



MILLENNIUM

HOTELS AND RESORTS

MILLENNIUM & COPTHORNE HOTELS
NEW ZEALAND LTD

ANNUAL REPORT
2021



Photograph by Stuart Nimmo
"Coast Road" (West Coast)
Print featured at Copthorne Hotel Greymouth

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CALENDAR

Annual Report Issued	25 March 2022
Annual Shareholder Meeting	24 May 2022
Half Year End	30 June 2022
Financial Year End	31 December 2022



Colin Sim
Chairman



B K Chiu
Managing Director

FIVE YEAR TREND STATEMENT

	2017	2018	2019	2020*	2021*
Revenue	\$187.3m	\$218.8m	\$229.7m	\$172.0m	\$164.8m
Profit Before Tax	\$74.9m	\$85.1m	\$85.4m	\$54.4m	\$64.6m
Profit After Tax & NCI	\$43.1m	\$49.4m	\$49.7m	\$48.5m	\$40.0m
Total Assets	\$828.2m	\$898.2m	\$1,008.2m	\$664.1m	\$680.8m
Group Equity	\$588.9m	\$640.3m	\$715.3m	\$474.7m	\$514.2m
Net Asset Backing / Per Share	\$3.72	\$4.04	\$4.52	\$3.00	\$3.25
Market Value of NZ Development Properties	\$276.3m	\$337.8m	\$315.6m	\$286.4m	\$334.1m
Market Value of Australian Development Properties	\$94.0m	\$91.0m	\$88.4m	\$68.5m	\$61.7m
Market Value of NZ Investment Properties	\$ -	\$ -	\$ -	\$6.4m	\$25.5m
Market Value of NZ Hotel Properties	\$540.2m	\$542.3m	\$585.5m	\$561.9m	\$567.6m

* 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.

CHAIRMAN'S REVIEW

This time last year, we were hopeful that the prospects for 2021 would be better than those in 2020. There was good cause for optimism as we learned of vaccines that would be made available and the prospect of restrictions potentially easing as New Zealand pursued its elimination strategy and looked to get on top of the spread of the virus. That optimism turned out to be short-lived with the arrival of the Delta variant and the re-imposition of lockdowns initially across the whole of New Zealand but latterly in Auckland.

In 2021, the efforts of our staff were no less extraordinary than in 2020. They continued to adapt to an environment without international visitors for a second straight year.

Once more, MCK's Board thanks all of its team members at each of its hotels and corporate offices for their contributions in 2021. You have done us proud and we are grateful for the work you do each day.

Towards the end of 2021, there were two significant positive matters – in November, we welcomed the unanimous decision of the Court of Appeal to declare Auckland Council's Accommodation Provider Targeted Rate as illegal. We are disappointed that Council has decided to appeal the decision. We are optimistic that the Supreme Court will affirm the Court of Appeal's decision.

In December 2021, after a consultation process, MCK announced its vaccination policy which required all employees and guests to be fully immunized against Covid-19. This has been very well received by our guests and stakeholders alike, and reflects the general sentiment across the majority of New Zealanders who want and expect a safe environment when they travel away from home.

Financial Performance & Financial Position

For the year ended 31 December 2021, MCK recorded a profit attributable to owners of the parent of \$40.0 million (2020*: \$48.5 million).

Our 2021 results were bolstered by the continued strong performance of our property development operations through our majority-owned subsidiary, CDL Investments New Zealand Limited and from a one-off gain of \$15.9 million on disposal from the sale of land (described as other income). Overall, MCK's New Zealand hotel operations recorded a profit before tax of \$13.8 million (2020*: \$5.5 million). Without the one-off gain from the sale of land, MCK would have recorded a pre-tax loss of \$2.1 million. This was reflected in our earnings per share which decreased to 25.31 cents per share (2020*: 30.64 cents per share).

Our 2021 revenue totaled \$164.8 million (2020: \$172.0 million) largely contributed by CDL Investments. There were no tax credits in 2021 offered by the Government as pandemic support, although MCK's subsidiary claimed \$4.2 million of wage subsidy particularly

during the Level 4 and Level 3 lockdowns in 2021. A total of \$202,078 of other Government support such as the Resurgence Support Payment was claimed during the year.

At 31 December 2021, MCK's shareholders' funds excluding non-controlling interests was \$514.2 million (2020*: \$474.7 million). Total assets increased to \$680.8 million (2020*: \$664.1 million) with net asset backing (with land and building at cost and before distributions) also increasing to 324.8 cents per share (2020*: 299.8 cents per share).

New Zealand Hotel Operations

In 2021, we achieved an average occupancy of 36.1% (2020: 39.2%), reflecting the closed New Zealand borders that, accordingly, the sole reliance on New Zealand residents. The lockdowns affecting Auckland had a severe effect on travel and accommodation throughout New Zealand and the loss of revenue in the third and fourth quarters of the year were not able to be recovered.

Despite that, and owing to careful targeted marketing, the average RevPAR (Revenue Per Available Room) achieved across all of MCK's hotels was \$57.91 (2020: \$66.17).

Both Grand Millennium Auckland and M Social Auckland remained in the Managed Isolation programme during 2021 and are contracted to remain as MIQ properties for at least part of 2022.

Kingsgate Hotel Greymouth underwent major refurbishment works for several months in 2021 and is scheduled to be rebranded to the Copthorne Hotel Greymouth in the first half of 2022. The refurbishment of two levels of guest rooms at Millennium Hotel Queenstown is ongoing. Additional refurbishments are scheduled to take place at other hotels in 2022 in anticipation of the return of international visitors.

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



Beast & Butterflies Bar,
M Social Auckland

CDL Investments New Zealand Limited (“CDLI”)

CDLI continued to meet strong demand for its residential sections in 2021 and recorded an operating profit after tax for the year ended 31 December 2021 of \$31.3 million (2020: \$30.1 million).

CDLI has maintained its dividend at 3.5 cents per share and MCK’s Board has resolved to take its CDLI dividend in cash when it is paid in May. Given that CDLI’s profitability and dividend will assist MCK’s overall results in 2022, MCK is assured that CDI is sufficiently resourced to allow it to continue its sales and development activities in 2022 and that the decision by MCK to take its dividend in cash will not affect CDI’s position.

Australia Update

In 2021, a total of ten apartments were sold at the Zenith Residences in Sydney. This was slightly below expectations given market conditions in Australia. MCK will continue to market its Zenith Residences for sale but will adjust its selling strategy given continued strong interest in residential property in Australia.

Dividend Announcement

MCK’s Board has resolved to declare and pay all shareholders a fully imputed dividend of 3.5 cents per share for 2021. The dividend, payable to all shareholders, will be paid on 13 May 2022 with a record date of 6 May 2022. The dividend is modest and reflects the overall profit made in 2021 but also allows MCK to retain and deploy additional funds for its ongoing refurbishment and upgrade capital works in 2022 in preparation for 2023 and beyond.

Outlook

The current state of business will continue as long as the pandemic continues to stifle international travel. Those issues are completely outside MCK’s control and it is already clear that 2022 will be another difficult year. If we have some cause to be optimistic for the second half of the year, it is that vaccination rates in key markets remain high and vaccination mandates for travel have become the norm. This should, we hope, allow some level of international travel to New Zealand to resume in 2022.

The announcements made by the New Zealand Government on 3 February confirming the step plan to reopen the international borders starting from late February 2022 are good news for Kiwis looking to return home this year. However, because all of the steps currently require a period of self-isolation for everyone entering New Zealand regardless of origin, we believe that international visitors will choose destinations other than New Zealand which do not have such requirements. As the plan also assumes that the international border will reopen to all non-New Zealand or Australian visitors from October, we do not expect to see a material boost in visitor numbers or to our revenue this year even if the timeline is brought forward.

The current low occupancy and domestic orientated environment will continue for most, if not all, of this year. We are looking at a half year of break-even results for H1 2022 for the hotel operations, but expect our property development activities to continue with their positive momentum throughout 2022. We will continue to take the opportunity to progressively upgrade and refurbish our hotels across our network in anticipation of better times in 2023 and 2024.

The advantage we have now is that we know the effect of the last two years on our operations and our business. We are able to scale back quickly if we need to should the current trading situation continue longer than anticipated. But we are also looking to scale up our operations where demand warrants it and will compete for talent and resources purposefully to ensure that we remain a leader in the New Zealand accommodation markets.

2022 will also see the conclusion of our Managing Director BK Chiu’s time with the group. On behalf of the Board, I would like to take this opportunity to thank BK for his tireless efforts over the course of over sixteen-plus years with MCK and CDI which has seen the group through many difficult challenges including this pandemic. His significant contribution and leadership has ensured that MCK remains strong. His successor will have big shoes to fill as MCK continues on its path to recovery over the next few years.

Colin Sim
Chairman
18 February 2022

DOING OUR BIT

Bringing kiwis home since the start of the Pandemic



Left and Middle
Preparing M Social's Labour weekend's in-room picnic hamper

Right
Easter treat boxes given to guests at Grand Millennium Auckland

Over the last two years, Grand Millennium Auckland and M Social Auckland have been acting as two of New Zealand's managed isolation facilities since the start of the pandemic. As the requirement for managed isolation facilities starts to wind down, we thought that we should take a moment to recognise the work done by the teams at both of these hotels:

"Whatever your views on managed isolation over the past two years, there is no question that our teams at both Grand Millennium Auckland and M Social Auckland have done some remarkable work dealing with thousands of returnees over the last two years. Implementing rapidly changing regulations and requirement as well as managing behaviour of difficult guests have added pressure and hardship to our employees and their families. They have responded well and should be very proud of their work", said MCK's Managing Director Mr. BK Chiu.

At Grand Millennium Auckland, the teams there have used their imagination to ensure that returnees were able to get some exercise while respecting social distancing. Vice President Ken Orr who was the General Manager of Grand Millennium Auckland at the start of the pandemic noted that the hotel's outside pool area had garnered a lot of action on social media. "The size and facilities of the hotel like the unused carpark, pool and conference spaces were handy and became the best known parts of the hotel," he said.

At M Social Auckland, the kitchen team at Beast and Butterflies challenged themselves to keep the food offerings interesting for everyone who came through the hotel. General Manager Nigel Edwards noted that when managed isolation started, it was clear that one of the biggest complaints that returnees had was about the food they were getting.

"We were monitoring social media posts and other sources and it was pretty obvious that if people were not getting something tasty and satisfying every day, that they would complain about it. So the challenge our Beasts & Butterflies food & beverage teams we set ourselves was to keep things that people were happy to eat and would be something to look forward to and I believe that we succeeded, if not exceeded expectations", he said.

The work of all of New Zealand's managed isolation and quarantine facilities has been recognised by the Government as being "phenomenal" and by hundreds of Kiwis who have stayed at the two hotels over the past two years and who have left wonderfully kind and positive comments for our staff. We would like to offer our sincerest thanks to all of our employees at both hotels over the past two years who have worked so hard to keep Kiwis safe during some of the most difficult days.

PAINTING THE TOWN GREY

*Fifth conversion
of a Kingsgate*

Copthorne
GREYMOUTH

**A new start. A new brand.
Copthorne Hotel Greymouth is now open.**

The West Coast has certainly had its challenges over the years and the pandemic has left its mark, so it is great to have a reason to celebrate. After extensive refurbishment, on Tuesday 1st March the Kingsgate Hotel Greymouth reopens its doors and has been upgraded to Copthorne Hotel Greymouth.

The West Coasters are a strong, hardy and loyal community and Millennium Hotel and Resorts are proud to have reinvested back into the region and its people, as this unique stand up hotel has strong links and history with the township and its locals. The refurbished 53 room hotel includes 1 suite and 5 disabled rooms, with all the well-appointed accommodation rooms featuring fresh, crisp décor, high speed internet and views from every room. The ground floor has been completely redone and showcases the first of Millennium Hotels and Resorts rebranded signature restaurants: Jimmy Cook's Kiwi Kitchen. Here the local produce is the hero, combined with the indigenous flavours of Aotearoa New Zealand; to bring you a delicious seasonal dining experience in a friendly, relaxed environment.

The new look Jimmy Cook's has a unique feel, lush velvets, oversized lounging chairs and warm wood. With hues and textures inspired by the West Coast, pendants in pounamu green, tactile woven wallpaper, and accents of gold in a nod to the gold rush era, creating a sophisticated, understated elegance. You feel like you have finally been allowed into your flash Aunties 'front room' – the one with the fancy chairs, reserved for special occasions and guests. A little bit classy, but not too flash, you can relax and enjoy a gin and tonic served from the gin trolley, order a beer at the leaner or pull up a stool by the bar for a chat with Graham Collings, the General Manager, who has seen the refurbishment from start to finish. Even the new menu has the locals sitting up to take notice. The creative and clever use of local product, simple and flavoursome dishes that the local West Coast suppliers are so proud to be part of. From a satisfying three course, dinner to tasty light meals or snacks bursting with flavour, served for solo guests or groups, travellers or locals.



Jimmy Cook's Kiwi Kitchen Restaurant



Accessible Queen Room

PROJECT ISLAND SONGBIRD BAY OF ISLANDS

Project Songbird

Copthorne Hotel and Resort Bay of Islands is a proud sponsor of Project Island Songbird, that is reintroducing native species of birds, helping the islands sing again.

Right
New Zealand Tui

Top Right
New Zealand Bellbird

Below
From left: Ingrid Edmonds, HR Advisor; Aroha Matthews, Operations Manager, Copthorne Hotel Bay of Islands at the hotel's gallery of birds by Darren Markin.





Above
Wingspan Centre trainer Ms Heidi Stook (right),
Ms Jolene Gray (left) Executive Assistant
Millennium Hotel Rotorua

Right
Millennium's adopted Karearea (New Zealand Falcon),
Hiwi, named after a star in the Matariki cluster.



Project Wingspan

Millennium Hotel Rotorua has been a keen supporter of Wingspan Birds of Prey Trust since 2009, when the hotel first took on sponsorship of Millie the New Zealand falcon (named after 'Millennium Falcon' for the Star Wars fans!).

Over the years, our staff have been very attached to Millie, visiting her at Wingspan's headquarters and watching her flying display. We were all saddened to hear that the Wingspan team had to make a hard decision regarding Millie, who was born in October 2006, due to deteriorating eyesight and old age.

However, the fantastic news is that we were given the opportunity to take a new Falcon chick under our wing. She is a five-month old New Zealand falcon (or Karearea in the Maori language), which is the country's most threatened bird of prey.

We held a naming competition on our Facebook, which saw over 200 beautiful, inspirational, and some really funny name suggestions. The inspiration for Hiwa's name came from a suggestion from a Facebook user who suggested the name 'Starr'. We thought naming her after a star was a great idea, especially as New Zealand enters the season of Matariki.

Matariki is the Maori name for a star cluster known as the Pleiades, and the first rising of the cluster (typically in late May or early June) symbolises the start of a new year in Maori culture. Hiwa-i-te-rangi is the Maori name for the star Celaeno, and Maoris would send their dreams and desires for the year to this star in hopes that they would be realised.

We're happy to have Hiwa in our Millennium Hotel Rotorua family!

DIRECTOR PROFILES

COLIN SIM Chairman & Independent Director

Mr. Sim is the executive chairman of the East Quarter Group of companies (East Quarter Hurstville, EQ Projects and EQ Constructions) (EQ) in Australia. EQ is involved in the development and construction of residential, commercial and industrial projects across New South Wales. Mr. Sim is also an executive director of Waterbrook Lifestyle Resorts (Waterbrook); an award-winning creator, developer and operator of luxury resort lifestyles for retirees. Mr. Sim has strong analytical skills and extensive experience in construction and property development/investment in Australia. He studied Mechanical Engineering in London and has lived in Sydney, Australia for the last 40 years.

Mr. Sim was appointed to the Board in July 2017 and was elected to the Board at the 2021 Annual Meeting of shareholders.

B K CHIU Managing Director

Mr. Chiu is also the Managing Director of CDL Investments New Zealand Limited. Prior to joining the company, Mr. Chiu was Regional Vice - President and Managing Director, Asia of Merisant Company. He holds a Masters degree in agricultural economics and marketing from Massey University, Palmerston North.

Mr. Chiu was appointed as Managing Director in 2005 and was last re-elected to the Board at the 2020 annual meeting of shareholders. MCK announced in November 2021 that he would be leaving the company in July 2022.

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.

Mr. Kwek was appointed to the Board on 1 January 2020 and was elected by shareholders at the 2020 annual meeting of shareholders.

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 2021 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 2019 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 elected to the Board at the 2021 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

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

Kingsgate Hotel The Avenue Wanganui



MILLENNIUM HOTELS & RESORTS IN NEW ZEALAND



MILLENNIUM COLLECTION

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M COLLECTION

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Image Below

Copthorne Hotel Wellington Oriental Bay

Tripadvisor Award

2021 Travelers Choice:
 Copthorne Hotel Wellington, Oriental Bay
 Millennium Hotel New Plymouth, Waterfront
 Millennium Hotel & Resort Manuels Taupo
 M Social Auckland
 Grand Millennium Auckland



COPTHORNE COLLECTION

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Copthorne Hotel & Resort

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Kingsgate Hotel The Avenue Wanganui

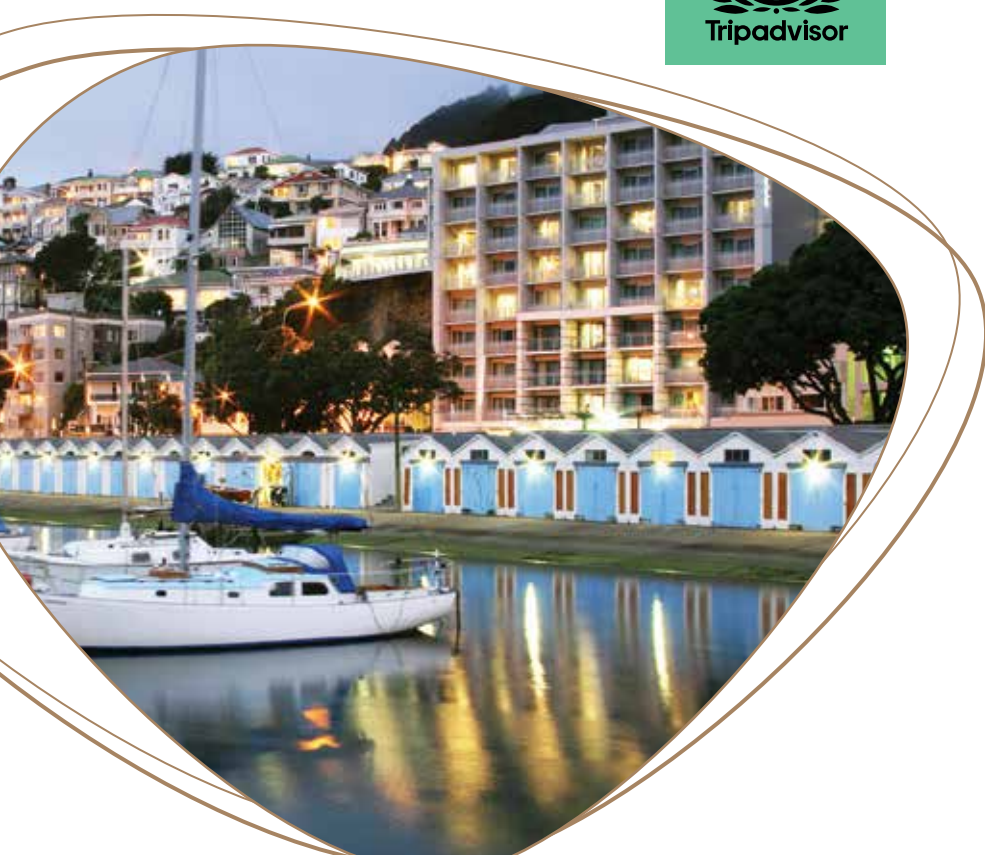
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Kingsgate Hotel Dunedin

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MILLENNIUM

HOTELS AND RESORTS

More than Meets the Eye

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Left
Grand Millennium Auckland prepares new dishes for hotel reopening in 2022.

Middle and Right
Cophorne Hotel Wellington's One80 Restaurant, Indian Banquet and New Zealand King Salmon dishes.

Millennium & Copthorne Hotels New Zealand Limited

Consolidated Income Statement

For the year ended 31 December 2021

DOLLARS IN THOUSANDS	Note	Group	Group
		2021	2020 (Restated) ^â
Hotel revenue		55,247	64,078
Rental income		1,942	2,180
Property sales		107,583	105,724
Revenue		164,772	171,982
Cost of sales	3,10	(78,513)	(79,815)
Gross profit		86,259	92,167
Other income	1(c)	15,870	-
Administration expenses	2,3	(19,971)	(20,588)
Other operating expenses	2,3	(17,752)	(18,533)
Operating profit		64,406	53,046
Finance income	4	1,565	3,401
Finance costs	4	(1,378)	(2,029)
Net finance income		187	1,372
Profit before income tax		64,593	54,418
Income tax expense	5	(13,871)	4,406
Profit for the year		50,722	58,824
Attributable to:			
Owners of the parent		40,049	48,483
Non-controlling interests		10,673	10,341
Profit for the year		50,722	58,824
Basic earnings per share (cents)	8	25.31	30.64
Diluted earnings per share (cents)	8	25.31	30.64

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2021

DOLLARS IN THOUSANDS	Note	Group	Group
		2021	2020 (Restated) ^â
Profit for the year		50,722	58,824
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Foreign exchange translation movements	4	(326)	1,620
- Tax credit on foreign exchange translation movements	4, 5	-	-
		(326)	1,620
Total comprehensive income for the year		50,396	60,444
Total comprehensive income for the year attributable to :			
Owners of the parent		39,723	50,103
Non-controlling interests		10,673	10,341
Total comprehensive income for the year		50,396	60,444

^â The comparative information is restated due to change in accounting policy. See note 25.

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 2021
Group

	Attributable to equity holders of the Group							
	Share Capital	Revaluation Reserve	Exchange Reserve	Retained Earnings	Treasury Stock	Total	Non-controlling Interests	Total Equity
DOLLARS IN THOUSANDS								
Balance at 1 January 2021	383,266	-	(1,699)	93,129	(26)	474,670	95,312	569,982
Movement in exchange translation reserve, net of tax	-	-	(326)	-	-	(326)	-	(326)
Total other comprehensive income/(loss)	-	-	(326)	-	-	(326)	-	(326)
Profit for the year	-	-	-	40,049	-	40,049	10,673	50,722
Total comprehensive income for the year	-	-	(326)	40,049	-	39,723	10,673	50,396
Transactions with owners, recorded directly in equity:								
Dividends paid to:								
Owners of the parent	-	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	(3,914)	(3,914)
Supplementary dividends	-	-	-	-	-	-	-	-
Foreign investment tax credits	-	-	-	-	-	-	-	-
Movement in non-controlling interests without a change in control	-	-	-	(204)	-	(204)	1,539	1,335
Balance at 31 December 2021	383,266	-	(2,025)	132,974	(26)	514,189	103,610	617,799

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 2020
Group

DOLLARS IN THOUSANDS	Attributable to equity holders of the Group						Total Equity	
	Share Capital	Revaluation Reserve	Exchange Reserve	Retained Earnings	Treasury Stock	Total		Non-controlling Interests
Balance at 1 January 2020	383,266	274,495	(3,319)	60,837	(26)	715,253	91,747	807,000
Impact of change in accounting policy	-	(274,495)	-	(4,275)	-	(278,770)	(4,291)	(283,061)
Restated balance at 1 January 2020	-	-	(3,319)	56,562	(26)	436,483	87,456	523,939
Movement in exchange translation reserve, net of tax	-	-	1,620	-	-	1,620	-	1,620
Total other comprehensive income/(loss)	-	-	1,620	-	-	1,620	-	1,620
Profit for the year	-	-	-	48,483	-	48,483	10,341	58,824
Restated total comprehensive income for the year	-	-	1,620	48,483	-	50,103	10,341	60,444
Transactions with owners, recorded directly in equity:								
Dividends paid to:								
Owners of the parent	-	-	-	(11,866)	-	(11,866)	-	(11,866)
Non-controlling interests	-	-	-	-	-	-	(3,815)	(3,815)
Supplementary dividends	-	-	-	(256)	-	(256)	-	(256)
Foreign investment tax credits	-	-	-	256	-	256	-	256
Movement in non-controlling interests without a change in control	-	-	-	(50)	-	(50)	1,330	1,280
Restated balance at 31 December 2020	383,266	-	(1,699)	93,129	(26)	474,670	95,312	569,982

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 2021

DOLLARS IN THOUSANDS	Note	<u>Group</u> 2021	<u>Group</u> 31 December 2020 (Restated) ^â	<u>Group</u> 1 January 2020 (Restated) ^â
SHAREHOLDERS' EQUITY				
Issued capital	7	383,266	383,266	383,266
Reserves		130,949	91,430	53,243
Treasury stock	7	(26)	(26)	(26)
Equity attributable to owners of the parent		514,189	474,670	436,483
Non-controlling interests		103,610	95,312	87,456
Total equity		617,799	569,982	523,939
Represented by:				
NON CURRENT ASSETS				
Property, plant and equipment	9	245,782	247,908	253,239
Development properties	10	188,508	156,880	176,579
Investment properties	11	23,332	3,325	-
Investment in associates		2	2	2
Total non-current assets		457,624	408,115	429,820
CURRENT ASSETS				
Cash and cash equivalents	12	58,143	20,766	43,182
Short term bank deposits		121,496	177,274	122,049
Trade and other receivables	13	15,434	12,170	21,138
Inventories		1,272	1,352	1,615
Assets classified as held for sale	24	-	2,130	-
Development properties	10	26,827	42,342	51,887
Total current assets		223,172	256,034	239,871
Total assets		680,796	664,149	669,691
NON CURRENT LIABILITIES				
Interest-bearing loans and borrowings	14	-	38,000	67,000
Lease liability	22	15,858	14,005	14,370
Deferred tax	15	9,298	9,334	31,495
Total non-current liabilities		25,156	61,339	112,865
CURRENT LIABILITIES				
Interest-bearing loans and borrowings	14	1,000	-	-
Trade and other payables	16	30,001	24,068	24,562
Trade payables due to related parties	20	3,977	4,490	4,054
Lease liability	22	457	478	429
Income tax payable		2,406	3,792	3,842
Total current liabilities		37,841	32,828	32,887
Total liabilities		62,997	94,167	145,752
NET ASSETS		617,799	569,982	523,939

^â The comparative information is restated due to change in accounting policy. See note 25.

For and on behalf of the board



G MCKENZIE, DIRECTOR, 18 February 2022



BK CHIU, MANAGING DIRECTOR, 18 February 2022

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 2021

DOLLARS IN THOUSANDS	Note	<u>Group</u> 2021	<u>Group</u> 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		161,320	180,659
Interest received		1,751	3,604
Dividends received	4	2	1
Cash was applied to:			
Payments to suppliers and employees		(62,099)	(77,908)
Purchases of development land	1	(56,528)	(1,260)
Interest paid		(139)	(1,173)
Income tax paid		(15,288)	(17,826)
Net cash inflow from operating activities		29,019	86,097
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was (applied to)/provided from:			
Proceeds from the sale of property, plant and equipment		10	108
Proceeds from the sale of asset held for sale		18,000	-
Purchases of property, plant and equipment	9	(3,981)	(5,956)
Purchases of investment property		(20,077)	(3,325)
Investments in short term bank deposits		55,778	(55,225)
Net cash inflow/(outflow) from investing activities		49,730	(64,398)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was (applied to)/provided from:			
Repayment of borrowings	14	(37,000)	(29,000)
Principal repayment of lease liability	22(c)	(1,577)	(1,430)
Dividends paid to shareholders of Millennium & Copthorne Hotels New Zealand Ltd	7	-	(11,866)
Dividends paid to non-controlling shareholders		(3,914)	(3,815)
Net cash outflow from financing activities		(42,491)	(46,111)
Net increase/(decrease) in cash and cash equivalents		36,258	(24,412)
Add opening cash and cash equivalents		20,766	43,182
Exchange rate adjustment		1,119	1,996
Closing cash and cash equivalents	12	58,143	20,766

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 2021

DOLLARS IN THOUSANDS	Note	<u>Group</u> 2021	<u>Group</u> 2020
RECONCILIATION OF NET PROFIT FOR THE YEAR TO CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		50,722	58,824
Adjusted for non-cash items:			
Gain on sale of property, plant and equipment	2	(5)	(19)
Gain on sale of asset held for sale		(15,870)	-
Depreciation of property, plant and equipment and investment property	9, 11	7,417	7,801
Depreciation of Right-Of-Use assets	9	961	1,333
Unrealised foreign exchange losses/(gain)		115	(74)
Income tax expense/(credit)	5	13,871	(4,406)
		57,211	63,459
Adjustments for movements in working capital:			
(Increase)/Decrease in trade & other receivables		(3,264)	8,970
Decrease in inventories		80	263
(Increase)/Decrease in development properties		(16,272)	30,299
Increase in trade & other payables		7,204	1,669
Increase/(Decrease) in related parties		(513)	436
Cash generated from operations		44,446	105,096
Interest paid		(139)	(1,173)
Income tax paid		(15,288)	(17,826)
Cash inflows from operating activities		29,019	86,097
Reconciliation of movement of liabilities to cash flows arising from financing activities			
As at 01 January		38,000	67,000
Proceeds from borrowings		-	-
Repayment of term loans		(37,000)	(29,000)
Financing cash flows		(37,000)	(29,000)
As at 31 December		<u>1,000</u>	<u>38,000</u>

â The comparative information is restated due to change in accounting policy. See note 25.

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

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

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 2021 comprise the Company and its subsidiaries (together referred to as the "Group"). The registered office is located at Level 13, 280 Centre, 280 Queen Street, 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; 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 18 February 2022.

(b) Basis of preparation

The financial statements are presented in New Zealand Dollars, rounded to the nearest thousand. They are prepared on the historical cost 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 these consolidation financial statements, except as mentioned below:

The Group has changed its accounting policy in respect of the measurement of land and buildings. The restatement to cost for land and building took effect from 1 January 2005 and the comparatives are restated to reflect the changes. See note 25 for further details.

The accounting policies are now included within the relevant notes to the consolidated financial statements.

(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.

(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: recognised on an accruals basis to match the provision of the related goods and services.
- 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 of the property and is able to direct and obtain the benefits from the property.

Millennium & Copthorne Hotels New Zealand Limited

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Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

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	
	2021	2020 (Restated)	2021	2020	2021	2020	2021	2020	2021	2020 (Restated)
<i>Dollars in thousands</i>										
External revenue	55,247	64,067	92,088	88,779	48	-	17,389	19,136	164,772	171,982
Other Income – Note 1(c)	15,870	-	-	-	-	-	-	-	15,870	-
Earnings before interest, depreciation & amortisation	22,876	14,583	42,863	40,790	34	-	7,011	6,807	72,784	62,180
Finance income	585	1,995	616	1,038	-	-	364	368	1,565	3,401
Finance expense	(1,374)	(2,025)	(4)	(2)	-	-	-	(2)	(1,378)	(2,029)
Depreciation and amortisation	(7,337)	(7,791)	(2)	(1)	(70)	-	(8)	(9)	(7,417)	(7,801)
Depreciation of Right-of-use assets	(940)	(1,310)	(13)	(14)	-	-	(8)	(9)	(961)	(1,333)
Profit before income tax	13,810	5,452	43,460	41,811	(36)	-	7,359	7,155	64,593	54,418
Income tax expense	495	(1,794)	(12,169)	(11,712)	10	-	(2,207)	(2,146)	(13,871)	(15,652)
Income tax credit arising from change in building depreciation	-	20,058	-	-	-	-	-	-	-	20,058
Profit after income tax	14,305	23,716	31,291	30,099	(26)	-	5,152	5,009	50,722	58,824
Cash & cash equivalents and short term bank deposits	50,264	70,195	83,025	96,731	-	-	46,350	31,114	179,639	198,040
Other segment assets	254,020	256,171	191,263	163,349	23,332	3,325	32,540	43,262	501,155	466,107
Investment in associates	-	-	2	2	-	-	-	-	2	2
Total assets	304,284	326,366	274,290	260,082	23,332	3,325	78,890	74,376	680,796	664,149
Segment liabilities	(42,048)	(76,766)	(7,397)	(2,397)	-	-	(1,849)	(1,878)	(51,294)	(81,041)
Tax liabilities	(7,710)	(8,704)	(3,845)	(3,880)	-	-	(148)	(542)	(11,703)	(13,126)
Total liabilities	(49,758)	(85,470)	(11,242)	(6,277)	-	-	(1,997)	(2,420)	(62,997)	(94,167)
Property, plant and equipment expenditure	6,218	5,922	35	6	-	-	5	28	6,258	5,956
Investment property expenditure	-	-	-	-	15,593	3,325	-	-	15,593	3,325
Residential land development expenditure	-	-	12,948	20,788	-	-	-	-	12,948	20,788
Purchase of land for residential land development	-	-	56,258	1,260	-	-	-	-	56,258	1,260

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

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.

Dollars In Thousands

	New Zealand		Australia		Group	
	2021	2020 (Restated)	2021	2020	2021	2020 (Restated)
External revenue	147,383	152,846	17,389	19,136	164,772	171,982
Other Income – Note 1(c)	15,870	-	-	-	15,870	-
Earnings before interest, depreciation & amortisation	65,792	55,398	6,992	6,782	72,784	62,180
Finance income	1,201	3,033	364	368	1,565	3,401
Finance expense	(1,378)	(2,027)	-	(2)	(1,378)	(2,029)
Depreciation and amortisation	(7,409)	(7,792)	(8)	(9)	(7,417)	(7,801)
Depreciation of Right-Of-Use Assets	(953)	(1,324)	(8)	(9)	(961)	(1,333)
Profit before income tax	57,253	47,288	7,340	7,130	64,593	54,418
Income tax (expense)/credit	(11,669)	(13,513)	(2,202)	(2,139)	(13,871)	(15,652)
Income tax credit arising from change in building depreciation	-	20,058	-	-	-	20,058
Profit after income tax	45,584	53,833	5,138	4,991	50,722	58,824
Cash & cash equivalents and short term bank deposits	133,289	162,926	46,350	35,114	179,639	198,040
Segment assets	445,283	423,987	32,540	38,795	477,823	462,782
Investment properties	23,332	3,325	-	-	23,332	3,325
Investment in associates	2	2	-	-	2	2
Total assets	601,906	590,240	78,890	73,909	680,796	664,149
Segment liabilities	(49,445)	(79,205)	(1,849)	(1,836)	(51,294)	(81,041)
Tax liabilities	(11,555)	(12,586)	(148)	(540)	(11,703)	(13,126)
Total liabilities	(61,000)	(91,791)	(1,997)	(2,376)	(62,997)	(94,167)
Material additions to segment assets:						
Property, plant and equipment expenditure	6,253	5,928	5	28	6,258	5,956
Investment property expenditure	15,593	3,325	-	-	15,593	3,325
Residential land development expenditure	12,948	20,788	-	-	12,948	20,788
Purchase of land for residential land development	56,258	1,260	-	-	56,258	1,260

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.

Inter-segment pricing is determined on an arm's length basis. 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.

(c) Other income

Other income comprised the gain on sale of assets classified as held for sale. See note 24 for details of the asset sold.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

2. Administration and other operating expenses

<i>Dollars In Thousands</i>	Note	Group	
		2021	2020
Depreciation (restated)	9, 11	8,378	9,134
Auditors remuneration			
Audit fees		367	319
Tax compliance and tax advisory fees		34	34
Directors fees	19	345	296
Rental expenses		300	163
Provision for bad debts			
Debts written off		18	81
Movement in doubtful debt provision		(49)	(27)
Net loss on disposal of property, plant and equipment		5	19
Resurgence Support Payments		(187)	-

During the Alert Level 3 and 4 lockdowns in the latter part of 2021, the Group applied for government assistance in the form of Resurgence Support Payments. A total of \$187,478 was received and applied as credits to the local council rates which are classified under operating expenses in the income statement.

3. Personnel expenses

<i>Dollars In Thousands</i>	Group	
	2021	2020
Wages and salaries	27,734	32,451
Wage subsidies	(3,990)	(7,377)
Employee related expenses and benefits	962	1,005
Contributions to defined contribution plans	362	587
Increase/(decrease) in liability for long-service leave	19	(89)
	25,087	26,577

Wage subsidy scheme

The Group applied for government support arising from the August 2021 Alert Levels 3 and 4 lockdowns. The Group received a total of \$4.16 million under the COVID-19 Wage Subsidy August 2021 Scheme. Other assistance applied for and received were \$13,200 under the COVID-19 Leave Support Scheme and \$1,400 for COVID-19 Short-term Absence Payment.

The wage subsidies including Leave Support Scheme and Short-term Absence Payment were recorded as a deduction against payroll costs in personnel expenses. The personnel expenses are included in cost of sales, administration expenses and other expenses in the income statement.

Employee long-term service benefits

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

4. Net finance income

Recognised in the income statement

<i>Dollars In Thousands</i>	Group	
	2021	2020
Interest income	1,563	3,311
Dividend income	2	1
Foreign exchange gain	-	89
Finance income	1,565	3,401
Interest expense	(1,263)	(2,014)
Foreign exchange loss	(115)	(15)
Finance costs	(1,378)	(2,029)
Net finance income recognised in the income statement	187	1,372

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

4. Net finance income - continued

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.

Recognised in other comprehensive income

<i>Dollars In Thousands</i>	Group	
	2021	2020
Foreign exchange translation movements	(326)	1,620
Net finance income recognised in other comprehensive income	(326)	1,620

Exchange translation of financial statements of foreign operations

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

5. Income tax expense

Recognised in the income statement

<i>Dollars In Thousands</i>	Group	
	2021	2020
Current tax expense		
Current year	13,803	17,461
Adjustments for prior years	104	294
	13,907	17,755
Deferred tax expense		
Origination and reversal of temporary difference	(36)	(2,104)
Changes in treatment of building depreciation	-	(20,058)
Adjustments for prior years	-	1
	(36)	(22,161)
Total income tax expense in the income statement	13,871	(4,406)

Reconciliation of tax expense

<i>Dollars In Thousands</i>	Group	
	2021	2020
Profit before income tax	64,593	54,418
Income tax at the company tax rate of 28% (2020: 28%)	18,086	15,237
Adjusted for:		
Non-deductible expenses	-	-
Tax rate difference (if different from 28% above)	147	143
Tax exempt income	(4,466)	(23)
Changes in treatment of building depreciation	-	(20,058)
Under/(Over) - provided in prior years	104	295
Total income tax expense	13,871	(4,406)
Effective tax rate	21%	(8)%

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

5. Income tax expense - continued

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.

Included in the Government's Business Continuity Package (COVID-19 Response (Taxation and Social Assistance Urgent Measure) Act 2020) was the reintroduction of tax depreciation on commercial and industrial buildings. With effect from 1 January 2020, the Group is now able to depreciate, at 2.0% diminishing value method, the core components of the hotel buildings previously depreciated at 0.0% for tax purposes. As a result, in 2020 the deferred tax liability was reduced by \$20.06 million with a deferred tax credit of the same amount booked into the profit and loss.

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.

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.

6. Imputation credits

<i>Dollars In Thousands</i>	Group	
	2021	2020
Imputation credits available for use in subsequent reporting periods	110,508	112,639

The KIN Holdings Group has A\$10.66 million (2020: A\$8.22 million) franking credits available as at 31 December 2021.

7. Capital and reserves

Share capital

	Group		Group	
	2021 Shares	2021 \$000's	2020 Shares	2020 \$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 2021, the authorised share capital consisted of 105,578,290 ordinary shares (2020: 105,578,290 ordinary shares) with no par value and 52,739,543 redeemable preference shares (2020: 52,739,543 redeemable preference shares) with no par value.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

7. Capital and reserves - continued

Repurchase of share capital

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

Exchange reserve

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

Dividends

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

<i>Dollars In Thousands</i>	Parent	
	2021	2020
Ordinary Dividend - Nil cents per qualifying share (2020: 7.5 cents)	-	11,866
Supplementary Dividend - Nil cents per qualifying share (2020: 1.3235 cents)	-	256
	-	12,122

After 31 December 2021, the following dividends were declared by the directors. The dividends have not been provided for and there are no income tax consequences.

<i>Dollars In Thousands</i>	Parent
Ordinary Dividend - 3.5 cents per qualifying share (2020: Nil cents)	5,538
Supplementary Dividend - 0.0062 cents per qualifying share (2020: Nil cents)	159
Total Dividends	5,697

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 2021 was based on the profit attributable to ordinary and redeemable preference shareholders of \$40,049,000 (2020 restated: \$48,483,000) and weighted average number of shares outstanding during the year ended 31 December 2021 of 158,218,286 (2020: 158,218,286), calculated as follows:

Profit attributable to shareholders

<i>Dollars In Thousands</i>	Group	
	2021	2020
Profit for the year	50,722	58,824
Profit attributable to non-controlling interests	(10,673)	(10,341)
Profit attributable to shareholders	40,049	48,483

Weighted average number of shares

	Group	
	2021	2020
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.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

9. Property, plant and equipment (Restated)

	Group						Total
	Freehold Land	Buildings	Plant, Equipment, Fixtures & Fittings	Motor Vehicles	Work In Progress	Right Of Use Asset	
<i>Dollars In Thousands</i>							
Cost							
Balance at 1 January 2020	184,997	387,284	103,990	76	2,118	23,192	701,657
Impact of change in accounting policy	(139,176)	(177,905)	-	-	-	(5,677)	(322,758)
Restated balance 1 January 2020	45,821	209,379	103,990	76	2,118	17,515	378,899
Acquisitions	-	315	339	-	5,302	130	6,086
Disposals	-	(1)	(172)	-	(58)	(6)	(237)
Transfers between categories	-	3,918	806	-	(4,724)	-	-
Transfer to assets classified as held for sale	(2,130)	-	-	-	-	-	(2,130)
Movements in foreign exchange	-	-	9	-	-	1	10
Restated balance at 31 December 2020	43,691	213,611	104,972	76	2,638	17,640	382,628
Balance at 1 January 2021	43,691	213,611	104,972	76	2,638	17,640	382,628
Acquisitions	-	205	433	-	3,343	2,276	6,257
Disposals	-	(39)	(31)	-	(32)	(129)	(231)
Transfers between categories	-	21	224	-	(245)	-	-
Movements in foreign exchange	-	-	(2)	-	-	-	(2)
Balance at 31 December 2021	43,691	213,798	105,596	76	5,704	19,787	388,652
Depreciation and impairment losses							
Balance at 1 January 2020	-	(26,045)	(82,496)	(67)	-	(1,300)	(109,908)
Impact of change in accounting policy	-	(15,752)	-	-	-	-	(15,752)
Restated balance 1 January 2020	-	(41,797)	(82,496)	(67)	-	(1,300)	(125,660)
Depreciation charge for the year	-	(3,609)	(4,190)	(2)	-	(1,333)	(9,134)
Impairment losses for the year	-	-	-	-	-	-	-
Disposals	-	-	82	-	-	-	82
Movements in foreign exchange	-	-	(8)	-	-	-	(8)
Restated balance at 31 December 2020	-	(45,406)	(86,612)	(69)	-	(2,633)	(134,720)
Balance at 1 January 2021	-	(45,406)	(86,612)	(69)	-	(2,633)	(134,720)
Depreciation charge for the year	-	(3,434)	(3,911)	(2)	-	(961)	(8,308)
Disposals	-	-	27	-	-	129	156
Movements in foreign exchange	-	-	2	-	-	-	2
Balance at 31 December 2021	-	(48,840)	(90,494)	(71)	-	(3,465)	(142,870)
Carrying amounts							
At 1 January 2020	45,821	167,582	21,494	9	2,118	16,215	253,239
At 31 December 2020	43,691	168,205	18,360	7	2,638	15,007	247,908
At 31 December 2021	43,691	164,958	15,102	5	5,704	16,322	245,782

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.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2021

9. Property, plant and equipment - continued

Subsequent measurement

Property, plant and equipment is subsequently measured at cost less accumulated depreciation and impairment losses. Due to the change in accounting policy (Note 26), land and buildings, which were previously re-valued, were restated back to original cost as at 1 January 2005 and subsequent additions are remeasured 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 testing for impairment is undertaken with an internal review by management and supplemented by external review on selected hotels by an independent registered valuer. The internal review requires management to estimate future cash flows to be generated by the cash generating units. The basis of the impairment test is the net present value of the future earnings of the assets. The major unobservable inputs that management use that require judgement in estimating future cash flows include expected rate of growth in revenue and costs, projected occupancy and average room rates, operational and maintenance expenditure profiles, and the appropriate discount rate to apply when discounting future cash flows. Average annual growth rates appropriate to the hotels range from 0.26% to 358.78% (2020: 17.15% to 46.75%) over the five years projection. Pre-tax discount rates ranging between 6.25% and 11.25% (2020: 7.25% and 12.25%) were applied to the future cash flows of the individual hotels based on the specific circumstances of the property.

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.

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 23.

Pledged assets

A total of ten hotel properties with a total book value of \$199.60 million (2020 Restated: \$206.11million) are pledged to the bank as security against the loan facility.

10. Development properties

<i>Dollars In Thousands</i>	Group	
	2021	2020
Development land	185,741	161,437
Residential development	29,594	37,785
	215,335	199,222
Less expected to settle within one year	(26,827)	(42,342)
	188,508	156,880
Development land recognised in cost of sales	44,902	43,290
Residential development recognised in cost of sales	8,329	9,295

Development land is carried at the lower of cost and net realisable value. Interest of \$Nil (2020: \$Nil) was capitalised during the year. Residential development at balance date consists of the residential development known as Zenith Residences in Sydney, Australia.

Property held for future development and development property completed and held for sale are stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, and holding costs. Development properties also include deposits paid on unconditional contracts on land purchases. All holding costs incurred after completion of development are expensed as incurred. Revenue and profit are not recognised on development properties until the legal title passes to the buyer when the full settlement of the purchase consideration of the properties occurs and the development property is derecognised.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

11. Investment properties

Group				
<i>Dollars In Thousands</i>	Freehold Land	Buildings	Work In Progress	Total
Cost				
Balance at 1 January 2021	265	2,873	187	3,325
Transfer from development properties	394	-	4,090	4,484
Additions	-	179	15,414	15,593
Balance at 31 December 2021	659	3,052	19,691	23,402
Depreciation and impairment losses				
Balance at 1 January 2021	-	-	-	-
Depreciation charge for the year	-	70	-	70
Balance at 31 December 2021	-	70	-	70
Carrying amounts				
At 1 January 2021	265	2,873	187	3,325
At 31 December 2021	659	2,982	19,691	23,332

Investment properties consist of commercial warehousing at Roscommon Road in Auckland and retail shops at Prestons Park in Christchurch, of which both are under construction at balance date. The retail shops at Stonebrook in Rolleston are fully operational.

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.

12. Cash and cash equivalents

<i>Dollars In Thousands</i>	Group	
	2021	2020
Cash	8,142	13,456
Call deposits	50,001	7,310
	58,143	20,766

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

<i>Dollars In Thousands</i>	Group	
	2021	2020
Trade receivables	7,253	7,277
Less provision for doubtful debts	(19)	(72)
Other trade receivables and prepayments	8,200	4,965
	15,434	12,170

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 collective 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.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

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 18.

Group				31 December 2021		31 December 2020	
<i>Dollars in Thousands</i>	Currency	Interest Rate	Facility Total	Face Value	Carrying Amount	Face Value	Carrying Amount
Revolving credit	NZD	1.5925%	18,000	500	500	19,000	19,000
Revolving credit	NZD	1.5925%	16,000	500	500	19,000	19,000
Overdraft	NZD	1.5925%	6,000	-	-	-	-
TOTAL			40,000	1,000	1,000	38,000	38,000
Current				1,000	1,000	-	-
Non-current				-	-	38,000	38,000

Terms and debt repayment schedule

The bank facilities are secured over hotel properties with a carrying amount of \$199.60 million (2020: \$206.11 million) - refer to Note 9. The Group facilities were renewed on 7 December 2018 with a new maturity of 31 January 2022.

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

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

<i>Dollars In Thousands</i>	Group					
	Assets		Liabilities		Net	
	2021	2020 (Restated)	2021	2020 (Restated)	2021	2020 (Restated)
Property, plant and equipment	-	-	16,795	15,978	16,795	15,978
Development properties	(457)	(659)	-	-	(457)	(659)
Provisions	(347)	(273)	-	-	(347)	(273)
Employee benefits	(1,563)	(1,448)	-	-	(1,563)	(1,448)
Lease liability	(5,964)	(4,055)	-	-	(4,568)	(4,055)
Trade and other payables	(1,431)	(1,084)	-	-	(1,431)	(1,084)
Net investment in foreign operations	-	-	869	875	869	875
Net tax (assets) / liabilities	(9,762)	(7,519)	17,664	16,853	9,298	9,334

Movement in deferred tax balances during the year

<i>Dollars In Thousands</i>	Group					
	Balance 1 Jan 20	Impact of change in accounting policy	Restated balance 1 January 2020	Restated Recognised in Income	Recognised in equity	Restated balance 31 Dec 20
Property, plant and equipment	91,092	(53,473)	37,619	(21,641)	-	15,978
Development properties	(660)	-	(660)	24	(23)	(659)
Provisions	(96)	-	(96)	(177)	-	(273)
Employee benefits	(1,326)	-	(1,326)	(122)	-	(1,448)
Lease liability	(4,140)	-	(4,140)	85	-	(4,055)
Trade and other payables	(754)	-	(754)	(330)	-	(1,084)
Net investment in foreign operations	852	-	852	-	23	875
	84,968	(53,473)	31,495	(22,161)	-	9,334

Movement in deferred tax balances during the year

<i>Dollars In Thousands</i>	Group			
	Balance 1 Jan 21	Recognised in Income	Recognised in equity	Balance 31 Dec 21
Property, plant and equipment	15,978	817	-	16,795
Development properties	(659)	196	6	(457)
Provisions	(273)	(74)	-	(347)
Employee benefits	(1,448)	(115)	-	(1,563)
Lease liability	(4,055)	(513)	-	(4,568)
Trade and other payables	(1,084)	(347)	-	(1,431)
Net investment in foreign operations	875	-	(6)	869
	9,334	(36)	-	9,298

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

16. Trade and other payables

<i>Dollars In Thousands</i>	Group	
	2021	2020
Trade payables	5,230	1,686
Employee entitlements	6,311	5,052
Non-trade payables and accrued expenses	18,460	17,330
	30,001	24,068

Trade and other payables are stated at 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.

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 (without interest):

<i>Dollars In Thousands</i>	2021						
	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	1,000	1,000	1,000	-	-	-	-
Trade Payables	5,230	5,230	5,230	-	-	-	-
Other payables	24,771	24,771	24,771	-	-	-	-
Trade payables due to related parties	3,977	3,977	3,977	-	-	-	-
Total non-derivative liabilities	34,978	34,978	34,978	-	-	-	-

<i>Dollars In Thousands</i>	2020						
	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	38,000	38,000	-	-	38,000	-	-
Trade Payables	1,686	1,686	1,686	-	-	-	-
Other payables	22,380	22,380	22,380	-	-	-	-
Trade payables due to related parties	4,490	4,490	4,490	-	-	-	-
Total non-derivative liabilities	66,556	66,556	28,556	-	38,000	-	-

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

17. Financial instruments -continued

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 approved by the Board, such that the exposure to a single counterparty is minimised.

At balance date there were no significant 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 in Australia is \$5,000 (2020: \$6,000). 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 would have increased profit before tax for the Group in the current period by \$1.61 million (2020: \$1.07 million increase), assuming all other variables remained constant.

Effective interest and re-pricing analysis

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

Group	Note	2021				2020			
		Effective interest rate	Total	6 months or less	6 to 12 months	Effective interest rate	Total	6 months or less	6 to 12 months
<i>Dollars In Thousands</i>									
Interest bearing cash & cash equivalents *	13	0.00% to 0.79%	58,143	58,143	-	0.00% to 0.65%	20,766	20,766	-
Short term bank deposits *		0.35% to 1.37%	121,496	23,668	97,828	0.50% to 1.83%	177,274	113,117	64,157
Secured bank loans *	15	1.592%	(1,000)	(1,000)	-	1.06%	(38,000)	(38,000)	-
Bank overdrafts *	15	1.592%	-	-	-	1.06%	-	-	-

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

(ii) Foreign currency risk

The Group owns 100.00% (2020: 100.00%) of KIN Holdings Limited. Substantially all the operations of this subsidiary 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 in its foreign operations with the currency movements being recognised in the foreign currency translation reserves. 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.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

17. Financial instruments -continued

Fair values

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

Group	Note	Carrying amount	Fair value	Carrying amount	Fair value
		2021	2021	2020	2020
<i>Dollars In Thousands</i>					
LOANS AND RECEIVABLES					
Cash and cash equivalents	13	58,143	58,143	20,766	20,766
Short term bank deposits		121,496	121,496	177,274	177,274
Trade and other receivables	14	15,434	15,434	12,170	12,170
OTHER LIABILITIES					
Secured bank loans and overdrafts	15	(1,000)	(1,000)	(38,000)	(38,000)
Trade and other payables	17	(30,001)	(30,001)	(24,068)	(24,068)
Trade payables due to related parties	21	(3,977)	(3,977)	(4,490)	(4,490)
		160,095	160,095	143,652	143,652
Unrecognised (losses) / gains		-	-	-	-

Estimation of fair values

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

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

18. Capital and land development commitments

As at 31 December 2021, the Group had entered into contractual commitments for capital expenditure, development expenditure, and purchases of land. Contractual agreements for the purchase of land are subject to a satisfactory outcome of the Group's due diligence process, board approval, and OIO approval. Development expenditure represents amounts contracted and forecast to be incurred in 2022 in accordance with the Group's development programme.

<i>Dollars In Thousands</i>	Group	
	2021	2020
Capital expenditure	1,888	958
Development expenditure	20,858	19,696
Land purchases	20,300	58,300
	43,046	78,954

19. Related parties

Identity of related parties

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

Transactions with key management personnel

Directors of the Company and their immediate relatives control nil (2020: Nil) of the voting shares of the Company. There were no loans (2020: \$nil) advanced to directors for the year ended 31 December 2021. Key management personnel include the Board and the Executive Team.

Total remuneration for key management personnel

<i>Dollars In Thousands</i>	Group	
	2021	2020
Non-executive directors	345	296
Executive director	440	396
Executive officers	812	699
	1,597	1,391

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 75.78% (2020: 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 plc in the United Kingdom. The ultimate parent company is Hong Leong Investment Holdings Pte Ltd in Singapore.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

20. Group entities - continued

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

<i>Dollars In Thousands</i>	Nature of balance	Group	
		2021	2020
Trade payables and receivables due to related parties			
Millennium & Copthorne Hotels plc	Recharge of expenses	(2,863)	(2,788)
Millennium & Copthorne International Limited	Recharge of expenses	67	137
CDL Hotels Holdings New Zealand Limited	Recharge of expenses	96	-
CDLHT (BVI) One Ltd	Rent payment	(1,277)	(1,839)
		(3,977)	(4,490)
Loans due to related parties			
CDL Hotels Holdings New Zealand Limited	Inter-company loan	-	-
		-	-

No debts with related parties were written off or forgiven during the year. No interest was charged on these payables during 2021 and 2020. There are no set repayment terms. There is no fee charged by Millennium & Copthorne International Limited for 2021, which was replaced by a fixed annual fee of \$154,000 charged by M&C Reservation Services Ltd (UK) for the provision of management and marketing support in 2021.

From September 2019, the Group renewed the management agreement of Grand Millennium Auckland with CDLHT (BVI) One Ltd, a subsidiary of CDL Hospitality Trusts Singapore. Under the accounting standards, the Group accounts for the results of the Grand Millennium Auckland on a net basis. The Group records the management, franchise and incentive incomes derived from the management of the hotel in the profit and loss. At the balance sheet date, there was an amount owing to CDLHT (BVI) One Ltd of \$1.28 million (2020 \$1.84 million) being rent payable with respect to the leasing of the property. During the year ended 31 December 2021, the Group received \$1.56 million (2020: \$1.37 million) in management, franchise, and incentive fees.

At the balance sheet date, the company has fully repaid the loan due to CDL Hotels Holdings New Zealand Limited which was interest bearing.

During the year consulting fees of \$10,197 (2020: \$10,600) were paid to Bobb Management Pty Ltd of which Mr. R Bobb (Director) is a shareholder and director. Mr Bobb received these fees in his capacity as a director of the Kingsgate Holdings Pty Limited and subsidiaries in Australia. He retired as director of the Australian companies on 15 December 2021.

Subsidiary companies

The principal subsidiary companies of Millennium & Copthorne Hotels New Zealand Limited included in the consolidation as at 31 December 2021 are:

	Principal Activity	Principal Place of Business	Group Holding % 2021	Group Holding % 2020
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	66.29	65.87
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		

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

Although the Group owns less than half of the voting power of the Copthorne Hotel & Resort Bay of Islands Joint Venture, it is able to control the financial and operating policies of the Copthorne Hotel & Resort Bay of Islands Joint Venture so as to obtain benefits from its activities by virtue of an agreement with the other parties of the Joint Venture. Therefore, the results of the Joint Venture are consolidated from the date control commenced until the date control ceases.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

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 exceeds the market value due to market fluctuations in the value of development properties. However, there is no indication of impairment as the market value of development properties significantly exceeds the carrying value determined by an independent registered valuer.

In determining fair values, the valuers make assumptions relating to section prices, sell down periods, consumer confidence, unemployment rates, interest rates and external economic factors.

Property, plant, and equipment and investment property

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. Where appropriate, external valuations are also undertaken. Estimation of the recoverable value of the hotel assets is done with reference to fair value less cost to sell, using income approach, which requires estimation of future cash flows of a third-party efficient operator, the time period over which they will occur, an appropriate discount rates, terminal capitalization rates and growth rates. The Directors consider that the assumptions made represent their best estimate, and that the discount rate and terminal capitalisation rate used are appropriate given the risks associated with the specific cash flows.

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.

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

22(a) Lease Liability

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

<i>Dollars In Thousands</i>	Group	
	2021	2020
Less than 6 months	237	218
More than 6 months but within 12 months	220	260
More than 1 year but within 2 years	135	354
More than 2 years but within 5 years	102	178
After 5 years	15,621	13,473
	16,315	14,483

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.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

22. Lease -continued

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

Right-of-use Assets <i>Dollars In Thousands</i>	Lease term	Restated carrying value @ 01/01/21	Depreciation on right-of-use asset for the year	Addition during the year	Disposal during the year	Movement in foreign exchange	Carrying value @ 31/12/21
Land sites at hotels	Renewal at 21 year cycles for perpetuity	14,158	(553)	2,242	-	-	15,847
Corporate office building and hotel carpark	Between 5 to 23 years	655	(291)	-	-	-	364
Motor vehicles	Between 12 to 45 months	194	(117)	34	-	-	111
Totals		15,007	(961)	2,276	-	-	16,322

22(c) Schedule of lease liabilities by class

<i>Dollars In Thousands</i>	Lease term	Carrying value @ 01/01/21	Interest expense for the year	Addition during the year	Disposal during the year	Lease payment for the year	Carrying value @ 31/12/21
Land sites at hotels	Renewal at 21 year cycles for perpetuity	12,558	1,056	2,242	-	(1,081)	14,775
Corporate office building and hotel carpark	Between 5 to 23 years	1,709	52	-	-	(349)	1,412
Motor vehicles	Between 12 to 45 months	216	25	34	-	(147)	128
Totals		14,483	1,133	2,276	-	(1,577)	16,315

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

22. Lease -continued

22(d) Exemptions and exclusions

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

<i>Dollars Thousands</i>	<i>In</i>	Expense recognised in the Profit & Loss	Lease commitments @ 31/12/21	Lease commitments within one year	Lease commitments between one and 5 years	Lease commitments more than 5 years
Short term leases <12 months		65	49	49	-	-
Low value leased assets		1	7	1	6	-
Variable lease payments under service and management contracts		234	15,103	602	2,022	12,479
Total		300	15,159	652	2,028	12,479

23. New standard and interpretations issued but not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted. However, with the exception of Classification of Liabilities as Current or Non-current (Amendments to NZ IAS 1) the Group has not early adopted any new or amended standards in preparing the consolidated financial statements; refer to Significant Accounting Policies, part (c).

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to NZ IAS 37)
- Interest Rate Benchmark Reform - Phase 2 (Amendments to NZ IFRS 9, IAS 39, NZ IFRS 7, NZ IFRS 4 and NZ IFRS 16)
- COVID-19-Related Rent Concessions (Amendments to NZ IAS 16)
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to NZ IAS 16)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to NZ IAS 16)
- Reference to Conceptual Framework (Amendments to NZ IFRS 3)
- Annual Improvements to IFRS Standards 2018-2020

24. Assets classified as held for sale

In August 2020, the Group signed a sale and purchase agreement for the vacant land at 776 Colombo Street, Christchurch. The sale of the land was unconditional at 31 December 2020 and was settled in May 2021. This land, which was recognised as held-for-sale at 31 December 2020, was restated to cost of \$2.13 million as a result of the Group's change in accounting policy (Note 25).

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of carrying amount and fair value less costs to sell. Gains and losses on re-measurement are recognised in the income statement as Other Income. Once classified as held for sale, property plant and equipment are no longer amortised or depreciated.

25. Change in accounting policy

The Group has changed its accounting policy in respect of the measurement of land and buildings. Since the conversion to NZ IFRS in 2005, the Group have been recording land and buildings at fair value while the immediate parent and the group worldwide have been carrying land and buildings at cost. The Directors consider the measurement of hotel land and buildings at cost provides a more reliable, relevant, and consistent measure of the underlying performance of the Group for the following reasons:

- The costs of running the hotels are more relevant to users than the fair value of the buildings as there is no intention to sell;
- The key assumptions in the fair value measurement are highly sensitive which makes this a volatile measurement. This is exacerbated by current market conditions, including the covid pandemic, and is already subject to significant judgment; and
- The cost method aligns with the treatment generally applied by similar entities in the market, and hence provides a more comparable information to users.

In July 2021, the Group made the decision to restate the land and buildings from fair value to cost in order to align with the group accounting policy. The restatement to cost for land and building took effect from 1 January 2005 and the comparatives are restated to reflect the changes.

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

25. Change in accounting policy - continued

The following tables summarise the impacts on the Group's consolidated financial statements.

25(a) Consolidated Statement of Financial Position as at 1 January 2020

DOLLARS IN THOUSANDS	Impact on change of account policy		
	As previously reported	Adjustments	As Restated
SHAREHOLDERS' EQUITY			
Reserves	332,013	(278,770)	53,243
Non-controlling interests	91,747	(4,291)	87,456
Others	383,240	-	383,240
Total equity	807,000	(283,061)	523,939
Property, plant and equipment	591,749	(338,510)	253,239
Others	416,452	-	416,452
Total assets	1,008,201	(338,510)	669,691
Provision for deferred taxation	84,968	(53,473)	31,495
Income tax payable	5,818	(1,976)	3,842
Others	110,415	-	110,415
Total liabilities	201,201	(55,449)	145,752

25(b) Consolidated Statement of Financial Position as at 31 December 2020

DOLLARS IN THOUSANDS	Impact on change of account policy		
	As previously reported	Adjustments	As Restated
SHAREHOLDERS' EQUITY			
Reserves	360,407	(268,977)	91,430
Non-controlling interests	99,352	(4,040)	95,312
Others	383,240	-	383,240
Total equity	842,999	(273,017)	569,982
Property, plant and equipment	566,090	(318,182)	247,908
Asset held for sale	7,708	(5,578)	2,130
Others	414,111	-	414,111
Total assets	987,909	(323,760)	664,149
Provision for deferred taxation	60,077	(50,743)	9,334
Others	84,833	-	84,833
Total liabilities	144,910	(50,743)	94,167

Millennium & Copthorne Hotels New Zealand Limited

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

25. Change in accounting policy - continued

25 (c) Consolidated Income Statement and Other Comprehensive Income for the year ended 31 December 2020

DOLLARS IN THOUSANDS	Impact on change of account policy		
	As previously reported	Adjustments	As Restated
Administrative expenses	(22,368)	1,780	(20,588)
Other operating expense	(20,280)	1,747	(18,533)
Income tax expense	5,394	(988)	4,406
Others	93,539	-	93,539
Profit for the year	56,285	2,539	58,824
Owners of the parent	45,963	2,520	48,483
Non-controlling interests	10,322	19	10,341
Basic earnings per share (cents)	29.05	1.59	30.64
Diluted earnings per share (cents)	29.05	1.59	30.64
Revaluation/impairment of property, plant and equipment	(11,223)	11,223	-
- Tax expense on revaluation/impairment of property, plant and equipment	3,718	(3,718)	-
Others	1,620	-	1,620
Other comprehensive income	(5,885)	7,505	1,620
Owners of the parent	40,310	9,793	50,103
Non-controlling interests	10,090	251	10,341
Total comprehensive income	50,400	10,044	60,444

26. CONTINGENT LIABILITIES

The Group's subsidiaries, CDL Investments New Zealand Limited and subsidiary, have been named as respondents in a High Court judicial review proceeding which has been brought by the Applicant, Winton Property Investments Limited, in relation to a recent decision relating to the Group's acquisition of land in Havelock North which was advised to the market on 21 July 2021 and which has settled. The Applicant is seeking, inter alia, an order setting aside the decision of the Overseas Investment Office in respect of the approval and/or a declaration that Ministers erred at law in making their decision to grant consent. The Group will vigorously defend its position and consider the likelihood of the applicant being successful as low. It is not possible to determine what the financial effect would be, if any, should the application be successful.



Independent Auditor's Report

To the shareholders of Millennium & Copthorne Hotels New Zealand Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of Millennium & Copthorne Hotels New Zealand Limited (the 'company') and its subsidiaries (the 'group') on pages 1 to 27:

- i. present fairly in all material respects the Group's financial position as at 31 December 2021 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



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 the group 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'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Our firm has also provided other services to the group in relation to taxation compliance and taxation advisory. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.



Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at \$4 million determined with reference to a benchmark of group's total assets. We chose the benchmark because, in our view, this is a key measure of the group's performance.

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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 statutory 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

Change in accounting policy – Measurement of Hotel Land and Buildings

Refer to note 25 of the consolidated financial statements.

The Group has changed its accounting policy to recognise hotel land and buildings assets at their original cost less depreciation and impairment as it is a reliable and more relevant measure of the underlying financial position and financial performance of the Group. This presentation also aligns to the accounting policy of the groups ultimate parent. These assets have previously been recognised at their fair value since the Group adopted NZ IFRS in 2004.

The change in accounting policy required restatement of the carrying values of hotel land and building assets, reversal of revaluation adjustments and related deferred taxation to present the assets as if they had always been recognised under the cost approach in accordance with NZ IAS 36. These adjustments required the creation of new fixed asset registers by management from 2004 through to 2020, and materially impacted the financial position and financial performance of the Group in each of these financial years. The net assets of the Group reduced from \$807 million to \$524 million as at 1 January 2020.

We focused on the restatement of the hotel land and building assets due to the magnitude of the impact of the restatement on the consolidated financial statements, the large number of material adjustments required and complexity of recreating accounting registers and records from 2004.

We performed the following procedures over the restatement of hotel land and buildings:

- Evaluated the overall approach and sources of information used for the creation of the fixed asset registers applying the cost approach.
- Reconciled the fixed asset registers to the closing cost and accumulated depreciation recorded in the audited statutory financial statements of the Group as at 31 December 2004.
- Reconciled the cost of additions recorded in the fixed asset registers from 1 January 2005 to 31 December 2020 to the audited statutory financial statements issued in each of these years.
- Recalculated accumulated depreciation recognised in the fixed asset registers based on the cost of each asset and its date put into use for the period from 31 December 2004 to 31 December 2020.
- Recalculated the carrying value of hotel land and buildings recognised in the fixed asset registers.
- Recalculated the carrying value of material asset disposals between 1 January 2005 and 31 December 2020 applying the cost approach and assessed whether the correct amount of cost and accumulated depreciation was removed from the fixed asset registers.
- Assessed the reasonableness of depreciation expense for the 2020 financial year.
- Reconciled the fixed asset registers to the property, plant equipment and restatement note disclosures in the consolidated financial statements and assessed whether restatement adjustments were appropriate.
- Reviewed the restatement disclosure in the consolidated financial statements and assessed whether it was in accordance with the requirements of NZ IAS 8.

Our testing concluded the restatement of the consolidated financial statements to recognise the hotel land and buildings at cost to be appropriate.

Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. Other information includes the Chairman's Review, Managing Director's Review, disclosures relating to corporate governance, the financial summary and the other information included in the Annual Report. 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have received the Chairman's review and have nothing to report in regards to it. The Annual Report is expected to be made available to us after the date of this 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 as a body. 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, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

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

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability 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 consolidated 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 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 these consolidated financial statements.

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

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-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 Aaron Woolsey

For and on behalf of

A handwritten signature in blue ink that reads 'KPMG.' with a period at the end.

KPMG
Auckland

18 February 2022

MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED

CORPORATE GOVERNANCE STATEMENT

Millennium & Copthorne Hotels New Zealand Limited (“MCK”) is committed to maintaining strong corporate governance in line with best practice at all times. Our corporate governance framework and objectives complies materially with the NZX Corporate Governance Code (the “NZX Code”) as well as the Financial Markets Authority Corporate Governance Principles and Guidelines (the FMA Principles):

PRINCIPLE 1 – ETHICAL BEHAVIOUR

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

All of MCK’s directors are bound by the Board’s Code of Ethics which states:

- Directors shall undertake their duties with due care and diligence at all times and will conduct themselves honestly and with integrity. Directors shall not do anything, or cause anything to be done, which may or does bring MCK or the Board into disrepute.
- All Directors must act in the best interests of the company and exercise unfettered and independent judgement. All Directors must carry out their duties with integrity and honesty and participate in open and constructive discussions.
- To the best of their ability, Directors will use reasonable endeavours to ensure that MCK’s records and documents (including its financial reports) are true and complete and comply with the requisite reporting standards and controls.
- So that the Board may determine a Director’s independence and to ensure that there are no conflicts of interest, all Directors shall promptly disclose all relevant business and / or personal interests they may have to the Board forthwith as well as any relationships they may have with MCK.
- All Directors shall ensure that they do not support any organisation other than in a personal capacity without the prior written approval of the Chairman.
- Directors shall not accept any gifts or personal benefits from external parties if it could be perceived that this could compromise or influence any decision by the Board or by MCK.
- All Directors shall maintain and protect the confidentiality of all information about MCK at all times except where disclosure is permitted or required by law.
- All Directors shall ensure that they do not use company information and / or property for personal gain or profit. All Directors shall use and / or retain

company information and property only for business purposes in their capacity as Directors of MCK or to meet legal obligations.

- All Directors shall comply with the laws and regulations that apply to MCK.
- All Directors shall immediately report any illegal or unethical behaviour of which they become aware to the Chairman of the Board and to the Chairman of the Audit Committee.

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

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

MCK revised its Share Trading Policy in 2022 which applies to Directors and Officers. It also has a global 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.

PRINCIPLE 2 – BOARD COMPOSITION AND PERFORMANCE

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

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. 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.

Appointments to the Board are considered by the Board and the Board takes into account the skills required to allow it to carry out its functions and governance role. The Board does not impose a restriction on the tenure of any Director as it considers that such a restriction may lead to the loss of experience and expertise from the Board.

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. Currently, MCK has determined that its Chair Colin Sim, Graham McKenzie and Leslie Preston are Independent Directors as none of them have a Disqualifying Relationship (as that term is defined in the NZX Main Board Listing Rules) or Substantial Product Holders. Messrs Chiu, Hangchi and Kwek are not considered by the Board to be Independent Directors.

Board meetings are generally held quarterly with additional meetings convened when required. The table below details directors’ attendances during 2021.

Director	Meetings attended in 2021
Colin Sim (Chair)	3/3
B K Chiu (Managing Director)	3/3
Richard Bobb*	2/2
Kevin Hangchi	3/3
Eik Sheng Kwek	3/3
Graham McKenzie	3/3
Leslie Preston**	2/2

*Mr. Bobb retired as a director at the conclusion of the annual meeting of shareholders in May 2021.

**Ms. Preston was appointed as a director on 1 March 2021.

In 2021, the Board updated its Skills Matrix to demonstrate the skills, experience and diversity of its Board.

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

The Board encourages all directors to undertake their own continuous education so that they can perform their duties as directors and provide maximum benefit to the Board and to shareholders.

In 2018, MCK also adopted its own Diversity and Inclusion Policy which is a separate stand-alone document.

PRINCIPLE 3 - BOARD COMMITTEES

The Board should use committees where this will enhance its effectiveness in key areas while still retaining board responsibility.

Committees help the Board in carrying out its responsibilities and MCK currently has one standing committee being its Audit Committee which is comprised solely of Independent Directors. The current members of the Audit Committee are Leslie Preston (Chair), Graham McKenzie and BK Chiu.

The table below reports attendance of the Audit Committee members during 2021:

Director	Meetings attended in 2021
Leslie Preston*	1/1
Richard Bobb**	1/1
Graham McKenzie	2/2
BK Chiu	2/2

*Ms. Preston was appointed on 1 March 2021 and took over as Audit Committee Chair in May 2021.

**Mr. Bobb retired as a director and as Chair of the Audit Committee at the conclusion of the annual meeting of shareholders in May 2021.

The Board also forms subcommittees as and when required.

In 2020, MCK formed a Nominations Committee (NC) comprising Messrs. McKenzie and Chiu. The NC did not meet in 2021.

MCK formed a Remuneration Committee (RC) in 2021 and terms of reference have been approved by the Board. The current members of the RC are Messrs. McKenzie and Kwek.

The objectives of the RC 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 RC met formally once during the year but also met via telephone conference several times during the year.

The Board has not established a protocol which sets out procedures to be followed in the event of a takeover offer being received by the Company. This is because the Board considers that receipt of a takeover offer to be a very unlikely event in light of CDL Hotels Holdings New Zealand Limited's long-term majority shareholding in the Company. MCK is also the owner of property assets including "sensitive land" (as defined under the Overseas Investment Act 2015) which, if the subject of an overseas takeover offer, would require regulatory and / or government approvals for their acquisition.

MCK's Board believes that the Company would have sufficient time to adopt protocols and procedures necessary to respond to any such offer when received and to communicate those to shareholders. MCK's Board therefore believes that it is reasonable and appropriate for the Company not to follow Recommendation 3.6 of the new Code at this time but agrees with the principles behind Recommendation 3.6.

PRINCIPLE 4 - REPORTING & DISCLOSURE

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

As an NZX-listed entity, MCK recognises the need to ensure that it is fully compliant in terms of reporting and disclosure 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 key points from the CDP are:

- No person may release material information concerning MCK to any person who is not authorised to receive it without the approval of the Disclosure Committee.
- The Board will consider at each Board meeting whether there is any information that may require disclosure in accordance with the CDP, and will note any disclosures made subsequent to the prior meeting. Any employee or director of MCK must inform a member of the Disclosure Committee as soon as practicable after that person becomes aware of any material information.
- The CDP includes a list of incidents which should be disclosed to a member of the Disclosure Committee. The Disclosure Committee must confer, decide whether disclosure is required, and coordinate disclosure of any material information in a form specified by the Listing Rules as soon as practicable after it becomes aware of the existence of material information, unless it determines:

- a. a reasonable person would not expect the information to be disclosed; and
- b. the information is confidential and its confidentiality is maintained; and
- c. one or more of the following applies:

- i. it would breach the law to disclose the information; or
- ii. the information concerns an incomplete proposal or negotiation; or
- iii. the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
- iv. the information is generated for internal management purposes of MCK or its subsidiaries; or
- v. the information is a trade secret.

The Disclosure Committee will ensure that all Board members, not already aware of the information, are promptly provided with it.

- The Disclosure Committee is responsible for MCK's obligations under the Listing Rules to release material information to NZX to the extent necessary to prevent development or subsistence of a market for its listed securities which is materially influenced by false or misleading information emanating from the issuer or any associated person of the issuer; or other persons in circumstances in each case which would give such information substantial credibility.
- All employees of MCK, as soon as practicable after becoming aware of a rumour or speculation that is "generally available to the market", must disclose the existence of that rumour or speculation to a member of the Disclosure Committee.
- The Disclosure Committee is also responsible for co-ordinating MCK's responses to leaks and inadvertent disclosures. Even in the event that leaked or inadvertently disclosed information is not price sensitive, the Disclosure Committee should consider whether the information should be released to NZX via its market announcement platform in order to provide investors with equal access.
- All external communications by MCK must comply with the CDP, any media policy and the Company's rules with respect to confidential information. No material information is to be disclosed to such persons before it is released to NZX.
- Slides and presentations used in briefings should be released to NZX for immediate release to the market.

Prior to approval and release of MCK's half year and full year results, the Vice President Finance and Company Secretary are required to provide a letter of representation to the Board (or its nominated subcommittee) that the financial statements have been prepared in accordance with generally accepted accounting practice and are correct in all material respects.

The Continuous Disclosure Policy was reviewed in 2019.

PRINCIPLE 5 - REMUNERATION

The remuneration of directors and executives should be transparent, fair and reasonable.

The total pool for Directors' Fees is capped at \$200,000 and was last approved by shareholders in 1996. The level of fees was last reviewed by the Board as a whole in 2019.

Non-executive directors are entitled to receive a base fee of NZ\$38,000 per annum. The Board Chair is entitled to receive an annual fee of NZ \$42,000 per annum. The Chair of the Audit Committee receives a further NZ\$9,000 per annum and member(s) of the Audit Committee receive NZ\$7,000 per annum. Executive Directors do not receive Directors' or Committee fees.

Employee (including the Managing Director and senior management) remuneration is made up of two primary components being a fixed component and a short term incentive. Remuneration 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 company performance. 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.

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).

PRINCIPLE 6 - RISK MANAGEMENT

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.

While risks are a part of doing business, it does 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.

MCK's Board has identified three main risks areas being Reputational, Operational and Financial Risks. Reputational Risks may arise through errors or omissions by staff or Management, failed procedures, an incident that affects guests or staff or external events. Operational Risks may arise from change in the competitive or regulatory environment, customer demand changes or even failing to keep properties competitive. Financial risks may arise where earnings or cashflow change or are affected in some way due to market conditions or events within or outside MCK's control.

MCK's Board has also identified the risk of climate change on its business. With the passing of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021, MCK will need to undertake annual reporting of climate related disclosures such as the climate statements required under the statutory framework. MCK has begun the process of assessing how it will report against the new framework and will publish future updates on any changes to its risk management framework which are associated with climate change.

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 with reputable global insurers.

PRINCIPLE 7 – AUDITORS

The Board should ensure the quality and independence of the external audit process.

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.
- 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 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 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 monitor 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 2018.

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.

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 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 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).

REGULATORY DISCLOSURES

20 LARGEST ORDINARY SHAREHOLDERS (as at 1 March 2022) (Listing Rule 3.7.1 c)

Rank	Shareholder	No. of Securities	%
1.	CDL HOTELS HOLDINGS NEW ZEALAND LIMITED	74,743,077	70.79
2.	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD	6,178,632	5.85
3.	ACCIDENT COMPENSATION CORPORATION - NZCSD	4,112,159	3.89
4.	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD	2,995,643	2.84
5.	NATIONAL NOMINEES LIMITED - NZCSD	1,956,703	1.85
6.	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	1,314,327	1.24
7.	HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET -NZCSD	1,296,193	1.23
8.	LENG BENG KWEK	906,000	0.86
9.	JPMORGAN CHASE BANK NA NZ BRANCH-SEGREGATED CLIENTS A/C - NZCSD	821,578	0.78
10.	AMALGAMATED DAIRIES LIMITED	684,980	0.65
11.	NEW ZEALAND DEPOSITORY NOMINEE LIMITED	639,155	0.61
12.	KAY HONG CHIAM	475,251	0.45
13.	MFL MUTUAL FUND LIMITED - NZCSD	463,297	0.44
14.	CUSTODIAL SERVICES LIMITED	361,350	0.34
15.	CUSTODIAL SERVICES LIMITED	346,004	0.33
16.	JALAE INVESTMENTS LIMITED	278,977	0.26
17.	ASB NOMINEES LIMITED	182,500	0.17
18.	GEOK LOO GOH	168,002	0.16
19.	WEI-YONG QIAN	165,000	0.16
20.	SITA SINGH	151,000	0.14

NZCSD is the New Zealand Central Securities Depository and provides a custodial depository 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 1 March 2022) (Listing Rule 3.7.1 c))

Rank	Shareholder	No. of Securities	%
1.	CDL HOTELS HOLDINGS NEW ZEALAND LIMITED	45,224,095	85.75
2.	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD	2,945,671	5.59
3.	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	1,681,950	3.19
4.	ACCIDENT COMPENSATION CORPORATION - NZCSD	935,848	1.77
5.	LENG BENG KWEK	453,000	0.86
6.	NATIONAL NOMINEES LIMITED - NZCSD	242,071	0.46
7.	KAY HONG CHIAM	211,324	0.40
8.	CUSTODIAL SERVICES LIMITED	133,055	0.25
9.	ASB NOMINEES LIMITED	130,451	0.25
10.	ALAN DAVID WHITE	110,130	0.21
11.	GRAEME STUART LORD & LISA ANNE LORD	77,225	0.15
12.	JENNIFER GAYE SIMPSON	43,000	0.08
13.	THEODORE JOHN VAN GELDERMALSEN & MARGARET GAY FREEMANTLE (GOLDEN DOWNS S/F A/C)	38,000	0.07
14.	AOTEAROA RENTAL ENTERPRISES LIMITED	34,965	0.07
15.	HOWARD CEDRIC ZINGEL	31,592	0.06
16.	ARIE DEKKER & LEANNE KATHERINE WALKER	30,400	0.06
17.	ROGER EDWARD HAYWARD & SUSAN ELIZABETH HAYWARD (TENANTS IN COMMON)	28,909	0.05
18.	AIKEN & ASSOCIATES LIMITED	23,593	0.04
19.	SEA AND PEAK EQUITIES LIMITED	23,400	0.04
20.	HAMISH ARTHUR JAMIESON	22,500	0.04

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

HOLDINGS SIZE – ORDINARY SHARES (as at 1 March 2022)

Range	Total Holders	Number of shares	Percentage of Issued Capital
1 - 499	506	162,949	0.15
500 - 999	324	227,403	0.22
1,000 - 1,999	241	338,914	0.32
2,000 - 4,999	267	831,222	0.79
5,000 - 9,999	150	1,022,509	0.97
10,000 - 49,999	140	2,675,710	2.53
50,000 - 99,999	16	1,171,379	1.11
100,000 - 499,999	16	3,499,757	3.31
500,000 - 999,999	4	3,051,713	2.89
1,000,000 Over	7	92,596,734	87.70
Rounding			0.01
Total	1,671	105,578,290	100.00

HOLDINGS SIZE – REDEEMABLE PREFERENCE SHARES (as at 1 March 2022)

Range	Total Holders	Number of shares	Percentage of Issued Capital
1 - 499	73	16,628	0.03
500 - 999	25	17,199	0.03
1,000 - 1,999	25	34,596	0.07
2,000 - 4,999	19	64,387	0.12
5,000 - 9,999	11	68,562	0.13
10,000 - 49,999	18	393,351	0.75
50,000 - 99,999	1	77,225	0.15
100,000 - 499,999	6	1,280,031	2.43
500,000 - 999,999	1	935,848	1.77
1,000,000 Over	3	49,851,716	94.52
Rounding			0.00
Total	182	52,739,543	100.00

DOMICILE OF ORDINARY SHAREHOLDERS (as at 1 March 2022)

	Number	Number of shares	Percentage of Issued Capital
New Zealand		100,395,216	95.09
Overseas holders		5,183,074	4.91
Total		105,578,290	100.00

DOMICILE OF REDEEMABLE PREFERENCE SHAREHOLDERS (as at 1 March 2022)

	Number	Number of shares	Percentage of Issued Capital
New Zealand			
Overseas holders			
Total		52,739,543	100.00

WAIVERS FROM NZX LIMITED

No waivers were sought from NZX in 2021.

SUBSTANTIAL PRODUCT HOLDERS

According to notices given to the Company under the Financial Markets Conduct Act 2013, as at 1 March 2022, the substantial product holders in the Company are noted below:

	Securities	Class	%
CDL Hotels Holdings New Zealand Limited	74,139,077	Ordinary Shares	70.79%
Standard Life Aberdeen plc	8,500,941	Ordinary Shares	8.06%
Aberdeen Standard Investments (Asia) Limited	8,500,941	Ordinary Shares	8.06%

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 2022, 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 2021, the Company's Directors were Messrs. C Sim, BK Chiu, K Hangchi, ES Kwek, GA McKenzie and Ms. LS Preston. Messrs. Chiu, Hangchi and Kwek were appointed by Millennium & Copthorne Hotels Limited. Ms. Preston was appointed with effect from 1 March 2021.

The gender breakdown of the Board at balance date was 5 male directors and 1 female director (2020: 6 male directors and 0 female directors). MCK currently has 2 female and 6 male officers (2020: 3 female and 6 male 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 2021, 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 2021.

DIRECTORS' AND ASSOCIATED PERSONS SHAREHOLDINGS (as at 31 December 2021)

Director	2020	2021
C Sim	Nil	Nil
B K Chiu	Nil	Nil
R Bobb	Nil	Nil
K Hangchi	Nil	Nil
ES Kwek	Nil	Nil
GA McKenzie	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 2021 was:

Director	Remuneration
C Sim	42,000
B K Chiu (*)	440,342
R Bobb	18,826
Leslie Preston	36,167
K Hangchi	38,000
ES Kwek (*)	Nil
GA McKenzie	60,000

(*) Mr. Kwek is the Executive Director of Millennium & Copthorne Hotels Limited. Mr. B K Chiu is the Managing Director of MCK. Neither Mr. Kwek nor Mr. Chiu received remuneration as a director of the Company or 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 2021, the Directors of the Company have made general disclosures of interest in the following companies:

C SIM*Chairman / Director of:*

CDL Investments New Zealand Limited

Director of:

Autocaps Vogue Pty Limited
 Builders Recycling Operations Pty Ltd
 Desert Rose Holdings Pty Limited
 East Quarter Hurstville Pty Limited
 EQ Finance Services Pty Limited
 EQ Projects Holdings Pty Ltd
 EQ Riverside Pty Ltd
 Hurstville NSW Pty Limited
 New Dale Sim Pty Ltd
 Phoenix Palm Developments Pty Limited
 SSK Investments No 2 Pty Ltd
 Waterbrook Bayview Pty Ltd
 Waterbrook Bayview Village Management Pty Ltd
 Waterbrook Bowral Village Management Pty Ltd

Autocaps (Aust) Pty Ltd
 Bathurst Range Investments Pty Limited
 CS Investments No. 1 Pty Ltd
 DMM Investments (NSW) Pty Ltd
 EQ Constructions Pty Ltd
 EQ Gosford Pty Ltd
 EQ Property Holdings Pty Ltd
 EQ Zetland Pty Ltd
 Llenruk Pty Ltd
 PBD Phoenix Pty Limited
 Preslite Drive Technologies Pty Limited
 SSK Investments O/S Pty Ltd
 Waterbrook Bayview Investment Pty Ltd
 Waterbrook Bowral Pty Ltd
 Waterbrook Brand Pty Ltd

Autocaps Pastoral Division Pty Limited
 Builders Recycling Properties Pty Ltd
 Desert Rose Group Pty Limited
 East Quarter Group Pty Ltd
 EQ Equity Pty Ltd
 EQ Projects Pty Ltd
 EQ Revesby Pty Ltd
 EQ Zetland Finance Pty Ltd
 Naxta Pty Ltd
 PCC Devco 1 Pty Limited
 SSK Investments Pty Ltd
 TECH5 Australia Pty Ltd

Waterbrook Bowral Investment Pty Ltd
 West Quarter Hurstville Pty Limited

BK CHIU*Chairman / Director of:**Director of:*

CDL Investments New Zealand Ltd
 Hospitality Group Ltd
 Kingsgate Hotels & Resorts Ltd
 QINZ (Anzac Avenue) Ltd

Quantum Ltd

All Seasons Hotels & Resorts Ltd
 CDL Land New Zealand Ltd
 Hospitality Leases Ltd
 Millennium & Copthorne NZ Ltd

Waitangi Resort Joint Venture Committee

CATG Limited
 Context Securities Ltd
 Hospitality Services Ltd
 QINZ Holdings (New Zealand) Ltd

K HANGCHI*Director of:*

Hong Leong Finance Limited
 Millennium Securities Nominees Pte Ltd
 Sun Yuan Holdings Pte Ltd

CDL Hotels Holdings New Zealand Limited
 Hong Leong Finance Nominees Pte Ltd
 Millennium Securities Pte Ltd
 Sun Yuan Overseas Pte Ltd

KIN Holdings Limited
 Hong Leong Nominees (Private) Limited
 Singapore Nominees Private Ltd

ES KWEK*Chairman / Director / President of:* Grand Plaza Hotel Corporation*Director and Chairman of the Board:*
Millennium Hotels Italy Holdings S.r.l

Millennium Hotels Palace Management S.r.l

Millennium Hotels Property S.r.l

President and Director of: Five Star Assurance Inc*Director / President of:* The Philippine Fund Limited*Managing Director of:* ATOS Holding GmbH

Tara Hotels Deutschland GmbH

Director of:

125 OBS (Nominees 1) Limited
 Actas Holdings Pte. Ltd
 Adelphia Holdings Limited
 Alphagate Holdings Limited
 Archyfield Limited
 Aster Land Development Pte Ltd
 Beaumont Properties Limited
 Bestro Holdings Limited
 Bop Luxembourg (125 Obs) 2 SARL
 Camborne Developments Pte. Ltd
 CDL Aquila Pte. Ltd
 CDL Crestview Holdings Pte. Ltd
 CDL Evergreen Pte. Ltd
 CDL Hotels (Labuan) Ltd
 CDL Hotels Japan Pte. Ltd
 CDL Land Pte. Ltd
 CDL Management Services Pte. Ltd
 CDL Pegasus Pte. Ltd
 CDL Pisces Serviced Residences Pte. Ltd
 CDL Real Estate Asset Managers Pte Ltd
 CDL Suzhou Investment Pte. Ltd
 Centro Property Holding Pte Ltd
 Cideco Pte Ltd
 City Condominiums Pte. Ltd
 City Developments Investments Pte. Ltd
 City Gemini Pte. Ltd
 City Lux Pte. Ltd
 City REIT Management Pte. Ltd
 City Services Offices Pte. Ltd
 Citydev Investments Pte. Ltd
 Citydev Venture Holdings Pte. Ltd
 Copthorne Hotel (Birmingham) Limited
 Copthorne Hotel (Gatwick) Limited
 Copthorne Hotel (Merry Hill) Construction Limited
 Copthorne Hotel (Plymouth) Limited
 Copthorne Hotels Limited
 Darien Properties Investment Limited
 Delfi Two Investments Pte Ltd
 Easy Thrive Ventures Limited
 Educado Company Limited
 Elite Hotel Management Services Pte Ltd
 Faber-Rhine Properties Pte Ltd
 Ferguson Investment Corp
 Freshview Developments Pte Ltd
 Grand Strategic Pte. Ltd
 Granmill Holdings Pte Ltd
 Harbour Land Corporation
 Heritage Pro International Limited
 Highline Properties GP Limited

125 OBS (Nominees 2) Limited
 Adelais Properties Limited
 Allinvest Holding Pte. Ltd
 Androgate Properties Limited
 Asbury Holdings Pte. Ltd
 Aston Properties Pte. Ltd
 Beijing Fortune Hotel Co. Ltd
 Bloomshine Holdings Limited
 Branbury Investments Ltd
 Canvey Developments Pte. Ltd
 CDL Australia Pte. Ltd
 CDL Crown REIT Management Pte. Ltd
 CDL Hotels (Chelsea) Ltd
 CDL Hotels (Malaysia) Ltd
 CDL Infinity Pte. Ltd
 CDL Libra Commercial Pte. Limited
 CDL Netherlands Investments BV
 CDL Perseus Pte. Ltd
 CDL Pro Star Development Pty Ltd
 CDL Real Estate Investment Managers Pte Ltd
 Central Mall Pte. Ltd
 Chania Holdings Limited
 City Boost Pte. Ltd
 City Connected Communities Pte. Ltd
 City Developments Realty Ltd
 City Hotels Pte. Ltd
 City Montage Pte. Ltd
 City Sceptre Holdings Pte. Ltd
 City Strategic Equity Pte. Ltd
 Citydev Properties Pte. Ltd
 Cityzens Developments Pte Ltd
 Copthorne Hotel (Cardiff) Limited
 Copthorne Hotel (Manchester) Limited
 Copthorne Hotel (Merry Hill) Limited
 Copthorne Hotel (Slough) Limited
 Copthorne Orchid Hotel Singapore Pte Ltd
 Delfi One Investments Pte Ltd
 Diplomat Hotel Holding Company Limited
 Eccott Pte Ltd
 Elishan Investments Pte Ltd
 Ellinois Management Services Pte Ltd
 Fairsteps Properties Pte. Ltd
 Finite Properties Investment Limited
 Glades Properties Pte. Ltd
 Grand-Terre Properties Pte Ltd
 Greystand Holdings Limited
 Harbour View Hotel Pte Ltd
 Highline Holdings Limited
 Hong Bee Hardware Company Sdn. Berhad

125 OBS GP Limited
 Adelanto Investments Pte. Limited
 Allsgate Properties Limited
 Aquarius Properties Pte. Ltd
 Ascent View Holdings Pte. Ltd
 Baynes Investments Pte Ltd
 Bellevue Properties Pte. Ltd
 Bloomsville Investments Pte Ltd
 Barvogue Holdings SARL
 CDL Acquisitions Pte. Ltd
 CDL Constellation Pte. Ltd
 CDL Entertainment & Leisure Pte. Ltd
 CDL Hotels (Korea) Ltd
 CDL Hotels (U.K.) Limited
 CDL Investments New Zealand Limited
 CDL Libra Pte. Limited
 CDL Orion Investment Holdings Pte. Ltd
 CDL Pisces Commercial Pte. Ltd
 CDL Properties BV
 CDL Regulus Pte. Ltd
 Centro Investment Holding Pte Ltd
 Chestnut Avenue Developments Pte Ltd
 City Century Pte. Ltd
 City Delta Pte. Ltd
 City Elite Pte. Ltd
 City Ikonik Pte. Ltd
 City Platinum Holdings Pte. Ltd
 City Sceptre Investments Pte. Ltd
 City Sunshine Holdings Pte. Ltd
 Citydev Real Estate (Singapore) Pte. Ltd
 Copthorne Aberdeen Limited
 Copthorne Hotel (Eppingham Park) Limited
 Copthorne Hotel (Newcastle) Limited
 Copthorne Hotel Holdings Limited
 Crescent View Developments Pte Ltd
 Delfi Three Investments Pte Ltd
 Eastwest Portfolio Pte Ltd
 Edeva Holdings Limited
 Elite Holdings Private Limited
 Euroform (S) Pte Ltd
 Ferguson Hotel Holdings Limited
 First Platinum Holdings Pte. Ltd
 Grand Isle Holdings Pte Ltd
 Grange 100 Pte Ltd
 Guan Realty (Private) Limited
 Harrow Entertainment Pte Ltd
 Highline Investments GP Limited
 Hong Leong Enterprises Pte Ltd

Hong Leong Foundation
 Hong Leong International Hotel (Singapore) Pte Ltd
 Hospitality Ventures Pte Ltd
 Iconique Tokutei Mokuteki Kaisha
 Island Glades Developments Pte Ltd
 King's Tanglin Shopping Pte Ltd
 Landco Properties Limited
 Legend Commercial Trustee Pte. Ltd
 Lightspark Holdings Limited
 London Tara Hotel Limited
 M&C (CD) Limited
 M&C NZ Limited
 M&C Asia Holdings (UK) Limited
 M&C Hotel Investments Pte Limited
 M&C Hotels Holdings USA Limited
 M&C Singapore Finance (UK) Limited
 Melvale Holdings Limited
 Millennium & Copthorne (Australian Holdings) Limited
 Millennium & Copthorne Hotels Management (Shanghai) Limited
 Millennium & Copthorne Share Trustees Limited
 Millennium Hotels (West London) Limited
 Millennium Hotels Europe Holdings Limited
 New Empire Investments Pte Ltd
 New Vista Realty Pte Ltd
 Palmerston Holdings Sdn. Bhd.
 Pinenorth Properties Limited
 Queensway Hotel Limited
 Redvale Properties Pte Ltd
 Reselton Properties Limited
 Rogo Investments Pte Ltd
 Scottsdale Properties Pte Ltd
 Siena Residential Development Pte Ltd
 Singapura Developments (Private) Limited
 South Beach International Hotel Management Pte Ltd
 Summit Vistas Pte Ltd
 Sunshine Plaza Pte Ltd
 Tempus Platinum Investments Tokutei Mokuteki Kaisha
 Trentwell Management Pte Ltd
 Tucana Properties Pte Ltd
 Ventagrand Holdings Limited
 Vinemont Investments Pte Ltd
 Whitehall Holdings Limited

Hong Leong Hotel Development Limited
 Hong Leong Properties Pte Limited
 Hotel Liverpool Limited
 Impac Holdings Pte Ltd
 Jayland Properties Limited
 Kwek Holdings Pte Ltd
 Le Grove Management Pte Ltd
 Legend Investment Holdings Pte. Ltd
 Lingo Enterprises Limited
 Lukestone Properties Limited
 M&C Finance (1) Limited
 M&C Reservations Services Limited
 M&C Capital Pte. Limited
 M&C Hotels Holdings Japan Pte Limited
 M&C Hotels Japan Pte Limited
 M&C Singapore Holdings (UK) Limited
 Merivale JV Pty Limited
 Millennium & Copthorne (Jersey Holdings) Limited
 Millennium Hotel Holdings EMEA Limited
 Millennium Hotels (West London) Management Limited
 Millennium Hotels Limited
 New Synergy Investments Pte Ltd
 Newbury Investments Pte Ltd
 Paradise Investments Limited
 Qaiser Holdings Limited
 Redvale Developments Pte Ltd
 Republic Iconic Hotel Pte Ltd
 Richmond Hotel Pte Ltd
 Rogo Realty Corporation
 Serangoon Green Pte Ltd
 Siena Trustee Pte Ltd
 South Beach Consortium Pte Ltd
 Southwaters Investment Pte Ltd
 Sunmaster Holdings Pte Ltd
 TC Development Pte Ltd
 TOSCAP Limited
 Trentworth Properties Limited
 Tucana Residential Pte Ltd
 Verspring Properties Pte Ltd
 Welland Investments Limited
 Zatrio Pte Ltd

Hospitality Holdings Pte Ltd
 Hotel Liverpool Management Limited
 Iselin Limited
 Keygate Holdings Limited
 Kwek Hong Png Investment Pte Ltd
 Legend Commercial Pte. Limited
 Legend Quay Pte. Ltd
 London Britannia Hotel Limited
 M&C (CB) Limited
 M&C Management Holdings Limited
 M&C Asia Finance (UK) Limited
 M&C Holdings (Thailand) Limited
 M&C Hotels Holdings Limited
 M&C New York Finance (UK) Limited
 M&C Sponsorship Limited
 Millennium & Copthorne Hotels Limited
 Millennium & Copthorne International Limited
 Millennium Hotels & Resorts Services Limited
 Millennium Hotels London Limited
 New Unity Holdings Ltd.
 Novel Developments Pte Ltd
 Pavo Properties Pte Ltd
 Queensway Hotel Holdings Limited
 Redvale Investments Pte Ltd
 Republic Plaza City Club (Singapore) Pte Ltd
 Richview Holdings Pte Ltd
 Scentview Holding Limited
 Siena Commercial Development Pte Ltd
 Silkparc Holdings Limited

Sparkland Holdings Pte Ltd
 Sunny Vista Developments Pte Ltd

Treasure Realm Limited
 Tucana Commercial Pte Ltd
 U-Paragon Holdings Limited
 Verwood Holdings Pte Ltd
 White Haven Properties Pte Ltd

Representative Director of: CDL Hotels (Korea) Ltd

Alternate Director of: Mount V Development Pte Ltd

General Manager of: M&C Hotels France SAS

Manager of: M&C Hotels France Management SARL

G A MCKENZIE

Director of:
 Luxottica Retail New Zealand Ltd
 Valar NZ Ltd

CMO Energy NZ
 McHarry Holdings Ltd

GMACK Consulting Ltd
 Saw 2015 Ltd

Independent Trustee of: Development West Coast

L S PRESTON

Director of:
 Ingenio Limited

3M6 Property Limited
 Ingenio Services Limited

Ingenio Group Holdings 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 2021 are as follows:

Remuneration and value of other benefits	Number of employees
100001 - 110000	10
110001 - 120000	4
120001 - 130000	4
130001 - 140000	3
140001 - 150000	2
150001 - 160000	1
160001 - 170000	3
170001 - 180000	4
200001 - 210000	1
220001 - 230000	1
230001 - 240000	1
270001 - 280000	1
400001 - 410000	1
440001 - 450000	1

DONATIONS (section 211(1)(h) and (2))

The Company and its subsidiaries made donations to charity totaling \$114 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:

Annual Audit	2020 (\$'000)		2021 (\$'000)	
	New Zealand	Australia	New Zealand	Australia
	291	28	341	26
KPMG Other Services	34	Nil	34	Nil

SUBSIDIARY COMPANIES AND DIRECTORS (section 211(2) of the Companies Act 1993)

The Company's subsidiaries and their directors as at 31 December 2021 are listed below:

NAME	DIRECTORS	OWNERSHIP	ACTIVITY
All Seasons Hotels and Resorts Ltd	BK Chiu, JB Pua	100%	Non-trading
CDL Investments New Zealand Ltd (▼)	C Sim, BK Chiu, J Henderson, DJ Jameson, ES Kwek, VWE Yeo	66.29%	Holding Company
CDL Land New Zealand Ltd	JC Adams, BK Chiu, JB Pua	66.29%	Property Investment & Development Company
Context Securities Ltd	BK Chiu, JB Pua	100%	Investment Holding Company
Hospitality Group Ltd	BK Chiu, N Hood, K Orr	100%	Holding Company
Hospitality Leases Ltd	BK Chiu	100%	Lessee Company
Hospitality Services Ltd	BK Chiu, K Orr, JB Pua	100%	Hotel Management Company
Hotelcorp New Zealand Ltd	JB Pua, JSS Tan	100%	Holding Company (Australia)
KIN Holdings Ltd	JB Pua, K Hangchi	100%	Holding company
Kingsgate Holdings Pty Ltd	JB Pua, JSS Tan	100%	Holding Company
Kingsgate Hotels And Resorts Ltd	BK Chiu, JB Pua	100%	Franchise Holder
Kingsgate Hotels Ltd	JB Pua	100%	Non-trading
Kingsgate Hotel Pty Ltd	JB Pua, JSS Tan	100%	Non-trading (Australia)
Kingsgate Investments Pty Ltd	JB Pua, JSS Tan	100%	Residential Apartment Owner (Australia)
Kingsgate International Corporation Ltd	JB Pua,	100%	Holding Company
Millennium & Copthorne NZ Ltd	BK Chiu, JB Pua	100%	Non-trading
Millennium & Copthorne Hotels Pty Ltd	JB Pua, JSS Tan	100%	Non-trading (Australia)
QINZ (Anzac Avenue) Ltd	BK Chiu, JB Pua	100%	Hotel Owner
QINZ Holdings (New Zealand) Ltd	BK Chiu, JB Pua	100%	Holding Company
Quantum Ltd	BK Chiu, K Orr, JB Pua,	100%	Holding company

(▼) Listed on the New Zealand Stock Exchange

--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 2021: C Sim (\$35,000), VWE Yeo (\$30,000), RJ Austin (\$14,583), J Henderson (\$30,000), DJ Jameson (\$20,000).

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Colin Sim	(Independent Director / Chairman)
B K Chiu	(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

Brendan Davies	(Director, International and Corporate Sales)
Craig Fletcher	(Director, Property Management)
Takeshi Ito	(Vice President Legal & Company Secretary)
Ken Orr	(Vice President Operations)
Boon Pua	(Vice President Finance)
Alison Smith	(National Director of Sales, Conferences and Incentives)
Josie Wilson	(Director, Revenue and Distribution)

REGISTERED OFFICE & CONTACT DETAILS

Level 13, 280 Queen Street, Auckland, New Zealand
PO Box 5640, Victoria Street West, Auckland 1142

Telephone:	(09) 353 5010
Facsimile:	(09) 309 3244
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



HEAD OFFICE

Head Office Tel: (09) 353 5010

Level 13, 280 Queen Street

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