

24 February 2025

Target Company Statement in response to CDLHH NZ takeover offer

Independent Director's Recommendation: Do not accept the CDLHH NZ offer

The Independent Directors of Millennium & Copthorne Hotels New Zealand Limited (MCK, the Company, NZX: MCK) strongly recommend that shareholders **DO NOT ACCEPT** the takeover offer (the Offer) made on 10 February 2025 by CDL Hotels Holdings New Zealand Limited (CDLHH NZ).

The Independent Directors believe the Offer price is too low and inadequate. In particular, the Offer price of \$2.25 per ordinary share is significantly below the Independent Adviser's valuation range of \$4.40 to \$5.00 per ordinary share, with a midpoint of \$4.70.

The reasons for the Independent Directors' recommendation to **not accept** the Offer are set out in full in the Target Company Statement which accompanies this announcement and is being sent to holders of ordinary shares today. The Target Company Statement also incorporates the Independent Adviser's Report prepared by Northington Partners Limited (Independent Adviser).

Chair of the Independent Directors Committee, Leslie Preston, said: "Our core focus is to deliver value to all MCK shareholders, and we want all of our shareholders to benefit from the future value we believe is available through MCK. We believe that if the major shareholder wishes to acquire all of MCK, it should pay an appropriate price.

"The Independent Directors are firmly of the view that CDLHH NZ's current Offer is too low and is inadequate - the current Offer price of \$2.25 per share is significantly below the bottom of the Independent Adviser's range of \$4.40 per share and it does not adequately reflect the market value of MCK's hotel and property assets or the recent investments made into refurbishments, upgrades and acquisitions. Additionally, the Offer undervalues the benefits which can be expected as the tourism and property markets recover.

"We recommend shareholders **do not accept** the current offer. To do this, shareholders should simply disregard the Offer documents sent by CDLHH NZ and take no action."

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

Shareholders should read the Target Company Statement (including the Independent Adviser's Report) carefully and in full before deciding what action to take in response to CDLHH NZ's offer. The Offer must remain open until at least 5.00pm NZT on 8 May 2025. There is no benefit to shareholders in accepting the Offer early. Shareholders are encouraged to seek professional investment and/or legal advice if they have any questions in respect of the offer.

ENDS

Issued by Millennium & Copthorne Hotels New Zealand Limited

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About Millennium & Copthorne Hotels New Zealand Limited

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

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