



MILLENNIUM

HOTELS AND RESORTS

MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED

NZX ANNOUNCEMENT

5 March 2020

MCK APPEALING APTR JUDICIAL REVIEW JUDGMENT

Millennium & Copthorne Hotels New Zealand Limited (NZX:MCK) advises that it has filed a Notice of Appeal in relation to the decision of the High Court concerning Auckland Council's Accommodation Provider Targeted Rate (APTR). MCK is joined by all of the other plaintiffs in the appeal.

MCK's Managing Director Mr. BK Chiu said that the appeal had been filed because the High Court had not recognised the unreasonableness of the APTR on accommodation providers.

"The High Court believed that the APTR was reasonable but we respectfully disagree. As a matter of principle, rate payers expect to receive real benefits, not disproportionate costs from local government taxes. The APTR is the fifth targeted rate our Auckland hotels are paying. Bearing in mind that only 9% of tourist spend is on accommodation with the other 91% going to businesses not paying the APTR, accommodation providers like MCK expect reasonableness and proportionality to apply especially where this targeted rate was imposed for a very specific purpose. This is why MCK is appealing the decision", he said.

As a hearing date will not be fixed for some time, MCK will not be making any further comment until the hearing proper. The costs of the judicial review and the appeal to date will not materially affect MCK's 2020 financial position.

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