



**CITY
DEVELOPMENTS
LIMITED**

城市发展有限公司
A MEMBER OF THE HONG LEONG GROUP

Conserving the Environment.
Caring for the Community.

[3 February] 2025

Dear MCK Shareholder,

We are pleased to confirm CDL Hotels Holdings New Zealand Limited ("**CDLHH NZ**"), a subsidiary of Singapore Stock Exchange listed City Developments Limited ("**CDL**"), is making an offer to acquire all the ordinary shares in Millennium & Copthorne Hotels New Zealand Limited ("**MCK**") that it does not already hold, being 24.14% of the ordinary shares, at an offer price of \$2.25 per ordinary share (the "**Offer**").

On 29 October 2024, CDLHH NZ increased its shareholding in the ordinary shares of MCK to 75.86% via the acquisition of a 5% stake from a nominee on behalf of abrdn plc ("**abrdn**") at a price of \$1.73 per ordinary share. The transaction resulted in CDLHH NZ increasing its shareholding of the ordinary shares by the maximum permitted in a 12-month period under the Takeovers Code "Creep Provisions".

CDL believes that the Offer is fair and in the best interests of MCK shareholders to accept, noting the Offer:

- represents a:
 - o 25.0% premium to the last close of \$1.80 on 17 January 2025;
 - o 28.4% premium to the 1-month volume weighted average ordinary share price of \$1.75¹;
 - o 29.7% premium to the 3-month volume weighted average ordinary share price of \$1.74¹; and
 - o price in line with the two-year high price of \$2.25 on 8 February 2023;
- delivers certainty of value to shareholders in an uncertain global operating and economic environment;
- is unlikely to be matched by any competing bidders, in our view reflecting both CDLHH NZ's existing control of MCK and the premium price being offered; and
- provides liquidity for shareholders to realise their investment in ordinary shares at a premium over the prevailing trading price without incurring brokerage, which may not otherwise be possible given the low trading liquidity of the shares.

We have been a supportive shareholder of MCK for the duration of its period as a listed entity, maintaining our majority shareholding since listing in 1999. We continue to be supportive of MCK's strategy and acknowledge that there is a hotel refurbishment programme ongoing, requiring a greater level of investment in MCK's assets which have aged.

We can confirm that there are no intended changes to MCK's management team, and that MCK's headquarters will remain based in Auckland, New Zealand. It is intended to maintain business as usual for all staff, customers and suppliers.

¹ Reference date of 17 January 2025

Certain shareholders also hold MCK's redeemable preference shares, listed on the NZX Main Board under the ticker 'MCKPA' (the "**Preference Shares**"). The Preference Shares are not covered under the Takeovers Code and are accordingly not included in the Offer. To provide those investors with Preference Shares the ability to sell, CDLHH NZ is willing to acquire the Preference Shares at \$1.70 per share via its broker, Craigs Investment Partners, through buying on the NZX Main Board. CDLHH NZ may also elect to seek to have the Preference Shares issued by MCK redeemed, if CDLHH NZ is successful in acquiring all of the outstanding ordinary shares pursuant to the Offer.

MCK holds a controlling 65% interest in CDL Investments New Zealand Limited, which is listed on the NZX Main Board under the ticker CDI ("**CDI**"). We confirm that CDI is not the subject of this offer. CDLHH NZ's current intention is to maintain MCK's shareholding in CDI and has no current intention to make an offer for the shares of CDI.

The Offer is subject to a number of conditions, including that sufficient acceptances under the Offer are obtained so that CDLHH NZ holds or controls 90% or more of the ordinary shares in MCK and that Overseas Investment Office consent is obtained for CDLHH NZ to acquire 100% of the ordinary shares of MCK. CDLHH NZ may waive any or all of those conditions, including but not limited to the 90% minimum acceptance condition under the Offer, in whole or in part, and on any terms in its discretion.

We hope that you choose to accept the Offer and we encourage you to read the Offer documentation carefully before you do so. Unless it is extended in accordance with the Takeovers Code, the Offer will close at 5.00pm on [2 May] 2025. We encourage you to accept the Offer as soon as possible.

For and on behalf of
City Developments Limited

Sherman Kwok Eik Tse
Group Chief Executive Officer