MILLENNIUM
HOTELS AND RESORTS

TARGET COMPANY STATEMENT

in response to a full takeover offer by
CDL Hotels Holdings New Zealand Limited

You should read this Target Company Statement in its entirety, including the Independent Adviser's Report from Northington Partners Limited, carefully and in full when considering whether to accept the Offer. This is an important document and requires your urgent attention. If you have any questions in respect of this document or the Offer, you should seek advice from your financial or legal adviser.

24 February 2025

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Cover Image: M Social Auckland 196/200 Quay Street, Auckland CBD.
Left: Beast & Butterflies Restaurant inside M Social Auckland.

LETTER FROM THE CHAIR OF THE INDEPENDENT DIRECTORS

Left: The bar at Beast & Butterflies Restaurant, M Social Auckland.

LETTER FROM THE CHAIR OF THE INDEPENDENT DIRECTORS

24 February 2025

Dear Shareholder,

The Independent Directors of MCK strongly recommend shareholders DO NOT ACCEPT the Offer. You should ignore the Offer documents sent to you by CDLHH NZ and TAKE NO ACTION.

You will have recently received a Takeover Offer from CDL Hotels Holdings New Zealand Limited (CDLHH NZ) to acquire all of your ordinary shares (Ordinary Shares) in Millennium & Copthorne Hotels New Zealand Limited (MCK) for $2.25 per Ordinary Share (the Offer). CDLHH NZ is an indirect wholly owned subsidiary of Singapore Exchange-listed City Developments Limited (CDL Group). CDLHH NZ currently owns 75.86% of the Ordinary Shares and 91.34% of the redeemable non-voting preference shares (Preference Shares) in MCK. The Offer is for CDLHH NZ to acquire all the remaining Ordinary Shares that it does not currently own.

MCK's response to the Offer has been managed by the committee of Independent Directors of the MCK Board (the Independent Committee), comprising Leslie Preston (Independent Committee Chair), Colin Sim and Graham McKenzie. The Independent Directors do not own any Ordinary Shares or Preference Shares in MCK.

The two MCK directors who are associated with CDLHH NZ, Kevin Hangchi and Eik Sheng Kwek, do not sit on the Independent Committee because they have a conflict of interest. In addition, MCK's Managing Director (Stuart Harrison) also does not sit on the Independent Committee because he has a potential conflict of interest due to his executive role with MCK.

The Independent Committee has sought advice from Cameron Partners Limited (Cameron Partners) as financial adviser and Bell Gully as legal adviser, and carefully considered the report from the Independent Adviser, Northington Partners Limited (Northington or the Independent Adviser), in assessing the merits of the Offer and making its recommendation to shareholders.

Reasons NOT TO ACCEPT the Offer

The Offer of $2.25 per Ordinary Share is significantly below the Independent Adviser's valuation range of $4.40 to $5.00 per Ordinary Share (with the midpoint of the Independent Adviser's valuation range being $4.70 per Ordinary Share). The Independent Adviser concludes that ***"the mid-point value of our assessed value range ($4.70 per share) is more than double the Offer Price of $2.25. Even allowing for a reasonable margin of error in relation to our valuation, we conclude that the Offer significantly undervalues the Company."***

The Independent Adviser's Report is set out in the Appendix to this Target Company Statement. The Independent Committee strongly encourages all holders of Ordinary Shares to read the full Target Company Statement (including the Independent Adviser's Report).

The primary reasons why the Independent Directors believe you should NOT ACCEPT the Offer are:

1. **The Offer price of $2.25 per Ordinary Share is significantly below the Independent Adviser's assessment of value for the Ordinary Shares. The Independent Adviser has assessed a value range of $4.40 to $5.00 per Ordinary Share, with a midpoint of $4.70 per Ordinary Share.**

2. **The timing of the Offer significantly discounts the benefits to the Company that shareholders can expect as the hotel and property markets recover.** MCK remains confident in its outlook and its ability to continue to make progress under its Revive and Thrive Strategy. The Independent Directors believe that MCK is well positioned to benefit from a recovery in the tourism and property markets.

3. **The Offer undervalues recent capital expenditure on key hotels.** Over the last three financial years, MCK has invested approximately $59.0 million of capital expenditure on a number of hotels, the majority of which was spent on major refurbishments to the Millennium Hotel Queenstown, the Millennium Hotel Rotorua, the Copthorne Hotel & Resort Bay of Islands and the Copthorne Hotel Palmerston North. The Independent Directors believe that the expected benefits from this capital expenditure are yet to be fully reflected in MCK's operating results.

4. **The Offer is at a material discount to the market value of MCK's net assets and significantly undervalues the $129.5 million of recent acquisitions made by MCK. These assets were acquired at market values, with the acquisitions supported at the MCK Board by the two CDLHH NZ representative directors.** MCK has recently acquired 50% of Sofitel Brisbane Central for $95.4 million (December 2023), hotel development land in Whangarei for $2.2 million (August 2024), and The Mayfair Hotel Christchurch for $31.9 million (January 2025). Despite CDLHH NZ's support for MCK to acquire these assets at market values, the Offer is at a material discount to MCK's internally assessed market value of its net assets of $5.39 per Ordinary Share.[1]

5. **The Offer does not value the benefits that could be captured by CDLHH NZ.** There are benefits available to CDLHH NZ from acquiring all of the Ordinary Shares. These strategic benefits include the potential redemption of the Preference Shares at a price below the Offer price for the Ordinary Shares, complete control of MCK's business if MCK ceases to be listed on NZX, and potential cost synergies.

Further details are set out in Section 1 of this Target Company Statement.

1. Per Investor Presentation for FY24 results.

Offer conditions

The Offer is conditional on (among other matters) CDLHH NZ receiving acceptances in relation to the Ordinary Shares, which when taken together with the Ordinary Shares that it already holds or controls, confer on CDLHH NZ 90% or more of the voting rights in MCK. Should CDLHH NZ reach this threshold, it may compulsorily acquire all of the remaining Ordinary Shares in MCK. CDLHH NZ is entitled to waive this condition, in which case (if all other conditions have been satisfied or, if capable of waiver, waived) it could take up all acceptances of the Offer received.

The Offer is also conditional on (among other matters) CDLHH NZ receiving approval under the Overseas Investment Act. This may take some time.

Furthermore, CDLHH NZ has included as a condition of its Offer, that MCK may not pay or declare any dividend during the period from (and including) 20 January 2025 (being the date on which CDLHH NZ gave its Takeover Notice) until the date on which the Offer is declared unconditional or lapses. This means that shareholders will not receive a final dividend for FY24 (unless the Offer lapses and the Board subsequently decides to pay a dividend in respect of FY24). In the last two financial years, MCK paid a final dividend of 3.0 cents per Ordinary Share in May 2023 and in May 2024. If the Offer is successful, shareholders will not receive any final dividend in respect of FY24.

Timing

The Offer must remain open until at least 5.00pm NZT on 8 May 2025. CDLHH NZ may elect to extend the Offer beyond this date to 7 July 2025 (in the latest permitted circumstances).

If you accept the Offer, your decision is irrevocable and cannot be withdrawn. There is no benefit to accepting the Offer early and prior to the satisfaction of all of the conditions. If you accept the Offer early, you will not be paid until all conditions have been met, satisfied or waived.

LETTER FROM THE CHAIR OF THE INDEPENDENT DIRECTORS (CONTINUED)

MCK has more than 1,300 holders of Ordinary Shares[2] and as at 20 February 2025 (being the latest practicable date before the date of this Target Company Statement), CDLHH NZ had not announced that it had received acceptances of the Offer in respect of an additional 1% or more of the Ordinary Shares.

Preference Shares

MCK also has redeemable non-voting preference shares listed on the NZX Main Board under the ticker 'MCKPA' (Preference Shares). CDLHH NZ owns 91.34% of the Preference Shares. Although the Preference Shares rank equally with the Ordinary Shares with respect to all distributions made by MCK (subject to a liquidation preference) they do not (and are not required under the Takeovers Code to) form part of the Offer. However, independently of the Offer, CDLHH NZ has indicated that it is willing to acquire the Preference Shares at $1.70 per share via its broker, Craigs Investment Partners Limited, through buying on the NZX Main Board (the RPS Offer).

CDLHH NZ has stated that it may also elect to seek to have the Preference Shares issued by MCK redeemed, if CDLHH NZ is successful in acquiring all of the outstanding Ordinary Shares. Preference Shares can be redeemed by MCK at any time if the redemption is approved by holders of Preference Shares by way of special resolution. CDLHH NZ has sufficient votes to pass such a special resolution. The redemption price for each Preference Share would be the higher of their 20-day volume weighted average price or their issue price of $0.64.

Historically, the Preference Shares have traded broadly in line with the Ordinary Shares (reflecting essentially the same economic rights). However, the Ordinary Shares traded at $2.40 and the Preference Shares traded at $1.80 per share on Thursday, 20 February 2025, being the last practicable trading day prior to the release of this Target Company Statement. To the extent the Preference Shares were redeemed for a price below the Offer price for the Ordinary Shares, it would increase the value of the Ordinary Shares. CDLHH NZ is suggesting this could happen in the event its Offer is successful.

The Independent Directors make no recommendation in respect of the RPS Offer. The Takeovers Code does not apply to the RPS Offer and this Target Company Statement does not include information about the RPS Offer. Shareholders who are considering selling their Preference Shares as part of the RPS Offer or otherwise are recommended to seek their own professional advice.

In assessing the Offer for Ordinary Shares, MCK shareholders who also own Preference Shares may wish to consider the implications for their Preference Shares (including their potential redemption) if the Offer is successful.

Summary

MCK offers its shareholders a unique investment opportunity as the only hotels and property group listed on the NZX.

Our core focus is to deliver value to all MCK shareholders, and we want all of our shareholders to benefit from the future value we believe is available through MCK. We believe that if the major shareholder wishes to acquire all of MCK, it should pay an appropriate price. **The Independent Directors are firmly of the view that CDLHH NZ's current Offer is too low and is inadequate.**

This document sets out your Independent Director's formal response to the Offer, including reasons **why we believe you should NOT accept the Offer.** However, the decision whether or not to accept the Offer is an individual decision. The Independent Directors recommend you read the Target Company Statement carefully and in full, including the Independent Adviser's Report, before making a decision (including the Independent Adviser's assessment of the merits of the Offer on pages 5, 6, 36 and 37 of the Independent Adviser's Report).

2. As at 13 February 2025.

If you have any queries in relation to the Offer, please email enquiries@mckhotels.co.nz. If you are in any doubt how to respond to the Offer, please seek financial advice from an independent, qualified adviser in relation to your particular circumstances.

Your Independent Directors will continue to keep you updated on all material developments in relation to the Offer. Announcements are available on the NZX website (www.nzx.com/companies/MCK) and the MCK website (https://mckhotels.co.nz/investors/).

Yours sincerely,

Leslie Preston

Leslie Preston
Chair of the Independent Directors Committee of MCK

SECTION 1: INDEPENDENT DIRECTORS' RECOMMENDATION

Left: The newly refurbished reception area at Millennium Hotel Queenstown.

SECTION 1: INDEPENDENT DIRECTORS' RECOMMENDATION

The Independent Directors unanimously recommend that you DO NOT ACCEPT the Offer from CDLHH NZ in respect of your Ordinary Shares in MCK.

The Independent Directors did not encourage or solicit CDLHH NZ's Offer.

The primary reasons for the Independent Director's DO NOT ACCEPT recommendation are set out below and discussed throughout this Section:

1. **The Offer price of $2.25 per Ordinary Share is significantly below the Independent Adviser's assessment of value for the Ordinary Shares. The Independent Adviser has assessed a value range of $4.40 to $5.00 per Ordinary Share, with a midpoint of $4.70 per Ordinary Share.**
2. **The timing of the Offer significantly discounts the benefits to the Company that shareholders can expect as the hotel and property markets recover.**
3. **The Offer undervalues recent capital expenditure on key hotels.**
4. **The Offer is at a material discount to the market value of MCK's net assets and significantly undervalues the $129.5 million of recent acquisitions made by MCK. These assets were acquired at market values, with the acquisitions supported at the MCK Board by the two CDLHH NZ representative directors.**
5. **The Offer does not value the benefits that could be captured by CDLHH NZ.**

Further details are set out on the following pages.

The Independent Directors strongly encourage you to take these factors into account, together with the assessment of the Independent Adviser as to the merits of the Offer, when considering your response to CDLHH NZ's Offer. The Independent Adviser's assessment of the merits of the Offer is set out on pages 5, 6, 36 and 37 of the Independent Adviser's Report.

The Independent Adviser's Report is set out in the Appendix to this Target Company Statement.

Please read the Target Company Statement carefully and in full when considering whether or not to accept the Offer. The decision whether or not to accept the Offer is an individual decision. If you have any questions in respect of this document or the Offer, you should seek financial advice from an independent, qualified adviser.

1. The Offer price of $2.25 per Ordinary Share is significantly below the Independent Adviser's assessment of value for the Ordinary Shares. The Independent Adviser has assessed a value range of $4.40 to $5.00 per Ordinary Share, with a midpoint of $4.70 per Ordinary Share

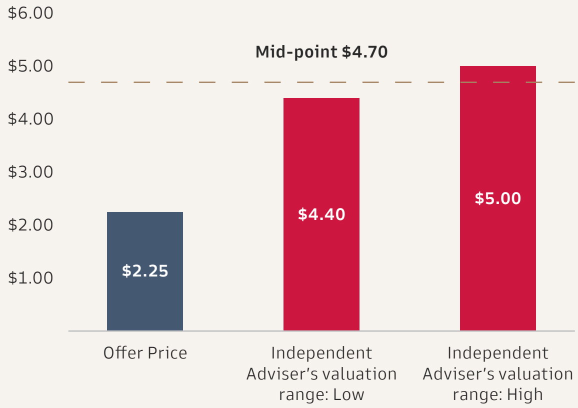
Northington Partners Limited (Northington or the Independent Adviser) was engaged to prepare an Independent Adviser's Report to assess the merits of the Offer for holders of the Ordinary Shares. Northington's independent report is attached in full in the Appendix to this Target Company Statement.

Northington states that the ***"mid-point value of our assessed range ($4.70 per share) is more than double the Offer Price of $2.25. Even allowing for a reasonable margin of error in relation to our valuation, we conclude that the Offer significantly undervalues the Company."***

The Independent Adviser's Report confirms the view of the Independent Directors that the Offer is too low and is inadequate.

Comparison of Offer Price to Assessed Value

The Independent Adviser has assessed a valuation range of $4.40 to $5.00 per Ordinary Share, with a mid-point of $4.70 per Ordinary Share. This is significantly higher than the Offer Price of $2.25 per Ordinary Share. The Offer price represents a material discount to the mid-point of the Independent Adviser's valuation range as illustrated in the chart following.



The Independent Adviser notes that its value range for MCK of $4.40 to $5.00 per Ordinary Share compares to MCK's reported book value per Ordinary Share of $3.46 as of 31 December 2024. The book value reflects the carrying value for MCK's assets, which are recorded at cost less accumulated depreciation and impairment losses. If MCK's properties were reported at market value (as was MCK's accounting policy prior to FY21), the Independent Adviser's assessment of the adjusted net asset value per Ordinary Share is $5.71 as of 31 December 2024 (prior to tax considerations). Predominantly allowing for the implied deferred tax on the market revaluations (and, to a lesser extent, capital gains tax on the Sydney Apartments value), MCK's internally assessed market value of its net assets is $5.39 per share.

The Independent Adviser states its value range therefore represents a discount to its market value adjusted net asset value per Ordinary Share of 13% to 23% (or a 7% to 18% discount to MCK's reported adjusted net asset value of $5.39) and that this discount largely reflects company overheads which are reported in the Independent Adviser's valuation framework but not incorporated into the property market valuations.

Valuation Approach

Based on the unique characteristics of MCK's hotel and property investments, the Independent Adviser has assessed MCK's value on a component "sum-of-the-parts" basis both as a going concern (Going Concern Value) and under an orderly realisation of assets through the sale of its hotel, residential and investment properties (Wind-Up Value).

The Independent Adviser states in the Independent Adviser's Report that it has assumed for the purposes of the Going Concern Value and the Wind-Up Value that the number of MCK shares on issue is the fully diluted number of both the Ordinary Shares and the Preference Shares. Therefore, MCK's Ordinary Shares and Preference Shares were valued equally by the Independent Adviser. To the extent MCK's Preference Shares were redeemed for a price below $4.70 per share (being the mid-point of the assessed valuation range), the Independent Adviser's valuation range for Ordinary Shares would increase.

The Independent Adviser also notes in the Independent Adviser's Report that although the Offer price represents a premium of 29.0% to the 20-day VWAP of MCK's Ordinary Shares ($1.75) prior to CDLHH NZ's announcement of its intention to make an offer (on 20 January 2025), Northington suggests that MCK's share price is of limited relevance in this instance. This is because the observed NZX prices relate to trades for small parcels of shares and reflect that MCK shares are very illiquid. The Independent Adviser suggests that the low price (relative to its assessed value) may also reflect that CDLHH NZ has control of MCK and is pursuing a strategy which favours long-term capital appreciation over cash distributions in the short term.

Consequences for Minority Shareholders if the Offer is Not Successful

The Independent Adviser discusses the consequences for minority shareholders if the Offer is not successful on pages 6, 36 and 37 of the Independent Adviser's Report.

SECTION 1: INDEPENDENT DIRECTORS' RECOMMENDATION (CONTINUED)

The Independent Adviser states that if the Offer conditions are not fully satisfied or waived by CDLHH NZ, the Offer will lapse and MCK will continue to operate in its current form. It assesses that MCK shares are likely to continue to trade at a significant discount to the Independent Adviser's assessed value range because of the lack of liquidity and ongoing minority discount attributed to small share parcels.

The Independent Adviser states that if the Offer is unsuccessful, it believes that CDLHH NZ will remain motivated to reach the 90% ownership level needed to utilise the compulsory acquisition provisions of the Takeovers Code. One of those options is to make a further takeover offer at a higher price (or to increase the price for the current Offer in accordance with the Takeovers Code).

The Independent Adviser says that in its view the likelihood of an alternative takeover offer emerging for MCK from a party other than CDLHH NZ is extremely low. As CDLHH NZ already controls 75.9% of the voting rights in MCK, any alternative takeover offer would require CDLHH NZ's support.

The Independent Adviser also states that while the Offer price of $2.25 per Ordinary Share is considerably lower than the assessed value range of $4.40 to $5.00 per Ordinary Share, some shareholders may see the Offer as an opportunity to exit their investment in MCK at a known price (without brokerage costs). It notes that Ordinary Shares are highly illiquid and, in its view, will remain so if the Offer is unsuccessful. Given the uncertainties relating to the share price and the market liquidity after the Offer has closed, the Independent Adviser notes that some shareholders may accept a price lower than the perceived value of the Ordinary Shares in return for a certain exit.

However, the Independent Directors are firmly of the view that the current Offer price is too low and, even if you do wish to accept the Offer, there is no benefit to accepting the Offer early.

2. The timing of the Offer significantly discounts the benefits to the Company that shareholders can expect as the hotel and property markets recover

MCK's results for the year ending 31 December 2024 recorded consolidated group revenue of $176.2 million (2023: $145.7 million), group operating profit before tax and non-controlling interests of $47.1 million (2023: $37.5 million) and earnings per share of 17.17 cents[3] (2023: 13.65 cents). MCK remains confident in its outlook and of its ability to continue to make progress under its Revive and Thrive Strategy. The Independent Directors believe that MCK is well positioned to benefit from a recovery in the tourism and property markets.

During 2024, MCK experienced a strong turnaround in its hotels business but it has still not yet fully recovered from the impact of the COVID pandemic on the tourism market:

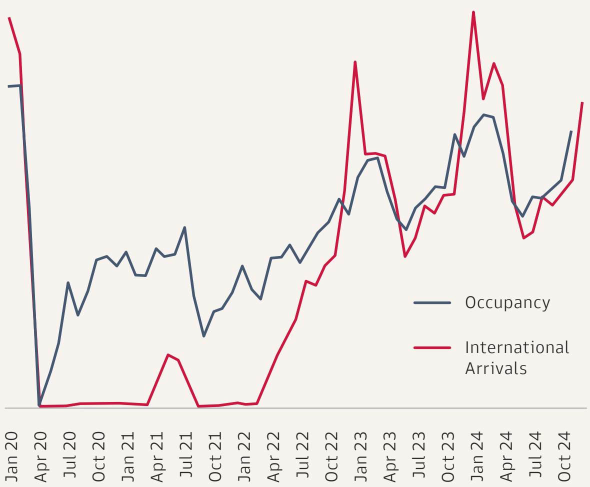
- New Zealand hotel revenue grew 8.3% to $109.5 million in 2024 ($101.1 million in 2023).
- Hotel occupancy improved during 2024 but has still not recovered to pre-COVID levels. From 2023 to 2024, MCK's occupancy improved from 61% to 66% across its New Zealand hotels and further improvement has been evidenced in January and during February 2025. However, occupancy still remains below 2019 levels (81%).
- 2024 New Zealand hotel revenue was 13.5% below 2019 and EBITDA was 53.5% lower than 2019.
- MCK strategically focuses on the international visitor markets. In 2019, international visitors accounted for 54% of all occupancy in New Zealand hotels.
- International visitor arrivals are expected to return to pre-COVID levels by Q1 2027.[4]
- The ongoing recovery of New Zealand's tourism sector is expected to drive earnings growth within MCK's hotel business in 2025 and beyond.

3. Adjusted for one-off deferred tax adjustment, made as a result of government legislation change.
4. TECNZ International Arrivals Forecast January 2025, Westpac.

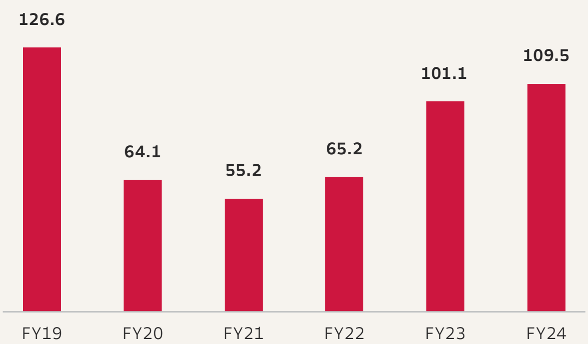
- The Sofitel Brisbane Central had a soft first quarter, but saw solid demand across its core segments as 2024 progressed.

The below charts illustrate the ongoing recovery in New Zealand's tourism sector and MCK's hotel occupancy, revenue and earnings.

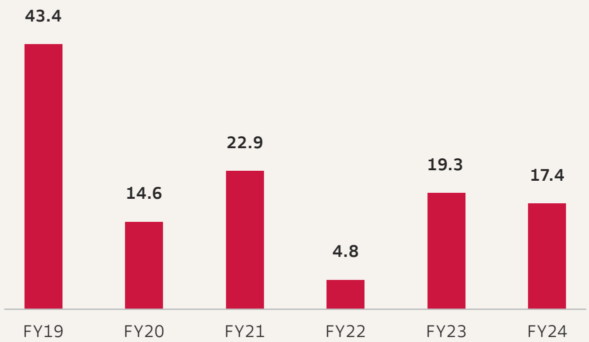
International visitor numbers to New Zealand and MCK's New Zealand hotel occupancy [5]



New Zealand hotel revenue ($m)



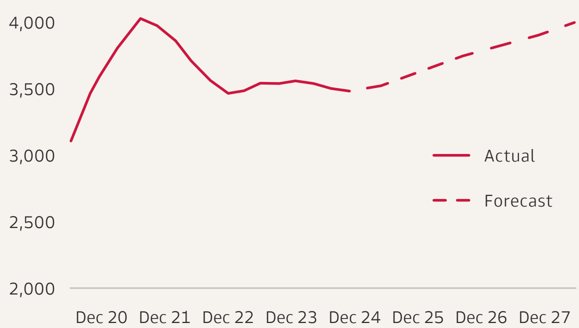
New Zealand hotel EBITDA ($m)



The Independent Directors believe that the property markets are expected to begin to recover as interest rates fall and economies improve:

- The market value of CDL Investments New Zealand Limited (CDI), MCK's 65% subsidiary, is currently impacted by weakness in the property market. As the property market begins to stabilise and potentially improve (see the forecasts in the below chart), the market value of CDI's assets and the profitability of its developments would likely increase; and
- improvements in the property market more generally would also lift the market valuations for CDI's tenanted industrial property and MCK's other property assets (hotels, Sydney apartments, vacant surplus land).

CoreLogic's New Zealand house price index [6]



5. Statistics New Zealand Visitor Arrivals.
6. RBNZ February 2025 Monetary Policy Statement.

SECTION 1: INDEPENDENT DIRECTORS' RECOMMENDATION (CONTINUED)

3. The Offer undervalues recent capital expenditure on key hotels

MCK is partially through a significant refurbishment and upgrade of hotel properties. This programme commenced in 2022 and is expected to be completed in 2025.

Over the last three years, MCK has allocated approximately $59.0 million of capital expenditure on a number of hotels, the majority of which was spent on major refurbishments and upgrades to:

- Millennium Hotel Queenstown;
- Millennium Hotel Rotorua;
- Copthorne Hotel & Resort Bay of Islands; and
- Copthorne Hotel Palmerston North.

Recently completed refurbishments and upgrades are expected to lift average daily room rates and earnings. Over 390 rooms have been refurbished in the last three years and over 140 additional rooms are due to be completed in FY25. In total, this represents over 30% of MCK's 1,720 owned New Zealand hotel rooms (excluding The Mayfair Hotel Christchurch). The Independent Directors believe that the expected benefits to revenue and earnings from this recent capital expenditure has yet to be fully reflected in MCK's operating results.

The Independent Directors believe that the Offer undervalues the capital expenditure investment made to date, and being completed, by MCK.

4. The Offer is at a material discount to the market value of MCK's net assets and significantly undervalues the $129.5 million of recent acquisitions made by MCK. These assets were acquired at market values, with the acquisitions supported at the MCK Board by the two CDLHH NZ representative directors

Strategic acquisitions are a key component of the growth strategy for MCK and its subsidiaries. As the controlling shareholder, CDLHH NZ has supported this strategy and MCK's recent investments.

MCK has invested $129.5 million on hotel acquisitions in the past two years comprising:

- $31.9 million for The Mayfair Hotel Christchurch in January 2025;
- $2.2 million for development land in Whangarei in August 2024; and
- $95.4 million for 50% of Sofitel Brisbane Central in December 2023. The remaining 50% was acquired by a subsidiary of CDL Group.

By supporting recent investments and acquisitions, CDLHH NZ has indicated that it is willing to pay market value for hotel and property assets. Furthermore, CDL Group partnered with MCK in acquiring Sofitel Brisbane Central.

MCK's internally assessed market value of its net assets implies a price of $5.39 per share.[7] Despite a willingness to acquire assets at market value, CDLHH NZ's Offer for MCK of $2.25 per Ordinary Share is at a material discount to the net market value of MCK's assets and appears to significantly undervalue MCK's recently acquired properties.

5. The Offer does not value the benefits that could be captured by CDLHH NZ

MCK's Independent Directors believe that there are potentially significant benefits available to CDLHH NZ from fully acquiring MCK. These strategic benefits include:

- The potential redemption of Preference Shares;
- Complete control of MCK's business if MCK ceases to be listed on NZX; and
- Potential cost synergies.

The above strategic benefits are discussed below. If the Offer is successful, these strategic benefits could be captured by CDLHH NZ and its shareholders, with no value benefit for the other holders of the Ordinary Shares. Given the significant strategic value in CDLHH NZ having full ownership of MCK, the Independent Directors believe that the other holders of the Ordinary Shares should share in a proportion of these benefits as part of the Offer.

The potential redemption of Preference Shares

MCK's Preference Shares are listed on the NZX Main Board under the ticker 'MCKPA'. CDLHH NZ owns 91.34% of the Preference Shares. Although the Preference Shares rank equally with the Ordinary Shares with respect to all distributions made by MCK (subject to a liquidation preference) they do not (and are not required under the Takeovers Code to) form part of the Offer. However, independently of the Offer, CDLHH NZ has indicated that it is willing to acquire the Preference Shares at $1.70 per share via its broker, Craigs Investment Partners Limited, through buying on the NZX Main Board.

CDLHH NZ has stated that it may also elect to seek to have the Preference Shares issued by MCK redeemed, if CDLHH NZ is successful in acquiring all of the outstanding Ordinary Shares. Preference Shares can be redeemed by MCK at any time if the redemption is approved by holders of Preference Shares by way of special resolution. CDLHH NZ has sufficient votes to pass such a special resolution. The redemption price for each Preference Share would be the higher of their 20-day volume weighted average price or $0.64.

Historically, the Preference Shares have traded broadly in line with the Ordinary Shares (reflecting essentially the same economic rights).[8] However, the Ordinary Shares traded at $2.40 and the Preference Shares traded at $1.80 per share on Thursday, 20 February 2025, being the last practicable trading day prior to the release of this Target Company Statement. To the extent the Preference Shares were redeemed for a price below the Offer Price for the Ordinary Shares, it would increase the value of the Ordinary Shares.

The Independent Directors make no recommendation in respect of the RPS Offer. The Takeovers Code does not apply to the RPS Offer and this Target Company Statement does not include information about the RPS Offer. Shareholders who are considering selling their Preference Shares as part of the RPS Offer or otherwise are recommended to seek their own professional advice.

In assessing the Offer for Ordinary Shares, MCK shareholders who also own Preference Shares may wish to consider the implications for their Preference Shares (including their potential redemption) if the Offer is successful.

Complete control of MCK's capital structure and business

MCK currently has a robust balance sheet with debt headroom and the ability to raise equity from shareholders. Although CDLHH NZ effectively currently controls MCK's capital structure, there are some constraints upon CDLHH NZ due to MCK being listed and the presence of minority shareholders. Fully acquiring all of the shares in MCK would provide CDLHH NZ with complete control of MCK's capital structure and business, which offers strategic benefits and optionality to further accelerate MCK's growth through acquisitions and investment.

Fully acquiring all of the shares in MCK would provide CDL Group direct control of CDI and full ownership of Sofitel Brisbane Central. This could provide strategic benefits for CDL Group.

Potential cost synergies

Cost synergies are potentially available to CDLHH NZ from fully acquiring all of the shares in MCK. The Independent Adviser has not separately valued the likely benefits that CDLHH NZ could capture. Cost synergies are likely to include avoiding costs associated with being a listed entity and potential efficiency improvements from full integration into CDL Group.

7. Per Investor Presentation for FY24 results.
8. See pages 27 and 28 of the Independent Adviser's Report.

SECTION 2: TAKEOVERS CODE DISCLOSURES

Left: A friendly greeting from our Social Team at M Social Auckland

SECTION 2: TAKEOVERS CODE DISCLOSURES

1. Date

This target company statement (the **Target Company Statement**) is dated 24 February 2025.

2. Offer

2.1 This Target Company Statement relates to a full takeover offer (the **Offer**) by CDL Hotels Holdings New Zealand Limited (**CDLHH NZ**) to purchase all of the ordinary shares (the **Ordinary Shares**) in Millennium & Copthorne Hotels New Zealand Limited (**MCK**) that it does not already own for a purchase price of $2.25 per Ordinary Share, payable in cash.

2.2 The terms of the Offer are set out in an offer document dated 10 February 2025 (the **Offer Document**), a copy of which was sent to holders of Ordinary Shares on 10 February 2025.

2.3 MCK also has redeemable non-voting preference shares listed on the NZX Main Board under the ticker 'MCKPA' (**Preference Shares**). The Preference Shares do not form part of the Offer because they are not equity securities for the purposes of the Takeovers Code. However, independently of the Offer, CDLHH NZ has indicated in the Offer Document that it is willing to acquire the Preference Shares at $1.70 per share via its broker, Craigs Investment Partners Limited, through buying on the NZX Main Board (the **RPS Offer**). In its Offer Document, CDLHH NZ states that it may also elect seek to have the Preference Shares redeemed if it is successful in acquiring all of the outstanding Ordinary Shares.

2.4 The Independent Directors make no recommendation in respect of the RPS Offer. The Takeovers Code does not apply to the RPS Offer and this Target Company Statement does not include information about the RPS Offer. Shareholders who are considering selling their Preference Shares as part of the RPS Offer or otherwise are recommended to seek their own professional advice.

3. Target Company

(a) The name of the target company is Millennium & Copthorne Hotels New Zealand Limited (NZX: MCK).

(b) The postal address of MCK is Floor 7, 23 Customs Street East, Auckland Central, Auckland, 1010, New Zealand.

(c) MCK's investor website is https://mckhotels.co.nz/investors/.

(d) The contact email address for MCK is enquiries@mckhotels.co.nz.

4. Directors of MCK

The directors of MCK are:

(a) Colin Sim
(Chair and Independent Director);

(b) Leslie Sue Preston
(Independent Director and Chair of Independent Directors' Committee formed to consider the Offer);

(c) Graham Andrew McKenzie
(Independent Director);

(d) Kevin Hangchi
(Non-Executive Director);

(e) Eik Sheng Kwek
(Non-Executive Director); and

(f) Stuart Nigel Bruce Harrison
(Managing Director).

5. Ownership of MCK's equity securities

5.1 The only class of equity securities on issue in MCK is the Ordinary Shares.

5.2 MCK also has Preference Shares on issue. However, these are not equity securities for the purposes of the Takeovers Code. Accordingly, all references to "equity securities" throughout this Target Company Statement refers only to the Ordinary Shares, unless otherwise specified.

5.3 Schedule 1 to this Target Company Statement sets out the number and the percentage of Ordinary Shares held or controlled by each director or senior manager[9] of MCK (a **Director** or **Senior Manager**, respectively) and their associates. Because Directors Eik Sheng Kwek and Kevin Hangchi are associated with CDLHH NZ, Schedule 1 includes the Ordinary Shares held by CDLHH NZ. Except as set out in Schedule 1 to this Target Company Statement, no Director or Senior Manager in MCK or their associates holds or controls any equity securities of MCK.

5.4 To the knowledge of MCK, no other person (other than the Directors, Senior Managers or their associates, to the extent set out in Schedule 1) holds or controls 5% or more of any class of equity securities of MCK. In particular, details of the shareholdings held or controlled by CDLHH NZ and City Developments Limited (being the only persons who hold or control 5% or more of the Ordinary Shares) are set out in Schedule 1.

5.5 No equity securities have, during the two-year period ending on the date of this Target Company Statement, been issued to the Directors and Senior Managers or their associates.

5.6 No Director or Senior Manager, or an associate of a Director or Senior Manager, has obtained a beneficial interest under any employee share scheme or other remuneration arrangement during the two-year period ending on the date of this Target Company Statement.

9. For the purposes of this Target Company Statement, the Independent Directors have determined that the senior managers of MCK for the purposes of the Takeovers Code are Stuart Nigel Bruce Harrison (Managing Director), Anand Rambhai (Vice President Finance), Takeshi Ito (Vice President Legal & Company Secretary), Kenneth Orr (Vice President Operations), Louise Borton (Director, Property Management), Brendan Davies (Director, International and Corporate Sales), Nathan Kruger (Director, Information Technology), Lisa Maclean (Director, Human Resources), Josie Wilson (Director, Revenue and Distribution) and Melanie Beattie (Vice President Sales and Partnerships).
10. This information is based on responses to questionnaires circulated to the Directors and Senior Managers by MCK after receipt of CDLHH NZ's Takeover Notice.

6. Trading in MCK equity securities

6.1 Details of the acquisition or disposition of Ordinary Shares during the six-month period ending on 20 February 2025 (being the latest practicable date before the date of this Target Company Statement) by Directors, Senior Managers or their associates and, to the knowledge of MCK, any other person holding or controlling 5% or more of the Ordinary Shares are set out in Schedule 2.

6.2 Except as set out in Schedule 2:

(a) no Director, Senior Manager or associate of a Director or Senior Manager; or

(b) to the knowledge of MCK, any person holding or controlling 5% or more of any class of equity securities of MCK,

has acquired or disposed of equity securities of MCK during the six-month period ending on 20 February 2025 (being the latest practicable date before the date of this Target Company Statement).

7. Acceptance of Offer by Directors and Senior Managers

7.1 The table below sets out, as at the date of this Target Company Statement, the name of every Director and Senior Manager, and associate of a Director and Senior Manager, who (to MCK's knowledge) has accepted or intends to accept the Offer and the number of Ordinary Shares in respect of which the person has accepted, or intends to accept the Offer.[10]

Name	Description	Number of Ordinary Shares
Nathan Kruger	Senior Manager	134.80

SECTION 2: TAKEOVERS CODE DISCLOSURES (CONTINUED)

8. Ownership of equity securities of CDLHH NZ and its related companies

8.1 Schedule 3 to this Target Company Statement sets out, as at the date of this Target Company Statement, the name of every Director, Senior Manager and associate of a Director or Senior Manager who holds or controls equity securities of:

(a) CDLHH NZ; or

(b) any related company of CDLHH NZ (other than MCK),

in each case, together with the number, designation and percentage of equity securities of that class of equity securities.

8.2 Because of CDLHH NZ's current shareholding in MCK, MCK and its subsidiaries are each related companies of CDLHH NZ. Accordingly:

(a) the number, designation and percentage of Ordinary Shares held or controlled by every Director, Senior Manager and associate of a Director or Senior Manager is set out in Schedule 1 to this Target Company Statement.

(b) Schedule 4 sets out the name of every related company of CDLHH NZ, in which MCK holds or controls equity securities of any class, together with the number, designation and percentage of equity securities of that class of equity securities. Because MCK is a related company of CDLHH NZ, this means that all of MCK's subsidiaries are also related companies of CDLHH NZ. Accordingly, all of the companies set out in Schedule 4 (other than MCK itself) are MCK's subsidiaries. In addition, because CDLHH NZ (an associate of Directors Eik Sheng Kwek and Kevin Hangchi) controls MCK, it too will control the equity securities set out Schedule 4 to this Target Company Statement.

8.3 Other than as set out in Schedules 1, 3 and 4, neither MCK nor any of the Directors, Senior Managers or their associates holds or controls any equity securities of CDLHH NZ or any related company of CDLHH NZ.

9. Trading in equity securities of CDLHH NZ and its related companies

Other than the Ordinary Shares acquired by CDLHH NZ in MCK set out in Schedule 2 (because CDLHH NZ is an associate of Directors Eik Sheng Kwek and Kevin Hangchi), neither MCK, nor any Director, Senior Manager or any of their associates has acquired or disposed of any equity securities of CDLHH NZ or any related company of CDLHH NZ during the six-month period before 20 February 2025 (being the latest practicable date before the date of this Target Company Statement).

10. Arrangements between CDLHH NZ and MCK

10.1 On 31 January 2025, CDLHH NZ agreed with a request from MCK that if CDLHH NZ should decide to proceed with a takeover offer, CDLHH NZ would not make that offer before 10 February 2025. This was intended to allow MCK to release its annual results for the 2024 financial year prior to MCK releasing the Target Company Statement.

10.2 The Offer Document states that CDLHH NZ is providing funding for the acquisition by way of intercompany loan from its sole shareholder (First 2000 Limited) and/or its upstream parent company (Millennium & Copthorne Hotels Limited) which are also holding companies of MCK. The Offer Document also states that the amount of the loan is yet to be determined as the lender will lend such amount as may be required to undertake the Offer. The Offer Document further states that there are no formal loan terms because the loan is from a holding company to its (direct or indirect) subsidiary. In its Offer Document, CDLHH NZ has indicated that, although there are not currently any arrangements to do so, because MCK and its subsidiaries are also subsidiaries of CDLHH NZ, MCK and its subsidiaries may be required to provide financial assistance to that lender, presumably if the Offer is declared unconditional and CDLHH NZ acquires 100% of the Ordinary Shares.

10.3 Other than as set out in paragraphs 10.1 and 10.2 above, no agreements or arrangements (whether legally enforceable or not) have been made, or are proposed to be made, between CDLHH NZ or any associates of CDLHH NZ, and MCK or any related company of MCK, in connection with, in anticipation of, or in response to, the Offer.

11. Relationship between CDLHH NZ and Directors and Senior Managers of MCK

11.1 Except as set out in paragraph 11.2 below, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between CDLHH NZ and any associates of CDLHH NZ, and any Director or Senior Manager or any related company of MCK (including particulars of any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office) in connection with, in anticipation of, or in response to the Offer.[11]

11.2 Because of CDLHH NZ's majority shareholding in MCK, MCK is a related company of CDLHH NZ and therefore an associate of CDLHH NZ for the purposes of the Takeovers Code. Accordingly, the following disclosure relates to an agreement between MCK (as an associate of CDLHH NZ) and three Directors. The independent directors of MCK (being Leslie Preston, Colin Sim and Graham McKenzie) have arrangements with MCK whereby they will each be paid an initial fee of $30,000 for the work they carry out in connection with the takeover notice or Offer. If the circumstances justify the fee being increased, MCK may review the fee.

11.3 Except as set out in paragraph 11.4 below, and at Schedule 5 of this Target Company Statement, no Directors or Senior Managers of MCK are also directors or senior managers of CDLHH NZ, or a related company of CDLHH NZ.

11.4 As noted in paragraph 11.2 above, CDLHH NZ and MCK are related companies. Therefore, each of the Directors (as listed in paragraph 4) and Senior Managers (as listed in footnote 1 on page 7) are automatically also directors and senior managers (as applicable) of a related company of CDLHH NZ (being MCK). In addition, Schedule 5 of this Target Company Statement sets out the Directors or Senior Managers of MCK that are also a director or senior manager of related companies of CDLHH NZ (other than MCK).

12. Agreement between MCK, and Directors and Senior Managers

12.1 No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between MCK or any related company of MCK, and any of the Directors or Senior Managers or their associates of MCK or its related companies, under which a payment or other benefit may be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office in connection with, in anticipation of, or in response to, the Offer.

11. This information is based on responses to questionnaires circulated to the Directors and Senior Managers by MCK after receipt of CDLHH NZ's Takeover Notice.

SECTION 2: TAKEOVERS CODE DISCLOSURES (CONTINUED)

13. Interests of Directors and Senior Managers of MCK in contracts of CDLHH NZ or its related companies

13.1 Except as set out in paragraph 13.2 below, no Director or Senior Manager or any of their associates has an interest in any contract to which CDLHH NZ, or any related company of CDLHH NZ, is a party.[12]

13.2 As explained in paragraph 8.2, CDLHH NZ and MCK are related companies. Accordingly, the following disclosures are made regarding contractual arrangements to which MCK or MCK's subsidiary Hospitality Services Limited (being related companies of CDLHH NZ) is a party and in which the Directors or Senior Managers have interests. Each of the Directors and Senior Managers are employed or engaged by MCK or, in the case of the Senior Managers other than MCK's Managing Director Stuart Harrison, Hospitality Services Limited and, accordingly, have interests in the contracts relating to their employment or engagement. The contracts of employment or engagement for each of the Directors and Senior Managers were entered into in the ordinary course of MCK's business and are on usual terms and conditions, including as to monetary compensation.

13A. Interests of MCK's substantial security holders in material contracts of CDLHH NZ or its related companies

13A.1 Except for the potential funding arrangement described in paragraph 10.2, no person who, to the knowledge of the Directors or the Senior Managers holds or controls 5% or more of any class of equity securities of MCK has an interest in any material contract to which CDLHH NZ, or any related company of CDLHH NZ, is a party.

12. This information is based on responses to questionnaires circulated to the Directors and Senior Managers by MCK after receipt of CDLHH NZ's Takeover Notice.

14. Additional information

14.1 In the opinion of the Directors, no additional information, to the knowledge of MCK is required to make the information in the Offer Document correct or not misleading.

15. Recommendation

15.1 The Board has appointed a committee of independent directors (the **Independent Committee**) to attend to all matters associated with the Offer. The Independent Committee comprises Leslie Preston (Chair), Colin Sim and Graham McKenzie.

15.2 The Independent Committee has carefully considered a full range of expert advice available to them (including Northington Partners Limited's Independent Adviser's Report on the merits of the Offer) and unanimously recommend that holders of Ordinary Shares do not accept that Offer for the reasons set out in the Letter from the Chair of the Independent Directors and Section 1 (Independent Directors' Recommendation) earlier in this Target Company Statement.

15.3 Kevin Hangchi and Eik Sheng Kwek, as associates of CDLHH NZ, have a conflict of interest in respect of the Offer. For this reason, they abstain from making any recommendation as to whether to accept or reject the Offer.

15.4 Mr Stuart Harrison, being the Managing Director of MCK, has a potential conflict of interest in respect of the Offer because of his executive role with MCK. For this reason, Mr Harrison also abstains from making any recommendation as to whether to accept or reject the Offer.

16. Actions of MCK

16.1 There are no material agreements or arrangements (whether legally enforceable or not) of MCK or any related company of MCK entered into as a consequence of, in response to, or in connection with, the Offer.

16.2 There are no negotiations underway as a consequence of, in response to, or in connection with the Offer that relate to, or could result in:

(a) an extraordinary transaction, such as a merger, amalgamation or reorganisation, involving MCK or any of its related companies; or

(b) the acquisition or disposition of material assets by MCK or any of its related companies; or

(c) an acquisition of equity securities by, or of, MCK or any related company MCK; or

(d) any material change in the issued equity securities of MCK, or the policy of the Board relating to distributions, of MCK.

16.3 As at the date of this Target Company Statement, there are no discussions or negotiations underway between MCK and any other party in respect of a competing takeover offer or any other similar transaction. The Independent Committee does not anticipate any discussions or negotiations of this nature during the Offer period.

17. Equity securities of MCK

17.1 As at the date of this Target Company Statement, MCK has 105,478,743 Ordinary Shares on issue (excluding the 99,547 Ordinary Shares held as treasury stock). These are all fully paid.

17.2 MCK has no options, or rights to acquire equity securities, on issue.

17.3 Subject to the NZX Listing Rules and MCK's constitution, Shareholders have in respect of each Ordinary Share:

(a) subject to the rights of holders of any shares or other equity securities which confer special rights as to dividends, the right to an equal share in dividends authorised by the Board;

(b) subject to the rights of holders of any shares or other equity securities which confer special rights as to distributions, the right to an equal share in the distribution of surplus assets on liquidation of MCK; and

(c) the right to cast one vote on a show of hands or the right to cast one vote on a poll (for each share held), at a meeting of shareholders on any resolution, including a resolution to:

(i) appoint or remove a director or auditor;

(ii) alter MCK's constitution;

(iii) approve a major transaction by MCK;

(iv) approve an amalgamation involving MCK (other than an amalgamation of a wholly owned subsidiary); and

(v) put MCK into liquidation.

SECTION 2: TAKEOVERS CODE DISCLOSURES (CONTINUED)

17.4 In addition to the Ordinary Shares, MCK has 52,739,543 fully paid Preference Shares on issue however these are not equity securities for the purposes of the Takeovers Code, and do not form part of the Offer. The Preference Shares are non-voting and rank equally with the Ordinary Shares with respect to all distributions made by MCK (including without limitation, to dividend payments) except for any distribution made in the context of a liquidation. MCK may, in its discretion, subject to the approval of the holders of the Preference Shares by way of special resolution, redeem the Preference Shares, in whole or in part (on a pro rata basis). The terms upon which the Preference Shares are issued is set out in the simplified disclosure prospectus issued by MCK on 17 February 2014.

18. Financial information

18.1 On 24 February 2025, MCK released its financial results for the twelve months ended 31 December 2024, which included audited financial statements for that period. A copy of the audited financial statements, media release and investor presentation can be found at https://www.nzx.com/companies/MCK/announcements?year=2025 or at MCK's investor website at https://mckhotels.co.nz/investors/nzx-announcements/.

18.2 A copy of MCK's most recent annual report (being the annual report for the period ended 31 December 2023) is available on MCK's website at https://mckhotels.co.nz/investors/annual-reports-mck/.

18.3 Each person to whom the Offer is made may also request a non-electronic copy of that annual report from MCK by making a written request to enquiries@mckhotels.co.nz or, alternatively, by making a written request to Computershare Investor Services Limited (enquiry@computershare.co.nz).

18.4 MCK's most recent half-yearly report since its annual report for the year ended 31 December 2023 (being the half-yearly report for the six months ended 30 June 2024) is available on MCK's website at https://mckhotels.co.nz/investors/mck-2018-2013/. No interim report has been issued since the issue of the half yearly report for the six months ended 30 June 2024.

18.5 There have been the following material changes in the financial or trading position, or prospects, of MCK, since its 31 December 2023 annual report:

(a) As mentioned in paragraph 18.1 above, on 24 February 2025 MCK released its financial results for the twelve months ended 31 December 2024. Those results included the following material changes in the financial and trading position of MCK:

(i) a 21% increase in revenue to $176.2 million from the position for the financial year which ended 31 December 2023 (the previous financial year), MCK's highest revenue figure in five years, and a 32.1% increase in operating profit to $42.5 million;

(ii) a 25.6% increase in profit before tax to $47.1 million compared to the position under the previous financial year;

(iii) a profit after tax of $2.8 million for the twelve months ended 31 December 2024, reflecting the deferred tax adjustment which was reported in the interim results. Excluding this adjustment, the profit after tax attributed to MCK shareholders would have been $27.2 million;

(iv) total assets as at 31 December 2024 at book value of $762.3 million; and

(v) a final dividend in respect of the 2024 financial year was not declared due to the conditions of the Offer, which do not allow a dividend to be paid or declared.

(b) On 23 October 2024, MCK announced that it had entered into an agreement to acquire The Mayfair Hotel in Christchurch. This hotel comprises 67 guest rooms and suites and has a cocktail bar, conference and meeting facilities and a café and kitchen. The purchase price was $31.9 million plus GST and MCK used its existing cash resources and bank facilities to complete the acquisition. This transaction settled on 22 January 2025.

(c) On 7 August 2024, MCK announced its financial results for the six months ended 30 June 2024. Those results included the unaudited financial statements for that period and included the following material changes in the financial and trading position and prospects of MCK:

(i) revenue growth of 42% to $85.32 million and an increase in net profit before tax of 88% to $21.53 million compared to the same period the previous year. The first half of the financial year was the first time in five years where the hotels have been able to operate without the impact of pandemic restrictions, weather-related issues or large staffing shortages;

(ii) a rise in hotel occupancy to 69.0% (compared to 59.8% in the same period the previous year). MCK was able to show improving occupancy and profit in the hotels business, despite a slowdown in demand for corporate travel and meetings;

(iii) a one-off, non-cash deferred tax liability adjustment of $25.76 million, which arose from a change in tax legislation that came into effect earlier in 2024. This related to the depreciation of buildings owned by MCK; and

(iv) as a result of the adjustment, which did not affect MCK's trading position or cash flow, MCK recorded an after-tax loss for the period of $10.17 million.

(d) On 1 August 2024, MCK advised that changes to tax legislation which removed the ability to claim tax depreciation on commercial buildings would result in a one-off, non-cash deferred tax liability adjustment of approximately $26 million. This arose from a change in tax legislation that came into effect in 2024 and relates to the depreciation of buildings owned by MCK. MCK noted that the adjustment would have no impact on MCK's trading profitability or cash flows.

(e) On 26 April 2024, MCK announced that it had reached conditional agreement with the Whangarei District Council for the purchase of land in Whangarei's CBD for the development of a hotel. The purchase price was $2.24 million, and the acquisition was conditional on due diligence. The transaction settled on 29 August 2024 and MCK used existing cash on hand to settle the purchase.

SECTION 2: TAKEOVERS CODE DISCLOSURES (CONTINUED)

18.6 Other than as set out elsewhere in this Target Company Statement, or as contained in the Independent Adviser's Report:

(a) there have been no known material changes in the financial or trading position, or prospects, of MCK since the 31 December 2023 annual report; and

(b) there is no other information about the assets, liabilities, profitability and financial affairs of MCK that could reasonably be expected to be material to the making of a decision by Shareholders to accept or reject the Offer.

19. Independent advice on merits of Offer

Northington Partners Limited is the independent adviser who has provided a report under Rule 21 of the Takeovers Code on the merits of the Offer. A copy of Northington Partners Limited's Independent Adviser's Report is attached as the Appendix to this Target Company Statement.

20. Asset valuations

20.1 Except as set out in paragraph 20.2, this Target Company Statement does not refer to a valuation of any asset of MCK.

20.2 The Independent Adviser's Report refers to the valuation of certain property assets of MCK (as set out on pages 23 and 41 of the Independent Adviser's Report). Copies of those valuation reports are available for inspection at Floor 7, 23 Customs Street East, Auckland Central, Auckland. Alternatively, a copy of any such valuation reports will be sent to any offeree by making such a request to enquiries@mckhotels.co.nz. As part of making such a report available to an offeree, that offeree may first be required to sign a hold harmless letter in favour of the author of the relevant report.

20.3 The Takeovers Panel has granted an exemption to permit certain commercially sensitive information to be redacted from those valuation reports.

21. Prospective financial information

21.1 The Independent Adviser's Report contains prospective financial information in relation to MCK. The principal assumptions on which the prospective financial information is based are set out in the Independent Adviser's Report.

21.2 Other than the prospective financial information referred to in paragraph 21.1 above, this Target Company Statement does not refer to any other prospective financial information about MCK.

22. Sales of unquoted equity securities under Offer

22.1 There are no unquoted equity securities that are subject of the Offer.

23. Market prices for quoted equity securities under Offer

23.1 The Ordinary Shares are quoted on the NZX Main Board.

23.2 The closing price on the NZX Main Board of the Ordinary Shares on:

(a) 20 February 2025, being the latest practicable working day before the date on which this Target Company Statement is sent to Shareholders, was NZ$2.40; and

(b) 17 January 2025, being the last day on which the NZX was open for business before the date on which MCK received CDLHH NZ's takeover notice, was NZ$1.80.

23.3 The highest and lowest closing market prices of the Ordinary Shares on the NZX Main Board (and the relevant dates) during the six months before the Notice Date, were as follows:

(a) the highest closing market price was NZ$1.90 (on 23 December 2024); and

(b) the lowest closing market price was NZ$1.66 (on 4 October 2024).

23.4 During the six-month period before the Notice Date, MCK did not issue any equity securities or make any changes to any equity securities on issue which could have affected the market prices of Ordinary Shares referred to above.

23.5 There is no other information about the market price of the Ordinary Shares that would reasonably be expected to be material to the making of a decision by Shareholders to accept or reject the Offer.

24. Other information

24.1 The following information is considered by the Directors to be information that could reasonably be expected to be material to the making of a decision by holders of Ordinary Shares as to whether to accept or reject the Offer, and the timing of the giving of any acceptance:

(a) the terms of the Offer state that, once given, acceptances may not be withdrawn by acceptors unless CDLHH NZ fails to pay acceptors in accordance with the Takeovers Code;

(b) if CDLHH NZ increases the price of the Offer, CDLHH NZ must provide the increased price to all holders of Ordinary Shares whose shares are acquired under the Offer, whether or not the shareholder accepted the Offer before or after the price was increased; and

(c) payment for Ordinary Shares in respect of which the Offer is accepted will only be made by CDLHH NZ within five working days of the later of the date on which the relevant acceptance is received, the date on which the Offer becomes unconditional or 8 May 2025. Early acceptance of the Offer will therefore not result in payment being made any earlier than the later date described above.

25. Approval of this Target Company Statement

25.1 The contents of this Target Company Statement have been approved by the Independent Directors of MCK (Leslie Preston, Colin Sim and Graham McKenzie), who have been delegated with authority by the Directors to do so.

25.2 As disclosed in paragraph 15, Eik Sheng Kwek and Kevin Hangchi have a conflict of interest in respect of the Offer and Stuart Harrison has a potential conflict of interest in respect of the Offer. As a result, they have not formally approved this Target Company Statement.[13]

26. Interpretation

26.1 In this Target Company Statement:

Board means the board of directors of MCK;

CDI means CDL Investments New Zealand Limited, MCK's 65% owned subsidiary;

CDLHH NZ means CDL Hotels Holdings New Zealand Limited;

Directors means the directors of MCK;

13. Mr Stuart Harrison, who is MCK's Managing Director, has signed this Target Company Statement in his capacity as Chief Executive Officer of MCK only, as required by the Takeovers Code.

SECTION 2: TAKEOVERS CODE DISCLOSURES (CONTINUED)

Independent Adviser's Report means the independent adviser's report provided by Northington Partners Limited under Rule 21 of the Takeovers Code and set out in the Appendix to this Target Company Statement;

Independent Committee has the meaning given to that term in paragraph 15.1 of section 2 of this Target Company Statement;

Independent Directors means Colin Sim, Leslie Preston and Graham McKenzie;

MCK means Millennium & Copthorne Hotels New Zealand Limited;

Notice Date means 20 January 2025;

NZ$** or **$ means New Zealand dollars;

NZX means NZX Limited;

NZX Main Board means the main board equity securities exchange operated by NZX;

Offer has the meaning given to that term in paragraph 2.1 of section 2 of this Target Company Statement;

Offer Document has the meaning given to that term paragraph 2.2 of section 2 of this Target Company Statement;

Ordinary Shares means ordinary shares in MCK;

Preference Shares has the meaning given to that term in paragraph 2.3 of section 2 of this Target Company Statement;

RPS Offer has the meaning given to that term in paragraph 2.3 of section 2 of this Target Company Statement;

Senior Manager has the meaning given to that term in paragraph 5.3 of section 2 of this Target Company Statement;

Shareholders means the holders of Ordinary Shares which are the subject of the Offer by CDLHH NZ;

Takeovers Act means the Takeovers Act 1993; and

Takeovers Code means the Takeovers Code approved by the Takeovers Code Approval Order 2000 (as amended).

26.2 Words and expressions defined in the Takeovers Act or the Takeovers Code and not otherwise defined in this Target Company Statement have the same meaning when used in this Target Company Statement.

27. Certificate

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this Target Company Statement is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by MCK under the Takeovers Code.

Signed by:

Leslie Preston
Director of MCK

Colin Sim
Director of MCK

Stuart Harrison
Chief Executive Officer of MCK

Anand Rambhai
Chief Financial Officer of MCK

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SCHEDULES 1–5

Left: Fine dining at the award winning One80 Restaurant at Copthorne Hotel Wellington Oriental Bay.

SCHEDULES 1–5

Schedule 1: Ordinary Shares owned by Directors, Senior Managers and their associates (paragraph 5.3)

Name	Description	Number of Ordinary Shares held or controlled	Percentage of class
CDL Hotels Holdings New Zealand Limited	Associate of a Director (Eik Sheng Kwek and Kevin Hangchi)	80,017,014	75.86% (excluding treasury stock)
City Developments Limited	Associate of a Director (Eik Sheng Kwek and Kevin Hangchi)	80,017,014	75.86% (excluding treasury stock)
Nathan Kruger	Senior Manager	134.80	0.00%

Notes:
1. This information is taken from responses to questionnaires circulated to the Directors and Senior Managers by MCK after receipt of CDLHH NZ's Takeover Notice.
2. City Developments Limited is the ultimate holding company of CDLHH NZ. It ultimately controls the Ordinary Shares held by CDLHH NZ, through the following wholly-owned subsidiaries: Singapura Developments (Private) Limited, Agapier Investments Limited, Reach Across International Limited, Millennium & Copthorne Hotels Limited, M&C Asia Holdings (UK) Limited, M&C Hospitality Holdings (Asia) Limited, M&C Hotel Enterprises (Asia) Limited, Hong Leong Hotels Pte. Ltd. and First 2000 Limited.
3. The percentage numbers are rounded to two decimal places.

Schedule 2: Trading in equity securities in MCK (paragraph 6)

Name	Disposal or acquisition	Number of equity securities acquired or disposed of	Designation of equity security	Date	Consideration per equity security
CDL Hotels Holdings New Zealand Limited	Acquisition	5,273,937	Ordinary shares	29 October 2024	$1.73

Notes:
1. This information is based on (i) responses to questionnaires circulated to the Directors and Senior Managers by MCK after receipt of CDLHH NZ's Takeover Notice and (ii) substantial product holder notices filed with NZX.

Schedule 3: Ownership of equity securities of CDLHH NZ and its related companies (other than MCK) – Directors, Senior Managers and their associates (paragraph 8.1)

Name	Description	Company in which securities are held or controlled	Designation of equity security	Number of equity securities held or controlled	Percentage of total number of equity securities of class
First 2000 Limited	Associate of a Director (Eik Sheng Kwek and Kevin Hangchi)	CDL Hotels Holdings New Zealand Limited – shares held	Ordinary Shares	54,221	100%
City Developments Limited	Associate of a Director (Eik Sheng Kwek and Kevin Hangchi)	CDL Hotels Holdings New Zealand Limited – shares controlled	Ordinary Shares	54,221	100%
Kevin Hangchi	Director	City Developments Limited	Ordinary Shares	50,000	0.01%
Kevin Hangchi	Director	City Developments Limited	Preference Shares	24,060	0.01%
Kevin Hangchi	Director	Hong Leong Investment Holdings PTE Limited	Ordinary Shares	518	0.37%
SNB Harrison Family Trust	Associate of a Director (Stuart Harrison)	CDL Investments New Zealand Limited	Ordinary Shares	21,006	0.00%

Notes:
1. This information is taken from (i) responses to questionnaires circulated to the Directors and Senior Managers by MCK after receipt of CDLHH NZ's Takeover Notice (ii) New Zealand Companies Office records and (iii) information set out in Schedule 1 of the Offer Document.
2. City Developments Limited is the ultimate holding company of CDLHH NZ. It ultimately controls the shares in CDLHH NZ, through the following wholly-owned subsidiaries: Singapura Developments (Private) Limited, Agapier Investments Limited, Reach Across International Limited, Millennium & Copthorne Hotels Limited, M&C Asia Holdings (UK) Limited, M&C Hospitality Holdings (Asia) Limited, M&C Hotel Enterprises (Asia) Limited, Hong Leong Hotels Pte. Ltd. and First 2000 Limited.
3. The percentage numbers are rounded to two decimal places.

Schedule 4: Ownership of equity securities of CDLHH NZ and its related companies – MCK (paragraph 8.2)

Company in which equity securities are held or controlled	Designation of equity security	Number of equity securities held or controlled	Percentage of total number of equity securities of class
CDL Investments New Zealand Limited	Ordinary Shares	190,591,297	65.31%
Millennium & Copthorne NZ Limited	Ordinary Shares	100	100.00%
CDL Land New Zealand Limited	Ordinary Shares	1,008,600	65.31%
All Seasons Hotels and Resorts Limited	Ordinary Shares	100	100.00%
Context Securities Limited	Ordinary Shares	11,364	100.00%
KIN Holdings Limited	Redeemable Preference Shares	4,268,708	100.00%
KIN Holdings Limited	Ordinary Shares	1000	100.00%
Kingsgate International Corporation Limited	Ordinary Shares	61,128,784	100.00%
Kingsgate Hotels Limited	Ordinary Shares	100	100.00%
Quantum Limited	Ordinary Shares	40,833,818	100.00%
Hospitality Group Limited	Ordinary Shares	69,999,172	100.00%
Hospitality Leases Limited	Ordinary Shares	27,130,654	100.00%
Hospitality Services Limited	Ordinary Shares	3,000,002	100.00%
Mayfair Luxury Hotels Limited	Ordinary Shares	17,623	100.00%
MCK	Ordinary Shares	99,547	0.00%
QINZ (Anzac Avenue) Limited	Non-participating Redeemable Preference shares	23,783,196	100.00%
QINZ (Anzac Avenue) Limited	Ordinary Shares	100	100.00%
Kingsgate Hotels and Resorts Limited	Ordinary Shares	100	100.00%
Kingsgate Holdings Pty Limited	Ordinary Shares	5,300,002	100.00%
Kingsgate Hotel Pty Limited	Ordinary Shares	2	100.00%
Kingsgate Investments Pty Limited	Ordinary Shares	35,000,002	100.00%
Millennium & Copthorne Hotels Pty Limited	Ordinary Shares	10	100.00%
Hotelcorp New Zealand Pty Limited	Ordinary Shares	25,191,867	100.00%
Marquee Brisbane Hotel Pty Limited	Ordinary Shares	1	50.00%
Marquee Brisbane Hotel Pty 2 Limited	Ordinary Shares	1	50.00%
Marquee Hotel Holdings Pty Limited	Ordinary Shares	2	50.00%
Marquee Hotel Operations Pty Limited	Ordinary Shares	1	50.00%

Notes:

1. This information is taken from (i) responses to questionnaires circulated to the Directors and Senior Managers by MCK after receipt of CDLHH NZ's Takeover Notice or (ii) which was otherwise provided by MCK management.
2. MCK holds the 99,547 Ordinary Shares in MCK as treasury stock.
3. The percentage numbers are rounded to two decimal places.

SCHEDULES 1–5 (CONTINUED)

Schedule 5: Directors and Senior Managers' roles in related companies of CDLHH NZ

Part A – Kevin Hangchi (Director of MCK)

Name of entity	Position
CDLHH NZ	Director
KIN Holdings Limited	Director

Part B – Stuart Harrison (Director of MCK)

Name of entity	Position
KIN Holdings Limited	Director
Quantum Limited	Director
All Seasons Hotels and Resorts Ltd	Director
Context Securities Limited	Director
Kingsgate Hotels Limited	Director
Kingsgate International Corporation Limited	Director
Hospitality Group Limited	Director
Mayfair Luxury Hotels Limited	Director
Kingsgate Hotels and Resorts Limited	Director
QINZ (Anzac Avenue) Limited	Director
Hospitality Leases Limited	Director
Hospitality Services Limited	Director
Millennium & Copthorne NZ Limited	Director

Part C – Takeshi Ito (Senior Manager of MCK)

Name of entity	Position
CDL Land New Zealand Limited	Director
Hospitality Services Limited	Senior Manager

Part D – Anand Rambhai (Senior Manager of MCK)

Name of entity	Position
Quantum Limited	Director
Millennium & Copthorne NZ Limited	Director
All Seasons Hotels and Resorts Limited	Director
Context Securities Limited	Director
Mayfair Luxury Hotels Limited	Director
Kingsgate Hotels and Resorts Limited	Director
QINZ (Anzac Avenue) Limited	Director
Kingsgate Hotels Limited	Director
Hospitality Leases Limited	Director
Hospitality Services Limited	Director
Kingsgate International Corporation Limited	Director
Kingsgate Holdings Pty Limited	Director
Kingsgate Investments Pty Limited	Director
Millennium & Copthorne Hotels Pty Limited	Director
Hotelcorp New Zealand Pty Limited	Director
Hospitality Services Limited	Senior Manager

Part E – Kenneth Orr (Senior Manager of MCK)

Name of entity	Position
Quantum Limited	Director
Hospitality Group Limited	Director
Hospitality Services Limited	Director

Part F – Louise Borton (Senior Manager of MCK)

Name of entity	Position
Hospitality Services Limited	Senior Manager

Part G – Brendan Davies (Senior Manager of MCK)

Name of entity	Position
Hospitality Services Limited	Senior Manager

Part H – Nathan Kruger (Senior Manager of MCK)

Name of entity	Position
Hospitality Services Limited	Senior Manager

Part I – Lisa Maclean (Senior Manager of MCK)

Name of entity	Position
Hospitality Services Limited	Senior Manager

Part J – Josie Wilson (Senior Manager of MCK)

Name of entity	Position
Hospitality Services Limited	Senior Manager

Part K – Melanie Beattie (Senior Manager of MCK)

Name of entity	Position
Hospitality Services Limited	Senior Manager

Part L – Eik Sheng Kwek (Director of MCK)

Name of entity	Position
125 OBS (Nominees 1) Limited	Director
125 OBS (Nominees 2) Limited	Director
125 OBS GP Limited	Director
58 High Street Pty Ltd	Director
Actas Holdings Pte. Ltd.	Director
Adelanto Investments Pte. Ltd.	Director
Allinvest Holding Pte Ltd	Director
Allsgate Properties Limited	Director
Alphagate Holdings Limited	Director
Androgate Properties Limited	Director
Aquarius Properties Pte. Ltd.	Director
Archyield Limited	Director
Ascent View Holdings Pte. Ltd.	Director
Aster Land Development Pte Ltd	Director
Aston Properties Pte Ltd	Director
Atlasgate SG Holdings Pte. Ltd.	Director
Atlasgate UK Holdings Limited	Director
Atlasgate UK Properties Limited	Director
ATOS Holding GmbH	Director
Baynes Investments Pte Ltd	Director
Beaumont Properties Limited	Director
Beijing Fortune Hotel Co., Ltd.	Director
Bellevue Properties Pte. Ltd.	Director
Bestro Holdings Limited	Director
Bloomshine Holdings Limited	Director

BOP Luxembourg (125 OBS) 2 S.à r.l.	Director
Branbury Investments Ltd	Director
Bravogate Holdings S.à r.l.	Director
Bridge North Limited	Director
Camborne Developments Pte Ltd	Director
Canterbury Riverside OpCo Limited	Director
Canterbury Riverside Propco Limited	Director
Canvey Developments Pte. Ltd.	Director
CDL Ace Pte. Ltd.	Director
CDL Acquisitions Pte. Ltd.	Director
CDL Aquila Pte. Ltd.	Director
CDL Australia Holdings Pty Ltd	Director
CDL Centroid Pte. Ltd.	Director
CDL CityInd Pte. Ltd.	Director
CDL Cityscape Pte. Ltd.	Director
CDL Commercial REIT Management Pte. Ltd.	Director
CDL Conservo Pte. Ltd.	Director
CDL Constellation Pte. Ltd.	Director
CDL Crestview Holdings Pte. Ltd.	Director
CDL Crown REIT Management Pte. Ltd.	Director
CDL Entertainment & Leisure Pte Ltd	Director
CDL Evergreen Pte. Ltd.	Director
CDL Galliard Grand GP Limited	Director
CDLHH NZ	Director
CDL Hotels (Chelsea) Limited	Director
CDL Hotels (Korea) Ltd.	Director
CDL Hotels (Malaysia) Sdn. Bhd.	Director
CDL Hotels (U.K.) Limited	Director
CDL Hotels Australia Holdings (SG) Pte. Ltd.	Director
CDL Hotels Australia Holdings Pty Ltd	Director
CDL Hotels Japan Pte. Ltd.	Director
CDL Infinity Pte. Ltd.	Director
CDL Investments New Zealand Limited	Director
CDL Kingtse Pte. Ltd.	Director
CDL Land Pte Ltd	Director
CDL Libra Commercial Pte. Ltd.	Director
CDL Libra Pte. Ltd.	Director
CDL Management Services Pte. Ltd.	Director
CDL Netherlands Investments B.V.	Director
CDL Pavona Pte. Ltd.	Director
CDL Pegasus Pte. Ltd.	Director
CDL Perseus Pte. Ltd.	Director
CDL Pisces Commercial Pte. Ltd.	Director
CDL Pisces Serviced Residences Pte. Ltd.	Director
CDL Pro Star Development Pty Ltd	Director
CDL Properties B.V.	Director
CDL Queensray Pte. Ltd.	Director
CDL Real Estate Asset Managers Pte. Ltd.	Director
CDL Real Estate Investment Managers Pte. Ltd.	Director
CDL Regulus Pte. Ltd.	Director
CDL Sakura Pte. Ltd.	Director
CDL Shanghai Holdings Pte. Ltd.	Director
CDL-Suzhou Investment Pte Ltd	Director
Central Mall Pte Ltd	Director

Centro Investment Holding Pte. Ltd.	Director
Centro Property Holding Pte. Ltd.	Director
Chalon Heritage Hotel Holdings SAS	Senior Manager
Chalon Haritage Hotel SNC	Senior Manager
Chania Holdings Limited	Director
Chestnut Avenue Developments Pte. Ltd.	Director
City Apex Pte. Ltd.	Director
City Bonsai Pte. Ltd.	Director
City Boost Pte. Ltd.	Director
City Century Pte. Ltd.	Director
City Condominiums Pte Ltd	Director
City Connected Communities Pte. Ltd.	Director
City Delta Pte. Ltd.	Director
City Developments Investments Pte. Ltd.	Director
City Developments Realty Limited	Director
City Elite Pte Ltd	Director
City Gemini Pte. Ltd.	Director
City Grand Investments Limited	Director
City Hotels Pte. Ltd.	Director
City Ikonik Pte. Ltd.	Director
City Leo Pte. Ltd.	Director
City Lux Pte. Ltd.	Director
City Montage Pte. Ltd.	Director
City Oasis Pte. Ltd.	Director
City Orchard Pte. Ltd.	Director
City Platinum Holdings Pte. Ltd.	Director
City REIT Management Pte. Ltd.	Director
City Resyde Pte. Ltd.	Director
City Sceptre Investments Pte. Ltd.	Director
City Serviced Offices Pte. Ltd.	Director
City Sol Luna Holdings Pte. Ltd.	Director
City Sol Pte. Ltd.	Director
City Strategic Equity Pte. Ltd.	Director
City Sunshine Holdings Pte. Ltd.	Director
City Symphony Pte. Ltd.	Director
City Thrive Pte. Ltd.	Director
Citydev Real Estate (Singapore) Pte Ltd	Director
Citydev Venture Holdings Limited	Director
CityNexus (UK) Limited	Director
CityNexus Pte. Ltd.	Director
Cityview Place Holdings Pte. Ltd.	Director
Cityzens Development Pte. Ltd.	Director
Copthorne (Nominees) Limited	Director
Copthorne Aberdeen Limited	Director
Copthorne Hotel (Birmingham) Limited	Director
Copthorne Hotel (Cardiff) Limited	Director
Copthorne Hotel (Effingham Park) Limited	Director
Copthorne Hotel (Gatwick) Limited	Director
Copthorne Hotel (Manchester) Limited	Director
Copthorne Hotel (Merry Hill) Construction Limited	Director
Copthorne Hotel (Merry Hill) Limited	Director
Copthorne Hotel (Newcastle) Limited	Director
Copthorne Hotel (Plymouth) Limited	Director
Copthorne Hotel (Slough) Limited	Director

SCHEDULES 1–5 (CONTINUED)

Part L – Eik Sheng Kwek (Director of MCK) (continued)

Copthorne Hotel Holdings Limited	Director
Copthorne Hotels Limited	Director
Copthorne Orchid Hotel Singapore Pte Ltd	Director
Copthorne Orchid Penang Sdn. Bhd.	Director
Crescent View Developments Pte. Ltd.	Director
Name of entity	**Position**
Delfi One Investments Pte. Ltd.	Director
Delfi Three Investments Pte. Ltd.	Director
Delfi Two Investments Pte. Ltd.	Director
Diplomat Hotel Holding Limited	Director
EastWest Portfolio Pte. Ltd.	Director
Easy Thrive Ventures Limited	Director
Educado Company Limited	Director
Elite Hotel Management Services Pte. Ltd.	Director
Ellinois Management Services Pte. Ltd.	Director
Euroform (S) Pte. Limited	Director
Fergurson Hotel Holdings Limited	Director
Fergurson Investment Corp.	Director
Finite Properties Investment Limited	Director
First Platinum Holdings Pte. Ltd.	Director
Five Star Assurance, Inc.	Director
Freshview Developments Pte. Ltd.	Director
Friars Road Manco Limited	Director
GHL CDL Morden Limited	Director
Glades Properties Pte. Ltd.	Director
Grand Plaza Hotel Corporation*	Director
Grande Strategic Pte. Ltd.	Director
Grange 100 Pte. Ltd.	Director
Granmil Holdings Pte Ltd	Director
Greystand Holdings Limited	Director
Guan Realty (Private) Limited	Director
Harbour Land Corporation	Director
Harbour View Hotel Pte Ltd	Director
Harrow Entertainment Pte Ltd	Director
Heritage Pro International Limited	Director
Highline Holdings Limited	Director
Highline Investments GP Limited	Director
Highline Properties GP Limited	Director
Hoko Fitzroy Pty Ltd	Director
Hoko Kenmore Pty Ltd	Director
Hoko Macaulay Pty Ltd	Director
Hoko Mina Pty Ltd	Director
Hoko Spencer Pty Ltd	Director
Hoko Toowong Pty Ltd	Director
Hong Bee Hardware Company, Sdn. Berhad	Director
Hong Leong Enterprises Pte. Ltd.	Director
Hong Leong Foundation	Director
Hong Leong Hotel Development Limited	Director
Hong Leong International Hotel (Singapore) Pte. Ltd.	Director
Hong Leong Properties Pte. Limited	Director
Hospitality Holdings Pte. Ltd.	Director
Hospitality Ventures Pte. Ltd.	Director
Hotel Liverpool Limited	Director
Hotel Liverpool Management Limited	Director
HSRE Crosslane (Coventry) Limited	Director
HSRE Crosslane (Leeds) Limited	Director
HSU JV Holdco Limited	Director
HThree City Jade Pte. Ltd.	Director
Iconique Tokutei Mokuteki Kaisha	Director
Infinity Properties Limited	Director
Iselin Limited	Director
Island Glades Developments Pte. Ltd.	Director
Jayland Properties Limited	Director
Keygate Holdings Limited	Director
King's Tanglin Shopping Pte. Ltd.	Director
Kwek Holdings Pte Ltd	Director
Kwek Hong Png Investment Pte. Ltd.	Director
Landco Properties Limited	Director
Le Grove Management Pte Ltd	Director
Legend Commercial Pte. Ltd.	Director
Legend Commercial Trustee Pte. Ltd.	Director
Legend Investment Holdings Pte. Ltd.	Director
Legend Quay Pte. Ltd.	Director
Lightspark Holdings Limited (In Members' voluntary liquidation)	Director
Lingo Enterprises Limited	Director
Lingo Enterprises Limited, Singapore Branch	Director
London Britannia Hotel Limited	Director
London Tara Hotel Limited	Director
Lukestone Properties Limited	Director
M & C (CB) Limited	Director
M & C (CD) Limited	Director
M & C Finance (1) Limited	Director
M & C Management Holdings Limited	Director
M & C NZ Limited	Director
M & C Reservations Services Limited	Director
M&C Asia Finance (UK) Limited	Director
M&C Asia Holdings (UK) Limited	Director
M&C Business Trust Management Limited (as trustee-manager of CDL Hospitality Business Trust which is stapled together with CDL Hospitality Real Estate Investment Trust as CDL Hospitality Trusts*)	Director
M&C Capital Pte. Ltd.	Director
M&C Galiant Holdings Limited	Director
M&C Holdings (Thailand) Ltd.	Director
M&C Hotel Investments Pte. Ltd.	Director
M&C Hotels France Management SARL	Senior Manager
M&C Hotels France SAS	Senior Manager
M&C Hotels Holdings Japan Pte. Ltd.	Director
M&C Hotels Holdings Limited	Director
M&C Hotels Holdings USA Limited	Director
M&C Hotels Japan Pte. Ltd.	Director
M&C New York Finance (UK) Limited	Director
M&C REIT Management Limited (as manager of CDL Hospitality Real Estate Investment Trust which is stapled together with CDL Hospitality Business Trust as CDL Hospitality Trusts*)	Director
M&C Restaurants (London) Limited	Director
M&C Sakura Holdings Pte. Ltd.	Director
M&C Sakura Hotel Pte. Ltd.	Director
M&C Sakura TMK	Director
M&C Singapore Finance (UK) Limited	Director
M&C Singapore Holdings (UK) Limited	Director
M&C Sponsorship Limited	Director
Marquee Brisbane Hotel Pty Limited	Director

Marquee Brisbane Hotel 2 Pty Limited	Director
Marquee Hotel Holdings Pty Limited	Director
Max Office (SKD) General Partner Limited	Director
Melvale Holdings Limited	Director
Millennium & Copthorne (Austrian Holdings) Limited	Director
Millennium & Copthorne (Jersey Holdings) Limited	Director
Millennium & Copthorne Hotels Limited	Director
Millennium & Copthorne Hotels Management (Shanghai) Limited	Director
Millennium & Copthorne International Limited	Director
Millennium & Copthorne Share Trustees Limited	Director
Millennium Hotel Holdings EMEA Limited	Director
Millennium Hotels & Resorts Services Limited	Director
Millennium Hotels (West London) Limited	Director
Millennium Hotels (West London) Management Limited	Director
Millennium Hotels Europe Holdings Limited	Director
Millennium Hotels Italy Holdings s.r.l.	Director
Millennium Hotels Limited	Director
Millennium Hotels London Limited	Director
Millennium Hotels Palace Management s.r.l.	Director
Millennium Hotels Property s.r.l.	Director
Morden Wharf Limited	Director
Mount V Development Pte. Ltd.	Alternate Director
MPG St Katharine Finance Limited	Director
MPG St Katharine GP Limited	Director
MPG St Katharine Limited	Director
MPG St Katharine LP Limited	Director
MPG St Katharine Nominee Limited	Director
MPG St Katharine Nominee Two Limited	Director
New Bath Court (Opco) Limited	Director
New Bath Court Limited	Director
New Empire Investments Pte. Ltd.	Director
New Unity Holdings Ltd.	Director
New Vista Realty Pte. Ltd.	Director
Newbury Investments Pte Ltd	Director
Newmarket Property Holdings Limited	Director
Northgate Investments Limited	Director
Novel Developments Pte. Ltd.	Director
Palmerston Holdings Sdn. Bhd.	Director
Paradise Investments Limited	Director
Pavo Properties Pte. Ltd.	Director
Pinenorth Properties Limited	Director
Qaiser Holdings Limited	Director
Queensway Hotel Holdings Limited	Director
Queensway Hotel Limited	Director
Rainbow North Limited	Director
Redvale Developments Pte. Ltd.	Director
Redvale Investments Pte. Ltd.	Director
Redvale Properties Pte. Ltd.	Director
Rehi Normanby Pty Ltd	Director
Republic Hotels & Resorts Limited	Director
Republic Iconic Hotel Pte. Ltd.	Director
Republic Plaza City Club (Singapore) Pte Ltd	Director
Reselton Properties Limited	Director
Richmond Hotel Pte Ltd	Director
Richview Holdings Pte Ltd	Director
Rogo Investments Pte. Ltd.	Director
Rogo Realty Corporation	Director
Scentview Holding Limited	Director
Scottsdale Properties Pte. Ltd.	Director
Serangoon Green Pte. Ltd.	Director
Siena Commercial Development Pte. Ltd.	Director
Siena Residential Development Pte. Ltd.	Director
Siena Trustee Pte. Ltd.	Director
Silkparc Holdings Limited	Director
Singapura Developments (Private) Limited	Director
SKD Marina Limited	Director
SKIL Four Limited	Director
SKIL Three Limited	Director
Sonic Investment Pte. Ltd.	Director
South Beach Consortium Pte. Ltd.	Alternate Director
South Beach International Hotel Management Pte. Ltd.	Director
Southwaters Investment Pte. Ltd.	Director
Sparkland Holdings Pte. Ltd.	Director
Summervale Properties Pte. Ltd.	Director
Summit Vistas Pte. Ltd.	Director
Sunmaster Holdings Pte. Ltd.	Director
Sunny Vista Developments Pte. Ltd.	Director
Sunshine Plaza Pte Ltd	Director
Sycamore House Manco Limited	Director
Tara Hotels Deutschland GmbH (In members' voluntary liquidation)	Director
TC Development Pte. Ltd.	Director
The Philippine Fund Limited	Director
TOSCAP Limited	Director
Treasure Realm Limited	Director
Trentwell Management Pte. Ltd.	Director
Trentworth Properties Limited	Director
Ventagrand Holdings Limited (In members' voluntary liquidation)	Director
Verwood Holdings Pte. Ltd.	Director
Vinemont Investments Pte. Ltd.	Director
Welland Investments Limited	Director
White City Investments Limited	Director
Whitehall Holdings Limited	Director
Zatrio Pte Ltd	Director

Notes:
1. This information is taken from responses to questionnaires circulated to the Directors and Senior Managers by MCK after receipt of CDLHH NZ's Takeover Notice.

APPENDIX: INDEPENDENT ADVISER'S REPORT

Left: The Cabana at M Social Auckland.

Northington Partners

Millennium & Copthorne Hotels New Zealand Limited

Independent Adviser's Report

Prepared in relation to the Full Takeover Offer by CDL Hotels Holdings New Zealand Limited

Statement of Independence

Northington Partners Limited confirms that it:

- Has no conflict of interest that could affect its ability to provide an unbiased report; and
- Has no direct or indirect pecuniary or other interest in the proposed transaction considered in this report, including any success or contingency fee or remuneration, other than to receive the cash fee for providing this report.

Northington Partners Limited has satisfied the Takeovers Panel, on the basis of the material provided to the Panel, that it is independent under the Takeovers Code.

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Cover photo supplied by Millennium & Copthorne Hotels NZ Limited: M Social Hotel Auckland

Abbreviations and Definitions

ADR	Average Daily Rate
CDI	CDL Investments New Zealand Limited
CDL	CDL Hotels Holdings New Zealand Limited, a subsidiary of CDL Singapore Stock Exchange listed City Developments Limited
Code	The Takeovers Code
Company	MCK
EV	Enterprise Value
FY	In relation to MCK, financial year ending 31 December
IAR	This independent adviser report prepared by Northington Partners
MCK	Millennium & Copthorne Hotels New Zealand Limited
NAV	Net asset value per share
NCI	Non-controlling interests
Non-associated Shareholders	Shareholders who are neither the Offeror nor Associates of the Offeror
Northington Partners	Northington Partners Limited
NZ Hotels	MCK's owned and operated hotels in New Zealand as well as franchised hotels
NZX	NZX Limited
Offer	The offer to purchase all of the fully paid ordinary shares in MCK not already held by the Offeror, at NZ$2.25, dated 10 February 2025
Offeror	CDL
RevPAR	Revenue per available room
RPS	Redeemable Preference Shares
Sofitel Brisbane JV	50% shareholding in Marquee Hotel Holdings Pty Limited, which owns the Sofitel Brisbane Central Hotel
Surplus Land	MCK's surplus land adjacent to four hotels (Queenstown, Te Anau, Palmerston North and Rotorua) and a land site acquired in Whangarei in 2024 for a future hotel development
Sydney Apartments	Unsold residential units, commercial suites, carspaces and storage cages at the Zenith Residences apartment complex located at 82-94 Darlinghurst Road Potts Point NSW 2011, Australia
VWAP	Volume-Weighted Average Price

1.0 Executive Summary

1.1. Introduction

Millennium & Copthorne Hotels New Zealand Limited ("**MCK**" or the "**Company**") is an NZX-listed hotel owner and operator. MCK operates 19 hotels based in New Zealand under the Millennium, Grand Millennium, M Social, Copthorne and Kingsgate brands. MCK is also the majority 65.3% shareholder in NZX-listed commercial and residential property developer CDL Investments New Zealand Limited ("**CDI**") and has property interests in Australia including apartments in Sydney and a 50% ownership interest in the Sofitel Brisbane Central.

CDL Hotels Holdings New Zealand Limited ("**CDL**" or the "**Offeror**") is MCK's majority shareholder, currently owning 75.86% of the ordinary shares on issue. On 20 January 2025, CDL gave notice of its intention to make a full takeover offer for all of the fully paid ordinary shares in MCK not already held by CDL (the "**Offer**"). The price for MCK shares under the Offer was set at $2.25 per share ("**Offer Price**"), with the Offer open for acceptances until 5:00pm on 8 May 2025 (unless extended in accordance with the Code).

MCK has also issued approximately 52 million redeemable preference shares which are listed on the NZX Main Board (the "**RPS**"). The RPS are not covered under the Code and are accordingly not included in the Offer. As such, this report does not provide a view on the value of the RPS.

1.2. Summary of the Takeover Offer

The key terms of the Offer are summarised as follows:

- The Offer is to acquire the 24.14% of ordinary MCK shares that CDL does not already own at a cash price of NZ$2.25 per share;
- The Offer opened for acceptances on 10 February 2025 and will close at 5:00pm on 8 May 2025 (unless it is extended in accordance with the Code);
- The Offer is subject to several conditions (which can be waived, in whole or part, by CDL at its discretion), including:
    - that CDL receives acceptances which will result in it holding or controlling 90% or more of the voting rights in MCK ("**Minimum Acceptance Condition**");
    - CDL obtains consent under the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005; and
    - that a range of certain events or circumstances have not occurred at the time the Offer is declared unconditional.

  The latest date that the Offer can be declared unconditional is 6 June 2025 (unless the Offer is extended prior); and
- Payment for the shares will be made in cash no later than five working days after the later of the date on which the Offer acceptance is received, the date on which the Offer is declared unconditional, or the initial Offer closing date.

1.3. Requirements of the Takeovers Code

MCK is a "Code Company" for the purposes of the Code. The Offer and the Company's response to the Offer must therefore comply with the provisions set out in the Code.

Rule 21 of the Code requires that the directors of MCK must obtain a report from an independent adviser on the merits of the Offer. The Company's Independent Directors requested Northington Partners Limited ("**Northington Partners**") to prepare the independent adviser's report required by Rule 21 of the Code, and our appointment was subsequently approved by the Takeovers Panel.

This report will accompany the Target Company Statement to be sent to all MCK shareholders and sets out our opinion on the merits of the Offer. This report should not be used for any other purpose and should be read in conjunction with the declarations, qualifications and consents set out in Appendix 2.

1.4. Basis of Evaluation

The exact meaning of the word “merits” is not prescribed in the Code and there is no well accepted, authoritative New Zealand reference that clearly establishes what should be considered when assessing the merits of a takeover offer. Although the Takeovers Panel has published a guidance note about the role of an Independent Adviser, it has been careful not to limit the scope of the assessment and states that the relevant factors which should be taken into consideration will depend on the features of the proposed transaction as well as the prevailing circumstances of the parties involved. However, the Takeovers Panel suggests that a merits assessment is broader than a valuation assessment and will include other positive and negative aspects of a transaction.

We have assessed the merits of the Offer by taking into account the following factors:

- Our estimate of the underlying value range for 100% of the ordinary shares in MCK;
- A comparison of our estimated value range to the Offer Price;
- The prospects, attractiveness and risk profile of the Company;
- The current level of liquidity for MCK’s shares and other potential opportunities that shareholders may have to sell shares in the future; and
- Any other advantages or disadvantages for MCK shareholders of accepting or rejecting the Offer.

1.5. Summary of our Assessment of the Merits of the Offer

Our full assessment of the merits of the Offer for MCK’s shareholders is set out in Section 5.0. A summary is presented below in Table 1.

Table 1: Summary of Merits of the Offer

<table>
<tr><th>Item</th><th>Key Conclusions</th><th>Further Information</th></tr>
<tr><td>Value of the Offer</td><td>
- We have valued 100% of the equity in MCK in a range between $696.2 million and $791.1 million, which corresponds to a value of $4.40 to $5.00 per share. This is based on our assessment of the fair market value of MCK both as a going concern and via the potential orderly realisation of assets through a wind-up and liquidation of the Company.
- As shown below in Figure 1, the mid-point of our assessed value range ($4.70 per share) is more than double the Offer Price of $2.25. Even allowing for a reasonable margin of error in relation to our valuation, we conclude that the Offer significantly undervalues the Company.
Figure 1: Comparison of Offer Price to Assessed Value Range


Sources: Northington Partners; NZX; Offer. [1]NZX traded price represents the VWAP of ordinary shares during the 20 days prior to the Offer announcement.
</td><td>Sections 4 and 5</td></tr>
</table>

Item	Key Conclusions	Further Information
	– Our valuation range excludes potential synergy and strategic benefits from 100% ownership of MCK. These are expected to be material and provide additional value benefit to CDL.	
Consequences for Minority Shareholders if the Offer is not Successful	– If the Offer conditions are not fully satisfied or waived by CDL, the Offer will lapse and MCK will continue to operate in its current form. Key consequences for minority shareholders under this scenario include the following: o CDL has stated its intention is to make no significant changes to the business or its strategy. That includes evaluating "business decisions using criteria that are oriented towards long-term sustainability", which we interpret to mean that distributions would remain at the current low level. o We expect that the low level of liquidity for MCK shares would continue and minority shareholders will have limited ability to sell their MCK shares on market for the foreseeable future. o The MCK shares are likely to continue to trade at a significant discount to our assessed value range because of the lack of liquidity and ongoing minority discount attributed to small share parcels. – However, in the event that this Offer is unsuccessful, we believe that CDL will remain motivated to reach the 90% ownership level needed to utilise the compulsory acquisition provisions of the Code. One of those options is to make a further takeover offer at a higher price (or to increase the price for the current Offer, pursuant to the terms of the Code).	**Section 5**
Other Considerations in Respect of the Offer	– In our view, the likelihood of an alternative takeover offer emerging for MCK from a party other than CDL is extremely low. As CDL already controls 75.9% of the voting rights in the Company, any alternative takeover offer would require CDL's support. – Because there is no certainty that CDL will make a new offer (or improve the price under the current Offer), some shareholders may see the Offer as an opportunity to fully exit their investment in MCK at a known price (without brokerage costs). – As discussed above, MCK shares are highly illiquid and will remain so if the Offer is unsuccessful. Given the uncertainties relating to the share price and market liquidity after the Offer has closed, some shareholders may accept a price lower than the perceived value of the shares in return for a certain exit.	**Section 5**

1.6. Acceptance or Rejection of the Offer

This report represents one source of information that MCK shareholders may wish to consider when forming their own view on whether to accept or reject the Offer. It is not possible to contemplate all shareholders' personal circumstances or investment objectives and our assessment is therefore general in nature. The appropriate course of action for each shareholder is dependent on their own unique situation. If appropriate, shareholders should consult their own professional adviser(s).

2.0 Industry Overview

2.1. NZ Hotel Sector Overview

New Zealand's accommodation sector is made up of hotels, motels, backpackers, non-traditional accommodation (home sharing / AirBnb), and holiday parks and campgrounds. MCK only participates in the hotel sector. The New Zealand hotel sector predominantly serves both domestic and international travellers, travelling for either tourism or business purposes.

Within the hotel sector, New Zealand has an inventory of approximately 35,000 hotel rooms. Table 2 below details the 10 largest hotel chains in New Zealand as of July 2023 and highlights that MCK is the second largest operator in the sector (at that time).

Table 2: New Zealand Hotel Market Share by Operator (by Number of Rooms as of July 2023)

Rank	Operator	Rooms	Estimated Market Share %
1	Accor	5,641	16.0%
2	MCK	2,396	6.8%
3	IHG Hotels & Resorts	2,161	6.1%
4	Ascott International Management	1,845	5.2%
5	EVT Hospitality & Entertainment	1,879	5.3%
6	Scenic Hotel Group	1,422	4.0%
7	Distinction Hotels	1,345	**3.8%**
8	Wyndham Hotels & Resorts	1,359	3.9%
9	Sudima Hotels	1,153	3.3%
10	Hilton Worldwide	1,039	2.9%

Source: Horwath HTL. Operator rooms by chain group (including managed and franchised) as of the assessed date (July 2023). Current room numbers may differ.

Hotel operators in New Zealand include major global chains such as Accor and Hilton which predominantly operate in major urban centres, catering to international and corporate travellers. Alongside these, domestic hotel chains (such as Scenic, Distinction, and Sudima) serve a wider range of regions including secondary cities and popular tourist destinations, offering accommodation tailored to local demand. Additionally, a diverse network of smaller independent hotels provides unique, boutique or budget-friendly options.

More than half of the hotels in New Zealand have fewer than 50 rooms[1]. Approximately 80% of these smaller hotels are unbranded with independent operators. Branded operators tend to operate larger hotels and although they represent a smaller portion of hotels by number, they supply approximately two thirds of the available room supply with an average room size of over 100 rooms per property.

Given the prevalence of small properties, many international brands seek out affiliations, franchise agreements or management opportunities with existing hotels. MCK is relatively unique in New Zealand because it generally owns and manages the hotels within its portfolio of brands.

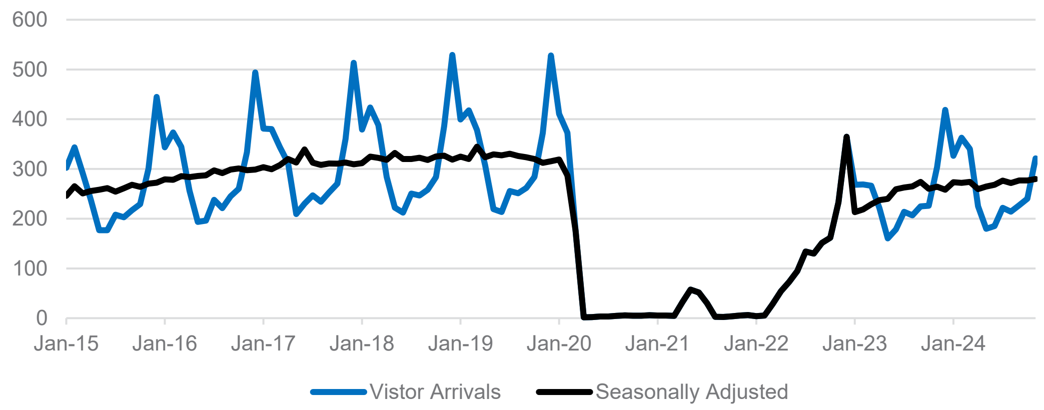
2.2. Key Industry Drivers

The hotel sector serves both domestic and international travellers. With a relatively small population of ~5.2 million people, the performance of the New Zealand hotel sector is highly dependent on international visitor arrivals. Historically, international travellers contributed circa 50% of New Zealand's total hotel room nights.

[1] Horwath HTL Hotels & Chains Report 2023

As shown in Figure 2, the Covid-19 pandemic severely impacted travel to New Zealand. International visitor numbers have since recovered but are yet to reach pre-pandemic levels of ~3.9m arrivals that were achieved in 2019.

Figure 2: New Zealand International Visitor Arrivals (000s per month)



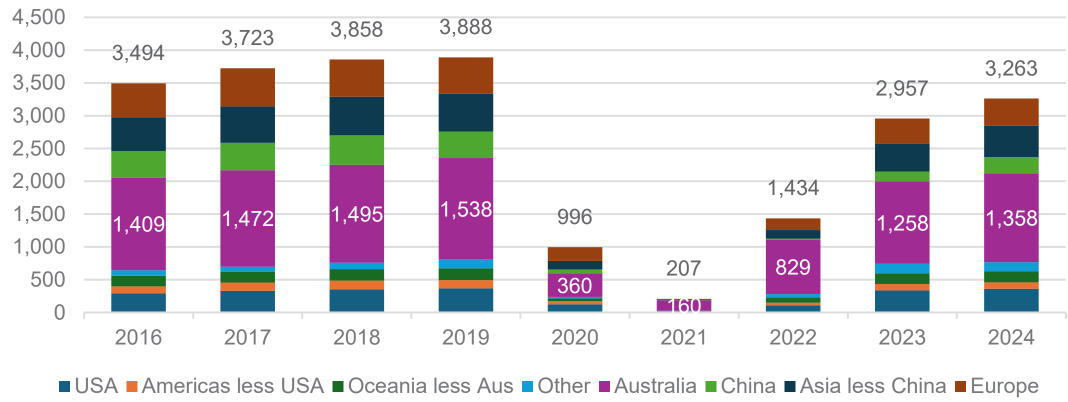
Source: StatsNZ Visitor Arrivals.

Whilst international visitor numbers have recovered to ~84% of their pre-pandemic levels, this has largely been driven by a strong recovery of those visiting friends and family. The recovery in the key hotel related markets of tourism and business has been slower, at circa 79% and 61% respectively as demonstrated in the subsequent sections below.

2.2.1. International Visitors by Country

Figure 3 provides a summary of international visitor arrivals into New Zealand by country of origin for the 2016 – 2019 period (broadly pre-Covid) and the subsequent period to the end of 2024.

Figure 3: International Visitor Arrivals – Country of Residence (000s per annum)



Source: StatsNZ Visitor Arrivals.

Australia is by far New Zealand's most significant source of international arrivals with approximately 1.5m arrivals in 2019 (40% of total arrivals). The 2024 arrivals from Australia have recovered to ~88% of 2019 levels and remains New Zealand's key inbound tourism market. Australians have historically visited for holiday purposes (~40%), to visit friends or family (~40%), or for business purposes (~10%).

Other key markets include the USA, China, Asia (ex-China) and Europe:

- Visitors from the USA have recovered to near pre-pandemic levels, although business travel from the USA remains 35% down.
- China's prolonged pandemic response and slow easing of travel restrictions served to delay the recovery in Chinese tourist numbers. Globally, Chinese tourist activity remains ~15% down on pre-pandemic levels, but the recovery to travel to New Zealand has been slower with arrivals

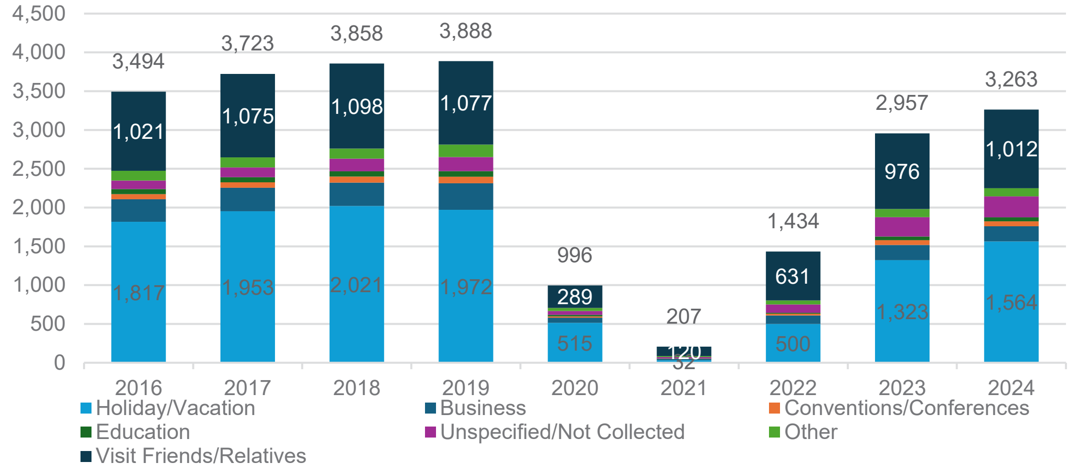
still ~28% below pre-pandemic levels. This is due in part to the pandemic's impact on household savings and depreciation of the yuan, leading Chinese travellers to seek out more budget friendly travel destinations.

- European visitors are down by 140k per annum (25%) compared to pre-pandemic levels. This is driven by a 85k (28%) reduction in the number of holiday makers and a 20k (45%) reduction in the number of business travellers.

2.2.2. International Visitors by Purpose

Figure 4 provides a summary of international visitor arrivals into New Zealand by purpose of travel.

Figure 4: International Visitor Arrivals – Purpose of Travel (000s per annum)



Source: StatsNZ Visitor Arrivals.

Tourism travel (holiday/vacation) has historically made up over 50% of international arrivals to New Zealand but was still slightly lower in 2024 (~48%) and remains ~400k (21%) below pre-pandemic levels. This reduction is observed across all of New Zealand's main tourism markets, with the largest (46%) reduction observed in tourists arriving from China, whilst tourists from Australia and the USA have largely recovered to be only marginally below pre-pandemic levels.

The reduction in New Zealand tourism activity is at odds with the global tourism market where 2024 global tourism travel was 99% of pre-pandemic levels[2]. This is believed to be due to the significant increase in travel costs since the pandemic, with tourists becoming more cost-conscious and actively seeking better value for money. As a high-cost destination and due to the long-travel distances, New Zealand has faced more headwinds than other international destinations. This has been exacerbated by staffing issues driven by a tight labour market and a delay in rebuilding the workforce that historically included many young people holding working holiday visas.

Another major contributor to international arrivals include those visiting for family reasons (~31% of 2024 arrivals). This category has been more immune to Covid-19 compared to business-related and tourist travel.

2.2.3. Domestic Travellers

Hotel demand from domestic travellers is driven primarily by business travel, leisure and entertainment, and to a lesser extent, domestic tourism. All of these factors have been impacted by broader domestic economic conditions and consumer confidence.

Domestic travel experienced a sharp rebound immediately post-pandemic as consumer and business spending increased, driven by rising wages, pent-up demand, limited international travel opportunities, strong consumer confidence, and government wage subsidies and broader spending. With borders

[2] United Nations World Tourism Organisation – Dec 2024

closed, New Zealanders redirected discretionary spending toward domestic tourism, providing a temporary boost to the sector.

However, this momentum was short-lived as several economic headwinds emerged. As the New Zealand economy entered a period of slower growth, rising interest rates and higher inflation, business activity weakened and consumer disposable income levels reduced. This has led to a decline in corporate travel as companies cut costs and scaled back discretionary spending. Anecdotal evidence also suggests there may have been a permanent shift in business travel behaviours as the pandemic transformed the way people work online with less requirement to travel.

Domestic tourism travel has been impacted by the rising cost pressures resulting in reduced or downgraded travel plans. The re-opening of overseas travel has also resulted in travellers bypassing New Zealand in favour of holidaying overseas.

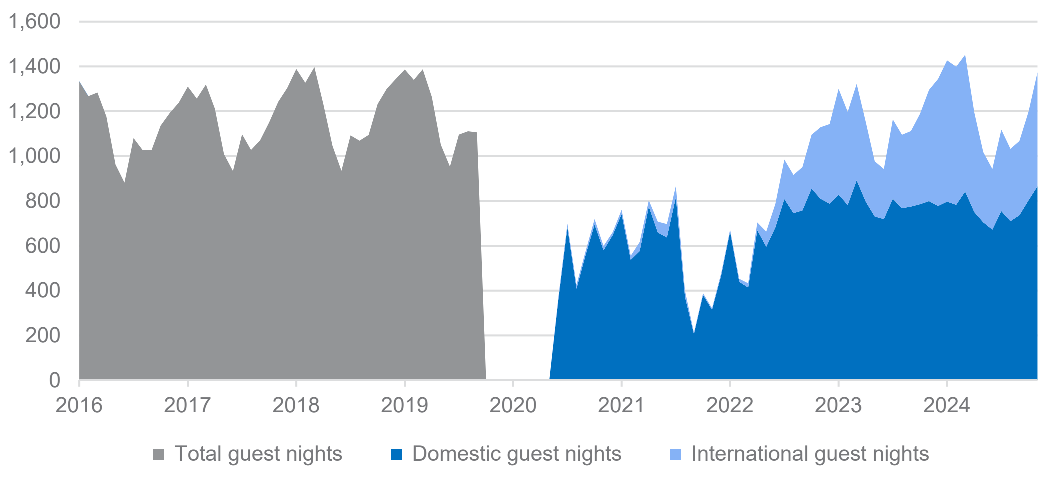
While the post-pandemic tourism and economic impacts have largely stabilized, we understand that domestic travel demand remains significantly lower than during the immediate post-pandemic peak, and modestly lower than pre-pandemic levels.

2.3. Hotel Sector Performance

Key performance drivers for the hotel sector include hotel occupancy levels (relative to available rooms) and revenue per bed, usually measured by average daily rate ("**ADR**") and revenue per available room ("**RevPAR**") metrics. RevPAR is effectively the same as ADR but reflects overall occupancy levels (i.e. for a hotel with 100% occupancy, ADR and RevPAR are equal).

Together, the early rebound in domestic travel and the gradual recovery in international travel is reflected in the total hotel guest nights as shown in Figure 5. Despite international visitor numbers being down on pre-pandemic levels, hotel guest nights peaked at levels higher than pre-pandemic in late 2023. The continued recovery in international visitors through 2024 replaced the small decrease in guest nights from domestic travellers and is expected to contribute to increased hotel demand over 2025.

Figure 5: Hotel Guest Nights (000s per month)

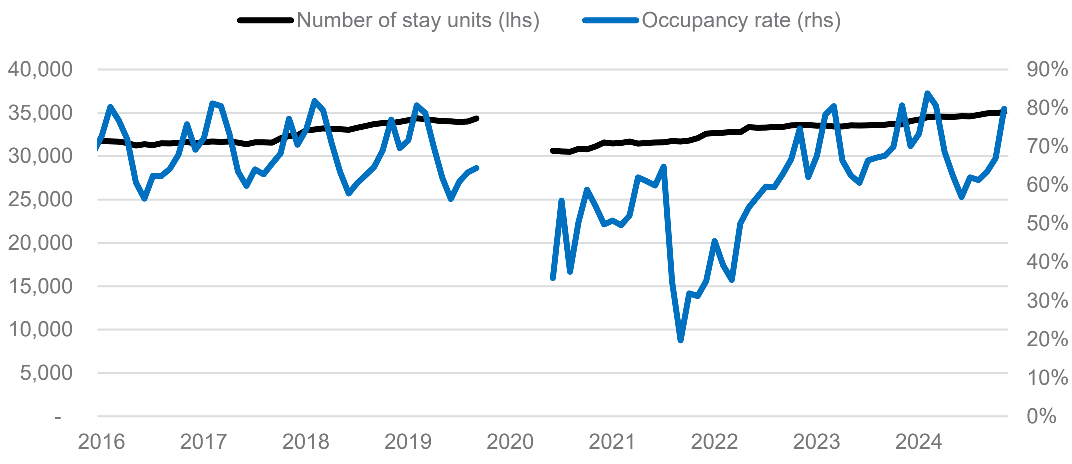


Sources: StatsNZ Accommodation Survey (to September 2019), MBIE Accommodation Data Programme (from June 2020).

Improved guest night demand has increased hotel occupancy levels and is a key factor in driving ADRs and RevPARs as well as supporting the sector in building more rooms (where the demand driven response is to increase pricing or availability of rooms, including reopening of rooms which may have been refurbished or closed during the pandemic).

Figure 6 below demonstrates the level of available rooms and hotel occupancy across the New Zealand hotel sector from 2016 to 2024. This shows that the level of available rooms dropped by approximately 5,000 due to Covid-19 but has since recovered to 2019 levels supported by increasing demand for rooms. Most of the increased supply has been in the main tourism sectors of Auckland, Queenstown and Christchurch. Occupancy levels have also increased from as low as ~20% in September 2021 to ~80% in December 2024.

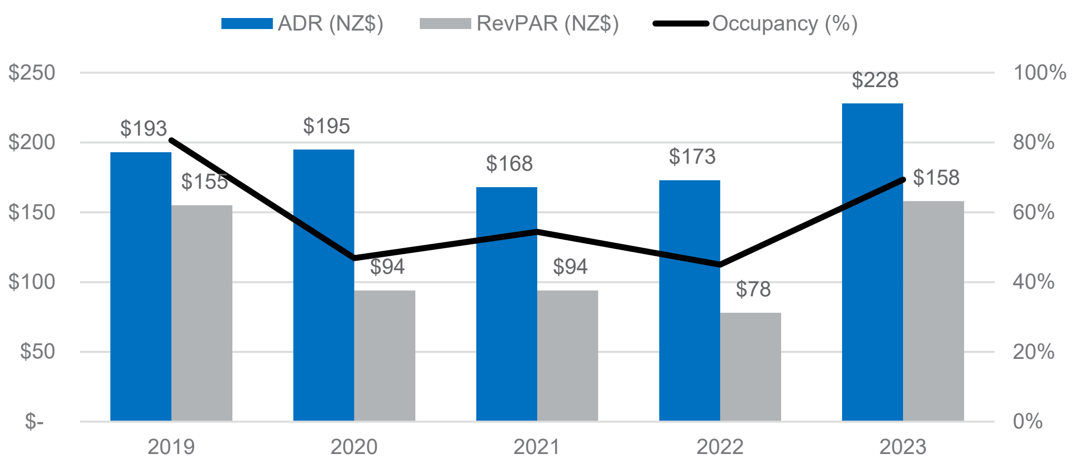
Figure 6: National Hotel Room Availability and Occupancy



Sources: StatsNZ Accommodation Survey (to September 2019), MBIE Accommodation Data Programme (from June 2020).

As shown in Figure 7, the impact of reduced demand in the early stage of the pandemic recovery can be observed in the ADR charged by hotels and the changes in RevPAR. While hotels have since increased ADRs in response to increased demand and cost pressures, RevPAR was only marginally above 2019 levels in 2023 ($158 vs $155). This reflects that 2023 occupancy was still ~69% relative to 81% in 2019. We also note that while ADR and RevPAR have recovered to be above pre-pandemic levels, significant cost increases mean that profitability per bed remains significantly lower.

Figure 7: New Zealand Hotel Occupancy and Revenue

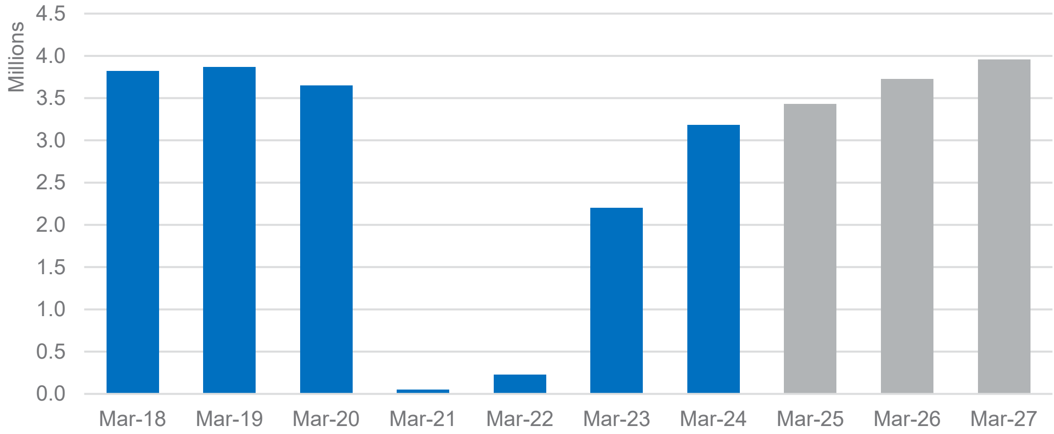


Source: Hotel Data New Zealand

2.4. Hotel Industry Outlook

The outlook for the New Zealand hotel sector remains positive on the back of an expected recovery in international tourist arrivals and broader economic recovery which should support improved disposable income levels and business travel. While there is increasing confidence in the sector outlook, it remains susceptible to external shocks and any deterioration in the domestic and international economy.

Figure 8: International Visitor Arrivals (Million) – Actuals and TECNZ Forecast



Source: StatsNZ Visitor Arrivals, TECNZ International Arrivals Forecast January 2025.

Figure 8 highlights forecast international tourism arrivals are expected to recover to pre-pandemic levels by 2027. This is expected to be supported by the recovery in key markets including Australia, China, the USA and Europe.

Domestic tourism and business travel is also expected to support growing demand for hotel rooms driven by stabilising costs, the expected easing in interest rates and the consequent improvement in disposable incomes. This trend is also expected to be supported by increasing number of international artists playing at New Zealand stadia, the opening of the Christchurch stadium and increasing levels of convention centre demand.

Increased confidence in the sector has also been demonstrated through the construction of new hotels or expansion of existing hotels (including MCK's refurbishment and release of additional rooms in the last 2 years). Much of the new room supply since 2019 has been driven by the large global operators including IHG and Wyndham as well as Sudima.

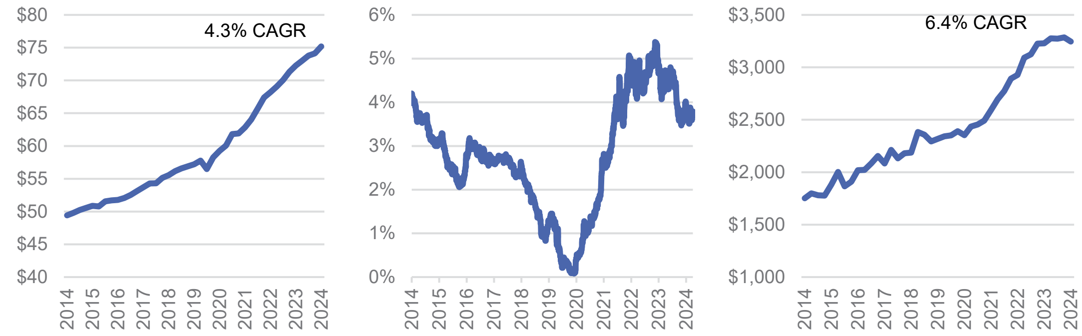
2.5. Residential Property Market

CDI's business has no exposure to the New Zealand hotel market. Its performance and earnings are influenced by the residential property market, particularly the market for new homes in residential subdivisions. The key factors driving the residential property market largely relate to domestic economic factors including population growth, interest rates, employment and income levels, the availability of credit (influenced by bank lending restrictions such as loan to value ratios) and the costs of building a new home.

Recent trends for some of these economic indicators are summarised in Figure 9. These show that while house construction cost growth has exceeded income growth over the last 10 years, near 0% interest rates were a key contributor to the increased investment in section sales and new homes (and house prices) post Covid-19. Other factors which impact on new section sales include the availability of land, zoning changes (i.e. rural to residential) and council consenting.

Figure 9: Economic Indicators (2014 – 2024)

Household Income Levels (individual average annual earnings, $k) | **Interest Rates (5-year bank swap rate)** | **New Residential Property Construction Costs ($/sqm)**

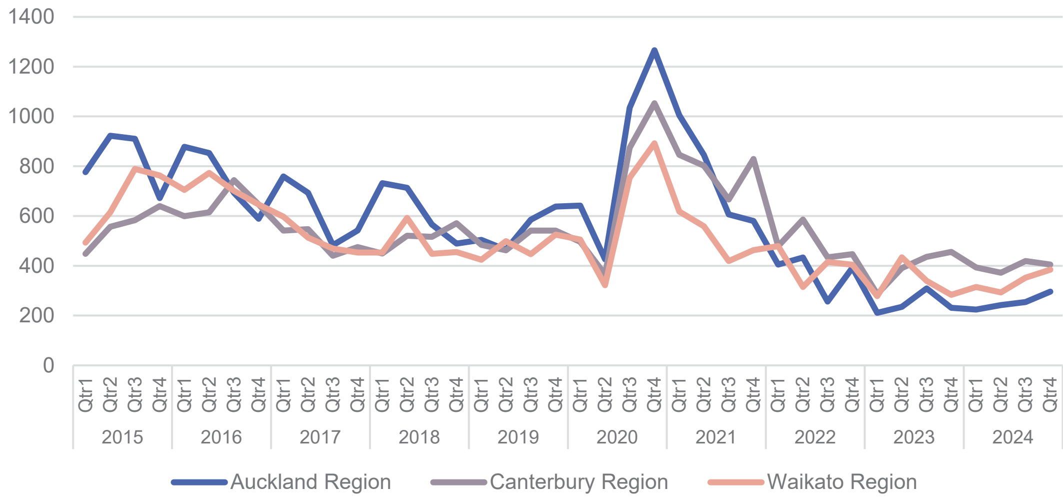


Source: Stats NZ (quarterly data for household incomes and residential construction costs to Q4 2024), IRESS. Home construction costs based on council consent data (value and area of consented new homes).

Figure 10 shows the number of historical residential section sales in the key regions in which CDI operates (Auckland, Canterbury and Waikato) over the last 10 years (by quarter). Key take-outs from this data include:

- Over 2015 and 2016 section sales in the Auckland region broadly fluctuated between 600 – 900 per quarter while the Canterbury and Waikato regions were around 500 – 700 per quarter. Section sales in all regions slowed over the 2017 – 2019 period with Auckland around 500 – 700 and Canterbury and Waikato around the 500 section sales per quarter level;
- The fall-out from Covid-19 generated a significant spike in new residential section sales fuelled by cheap credit and government stimuli. New residential section sales spiked to over 1,200 in the 4th quarter of 2020 in the Auckland region, over 1,000 in Canterbury and almost 900 in Waikato; and
- Following the post Covid-19 boom, Canterbury section sales are averaging around 400 per quarter while Auckland is around 250 per quarter and Waikato sales are around 330 per quarter, with all regions significantly below pre-2018 levels.

Figure 10: New Zealand Residential Section Sales by Number by Region (Quarterly, 2015 - 2024)



Source: REINZ

The broader outlook for the residential property market remains subdued but is expected to improve during 2025 following reductions in mortgage interest rates, the stabilisation of construction costs and growing consumer confidence and income levels.

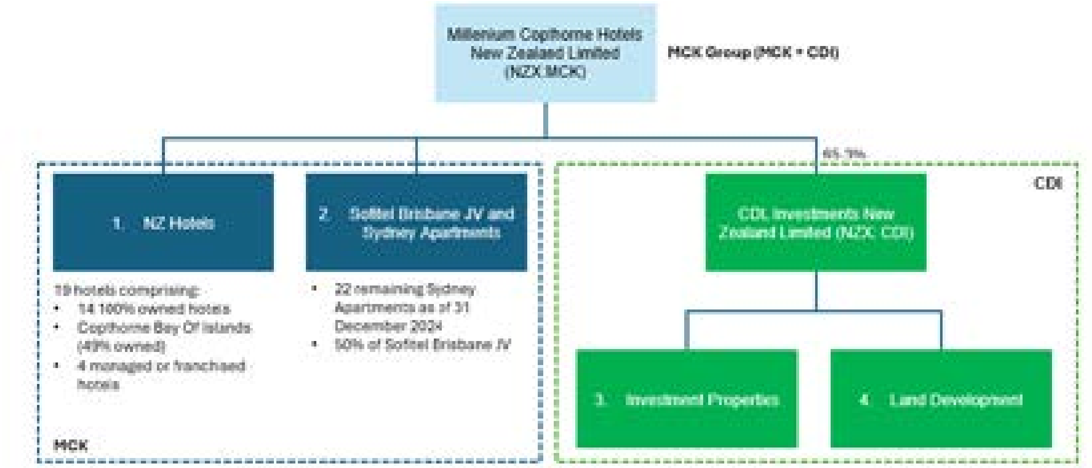
3.0 Profile of MCK

3.1. Overview of the Company

As summarised in Figure 11 below, the Company comprises four key business components:

- MCK:
  1. NZ hotel ownership and operation, as well as franchised hotels ("**NZ Hotels**")
  2. Sofitel Brisbane Joint Venture ("**Sofitel Brisbane JV**") and Sydney Zenith apartments ("**Sydney Apartments**").
- CDI:
  3. Residential and commercial land development ("**CDI Residential Land Development**").
  4. Investment property ownership ("**CDI Investment Property**").

Figure 11: Simplified Corporate Structure of MCK Group



MCK largely comprises MCK Group's hotel operations. Hotel operators typically pursue a range of operating models for the ownership and management of hotels. These models can vary between an "asset heavy" approach in which the entity owns the real estate and operates the hotel, and an "asset light" approach in which the hotel operator leases the hotel from the property owner or directly manages the hotel on another entity's behalf. The asset light model also extends to operators who franchise their brand.

MCK predominantly operates an asset heavy model; it owns and manages 15 of its NZ Hotels (noting Copthorne Bay of Islands is 49% owned and 26 rooms at Copthorne Lakeview are owned by individuals) with 2 hotels managed and 2 franchised. In addition to the hotel properties, MCK owns surplus land adjacent to four hotels (Queenstown, Te Anau, Palmerston North and Rotorua) as well as a new land site acquired in Whangarei in 2024 for future hotel development.

Following the conversion of the former Kingsgate Millennium hotel in Sydney into a mixed use residential and commercial complex completed in 2006, MCK has been in the process of selling the apartment units. As of 31 December 2024, MCK owned 22 unsold apartments, 2 commercial suites, 14 carparks and 25 storage cages, with the majority currently being rented.

CDI represents MCK Group's residential development activities and investment property interests.

3.2. MCK Hotels Portfolio

A summary of MCK's hotels is set out in Table 3 with a location map presented in Figure 12.

MCK's hotel strategy is to invest in and manage hotels for income and long-term capital growth. NZ Hotels comprises 19 hotels with a total of 2,506 rooms while the Sofitel Brisbane has a further 416 rooms. MCK operates under seven different brands (including the recently acquired Sofitel Hotel in Brisbane). Of these hotels:

- MCK owns 12 of these hotel properties on a freehold basis with long-term leasehold agreements on a further 3 properties (Copthorne Auckland, Copthorne Bay of Islands and Copthorne Greymouth);
- Two hotels are owned and operated by third-parties under franchise arrangements;
- MCK manages two hotels owned by third-parties; and
- The Sofitel Hotel in Brisbane is 50% owned by MCK through a joint-venture and is managed by the Accor Group.

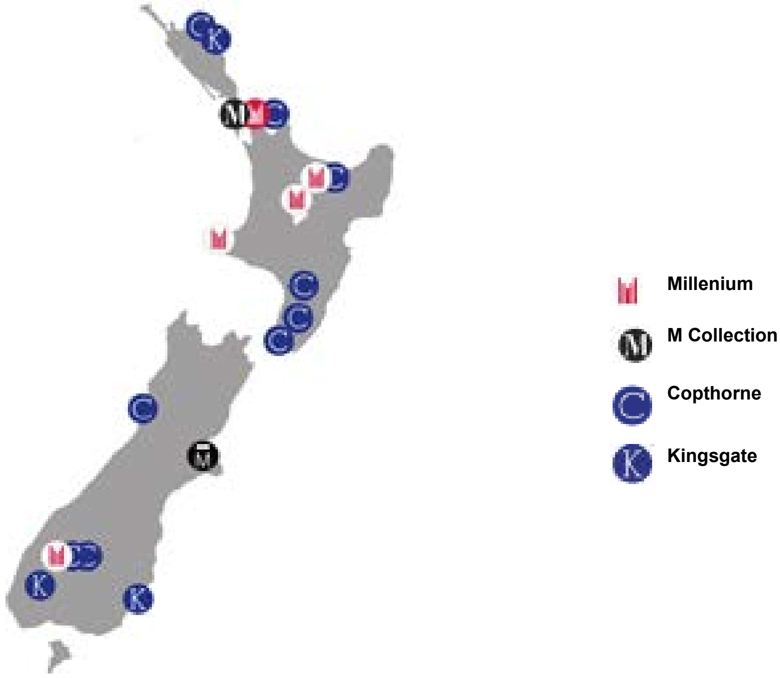
Table 3: MCK Hotel Portfolio

Location	Brand	# Rooms	Operating Model
Queenstown	Copthorne	240	Owned
Rotorua	Millennium	228	Owned
Queenstown	Millenium	220	Owned
Auckland	M Social	190	Owned
Bay of Islands	Copthorne	180	49% Owned (JV)
Rotorua	Copthorne	58[3]	Owned
Wellington	Copthorne	118	Owned
Auckland	Copthorne	106	Owned
Queenstown	Copthorne	85	~ 64% Owned
Palmerston North	Copthorne	76	Owned
Te Anau	Kingsgate	69	Owned
Christchurch	The Mayfair	67	Owned
Dunedin	Kingsgate	55	Owned
Greymouth	Copthorne	53	Owned
New Plymouth	Millennium	42	Owned
Auckland	Grand Millennium	453	Managed
Paihia	Kingsgate	113	Managed
Wairarapa	Copthorne	102	Franchised
Taupo	Millennium	51	Franchised
Total NZ Hotels		**2,506**	
Brisbane Central	Sofitel	416	50% Owned (JV)

Sources: MCK Annual Report 2023, website and Company announcements.

[3] Although Copthorne Rotorua has 136 rooms available, only 58 are currently utilised.

Figure 12: NZ Hotels Locations



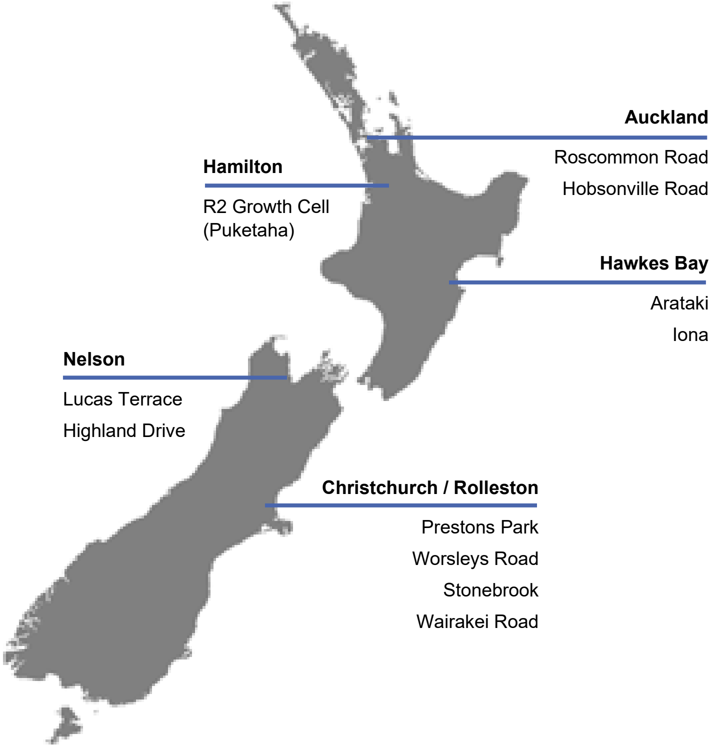
Sources: MCK Annual Report 2023, website and Company Announcements.

3.3. CDL Investments

MCK owns 65.31% of the NZX listed CDL Investments New Zealand Limited ("**CDI**"). The company is primarily engaged in the acquisition, development and sale of residential land in New Zealand. In addition to the primary land development functions, CDI also engages in commercial development and investment. CDI has operated in New Zealand for nearly 30 years. From 2018-2023, CDI developed and sold over 900 residential sections and over the last 20 years has completed numerous subdivisions in Auckland, Hamilton, Tauranga, Hastings, Havelock North, Taupo, Nelson, Christchurch and Queenstown.

As shown in Figure 13 below, CDI's residential property development portfolio spans over 280 hectares across 14 sites. These projects are expected to deliver a total of over 3,000 sections along with up to 19 additional investment properties.

Figure 13: CDI Residential Development Portfolio



Source: CDI annual results and property searches.

CDI's income is highly dependent on the overall residential property market, although EBITDA from property development activities was greater than $40m per annum in the five years to FY22. With a weakening property market, FY23 property sales slowed to less than one third of FY21 sales, resulting in EBITDA of $13.7m from development activities.

CDI aims to diversify its revenue and earnings beyond the residential property market through the development and ownership of commercial properties. In 2023, rental income from its two warehouses and two retail spaces totalled $2.5 million, accounting for nearly 8% of the company's total revenue.

CDI holds significant cash reserves and no debt.

3.4. Capital Structure and Ownership

MCK currently has 105,478,743 ordinary shares on issue, of which CDL currently holds 75.86%. There are no other substantial security holders (those with a beneficial interest of 5% or more).

MCK has also issued 52,739,543 non-voting RPS, with CDL currently holding 91.34%. The RPS 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 (see Section 4.2 for further information on the RPS).

MCK has historically maintained a conservative debt profile, funding its growth primarily through retained earnings and cash reserves. In recent years, the company has actively reduced its debt, with total Group net cash of $38m as of 31 December 2024 (although the MCK has subsequently drawn debt to fund the $31.9m purchase of Mayfair Christchurch).

3.5. Share Price Performance

Figure 14 illustrates MCK's share price performance for the period between 1 January 2022 and 3 February 2025. As at 17 January 2025 (prior to CDL's announcement of the Offer), MCK's share price was $1.80, representing a 52% discount to reported NAV of $3.46 per share as of 31 December 2024.

Figure 14: MCK Share Price and associated trading volume (1 Jan 2022 to 3 Feb 2025)

Sources: CapitalIQ. Note: Volume excludes the 5.27m shares purchased by the Offeror on 29 October 2024.

3.6. Share Liquidity

With over 75% of the outstanding MCK ordinary shares and over 90% of the RPS held by CDL, the shares on issue in MCK are thinly traded and have poor liquidity.

The trading volume for MCK's ordinary shares over a number of periods is summarised in Table 4. Average daily volume in all of the selected periods is very low, ranging between about 1,860 and 6,300 shares per day. The total number of shares traded over the last year (~761k) represents less than 1% of the total shares on issue and ~3% of the free-float shares (excluding CDL's shareholding). Bid-ask spreads have also averaged $0.06, or approximately 3% of the share price since January 2022.

This low liquidity will be a large deterrent to institutional investors and larger market participants, as executing large trades without significantly moving the share price is likely to be difficult. The absence of active institutional investors and the limited presence of engaged investors is evident in the lack of analyst coverage, even when adjusting for market capitalisation.

Table 4: Share Trading History for MCK Ordinary Shares (to 17 January 2025)

	30 Days	3 Month	1 Year	3 Year
Total Volume	37,133	317,494	761,097	4,728,244
Average Daily Volume	1,857	5,121	3,020	6,296
Volume as % of free float shares (excluding CDL shareholding)	0.1%	1.2%	3.0%	18.6%
VWAP	$1.75	$1.81	$1.80	$2.00
High Price	$1.90	$1.90	$1.95	$2.57
Low Price	$1.70	$1.70	$1.66	$1.66

Sources: CapitalIQ. Note: Volume excludes the 5.27m shares purchased by the Offeror on 29 October 2024. Free float shares based on current shares on issue excluding CDL's shareholding.

3.7. Summary Financial Results

3.7.1. Financial Performance

A summary of MCK's recent financial performance is set out in Table 5 below for the period from FY22 to FY24.

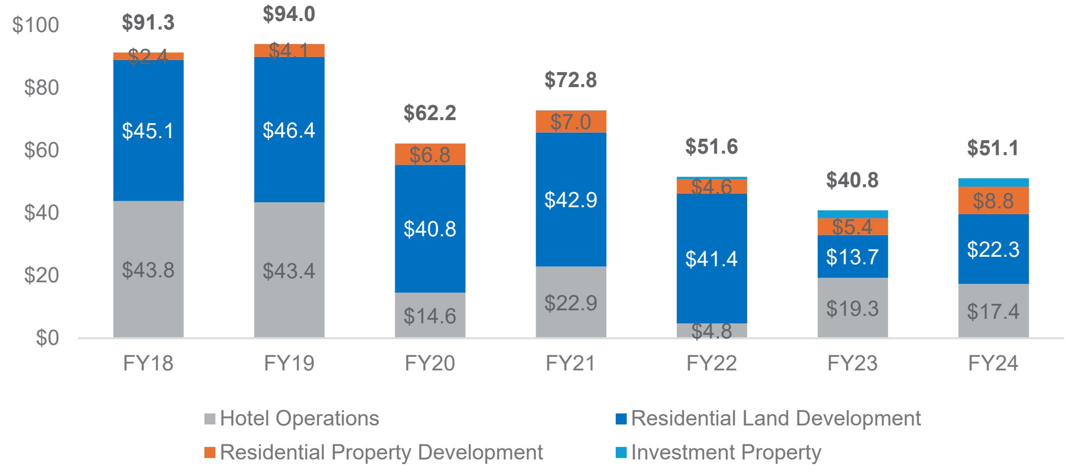
Table 5: Historical Financial Performance - Years Ending 31 December ($m)

Income Statement (MCK Segment Reporting)	FY22	FY23	FY24
Hotel Operations	65.2	101.1	109.5
Residential Land Development	66.1	28.3	46.3
Investment Property	1.2	2.5	2.7
Residential Property Development	11.6	13.8	17.6
Revenue	**144.2**	**145.7**	**176.2**
Cost of Sales	(59.7)	(67.9)	(78.3)
Gross Profit	**84.5**	**77.8**	**97.9**
Administrative Expenses	(22.7)	(25.5)	(29.8)
Other Operating Expenses	(10.3)	(11.4)	(17.0)
EBITDA	**51.6**	**40.8**	**51.1**
Finance Income	3.9	7.7	5.3
Finance Costs	(2.3)	(2.4)	(2.2)
Net Finance Income	**1.5**	**5.3**	**3.1**
Depreciation & Amortisation	(8.3)	(8.7)	(8.6)
Share of Profit of Joint Venture	-	0.1	1.5
Profit before Income Tax	**44.78**	**37.5**	**47.1**
Income Tax Expense	(12.4)	(10.6)	(38.3)
Net Profit after Tax	**32.4**	**26.9**	**8.8**

Source: MCK annual reports and FY24 financial results based on segment results. Totals may not sum due to rounding.

MCK's financial results reflect the consolidated results for MCK and CDI because of MCK's controlling interest in CDI. In order to illustrate the relative contributions from the respective businesses over a period that captures performance both before and after Covid-19, Figure 15 summarises MCK Group EBITDA by segment.

Figure 15: Summary of Historical EBITDA By Segment ($m)



Source: MCK annual reports and FY24 financial results. Note: includes minority interests but excludes Sofitel Brisbane JV.

The main features of MCK's historic financial performance can be summarised as follows:

- MCK's hotel operations represents the NZ Hotels and delivered over $40m of EBITDA in both FY18 and FY19 prior to the impacts of Covid-19. The FY20 to FY22 results were significantly impacted by lower occupancy as a consequence of the pandemic which also impacted on room rates due to industry oversupply. The slow recovery in the hotel segment can be observed through FY23 and FY24, consistent with the broader industry.
- Residential land development and investment property EBITDA represents CDI earnings. CDI's substantial portfolio of residential land property sales and the strong post-Covid-19 residential property market resulted in strong earnings from CDI's property development through to FY22 (EBITDA > $40m FY18 to FY22). The impact of the weaker property market and lower levels of activity can be observed in the lower earnings for FY23 and FY24.
- MCK's Sydney Apartment sales have more recently delivered annual earnings of between $4.6 and $8.8m of EBITDA. With 22 apartments remaining (as of 31 December 2024), the contribution to earnings beyond FY26 from this component is expected to be eliminated.

3.7.2. Financial Position

A summary of MCK's recent financial position is set out in Table 6.

Table 6: Historical Financial Position - Years Ending 31 December ($m)

Balance Sheet as of:	FY22	FY23	FY24
Total Cash & ST Investments	173	75	41
Trade and Other Receivables	14	20	23
Inventories	1	2	2
Development Properties	23	27	35
Advances to Related Parties[4]	-	63	65
Total Current Assets	**212**	**187**	**167**
Property, Plant & Equipment	255	263	283
Investment in Sofitel Brisbane JV	-	44	47
Development Properties	205	217	229
Investment Properties	36	36	36
Total Non-Current Assets	**497**	**560**	**595**
Total Assets	**709**	**747**	**762**
Interest-bearing Loans and Borrowings	-	12	-
Trade and Other Payables	28	32	31
Income Tax Payable	1	3	2
Other Current Liabilities	2	3	2
Total Current Liabilities	**31**	**50**	**35**
Interest-bearing Loans and Borrowings	-	-	3
Lease Liability	25	27	27
Deferred Tax	10	7	33
Total Non-Current Liabilities	**35**	**34**	**62**
Total Liabilities	**66**	**84**	**97**
Net Assets	**643**	**662**	**665**
Issued Capital	383	383	383
Reserves	149	166	165
Treasury Stock	(1)	(1)	(0)

[4] Includes advance to Sofitel Brisbane JV of $62.2 million as of 31 Dec 2023 and $63.7 million as of 31 Dec 2024.

Equity Attributable to Owners of the Parent	**531**	**548**	**548**
Non-controlling Interests	112	115	117
Total Equity	**643**	**662**	**665**

Source: MCK annual reports and FY24 financial results. Totals may not sum due to rounding.

Key features of MCK's consolidated historic financial position include:

- The majority of MCK's operating assets relate to its hotel properties and the investment in residential development land and commercial properties held through CDI. These assets are recorded at historic cost less accumulated depreciation and impairment losses. The FY24 consolidated total carrying value of ~$665m (including the minority interests in CDI and the $64m advance to Sofitel Brisbane JV) is considerably lower than their equivalent market value of $1,069m (see Section 3.8).
- MCK has modest working capital requirements, primarily relating to the operation of the hotel business.
- MCK records lease liabilities related to long-term land leases for hotel sites, buildings, and motor vehicles, which totalled $26.7 million at 31 December 2024.
- As at 31 December 2024, the company held $41 million in cash and short-term investments and only ~$3m of drawn debt under its $120m bank facility. However, MCK settled on the acquisition of Mayfair Christchurch in January 2025 and utilised another ~$30m of the available bank facilities.
- MCK's deferred tax liability primarily relates to the difference between the depreciation on buildings for tax purposes and the values used for financial reporting purposes. The change in tax treatment during FY24 which removed the ability to depreciate buildings resulted in a non-cash increase in deferred tax liabilities of $25.8m.
- The Minority Interest largely relates to the 34.69% of CDI not owned by MCK. This value is based on the carrying value of CDI's properties which, as with MCK, are recorded at historical cost less accumulated depreciation and impairment losses. The total of ~$117m also includes MCK's minority interests in Copthorne Bay of Islands and Copthorne Queenstown Lakeview.

3.7.3. Cash Flow

MCK's cash flow statement is presented in Table 7.

Table 7: Historical Cash Flow Statement - Years Ending 31 December ($m)

Consolidated Statement of Cash Flows	FY22	FY23	FY24
Receipts from customers	146	142	172
Interest received (paid)	3	8	5
Payments to suppliers and employees	(85)	(100)	(126)
Purchases of development land	(25)	(20)	(24)
Income tax paid	(14)	(11)	(14)
Net cash inflow/(outflow) from operating activities	**26**	**20**	**14**
Purchases of property, plant and equipment	(7)	(14)	(28)
Purchases of investment property	(14)	(0)	(1)
Investment in joint venture	-	(44)	-
Advance to joint venture	-	(62)	-
Divestments in short term bank deposits	10	48	63
Net cash inflow/(outflow) from investing activities	**(11)**	**(72)**	**33**

Drawdown/(Repayment) of borrowings	(1)	12	(9)
Lease payments	(3)	(2)	(2)
Dividends paid to shareholders of MCK	(6)	(5)	(5)
Dividends paid to non-controlling shareholders	(4)	(4)	(5)
Net cash inflow/(outflow) from financing activities	**(14)**	**1**	**(20)**
Net increase/(decrease) in cash and cash equivalents	**1**	**(52)**	**26**
Add opening cash and cash equivalents	58	61	11
Exchange rate adjustment	2	2	2
Closing cash and cash equivalents	**61**	**11**	**40**

Source: MCK Annual Reports and FY24 financial results. Totals may not sum due to rounding.

The main features of MCK's historic cash flow performance can be summarised as follows:

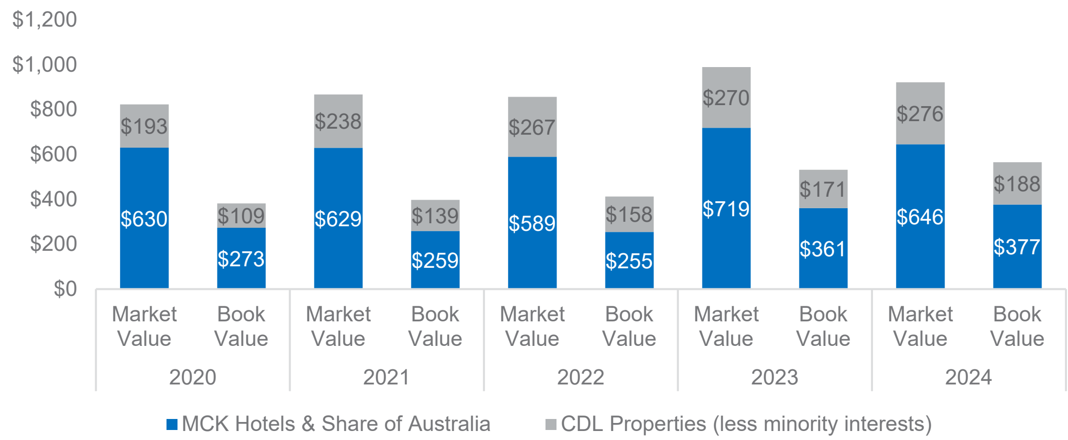
- Total cash receipts include the sale of residential property by CDI and MCK. As a result of the weak property market in 2023, sales of residential land by CDI reduced significantly. Receipts from customers recovered in 2024 as a result of strengthening hotel performance and an increase in sales of residential property.
- Payments to suppliers and employees relate primarily to hotel operations.
- Purchases of development land is that undertaken by CDI. Purchases of property, plant, and equipment relates to purchases by MCK related to hotels and associated assets.
- The investment in, and advance to, the joint venture in FY23 relates to the purchase of the Sofitel Brisbane JV.

3.8. Market Value of Properties

3.8.1. MCK Property Portfolio

Prior to 2021, MCK reported the value of its hotel assets at fair market value. In 2021, the company changed its accounting policy and now reports its assets at historical cost. As result of this change, the reported value of hotel land and buildings owned by MCK reduced from $630m to $273m. Figure 16 summarises the market value and book value (historic cost less accumulated depreciation and impairment losses) for MCK Group's properties since 2020.

Figure 16: Market Value and Book Value of MCK and CDI Properties



Sources: MCK annual reports (including restated 2020 accounts) and FY24 financial results; CDI annual reports and FY24 financial results; and third-party 2024 valuations as outlined below. Figure does not include The Mayfair Hotel (settled on 22 January 2025).

Although MCK no longer records the value of its hotels, developments and investment properties at fair market value, these assets are periodically independently valued for impairment testing purposes. These valuations are typically undertaken on a triennial rotating basis with all assets having been revalued in the last three years. However, following the Offer from CDL, MCK's valuers have provided desktop valuation updates for all of the Group's key property assets that were not valued as part of the ordinary cycle ending on 31 December 2024. Table 8 summarises the most recent market value for all of MCK's hotel properties (refer to Appendix 3 for details on the valuer, value methodology and key assumptions).

Table 8: MCK Property Portfolio Market Valuation Summary (as of 31 December 2024)

Property/Location	# of Rooms / Sqm	Property Valuation ($m)	Value per Room / Sqm	Valuation reporting date
MSocial Hotel Auckland	190	97,500	513	31-Dec-24
Copthorne Hotel Auckland City	106	10,750	101	31-Dec-24
Copthorne Hotel Bay of Islands (49% owned)	180	19,250	107	31-Dec-24
The Mayfair Hotel Christchurch [1]	67	31,900	476	22-Jan-25
Kingsgate Hotel Dunedin	55	5,200	95	31-Jan-25
Copthorne Hotel Greymouth	53	11,000	208	31-Jan-25
Millennium Hotel New Plymouth Waterfront	42	11,250	268	31-Dec-24
Copthorne Hotel Palmerston North	76	10,200	134	31-Dec-24
Millennium Queenstown	220	100,000	455	11-Feb-25
Copthorne Hotel & Resort Queenstown Lakefront	240	82,000	342	11-Feb-25
Copthorne Hotel & Resort Queenstown Lakeview	85	21,940	258	31-Jan-25
Millennium Rotorua	228	66,000	289	11-Feb-25
Copthorne Hotel Rotorua	58 [2]	10,100	174	31-Dec-24
Kingsgate Hotel Te Anau	69	10,000	145	31-Jan-25
Copthorne Hotel Wellington Oriental Bay	118	22,750	193	31-Dec-24
Hotels	**1,787**	**509,840**	**273**	
Hotels Surplus Land [3]	**35,106**	**34,483**	**1.0**	
Sofitel Brisbane JV (50%) [4]	**416**	**110,305**	**512**	
Sydney Apartments [5]	**2,181**	**22,894**	**10.5**	
Total Value of MCK Properties (Ex. CDI)		**677,522**		

Sources: Property valuation reports from CVAS (NZ) Limited trading as Colliers and Bower Valuations Limited, unless noted otherwise. MCK purchase price announcements.

[1] *The Mayfair Hotel Christchurch value based on the purchase price (transaction settled on 22 January 2025).*

[2] *Although Copthorne Rotorua has 136 rooms available, only 58 are currently utilised.*

[3] *Includes surplus land adjacent to Copthorne Hotel Queenstown Lakefront (value as of 31-Jan-25), to Copthorne Hotel Palmerston North (value as of 31-Dec-24), to Copthorne Hotel Rotorua (value as of 31-Dec-24), to Kingsgate Hotel Te Anau (value as of 31-Jan-25), and land purchased in Whangarei on 19-Aug-24 for the development of a hotel.*

[4] *Sofitel Brisbane JV value based on book value of MCK's share (including advances) as of 31 December 2024 (hotel acquired on 15 December 2023).*

[5] *Sydney apartments value based on management's estimate of net realisable value of AU$20.8m.*

3.8.2. CDI Property Portfolio

A summary of CDI's development and investment property portfolio is set out in Table 9. As at 31 December 2024, the market value of CDI's properties totalled $422.8m (as reported by CDI), comprising $357.8m of residential land and $65.1m of commercial investment property (as reported by MCK).

Table 9: CDI Property Portfolio Market Valuation Summary (31 December 2024)

Property	Location	Size (ha)	Property Valuation ($m)
Hobsonville & Trig Roads	Whenuapai	13.8	
Gordonton, Puketaha & Greenhill Roads	Hamilton	132.5	
Arataki Road	Havelock North	11.2	
Iona & Middle Roads	Havelock North	70.1	

Pelorus Sound	Marlborough	11.8	
Lucas Terrace	Nelson	3.1	
Highland Drive	Richmond	10.8	
Stonebrook - Lot 2 (Stage 27)	Rolleston	0.04	
Prestons Park	Christchurch	91.1	
Worsleys Road	Christchurch	29.8	
Wairakei Road / Stanleys Road	Christchurch	10.1	
Total Land Development Projects		**384.3**	**357.8**
Burnside Road / Diversey Lane	Wiri, Auckland	3.9	
Stonebrook Retail Centre	Rolleston	0.3	
Prestons Park Commercial Centre	Christchurch	0.9	
Investment Properties		**5.0**	**65.1**
Total Value of CDI Properties			**422.8**

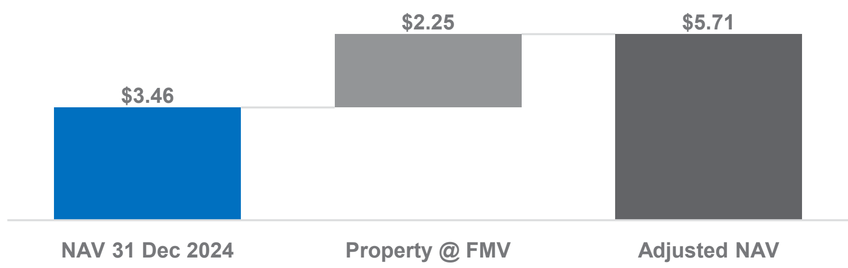
Sources: MCK and CDI FY24 financial results.

CDI has historically reported assets at historical cost (less depreciation where relevant). The $357.8m market value for CDI's land development property compares to a 31 December 2024 carrying value of $251.4m while the $65.1m for the investment property compares to a carrying value of $36.3m.

3.8.3. MCK Adjusted NAV

MCK's reported net asset value per share attributable to MCK shareholders ("**NAV**") as at 31 December 2024 was $3.46 based on the carrying values of MCK Group's properties. However, this would be much higher if the properties were valued at market value consistent with MCK's accounting policy prior to FY21. The market value of MCK Group's properties is approximately $356m higher than the carrying value. All else equal and without considering potential tax implications, this would translate to a NAV for MCK Group of $5.71 per share (net of CDI minority interests) as summarised in Figure 17[5].

Figure 17: Adjusted NAV for MCK Group at 31 December 2024



Source: FY24 financial results, Northington Partners assessment of adjusted NAV.

3.9. Outlook

Overall, the outlook for the New Zealand hotel sector remains positive, driven by increasing international visitor numbers and the expected recovery in the domestic economy. These factors are set to more than offset the recent and anticipated increases in hotel room capacity.

MCK's future performance will be significantly influenced by the following:

- Ongoing recovery in international arrivals which are expected to reach pre-pandemic levels by 2027.
- The upcoming completion of the International Convention Centre in Auckland in 2026 is expected to generate significant demand, particularly for business and convention-related travel.

[5] Our assessment of adjusted NAV per share of $5.71 differs to the "Net Asset Backing Per Share on market value basis" of $5.39 reported in MCK's FY24 financial results. This difference is mainly due to the fact that the Company allows for an increase in deferred tax liability on the property revaluations which we have ignored as they would be unlikely to crystallise (due to capital gains being tax free in New Zealand if the properties are not held with the intention of resale).

- The improvement in the domestic economy is also expected to add further demand for hotel accommodation. As business confidence returns, there is likely to be increased demand from the corporate sector, while an uplift in disposable income and consumer confidence will drive more domestic tourism, especially for leisure and entertainment purposes.

Other key factors which are likely to affect the outlook for MCK include the following:

- The improving sector outlook is reflected in the number of hotels recently completed or planned. Although increasing supply would be expected to suppress occupancy and ADRs, this effect has not yet been observed in the data. In the short to medium-term, we expect demand to increase faster than the sector can add new capacity.
- The labour shortages which had a material impact on hotel operations since Covid-19 have largely been addressed. With a more stable workforce now in place, hotels have been able to increase room availability and improve service delivery, helping to accommodate the growing tourist numbers.
- Increasing demand supporting increased ADRs and RevPAR, particularly offsetting recent cost pressures.

CDI's outlook will be influenced by the following:

- CDI's residential development business is inherently cyclical, with performance closely tied to market conditions and broader economic trends. In a declining interest rate environment, we expect the property market to show signs of improvement, supporting stronger demand.
- CDI holds a strong portfolio of highly prospective sites and recently completed developments that position the business well to capitalise on improving market conditions. CDI is already showing early signs of recovery with sales and earnings in FY24 representing a significant improvement over FY23.

4.0 Valuation of MCK

4.1. Valuation Methodology

Our valuation of MCK has been prepared on the basis of "fair value". The generally accepted definition of fair value (and that applied by us in forming our opinion) is the value agreed in a hypothetical transaction between a knowledgeable, willing, but not anxious buyer and a knowledgeable, willing, but not anxious seller, acting at arm's length. Our assessment of equity value is based on a 100% control position.

The most reliable evidence as to the value of a business or asset is the price at which the business or closely comparable businesses have been bought and sold in an arm's length transaction. In the absence of direct market evidence, estimates of value are made using a range of methodologies. In most cases, value is determined as a function of the estimated level of cash returns that the business is expected to generate in the future. The specific approach that is used to estimate this value is dependent on the nature of the business and the expectations regarding future performance.

The primary valuation methodologies commonly used for valuing businesses include:

- Multiple approach: This method determines value by applying a valuation multiple to the assessed level of maintainable earnings or other value benchmark (e.g. book value per share) where the multiple is chosen to reflect both the investment characteristics (growth, overhead costs, etc) and the risk associated with the future performance of the business.
- Discounted Cash flows: A DCF approach is based on an explicit forecast of the annual cash flows that will be generated over a specified forecast period. The value of cash flows expected beyond the explicit forecast period is incorporated into the valuation process by capitalising an estimate of maintainable cash flows for the terminal period.
- Orderly realisation of assets: This method involves an estimate of the net proceeds which would be available following the orderly liquidation of company assets and the resulting net surplus available for distribution to shareholders.

Given the nature of MCK's assets, we suggest that the most appropriate measure of fair value for MCK involves a combination of valuation approaches. This in part reflects that MCK's hotel business earnings may still be adversely affected by the legacy impacts of Covid-19 (as discussed in Section 2.2) and that a multiple approach may not fully reflect the underlying value for MCK's hotel land and buildings (which may also have higher alternate use value). Similarly, MCK's residential development activities (through CDI) generate lumpy cash flows depending on the prevailing stage and timeframe for the development portfolio, and that means an earnings approach is inappropriate. The value of MCK will also be influenced by the investment objectives of the controlling shareholder whose strategy may differ to other minority shareholders and may not necessarily represent the value maximising strategy for all shareholders in the short term. It could therefore be the case that winding-up the business will deliver greater value in the short term compared to continuing to operate as a going concern.

Based on the unique characteristics of MCK's hotel and property investments, we have assessed MCK's value on a component "sum-of-the-parts" basis both as a going concern ("**Going Concern Value**") and under an orderly realisation of assets through the sale of its hotel and residential and investment properties ("**Wind-up Value**").

The Going Concern Value utilises EBITDA multiples for the NZ Hotels business and recent market valuations (as at 31 December 2024) for all other assets held through MCK and CDI. In contrast, the Wind-up Value simply utilises market valuations for all Group assets (including the hotels owned by MCK) with assumptions regarding the length of the sell-down period, the level of net income generated over the sell-down period and the estimated costs that will be incurred to execute the sell-down.

Table 10 summarises the value approach adopted for each of the asset categories owned by MCK.

Table 10: Summary of Valuation Methodologies for MCK

Group Company	Value Component	Valuation Approach
MCK	NZ Hotels	– EBITDA multiple (Going Concern) – Updated valuations of the hotel portfolio as at 31 December 2024 (Wind-up)
	Sofitel Brisbane JV & Sydney Apartments	– Book value for Sofitel Brisbane JV (acquired in December 2023) – Management's estimate of net realisable value for the Sydney Apartments
	Overheads	– MCK allocation incorporated into EBITDA (Going Concern) – Net earnings over realisation period (Wind-up)
CDI	Residential Land Development	– 31 December 2024 market valuation
	Investment Properties	– 31 December 2024 market valuation
	Overheads	– Multiple of CDI allocated overheads

4.2. Treatment of Redeemable Preference Shares

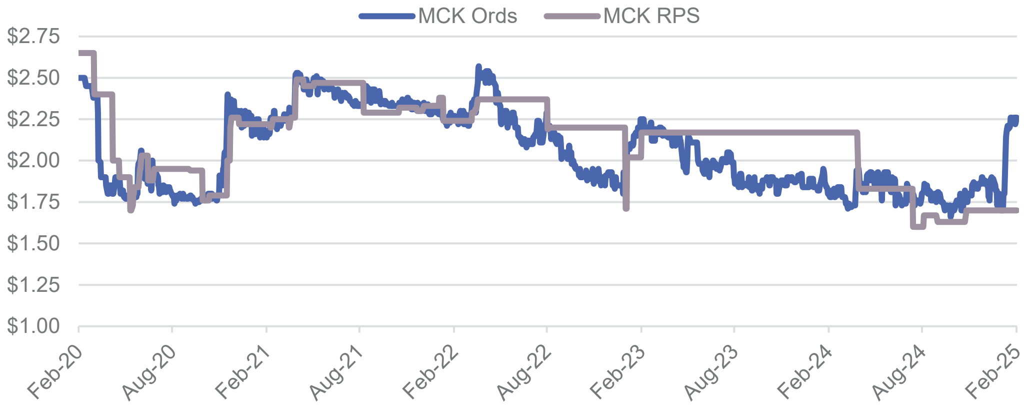
MCK's RPS are a unique aspect of its capital structure that confer different rights to the holders compared to those that apply to MCK's ordinary shares. The key terms of the RPS as they relate to the valuation of MCK are summarised in Table 11:

Table 11: MCK RPS Key Terms

RPS outstanding	52,739,543
Voting rights	Non-voting other than on matters relating to the RPS
Rights to distribution	The RPS have equal rights to all distributions (including dividends) made by MCK except for distributions made under a liquidation (see below)
Redemption	The RPS have no maturity date but are redeemable at the Company's election subject to having first received the approval of RPS holders. RPS approval requires a special resolution (75% or more of the votes cast on the resolution to redeem) and may be voted on by CDL. Given CDL holds 91.3% of the RPS, it is in a position to unilaterally approve any special resolution. If the RPS are redeemed, the redemption amount per RPS is the higher of: – The 20-day volume weighted average price for the RPS on NZX ($1.80 as at 13 February 2025); and – $0.64, being the original issue price for the RPS
Liquidation preference	On a liquidation of MCK (as contemplated for a hypothetical wind-up of the business underlying our Wind-up Value), the RPS rank ahead of ordinary shareholders in relation to any net surplus proceeds available for distribution. On a return of surplus assets, the proceeds will be applied between RPS holders and ordinary shareholders as follows: – In first priority, up to $0.64 per RPS (being the original issue price for the RPS) to RPS holders; – Secondly, the balance will be allocated to ordinary shareholders on a pro rata basis amongst ordinary shareholders up to $0.64 per ordinary share; – Finally, in the event of a remaining surplus above this level, all RPS and ordinary shareholders rank equally on the distribution of the remaining surplus. In effect, this means that upon a liquidation of MCK, if the available surplus is above approximately $101.2m (being the application of the above waterfall distribution to ensure RPS holders and ordinary shareholders each receive at least $0.64 per share), RPS and ordinary shareholders will then each receive the same value per share. That is, total proceeds will be distributed equally across all 158,218,286 shares on issue (being the number of both RPS and ordinary shares).

We would expect the price performance of the RPS to mirror the MCK ordinary shares through time because they have an equal right to any distributions, although the RPS should trade at a discount because they have no voting influence on key decisions of MCK. The price history for both the ordinary shares and the RPS are shown in Figure 18. Over the last 5 years, the price relativity of the RPS has fluctuated between a premium and discount to the ordinary shares with an average premium of ~4%. While this is counterintuitive, we suggest this simply reflects the lack of liquidity in both securities rather than reflecting the underlying value of the RPS relative to the ordinary shares.

Figure 18: MCK RPS Price Performance Relative to MCK



Source: IRESS

The assumed treatment of the RPS introduces an additional element to our valuation due to their redemption rights and the likely outcome in the event of a managed liquidation. In this respect, we note that CDL controls 91.3% of the RPS and can vote on key matters relating to the RPS, including any possibility of redemption. CDL therefore effectively controls how the RPS will be manged in the future and we assume that it would vote in a way that maximises the total value to CDL across its holding in both the ordinary shares and RPS.

The Offer does not apply to the RPS because these are not considered equity securities for the purposes of the Code. However, the Offer document states that independently of the Offer, CDL is willing to acquire the RPS at $1.70 per share through its broker on the NZX Main Board. CDL has also stated it may elect to seek to have the RPS redeemed, if CDL is successful in acquiring all of the outstanding ordinary shares of MCK. Based on the redemption terms and recent RPS pricing, this would imply a value of $1.80 per RPS (based on 20-day VWAP as at 13 February).

Unless the RPS consistently traded at a material premium to the ordinary shares (which is very unlikely in anything other than distress scenarios), we believe there is no commercial incentive for CDL to have the RPS redeemed. That is, considering its relative ownership of RPS and ordinary shares, the total economic interest held by CDL in MCK will be maximised if the RPS are not redeemed.

We have therefore assumed for the purposes of both our Going Concern Value and Wind-up Value that the number of MCK shares on issue is the fully diluted number including both the ordinary shares and RPS. Considering the value range we have assessed for the Company (as set out below), we believe that it is always in CDL's best interest to ensure the RPS are treated in the same way as ordinary shares (and not redeemed).

4.3. FY25 Earnings Projection

While we have not entirely relied on an earnings-based approach to support our valuation, the valuation framework includes:

- a multiple based assessment for the NZ Hotels business (as a component of the Going Concern Value);
- the value impact of certain corporate overheads (both for the Going Concern Value and Wind-up Value); and
- estimated net income generated by the business over the assumed realisation period (as a component of the Wind-up Value).

The projected earnings for the MCK business therefore remain important inputs to both our Going Concern and Wind-up Values. MCK has provided detailed management projections for FY25 based on key assumptions for each of the component businesses, including hotel occupancy, ADRs and RevPAR for the NZ Hotels and Sofitel Brisbane JV, and gross development realisations, costs and timing for the residential developments. Table 12 provides a summary of the FY25 budget for NZ Hotels and the total MCK business as well as a comparison to FY24 actual results.

Table 12: MCK FY25 Projections vs FY24 Actuals

Segment	FY24 Actual ($m)	FY25 Budget ($m)	Key Budget Assumptions
NZ Hotels	$109.5	$134.4	– Overall occupancy rate increases from 67% to 74%; ADR increases by 3.4%; Additional contribution from Mayfair Christchurch
Sydney Apartments	$17.6		– Rental income and sale of 12 units
CDI	$49.1		– Property sales and rental income
Total Revenue	**$176.2**	**$202.2**	
Hotels	$17.4	$23.9	– Increase margin resulting from improved performance and scale
Sydney Apartments	$8.8		– Margin on apartment unit sales
CDI	$25.0		– CDI property sales mix
Total EBITDA	**$51.1**	**$48.5**	

Source: MCK FY24 draft annual report; MCK management projections for FY25.

We have tested the reasonableness of the FY25 budget relative to the key input assumptions, particularly those relating to the NZ Hotels and do not believe any adjustments are required. To support the Wind-Up Scenario, we have extrapolated the FY25 MCK Group budget out for a further two years to incorporate our assessment of income from the hotel and property portfolio over the assumed realisation period (2-3 years). The key Wind-up Value assumptions are detailed in Section 4.5.

4.4. Going Concern Value

4.4.1. NZ Hotels

In determining the Going Concern Value for the NZ Hotels, we have reviewed enterprise value ("**EV**") to EBITDA multiples for available market evidence of comparable companies and transactions. This benchmarking exercise considers the particular characteristics of the comparable entities or transactions, including the nature of the assets and form of management (asset heavy property ownership vs asset light hotel management / franchise / lease). Some of the evidence also includes the implied multiples MCK has recently paid for its own individual acquisitions including Mayfair Christchurch and Sofitel Brisbane.

We have elected EBITDA multiples (based on IFRS16 reporting) to assess the Going Concern Value of the NZ Hotels due to the following key considerations:

- EBITDA is a frequently use valuation metric to assess the value of a company and is not affected by differences in earnings caused by varying capital structures and depreciation and amortisation policies;
- It is a commonly used measure by companies in the hotel management industry (including MCK) to assess performance and the values of property acquisitions; and
- EBITDA is the most frequently available multiple for available hotel sector transaction evidence.

Table 13 summarises the implied EV/forecast EBITDA multiples for comparable listed hotel operators (asset light and asset heavy) while Table 14 summarises multiples for available transaction evidence. Appendix 4 provides more details of the companies and transactions used.

Table 13: EBITDA Multiples of Comparable Trading Companies

	EV/EBITDA Multiple	
	LTM	**NTM**
Asset-light hotel operators		
Average	20.2 x	16.1 x
Median	21.5 x	15.8 x
Asset-heavy hotel operators		
Average	14.8 x	12.7 x
Median	13.8 x	12.8 x

Source: S&P Capital IQ (10 February 2025)

Table 14: EBITDA Multiples of Comparable Transactions

Target	Acquirer	Location	Date	Implied EV / LTM EBITDA	Implied EV / NTM EBITDA
Millennium & Copthorne Related Transactions					
Mayfair Christchurch	MCK	New Zealand	Oct 2024	n/a	15.0 x
Sofitel Brisbane	MCK & City Developments Ltd	Australia	Dec 2023	n/a	17.9 x
Millennium & Copthorne Hotels plc (35% share)	City Developments Ltd	United Kingdom	Jun 2019	16.5 x	16.2 x
Average				16.5 x	16.4 x
Median				16.5 x	16.2 x
Other Transactions					
Average				14.4 x	12.6 x
Median				13.5 x	11.6 x
Average (Overall)				**14.5 x**	**14.0 x**
Median (Overall)				**13.5 x**	**14.2 x**

Source: S&P Capital IQ (10 February 2025) MCK, and Northington Partners' estimates.

Based on the available comparable company and transaction evidence, we note the following:

- The implied trading multiples are based on share market prices for small parcels of shares and therefore do not include a premium that would otherwise be observed in the context of an offer that results in a controlling shareholding (i.e. the CDL Offer). Consequently, we would expect a premium to the comparable company multiples in a change of control situation. Control premiums are typically in a range between 20% and 40% but this depends on a variety of company specific factors.
- When comparing MCK to the comparable companies for valuation benchmarking, we place more emphasis on the hotel operators who also own the majority of their investment properties (as opposed to hotel operators who predominantly franchise, manage or lease their hotels).
- In the absence of New Zealand hotel portfolio sale transactions, MCK's own purchase of Mayfair Christchurch in late 2024 and Sofitel Brisbane in 2023 provide useful evidence. We understand the purchase prices were consistent with the valuations at the time of acquisition and implied EBITDA multiples of 15.0x and 17.9x respectively.

Based on the comparable company and transaction evidence, we believe that an appropriate multiple for MCK's Hotels business is between 14x and 16x. This is consistent with comparable company multiples for hotel operators when allowing for an appropriate control premium and key transaction evidence. As noted above, the most direct evidence relates to MCK's purchase of Mayfair Christchurch (15.0x) and Sofitel Brisbane (17.9x) as well as CDL's acquisition of Millenium Copthorne Plc, the former UK listed hotel group similar to MCK (16.2x). Our selected multiple range for the full business is modestly lower than the average for these transactions to account for the varying quality of hotels contained in the NZ Hotels portfolio.

Applying this multiple range to MCK's FY25 budget EBITDA for the NZ Hotels segment of $32.7m (prior to any allowance for corporate overheads) results in a value range of $458.1m - $523.5m. While this value range is consistent with the current market valuations for the same hotel properties ($509.8m excluding Sofitel Brisbane JV), it excludes the ongoing management overhead of administering and managing the hotel portfolio. A total of ~$7.7m of corporate overheads has been allocated to NZ Hotels within the MCK Group.

Our assessed value for the NZ Hotels portfolio is summarised in Table 15 below. After allowing for overhead costs, our estimate of the Going Concern Value for NZ Hotels is in a range between $350.9m and $401.1m.

Table 15: Going Concern Value for NZ Hotels

	Low ($m)	High ($m)
NZ Hotels FY25 EBITDA (pre Overheads)	$32.7	$32.7
Allowance for NZ Hotels Corporate Overheads	($7.7)	($7.7)
NZ Hotels net EBITDA	**$25.1**	**$25.1**
EBITDA Multiple	14.0x	16.0x
Enterprise Value	**$350.9**	**$401.1**

4.4.2. Sofitel Brisbane JV, Surplus Land & Sydney Apartments

The adopted Going Concern Value for MCK Group's NZ Hotels excludes certain MCK assets that do not contribute to EBITDA, including:

- MCK's 50% investment in Sofitel Brisbane. This is treated as an equity investment for accounting purposes and its earnings contribution is not included in the FY25 budget EBITDA. However, given this investment was acquired relatively recently (December 2023) and our understanding that performance is meeting expectations, we suggest the value of MCK's 50% investment at the time of acquisition provides a suitable proxy for its current market value. Based on the carrying value (including the purchase value and accumulated profits), we have valued MCK's 50% investment at $110.3m as of 31 December 2024.
- MCK's surplus land at Queenstown, Te Anau, Palmerston North, Rotorua and Whangarei. These land parcels provide scope for future hotel developments or could be sold as surplus assets. We have added the 31 December 2024 market valuation of $34.5m for the surplus land to our Going Concern Value with an allowance for +/-5% to account for uncertainty and risk inherent in the valuation.

In addition, we have added the value of the 22 Sydney apartments owned by MCK. As these units are expected to be sold within one year, we have adopted management's estimate of the net realisable value of $22.9m (with a +/-5% value range allowance).

4.4.3. CDI

As outlined in Section 4.1, we have valued CDI using the current market valuations for the residential development and investment properties (detailed in Section 3.8.2) less an allowance for the impact of overheads. This approach reflects that:

- CDI is predominantly involved in land development and section sales which can generate significant lumpy and inconsistent cash flows depending on development and section sale timing. The notion of "maintainable earnings" is therefore not applicable;
- The current market valuations for the residential land are largely based on directly comparable sales evidence in the locations in which CDI operates, or the expected cash flows (both development outflows and sales inflows and tax) from the property developments. We therefore suggest that the valuations provide a reasonable estimate for the market value for CDI's development properties; and
- Similarly, the values independently assessed for the investment properties directly reflect the estimated market value for these assets.

The aggregated market valuations for the CDI assets make no allowance for the costs of managing and administering the portfolio. We estimate these costs at $6.0m for FY25 (based on FY24 overheads and allowing for significant increases in council rates and increased development/sales activity). The total cost has been valued using a multiple of 9.0x, with the chosen multiple reflecting our assessment of the expected timeframe for completing the existing portfolio of developments.

Our valuation assessment for CDI is summarised in Table 16. We note:

- In order to capture the potential uncertainty and risk in the valuations for the underlying assets, we have applied a notional value range of +/- 5%;
- We have included CDI's net cash position as of 31 December 2024 of $33.2m; and
- The value of CDI attributed to MCK is pro-rated in line with MCK's shareholding in CDI (65.31%).

We estimate that the value of CDI attributable to MCK ranges between $248.6m and $276.2m, with a mid-point of $262.4m.

Table 16: CDI Value Attributable to MCK

	Low ($m)	High ($m)	Mid-Point ($m)
Residential Land Development	$339.9	$375.6	$357.8
Investment Property	$61.8	$68.3	$65.1
CDI Overheads	($54.3)	($54.3)	($54.3)
Total CDI Enterprise Value	**$347.4**	**$389.7**	**$368.6**
Plus Net Cash	$33.2	$33.2	$33.2
Total CDI Equity Value	**$380.7**	**$422.9**	**$401.8**
CDI Value per Share ($)	$1.30	$1.45	$1.38
Less 34.69% Minority Interests	($132.0)	($146.7)	($139.4)
MCK Share of CDI Equity Value (65.31%)	**$248.6**	**$276.2**	**$262.4**

Sources: MCK FY24 financial results; CDI FY24 financial results; Northington Partners assessment.

We note that our mid-point CDI valuation of $1.38 per share compares to a current traded price for CDI shares of $0.79 (as of 20 February 2025), representing a premium of 75%. However, for the same reasons we discuss in Section 3.6 in relation to the traded value for MCK shares, we do not believe that the traded value of CDI shares is a reliable measure of underlying value of the business (on a 100% control basis). We suggest that the traded price for CDI shares simply reflects the very low level of liquidity and a discount for a minority position.

4.4.4. Going Concern Value Summary

Based on the component values for MCK and CDI, our Going Concern Value for MCK Group is in a range between $4.36 and $4.89 per share, with a mid-point of $4.62. Our valuation assessment is summarised in Table 17.

Table 17: Going Concern Value Summary

MCK Group Going Concern Value ($m)	Low	High	Mid
NZ Hotels (net of hotel NCI)[6]	$328.5	$378.6	$353.6
Sofitel Brisbane JV	$110.3	$110.3	$110.3
Hotel Surplus Land (-5% / +5%)	$32.8	$36.2	$34.5
Sydney Apartments (-5% / +5%)	$21.7	$24.0	$22.9
65.3% of CDI	$248.6	$276.2	$262.4
Total MCK EV (Ex. CDI Minorities)	**$741.9**	**$825.4**	**$783.7**

[6] EV of NZ Hotels less non-controlling interests in Copthorne Bay of Islands and Copthorne Queenstown Lakeview (totalling $22.4m based on the market valuations for the subject properties).

Less Adjusted Net Debt [7]	($52.4)	($52.4)	($52.4)
MCK Total Equity Value	**$689.6**	**$773.1**	**$731.3**
Fully Diluted Shares on Issue	158,218,286	158,218,286	158,218,286
Value per share ($)	**$4.36**	**$4.89**	**$4.62**

Source: Northington Partners.

4.5. Wind-up Value

While MCK's strategy is to operate its hotels, develop its residential land holdings and continue to hold its investment properties, we believe that the assets could be readily sold on a hypothetical wind-up scenario. We have therefore also assessed the potential Wind-up Value of MCK on the basis of an orderly sale of its component assets.

We note that liquidation would require a special resolution of shareholders and CDL therefore controls any decision to liquidate MCK via its majority shareholding (and CDI through MCK's majority ownership interest in that business). While we understand CDL has no intention of changing its current strategy, we suggest that the Wind-up Value provides a useful counterfactual valuation benchmark to our Going Concern Value.

Table 18 below summarises the key assumptions used in evaluating the Wind-up Value.

Table 18: Wind-up Value Assumptions

Category	Assumptions
Liquidation period	– Given the size and unique nature of MCK's asset portfolio, we consider it unlikely that the assets could be readily sold to one purchaser and would need to be sold in multiple parcels. Even the hotel portfolio would likely necessitate a break-up to reflect the differing quality and locations of the portfolio. – Given the number and diversity of the assets owned by MCK, we assume that an orderly realisation of assets would take 2 – 3 years to complete before the final proceeds could be distributed to shareholders. This timeframe also reflects the time required to appoint a liquidator and finalise the liquidation process in line with New Zealand legal requirements.
NZ Hotels, Sofitel Brisbane JV and Surplus Land	– The hotel portfolio contains properties with varying quality and locations and we believe that some of the hotel assets are likely to attract more buyer interest than others (e.g. MSocial Auckland vs Copthorne Greymouth). We have therefore assumed that the portfolio is sold down in tranches. Rather than determining the order of potential sales on an asset-by-asset basis, we have simply assumed the portfolio is realised as follows: 40% after 1 year, 30% at the end of year 2 and 30% at the end of year 3. – The uncertainty over the sell-down timing is partly accounted for in our assumed sale values. The mid-point values are based on the 31 December 2024 valuations but with an allowance for 5% value upside and 5% downside. – All asset sales are assumed to incur total disposal costs of 2%.
Sydney Apartments	– We have assumed the sales of the remaining Sydney apartments, commercial units and carparks are completed within one year, consistent with management's estimates.
Lease liabilities and deferred tax liability	– The majority of the on-going lease liabilities for MCK is related to ground leases that are in place for a small number of hotels. As the property valuers have either considered the ground lease payments in the forecast cash flows or excluded their associated revenue (e.g. carparking revenue in M Social Auckland) when assessing current market value, we have not made an explicit allowance for the lease liability in the Wind-up Value scenario. – We have however assumed that the deferred tax liability arising from depreciation recovery would crystallize under a wind-up scenario and have made an allowance for that cost in our estimate of the net liquidation proceeds.

[7] Adjusted Net Debt includes lease liabilities mainly related to ground rent (in Copthorne Auckland and Copthorne Greymouth hotels) and carpark leases (in M Social Auckland and Millennium Rotorua) because these costs are not included in the IFRS16 reported EBITDA. It also includes the incremental new debt facilities ($30m) utilised to purchase the Christchurch Mayfair hotel post 31 December 2024.

CDI	– CDI is assumed to be wound up and liquidated at the same time as MCK with minority shareholders receiving their proceeds at the end of the realisation period. – We have assumed CDI's investment property portfolio is sold at the end of the liquidation period (2 or 3 years) reflecting our view that these assets are relatively liquid and will generate stable income over the realisation period. They are assumed to generate sufficient returns over the liquidation period such that the eventual sale value will deliver an amount equal to the 31 December 2024 market value in present value terms. That is, we assume these assets will generate income and capital appreciation in line with their cost of capital). – Given the nature of CDI's residential development activities and the need to continue development in order to support asset values, we assume that CDI continues to actively develop and market sections over the realisation period. Similar to the investment property portfolio, we assume that the cash flows from ongoing development and section sales generates sufficient returns to justify the current market valuation of these properties (as of 31 December 2024) in present value terms. – To account for the sell-down uncertainty, we have assumed the sale values (in present value terms) range between 5% below and 5% above their 31 December 2024 market valuations.
Interim Capital Return	– In order to maximise value from the sell-down, we assume that an interim capital return is made at the end of year 1 of approximately $130m. – We have assumed this is achieved through a pro rata share buyback. Given MCK's available subscribed capital (and available imputation credits), we assume that the capital return is non-taxable to shareholders.
Wind-up Costs	– We estimate redundancy costs of $7.1 million (based on corporate overhead salary costs for 6 months) plus $1.0 million for other liquidation related costs (legal, tax and other wind-up costs).
Net operating cash flow during realisation period	– We have assumed that the business would generate annual net cash flows consistent with MCK's FY25 budget for the remainder of FY25. We have forecast FY26 and FY27 operational cash flows consistent with FY25 but reflecting expected ongoing increases in occupancy rates (to pre-Covid levels by FY27) and a 3% annual increase in the overall ADR. – Rental income from CDI's investment property portfolio and corporate overhead costs are assumed to be in line with the FY25 budget, with a 3% annual increase assumed for the remainder the wind-up period. – Annual capex assumed for FY25-FY27 ($15.9m in FY25, $7.8m in FY26 and $3.9m in FY27) based on MCK's capex budget. We have not considered any additional capex required for other major projects during the wind-up period as the majority of this capex has been factored in the property market valuations. – For simplicity, the net cash flows resulting from the on-going business is estimated to reduce proportionally in line with assumed asset realisations. – We have allowed for interest income (at 4%) on the cash proceeds generated from the orderly realisation of assets.
Present value calculation	– We estimate the present value of the realisation proceeds from the 2-3 year sell-down period by discounting the projected cashflows at a nominal, post-tax discount rate of 10%. – This rate represents our assessment of the appropriate risk-adjusted return for MCK's portfolio which comprises assets with a variety of risk profiles (i.e. higher risk residential property development vs relatively lower risk investment properties and hotels).

Source: Northington Partners.

The values of each component of the Wind-up Value are summarised in Table 19 below. In present value terms, we estimate a total value range between $704.8m and $814.1m. Assuming that the RPS are not redeemed and will therefore participate in the net proceeds on the same basis as the ordinary shares (see Section 4.2 above), our valuation equates to $4.45 and $5.15 per share, with a mid-point of $4.80.

Table 19: Wind-up Value Summary

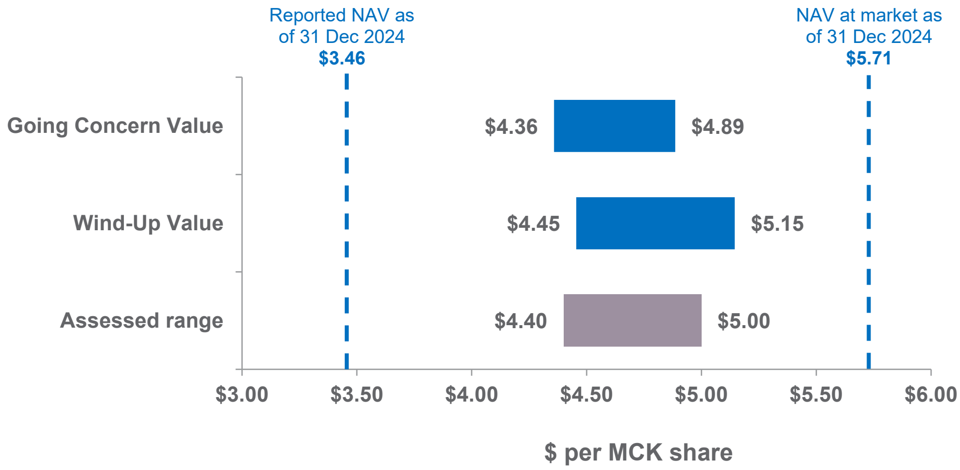
MCK Wind-Up Value	Low ($m) (3 years/ -5%)	High ($m) (2 years/ +5%)	Mid-Point ($m)
MCK net proceeds (ex. CDI) over realisation period	$586.4	$642.5	$614.5
CDI net proceeds over realisation period (MCK 65% share)	$292.0	$312.5	$302.3
Net operating cash flow during realisation period	$36.7	$18.7	$27.7
Redundancy and liquidation/wind-up costs	($8.1)	($8.1)	($8.1)
Net Realisable Value	**$907.1**	**$965.6**	**$936.3**
Net Present Value (2-3 years) [8]	**$704.8**	**$814.1**	**$759.5**
Assessed Wind-Up Value per share	**$4.45**	**$5.15**	**$4.80**

Source: Northington Partners analysis.

4.6. Valuation Conclusion

Based on our Going Concern Value and Wind-up Value ranges, we have determined a value range for MCK of between $696.2 million and $791.1 million, with a mid-point value of $743.6 million. As summarised in Figure 19, this represents a value per share of $4.40 to $5.00 (with a mid-point of $4.70).

Figure 19: Assessed MCK Value Range ($ per MCK Share)



Source: Northington Partners analysis.

Our value range for MCK of $4.40 - $5.00 per share compares to MCK's reported book value per share of $3.46 as of 31 December 2024. The book value reflects the carrying value for MCK's assets, which are recorded at cost less accumulated depreciation and impairment losses. If MCK's properties are reported at market value (as was the Company's accounting policy prior to FY21), our assessment of the adjusted NAV per share is $5.71 as at 31 December 2024 (prior to tax considerations). Predominantly allowing for the implied deferred tax on the market revaluations (and to a lesser extent, capital gains tax on the Sydney Apartments value), MCK's own assessed market value implied NAV is $5.39[9].

Our value range therefore represents a discount to our market value adjusted NAV per share of 13% - 23% (or a 7% - 18% discount to MCK's reported adjusted NAV of $5.39). This discount largely reflects Company overheads which are incorporated into our valuation framework but not incorporated into the property market valuations.

[8] Our NPV estimate assumes that a first capital return, equivalent to $130m, would be achieved through a pro rata share buyback in February 2026, with the remaining realisation proceeds (including accumulated net income) distributed to shareholders at the end of the liquidation period (2 to 3 years).

[9] We have excluded the deferred tax impact from our assessed NAV as it represents an accounting value that is highly unlikely to ever become payable.

5.0 Assessment of the Merits of the Offer

5.1. Comparison of the Offer Price to our Assessed Value of MCK

As set out in Section 4.6, we have assessed the full underlying value of MCK shares in a range between $4.40 and $5.00 per share, with a mid-point of $4.70 per share.

The full underlying value is the price a person or entity would be expected to pay to acquire the company as a whole and accordingly includes a premium for control. Although CDL already has effective control of the Company via its 75.9% shareholding, we believe that the 100% control value of MCK is the appropriate valuation benchmark for full takeover offers. This represents our estimate of the value that CDL will acquire for each share if the Offer is successful.

Figure 20 below compares the Offer Price with our assessment of the full underlying value of MCK's shares. Given that our mid-point value of $4.70 per share is more than double the Offer Price of $2.25, we conclude that the Offer significantly undervalues the Company.

Figure 20: Comparison of Offer Price to Assessed Value Range ($ per MCK Share)

(1) NZX traded price represents the volume weighted average ordinary share price during the 20 days prior to the Offer announcement.

Sources: Northington Partners; NZX; Offer.

Although the Offer Price represents a premium of 29.0% to the 20-day VWAP of MCK's shares ($1.75) prior to CDL's announcement of its intention to make an offer (20 January 2025), we suggest that MCK's share price is of limited relevance in this instance. The observed NZX prices relate to trades for small parcels of shares and reflect that MCK shares are very illiquid. We suggest the low price (relative to our assessed value) may also reflect that CDL has control of MCK and is pursuing a strategy which favours long-term capital appreciation over cash distributions in the short term.

5.2. Consequences for Minority Shareholders if the Offer is not Successful

5.2.1. 90% Minimum Acceptance Condition Not Waived

If the Offer conditions are not fully satisfied or waived by CDL, the Offer will lapse and accepting shareholders will not receive the Offer Price for their shares. MCK will continue to operate in its current form and CDL will have a number of options to consider:

- It could simply retain its current shareholding in MCK and continue to operate the Company in line with the current strategy. Under this scenario, we expect that the price for MCK shares will continue to trade at a significant discount to our assessed value range because of the lack of liquidity for MCK shares and ongoing minority discount attributed to small share parcels.
- CDL could increase its shareholding in MCK through the "creep" provisions of the Code. Under the creep provisions, CDL can acquire up to 5.0% of MCK per 12-month period without having to make an offer for the Company. However, we note that CDL has already recently utilised

the creep provisions acquiring 5.0% of MCK through the on-market purchase of 5.3m shares on 29 October 2024 (increasing its voting control from 70.9% to 75.9%). Therefore, CDL could not increase its shareholding through the creep provisions until after 29 October 2025.

- CDL could attempt another full takeover at some point in the future. Presumably the new offer would be made at a higher price to improve the likelihood of receiving acceptances which would take CDL's shareholding above the 90% threshold.

We note there is no certainty that CDL will launch a new takeover offer. If that doesn't eventuate, the low level of liquidity means that minority shareholders may have limited ability to exit their investment in MCK for the foreseeable future.

5.2.2. 90% Minimum Acceptance Condition Waived

CDL is entitled to waive the 90% acceptance condition and increase its shareholding to the extent of any acceptances received. This would result in CDL owning between 76% - 89.9% of the shares on issue in MCK when the Offer closes. Although under this scenario the future options available to CDL as outlined above would still apply, we note that:

- Market liquidity for the shares is likely to be further reduced given the lower number of free-float shares available for trading.
- CDL could not utilise the creep provisions of the Code until 12 months after the Offer has closed. If the shares acquired under these provisions resulted in CDL holding more than 90% of the shares on issue, any shares subsequently acquired under the compulsory acquisition provisions of the Code would need to be at a price per share that was certified as fair and reasonable by an independent expert.
- Any new offer (and potentially a higher offer price) would only apply to the outstanding shares at that time. In certain circumstances if CDL reaches the 90% acceptance level to compulsorily acquire the remaining shares, shareholders may have objection rights in relation to the price offered for their shares (whereby the price paid to objecting shareholders will be the fair and reasonable price certified by an independent expert).

5.2.3. Likelihood of Alternative Offers

In our view, the likelihood of an alternative takeover offer emerging for MCK is extremely low. As the Offeror already controls 75.9% of the voting rights in the Company, any alternative takeover offer would require the support of the Offeror. For the Offeror to sell into an alternative offer would constitute a significant about-turn, given it has clearly signalled through the Offer that it intends to exercise its rights as the dominant owner to compulsorily acquire any shares which are not acquired under the Offer.

Therefore, the likelihood of shareholders receiving better value for their shares than under the current Offer is dependent on CDL's propensity to increase the Offer Price under the current Offer (which it is entitled to do under the Code) or to make a new offer at some point in the future.

5.3. Outcomes if the Offer is Successful

If the Offer receives acceptances which will increase CDL's shareholding over 90%, the Offeror will become the dominant owner under Rule 50 of the Code and CDL has stated that it intends to compulsorily acquire any shares which are not acquired under the Offer. In this situation, all shareholders will receive the Offer Price for their shares ($2.25) irrespective of whether they accepted the Offer or not.

5.4. Ability to Exit at Known Price

While the Offer Price of $2.25 per MCK share is considerably lower than our assessed value range of $4.40 to $5.00 per share, some shareholders may see the Offer as an opportunity to exit their investment in MCK at a known price (without brokerage costs). As discussed above, MCK shares are highly illiquid and will remain so if the Offer is unsuccessful. Given the uncertainties relating to the share price and market liquidity after the Offer has closed, some shareholders may accept a price lower than the perceived value of the shares in return for a certain exit.

Appendix 1. Sources of Information Used in this Report

Other than the information sources referenced directly in the body of the report, this assessment is reliant on the following sources of information:

- MCK's annual reports and announcements.
- MCK's property valuation reports desktop valuation updates from CVAS (NZ) Limited trading as Colliers and Bower Valuations Limited.
- MCK's FY24 financial results and FY25 budget.
- CDI's FY24 financial results.
- MCK's hotel operating statistics (historical and budget).
- MCK's 5-year capex budget.
- Discussions with senior personnel of MCK.
- Various other documents that we considered necessary for the purposes of our analysis.

Appendix 2. Declarations, Qualifications and Consents

Declarations

This report is dated 24 February 2025 and has been prepared by Northington Partners at the request of the directors of MCK to fulfil the reporting requirements pursuant to Rule 21 of the Code. This report, or any part of it, should not be reproduced or used for any other purpose. Northington Partners specifically disclaims any obligation or liability to any party whatsoever in the event that this report is supplied or applied for any purpose other than that for which it is intended.

Prior drafts of this report were provided to MCK for review and discussion. Although minor factual changes to the report were made after the release of the first draft, there were no changes to our methodology, analysis, or conclusions.

This report is provided for the benefit of all of the Non-associated Shareholders of MCK that are being asked to consider the Offer, and Northington Partners consents to the distribution of this report to those people.

Our engagement terms did not contain any term which materially restricted the scope of our work.

Qualifications

Northington Partners provides an independent corporate advisory service to companies operating throughout New Zealand. The company specialises in mergers and acquisitions, capital raising support, expert opinions, financial instrument valuations, and business and share valuations. Northington Partners is retained by a mix of publicly listed companies, substantial privately held companies, and state-owned enterprises.

The individuals responsible for preparing this report are Greg Anderson B.Com, M.Com (Hons), Ph.D, Jonathan Burke B.Com (Hons), BCM, and Pedro Monteiro B.Com, MBA. Each individual has a wealth of experience in providing independent advice to clients relating to the value of business assets and equity instruments, as well as the choice of appropriate financial structures and governance issues.

Northington Partners has been responsible for the preparation of numerous independent reports in relation to takeovers, mergers, and a range of other transactions subject to the Takeovers Code and NZX Listing Rules.

Independence

Northington Partners has not been previously engaged by MCK or (to the best of our knowledge) by any other party to the Offer in relation to any matter for the Offer that could affect our independence. None of the Directors or employees of Northington Partners have any other relationship with any of the directors or substantial security holders of the parties involved in the Offer.

The preparation of this independent report will be Northington Partners' only involvement in relation to the Offer. Northington Partners will be paid a fixed fee for its services which is in no way contingent on the outcome of our analysis or the content of our report.

Northington Partners does not have any conflict of interest that could affect its ability to provide an unbiased report.

Disclaimer and Restrictions on the Scope of Our Work

In preparing this report, Northington Partners has relied on information provided by MCK. Northington Partners has not performed anything in the nature of an audit of that information, and does not express any opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied.

Northington Partners has used the provided information on the basis that it is true and accurate in material respects and not misleading by reason of omission or otherwise. Accordingly, neither Northington Partners nor its directors, employees or agents, accept any responsibility or liability for any such information being inaccurate, incomplete, unreliable or not soundly based or for any errors in the analysis, statements and opinions provided in this report resulting directly or indirectly from any such circumstances or from any assumptions upon which this report is based proving unjustified.

We reserve the right, but will be under no obligation, to review or amend our report if any additional information which was in existence on the date of this report was not brought to our attention, or subsequently comes to light.

Indemnity

MCK has agreed to indemnify Northington Partners (to the maximum extent permitted by law) for all claims, proceedings, damages, losses (including consequential losses), fines, penalties, costs, charges and expenses (including legal fees and disbursements) suffered or incurred by Northington Partners in relation to the preparation of this report, except to the extent resulting from any act or omission of Northington Partners finally determined by a New Zealand Court of competent jurisdiction to constitute negligence or bad faith by Northington Partners.

MCK has also agreed to promptly fund Northington Partners for its reasonable costs and expenses (including legal fees and expenses) in dealing with such claims or proceedings upon presentation by Northington Partners of the relevant invoices.

Appendix 3. MCK Property Portfolio Market Valuation Details

Property/Location	Property Valuation ($m)	Valuation reporting date	Valuer	Valuation method used	Key valuation assumptions		
					Discount rate	Cap. rate	Price per room/sqm ($k)
MSocial Auckland	97,500	31-Dec-24	Bower Valuations Limited	Average of DCF and Transaction Comparables methods less an allowance for business disruption and costs of sale	6.25%	5.50%	560
Copthorne Auckland City	10,750	31-Dec-24	CVAS (NZ) Limited t/a Colliers	Average of Capitalised Income, DCF and Transaction Comparables (price per room) methods less an allowance for estimated Capex	11.00%	9.50%	150
Copthorne Bay of Islands	19,250	31-Dec-24	CVAS (NZ) Limited t/a Colliers	Average of Capitalised Income, DCF and Transaction Comparables (price per room) methods less an allowance for estimated Capex	12.00%	10.50%	125
Kingsgate Dunedin	5,200	31-Jan-25	Bower Valuations Limited	Transaction Comparables (price per room) cross-checked with DCF and Capitalised Income	8.50%	8.00%	95
Copthorne Greymouth	11,000	31-Jan-25	Bower Valuations Limited	Average of DCF, Capitalised Income and Transaction Comparables (price per room) methods less an allowance for estimated Capex	9.25%	8.25%	210
Millennium New Plymouth	11,250	31-Dec-24	CVAS (NZ) Limited t/a Colliers	Average of Capitalised Income, DCF and Transaction Comparables (price per room) methods	10.00%	8.50%	275
Copthorne Palmerston North	10,200	31-Dec-24	CVAS (NZ) Limited t/a Colliers	Average of Capitalised Income, DCF and Transaction Comparables (price per room) methods less an allowance for estimated Capex	10.50%	9.00%	150
Millennium Queenstown	100,000	11-Feb-25	CVAS (NZ) Limited t/a Colliers	Average of Capitalised Income, DCF and Transaction Comparables (price per room) methods less an allowance for estimated Capex	9.00%	7.25%	475
Copthorne Queenstown Lakefront	82,000	11-Feb-25	CVAS (NZ) Limited t/a Colliers	Average of Capitalised Income, DCF and Transaction Comparables (price per room) methods less an allowance for estimated Capex	9.00%	7.50%	375
Copthorne Queenstown Lakeview	21,940	31-Jan-25	Bower Valuations Limited	Transaction Comparables (price per room) cross-checked with DCF and Capitalised Income	9.25%	8.50%	484
Millennium Rotorua	66,000	11-Feb-25	CVAS (NZ) Limited t/a Colliers	Average of Capitalised Income, DCF and Transaction Comparables (price per room) methods less an allowance for estimated Capex	9.75%	8.25%	315
Kingsgate Te Anau	10,000	31-Jan-25	Bower Valuations Limited	Average of DCF, Capitalised Income and Transaction Comparables (price per room) methods less an allowance for estimated Capex	8.75%	8.00%	150
Copthorne Wellington	22,750	31-Dec-24	CVAS (NZ) Limited t/a Colliers	Average of Capitalised Income, DCF and Transaction Comparables (price per room) methods	10.75%	9.25%	200
Copthorne Rotorua	10,100	31-Dec-24	CVAS (NZ) Limited t/a Colliers	Land value deducted by an allowance for demolition costs	n/a	n/a	0.4/sqm
Queenstown (surplus land)	18,000	31-Jan-25	Bower Valuations Limited	Market comparison (rate per sqm)	n/a	n/a	2.5
Palmerston North (surplus land)	6,300	31-Dec-24	CVAS (NZ) Limited t/a Colliers	Market comparison (rate per sqm)	n/a	n/a	0.6
Rotorua (surplus land)	5,675	31-Dec-24	CVAS (NZ) Limited t/a Colliers	Market comparison (rate per sqm)	n/a	n/a	0.4
Te Anau (surplus land)	1,900	31-Jan-25	Bower Valuations Limited	Market comparison (rate per sqm)	n/a	n/a	n/a

Appendix 4. Comparable Companies and Transactions

EBITDA Multiples of Comparable Trading Companies

Company	Country	Market Cap ($NZ m)	Enterprise Value ($NZ m)	EV/EBITDA Multiple	
				LTM	NTM
Asset-light hotel operators					
Marriott International	United States	149,387	174,267	22.3 x	18.8 x
Hilton Worldwide Holdings	United States	114,752	133,745	29.0 x	20.4 x
InterContinental Hotels Group	United Kingdom	37,674	42,493	23.4 x	19.2 x
Hyatt Hotels Corporation	United States	27,858	31,918	21.5 x	15.8 x
Wyndham Hotels & Resorts	United States	14,914	19,185	17.7 x	14.8 x
Choice Hotels International	United States	12,696	15,989	18.1 x	15.1 x
Scandic Hotels Group AB	Sweden	2,817	9,890	9.3 x	8.9 x
Average (Asset-light)				**20.2 x**	**16.1 x**
Median (Asset-light)				**21.5 x**	**15.8 x**
Asset-heavy hotel operators					
Accor SA	France	21,797	27,902	13.9 x	12.8 x
City Developments Ltd	Singapore	5,905	20,746	19.7 x	13.8 x
Minor International Ltd	Thailand	7,563	17,236	8.0 x	7.2 x
Shangri-La Asia Ltd	Hong Kong	4,361	14,116	9.8 x	15.5 x
Pandox AB	Sweden	6,311	12,420	19.5 x	17.9 x
CapitaLand Ascott Trust	Singapore	4,314	7,978	18.4 x	17.3 x
Meliá Hotels International	Spain	2,915	7,711	8.1 x	7.7 x
Hotel Properties Ltd	Singapore	2,432	4,821	34.0 x	n/a
Playa Hotels & Resorts N.V.	Netherlands	2,782	4,313	10.1 x	10.0 x
Mandarin Oriental International	Hong Kong	3,911	4,296	17.5 x	n/a
PPHE Hotel Group	Netherlands	1,214	4,026	14.0 x	12.8 x
Dalata Hotel Group	Ireland	1,829	3,551	8.6 x	8.4 x
EVT Limited	Australia	2,086	3,435	11.0 x	10.4 x
CDL Hospitality Trusts	Singapore	1,354	3,195	22.0 x	18.7 x
Far East Orchard Ltd	Singapore	657	1,332	13.7 x	n/a
Banyan Tree Holdings Ltd	Singapore	379	884	13.5 x	n/a
Amara Holdings Ltd	Singapore	454	863	20.4 x	n/a
Heeton Holdings Ltd	Singapore	172	756	19.5 x	n/a
Hotel Grand Central Ltd	Singapore	691	401	8.0 x	n/a
Stamford Land Corporation Ltd	Singapore	727	362	5.7 x	n/a
Average (Asset-heavy)				**14.8 x**	**12.7 x**
Median (Asset-heavy)				**13.8 x**	**12.8 x**

Source: S&P Capital IQ (10 February 2025)

EBITDA Multiples of Comparable Transactions

Target	Acquirer	Location	Date	Transaction Value ($m)	EV / LTM EBITDA	EV / NTM EBITDA
Millennium & Copthorne Related Transactions						
Mayfair Luxury Hotels Limited	Millennium & Copthorne Hotels NZ Ltd	New Zealand	23/10/2024	32	n/a	15.0 x
Sofitel Brisbane Central Hotel	Millennium & Copthorne Hotels NZ Ltd; City Developments Ltd	Australia	15/12/2023	191	n/a	17.9 x
Millennium & Copthorne Hotels plc (35% share)	City Developments Ltd	United Kingdom	7/06/2019	1,484	16.5 x	16.2 x
Average				**569**	**16.5 x**	**16.4 x**
Median				**191**	**16.5 x**	**16.2 x**
Other Transactions						
Eumundi Group	SEQ Hospitality Group	Australia	30/10/2024	117	13.7 x	n/a
Hilton Boston Back Bay	Certares Management; Belcourt Capital Partners	United States	29/02/2024	281	10.2 x	n/a
Amara Holdings (73%)	Dymon Asia Private Equity	Singapore	14/11/2023	710	19.0 x	n/a
Alloggio Group	Next Capital	Australia	27/03/2023	115	10.8 x	n/a
Sofitel Philadelphia Hotel	Investor Group	United States	3/08/2022	128	21.1 x	n/a
easyHotel	ICAMAP; Cadim Fonds	United Kingdom	5/08/2019	223	n/a	21.8 x
Radisson Hospitality (49%)	Jinjiang International Holdings	Belgium	11/12/2018	1,024	6.9 x	5.9 x
The Ritz-Carlton, Lake Tahoe	Braemar Hotels & Resorts	United States	13/11/2018	165	13.4 x	n/a
Hilton Alexandria Old Town	Ashford Hospitality Trust	United States	26/06/2018	162	12.1 x	n/a
NH Hotel Group (18%)	Minor International Group	Spain	6/06/2018	704	12.6 x	10.5 x
AccorInvest Group (58%)	GIC; Colony NorthStar; Crédit Agricole; Amundi	Luxembourg	27/02/2018	7,661	12.0 x	n/a
Mantra Group	AAPC Limited	Australia	9/10/2017	1,502	13.0 x	11.6 x
Crowne Plaza Hotel Atlanta at Ravinia	Hospitality Properties Trust	United States	29/06/2017	121	15.3 x	n/a
Park Hyatt Beaver Creek Resort and Spa	Ashford Hospitality Prime (Braemar Hotels & Resorts)	United States	10/03/2017	210	14.9 x	n/a
Global Premium Hotels (35%)	Investor Group	Singapore	23/02/2017	152	29.0 x	n/a
Hilton Garden Inn, Chelsea, New York	Investor Group	United States	14/07/2016	90	13.5 x	n/a
Starwood Hotels & Resorts Worldwide	Marriott International	United States	16/11/2015	23,413	13.5 x	13.4 x
Jupiter Hotels Holdings	Fico Holding; S Hotels and Resorts	United Kingdom	12/10/2015	353	13.8 x	n/a
Average (Tier 2)				**2,063**	**14.4 x**	**12.6 x**
Median (Tier 2)				**217**	**13.5 x**	**11.6 x**
Average (Overall)				**1,849**	**14.5 x**	**14.0 x**
Median (Overall)				**210**	**13.5 x**	**14.2 x**

Source: S&P Capital IQ (10 February 2025); MCK

Northington Partners

Millennium Hotel Queenstown Superior Twin Room and bathroom.

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