

GENERAL ANNOUNCEMENT::ANNOUNCEMENT BY SUBSIDIARY COMPANY, MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

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Announcement Details

Announcement Title

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Announcement by Subsidiary Company, Millennium & Copthorne Hotels New Zealand Limited

Announcement Reference

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Submitted By (Co./ Ind. Name)

Enid Ling Peek Fong

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please refer to the Announcement released by Millennium & Copthorne Hotels New Zealand Limited on 7 August 2024 relating to (i) Half Year Results Ended 30 June 2024; and (ii) Investor presentation slides.

Attachments

[08.07.2024 MCHNZ HY2024 Financial Statements.pdf](#)

Total size = 1810K MB

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Condensed Interim Income Statement
for the six months ended 30 June 2024

DOLLARS IN THOUSANDS	NOTE	Unaudited 6 months to 30/06/24	Unaudited 6 months to 30/06/23
Revenue		85,319	60,051
Cost of sales		(38,485)	(28,780)
Gross profit		46,834	31,271
Administrative expenses		(14,649)	(12,981)
Other operating expenses		(12,374)	(9,564)
Operating profit before finance income		19,811	8,726
Finance income		2,837	3,785
Finance costs		(1,095)	(1,045)
Net finance income		1,742	2,740
Share of profit/(loss) of joint venture	9	(19)	-
Profit before income tax		21,534	11,466
Income tax expense	5	(5,948)	(3,085)
Income tax expense arising from change in building depreciation	5	(25,760)	-
Profit/(loss) for the period		(10,174)	8,381
Profit/(loss) for the period attributable to:			
Equity holders of the parent		(11,747)	6,177
Non-controlling interests		1,573	2,204
Profit/(loss) for the period		(10,174)	8,381
Basic earnings per share (cents)	4	-7.42c	3.90c
Diluted earnings per share (cents)	4	-7.42c	3.90c

The attached notes form part of, and are to be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Condensed Interim Statement of Comprehensive Income
for the six months ended 30 June 2024

DOLLARS IN THOUSANDS	Note	Unaudited 6 months to 30/06/24	Unaudited 6 months to 30/06/23
Profit/(loss) for the period		(10,174)	8,381
Items that are or may be reclassified to profit or loss			
Foreign exchange translation movements		841	894
- Tax (expense)/credit on foreign exchange		-	(5)
		<u>841</u>	<u>889</u>
Total comprehensive income/(loss) for the period		<u>(9,333)</u>	<u>9,270</u>
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the parent		(10,906)	7,066
Non-controlling interests		1,573	2,204
Total comprehensive income/(loss) for the period		<u>(9,333)</u>	<u>9,270</u>

DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUE/EXPENSES

Classified under:

Administrative expenses

Audit fees	(195)	(176)
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Other operating expenses

Depreciation of Property, Plant & Equipment	(3,581)	(3,444)
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Depreciation of Investment Property	(275)	(511)
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Depreciation of Right-Of-Use Assets	(447)	(411)
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Leasing and rental expenses	(367)	(341)
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Finance income

Interest income	2,479	3,785
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Finance costs

Interest expense on lease liability	(951)	(895)
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Foreign exchange loss	(73)	(144)
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The attached notes form part of, and are to be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Condensed Interim Statement of Changes in Equity
for the six months ended 30 June 2024 (unaudited)

DOLLARS IN THOUSANDS	NOTE	Attributable to Equity Holders of the Group				Unaudited Total	Unaudited Non-controlling Interests	Unaudited Total Equity
		Unaudited Share Capital	Unaudited Exchange Reserves	Unaudited Retained Earnings	Unaudited Treasury Stock			
Balance at 1 January 2023		383,266	(1,396)	149,175	(26)	531,019	111,682	642,701
Movement in exchange translation reserve		-	889	-	-	889	-	889
Income and expense recognised directly in equity		-	889	-	-	889	-	889
Profit for the period		-	-	6,177	-	6,177	2,204	8,381
Total comprehensive income for the period		-	889	6,177	-	7,066	2,204	9,270
<i>Transactions with owners, recorded directly in equity :</i>								
Dividends paid to:								
Equity holders of the parent	6	-	-	(4,747)	-	(4,747)	-	(4,747)
Non-controlling interests		-	-	-	-	-	(3,940)	(3,940)
Movement of non-controlling interests without a change in control		-	-	(374)	-	(374)	1,863	1,489
Balance at 30 June 2023		383,266	(507)	150,231	(26)	532,964	111,809	644,773
Balance at 1 January 2024		383,266	(980)	165,656	(26)	547,916	114,536	662,452
Movement in exchange translation reserve		-	841	-	-	841	-	841
Income and expense recognised directly in equity		-	841	-	-	841	-	841
Profit/(loss) for the period		-	-	(11,747)	-	(11,747)	1,573	(10,174)
Total comprehensive income for the period		-	841	(11,747)	-	(10,906)	1,573	(9,333)
<i>Transactions with owners, recorded directly in equity :</i>								
Dividends paid to:								
Equity holders of the parent	6	-	-	(4,747)	-	(4,747)	-	(4,747)
Non-controlling interests		-	-	-	-	-	(4,138)	(4,138)
Movement of non-controlling interests without a change in control		-	-	(242)	-	(242)	965	723
Balance at 30 June 2024		383,266	(139)	148,920	(26)	532,021	112,936	644,957

The attached notes form part of, and are to be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Condensed Interim Statement of Financial Position
As at 30 June 2024

DOLLARS IN THOUSANDS	NOTE	Unaudited as at 30/06/24	Audited as at 31/12/23
SHAREHOLDERS' EQUITY			
Issued capital	3	383,266	383,266
Reserves		148,781	164,676
Treasury stock	3	(26)	(26)
Non-controlling interests		112,936	114,536
Total equity		644,957	662,452
Represented by:			
NON CURRENT ASSETS			
Property, plant and equipment		266,742	263,051
Development properties		235,816	217,221
Investment properties		35,646	35,834
Investment in associates	2	2	2
Investment in joint venture		44,338	43,943
Total non-current assets		582,544	560,051
CURRENT ASSETS			
Cash and cash equivalents		35,387	11,256
Short term bank deposits		26,782	64,075
Trade and other receivables		15,422	20,391
Advance to related parties	7	63,495	62,516
Inventories		1,689	1,640
Development properties		13,203	26,861
Total current assets		155,978	186,739
Total assets		738,522	746,790
NON CURRENT LIABILITIES			
Lease liabilities		26,988	27,111
Provision for deferred taxation		32,609	7,001
Total non-current liabilities		59,597	34,112
CURRENT LIABILITIES			
Interest-bearing loans and borrowings		-	11,968
Trade and other payables		29,551	32,348
Trade payables due to related parties	7	2,804	2,318
Lease liabilities		251	215
Income tax payable		1,362	3,377
Total current liabilities		33,968	50,226
Total liabilities		93,565	84,338
Net assets		644,957	662,452

The attached notes form part of, and are to be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Condensed Interim Statement of Cash Flows
For the six months ended 30 June 2024

DOLLARS IN THOUSANDS	NOTE	Unaudited 6 months to 30/06/24	Unaudited 6 months to 30/06/23
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		89,888	52,108
Interest received		2,269	3,673
		<u>92,157</u>	<u>55,781</u>
Cash was applied to:			
Payments to suppliers and employees		(62,039)	(44,449)
Purchase of development land		(6,620)	-
Interest paid		(95)	-
Income tax paid		(8,137)	(7,083)
		<u>(76,891)</u>	<u>(51,532)</u>
Net cash inflow from operating activities		<u>15,266</u>	<u>4,249</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from/(applied to):			
Purchase of property, plant and equipment		(7,680)	(5,051)
Purchase of investment property		(87)	(286)
Proceed from the sale of property, plant and equipment		-	(3)
(Investments in) / withdrawals from short term bank deposits		37,293	5,849
Net cash inflow/(outflow) from investing activities		<u>29,526</u>	<u>509</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from/(applied to):			
Repayment of borrowings		(11,968)	-
Principal repayment of lease liability		(1,086)	(1,082)
Dividends paid to shareholders of Millennium & Copthorne Hotels New Zealand Ltd	6	(4,747)	(4,747)
Dividends paid to non-controlling interests		(4,138)	(3,940)
Net cash outflow from financing activities		<u>(21,939)</u>	<u>(9,769)</u>
Net (decrease)/increase in cash and cash equivalents		<u>22,853</u>	<u>(5,011)</u>
Add opening cash and cash equivalents		11,256	61,387
Exchange rate adjustment		1,278	1,960
Closing cash and cash equivalents		<u>35,387</u>	<u>58,336</u>

The attached notes form part of, and are to be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Condensed Interim Statement of Cash Flows
For the six months ended 30 June 2024

DOLLARS IN THOUSANDS	NOTE	Unaudited 6 months to 30/06/24	Unaudited 6 months to 30/06/23
Reconciliation of net profit/(loss) for the period to cash flows from operating activities			
Profit/(loss) for the period		(10,174)	8,381
Adjusted for non cash items:			
Share of loss/(profit) Joint Venture	9	19	-
(Gain)/loss on Sale of Fixed Assets		9	3
Foreign Exchange (Gain)/ Loss		(285)	144
Depreciation of Property, Plant & Equipment		3,581	3,444
Depreciation of Right-Of-Use Assets		447	411
Depreciation of Investment Property		275	511
Income tax expense / (credit)		31,708	3,085
Adjustments for movements in working capital:			
Decrease/(Increase) in receivables		4,359	(8,055)
Decrease in inventories		(49)	35
(Increase)/Decrease in development properties		(4,787)	1,952
Increase/(Decrease) in payables		(1,722)	1,262
Increase/(Decrease) in related parties		117	159
Cash generated from operations		23,498	11,332
Interest paid		(95)	-
Income tax paid		(8,137)	(7,083)
Net cash inflow from operating activities		15,266	4,249
Reconciliation of movement of liabilities to cash flows arising from financing activities			
		Unaudited 6 months to 30/06/24	Unaudited 6 months to 30/06/23
As at 1 January		11,968	-
Proceeds from borrowings		-	-
Repayment of borrowings		(11,968)	-
Financing cash flows		(11,968)	-
As at 30 June		-	-

The attached notes form part of, and are to be read in conjunction with, these financial statements.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Notes to the Condensed Interim Financial Statements
for the six months ended 30 June 2024 (unaudited)

1. 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 Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013. The condensed interim financial statements of the Company for the six months ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the "Group"). The registered office is located at level 7, 23 Customs Street East, Auckland, New Zealand.

The principal activities of the Group are ownership and operation of hotels in New Zealand; residential development and sale of land in New Zealand; ownership and leasing of investment properties in New Zealand and development and sale of residential units in Australia.

The condensed interim financial statements were authorised for issuance on 07 August 2024.

(a) Statement of compliance

The condensed interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ IAS 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all of the information required for full annual financial statements.

The accounting policies and methods of computation applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its financial statements for the year ended 31 December 2023.

2. Segment reporting

Segment information is presented in the condensed interim financial statements 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.

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.
- Investment property, comprising rental income from the ownership and leasing of retail shops and industrial warehouse.
- Residential and commercial property development, comprising the development and sale of residential apartments.

Geographical segments

The Group operates in the following main geographic segments:

- New Zealand
- Australia

Segment revenue is based on the geographical location of the asset. The Group has no major customer representing greater than 10% of the Group's total revenue.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Notes to the Condensed Interim Financial Statements
for the six months ended 30 June 2024 (unaudited)

2. Segment reporting - continued

(a) Operating Segments

<i>Dollars in thousands</i>	Hotel Operations		Residential Land Development		Investment Property		Residential Property Development		Group	
	6 months		6 months		6 months		6 months		6 months	
	to 30/06/24	to 30/06/23	to 30/06/24	to 30/06/23	to 30/06/24	to 30/06/23	to 30/06/24	to 30/06/23	to 30/06/24	to 30/06/23
External revenue	55,901	47,452	15,310	10,749	1,305	1,219	12,803	631	85,319	60,051
Earnings before interest, depreciation, amortisation & tax	10,913	7,702	6,866	4,600	1,296	1,199	5,039	(409)	24,114	13,092
Finance income	760	1,195	1,350	1,713	-	-	727	877	2,837	3,785
Finance expense	(1,088)	(1,038)	(6)	(6)	-	-	(1)	(1)	(1,095)	(1,045)
Depreciation and amortisation	(3,574)	(3,438)	(4)	(3)	(275)	(511)	(3)	(3)	(3,856)	(3,955)
Depreciation of Right-of-use asset	(422)	(392)	(20)	(14)	-	-	(5)	(5)	(447)	(411)
Share of profit/(loss) of joint ventures	(19)	-	-	-	-	-	-	-	(19)	-
Profit before income tax	6,570	4,029	8,186	6,290	1,021	688	5,757	459	21,534	11,466
Income tax expense	(23,516)	(992)	(2,265)	(1,761)	(4,199)	(193)	(1,728)	(139)	(31,708)	(3,085)
Profit/(loss) after income tax	(16,946)	3,037	5,921	4,529	(3,178)	495	4,029	320	(10,174)	8,381
Property, plant and equipment expenditure	7,727	7,470	-	6	-	-	-	13	7,727	7,489
Investment property expenditure	-	-	-	-	87	285	-	-	87	285
Residential land development expenditure	-	-	11,626	2,420	-	-	-	-	11,626	2,420
Purchase of land for residential land development	-	-	6,620	-	-	-	-	-	6,620	-
	As at		As at		As at		As at		As at	
	30/06/24	31/12/23	30/06/24	31/12/23	30/06/24	31/12/23	30/06/24	31/12/23	30/06/24	31/12/23
Cash & cash equivalents and short term bank deposits	18,467	16,982	35,853	52,159	-	-	7,849	6,190	62,169	75,331
Investment in associates	-	-	2	2	-	-	-	-	2	2
Investment in joint venture	44,338	43,943	-	-	-	-	-	-	44,338	43,943
Other segment assets	320,048	339,925	241,752	231,231	35,646	35,834	34,567	20,524	632,013	627,514
Total assets	382,853	400,850	277,607	283,392	35,646	35,834	42,416	26,714	738,522	746,790
Segment liabilities	(56,050)	(68,516)	(2,148)	(4,053)	-	-	(1,396)	(1,391)	(59,594)	(73,960)
Tax liabilities	(27,756)	(7,393)	(180)	(1,449)	(3,913)	-	(2,122)	(1,536)	(33,971)	(10,378)
Total liabilities	(83,806)	(75,909)	(2,328)	(5,502)	(3,913)	-	(3,518)	(2,927)	(93,565)	(84,338)

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Notes to the Condensed Interim Financial Statements
for the six months ended 30 June 2024 (unaudited)

2. Segment reporting - continued

(b) Geographic Segments	New Zealand		Australia		Group	
	6 months		6 months		6 months	
	to 30/06/24	to 30/06/23	to 30/06/24	to 30/06/23	to 30/06/24	to 30/06/23
<i>Dollars in thousands</i>						
External revenue	72,516	59,420	12,803	631	85,319	60,051
Earnings before interest, depreciation, amortisation & tax	19,084	13,510	5,030	(418)	24,114	13,092
Finance income	2,110	2,908	727	877	2,837	3,785
Finance expense	(1,094)	(1,044)	(1)	(1)	(1,095)	(1,045)
Depreciation and amortisation	(3,853)	(3,952)	(3)	(3)	(3,856)	(3,955)
Depreciation of Right-of-use assets	(442)	(406)	(5)	(5)	(447)	(411)
Share of profit/(loss) of joint venture	-	-	(19)	-	(19)	-
Profit before income tax	15,805	11,016	5,729	450	21,534	11,466
Income tax expense	(29,983)	(2,949)	(1,725)	(136)	(31,708)	(3,085)
Profit/(loss) after income tax	(14,178)	8,067	4,004	314	(10,174)	8,381
Property, plant and equipment expenditure	7,727	7,476	-	13	7,727	7,489
Investment property expenditure	87	285	-	-	87	285
Residential land development expenditure	11,626	2,420	-	-	11,626	2,420
Purchase of land for residential land development	6,620	-	-	-	6,620	-
	As at	As at	As at	As at	As at	As at
	30/06/24	31/12/23	30/06/24	31/12/23	30/06/24	31/12/23
Cash & cash equivalents and short term bank deposits	54,320	69,141	7,849	6,190	62,169	75,331
Investment in associates	2	2	-	-	2	2
Investment in joint venture	-	-	44,338	43,943	44,338	43,943
Investment property	35,646	35,834	-	-	35,646	35,834
Other segment assets	517,462	508,895	78,905	82,785	596,367	591,680
Total assets	607,430	613,872	131,092	132,918	738,522	746,790
Segment liabilities	(58,198)	(72,569)	(1,396)	(1,391)	(59,594)	(73,960)
Tax liabilities	(31,849)	(8,842)	(2,122)	(1,536)	(33,971)	(10,378)
Total liabilities	(90,047)	(81,411)	(3,518)	(2,927)	(93,565)	(84,338)

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Notes to the Condensed Interim Financial Statements
for the six months ended 30 June 2024 (unaudited)

3. Share capital

	Ordinary shares		Redeemable preference shares	
	Shares	\$ 000s	Shares	\$ 000s
Total shares issued – fully paid				
Balance at 30 June 2023	105,578,290	350,048	52,739,543	33,218
Balance at 30 June 2024	105,578,290	350,048	52,739,543	33,218
Ordinary shares repurchased and held as treasury stock				
Balance at 30 June 2023	(99,547)	(26)	-	-
Balance at 30 June 2024	(99,547)	(26)	-	-
Shares issued – fully paid				
Balance at 30 June 2023	105,478,743	350,022	52,739,543	33,218
Balance at 30 June 2024	105,478,743	350,022	52,739,543	33,218

At 30 June 2024, the authorised share capital consisted of 105,578,290 ordinary shares (2023: 105,578,290 ordinary shares) with no par value and 52,739,543 redeemable preference shares (2023: 52,739,543) with no par value.

4. Earnings per share

The basic earnings per share of -7.42 cents (30 June 2023: 3.90 cents) is based on the profit/(loss) attributable to ordinary shareholders of -\$11.7 million (30 June 2023: \$6.18 million) and weighted average number of ordinary shares and redeemable preference shares outstanding during the period ended 30 June 2024 of 158,218,286 (30 June 2023: 158,218,286).

The redeemable preference shares are included in the computation of earnings per share as they rank equally with ordinary shares in respect of distributions made by the Company except any distribution in the case of liquidation.

The calculation of diluted earnings per share of -7.42 cents (30 June 2023: 3.90 cents) is the same as basic earnings per share.

5. Income tax expense

Recognised in the income statement

<i>Dollars In Thousands</i>	Group	
	Six months to 30/06/24	Six months to 30/06/23
Current tax expense		
Current year	6,132	3,186
Adjustments for prior years	(27)	-
	6,106	3,186
Deferred tax expense		
Origination and reversal of temporary difference	(158)	(101)
Changes in treatment of building depreciation	25,760	-
	25,602	(101)
Total income tax expense in the income statement	31,708	3,085

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Notes to the Condensed Interim Financial Statements
for the six months ended 30 June 2024 (unaudited)

5. Income tax expense -continued

Reconciliation of tax expense

<i>Dollars In Thousands</i>	Group	
	Six months to 30/06/24	Six months to 30/06/23
Profit before income tax	21,534	11,466
Income tax at the company tax rate of 28% (2023: 28%)	6,030	3,211
Adjusted for:		
Tax rate difference (if different from 28% above)	114	10
Non-deductible expenses	1	-
Tax exempt income	(170)	(135)
Changes in treatment of building depreciation	25,760	-
Under/(Over) - provided in prior years	(27)	-
Total income tax expense	31,708	3,085
Effective tax rate	(147%)	27%

Impact of change in tax depreciation

Before 2010, all components of commercial buildings were depreciable for tax purposes. On 28 March 2024, the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) legislation was enacted, encompassing a range of changes to tax legislation including the removal of the tax deduction for depreciation on building core of commercial buildings.

As a result of the change in legislation, income tax expense and deferred tax liability has increased by \$25.8m for the six months ended 30 June 2024.

6. Dividends

The following dividends were paid during the interim periods:

<i>Dollars In Thousands</i>	Group	
	Six months to 30/06/24	Six months to 30/06/23
Ordinary dividend: 3.0 cents per qualifying share (2023: 3.0 cents)	4,747	4,747
Supplementary dividend: 0.529412 cents per qualifying share (2023: 0.529412 cents)	94	98
	4,841	4,845

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Notes to the Condensed Interim Financial Statements
for the six months ended 30 June 2024 (unaudited)

7. Related party transactions

Millennium & Copthorne Hotels New Zealand Limited is a 75.78% (2023: 75.78%) (economic interests from both ordinary and preference shares) owned subsidiary of CDL Hotels Holdings New Zealand Limited which is a wholly owned subsidiary of Millennium & Copthorne Hotels Ltd in the United Kingdom. The ultimate parent company is Hong Leong Investment Holdings Pte Limited in Singapore.

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	
		6 months to 30/06/24	6 months to 30/06/23
Trade payables and receivables due to related parties			
Millennium & Copthorne Hotels Limited	Recharge of expenses	(1,637)	(2,096)
Millennium & Copthorne International Limited	Recharge of expenses & provision of management and marketing support	-	-
Marquee Hotel Holdings Pty Ltd	Interest bearing advance	-	(102)
Marquee Hotel Holdings Pty Ltd	Interest free advance	19,265	-
Marquee Hotel Holdings Pty Ltd	Interest receivable	43,539	-
CDL Hotels Holdings New Zealand Limited	Recharge of expenses	661	-
CDLH (BVI) One Limited	Recharge of expenses	30	(51)
CDLH (BVI) One Limited	Rent payment	(938)	-
		(229)	(158)
		60,691	(2,407)

No debts with related parties were written off or forgiven during the year. Interest at 6.43% was charged on interest bearing advance during 2024. No interest was charged for the other payables or on the interest free advance. The related party advances to Marquee Hotel Holdings Pty Ltd are unsecured.

During 2024, the Group had the following transactions with related parties:

<i>Dollars In Thousands</i>	Nature of balance	Group	
		6 months to 30/06/24	6 months to 30/06/23
Marquee Hotel Holdings Pty Ltd	Interest receivable	613	-
CDLHT (BVI) One Ltd	Management, franchise and incentive income	478	646
M&C Reservation Services Ltd (UK)	Management and marketing support	(590)	(137)
CDL Hotels Holdings New Zealand Limited	Accounting support fee received	30	30

8. Capital commitments

As at 30 June 2024, the Group has entered into contractual commitments for capital expenditure and development expenditure.

<i>Dollars In Thousands</i>	Group	
	30/06/24	30/06/23
Capital expenditure on property, plant and equipment	4,144	2,072
Development expenditure	10,542	21,471
Capital expenditure on investment properties	11	60
Land purchases	17,100	20,407
	31,797	44,010

As at 30 June 2024, the Group had entered into contractual commitments for development expenditure, and construction of investment properties. 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 the remainder of 2024 in accordance with the Group's development programme.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Notes to the Condensed Interim Financial Statements
for the six months ended 30 June 2024 (unaudited)

9. Investment in joint venture

A joint venture is an arrangement in which the Group has joint control, over the financial and operating policies. They are accounted for using the equity method. The financial statements include the Group's share of the income, expenses and reserves of the joint venture from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the joint venture.

During 2023, the Group through Kingsgate Holdings Pty Limited (100% subsidiary) formed a 50:50 joint venture with its Parent Company to acquire the leasehold assets and the freehold assets of the Sofitel Brisbane Central hotel in Queensland, Australia. The joint venture is Marquee Hotel Holdings Pty Ltd Limited. Within the Marquee Hotel Holdings group, there are six wholly owned entities. Marquee Hotel Holdings group completed the acquisition of the Sofitel Brisbane Central on 15 December 2023. The hotel is managed by an external hotel management group.

The Group's share of loss in its joint venture for the period ended 30 June 2024 was \$19,016.

	Principal Activity	Principal Place of Business	Group interest% 2024
Marquee Hotel Holdings Pty Limited	Investment Holding	Australia	50.00
100% owned subsidiaries of Marquee Hotel Holdings Pty Limited are:			
Marquee Brisbane Hotel Pty Limited	Trustee Company of Marquee Brisbane Hotel Trust	Australia	
Marquee Brisbane Hotel Trust	Lessee of leasehold assets expiring 30 December 2057	Australia	
Marquee Brisbane Hotel 2 Pty Limited	Trustee Company of Marquee Brisbane Hotel 2 Trust	Australia	
Marquee Brisbane Hotel 2 Trust	Lessee of leasehold assets expiring 24 May 2120	Australia	
Marquee Hotel Operations Pty Limited	Trustee Company of Marquee Hotel Operations Pty Trust	Australia	
Marquee Hotel Operations Pty Trust	Hotel Assets and Operations	Australia	

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Notes to the Condensed Interim Financial Statements
for the six months ended 30 June 2024 (unaudited)

9. Investment in joint venture (continued)

Summary financial information for joint venture, not adjusted for the percentage ownership held by the Group:

Dollars In Thousands	Group	Group
	As at 30/06/24	As at 31/12/23
Non-current assets	201,809	202,650
Current assets	22,851	27,477
Non-current liabilities	-	-
Current liabilities	(135,985)	(142,241)
Net assets (100%)	88,675	87,886
Group's share (50%)	44,338	43,943

The current assets balance of the joint venture includes a cash and cash equivalents balance of \$20.21m. The current liabilities balance of the joint venture includes balances owing to shareholders of \$126.3m.

	Group
	6 months to 30/06/24
Revenue	23,261
Operating profit/(loss)	854
Interest income	317
Interest expense	(1,225)
Income tax expense	16
Profit for the year (100%)	(38)
Group's share of profit (50%)	19

Movements in the carrying value of joint venture:

	Group
	As at 30/06/24
Balance at 1 January	43,943
Share of profit for the year	(19)
Foreign exchange adjustments	414
Balance at 30 June	44,338

Results for announcement to the market		
Name of issuer	Millennium & Copthorne Hotels New Zealand Limited	
Reporting Period	6 months to 30 June 2024	
Previous Reporting Period	6 months to 30 June 2023	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$85,319	42.08%
Total Revenue	\$85,319	42.08%
Net profit/(loss) from continuing operations	(\$11,747)	(290.17%)
Total net profit/(loss)	(\$11,747)	(290.17%)
Interim Dividend		
Amount per Quoted Equity Security	No interim dividend has been declared	
Imputed amount per Quoted Equity Security	Not applicable	
Record Date	Not applicable	
Dividend Payment Date	Not applicable	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$3.36	\$3.37
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to the Media Release	
Authority for this announcement		
Name of person authorised to make this announcement	Takeshi Ito – Company Secretary	
Contact person for this announcement	Takeshi Ito – Company Secretary	
Contact phone number	+64 21 591 531	
Contact email address	takeshi.ito@millenniumhotels.com	
Date of release through MAP	7 August 2024	

MCK interim results for six months to 30 June 2024

New Zealand hotel owner and operator, Millennium & Copthorne Hotels New Zealand Limited (MCK), has today announced its unaudited results for the six months to 30 June 2024 and reported revenue growth of 42% and an increase in net profit before tax of 88% compared to the same period last year.

As announced last week, MCK recognised a one-off non-cash deferred tax liability adjustment amounting to \$25.76m which arose from a change in tax legislation that came into effect this year and relates to the depreciation of buildings owned by MCK. The effect of the adjustment, which does not affect MCK's trading position or cash flow, meant that MCK recorded an after tax loss for the period of \$10.17 million.

MCK was able to show improving occupancy and profit in the Hotels business, despite a slowdown in demand for corporate travel and meetings. The first half of the financial year was the first time in five years where the hotels have been able to operate without the impact of pandemic restrictions, weather-related issues or large staffing shortages.

Outside of the hotel operations, MCK's majority owned property development subsidiary, CDL Investments New Zealand Limited (CDI), improved its contribution to group profit, recording a 32% increase on its 2023 profit before tax. CDI believes that the property markets have passed peak trough and are showing signs of recovery and are still targeting an improvement on their 2023 results by year end.

MCK Chairman Colin Sim, said the strong Hotels result was reflective of the hard work of the team and the successful execution of the Revive and Thrive strategy.

"Our team has worked hard to attract both international and domestic visitors, improve our hotel offer, and drive room profitability in a challenging trading environment. Despite economic headwinds and depressed demand in some regions as a result of reduced business and government demand, the good news is that tourism, particularly from overseas, continues to improve. We expect another strong result from our Hotels business in the 2024/25 high season, with CDI also expected to deliver a year on year improvement, as the number of sections sales increases over time."

Business highlights for the period include positive progress on the Hotels refurbishment programme, the inclusion of Sofitel Brisbane Central hotel in the Hotels portfolio, and the continued sell down of the Zenith apartments in Australia.

MCK's Managing Director, Stuart Harrison, said the performance of the Sofitel Brisbane Central hotel over the last six months had provided many learnings. "The hotel's trading metrics are positive. In the first quarter, the hotel saw growth in average daily rate and occupancy ahead of budget. A recent highlight for the hotel was hosting multiple teams over the NRL's Magic Round in May and the State of Origin final game in July which emphasised how popular the hotel is for sporting teams and spectators coming to Brisbane."

Results snapshot

Six months to 30 June	1H24	1H23
Average hotel occupancy across the Group	69.0%	59.8%
Group revenue	\$ 85.32m	\$ 60.05m
Profit before income tax and non-controlling interests	\$21.53m	\$ 11.47m
Profit/(Loss) after tax and non-controlling interests	\$ (11.75m)	\$ 6.18m
Profit after tax and non-controlling interests (excluding tax adjustment)	\$ 12.57m	\$ 6.18m
Earnings per share (cents per share)	-7.42 cps	3.90 cps
Earnings per share (adjusted for one-off tax adjustment)	7.94 cps	

Group revenue was \$85.32m (1H23: \$60.05m), with profit before tax and non-controlling interests of \$21.53m (1H23: \$11.47m). Group loss after tax and non-controlling interests of \$(11.75m) (1H23: \$6.18m) was impacted by a one-off non-cash \$25.76m deferred tax liability adjustment as a result of a change in tax legislation. Excluding this adjustment and other one-off items, profit after tax was \$12.57m.

Earnings per share for the period was -7.42 cents per share (1H23: 3.9 cps). Net Tangible Assets per share as at 30 June 2024 was \$3.36 per share (Dec 2023: \$3.46 per share).

Outlook

The Hotels business now has good staffing levels and more room capacity following completion of certain refurbishment works. While some regions have seen a dampening in demand, other areas such as Queenstown remain extremely strong. Economic headwinds remain challenging and there are no major tourist attractions, such as last year's FIFA Women's World Cup, planned for the winter period. These trends of dampened demand are expected to continue into the third quarter, but with a resurgence of activity from overseas visitors in quarter four.

CDL Investments 2024 sales performance is showing improvement and the company is also positioning itself for future diversification with its recent purchase of industrial-zoned land in Christchurch. MCK will see the benefits from both in the near to medium term.

Stuart Harrison commented: "One matter which is hampering our ability to optimise our future projections is the lack of any clear direction, new initiatives or funding announced by Government in relation to boosting tourism. With other countries actively competing for world-class events and receiving government funding to do so, there is a real risk of New Zealand missing out and creating a disadvantage which will take some years to fix. Our view is that such funding would be a wise investment and help the tourism and accommodation industries "get back on track" and secure their medium-term futures."

He continued: “Our team are highly focused on securing business across all market segments and in all regions for the remainder of the year and into 2025. We have set ourselves stretch targets for both revenue and profit for this year and we are determined to achieve these. Our half year profit before tax result highlights that we are making excellent progress on our strategy and laying the groundwork to truly Thrive from 2025 onwards”, he said.

ENDS

Issued by Millennium & Copthorne Hotels New Zealand Limited

Enquiries to:

Stuart Harrison Managing Director +64 21 869 216

About Millennium & Copthorne Hotels New Zealand Limited

Millennium & Copthorne Hotels New Zealand Limited (NZX:MCK) is the only NZSX listed hotel owner – operator with 18 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 is also the majority shareholder in land developer CDL Investments New Zealand Limited (NZX:CDI) and 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.

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



MCK INTERIM RESULTS

For the six months to 30 June 2024 (HY24)

HY24 PERFORMANCE SNAPSHOT

Revive and Thrive strategy delivering value

TOTAL REVENUE

\$85.3m

HY23: \$60.0m

NZ HOTEL REVENUE

\$55.9m

HY23: \$47.5m

PROFIT

Before Tax and non-controlling interests

\$21.5m

HY23: \$11.5m

EARNINGS PER SHARE

7.94 cents*

HY23: 3.90 cents

TOTAL ASSETS

\$738.5m

FY23: \$746.8m

SHAREHOLDERS' FUNDS

\$532.0m

FY23: \$547.9m

- Strong turnaround in hotel business
- CDL Investments feeling the pressure of the short-term cooldown in residential land property sales
- Australia apartment sales progressed
- Continue to invest in property refurbishments and network expansion
- Removal of tax depreciation on commercial buildings results in adverse one-off non-cash impact to net profit after tax

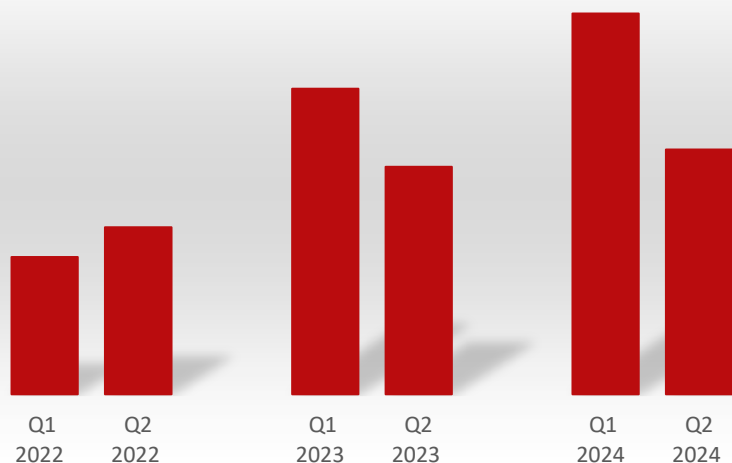
* Adjusted to remove one-off non-cash impact from tax depreciation changes

HY24 SHOWS POSITIVE PROGRESS

Optimistic outlook for continued recovery in 2024

- Tourism continues to recover and demand from overseas continues to improve
- Limited special events to attract international visitors to New Zealand (following 2023 FIFA Women's World Cup)
- Benefit of trading from Sofitel Brisbane Central
- Current economic headwinds expected to continue for 2024, impacting on demand

NZ Hotels Revenue



Ensure our hotels and guest experiences are of the highest quality to meet the current demand as the market rebounds

Q1 2024: Positive start to the year. First quarter in 5 years without the impact of Covid-19, weather events or large staffing shortages

Q2 2024: Steady trading as hotels adjusted with no special events

HY24 RESULTS AT A GLANCE

Strong Q1 trading moving to a steady Q2

FINANCIAL PERFORMANCE - CONSOLIDATED	Unaudited HY 2024 \$000's	Unaudited HY 2023 \$000's	Change \$	Change %
Hotel revenue	55,902	47,452	8,450	17.81%
Rental income	1,933	1,973	(40)	-2.03%
Property sales	27,484	10,626	16,858	158.65%
REVENUE	85,319	60,051	25,268	42.08%
Operating Profit	19,811	8,726	11,085	127.03%
Net finance income	1,742	2,740	(998)	-36.42%
Share of loss of joint venture	(19)	-		
Profit before income tax	21,534	11,466	10,068	87.81%
Income tax expense	(5,948)	(3,085)	(2,863)	92.80%
One-off deferred tax adjustment*	(25,760)	-	(25,760)	-
Profit for the year	(10,174)	8,381	(18,555)	-221.39%
Earnings per share (cents)	-7.42	3.90		
EPS excl One-off tax adjustment	7.94			

Hotel Operations

- First uninterrupted period of trading since the pandemic

Property Sales

- Signs of recovery in residential land sales
- Sale of six Sydney apartments bolsters HY24 result

Tax Depreciation Changes

- Removal of tax depreciation on commercial buildings results in one-off non-cash deferred tax adjustment

Deferred Tax adjustment due to government tax legislation changes on depreciation

FINANCIAL POSITION

Strong Balance Sheet to deploy

BALANCE SHEET - CONSOLIDATED	Unaudited HY2024 \$000's	Audited FY2023 \$000's	Change \$	Change %
Property plant & equipment	266,742	263,051		
Development properties	249,019	244,082		
Investment properties	35,646	35,834		
Investment in JV	44,338	43,943		
Non-current assets	582,544	560,051	22,493	4.02%
Loans in JV	63,495	62,218		
Cash and bank deposits	62,169	75,331		
TOTAL ASSETS	738,522	746,790	(8,268)	-1.11%
Bank Debt	0	11,968		
Provision for Deferred Taxation	32,609	7,001		
Other Liabilities	60,956	65,369		
NET ASSETS	644,957	662,452	(17,495)	-2.64%
NTA per quoted equity security	\$ 3.36	\$ 3.46		

ENHANCING OUR HOTEL PRODUCT

Continued investment to upgrade and refurbish hotels

Current pipeline of activity:

Hotel	Size	Timing
Millennium Hotel Queenstown	132 rooms completed 70 rooms underway 15 suites to be commenced	FY23 - FY24
Millennium Hotel Rotorua	99 rooms completed 127 rooms and 2 suites commencing	FY23 - FY24
Copthorne Hotel Palmerston North	Recladding and other works – stage 1 nearing completion	FY23 - FY24
Copthorne Hotel & Resort Bay of Islands	50 rooms in Seaspray Wing commencing Exterior repainting nearing completion	FY24 – FY25

Whole-of-network plan being developed which will inform medium term investment decisions

AUSTRALIAN OPERATIONS

Sydney Apartments

FINANCIAL PERFORMANCE - Australia (owned 100%)

	Unaudited HY2024 \$000's	Unaudited HY2023 \$000's	Change \$	Change %
Units Available (Open)	31	36		
Number of units sold this year	6	0		
Units Available (Close)	25	36		
Currently rented out	23	30		
Rental & Sales Income	12,803	631	12,172	1929%
Profit before income Tax	5,729	450	5,279	1173%

- HY24 apartment sales
 - 1 x 3-bedroom studio
 - 4 x 1-bedroom units settled
 - 1 x 2-bedroom unit
- Rented units transferred to vacant pool to meet market demand

AUSTRALIAN OPERATIONS

Sofitel Brisbane Joint Venture

Financial Performance

HY2024

\$000's

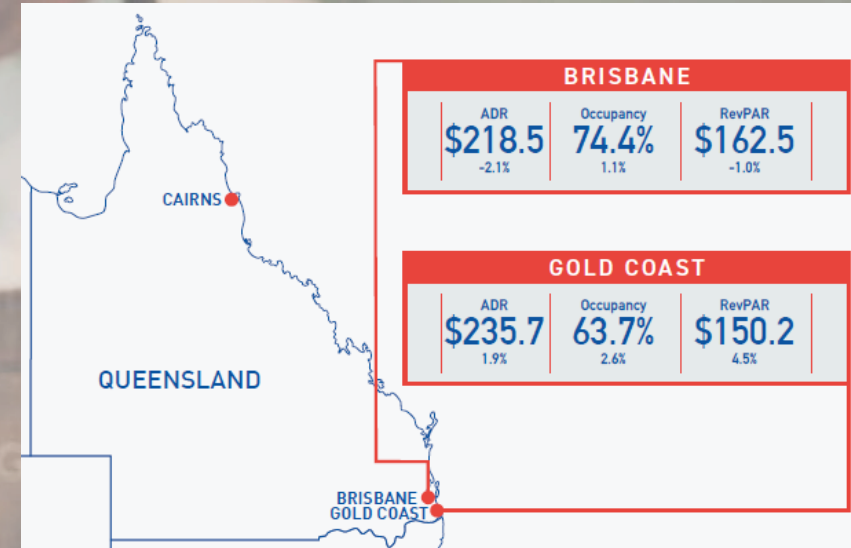
Hotel revenue		23,261
Hotel operating profit		3,644
Property and funding costs		
Depreciation & insurance	(2,790)	
Interest income	317	
Interest expense on related party loans	(1,225)	
Income tax expense	16	
		(3,682)
Profit/(loss) for the period	100%	(38)
Group's share of profit /(loss)	50%	(19)

Joint Venture Financial Position	Unaudited	Audited	Change \$	Change %
	HY2024	FY2023		
	\$000's	\$000's		
Non-current assets	201,809	202,650		
Current assets	22,851	27,477		
TOTAL ASSETS	224,660	230,127	(5,467)	-2.4%
Non-current liabilities				
Loans - internal	126,266	124,462		
Current liabilities	9,719	17,779		
Net assets (100%)	88,675	87,886	789	0.9%
Group's share (50%)	44,338	43,943		

- Sofitel Brisbane draws upon its strong market positioning as one of the oldest and most reputable luxury hotels in Brisbane
- HY24 hotel operations outperforms 2023 levels
 - Q1 - traditionally quieter period of operation
 - Q2 - stepping up on the back of specially equipped sporting group facilities and utilisation of conferencing / functions capabilities
- Ownership structure includes debt funding from MCK (interest expense to joint venture / income to MCK)
- Trading loss reported after deduction of property and funding costs

BRISBANE MARKET PERFORMANCE

- Hotel's central location, a secure CBD environment, plethora of food & beverage options, specially equipped sporting group facilities, paired with a strong commercially focused leadership team
- Over the next 12 months, the city will see the staged opening and introduction of further precincts via the highly anticipated Queen's Wharf project putting the hotel in direct competition with some of Australia's most well-known hotel brands



MACRO-ECONOMIC MARKET INFLUENCES



Cash Rate

4.35% as at the June 2024 meeting, greater than June last year.



GDP

1.10% for the year to March 2024, lower than the outcome for the year to March 2023.



Inflation

Prices in Brisbane changed by 3.40% for the year to March 2024, lower than 7.40% for the year to March 2023.



Unemployment

Brisbane recorded an unemployment rate of 4.50% in May 2024. The unemployment rate has increased over the past year.



Wages

Wages growth in Queensland was 4.60% for the year to March 2024, greater than the previous year.



Consumer Confidence

83.00 in June 2024. Consumer confidence has decreased over the past year.



Business Confidence

97.00 in May 2024. Business confidence has increased over the past year.

CDL INVESTMENTS PIPELINE

FINANCIAL PERFORMANCE - CDLI	Unaudited HY 2024 \$000's	Unaudited HY 2023 \$000's	Change \$	Change %
REVENUE	16,614	11,968	4,646	38.8%
Operating Profit	7,862	5,271	2,591	49.2%
Net Finance income	1,345	1,707	(362)	-21.2%
Profit before income Tax	9,207	6,978	2,229	31.9%

BALANCE SHEET - CDLI (NZX:CDL - Owned 65.99%)	Unaudited HY2024 \$000's	Audited FY2023 \$000's	Change \$	Change %
Development properties	234,719	224,541		
Investment properties	35,646	35,834		
Non-current assets	259,196	238,984	20,212	8.5%
Cash and bank deposits	35,853	52,159		
TOTAL ASSETS	313,461	319,228	(5,767)	-1.8%
Bank Debt	0	0		
Other Liabilities	6,448	5,503		
NET ASSETS	307,013	313,725	(6,712)	-2.1%

- Solid pipeline of land development
 - Total land holding **294.2Ha**
 - Estimated yield circa **3,500 sections***
- Maintained a nationwide geographical spread
- Diverse portfolio, offers flexibility for diversification
- Continually looking to grow their portfolio – unconditional agreement to purchase 10.08 hectares of land in Burnside, Christchurch

* Estimated section yield, subject to residential zoning/resource consents

NETWORK EXPANSION AND GROWTH

- Filling in the gaps in our New Zealand hotel network
 - Whangarei land acquisition, conditional on detailed feasibility study
- Building on our initial entry into Australia
 - Short term focus to deliver return on Sofitel acquisition
 - Key facts

Settled: Dec 2023

Purchase price: A\$177.7m

Structure: 50% JV

Equity funding: NZ\$44.3m

Internal debt funding: NZ\$62.2m

Occupancy 74.2%

Revenue HY24 A\$21.5m

+ 5.4% v YTD 2023

REVIVE AND THRIVE FY23 TO FY26

Key initiatives

ACHIEVED

FY23

Revival

- Bring all rooms back online
- Build occupancy back to former levels
- Attract and retain full complement of staff
- Marketing and sales activity to drive guest visits
- Continued investment in refurbishment and upgrades

IN PROGRESS

FY23 - 24

Early Stage Growth

- Identify opportunities to fill the gaps in the New Zealand hotel network
- Build beachhead in Australia
- Formalise strategy for sustainable operations
- Continued investment in refurbishment and upgrades

FUTURE PLANNING

FY25 - 26

Accelerate Growth

- Optimise hotel network and under-utilised land and buildings
- Expand footprint in Australia
- Continued investment in refurbishment and upgrades

2024 OUTLOOK

Remain confident in continued progress under Revive and Thrive strategy

- Good control over the controllables - strong staffing levels and more room capacity
- Varied regional demand – some areas such as Queenstown remain extremely strong
- Ongoing challenges – cost inflation, lower consumer and business confidence, cost of living increases
- No major sporting events scheduled in 2024
- Central and local Government action and support needed to promote NZ and attract tourists, conferences and events

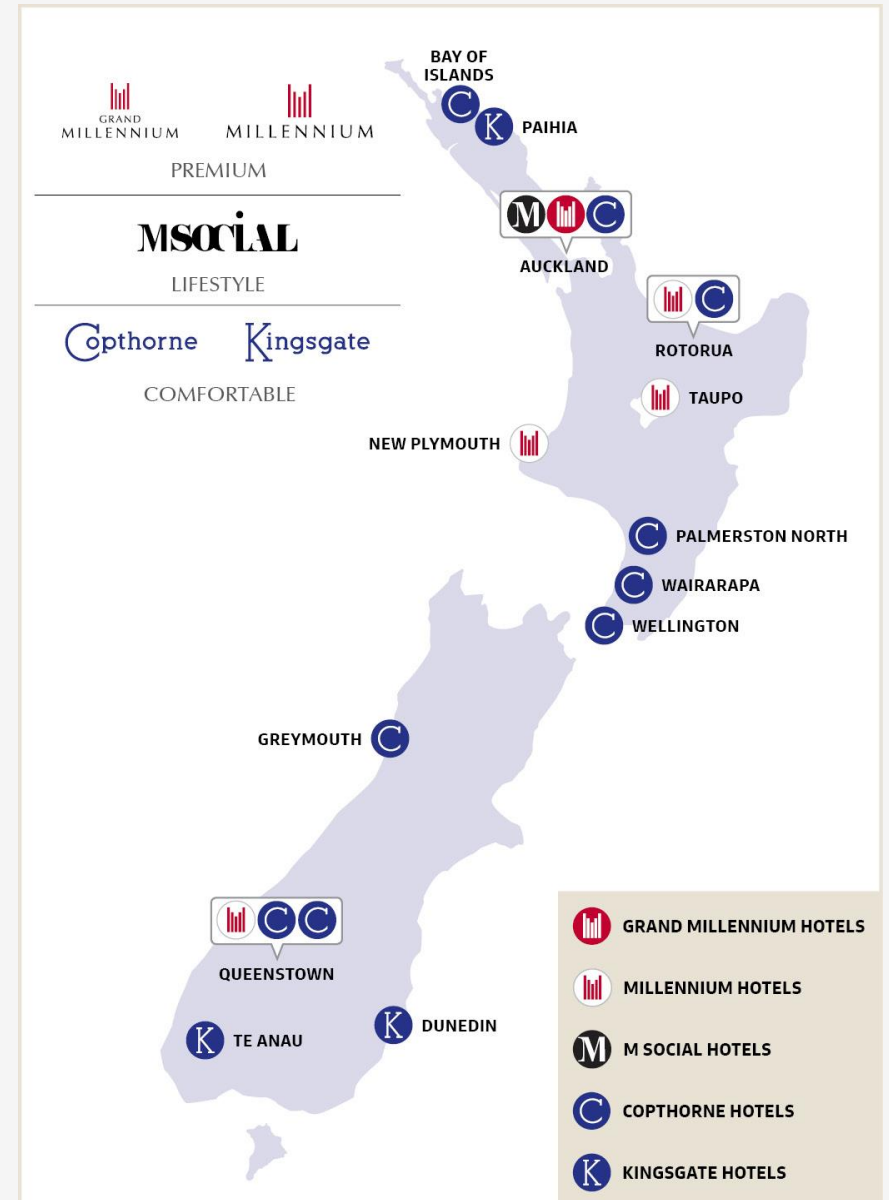
OUR HOTEL NETWORKS

18 Hotels in NZ

Opportunity to fill in the network
2,250 rooms per night owned and managed

1 Hotel in Australia

Beachhead being established.
Significant opportunity to build footprint



DISCLAIMER

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All references to \$ are to New Zealand dollars unless otherwise indicated. Percentages may be subject to rounding.

This announcement may contain forward-looking statements. Forward-looking statements can include words such as "expect", "intend", "plan", "believe", "continue" or similar words in connection with discussions of future operating or financial performance or conditions. The forward-looking statements are based on management's and directors' current expectations and assumptions regarding the M&C Hotels business, assets and performance and other future conditions, circumstances and results. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and to any changes in circumstances. M&C Hotels actual results may vary materially from those expressed or implied in the forward-looking statements. M&C Hotels and its directors, employees and/or shareholders have no liability whatsoever to any person for any loss arising from this announcement or any information supplied in connection with it. M&C Hotels are under no obligation to update this announcement or the information contained in it after it has been released. Past performance is no indication of future performance.