofitel Brisbane Hotel

Further property growth opportunities

Optimising the opportunities of the hotel network and under-utilised land and buildings

- **Whangarei** – further developing the feasibility of a hotel development working through engineering , architectural and planning requirements to establish viability to commence construction
- **Mayfair Hotel in Christchurch** was settled in January 2025 and will transition into the operations of MCK, including a rebranding
- **Surplus land adjacent to hotels** - in Rotorua, Palmerston North and Queenstown – being considered for further development or sale
- **Seismic assessments** to take place following upcoming changes to criteria and work through any requirements for seismic strengthening
- **Downtown Carpark development** in Auckland will have an impact on the adjoining M Social Hotel, with consideration required on the impacts of the adjoining development and the opportunity available to consider further development of the hotel site
- **Development** works advancing across CDI's key sites, particularly two fast-track projects in Hamilton and the Hawkes Bay

2025 OUTLOOK

2025 Outlook

Confident in continued progress under Revive and Thrive strategy

- Global and domestic economic recovery will drive demand – expected from late-2025, although timing and pace remains uncertain
- Varied regional demand – some areas, such as Queenstown, remain extremely strong
- Central and local Government action and support needed to promote NZ and attract tourists, conferences and events
- Property markets in New Zealand are showing signs of improvement and looking advance development works across key sites

2025 Priorities

- Ongoing control over the controllables - strong staffing levels and more room capacity
- Continue to increase the number of rooms available to sell following refurbishments and rooms being recommissioned
- Continued investment into refurbishment and upgrades
- Grow My Millennium loyalty scheme to drive bookings
- Identify and assess opportunities for surplus land

SUMMARY

- **Valuable portfolio of property and assets**
- **Long term property improvement programme adding further value to existing assets**
- **Strong hotel brand recognition and reputation**
- **Well positioned for uplift in performance and results when tourism and property markets reignite**
- **Experienced management team, successfully executing on strategy**
- **The only hotels and property group listed on the NZX**

2025 represents MCK's 30th year of continuous operations in New Zealand

CDLHH NZ TAKEOVER OFFER

CDLHH NZ is seeking to buy the remaining ~24.6% of shares in MCK that it does not already own

- 20 January 2025: Takeover notice received
- 10 February 2025: Takeover Offer sent to shareholders. Offer price of \$2.25 per share
- 24 February 2025: Target Company Statement to be sent by MCK to shareholders.
Includes Independent Directors' recommendation and Independent Advisers' Report.
- 5pm, 8 May 2025: Offer closes
- 6 June 2025: Last date to declare the Offer is Unconditional
(Dates applicable in each case unless Offer extended in accordance with the Takeovers Code)

Key Conditions of the Offer

- a) Minimum acceptance condition: CDLHH NZ needs to obtain 90% or more of the voting rights in MCK by 5.00pm on the Closing Date (but CDLHH NZ could elect to waive this condition);
- b) OIO condition: CDLHH NZ obtaining consent under the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005 for CDLHH NZ to own and control all of the Ordinary Shares
- c) Other: that a range of certain events or circumstances have not occurred at the time the Offer is declared unconditional



APPENDICES

OUR HOTEL NETWORKS

As at 31 January 2025

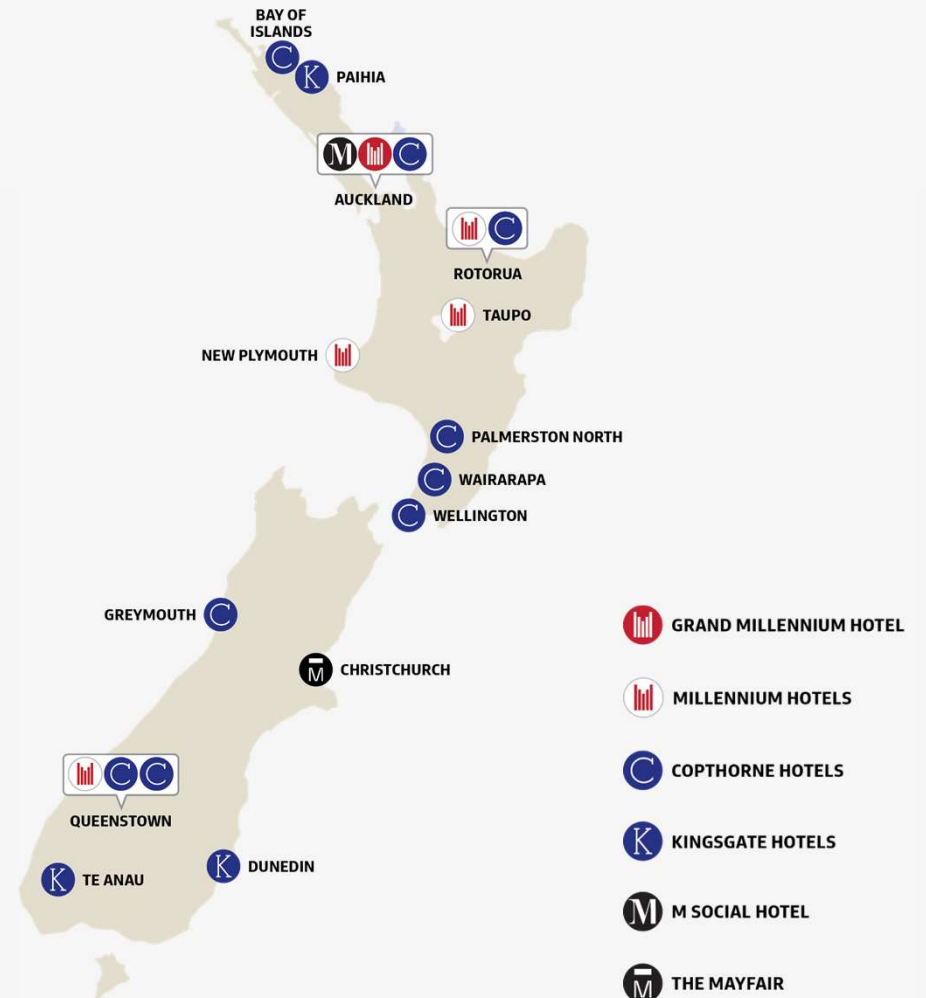
19 hotels in NZ

Opportunity to fill in the network
2,300 rooms per night owned and managed

1 hotel in Australia*

Beachhead established. Significant opportunity to build footprint

*50/50 Joint Venture of Brisbane Central Hotel – with Hotel Management Agreement
The Mayfair acquired January 2025, post financial year end



CDL Investments NZ (NZX: CDI)

65.3% shareholding

Residential & commercial land development

4x Commercial Investment properties -

2x Warehouses (NLA 16,402 m² WALE 5.1 years)

2x Retail (NLA 3,411 m² WALE 5.52 years)

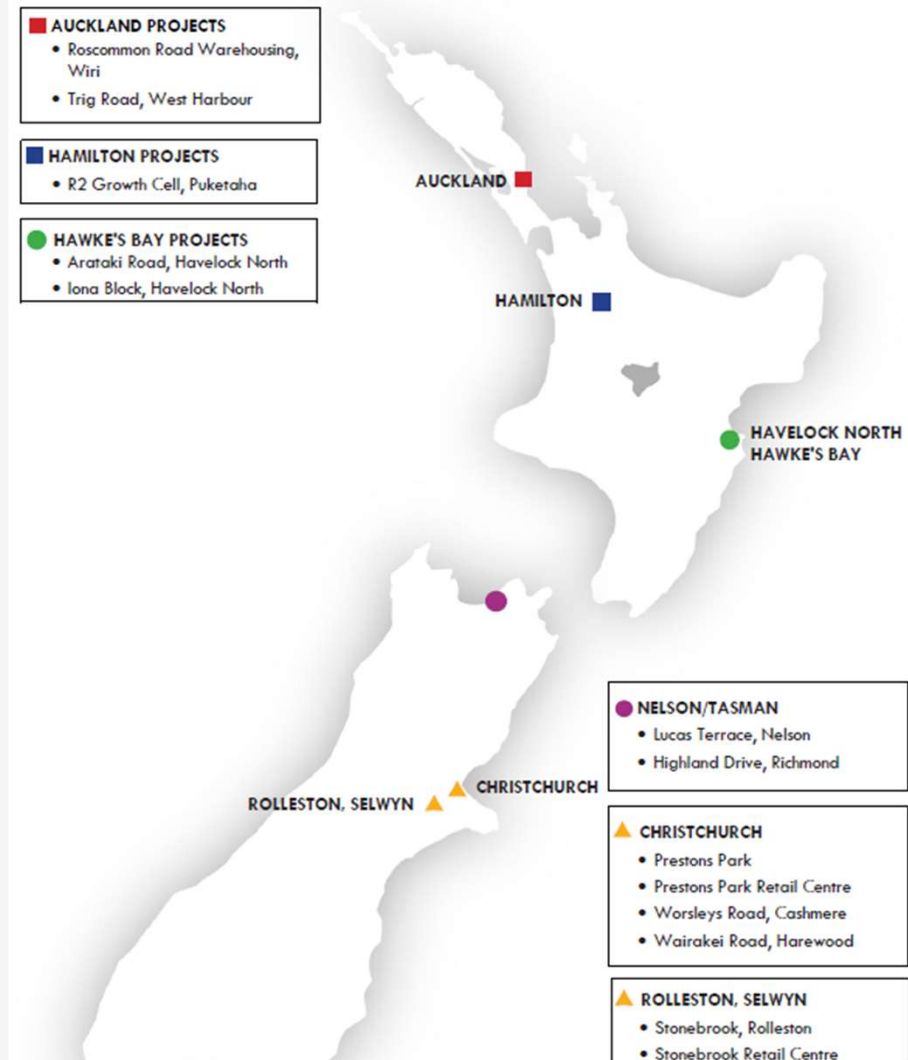
Projects across New Zealand

11x Residential Land Development

1x Commercial Land Development

Provides MCK with a diversified property portfolio and revenue stream

Subdivision Location Map



MyMILLENNIUM

Your Story Starts Here

Every adventure begins with a single step, whether it's a cozy escape or a once-in-a-lifetime experience. Unlock the next chapter of your travels with MyMillennium, the loyalty programme of Millennium Hotels and Resorts. Enjoy exclusive benefits across our hotels and restaurants worldwide and experience unforgettable moments as you explore the world with us.

Enjoy Instant Membership Benefits

Access exclusive benefits and offers from the moment you join MyMillennium. The more you stay and dine, the better it gets.



Complimentary

10

MyPoints earned for every USD\$1 spent on rooms, incidentals and in-house guest dining

5

MyPoints for every USD \$1 spent on F&B for non-staying guests

USD \$20

Dining Credits

Complimentary Welcome Gift upon signing up to MyMillennium

15% off Dining
(excluding alcohol)
F&B Benefits

10 Nights Stayed OR US\$625 F&B Spend per year to qualify

15

MyPoints earned for every USD\$1 spent on rooms, incidentals and in-house guest dining

5

MyPoints for every USD \$1 spent on F&B for non-staying guests

-

20% off Dining
(excluding alcohol)
F&B Benefits

20 Nights Stayed OR US\$1,250 F&B Spend per year to qualify

20

MyPoints earned for every USD\$1 spent on rooms, incidentals and in-house guest dining

5

MyPoints for every USD \$1 spent on F&B for non-staying guests

-

25% off Dining
(excluding alcohol)
F&B Benefits



EXPLORE OUR BRANDS



Contemporary hotels for the curious, the explorers and those who thrive on new experiences. Functionally chic, the Lifestyle brand of hotels are designed for all travellers.

Brands in the Lifestyle collection include:
M Social Hotels.



The travellers' choice in gateway cities. The Millennium brand of hotels are created with timeless elegance and famed for their conference and banquet offerings, world-class facilities and the ultimate in personalized, gracious service. They are perfect for corporate, leisure, meetings and conventions.

Brands in the Premium collection include:
Grand Millennium Hotels and Millennium Hotels.



Comfortable hotels at a comfortable price. This brand of hotels are firmly established as a preferred choice for both business and leisure travellers in providing comfortable service.

Brands in the Comfortable collection include:
Cophthorne Hotels and Kingsgate Hotels.

M

LIFESTYLE



MSOCIAL





PREMIUM



GRAND
MILLENNIUM



MILLENNIUM



C | COMFORTABLE



Cophorne

Kingsgate





MANAAKI

Protect & Care

Millennium Hotels and Resorts New Zealand have partnered with Save the Kiwi to keep our kiwi chicks safe and support their growth in the Save the Kiwi crèche in Napier.

On 1 July 2023 Millennium Hotels and Resorts New Zealand entered a partnership with Save the Kiwi New Zealand to create a unique opportunity for hotel guests to donate a meal or a 'room' for a night to this leading conservation charity dedicated to the preservation of New Zealand's national icon, kiwi.

Opting out of having your room serviced on a multi-night stay helps the hotels conserve water and energy, the funds from these resources can then be redirected towards Save the Kiwi.

YEAR ONE
29,500 Meals Donated



DISCLAIMER

This announcement has been prepared by Millennium & Copthorne Hotels New Zealand Limited ("M&C Hotels"). The details in this announcement provide general information only. It is not intended as investment, legal, tax or financial advice or recommendation to any person and must not be relied on as such. You should obtain independent professional advice prior to making any decision relating to your investment or financial needs.

All references to \$ are to New Zealand dollars unless otherwise indicated. Percentages may be subject to rounding.

This announcement may contain forward-looking statements. Forward-looking statements can include words such as "expect", "intend", "plan", "believe", "continue" or similar words in connection with discussions of future operating or financial performance or conditions. The forward-looking statements are based on management's and directors' current expectations and assumptions regarding the M&C Hotels business, assets and performance and other future conditions, circumstances and results. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and to any changes in circumstances. M&C Hotels actual results may vary materially from those expressed or implied in the forward-looking statements. M&C Hotels and its directors, employees and/or shareholders have no liability whatsoever to any person for any loss arising from this announcement or any information supplied in connection with it. M&C Hotels are under no obligation to update this announcement or the information contained in it after it has been released. Past performance is no indication of future performance.