



PROPERTY DEVELOPMENT AND ONE-OFF GAIN PUSHES MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND TO 2021 PROFIT

With hotel operations still affected by the pandemic, Millennium & Copthorne Hotels New Zealand Limited's (**NZX: MCK**) results for the year ended 31 December 2021 were again bolstered by its property development activities, notably from its majority-owned subsidiary CDL Investments New Zealand Limited.

"There were no magic bullets for the tourism and accommodation industries in 2021", said MCK's Managing Director Mr., BK Chiu. "Our overall profit results came from our property development activities and a significant one-off gain from the sale of land and not our hotel trading operations", he said.

"Fortunately for us, the New Zealand property markets remain solid with strong demand across the country" said MCK Chairman Colin Sim. "This gives us some cause for optimism but the road to recovery is long and with the pandemic still very much front and centre globally, events and circumstances outside of our control will continue to have a significant impact on the hospitality sector, and our earnings", he said.

MCK declared a dividend for 2021 of 3.5 cents per share payable in mid-May. Mr. Sim said that this reflected the Board's wish to reward shareholders that did not receive a dividend in 2020 and had shown a great level of understanding toward the company in very trying circumstances.

"We recognize that the last two years have been very tough on everybody, including our shareholders, and the Board's view was that we needed to provide some level of return, however modest, to demonstrate that we continue to have good financial management of the group but to also thank our shareholders for their loyalty", he said.

MCK also signaled that its ongoing refurbishment and renovation programmes would continue in 2022 ahead of the return of international visitors.

"While it may take longer than we anticipated, we are confident that with increasingly vaccinated populations around the world, we should be able to see international travel resume in some form during 2022 which should mean that New Zealand's international borders can reopen, albeit in a gradual and managed way. In anticipation of that, we are looking to complete our previously announced refurbishments with some additional projects during 2022 which should allow us to maintain our competitive advantages into 2023 and 2024", said Mr. Chiu.

"Having survived two of the toughest and leanest years in our history, we remain cautiously optimistic about how we will trade through 2022 with an eye on much better times in 2023 and beyond", he said.

Summary of results:

• Profit after tax and non-controlling interests	\$40.0 million	(2020*: \$48.5 million)
• Profit before tax and non-controlling interests	\$64.6 million	(2020*: \$54.4 million)
• Group revenue	\$164.8 million	(2020: \$172.0 million)
• Shareholders' funds excluding non-controlling interests	\$514.2 million	(2020*: \$474.7 million)
• Total assets	\$680.8 million	(2020*: \$664.1 million)
• Earnings per share (cents per share)	25.31 cents	(2020*: 30.64 cents)

*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. Land and buildings have now been restated at cost. Further information can be found in the Notes to the Financial Statements.

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Issued by Millennium & Copthorne Hotels New Zealand Limited

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