MILLENNIUM
HOTELS AND RESORTS

MILLENNIUM & COPTHORNE
HOTELS NEW ZEALAND LTD

ANNUAL REPORT

2024

Cover Image: Copthorne Hotel & Resort Bay of Islands,
Inside Cover Image: Grounds at Copthorne Hotel & Resort Bay of Islands

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CALENDAR

Annual Report Issued	28 March 2025
Annual Shareholder Meeting	30 May 2025
Half Year End	30 June 2025
Full year End	31 December 2025

Colin Sim
Chairman

Stuart Harrison
Managing Director

FIVE YEAR TREND STATEMENT

	2020*	2021*	2022	2023	2024
Revenue	$172.0m	$164.8m	$144.2m	$145.7m	$176.2m
Profit Before Tax	$54.4m	$64.6m	$44.8m	$37.5m	$47.1m
Profit After Tax & NCI	$48.5m	$40.0m	$21.7m	$21.6m	$2.8m
Total Assets	$664.1m	$680.8m	$709.2m	$746.8m	$762.3m
Group Equity	$474.7m	$514.2m	$531.0m	$547.9m	$547.9m
Net Asset Backing Per Share ($ per share) on cost basis	$3.00	$3.25	$3.35	$3.46	$3.46
Net Asset Backing Per Share ($ per share) on market value basis	$4.70	$5.04	$4.99	$5.84	$5.39
Market Value of NZ Development Properties	$286.4m	$334.1m	$342.7m	$349.9m	$357.8m
Market Value of Australian Development and Hotel Properties	$68.5m	$61.7m	$54.9m	$146.6m[a]	$134.9m[a]
Market Value of NZ Investment Properties	$6.4m	$25.5m	$62.6m	$62.7m	$65.1m
Market Value of NZ Hotel Properties	$561.9m	$567.6m	$534.4m	$574.4m	$512.2m

Market Values are based on unaudited external valuations and internal management valuations.

"a" = Restated to reflect MCK's 50% ownership of Sofitel Brisbane Central.

*During 2021, the Group changed its accounting policy relating to the measurement of land and buildings from revaluation to historical cost. The comparative figures for 2020 are restated accordingly. Refer to Note 25 of the Financial Statements for further information.

FY24 AT A GLANCE

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

- **Revenue $176.2m, up 21.0%**
- **Operating profit $42.5m, up 32.1%**
- **Profit before tax $47.1m, up 25.6%**
- **Profit after tax of $2.8m attributable to MCK shareholders includes a one off, non-cash deferred tax adjustment[1]. Excluding this, profit after tax would be $27.2m.**
- **Total Assets $762.3m (2023: $746.8m) which includes property assets at a book value of $694.1m. Fair market value of property assets assessed as $1.1b as at 31 December 2024[2]**
- **Net asset backing per share on market value basis assessed as $5.39 per share[3].**

Copthorne Hotel and Resort Queenstown Lakefront.

Chef Chetan Pangam from One80 Restaurant and Lounge Bar at Copthorne Hotel Wellington Oriental Bay won Visa's Wellington on a Plate 2024 for the second year in a row with his winning creation; Nawabi Galouti Lamb Burger.

1 Includes one-off deferred tax adjustment of $25.8m, made as a result of government legislation change.
2 Unaudited, assessed market valuation based on analysis by independent property experts as at 31 December 2024.Includes 100% of: NZ hotels, Zenith Apartments, and CDI property assets; and 50% Sofitel Brisbane Hotel.
3 Adjusted for MCK proportion of shareholding being 100% NZ hotels and Zenith Apartments, 65% of CDI and 50% Sofitel Brisbane and including an allowance for tax on the revaluation of property assets.

FROM THE CHAIR AND THE MANAGING DIRECTOR

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

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

The company has continued to build the value of its hotel and property portfolio, which grew to $1.1b as at 31 December 2024[2]. Significant milestones have been achieved as MCK continues to progress its long term refurbishment and upgrade of hotel properties. The full benefits from these initiatives will be seen in future years. Land was acquired in Whangarei for a future hotel and, following financial year-end, MCK settled the acquisition of The Mayfair Hotel in Christchurch for $31.9m, further expanding its network.

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

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

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

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

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

FINANCIAL PERFORMANCE

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

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

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

The company has a robust balance sheet, with a net cash position of $41.3m as at 31 December 2024. Bank debt was $3.0m at year end, with a further drawdown in January 2025 for the $31.9m settlement of The Mayfair Hotel. The book value of property assets was $694.1m, with the fair market value assessed as $1.1b[2], contributing to a market value NTA per share attributable to MCK shareholders of $5.39 per share[3].

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

2025 OUTLOOK

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

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

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

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

Colin Sim
Chairman

Stuart Harrison
Managing Director

NEW ZEALAND LEADERSHIP TEAM

Left To Right: Louise Borton, Ken Orr, Josie Wilson, Brendan Davies, Melanie Beattie, Stuart Harrison, Lisa Maclean, Nathan Kruger, Anand Rambhai, Takeshi Ito

STUART HARRISON
Managing Director

Stuart Harrison has nearly three decades of financial reporting and senior management experience within the utilities, hospitality and property industries and was appointed as Millennium Hotels and Resorts' Managing Director in July 2022. Stuart was previously Millennium Hotels and Resorts' Vice President Finance between 2000 and 2008.

In a range of Chief Financial Officer roles for real estate investment trusts and managers with portfolios with over $1 billion of assets, he oversaw financial and management reporting, treasury management and tax compliance within both New Zealand and Australia and has also overseen significant equity raising, debt facility renewals and strategic acquisitions.

Stuart holds a Bachelor of Commerce and Chartered Accountants Australia and NZ qualifications. He was elected to the Board at the 2023 Annual Meeting of shareholders.

MELANIE BEATTIE
Vice President Sales & Partnerships

Melanie Beattie joined Millennium Hotels and Resorts as Vice President of Sales and Partnerships in January 2025. Her role is focused, on leading the company's sales, partnerships, and revenue strategies, working alongside colleagues and industry leaders to drive impactful outcomes in this dynamic sector.

Before joining Millennium Hotels and Resorts, Melanie was Head of Distribution at Fidelity Life Assurance Company Limited.

Melanie holds a Bachelor of Commerce at Auckland University majoring in Commercial Law.

LOUISE BORTON
Director of Property

Louise joined Millennium Hotels and Resorts as Director of Property in December 2023. Her role's purpose is to ensure the company's property portfolio is best positioned to maximise customer experience and financial returns.

With over 25 years' experience in the commercial property industry she has a wealth of experience in managing nationwide property portfolios, lease negotiations, buying and selling properties and developing new premises. Having started her career in London and qualifying initially as a commercial valuer, after relocating to New Zealand she focused on commercial property asset management for a range of listed entities, syndicated and private owners. In more recent years she has held in-house property roles for major occupiers including Fletcher Building and Carters Building Supplies.

BRENDAN DAVIES
Director of International Sales

Since joining Millennium Hotels and Resorts as Director of International Sales in 2006 Brendan has been instrumental in leading the international sales team to drive domestic and global sales strategies and foster key corporate partnerships. With over 35 years of experience in the hospitality industry, he has a proven track record of delivering revenue growth and enhancing brand presence in competitive markets.

Brendan and his team have successfully expanded market share and developed innovative sales initiatives through strategic planning and market analysis. Strong relationship management has been instrumental in securing high-profile clients and long-term contracts.

TAKESHI ITO
Vice President Legal & Company Secretary

Takeshi rejoined Millennium Hotels and Resorts in 2018 after a short time away, having also worked for the company between 2004 and 2016.

Takeshi began his legal career in private practice in family, criminal and insolvency law and over the past twenty five years has accumulated wide-ranging experience in commercial law, dispute resolution, intellectual property, employment law, and corporate governance.

He graduated from the University of Auckland with Arts and Law degrees and is admitted to practice in New Zealand as a Barrister and Solicitor. He is also a Fellow of the Chartered Governance Institute and Governance New Zealand and a current Member of the Institute of Directors.

NATHAN KRUGER
Director of Digital & Technology and Communications

Nathan joined Millennium Hotels & Resorts in March 2023 to lead the optimisation of the company's digital and technology infrastructure to deliver secure, agile systems and processes to support excellence and growth.

Having always been in IT, the first half of his career was in very technical roles in engineering, project management and IT architecture which gave him a solid foundation before moving into leading enterprise technology and risk environments in large organisations such as Downer. Nathan has a strong commitment to collaboration and communication, which has been key to the successful delivery of digital and technology improvements for the company.

LISA MACLEAN
Director of Human Resources

Lisa joined Millennium Hotels and Resorts in March 2023 as Director of Human Resources, with a focus on rebuilding and growing the people practices and processes in the business to position Millennium Hotels and Resorts as a great place to work and employer of choice.

With than 20 years of Human Resources experience predominantly within the wider building and construction industry. Lisa has a proven track record in leading people, payroll, health, safety and wellbeing functions which support growth and transformation whilst enabling achievement of business profitability and results. Her service oriented and highly collaborative style, has enabled Lisa and her team to deliver a number of significant projects which are improving the quality and engagement of employees.

KEN ORR
Vice President Hotel Operations

Ken took on the role of Vice President Hotel Operations in April 2021 and is responsible for supporting and developing the company's hotels across the country to deliver consistent quality guest experiences and hotel profitability.

Ken has a long history with Millennium Hotels and Resorts starting in 1996. He has developed significant operational experience having run hotels across the country including Copthorne Lakefront, Millennium Queenstown, Copthorne Central, Copthorne Harbourcity, Copthorne Plimmer Towers, Copthorne Oriental Bay and Grand Millennium Auckland. Prior to joining the company he worked in the UK with MacDonald Hotels and Thistle Hotels.

Ken has an Honours degree from Stirling University in Economics.

ANAND RAMBHAI
Vice President Finance

Anand started in the role of Vice President Finance for Millennium Hotels and Resorts in June 2024.

He is an experienced finance leader having held senior financial roles across a broad range of well-known businesses in New Zealand and the UK including Macquarrie Bank, Sony, Crane Group and British Telecom. Skilled in strategy, capital markets, investor relations, treasury, and financial management, Anand has proven ability to engage stakeholders, optimise capital management, and enhance long-term shareholder value.

Anand holds a Bachelor of Commerce degree and is a chartered accountant with Chartered Accountants Australia and NZ.

JOSIE WILSON
Director of Revenue & Distribution

Josie has been with Millennium Hotels and Resorts for 21 years in a range of roles, including Director of Revenue & Distribution for the past 15. Her team's current focus is ensuring the company maximises the expected growth of international and domestic travellers to and within New Zealand to increase revenue to levels that have not been seen for many years.

With a background in project management, systems analysis she also has a strong understanding of how to enhance systems and procedures to improve user experience, whilst reducing costs and profitability.

Originally from the UK, she is passionate about being able to showcase New Zealand and the kiwi hospitality that Millennium Hotels and Resorts offers.

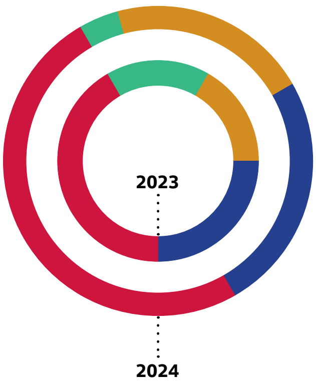
PEOPLE

The quality and engagement of our employees is an ongoing focus for us as a business powered by people. The centralisation of our recruitment function and investment in supporting systems to standardise processes and improve candidate care has delivered a significant improvement in employee retention.

We have also undertaken the groundwork for further investment in technology to support Learning and Capability ensuring our people have the tools and opportunities to grow. At the end of the year, we launched a new set of vibrant company values with input and collaboration from right across the business. We are delighted with how our new values; Energy On, Truly Connected, Go Further and Genuinely Care captured the heart of the business and how we interact with each other and our guests.

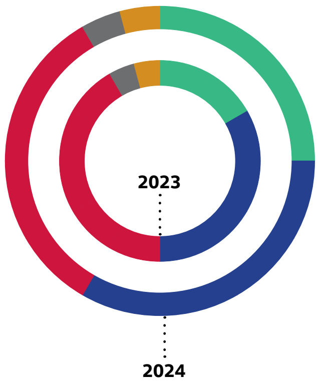
The coming year will focus on leveraging our improved technology and processes to further increase retention, embed our values and build out our learning and development pathways to ensure we are delivering on our purpose, 'Your best time and place - right here, right now', for our people and our guests.

AGE



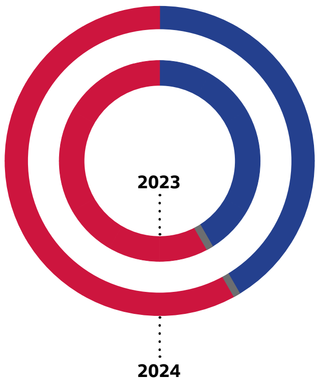
2023	2024	
-	-	Veterans (78+ years)
7%	7%	Baby Boomers (60-78 years)
18%	22%	Generation X (44-59 years)
31%	29%	Generation Z (<28 years)
44%	42%	Millennials (28-43 years)

TENURE



2023	2024	
9%	9%	>10 Years
6%	6%	5-10 Years
17%	32%	2-5 Years
36%	26%	1-2 Years
32%	27%	<1 Year

GENDER BREAKDOWN



2023	2024	
0.2%	0.2%	Non Gender Specific
45%	45%	Male
55%	55%	Female

OUR VALUES

Our values are the behaviours and actions that are brought to life by our people. They help us build a strong foundation about what we expect from ourselves and others, to make this your best time and place – right here, right now.

GENUINELY CARE

We show genuine care and create delight for our guests and each other, every day.

GO FURTHER

We aim high, taking pride in everything we do and creating success for everyone.

TRULY CONNECTED

We're a diverse team, we keep it honest and open, and when we're meaningfully connected, we're simply unbeatable.

ENERGY ON

It's about good energy, the sort that inspires everyone around us and pushes us to be better and better.

A FRESH LOOK AT GRAND MILLENNIUM AUCKLAND

2024 was a very good year for Grand Millennium Auckland, our hotel under management lease, with several of its key features given a stunning new look and feel. The centrepiece of the hotel is the Ballroom which now features the remarkable custom-designed lighting sculpture The Sky Garden designed by James Russ Studio which has over a million meticulously hand-assembled LED lights which transform the space into a realm of enchantment. We were delighted to also introduce Ember and The Aviary cocktail bar. With esteemed Kiwi chef James Kenny at the helm, Ember offers a rich tapestry of flavours and textures from multiple cuisine styles which will appeal to all travellers and The Aviary cocktail bar is the perfect place for elegant and memorable drinks.


Ember Restaurant


The Aviary inside the Lobby


The Millennium Ballroom

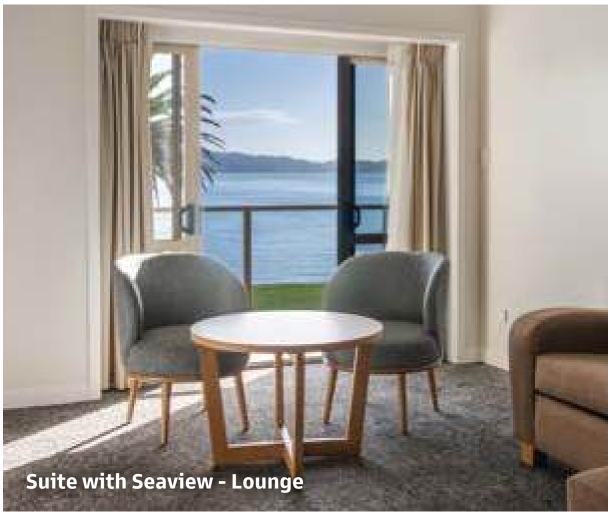

Premiere Deluxe Room

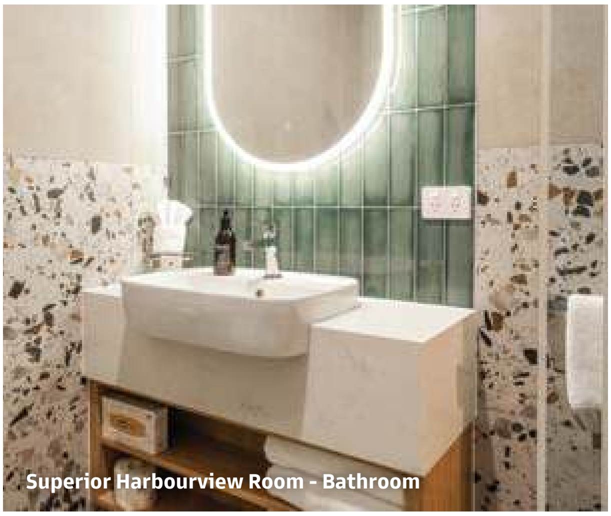

Premiere Deluxe - Twin Room Entrance

HOTEL DEVELOPMENTS

At Copthorne Hotel & Resort Bay of Islands in 2024, 90 rooms were refurbished giving the hotel a more modern look and feel.


Suite with Seaview - King Room


Suite with Seaview - Lounge


Superior Harbourview Room - Bathroom


Superior Harbourview Room

At Millennium Hotel Rotorua our newly refurbished Deluxe Rooms were completed in 2024 as part of an ongoing refurbishment project. An additional 127 rooms and suites will be refurbished in 2025.

Deluxe Room - Bathroom

Deluxe Room - Hot Tub

Deluxe Room

Deluxe Room

THE MAYFAIR

MCK MARKS RETURN TO CHRISTCHURCH WITH PURCHASE OF LUXURY HOTEL

In October 2024, MCK announced that it had reached agreement with Mayfair Luxury Hotels Limited and the Stapley family interests for the purchase of the Mayfair Hotel Christchurch.

“After over a decade, we are very happy to have a hotel presence in Christchurch once again”, said MCK Managing Director Stuart Harrison. “Christchurch has always been a strategically important market for us and the acquisition of this hotel comes at the right time as visitor numbers and interest in Christchurch are both increasing”.

Located in Victoria Street and a short walk from the Canterbury Museum and Hagley Park, the hotel was completed and opened in 2022 and has already garnered a reputation for its high-quality spacious rooms and suites which have views of the city and are designed to let in as much natural light as possible, An art nouveau-style café and cocktail bar complete the boutique nature of this hotel.

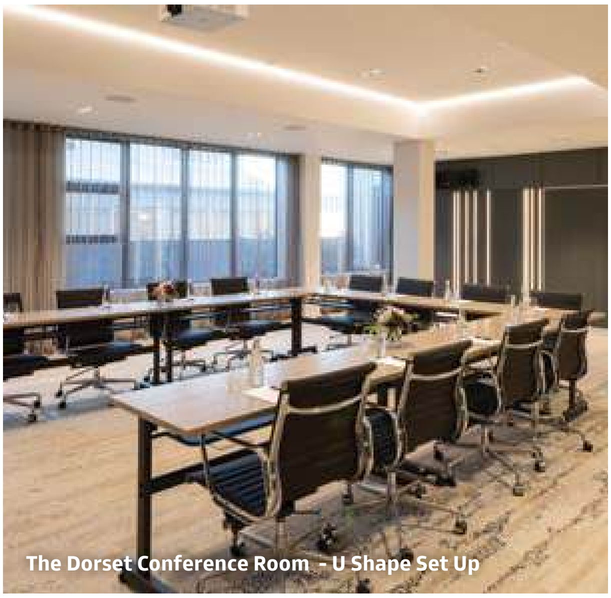
The transaction settled in January 2025 and MCK used its existing cash resources and bank facilities to complete the acquisition. A transition to a Millennium & Copthorne brand will be carried out in 2025 and will be announced in due course.

THE MAYFAIR AT A GLANCE	
Property Interest	Freehold (opened in mid-2022), 155 Victoria St, Christchurch
Number of Rooms	67 guest rooms and suites
Purchase Price	$31,900,000 (plus GST)
Other Facilities	Cocktail Bar, Conference/ Meeting facilities , Café & kitchen.

Lobby

Exterior

Top of House Suite - Lounge



The Dorset Conference Room - U Shape Set Up

Mayfair King Room

BOARD OF DIRECTORS

COLIN SIM
Chairman & Independent Director

Mr. Sim is the executive chairman of the East Quarter Group of companies in Australia. The East Quarter Group is involved in the development, investment and management of residential, commercial and industrial projects across New South Wales. Mr. Sim has strong analytical skills and extensive experience in property development/investment and business in Australia. He studied Mechanical Engineering in London and has lived in Sydney, Australia for over 40 years.

Mr. Sim was appointed to the Board in July 2017 and was re-elected to the Board at the 2024 Annual Meeting of shareholders.

STUART HARRISON Managing Director,
Member of the Audit Committee

Stuart Harrison has nearly three decades of financial reporting and senior management experience within the utilities, hospitality and property industries and was appointed as MCK's Managing Director in July 2022. As Chief Financial Officer for real estate investment trusts and managers with portfolios with over $1 billion of assets, he oversaw their financial and management reporting, treasury management and tax compliance within both New Zealand and Australia and has also overseen significant equity raising, debt facility renewals and strategic acquisitions. Stuart was MCK's Vice President Finance between 2000 and 2008.

Stuart holds a Bachelor of Commerce and Chartered Accountants Australia and NZ qualifications. He was elected to the Board at the 2023 Annual Meeting of shareholders.

EIK SHENG KWEK
Non-Executive Director

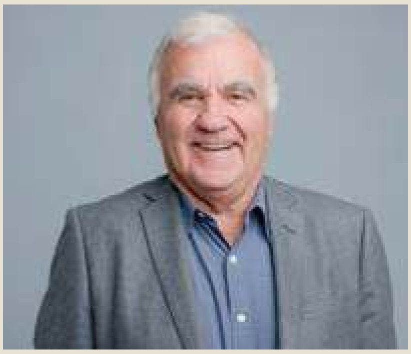
Mr. Kwek is currently the Group Chief Operating Officer of City Developments Limited ("CDL") having previously been CDL's Group Chief Strategy Officer. Mr. Kwek joined CDL in 2009, covering Business Development for overseas projects before being appointed as Head of Corporate Development. He was appointed as Chief Strategy Officer in 2014 and was additionally appointed Head, Asset Management in April 2016. Prior to joining CDL, he was with the Hong Leong Group of companies in Singapore specialising in corporate finance roles since 2006.

He is also Executive Director of Millennium & Copthorne Hotels Limited, previously listed on the London Stock Exchange as Millennium & Copthorne Hotels plc. He holds a Bachelor of Engineering in Electrical and Electronics Engineering from Imperial College of Science, Technology and Medicine and a Master of Philosophy in Finance from Judge Business School, Cambridge University.

KEVIN HANGCHI
Non-Executive Director

Mr. Hangchi is currently Senior Vice President, Hong Leong Management Services Pte. Limited. He has global transactional experience across many of the Hong Leong Group's entities including listings and public offerings, mergers and acquisitions as well as capital markets issuances and banking facilities. Mr. Hangchi has been called to the English and Singaporean bars and holds an honours degree in Accountancy and Law from the University of Southampton.

Mr. Hangchi was appointed to the Board in 2016 and was last re-elected to the Board at the 2024 annual meeting of shareholders.



GRAHAM MCKENZIE Independent Director,
Member of the Audit Committee

Mr. McKenzie is a Barrister and Solicitor with over thirty years experience in corporate and commercial law and is a former Partner and Consultant to Bell Gully, a leading New Zealand law firm. He is currently a member of the New Zealand Law Society Disciplinary Tribunal. Mr. McKenzie is a member of the New Zealand Law Society and the Queensland Law Society, Australia and holds a Bachelor of Laws degree from Victoria University, Wellington and a Master of Laws degree from Warwick University, England. Mr. McKenzie was a Director of CDL Investments New Zealand Limited from 2005 to 2006.

Mr. McKenzie was appointed to the Board in 2006 and was last re-elected to the Board at the 2022 annual meeting of shareholders.

LESLIE PRESTON Independent Director,
Chair of the Audit Committee

Leslie Preston was appointed to the Board in February 2021. Ms. Preston founded Bachcare Holiday Homes ("Bachcare") in 2003 and was CEO and a director until 2020. Under her leadership Bachcare grew to become the leading full-service holiday home rental management company in New Zealand and was named one of The World's Top 20 Vacation Rental Companies in 2019.

Ms. Preston hails from New York and has worked for KPMG Peat Marwick and Bankers Trust in the United States and for Boston Consulting Group and BellSouth / Vodafone in New Zealand. Her senior management experience has included roles in marketing, customer and corporate operations as well as business strategy. She holds an MBA from Stanford University Graduate School of Business and a BA (Cum Laude) from Franklin and Marshall College, Pennsylvania.

Ms. Preston was appointed in 2021 and was re-elected to the Board at the 2024 annual meeting of shareholders.

HOTEL OWNERSHIP

MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED

OWNED

Millennium Hotel New Plymouth Waterfront

Millennium Hotel Rotorua

M Social Auckland

Copthorne Hotel & Resort Bay of Islands (49%)

Copthorne Hotel & Resort Queenstown Lakefront

Copthorne Hotel Greymouth

Kingsgate Hotel Te Anau

The Mayfair

Sofitel Brisbane Central (50%)

HOSPITALITY SERVICES LIMITED

MANAGED

Grand Millennium Auckland

Kingsgate Hotel Autolodge Paihia

QUANTUM LIMITED

OWNED

Millennium Hotel Queenstown

Copthorne Hotel Auckland City

Copthorne Hotel Rotorua

Copthorne Hotel Palmerston North

Copthorne Hotel Wellington Oriental Bay

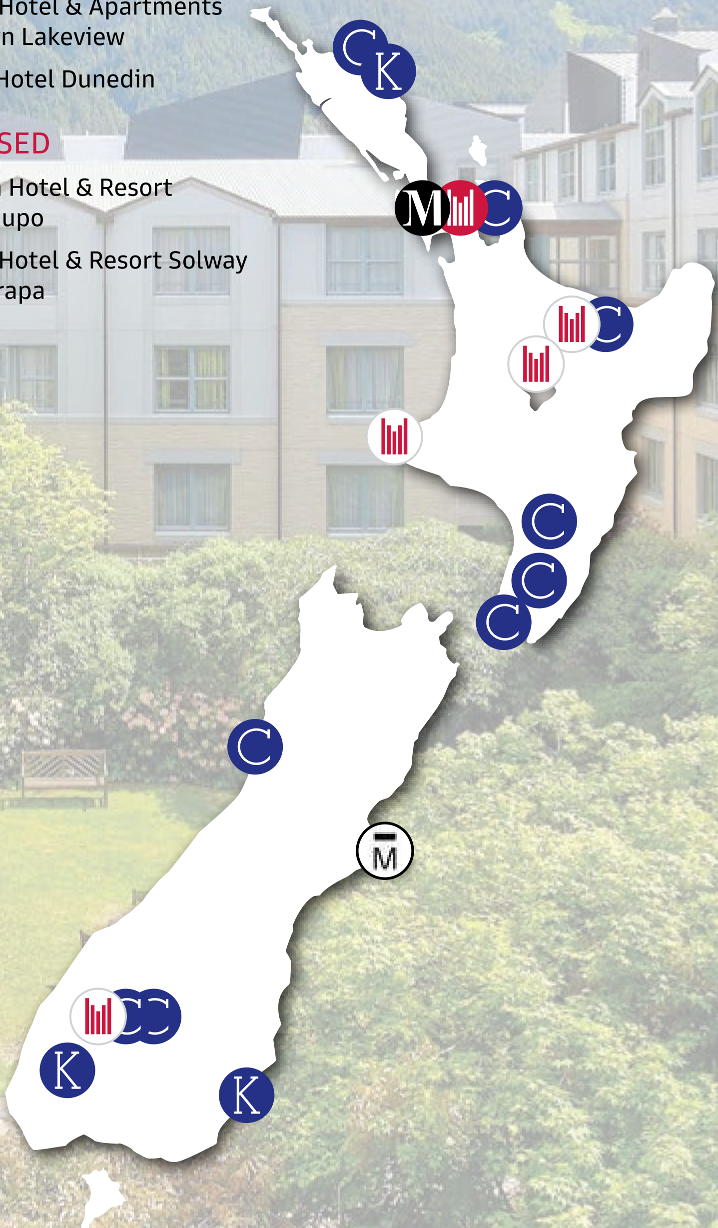
Copthorne Hotel & Apartments Queenstown Lakeview

Kingsgate Hotel Dunedin

FRANCHISED

Millennium Hotel & Resort Manuels Taupo

Copthorne Hotel & Resort Solway Park Wairarapa



Millennium Hotel Queenstown

MILLENNIUM HOTELS AND RESORTS IN NEW ZEALAND

GRAND MILLENNIUM

MILLENNIUM

PREMIUM

Grand Millennium Auckland
71 Mayoral Drive, Auckland
P +64 9 366 3000
grandmillennium.auckland@millenniumhotels.co.nz

Millennium Hotel Rotorua
Cnr Eruera & Hinemaru Streets, Rotorua
P +64 7 347 1234   F +64 7 348 1234
millennium.rotorua@millenniumhotels.co.nz

Millennium Hotel New Plymouth Waterfront
1 Egmont St, New Plymouth
P +64 6 769 5301   F +64 6 769 5302
millennium.newplymouth@millenniumhotels.co.nz

Millennium Hotel & Resort Manuels Taupo
243 Lake Terrace, Taupo
P +64 7 378 5110   F +64 7 378 5341
millennium.taupo@millenniumhotels.co.nz

Millennium Hotel Queenstown
Cnr Frankton Road & Stanley Street, Queenstown
P +64 3 450 0150   F +64 3 441 8889
millennium.queenstown@millenniumhotels.co.nz

MSOCIAL

LIFESTYLE

M Social Auckland
196 - 200 Quay Street, Auckland
P +64 9 377 0349
msocial.auckland@millenniumhotels.com

THE MAYFAIR

The Mayfair
155 Victoria Street, Christchurch
P +64 3 595 6335
info@themayfair.co.nz

Copthorne

Kingsgate

COMFORTABLE

Copthorne Hotel & Resort Bay of Islands
Tau Henare Drive, Paihia
P +64 9 402 7411   F +64 9 402 8200
copthorne.bayofislands@millenniumhotels.co.nz

Copthorne Hotel Auckland City
150 Anzac Avenue, Auckland
P +64 9 379 8509   F +64 9 379 8582
copthorne.aucklandcity@millenniumhotels.co.nz

Copthorne Hotel Rotorua
Fenton Street, Rotorua
P +64 7 348 0199   F +64 7 346 1973
copthorne.rotorua@millenniumhotels.co.nz

Copthorne Hotel Palmerston North
110 Fitzherbert Avenue, Palmerston North
P +64 6 356 8059   F +64 6 356 8604
copthorne.palmerston@millenniumhotels.co.nz

Copthorne Hotel & Resort Solway Park Wairarapa
High Street, South Masterton
P +64 6 370 0500   F +64 6 370 0501
reservations@solway.co.nz

Copthorne Hotel Wellington Oriental Bay
100 Oriental Parade, Wellington
P +64 4 385 0279   F +64 4 384 5324
copthorne.orientalbay@millenniumhotels.co.nz

Copthorne Hotel Greymouth
32 Mawhera Quay, Greymouth
P +64 3 768 5085   F +64 3 768 5844
copthorne.greymouth@millenniumhotels.co.nz

Copthorne Hotel & Resort Queenstown Lakefront
Cnr Adelaide Street and Frankton Road, Queenstown
P +64 3 450 0260   F +64 3 442 7472
copthorne.lakefront@millenniumhotels.co.nz

Copthorne Hotel & Apartments Queenstown Lakeview
88 Frankton Road, Queenstown
P +64 3 442 7950   F +64 3 442 8066
copthorne.lakeview@millenniumhotels.co.nz

Kingsgate Hotel Autolodge Paihia
Marsden Road, Paihia
P +64 9 402 7416   F +64 9 402 8348
kingsgate.paihia@millenniumhotels.co.nz

Kingsgate Hotel Te Anau
20 Lakefront Drive, Te Anau
P +64 3 249 7421   F +64 3 249 8037
kingsgate.teanau@millenniumhotels.co.nz

Kingsgate Hotel Dunedin
10 Smith Street, Dunedin
P +64 3 477 6784   F +64 3 474 0115
kingsgate.dunedin@millenniumhotels.co.nz

SAVE THE KIWI PARTNERSHIP

MILLENNIUM HOTELS AND RESORTS | Save the kiwi

In 2024 Millennium Hotels and Resorts New Zealand entered the second year of the partnership with Save the Kiwi, after donating 29,500 'kiwi meals' to our charity of choice in the first year.

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

This innovative approach sees a guest simply reducing their own room servicing needs and ensures a kiwi gets fed and a safe environment to grow. Every time a guest chooses the daily 'no room servicing' option on a multi-night stay by using their Save the Kiwi door hanger at any Grand Millennium, Millennium, Copthorne, Kingsgate or M Social hotels in New Zealand, Millennium Hotel and Resorts will donate funds towards Save the Kiwi's kiwi crèche in Napier.

MANAAKI

Protect & Care

2024 Calendar Year

32,500 Meals Donated

Donations now available in the MyMILLENNIUM mall

SUSTAINABILITY REPORTING

The following summary provides an overview of Millennium and Copthorne Hotels New Zealand Limited's (MCK) strategic direction in relation to sustainability principles and practices, including FY24 Greenhouse gas inventory results.
Sustainability at MCK encompasses environmental, social, economic and cultural sustainability. 2024 has seen a focus on environmental sustainability.

MCK appointed our first dedicated Sustainability Manager in late 2024, in recognition of the importance of taking action to be more sustainable, reducing climate risk and emissions; driving transparent reporting and complying with regulations across our hotel portfolio.

MCKs broad approach to assessing and acting on climate-related impacts across operations is to identify and manage climate risk by addressing both:

- **the impact on MCK** from the physical and transitional impacts caused by climate change, and
- **the impact by MCK** our GHG emissions and other actions we take that contribute to climate change and other environmental issues

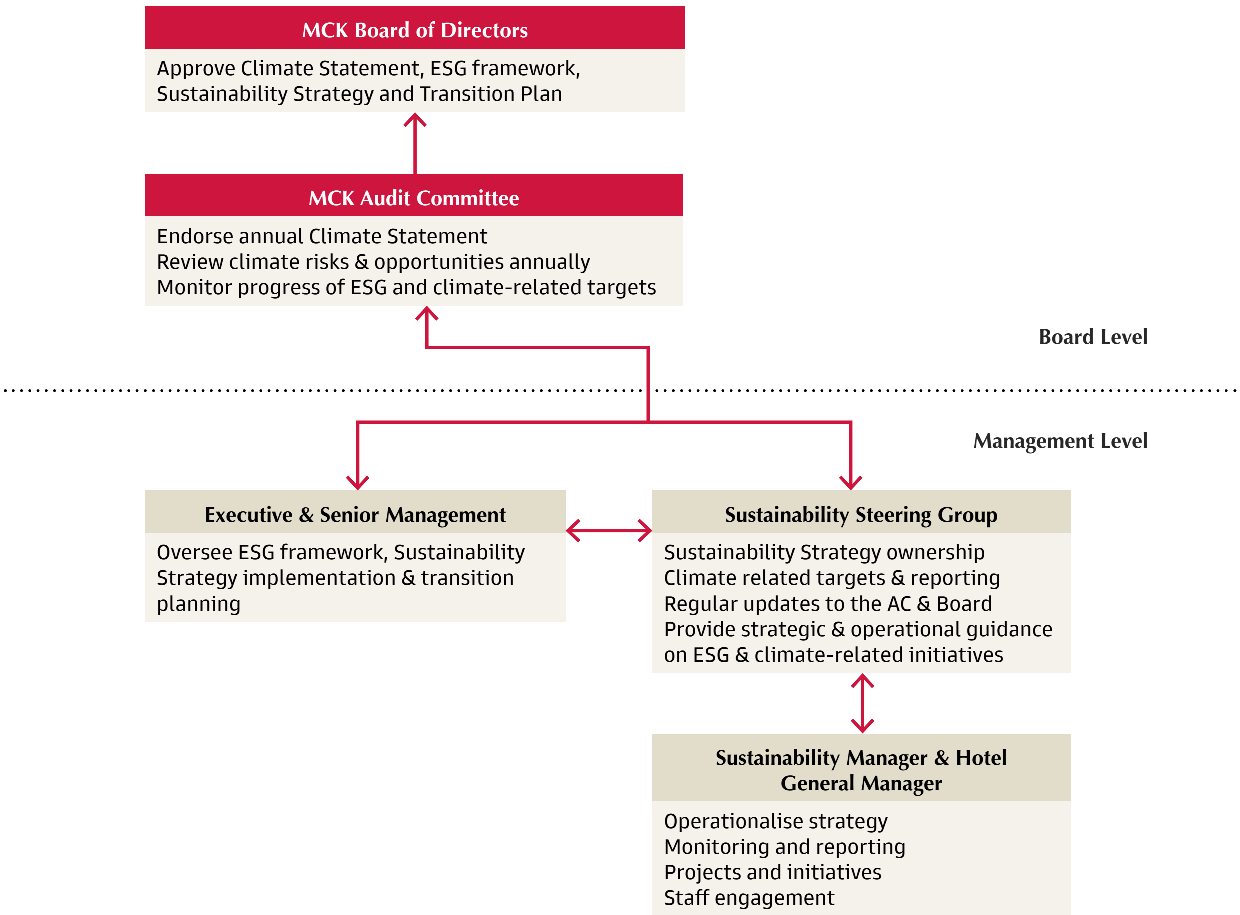
CLIMATE–RELATED GOVERNANCE:

MCK's board has oversight of Sustainability encompassing environment, social and governance aspects. This includes responsibility for assessing climate-related risks and opportunities, current climate impacts and climate-related financial impacts; and transition planning, distinct from Management's role in assessing, managing and reporting these.

In 2024, we did not receive any fines or penalties associated with non-compliance with any laws relating to the environment, human rights violations, labour standards, anti-bribery or taxation.

In addition to regulatory compliance, good governance encompasses a strong sense of values and a desire to do what is right for our stakeholders including our guests, suppliers, colleagues, regulators and the communities in which we operate. We strive to conduct our business in an ethical and responsible manner.

- MCK's Board has ultimate responsibility for overseeing the management of risks, including risks related to climate change. The Board of MCK is committed to introducing and integrating sustainability across key aspects of its business and advancing sustainability efforts overall.



- The Board has oversight of the developing sustainability strategy and identifying ESG issues and in time will set sustainability targets and will oversee sustainability reporting.
- The Board, in particular the Audit Committee also oversees progress against MCK climate-related goals and ensure that targets and metrics are tracked and progressed (MCK aims to set and publish targets in 2025). MCK's Audit Committee assists the Board by considering climate-related risks and will approve the transition plan.
- MCK's senior management team has day-to-day oversight of climate-related risks, opportunities and initiatives that drive climate mitigation and adaptation strategies. Management also review and advise the Board on ESG opportunities, strategic sustainability and climate issues and MCK's emissions reduction strategy and initiatives.
- MCK's Operations (including Hotel General Managers), Sustainability Manager, Property, Legal and Finance teams provide the senior management team with support for monitoring and assessing MCK's activities which contribute to our impact on the climate. A Sustainability Steering group conduct assessments, prepare reports and put in place plans to initiate action, mitigate emissions and reduce climate risks. Hotel teams are responsible for overall performance of MCK's hotel operations - day-to-day management, maintenance and operability of MCK's assets; and property management, refurbishment and maintenance plans.

STRATEGIC DIRECTION AND SUSTAINABILITY INITIATIVES

MCK has had a high-level environmental policy in place since 2008 and work is underway to develop a Sustainability strategy and ESG framework.

MCK is part of a global company and network of hotels that places an emphasis on supporting positive local environmental outcomes. In 2024 MCK the New Zealand region joined the global Sustainability Team to advance the group's action on decarbonisation and sustainable practices.

This includes activating the Millennium Green Path framework, which we will look to further embed in NZ operations in 2025. This focuses on the areas of:

- Minimising the environmental impact of our operations;
- Responsible sourcing;
- Guest education and engagement; and
- Supporting our communities.

NZ's owned hotel assets were also included in parent company CDL's voluntary Nature-related disclosures for the first time this year.

This year we commenced work on a portfolio-wide assessment of our hotel assets (including and managed hotels) exposure to physical climate risk, as well as further assessing and rating our business transitional climate risks and opportunities. This will support us in continuing our transition planning over the next year.

We assessed our current climate-related impacts in FY24 against risk and opportunities criteria across seven key aspects of the business including business model; supply/value chain; products and services; access to capital; adaptation and mitigation activities; acquisitions or divestments; and investment in research and development. No material physical or transitional climate impacts as a result of environmental, operational, social, legal, regulatory, reputational activities were identified, therefore MCK has not been subject to any climate-related financial impacts in FY24[1].

Currently 12 hotels within the NZ group hold Qualmark silver status meeting their Sustainable Tourism Business criteria. Qualmark are officially recognised by the Global Sustainable Tourism Council, so our NZ hotels with Qualmark rating are recognised as meeting their global sustainability standards.

SAVE THE KIWI

Millennium Hotels and Resorts New Zealand has completed the first calendar year with its official charity of choice, Save the Kiwi. In 2024 Millennium Hotels and Resorts donated 32,500 kiwi 'meals' towards Save the Kiwi charity's Kiwi Creche in Napier, New Zealand[2].

Donations towards the charity are obtained when a guest opts out of having their hotel room serviced during a multi-night stay. This creates a unique opportunity for guests to donate a 'meal' to feed kiwi as part Save the Kiwi programme, while also contributing to our hotels water and energy conservation efforts.

1. More information on climate risks and opportunities can be found in MCK's FY24 Climate Statement
2. Save the Kiwi is a nation-wide leading conservation charity dedicated to preserving New Zealand's endangered national bird, including rearing chicks which are later released into the wild to boost declining numbers.

PRIORITISING ACTION

To help identify our sustainability priorities MCK has adopted the United Nations Sustainable Development Goals (SGDs)[3]. These will be further explored, along with hotel industry ESG material issues[4] for inclusion in our Sustainability strategy. There are specific SDG targets and indicators relating to sustainable tourism such as policies and tools to promote and monitor jobs, local culture and products including 8.9 and 12.B.

While tourism has the potential to contribute, directly or indirectly to all of the goals. Targets in Goals 8, 12 and 14 are particularly relevant. Tourism can contribute to Target 12.8 by encouraging awareness and education for sustainable development through tourism practices and activities.

The SDGs that our business can contribute to the most[5] have been identified as:

	Focus Areas	Current Initiatives
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all ▪ Sustainable tourism that creates jobs and promotes local culture and products. ▪ Implement plans to reduce the negative impacts of tourism	Our MCK values create a safe, inclusive and productive workplace. We foster a diverse workforce consisting of a range of nationalities, ethnicities and ages across our hotels.
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities inclusive safe resilient and sustainable ▪ Inclusive and sustainable urbanization ▪ Reduce the environmental impact of cities ▪ Protect and safeguard cultural and natural heritage	Planning for future hotel development, responsible investment, site accessibility, supporting local cultural and community projects, and protecting local environ-ments.
12 RESPONSIBLE CONSUMTION AND PRODUCTION	Ensure sustainable consumption and production patterns - reduce waste, promote resource efficiency, and encourage sustainable practices ▪ Efficient use of natural resources ▪ Substantially reduce waste generation through prevention, reduction, recycling, and reuse ▪ Responsible supply chain and sourcing ▪ Reducing food losses along production and supply chains, ▪ Sustainable procurement practices ▪ Universal understanding of sustainable lifestyles	All our hotels have recycling systems for paper/ cardboard, glass, cans and plastics and some are trialing soft plastic packaging collections. A focus on single-use plastics led to the removal of individual wet amenities and bottled water from most of our hotels in 2024. While there is room for improvement, our hotels are currently diverting food waste in places where commercial food waste collections are available. Hotels provide options for guests to reduce the impact of their stay.
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts. ▪ Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.	Recent work to assess our hotel portfolio identify climate risks and commence transition planning will lead to more resilient hotel assets.

3. https://sdgs.un.org/goals
4. Sustainability Accounting Standards Board https://sasb.ifrs.org/standards/materiality-finder/find/?industry%5B0%5D=SV-HL
5. Hotel operations can also contribute to SDGs 6: Clean water and sanitation and 7: Affordable and clean energy, through reducing water and energy consumption / increasing renewable electricity use.

MEASURING AND REDUCING EMISSIONS:

We are committed to measuring and looking at ways to reduce our carbon footprint.

Millennium & Copthorne Hotels New Zealand Limited (MCK) and its subsidiaries (either wholly or majority owned) are included in our organisational Greenhouse gas reporting boundary (unless deemed de minimis). This includes direct operational emissions from 16 owned and managed hotels within MCK's portfolio, CDL Investments New Zealand Limited[6] and MCK's support offices (excluding hotel franchises).

In the 2024 reporting period an operational control approach was applied to the organisational boundary and GHG inventory. Our previous base year (2023) inventory reported used an equity share approach[7]. This change was made in keeping with the GHG Protocol reporting standards to better reflect the nature of the hotel operations; direct control over sources of emissions; industry practice; and alignment with parent company methodology and reporting

In FY24 an update was made to our 2023 base year to account for changes to the organisational boundary, calculation methodologies and correction of errors. This ensures MCK's GHG Inventory remains relevant, complete, consistent, transparent and accurate in line with the GHG Protocol.

There was an increase in emissions between 2023 and 2024, as a result of operational activities. The main emissions sources in 2024 and increases since the previous years were hotel consumption of natural gas, LPG and electricity for heating, cooling and cooking; as well as waste generation and air travel. This increase in emissions is in part due to an increase in owned and managed hotel occupancy rates over this period.

Currently MCK is not purchasing carbon credits or off-setting our emissions in other ways, but will explore options in the future. In 2024 we commenced measuring our indirect scope 3 sources of emissions. We conducted our first staff travel survey, started working with franchisees to source data, and started capturing spend-data for a range of products and services used by the business.

For the reporting period 1 January 2024 to 31 December 2024 our emissions have been measured and the greenhouse gas emission inventory (GHG inventory) prepared in accordance with the GHG Protocol Standards[8] and ISO 14064-1:2018 standard. The results are shown in comparison to FY23 in the following table.

MILLENNIUM AND COPTHORNE NEW ZEALAND LTD GREENHOUSE GAS EMISSIONS[9]

GHG Sub Category	ISO Category	Emissions Source	Description	FY23 tCO2e	FY24 tCO2e
Scope 1- Direct emissions				**3,345**	**3,686**
	1	Mobile combustion	Fuel used in company leased vehicles	79	123
	1	Fugitive emissions	Losses including from refrigeration and air-conditioning units	242	240
	1	Stationary combustion	Hotel natural gas combustion	1,864	1,979
			Hotel LPG consumption	1,160	1,344
Scope 2: Indirect emissions from purchased electricity				**1,359**	**1,370**
	2	Imported electricity (location-based)[10]	Electricity consumption from hotels and support office	1,359	1,370
Scope 3: Indirect emissions from value chain[11]				**1,026**	**1,059**
C1	4	Purchased goods and services	Potable water supply (only)	7	10
C3	4	Fuel and energy-related activities	Transmission and distribution (T&D) losses from purchased electricity & natural gas	210	173
C5	4	Waste generated in operations	Disposal of office and hotel solid waste - landfilled	528	582
			Disposal of solid waste – not landfilled: Recycling processed: cardboard, mixed plastics, glass and comingled materials	122	114
			Disposal of solid waste – not landfilled: composted food scraps and garden waste	8	9
C6	3	Business travel	Transport (non-company owned vehicles) - air travel, rental vehicles and taxi	151	171
Total				**5,730**[12]	**6,115**[13]
Emissions Intensity:					
By operating revenue (gross tCO2e/$millions)				43.46[14]	38.56
Per room[15] (gross tCO2e/room)				2.74	2.84

6. CDL Investments New Zealand Ltd is majority owned by Millennium & Copthorne Hotels New Zealand Ltd.
7. The consolidation approach was retrospectively applied to reflect an operation control approach as part of a 2023 base year recalculation.
8. https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf This includes: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition); the Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard; and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
9. These figures should not be read in isolation from MCK's climate-related disclosures (published by end of April 2025).
10. Market-based emissions from imported energy are calculated as 1,388tCO2e (compared with 1,353tCO2e in 2023), nominally the same as location-based as no Renewable Energy Certificates have been purchased.
11. MCK has elected to disclose FY24 scope 3 emissions in some categories, as required by the Toitu programme, where quantifiable data is available. Where data is not yet available, Adoption Provision 4: Scope 3 GHG emissions in the NZ Climate Standard 2 is applied for the remaining material Scope 3 items in our value chain.
12. Recalculated from the original FY23 inventory (4146.19tCO2e), as certified by Toitu.
13. FY24 figures once finalised are subject to independent assurance and will be published in our FY24 Climate Statement.
14. Updated for FY23 based on the 2023 base year recalculation undertaken in 2024.
15. Uses available hotel rooms per year, includes emissions from hotel portfolio only and excludes CDL Investments New Zealand Ltd.

Emissions from NZ hotels contribute to the group emissions footprint. In 2019, Millennium & Copthorne Hotels Limited[16] set a Science-Based Target to reduce the Group's carbon emission by 27% by 2030, from a 2017 base year. Emission reduction targets for New Zealand are currently under development and it is anticipated that these will be formally set and published next year.

Targets for energy use (electricity and gas), waste reduction / recycling and water consumption at hotels and office premises are also being explored.

Millennium & Copthorne Hotels New Zealand Limited's FY24 GHG inventory (scope 1 and 2 emissions) will be subject to independent limited assurance. The limited assurance conclusion, once finalised, will be included in the FY24 Climate Statement, in accordance with the Aotearoa New Zealand Climate Standards.

In 2023, MCK achieved Toitu Envirocare Carbon Reduce certification[17] for the first time for our greenhouse gas inventory, which was a critical step in meeting our climate-related disclosure obligations. In 2024 we recertified our base year GHG inventory and received certification for our FY24 GHG inventory.

Toitu carbonreduce certified organisation: Millennium & Copthorne Hotels New Zealand Limited[18]. Toitu carbonreduce certified means measuring emissions to ISO 14064-1:2018 and Toitu requirements; and managing and reducing against Toitu requirements.

TOITŪ
CARBON REDUCE
ISO 14064-1 ORGANISATION

CLIMATE-RELATED FINANCIAL DISCLOSURES

Millennium and Copthorne Hotels New Zealand Ltd is a climate reporting entity under the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021. MCK reported under the Aotearoa New Zealand Climate Standards, for the first time in our FY23 Annual Report.

MCK will publish mandatory climate-related disclosures for FY24 separately to this Annual Report (using an FMA exemption available for this financial year)[19]. This will be in the form of a Climate Statement outlining business practices across governance, strategy, risk management, targets and metrics. This statement will contain the MCK FY2024 greenhouse gas inventory, climate-related risks and opportunities, current climate-related financial impacts and other requirements, published prior to April 30th.

Our FY24 Climate Statement can be found on the MCK Investor Centre website: https://mckhotels.co.nz/investors/climate-statements/ and on the disclosures register on the Companies Office website[20].

16. Global hotel company which owns, manages and operates over 130 properties across 80 destinations.
17. Toitu Envirocare is a wholly-owned subsidiary of Manaaki Whenua – Landcare Research, a Government-owned Crown Research Institute. Developed for New Zealand business needs, they comprise of a team of scientists and business experts who have come together to protect the ecological and economic future, with over 800 clients worldwide.
18. Excluding emissions from Millennium Hotel & Resort Manuels Taupo and Copthorne Hotel & Resort Solway Park Wairarapa under operational control approach.
19. Financial Markets Conduct (Requirement to Include Climate Statements in Annual Report) Exemption Notice 2023: https://www.fma.govt.nz/business/legislation/exemptions/financial-markets-conduct-act-exemptions/financial-markets-conduct-requirement-to-include-climate-statements-in-annual-report-exemption-notice-2023/
20. https://crd-app.companiesoffice.govt.nz/dashboard/

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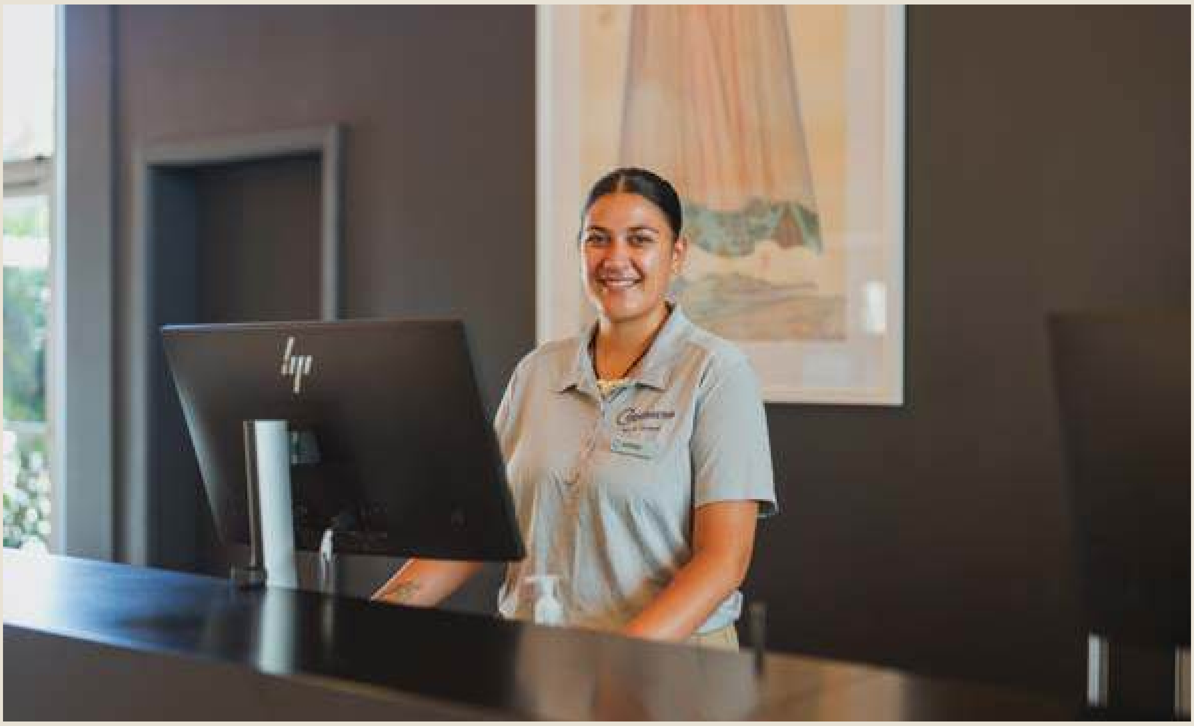
Corporate Governance

Regulatory Disclosures and Statutory Information – Contents



Staff member at Copthorne Hotel and Resort Bay of Islands

Millennium & Copthorne Hotels New Zealand Limited

Consolidated Income Statement

For the year ended 31 December 2024

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

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

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

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

Millennium & Copthorne Hotels New Zealand Limited

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

Group

Attributable to equity holders of the Group

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

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

Millennium & Copthorne Hotels New Zealand Limited

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

Group

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

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

Millennium & Copthorne Hotels New Zealand Limited

Consolidated Statement of Financial Position

As at 31 December 2024

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

For and on behalf of the board

Leslie Preston

SNB Harrison

LS PRESTON, DIRECTOR,
24 February 2025

SNB HARRISON, MANAGING DIRECTOR,
24 February 2025

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

Millennium & Copthorne Hotels New Zealand Limited

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

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

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

Millennium & Copthorne Hotels New Zealand Limited

Consolidated Statement of Cash Flows – continued

For the year ended 31 December 2024

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

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

Significant accounting policies

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

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

(a) Statement of compliance

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

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

(b) Basis of preparation

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

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

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

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

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

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

(d) Foreign currency

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

(e) Insurance proceeds

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

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

Significant accounting policies - continued

(f) Revenue

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

Revenue represents amounts derived from:

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

(f) Pillar 2

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

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

1. **Segment reporting**

Operating segments
The Group consisted of the following main operating segments:
- Hotel operations, comprising income from the ownership and management of hotels.
- Residential land development, comprising the development and sale of residential land sections.
- Residential and commercial property development, comprising the development and sale of residential apartments.
- Investment property, comprising rental income from the ownership and leasing of retail shops and industrial warehouses.

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

(a) Operating Segments

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

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

1. **Segment reporting - continued**

(b) Geographical areas

The Group operates in the following main geographical areas:

- New Zealand.
- Australia.

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

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

An operating segment is a distinguishable component of the Group:

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

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

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

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

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

2. Administration and other operating expenses

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

3. Personnel expenses

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

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

4. Net finance income

Recognised in the income statement

Dollars In Thousands	Group 2024	Group 2023
Interest income	4,476	7,700
Foreign exchange gain	871	-
Finance income	5,347	7,700
Interest expense	(2.022)	(2.009)
Foreign exchange loss	(212)	(435)
Finance costs	(2,234)	(2,444)
Net finance income recognised in the income statement	**3,112**	**5,256**

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

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

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

4. Net finance income - continued

Recognised in other comprehensive income

Dollars In Thousands	Group 2024	Group 2023
Foreign exchange translation movements	2,226	416

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

5. Income tax expense

Recognised in the income statement

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

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

Reconciliation of tax expense

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

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

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

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

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

5. Income tax expense - continued

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.
Deferred tax assets and deferred tax liabilities are offset only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities; the Group intends to settle net; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Removal of tax depreciation on commercial and industrial buildings

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

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

Deferred Tax on Buildings

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

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

Pillar 2

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

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

6. Imputation credits

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

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

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

7. Capital and reserves

Share capital

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

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

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

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

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

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

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

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

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

8. Earnings per share

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

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

8. Earnings per share – continued

Profit attributable to shareholders

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

Weighted average number of shares

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

Diluted earnings per share

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

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

9. Property, plant and equipment

Group

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

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

9. Property, plant and equipment - continued

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

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

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

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

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

The recoverable amounts of the Group’s CGUs or individual assets are based on fair value less cost of disposal or value in use determined by an independent valuer. In 2024 the recoverable amount of the CGU was determined by independent appraiser Colliers and Bower valuations Limited and in 2023 recoverable amount was determined by internal review conducted by management and supplemented by external review on selected hotels by an independent registered valuer Bower Valuations Limited.
The valuation methods used require the independent appraiser to make a number of assumptions including estimating the future cash flows expected to arise from the cash-generating units, suitable discount, capitalisation and square meter rates, as well as value per room, to determine the recoverable value.

Valuation methodologies used are explained below:

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

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

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

9. Property, plant and equipment – continued

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

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

Two hotel assets were considered sensitive to impairment:

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

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

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

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

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

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

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

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

Climate-related disclosure

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

10. Development properties

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

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

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

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

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

11. Investment properties

Group

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

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

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

11. Investment properties – continued

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

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

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

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

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

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

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

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

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

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

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

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

12. Cash and cash equivalents

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

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

13. Trade and other receivables

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

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

14. Interest-bearing loans and borrowings

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

Group

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

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

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

15. Deferred tax assets and liabilities

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

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

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

Impact of change in tax depreciation

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

15. Deferred tax assets and liabilities - continued

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

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

Movement in deferred tax balances during the year

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

Movement in deferred tax balances during the year

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

16. Trade and other payables

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

Trade and other payables are stated at amortised cost.

17. Financial instruments

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

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

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

17. **Financial instruments - continued**

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

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

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

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

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

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

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

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

2024

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

2023

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

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

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

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

17. Financial instruments - continued

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

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

Market risk
(i) Interest rate risk
In managing interest rate risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings with an ongoing review of its exposure to changes in interest rates on its borrowings, the maturity profile of the debt, and the cash flows of the underlying debt. The Group maintains its borrowings at fixed rates on short term which gives the Group flexibility in the context of the economic climate, business cycle, loan covenants, cash flows, and cash balances.
An increase of 1.0% in interest rates on deposits would have increased profit before tax for the Group in the current period by $0.64 million (2023: $1.43 million increase), assuming all other variables remained constant.

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

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

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

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

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

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

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

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

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

17. Financial instruments - continued

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

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

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

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

18. Capital and land development commitments

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

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

19. Related parties

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

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

Total remuneration for key management personnel

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

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

20. Group entities

Control of the Group

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

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

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

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

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

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

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

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

Subsidiary companies

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

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

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

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

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

20. Group entities - continued

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

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

21. Accounting estimates and judgements

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

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

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

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

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

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

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

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

22. Lease

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

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

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

22. Lease - continued

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

22(a) Lease Liability

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

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

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

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

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

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.
The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the Statement of Financial Position.

Short-term leases and leases of low-value assets

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

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

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

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

22(c) Schedule of lease liabilities by class

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

22(d) Exemptions and exclusions

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

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

23. New standard and interpretations issued but not yet adopted

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

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

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

24. Investment in joint venture

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

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

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

24. Investment in joint venture – continued

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

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

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

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

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

Movements in the carrying value of joint venture:

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

25. Non-controlling interests ("NCI")

The following subsidiary has material NCI.

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

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

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

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

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

26. Subsequent events

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

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

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

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

KPMG

Independent Auditor's Report

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

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

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

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

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

Basis for opinion

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

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

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

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

KPMG

Materiality

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

Key audit matters

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

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

The key audit matter	How the matter was addressed in our audit
Impairment of hotel assets	
Refer to Note 9 to the financial statements. Impairment of hotel assets is a key audit matter given the magnitude of the balance (hotel assets being 37% of total assets), conditions that indicate potential impairment and the judgement required by us in assessing the group's key valuation assumptions to determine the value of specific hotel assets. The recoverable amount of hotel assets was determined by an external valuer. We focused on the key assumptions in the valuation models including the projected occupancy rates, average daily room rates (ADRs), discount rates, terminal capitalisation rates, capitalisation rates and square metre rates. Due to the ongoing recovery of international travel from COVID-19, current economic conditions including recession and high interest rates, and lower level of sales evidence from comparable market transactions, the level of estimation uncertainty in the valuation remains heightened compared to stable market conditions.	Our audit procedures included: • Evaluating the group's determination of the appropriate unit of measure for impairment testing purposes, or changes thereto, the cash-generating unit ("CGU"). • Assessing each hotel asset for impairment indicators with consideration of changes in contractual arrangements, economic conditions, financial performance, physical quality of the underlying asset and capital expenditure requirements, among other factors. • Assessing the scope of work performed, competency, professional qualifications, independence, and experience of the external valuers engaged by the group. This included direct enquiry and challenge of the external valuers' methods and assumptions. • Assessing the appropriateness of the valuation methodology applied by the external valuers with reference to accepted methods approved by our internal valuation specialists. • Challenging the group's key valuation assumptions (occupancy rates, ADRs, projected direct costs, discount rates, capitalisation rates and terminal capitalisation rates) included in the external valuations by: – comparing to externally derived data from hotel industry reports and other market data. – assessing the relevance and reasonableness of the key assumptions with reference to rates used in the prior year external valuations, financial performance and recent market evidence presented by the valuer. • Assessing the accuracy of the external valuer's and management's previous forecasts to inform our evaluation of the forecasts incorporated into the valuation models. This included comparing actual occupancy

The key audit matter | How the matter was addressed in our audit

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

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

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

Capitalisation and allocation of development costs

Refer to Note 10 to the financial statements.

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

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

The key judgements used in this determination are:

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

Our audit procedures included:

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

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

Other information

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

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

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

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

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

Use of this independent auditor's report

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

Responsibilities of Directors for the consolidated financial statements

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

— the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;

— implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and

— assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

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

Our objective is:

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

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

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

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

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

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

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

For and on behalf of:

KPMG

KPMG
Auckland
24 February 2025

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement summarises the approach of Millennium & Copthorne Hotels New Zealand Limited ("MCK") to applying the principles and recommendations outlined in the NZX Corporate Governance Code dated 1 April 2023 (the "NZX Code"), including where our practice differs from the recommendations under the Code. This Corporate Governance Statement reports on MCK's corporate governance matters in respect of the financial year ending 31 December 2024 and is current as at 31 December 2024. It has been approved by the board of directors of MCK.

In late 2023 and early 2024, MCK undertook a review of our key corporate governance documentation (including committee charters and key policies and procedures) (the Corporate Governance Review). Following the completion of the Corporate Governance Review, in February and March 2024 the Board resolved to approve and adopt updated versions of the relevant documentation.

The Company's constitution, the Board and committee charters, any of the other charters or other governance documents referred to in this statement are available to view on our website at https://mckhotels.co.nz/investors/.

PRINCIPLE 1 – ETHICAL STANDARDS

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

Following completion of the Corporate Governance Review, in February 2024 the Board adopted an updated version of the Code of Ethics that applies to directors and employees of MCK. The Code of Ethics outlines internal reporting procedures for any breach of ethics, and describes MCK's expectations about behaviour. A copy of the Code of Ethics is available on the Company's website.

The updated Code of Ethics has been communicated to all directors and employees of the Company. MCK regularly conducts training on compliance with ethical standards with its directors and employees.

In addition to the Code of Ethics, MCK has a Code of Conduct which applies to all of MCK's employees. All of MCK's employees are expected to act in the best interests of MCK and to enhance the reputation of the company. MCK also has a number of operational policies which must be followed by employees and the MCK Code of Conduct forms part of each employee's employment agreement.

From 1 January 2024 until the updated version of the Code of Ethics was adopted in February 2024, MCK did not comply with recommendation 1.1 of the NZX Code in respect of the requirement for the Code of Ethics to apply to all employees. Instead, the Code of Conduct applied to all of MCK's employees. While the Code of Conduct addressed a number of the factors set out in recommendation 1.1 of the NZX Code, it did not address all of the relevant factors. No alternative governance practice was adopted in lieu of the recommendation during that period. As noted above, following the Corporate Governance Review MCK's Code of Ethics now applies to all of MCK's employees.

MCK also believes in fair dealing with its customers and suppliers, shareholders, employees and other stakeholders and external third parties.

All Directors have access to the Company Secretary at any time as well as independent legal, financial or other professional advice at the expense of the company as may be required.

MCK has a Whistleblowing Policy which extends to all management and employees. The Whistleblowing Policy facilitates the disclosure and impartial investigation of any serious wrongdoing. This policy advises employees of their right to disclose serious wrongdoing, and sets out the Company's internal procedures for receiving and dealing with such disclosures. The policy is consistent with, and facilitates, the Protected Disclosures Act 2000 and is supported by the Board.

MCK has a financial product trading policy which applies to all employees and directors. Our financial product trading policy was updated in March 2024 as part of the Corporate Governance Review. Our share trading policy is available on the Company's website.

PRINCIPLE 2 – BOARD COMPOSITION AND PERFORMANCE

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Background

MCK's Board has responsibility, control and oversight of the business activities, strategic direction and the governance of MCK and its subsidiary companies. It looks at how the company is operating, how risk and compliance are managed, approving financial and other reports and capital expenditure and reporting to MCK's shareholders. The Board approves MCK's budgets and business plans as well as significant projects and has statutory obligations for other matters such as the payments of dividends and the issue of shares. The Board is accountable to MCK's shareholders for the company's performance.

The Board adopted a written charter in March 2024 as part of the Corporate Governance Review. The Board Charter sets out the roles and responsibilities of the Board. The Board Charter is available in the Policies and Charters section of the Company's website. From 1 January 2024 until the written board charter was adopted in March 2024, MCK did not comply with the requirement under recommendation 2.1 of the NZX Code to have a written board charter. MCK did not follow this recommendation because MCK had previously considered this requirement to have been satisfied by the relevant section of the Corporate Governance Statement itself and the roles and responsibilities of the Board set out in the Constitution. Given this, no alternative governance practice was adopted in lieu of the recommendation during that period.

Certain powers are delegated to Board Committees and Subcommittees. The role of the Committees is detailed under Principle 3.

Day-to-day management is delegated to the Managing Director and senior management. The levels of authority are approved by way of a Delegated Authorities Manual, which is reviewed by the Audit Committee and ultimately approved by the Board.

Nomination process

Appointments to the Board are generally considered by the Board as a whole, and the Board takes into account the skills required to allow it to carry out its functions and governance role. If necessary, a Board subcommittee will be formed to assess nominees.

As part of the appointment process, checks are completed which include the nominee's business experience, qualifications and good character. If appointed, a director will receive a letter formalising their appointment. The letter confirms the key terms and conditions of appointment and is signed by both the Chair and the director.

Assess director, board and committee performance

The Board's procedure for regularly assessing director, board and committee performance is set out in the Board Charter, which was adopted in March 2024 as part of the Corporate Governance Review. From 1 January 2024 until the Board Charter was adopted in March 2024, MCK did not comply with the requirement under recommendation 2.7 of the NZX Code to have a formal procedure for assessing such performance. MCK did not follow this recommendation because the procedure was previously conducted on an informal basis. Given this, no alternative governance practice was adopted in lieu of the recommendation during that period.

Board composition

MCK's Constitution specifies a minimum number of three directors and a maximum number of nine directors at any one time. Two directors must ordinarily be living in New Zealand. In line with the NZX Main Board Listing Rules, MCK is required to have at least two Independent Directors.

Independence determinations

MCK has determined that its Chair Colin Sim, Graham McKenzie and Leslie Preston are Independent Directors for the purposes of the NZX Listing Rules. Messrs Hangchi, Harrison, and Kwek are not considered by the Board to be Independent Directors.

When assessing independence, the Board holistically considers the interests and relationships of a director that could affect the determination, including having regard to (but not limited to) the factors set out in Table 2.4 of the NZX Code.
The Board considers Graham McKenzie to be an Independent Director for the purposes of the NZX Listing Rules despite him being a director of MCK for more than 12 years. Mr McKenzie was first appointed to the MCK Board in 2006. The Board believes that the length of time Mr McKenzie has been a director of MCK has not impacted his ability to act objectively or adequately monitor management. Mr McKenzie is due to retire by rotation at MCK's 2025 annual meeting of shareholders and has said that he will not be seeking re-election at that meeting.
During the 2024 financial year, MCK did not comply with recommendation 2.8 of the Code. That recommendation requires a majority of the Board to be Independent Directors for the purposes of the NZX Listing Rules. MCK did not follow this recommendation because its largest shareholder holds more than 50% of the shares in the Company and believes that it is reasonable for Independent Directors to not comprise a majority of the directors in those circumstances. The Company notes that non-Independent Directors equally do not comprise a majority of the directors (only 50%), only two of the three non-Independent Directors are associated with the Company's major shareholder, the Chair is an Independent Director and the Chair has a casting vote. Given these matters, no alternative governance practice was adopted in lieu of the recommendation during the period.

MCK's Chair is an Independent Director and is not the Managing Director.

Board meetings

Board meetings are generally held quarterly, with additional meetings convened when required. The table below details directors' attendances during 2024.

Director	Meetings attended in 2024
Colin Sim (Chair)	7/7
Stuart Harrison	
(Managing Director)	7/7
Kevin Hangchi	7/7
Eik Sheng Kwek	7/7
Graham McKenzie	6/7
Leslie Preston	7/7

Skills

In 2022, the Board revised its Skills Matrix to demonstrate the skills, experience and diversity of its Board. For 2024, MCK's Board Skills Matrix is as follows:

Skill / Attribute	Relevant Director
Retail, marketing, brand and sales experience	Preston.
Governance experience	Hangchi, Harrison, Kwek, McKenzie, Preston, Sim
Large enterprise / Multinational business or leadership experience	Hangchi, Harrison, Kwek, Preston, Sim
Accounting / Finance / Tax experience	Hangchi, Harrison, Kwek, Preston.
Legal or Regulatory knowledge and experience	Hangchi, Harrison, McKenzie
Business strategy experience	Harrison, Kwek, Preston, Sim
Property development / management experience	Harrison, Kwek, Sim

Training

Directors undertake their own training to remain current on how to best perform their duties as directors of MCK. Under the Board Charter, MCK will provide specific training to directors as required.

Diversity and Inclusion Policy

MCK updated its Diversity Policy in 2024. The key elements of MCK's Diversity Policy are to promote diversity and inclusion in the workplace, hold its leaders accountable for promoting same by making employees aware of the policy, modelling appropriate behaviour and supporting initiatives, ensuring that all employees and contractors receive equal and fair treatment in all respect of the company's employment policies and practices and ensure that there is support in place for anyone who feels that they are now acknowledged or respected. Reporting will be done transparently and all employees are required to act in accordance with the policy.

The Board is satisfied that MCK's current practices are in line with the updated Diversity Policy.

PRINCIPLE 3 – BOARD COMMITTEES
<u>The Board should use committees where this will enhance its effectiveness in key areas while still retaining board responsibility.</u>

Committees help the Board in carrying out its responsibilities and MCK currently has two standing committees, being the Audit Committee and the Remuneration Committee.

MCK does not currently have a Nominations Committee because nominations and appointments are generally considered by the Board as a whole. The process for appointing directors is set out under Principle 2.

The Board also forms other subcommittees as and when required to address specific issues that arise.

Audit Committee

The Audit Committee is comprised with a majority of Independent Directors and has an Independent Director (who is not the Board Chair) as Chair. The current members of the Audit Committee are Leslie Preston (Chair), Graham McKenzie and Colin Sim.

The Audit Committee operates under a written charter. The Audit Committee Charter is available in the Policies and Charters section of the Company's website.

The table below reports attendance of the Audit Committee members during 2024:

Director	Meetings attended in 2024
Leslie Preston	3/3
Graham McKenzie	3/3
Colin Sim (*)	2/2
Stuart Harrison(*)	1/1

(*) Mr. Sim was appointed to the Audit Committee from 1 July 2024 replacing MCK's Managing Director Mr. Harrison. During the period from 1 January 2024 to 30 June 2024, MCK did not comply with Recommendation 3.1 of the NZX Code. That recommendation states that the Audit Committee should comprise solely of non-executive directors. MCK did not follow this recommendation because it believed that it was preferable to have an executive director on the Audit Committee as this provides a direct insight into Management's perspective rather than a director who is associated with the majority shareholder or the Chair of the Board (being the only options available to MCK given the current Board size and composition). Given this, no alternative governance practice was adopted in lieu of the recommendation during that period.

Employees, including the Managing Director after he ceased to be a member of the Audit Committee on 1 July 2024, attend meetings of the Audit Committee at the invitation of the Committee only.

Remuneration Committee

The objectives of the Remuneration Committee are to help the Board establish coherent remuneration policies and practices which:

- enable the Company to attract, retain and motivate key management personnel and Directors (executive and non-executive) who will create value for shareholders;
- fairly and reasonably reward senior management of the Company (including executive Directors) having regard to the performance of the Company, the performance of senior management and the general pay environment; and
- comply with the provisions of any relevant legislation, the NZX Listing Rules and any other statutory or regulatory requirements.

The current members of the Remuneration Committee are Leslie Preston, Graham McKenzie and Eik Sheng Kwek. Ms Preston was appointed to the Remuneration Committee in December 2023 and the Committee therefore comprises a majority of independent directors.

The Remuneration Committee operates under a written charter. The Remuneration Committee Charter is available in the Policies and Charters section of the Company's website.

Employees attend meetings of the Remuneration Committee only at the invitation of the Committee.

The Remuneration Committee met twice in 2024.

Takeover protocols

In February 2024 as part of the Corporate Governance Review, the Board adopted written protocols that set out the procedure to be followed if there is a takeover offer for the Company (the Takeover Protocols). From 1 January 2024 until the Takeovers Protocols were adopted in February 2024, MCK did not have established takeover protocols and therefore did not comply with recommendation 3.6 of the NZX Code. MCK did not follow this recommendation because the Board had previously considered receipt of a takeover offer to be an unlikely event given CDL Hotels Holdings New Zealand Limited's long-term majority shareholding in the Company. Given this, no alternative governance practice was therefore adopted in lieu of the recommendation during the period.

PRINCIPLE 4 – REPORTING & DISCLOSURE

<u>The Board should demand integrity in financial and non-financial reporting and in the timeliness and balance of corporate disclosures.</u>

Continuous Disclosure Policy

As an NZX-listed entity, MCK recognises the need to ensure that it is fully compliant with its reporting and disclosure obligations and has in place a Continuous Disclosure Policy (CDP) which applies to MCK, its subsidiaries ("Group"), and all their respective directors and employees.

The Board has appointed the Chairman, the Chairman of the Audit Committee, the Managing Director, the Company Secretary and the Vice President Finance to act as MCK's Continuous Disclosure Committee (the Disclosure Committee). A quorum of the Disclosure Committee shall consist of no less than three (3) of these persons.

The Disclosure Committee is responsible for:

- determining what information amounts to material information and must be disclosed;
- determining the timing of disclosure of any information in accordance with the CDP;
- approving the content of any disclosure to NZX (including matters not directly covered by the CDP);
- ensuring that all employees and directors within the Group whom the Committee considers appropriate receive a copy of the CDP and appropriate training with respect to it;
- developing mechanisms designed to identify potential material information (e.g., agenda item on management meetings); and
- liaising with legal advisers in respect of MCK's compliance with its continuous disclosure obligations.

The CDP was updated as part of the Corporate Governance Review and is available in the Policies and Charters section of the Company's website.

Key governance documents on website

As mentioned at the start of this Corporate Governance Statement, the Company's key governance documents are available in the Policies and Charters section of on the Company's website.

PRINCIPLE 5 – REMUNERATION
<u>The remuneration of directors and executives should be transparent, fair and reasonable.</u>

Director remuneration

The total pool for directors' fees was increased by shareholder resolution at the 2024 annual meeting of shareholders. The fee pool is now capped at $400,000.

After review by the Board, non-executive directors are now each entitled to receive a base fee of NZ$60,000 per annum. The Board Chair receives a total fee of $90,000 per annum and the Chair of the Audit Committee receives a further NZ$9,000 per annum in addition to the base fee. The other Audit Committee members receive an additional $7,000 per annum. No retirement benefits are paid to Directors. Reasonable travel and other costs associated with company business are reimbursable or met by MCK.

Details of the actual director remuneration for the 2024 financial year is set out in the Statutory Information section of this Annual Report.

The Board adopted a director remuneration policy in March 2024 as part of the Corporate Governance Review. The director remuneration policy is available in the Policies and Charters section of the Company's website. From 1 January 2024 until the remuneration policy was adopted in March 2024, MCK did not comply with the requirement under recommendation 5.1 of the NZX Code to have a written director remuneration policy. MCK did not follow this recommendation because this had been dealt with on an informal basis given the length of time since the fee pool had been increased. Given this, no alternative governance practice was adopted in lieu of the recommendation during this period.

Employee remuneration

Employee remuneration (including that of the Managing Director and senior management) is made up of two primary components being a fixed component and a short term incentive. The fixed component comprises a base salary and other benefits such as Kiwisaver, a contribution to health insurance and, in some cases, use of a company vehicle. The fixed component is determined with reference to market information as well as the responsibilities of the position, experience and overall performance.

Short term incentives are designed to reward high performing employees with appropriate incentives which are measured on key performance indicators which are reviewed and monitored regularly and based solely on company performance. These include meeting budget or revenue targets. The Company reserves the right to suspend or adjust incentives if targets are not met.

MCK does not currently have an employee share plan or a long term incentive scheme.

All employees participate in performance and development reviews, with end-of-year review outcomes informing decisions regarding remuneration adjustments in accordance with company policy.

All employees are eligible for a range of benefits, including discounted accommodation at MCK's hotels in New Zealand and Millennium & Copthorne Hotels around the world (subject to availability).

The Board adopted an executive remuneration policy in March 2024 as part of the Corporate Governance Review. The executive remuneration policy is available in the Policies and Charters section of the Company's website. From 1 January 2024 until the remuneration policy was adopted in March 2024, MCK did not comply with the requirement under recommendation 5.2 of the NZX Code to have a written executive remuneration policy. MCK did not follow this recommendation because executive remuneration had been dealt with on a case-by-case basis with the relevant executive. Given this, no alternative governance practice was adopted in lieu of the recommendation during that period.

Managing Director's remuneration

Managing Director's Remuneration	FY2023	FY2024
Base Salary (a)	480,060	495,882
Benefits (b)	18,888	19,247
Short Term Incentives (c)	-	48,000
Total	498,948	563,129

(a) The figure is the actual amount paid inclusive of holiday pay. The agreed base salary is under the employment agreement.
(b) Benefits include Kiwisaver and medical insurance.
(c) Set at 25% of base salary and based on key financial and non-financial performance measures. There are no long-term incentives.

PRINCIPLE 6 – RISK MANAGEMENT
<u>Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.</u>

While risks are a part of doing business, they do need to be monitored and addressed. MCK's Board, Audit Committee and Management Team all have a role in identifying areas of risk and understanding their impact on the Company, as well as how these areas are to be managed and mitigated.

MCK's Management Team is responsible for the day-to-day identification, assessment and management of risks applicable to the Company as well as the implementation of appropriate controls, processes and policies to manage such risks. Management also ensures that there are training programmes in place to identify, manage, mitigate or eliminate hazards and risks in the workplace.

The Audit Committee's role is to review and report to the Board on the adequacy of Management's oversight and implementation of risks with particular regard to financial and operational risks.

The Board is ultimately responsible for the oversight and implementation of the Company's responses to risk management.

Descriptions of the material risks facing MCK's business are set out in the Outline of Material Risks contained within this Annual Report.

MCK has a detailed health and safety risk and reporting framework which applies to its hotels and support office locations. The framework comprises policies which detail such matters as hazard identification and mitigation, accident reporting procedures and general safety measures in the workplace. Contractor induction documentation also forms part of the framework. The policies comprising the framework are reviewed regularly and training on the policies and health & safety issues is provided to employees. Health & Safety Committees are convened at each hotel and office location and meet regularly. Each hotel and office has a Health & Safety Co-ordinator. Information on incidents, accidents and trends is provided to the senior management team and to the Board. The information is used to monitor any significant trends and variations, to identify any particular areas where there is higher risk and to allocate training and other resources to those areas where new or higher risks are present. MCK considers that it manages health and safety risks to an acceptable standard and in compliance with its legal obligations.

MCK has a series of internal controls in place covering such areas as financial monitoring and reporting, human resources and risk management. The primary responsibility for monitoring and reporting against internal controls and remedying any deficiencies lies with Management.

MCK also keeps current insurances appropriate to its business, including directors and officers liability policies and public liability policies with reputable global insurers.

PRINCIPLE 7 – AUDITORS
<u>The Board should ensure the quality and independence of the external audit process.</u>

External Audit plays a critical role in ensuring the integrity of financial reporting. The role of the external auditor is to plan and carry out an audit of MCK's annual financial reports and review the half-yearly reports. The Audit Committee reviews the performance and independence of the external auditors.

MCK has in place an External Auditor Independence Policy which deals with the provision of services by the MCK's external auditors, auditor rotation and the relationships between the external auditor and the Company. The policy states that: The Audit Committee shall only recommend to the Board a firm to be external auditor if that firm:

- would be regarded by a reasonable investor, with full knowledge of all relevant facts and circumstances, as capable of exercising objective and impartial judgment on all issues encompassed within the auditor's engagement;
- audit partners are members of Chartered Accountants Australia New Zealand (CAANZ);
- has not, within two years prior to the commencement of the audit, had as a member of its audit engagement team MCK's Managing Director, Vice President

Finance, Group Accounting Manager, or any member of the Company's Management who acts in a financial oversight role; and

- does not allow the direct compensation of its audit partners for selling non-audit services to MCK.

The general principles to be applied in assessing non-audit services are as follows:

a) the external auditor should not have any involvement in the production of financial information or preparation of financial statements such that they might be perceived as auditing their own work. This includes the provision of bookkeeping and payroll services as well as valuation services where such valuation forms an input into audited financial information;
b) the external auditor should not perform any function of management, or be responsible for making management decisions;
c) the external auditor should not be responsible for the design or implementation of financial information systems; and
d) the separation between internal audit (or equivalent processes) and external audit should be maintained.

MCK's Audit Committee shall pre-approve all audit and related services that are to be provided by the auditor. Aside from core external audit services, it is appropriate for the MCK's auditors to provide the following services:

- due diligence (except valuations) on proposed transactions;
- review of financial information where third party verification is required or deemed necessary (outside the normal audit process);
- completion audits / reviews;
- financial model preparation or review;
- accounting policy advice;
- listing advice;
- accounting/technical training; and
- taxation services of an assurance nature.

It is not considered appropriate for MCK's external auditors to provide:

- book keeping services related to accounting records or financial statements;
- tax planning and strategy services unless specifically approved by the Audit Committee;
- appraisal / valuation services including opinions as to fairness;
- provision of payroll services;
- the design or implementation of financial information systems;
- outsourced internal audit and risk management services;
- legal services;
- management functions;
- broker / dealer / investment adviser / investment banking services;
- advocacy for the Company;
- actuarial services; and
- assistance in the recruitment of senior management.

These prohibitions apply to all offices of the audit firm, including overseas offices and affiliates.

The billing arrangements for services provided by MCK's external auditors should not include any contingent fees.

MCK's expects that its external auditors will rigorously comply with their own internal policies on independence and all relevant professional guidance, including independence rules and guidance issued by CAANZ.

The nature of services provided by MCK's auditors and the level of fees incurred should be reported to the Audit Committee Chairman semi-annually (or sooner where requested) to enable the Committee to perform its oversight role and report back to the Board. This policy does not prescribe any particular ratio of non-audit service fees to audit fees but the Committee shall monitored the fees and ratio.

The continued appointment of MCK's external auditors is confirmed annually by the Board on recommendation from the Audit Committee.

Rotation of the lead audit partner or firm will be required every five years. Lead audit partners who are rotated will be subject to a 2 year cooling off period (i.e. 2 years must expire between the rotation of an audit partner and that partner's next engagement with the Company).

The hiring by MCK of any former lead audit partner or audit manager must first be approved by the Chairman of the Audit Committee. There are no other restrictions on the hiring of other staff from the audit firm.

KPMG are currently MCK's external auditor and the lead external audit engagement partner was rotated in 2023. The current audit partner is Geoff Lewis.

The Audit Committee monitors local and overseas practice on auditor independence regularly to ensure that this policy remains consistent with best practice and meets MCK's requirements.

MCK's external auditors also attend the Company's Annual Meeting to answer any questions from shareholders as to the audit and the content of the Annual Report.

Internal Audit
MCK does not currently have an internal audit function but does maintain a detailed set of processes and procedures covering its operations and financial controls which are reviewed and updated regularly.

PRINCIPLE 8 – SHAREHOLDER RIGHTS & COMMUNICATION

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

MCK is committed to providing shareholders and stakeholders with timely information on its activities and performance. MCK does this through a number of channels including:

- announcements in accordance with continuous disclosure as required under the Listing Rules;
- publication of the company's annual and interim reports which are sent to all shareholders; and
- encouraging shareholders to attend the Annual Meeting in May of each year (either in person or online) to hear the Chairman and the Managing Director provide updates on the company's performance, ask questions of the Board and vote on the resolutions to be determined at the meeting. Resolutions at shareholder meetings are usually determined by poll where each ordinary shareholder has one vote per share.

Relevant communications, copies of annual reports and key corporate governance documents and policies are now available on a dedicated webpage http://mckhotels.co.nz/investors/

Shareholders have the option to receive communications from the issuer electronically.

Shareholders also receive a discount card for use at MCK's hotels within New Zealand which provides them with a discount off the Best Available Rate (subject to availability).

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OUTLINE OF MATERIAL RISKS:

Risk Area	How MCK addresses this risk
Markets and Competition	**Although MCK is located in and operates within New Zealand which is a small market and Australia, it is nonetheless exposed to various levels of event risks in global economies, as well as in financial and property markets. The Group's principal business operations, comprising property development, property investment and hotel operations, face significant competition across the markets within which they operate. A failure to meet the market or remain competitive could affect MCK's operational and financial position as it loses market share to its competitors, thus affecting its revenues and potentially its ability to make necessary investments in its business for the future.** In order to mitigate global risks, we constantly monitor market trends and developments and develop strategies to respond to the changing conditions. We conduct customer surveys and obtain other guest feedback to ensure that our service delivery and physical products remains attractive and competitive in the marketplace and make changes where the feedback warrants it. We aim to diversify our exposure to international and domestic markets by targeted marketing and revenue management and invest in our properties and service delivery to ensure that the customer experience is a positive one.
Climate Change	**Climate change will affect the hospitality and accommodation sectors in a variety of ways. We have been reviewing our hotel operations and land development activities to identify risks and see how climate-positive improvements can be incorporated. Our locations are likely to be affected by future climate change and sea level rise.** While MCK has monitored its environmental impact in a number of ways over many years, with the mandatory climate-related financial disclosures regime now in place it is looking to evolve and improve its responses to these risks. We set 2023 as our baseline year for reporting purposes and appointed Toitu Envirocare to assist with the analysis of emissions and other carbon data. In late 2024 we appointed a dedicated Sustainability Manager. Having achieved Toitu carbonreduce certification for FY2023 which we have retained for FY2024, we are now looking to set targets for emissions reduction using a science-based target in 2025. MCK will also look for opportunities to include more environmentally friendly technologies within its hotels. We completed and filed our first Climate Statement in 2024 and this can be found at https://mckhotels.co.nz/investors/climate-statements/ . Our 2024 Climate Statement will be published and submitted in April 2025. Later in 2025, additional work will include analysis of MCK's supply chain and work to report Scope 3 emissions.
Brand and Reputation	**MCK's brand and reputation are highly valuable assets and the industry it is in is people-focused. Adverse events which affect MCK's brand and reputation can also affect MCK's revenues as customers and guests choose other companies with which to do business.** We monitor our reputation and brand in the market by checking traditional and social media platforms, responding to and managing any complaints which may be received and seek to raise the profile of our brands through marketing campaigns and strategic partnerships. We aim to avoid any situations that could result in a negative impact on our reputation and brand. We engage in dialogue with our stakeholders and customers in an open and transparent way.
Liquidity / Solvency	**Financial risks could affect MCK arise in many ways, both due to external and internal causes. For example, they could arise from a lower level of visitors to New Zealand and to MCK's hotels, external events over which MCK has little or no control over or other factors. MCK's ability to trade depends on its ability to manage its financial situation optimally to ensure that it has sufficient liquidity and solvency to maintain its business.** MCK manages its financial and solvency risks by continuously monitoring its financial performance and cashflow and ensures that it maintains sufficient financial resources to carry out its operations and any projects that are undertaken. MCK has in place bank funding arrangements with global banking institutions and carefully monitors compliance with its lending covenants. MCK also takes a conservative approach to its capital management and taxation planning.

Workforce	**As a customer-focused hospitality business, MCK faces significant risk if it is unable to employ a sufficient number of people to maintain its workforce. An inability to retain talented staff would result in a loss of historic / collective knowledge and would also be disruptive. The risk of industrial action would also result in disruption to MCK's operations. All of these factors have an impact on MCK's corporate reputation.** MCK's Human Resources team has a presence around New Zealand in key operational locations and supports MCK's hotels and support offices by providing advice, training and policies to the business. Future initiatives in the pipeline include employee engagement surveys to obtain more detailed feedback and address employee concerns to make MCK a better workplace and a revamp of its recruitment policies to ensure that MCK is able to attract and retain suitably qualified and experienced staff across its operations. In 2023, a leadership development programme was started for the senior leadership team which was expanded and continued into 2024 to include hotel General Managers and high performing operational staff to foster talent development and strengthen the company's leadership base. Remuneration is benchmarked and reviewed to ensure that it is competitive.
Health and Safety	**Ensuring the health and safety of our employees and customers is essential for our business to succeed. The nature of our business means that there are numerous risks across our business which might result in harm to an employee or guest.** We have a comprehensive set of health and safety policies and risk registers in place that identify and categorise risks in the workplace. We monitor health and safety incidents and results at each workplace and provide health and safety training to keep our people safe at work. We also have an employee assistance programme through EAP Services Limited to help with employee's mental health and counselling where required. In 2024, we commenced a comprehensive review of our health and safety framework and we are looking to implement recommended improvements in 2025.
Business Disruption	**A local or global event which affects the movement of people (both employees and guests) has the potential to be highly disruptive to our business. The impact of such an event, sustained or not, could affect on our operations, revenue and cashflow and our reputation.** MCK has a range of policies across its business which would be used to respond to an emergency situation or natural disaster. Training of staff to respond to incidents is also conducted periodically. MCK also has insurance cover for its buildings and for business interruption.
Project Management	**Risks arise in some of the following ways: schedule delay, cost overrun, building defects contractor's performance, as well as contract disputes, that could impact our operations and sales.** MCK manages this risk by ensuring that there is sufficient oversight and review of all projects. This can take the form of oversight by its Property Management team or engaging external assistance where necessary. Together with external consultants such as engineers and quantity surveyors, MCK imposes an assessment and monitoring process to identify and manage the key risks for each project. Stringent evaluation and tendering procedures apply to all projects to ensure that the best-qualified vendors are appointed. Regular site visits are also conducted to closely monitor the progress of projects and manage potential risks of delays, defects and cost overruns.
Technology	**Technology is a critical element to ensuring that MCK is able to operate its business effectively. The risks to MCK include compromise of those business-critical systems, cybersecurity incidents, maintaining data it holds securely, ensuring that its systems remain fit for purposes and adapt to business and customer needs.** To mitigate these and other risks, MCK invests in its hardware and software platforms across its network and has a dedicated Information Technology team which supports MCK's networks and operations and deals with cybersecurity threats. Disaster recovery planning and penetration testing is done to ensure the security and resilience of our network and systems. External experts and partners are engaged as required to improve our system resiliency.
Legal, Regulatory and Compliance	**MCK is subject to political and policy risks, such as new or amended public policies, statutory and regulatory requirements. MCK is exposed to legal and reputational damage resulting from breach of law or civil actions.** MCK manages these risks by monitoring changes to laws and regulations and engaging with Government or regulatory bodies on such changes. We amend our strategies and policies to meet these changes. MCK manages legal risk by monitoring and reporting significant litigation and disputes to the Board and seeking advice from our external lawyers. Insurers will be involved where necessary.

REGULATORY DISCLOSURES

20 LARGEST ORDINARY SHAREHOLDERS (as at 3 March 2025) (Listing Rule 3.7.1 c)

Rank	Shareholder	No. of Securities	%
1.	CDL HOTELS HOLDINGS NEW ZEALAND LIMITED	80,017,014	75.79
2	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD	4,822,075	4.57
3	ACCIDENT COMPENSATION CORPORATION - NZCSD	4,776,538	4.52
4	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	3,327,356	3.15
5	JPMORGAN CHASE BANK NA NZ BRANCH-SEGREGATED CLIENTS ACCT - NZCSD	1,292,150	1.22
6	LENG BENG KWEK	906,000	0.86
7	NZX WT NOMINEES LIMITED	686,685	0.65
8	KAY HONG CHIAM	475,251	0.45
9	MFL MUTUAL FUND LIMITED - NZCSD	463,297	0.44
10	NEW ZEALAND DEPOSITORY NOMINEE LIMITED	411,865	0.39
11	CUSTODIAL SERVICES LIMITED	339,500	0.32
12	NZX WT NOMINEES LIMITED	295,727	0.28
13	JANINE LAUREL SMITH	278,977	0.26
14	MMC - QUEEN STREET NOMINEES LIMITED ACF SALT LONG SHORT FUND - NZCSD	247,337	0.23
15	CUSTODIAL SERVICES LIMITED	214,221	0.20
16	ASB NOMINEES LIMITED	182,500	0.17
17	GEOK LOO GOH	168,002	0.16
18	WEI-YONG QIAN	165,000	0.16
19	LENNON HOLDINGS LIMITED	157,529	0.15
20	SITA SINGH	151,000	0.14

NZCSD is the New Zealand Central Securities Depositary and provides a custodial depositary service to its clients and does not have a beneficial interest in the shares held in its name.

20 LARGEST REDEEMABLE PREFERENCE SHAREHOLDERS (as at 3 March 2025) (Listing Rule 3.7.1 c))

Rank	Shareholder	No. of Securities	%
1.	CDL HOTELS HOLDINGS NEW ZEALAND LIMITED	48,169,766	91.34
2	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	1,686,100	3.20
3	ACCIDENT COMPENSATION CORPORATION - NZCSD	938,848	1.78
4	LENG BENG KWEK	453,000	0.86
5	MMC - QUEEN STREET NOMINEES LIMITED ACF SALT LONG SHORT FUND - NZCSD	235,600	0.45
6	NZX WT NOMINEES LIMITED	213,163	0.40
7	KAY HONG CHIAM	211,324	0.40
8	ASB NOMINEES LIMITED	130,451	0.25
9	ALAN DAVID WHITE	110,130	0.21
10	SKY HILL LIMITED	55,000	0.10
11	JENNIFER GAYE SIMPSON	43,000	0.08
12	NZX WT NOMINEES LIMITED <DRP ACCOUNT>	38,894	0.07
13	THEODORE JOHN VAN GELDERMALSEN & MARGARET GAY FREEMANTLE	38,000	0.07
14	CUSTODIAL SERVICES LIMITED	36,955	0.07
15	HOWARD CEDRIC ZINGEL	31,592	0.06
16	AOTEAROA RENTAL ENTERPRISES LIMITED	30,720	0.06
17	ARIE DEKKER & LEANNE KATHERINE WALKER	30,400	0.06
18	ROGER EDWARD HAYWARD & SUSAN ELIZABETH HAYWARD	28,909	0.05
19	AIKEN & ASSOCIATES LIMITED	23,593	0.04
20	SEA AND PEAK EQUITIES LIMITED	23,400	0.04

NZCSD is the New Zealand Central Securities Depositary and provides a custodial depositary service to its clients and does not have a beneficial interest in the shares held in its name.

HOLDINGS SIZE – ORDINARY SHARES (as at 3 March 2025)

Range	Total Holders	Number of shares	Percentage of Issued Capital
1 - 499	462	146,346	0.14
500 - 999	285	198,727	0.19
1,000 - 1,999	200	281,090	0.27
2,000 - 4,999	205	623,604	0.59
5,000 - 9,999	97	660,244	0.63
10,000 - 49,999	97	1,911,926	1.81
50,000 - 99,999	17	1,201,761	1.14
100,000 - 499,999	22	4,726,774	4.48
500,000 - 999,999	2	1,592,685	1.51
1,000,000 Over	5	94,235,133	89.26
Rounding			**-0.02**
Total	**1,392**	**105,578,290**	**100.00**

HOLDINGS SIZE – REDEEMABLE PREFERENCE SHARES (as at 3 March 2025)

Range	Total Holders	Number of shares	Percentage of Issued Capital
1 - 499	72	16,421	0.03
500 - 999	21	14,536	0.03
1,000 - 1,999	23	31,673	0.06
2,000 - 4,999	8	26,000	0.05
5,000 - 9,999	2	14,722	0.03
10,000 - 49,999	18	432,809	0.82
50,000 - 99,999	1	55,000	0.10
100,000 - 499,999	6	1,353,668	2.57
500,000 - 999,999	1	938,848	1.78
1,000,000 Over	2	49,855,866	94.53
Rounding			**0.00**
Total	**154**	**52,739,543**	**100.00**

DOMICILE OF ORDINARY SHAREHOLDERS (as at 3 March 2025)

	Number	Number of shares	Percentage of Issued Capital
New Zealand	1,299	98,666,794	93.45
Overseas holders	93	6,911,496	6.55
Total	**1,392**	**105,578,290**	**100.00**

DOMICILE OF REDEEMABLE PREFERENCE SHAREHOLDERS (as at 3 March 2025)

	Number	Number of shares	Percentage of Issued Capital
New Zealand	143	51,979,684	98.56
Overseas holders	11	759,859	1.45
Total	**154**	**52,739,543**	**100.00**

SUBSTANTIAL PRODUCT HOLDERS

According to notices given to the Company under the Financial Markets Conduct Act 2013, as at 3 March 2025, the substantial product holders in the Company are noted below:

	Securities	Class	%
CDL Hotels Holdings New Zealand Limited	80,017,014	Ordinary Shares	75.79%

CDL Hotels Holdings New Zealand Limited is a wholly owned subsidiary of Millennium & Copthorne Hotels Limited (formerly Millennium & Copthorne Hotels plc).
As at 1 March 2025, the total number of issued voting securities of Millennium & Copthorne Hotels New Zealand Limited (all of which are ordinary shares) was 105,578,290. The Company holds 99,547 repurchased ordinary shares as treasury stock.
The total number of non-voting redeemable preference shares was 52,739,543. As these securities are non-voting securities, there is no requirement to provide substantial product holder notices.

STATUTORY INFORMATION

DIRECTORS (section 211 (1)(i) Companies Act 1993)
As at 31 December 2024, the Company's Directors were Messrs. C Sim, SNB Harrison, K Hangchi, ES Kwek, GA McKenzie and Ms. LS Preston. Messrs. Harrison, Hangchi and Kwek were appointed by Millennium & Copthorne Hotels Limited.

The gender breakdown of the Board at balance date was 5 male directors, 1 female director and 0 gender diverse directors. (2023: 5 male directors, 1 female director and 0 gender diverse directors). MCK currently has 3 female, 5 male and 0 gender diverse officers (2023: 4 female, 5 male and 0 gender diverse officers).

INTERESTS REGISTER (sections 189 (1) (c) and 211(1)(e) Companies Act 1993)
The Company maintains an Interests Register as required under the Companies Act 1993. For the period under review, the following entries were recorded:

USE OF COMPANY INFORMATION (section 145 Companies Act 1993)
During 2024, the Board did not receive any notices from any Directors of the Company requesting the use of company information which they would have received in their capacity as Directors which would not otherwise have been available to them.

SHARE DEALING (section 148, Companies Act 1993)
No share dealings by Directors occurred during 2024.

DIRECTORS' AND ASSOCIATED PERSONS SHAREHOLDINGS (as at 31 December 2024)

Director	2023	2024
Colin Sim	Nil	Nil
Kevin Hangchi	Nil	Nil
Stuart Harrison	Nil	Nil
Eik Sheng Kwek	Nil	Nil
Graham McKenzie	Nil	Nil
Leslie Preston	Nil	Nil

REMUNERATION (section 161 and 211(1)(f), Companies Act 1993)

The total remuneration and value of other benefits earned by each of the Directors of the Company for the year ending 31 December 2024 was:

Director	Remuneration
C Sim	77,000
K Hangchi	50,833
SNB Harrison (*)	563,129
ES Kwek (*)	Nil
GA McKenzie	57,833
LS Preston	59,833

(*)Mr. Kwek is the Executive Director of Millennium & Copthorne Hotels Limited. Mr. Kwek does not receive remuneration as a director of the company and Mr. Harrison did not receive remuneration as a director of any of the Company's subsidiaries.

INDEMNITY AND INSURANCE (section 162, Companies Act 1993)

In accordance with the Company's constitution, the Company has insured all its Directors and the Directors of its subsidiaries against liabilities to other parties (except the Company or a related party of the Company) that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions.

GENERAL DISCLOSURES OF INTEREST (section 140(2), Companies Act 1993)

As at 31 December 2024, the Directors of the Company have made general disclosures of interest in the following companies:

C SIM

Director of:
Autocaps (Aust) Pty Ltd
Autocaps Pastoral Division Pty Limited
Autocaps Vogue Pty Limited
Bathurst Range Investments Pty Limited
Builders Recycling Properties Pty Ltd
Builders Recycling Operations Pty Ltd
Desert Rose Group Pty Limited
Desert Rose Holdings Pty Limited
DMM Investments (NSW) Pty Ltd
East Quarter Group Pty Ltd
East Quarter Hurstville Pty Limited
EQ Equity Pty Ltd
EQ Gosford Pty Ltd
EQ Projects Pty Ltd
EQ Projects Holdings Pty Ltd
EQ Revesby Pty Ltd
EQ Riverside Pty Ltd
EQ Zetland Pty Ltd
Hurstville NSW Pty Limited
Naxta Pty Ltd
New Dale Sim Pty Ltd
PBD Phoenix Pty Limited
PCC Devco 1 Pty Limited
Phoenix Palm Developments Pty Limited
SSK Investments Pty Ltd
SSK Investments No 2 Pty Ltd
SSK Investments O/S Pty Ltd
TECH5 Australia Pty Ltd
Waterbrook Bayview Pty Ltd
Waterbrook Bayview Investment Pty Ltd
Waterbrook Bayview Village Management Pty Ltd
West Quarter Hurstville Pty Limited

K HANGCHI

Director of:
CDL Hotels Holdings New Zealand Limited
KIN Holdings Limited
Hong Leong Finance Limited
Hong Leong Finance Nominees Pte Ltd
Hong Leong Management Services Pte Ltd
Hong Leong Nominees (Private) Limited
Millennium Securities Nominees Pte Ltd
Millennium Securities Pte Ltd
Pagsan Investments Pte. Ltd
Singapore Nominees Private Ltd
Sun Yuan Holdings Pte Ltd

SNB HARRISON

Chair of: Waitangi Resort Joint Venture Committee

Director of:
All Seasons Hotels & Resorts Ltd
Context Securities Ltd
Hospitality Group Ltd
Hospitality Leases Ltd
Hospitality Services Ltd
Kingsgate Hotels Limited
Kingsgate Hotels & Resorts Ltd
Kingsgate International Corporation Limited
Marquee Brisbane Hotel Pty. Ltd.
Marquee Brisbane Hotel Pty. Ltd.
Marquee Hotel Holdings Pty. Ltd.
Marquee Hotel Operations Pty. Ltd.
Millennium & Copthorne NZ Ltd
QINZ Holdings (New Zealand) Ltd (now known as Mayfair Luxury Hotels Limited)
QINZ (Anzac Avenue) Ltd
Quantum Ltd

ES Kwek

Chairman / Director / President of: Grand Plaza Hotel Corporation;

Chairman and Director of: Millennium Hotels Italy Holdings srl; Millennium Hotels Palace Management srl; Millennium Hotels Property srl

Director / President of: Five Star Assurance Inc. , The Philippine Fund Limited

Managing Director of: ATOS Holdings GmbH

President of: Chalon Heritage Hotel Holdings SAS

Director of:
125 OBS (Nominees 1) Limited
125 OBS (Nominees 2) Limited
125 OBS GP Limited
58 High Street Pty Ltd
Actas Holdings Pte. Ltd
Adelanto Investments Pte. Limited
Allinvest Holding Pte. Ltd
Allsgate Properties Limited
Alphagate Holdings Limited
Androgate Properties Limited
Aquarius Properties Pte. Ltd
Archyfield Limited
Ascent View Holdings Pte. Ltd
Aster Land Development Pte Ltd
Aston Properties Pte. Ltd
Atlasgate SG Holdings Pte. Ltd
Atlasgate UK Holdings Pte. Ltd
Atlasgate UK Holdings Limited
Baynes Investments Pte Ltd
Beaumont Properties Limited
Beijing Fortune Hotel Co. Ltd
Bellevue Properties Pte. Ltd
Bestro Holdings Limited
Bloomshine Holdings Limited
BOP Luxembourg (125 Obs) 2 SARL
Branbury Investments Ltd
Bravogate Holdings SARL
Bridge North Limited
Camborne Developments Pte. Ltd
Canterbury Riverside Opco Limited
Canterbury Riverside Propco Limited
Canvey Developments Pte. Ltd
CDL Ace Pte Ltd
CDL Acquisitions Pte. Ltd
CDL Aquila Pte. Ltd
CDL Australia Holdings Pty. Ltd
CDL Centroid Pte Ltd
CDL CityInd Pte Ltd
CDL Cityscape Pte Ltd
CDL Commercial REIT Management Pte. Ltd
CDL Conservo Pte Ltd
CDL Constellation Pte. Ltd
CDL Crestview Holdings Pte. Ltd
CDL Crown REIT Management Pte. Ltd
CDL Entertainment & Leisure Pte. Ltd
CDL Evergreen Pte. Ltd
CDL Galliard Grand GP Limited
CDL Hotels (Chelsea) Ltd
CDL Hotels (Korea) Ltd
CDL Hotels (Malaysia) Sdn. Bhd
CDL Hotels (U.K.) Ltd
CDL Hotels Australia Holdings (SG) Pte Ltd
CDL Hotels Australia Holdings Pty Ltd
CDL Hotels Japan Pte. Ltd
CDL Infinity Pte. Ltd
CDL Investments New Zealand Limited
CDL Kingtse Pte Ltd
CDL Land Pte. Ltd
CDL Libra Commercial Pte. Ltd
CDL Libra Pte. Ltd
CDL Management Services Pte. Ltd
CDL Netherlands Investments BV
CDL Pavona Pte Ltd
CDL Pegasus Pte. Ltd
CDL Perseus Pte. Ltd
CDL Pisces Commercial Pte. Ltd
CDL Pisces Services Residences Pte. Ltd
CDL Pro Star Development Pty Ltd
CDL Properties BV
CDL Queensray Pte Ltd
CDL Real Estate Asset Managers Pte Ltd
CDL Real Estate Investment Managers Pte Ltd
CDL Regulus Pte. Ltd
CDL Sakura Pte Ltd
CDL Shanghai Holdings Pte. Ltd
CDL Suzhou Investment Pte. Ltd
Central Mall Pte. Ltd
Centro Investment Holding Pte Ltd
Centro Property Holding Pte Ltd
Chania Holdings Limited
Chestnut Avenue Developments Pte Ltd
City Apex Pte. Ltd
City Bonsai Pte Ltd
City Boost Pte. Ltd
City Century Pte. Ltd
City Condominiums Pte. Ltd
City Connected Communities Pte. Ltd
City Delta Pte. Ltd
City Developments Investments Pte. Ltd
City Developments Realty Limited
City Elite Pte. Ltd
City Gemini Pte Ltd
City Grand Investments Limited
City Hotels Pte Limited
City Ikonik Pte. Ltd
City Leo Pte Ltd
City Lux Pte. Ltd
City Montage Pte. Ltd
City Oasis Pte. Ltd

City Orchard Pte. Ltd	City Platinum Holdings Pte. Ltd	City REIT Management Pte. Ltd
City Resyde Pte. Ltd	City Sceptre Investments Pte. Ltd	City Serviced Offices Pte. Ltd
City Sol Luna Holdings Pte. Ltd	City Sol Pte. Ltd	City Strategic Equity Pte. Ltd
City Sunshine Holdings Pte. Ltd	City Symphony Pte. Ltd	City Thrive Pte. Ltd
Citydev Real Estate (Singapore) Pte. Ltd	Citydev Venture Holdings Pte. Ltd	CityNexus (UK) Limited
CityNexus Pte. Ltd.	Cityview Place Holdings Pte. Ltd	Cityzens Developments Pte Ltd
Copthorne (Nominees) Limited	Copthorne Aberdeen Limited	Copthorne Hotel (Birmingham) Limited
Copthorne Hotel (Cardiff) Limited	Copthorne Hotel (Effingham Park) Limited	Copthorne Hotel (Gatwick) Limited
Copthorne Hotel (Manchester) Limited	Copthorne Hotel (Merry Hill) Construction Limited	Copthorne Hotel (Merry Hill) Limited
Copthorne Hotel (Newcastle) Limited	Copthorne Hotel (Plymouth) Limited	Copthorne Hotel (Slough) Limited
Copthorne Hotel Holdings Limited	Copthorne Hotels Limited	Copthorne Orchid Hotel Singapore Pte Ltd
Copthorne Orchid Hotel Penang Sd. Bhd.	Crescent View Developments Pte Ltd	Delfi One Investments Pte Ltd
Delfi Three Investments Pte Ltd	Delfi Two Investments Pte Ltd	Diplomat Hotel Holding Company Limited
Eastwest Portfolio Pte Ltd	Easy Thrive Ventures Limited	Educado Company Limited
Elite Hotel Management Services Pte Ltd	Ellinois Management Services Pte Ltd	Euroform (S) Pte Ltd
Ferguson Hotels Holdings Limited	Ferguson Investment Corp.	Finite Properties Investment Limited
First Platinum Holdings Pte. Ltd	Freshview Developments Pte Ltd	Friars Road Manco Limited
GHL CDL Morden Limited	Glades Properties Pte. Ltd	Grande Strategic Pte. Ltd
Grange 100 Pte Ltd	Granmill Holdings Pte Ltd	Greystand Holdings Limited
Guan Realty (Private) Limited	Harbour Land Corporation	Harbour View Hotel Pte Ltd
Harrow Entertainment Pte Ltd	Heritage Pro International Limited	Highline Holdings Limited
Highline Investments GP Limited	Highline Properties GP Limited	Hoko Fitzroy Pty Ltd
Hoko Kenmore Pty Ltd	Hoko Macaulay Pty Ltd	Hoko Mina Pty Ltd
Hoko Spencer Pty Ltd	Hoko Toowong Pty Ltd	Hong Bee Hardware Company Sdn Berhad
Hong Leong Enterprises Pte Ltd	Hong Leong Foundation	Hong Leong Hotel Development Limited
Hong Leong International Hotel (Singapore) Pte Ltd	Hong Leong Properties Pte Limited	Hospitality Holdings Pte Ltd
Hospitality Ventures Pte Ltd	Hotel Liverpool Limited	Hotel Liverpool Management Limited
HSRE Crosslane (Coventry) Limited	HSRE Crosslane (Leeds) Limited	HSU JV Holdco Limited
HThree City Jade Pte Ltd	Iconique Tokutei Mokuteki Kaisha	Infinity Properties Limited
Iselin Limited	Island Glades Developments Pte Ltd	Jayland Properties Limited
Keygate Holdings Limited	King's Tanglin Shopping Pte Ltd	Kwek Holdings Pte Ltd
Kwek Hong Png Investment Pte Ltd	Landco Properties Limited	Le Grove Management Pte Ltd
Legend Commercial Pte Ltd	Legend Commercial Trustee Pte Ltd	Legend Investment Holdings Pte Ltd
Legend Quay Pte Ltd	Lingo Enterprises Limited	Lingo Enterprises Limited (Singapore Branch)
London Britannia Hotel Limited	London Tara Hotel Limited	Lukestone Properties Limited
M&C (CB) Limited	M&C (CD) Limited	M&C Finance (1) Limited
M&C Management Holdings Limited	M&C NZ Limited	M&C Reservations Services Limited
M&C Asia Finance (UK) Limited	M&C Asia Holdings (UK) Limited	
M&C Business Trust Management Limited (as trustee-manager of CDL Hospitality Business Trust, stapled together with CDL Real Estate Investment Trust as CDL Hospitality Trusts)		
M&C Capital Pte Ltd	M&C Galiant Holdings Limited	M&C Holdings (Thailand) Limited
M&C Hotel Investments Pte Limited	M&C Hotels Holdings Japan Pte Limited	M&C Hotels Holdings Limited
M&C Hotels Holdings USA Limited	M&C Hotels Japan Pte Limited	M&C New York Finance (UK) Limited
M&C REIT Management Limited (manager of CDL Hospitality Real Estate Investment Trust, stapled together with CDL Hospitality Business Trust as CDL Hospitality Trusts)		
M&C Restaurants (London) Limited	M&C Sakura Holdings Pte Ltd	M&C Sakura Hotel Pte Ltd
M&C Sakura TMK	M&C Singapore Finance (UK) Limited	M&C Singapore Holdings (UK) Limited
M&C Sponsorship Limited	Marquee Brisbane Hotel 2 Pty Limited	Marquee Brisbane Hotel Pty Limited
Marquee Hotel Holdings Pty Limited	Max Office (SKD) General Partner Limited	Melvale Holdings Limited
Millennium & Copthorne (Australian Holdings) Limited		
Millennium & Copthorne (Jersey Holdings) Limited	Millennium & Copthorne Hotels Limited	
Millennium & Copthorne Hotels Management (Shanghai) Limited		Millennium & Copthorne International Limited
Millennium & Copthorne Share Trustees Limited	Millennium Hotel Holdings EMEA Limited	
Millennium Hotels & Resorts Services Limited	Millennium Hotels (West London) Limited	
Millennium Hotels (West London) Management Limited	Millennium Hotels Europe Holdings Limited	Millennium Hotels Limited
Millennium Hotels London Limited	Morden Wharf Limited	MPG St Katharine Finance Limited
MPG St Katharine GP Limited	MPG St Katharine Limited	MPG St Katharine LP Limited
MPG St Katharine Nominee Limited	MPG St Katharine Nominee Two Limited	New Bath Court (Opco) Limited
New Bath Court Limited	New Empire Investments Pte Ltd	New Unity Holdings Ltd.
New Vista Realty Pte Ltd	Newbury Investments Pte Ltd	Newmarket Property Holdings Limited
Northgate Investments Limited	Novel Developments Pte Ltd	Palmerston Holdings Sdn. Bhd.
Paradise Investments Limited	Pavo Properties Pte Ltd	Pinenorth Properties Limited
Qaiser Holdings Limited	Queensway Hotel Holdings Limited	Queensway Hotel Limited
Rainbow North Limited	Redvale Developments Pte Ltd	Redvale Investments Pte Ltd
Redvale Properties Pte Ltd	Rehi Normanby Pty Limited	Republic Hotels and Resorts Limited
Republic Iconic Hotel Pte Ltd	Republic Plaza City Club (Singapore) Pte Ltd	Reselton Properties Limited
Richmond Hotel Pte Ltd	Richview Holdings Pte Ltd	Rogo Investments Pte Ltd
Rogo Realty Corporation	Scentview Holding Limited	Scottsdale Properties Pte Ltd
Serangoon Green Pte Ltd	Siena Commercial Development Pte Ltd	Siena Residential Development Pte Ltd
Siena Trustee Pte Ltd	Silkparc Holdings Limited	Singapura Developments (Private) Limited
SKD Marina Limited	SKIL Four Limited	SKIL Three Limited
Sonic Investment Pte. Limited	South Beach International Hotel Management Pte Ltd	Southwaters Investment Pte Ltd
Sparkland Holdings Pte Ltd	Summervale Properties Pte Ltd	Summit Vistas Pte Ltd
Sunmaster Holdings Pte Ltd	Sunny Vista Developments Pte Ltd	Sunshine Plaza Pte Ltd
Sycamore House Manco Limited	TC Development Pte Ltd	TOSCAP Limited
Treasure Realm Limited	Trentwell Management Pte Ltd	Trentworth Properties Limited
Verwood Holdings Pte Ltd	Vinemont Investments Pte Ltd	Welland Investments Limited
White City Investments Limited	Whitehall Holdings Limited	Zatrio Pte Ltd

General Manager of : M& C Hotels France SAS

Manager of : M&C Hotels France Management SARL Chalon Heritage Hotel SNC

Alternate Director of: Mount V Development Pte Ltd South Beach Consortium Pte Ltd

G A MCKENZIE

Director of:	Cranley Farms Limited	CMO Energy NZ
GMACK Consulting Ltd		

Independent Trustee of: Development West Coast

L S PRESTON

Director of:	3M6 Property Limited	Ingenio Group Holdings Limited
Ingenio Limited	Ingenio Services Limited	Rose And Thorne Design Limited

EMPLOYEE REMUNERATION (section 211(1) (g) Companies Act 1993)
The number of employees or former employees of the Company and its subsidiaries (excluding publicly listed subsidiaries) who received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded $100,000 per annum in 2024 are as follows:

Remuneration and value of other benefits	Number of employees
100001 - 110000	17
110001 - 120000	7
120001 - 130000	8
130001 - 140000	6
140001 - 150000	9
150001 - 160000	1
160001 - 170000	2
170001 - 180000	4
180001 - 190000	2
210001 - 220000	4
220001 - 230000	1
230001 - 240000	2
250001 - 260000	1
300001 - 310000	1
560001 - 570000	1

DONATIONS (section 211(1)(h) and (2)
The Company and its subsidiaries made donations to charity totaling $120,463 during the year.

AUDIT FEES (section 211(1)(j) and (2)
During the period under review, the following amounts were payable to the external auditors KPMG:

	2023 ($'000)		2024 ($'000)	
	New Zealand	**Australia**	**New Zealand**	**Australia**
Annual Audit	374	31	497	31
KPMG Other Services	175	Nil	170	Nil

SUBSIDIARY COMPANIES AND DIRECTORS (section 211(2) of the Companies Act 1993)
The Company's subsidiaries and their directors as at 31 December 2024 are listed below:

NAME	DIRECTORS	OWNERSHIP	ACTIVITY
All Seasons Hotels and Resorts Ltd	SNB Harrison, AP Rambhai	100%	Non-trading
CDL Investments New Zealand Ltd (▼)	JE Elrick, J Henderson, DJ Jameson, ES Kwek, VWE Yeo	65.99%	Holding Company
CDL Land New Zealand Ltd	JC Adams, T Ito	65.99%	Property Investment & Development Company
Context Securities Ltd	SNB Harrison, AP Rambhai	100%	Investment Holding Company
Hospitality Group Ltd	SNB Harrison, N Hood, K Orr	100%	Holding Company
Hospitality Leases Ltd	SNB Harrison, AP Rambhai	100%	Lessee Company
Hospitality Services Ltd	SNB Harrison, K Orr, AP Rambhai	100%	Hotel Management Company
Hotelcorp New Zealand Ltd	AP Rambhai, JSS Tan	100%	Holding Company (Australia)
KIN Holdings Ltd	AP Rambhai, K Hangchi	100%	Holding company
Kingsgate Holdings Pty Ltd	AP Rambhai, JSS Tan	100%	Holding Company
Kingsgate Hotels And Resorts Ltd	SNB Harrison, AP Rambhai	100%	Franchise Holder
Kingsgate Hotels Ltd	SNB Harrison, AP Rambhai	100%	Non-trading
Kingsgate Hotel Pty Ltd	AP Rambhai, JSS Tan	100%	Non-trading (Australia)
Kingsgate Investments Pty Ltd	AP Rambhai, JSS Tan	100%	Residential Apartment Owner (Australia)
Kingsgate International Corporation Ltd	SNB Harrison, AP Rambhai,	100%	Holding Company
Millennium & Copthorne NZ Ltd	SNB Harrison, AP Rambhai	100%	Non-trading
Marquee Brisbane Hotel Pty Ltd	SNB Harrison, ES Kwek, DKO Ling, JSS Tan	50%	Investment Holding Company (Australia)
Marquee Brisbane Hotel 2 Pty Ltd	SNB Harrison, ES Kwek, DKO Ling, JSS Tan	50%	Investment Holding Company (Australia)
Marquee Hotel Holdings Pty Ltd	SNB Harrison, ES Kwek, DKO Ling, JSS Tan	50%	Investment Holding Company (Australia)
Marquee Hotel Operations Pty Ltd	SNB Harrison, JSS Tan, KS Yam	50%	Property Management Company(Australia)
Millennium & Copthorne Hotels Pty Ltd	AP Rambhai, JSS Tan	100%	Non-trading (Australia)
QINZ (Anzac Avenue) Ltd	SNB Harrison, AP Rambhai	100%	Hotel Owner
QINZ Holdings (New Zealand) Ltd (*)	SNB Harrison, AP Rambhai	100%	Holding Company
Quantum Ltd	SNB Harrison, K Orr, AP Rambhai,	100%	Holding company

(▼) Listed on the New Zealand Stock Exchange
(*) QINZ Holdings (New Zealand) Limited changed its name to Mayfair Luxury Hotels Limited on 31 January 2025

– Where the directors of the Company's subsidiaries are employees of the Company, they do not receive any remuneration or other benefits as a director. Their remuneration and other benefits are received as employees and are included in the relevant banding under Employee Remuneration.

– The following persons received remuneration as Directors of the Company's subsidiaries during 2024: C Sim ($7,192), JC Adams ($571,332), JE Elrick ($6,125), J Henderson ($37,000), DJ Jameson ($43,167), VWE Yeo ($32,917).

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Colin Sim	(Independent Director / Chairman)
Stuart Harrison	(Managing Director)
Kevin Hangchi	(Non-Executive Director)
Eik Sheng Kwek	(Non-Executive Director)
Graham McKenzie	(Independent Director)
Leslie Preston	(Independent Director/Chair of Audit Committee)

SENIOR MANAGEMENT

Melanie Beattie	(Vice President Sales & Partnerships)
Louise Borton	(Director, Property Management)
Brendan Davies	(Director, International and Corporate Sales)
Takeshi Ito	(Vice President Legal & Company Secretary)
Nathan Kruger	(Director, Information Technology)
Lisa Maclean	(Director, Human Resources)
Ken Orr	(Vice President Operations)
Anand Rambhai	(Vice President Finance)
Josie Wilson	(Director, Revenue and Distribution)

REGISTERED OFFICE & CONTACT DETAILS

Level 7, 23 Customs Street East, Auckland, 1010
PO Box 5640, Victoria Street West, Auckland 1142

Telephone:	(09) 353 5010
Email:	sales.marketing@millenniumhotels.co.nz
Global Website:	www.millenniumhotels.com
Investor Website:	www.mckhotels.co.nz/investors

AUDITORS

KPMG, Auckland

BANKERS

ANZ Banking Group (New Zealand) Limited
Hong Kong & Shanghai Banking Corporation Limited

SOLICITORS

Bell Gully

SHARE REGISTRAR

Computershare Investor Services Limited,
Level 2, 159 Hurstmere Road, Takapuna, Auckland, New Zealand

Private Bag 92119, Auckland 1020, New Zealand

Telephone:	+64 9 488 8700
Facsimile:	+64 9 488 8787
Email:	enquiry@computershare.co.nz

STOCK EXCHANGE LISTING:

New Zealand Exchange (NZX)
Company Code: MCK

SUPPORT OFFICE
Ph: (09) 353 5010
Level 7, 23 Customs Street East, Auckland 1010
PO Box 5640, Victoria Street West, Auckland 1142

NATIONAL CONFERENCE OFFICE
Ph: 0800 4 MEETINGS (0800 4 633 846)
Email: meetings@millenniumhotels.co.nz
www.meetingsnz.co.nz

SALES
Email: sales.marketing@millenniumhotels.co.nz
International Sales Tel: (09) 353 5085
Corporate Sales Auckland Tel: (09) 353 5010
Corporate Sales Wellington Tel: (04) 382 0770

CENTRAL RESERVATIONS
Ph: 0800 808 228
Email: central.res@millenniumhotels.co.nz

www.millenniumhotels.com