

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

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

15-Dec-2023 17:18:03

Status

New

Announcement Sub Title

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

Announcement Reference

SG231215OTHRVU84

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)

We refer to the news release issued by the Company on 22 March 2023 relating to the acquisition of Sofitel Brisbane Central Australia. Please see attached announcement released by Millennium & Copthorne Hotels New Zealand Limited (MCK) on 15 December 2023 titled "MCK and Millennium & Copthorne Hotels Limited settle purchase of Sofitel Brisbane Central Hotel".

Attachments

[MCK NZX Sofitel Brisbane.pdf](#)

Total size =882K MB

MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED

NZX ANNOUNCEMENT**15 December 2023****MCK and Millennium & Copthorne Hotels Limited settle purchase of Sofitel Brisbane Central Hotel**

Millennium & Copthorne Hotels New Zealand Limited (NZX:MCK) and its parent company Millennium & Copthorne Hotels Limited (**M&C**), subsidiaries of Singapore-listed City Developments Limited (**CDL**), are pleased to announce that they have, through a 50:50 joint venture, completed the acquisition of the Sofitel Brisbane Central hotel in Australia from Brookfield Asset Management. As advised in March this year, the purchase price was A\$177.7 million (approximately NZ\$190.8 million*), or A\$427,000 (approximately NZ\$458,625*) per key (the **Acquisition**).

The acquisition used MCK's existing financial cash resources and bank funding facilities of NZ\$20.0m to complete its share of the acquisition.

MCK Managing Director Stuart Harrison outlined what the newly-acquired hotel would bring to MCK's overall business.

"The impact to our overall revenue and profit for 2023 as a result of settling the purchase will be minimal as we will not be receiving any meaningful contributions from its operations before our 31 December year end. We have been able to monitor the hotel's overall trading performance this year which has included events such as FIFA Women's World Cup, a State of Origin rugby league game and other international artist events which show how strong the Brisbane and Queensland location is. We are encouraged by its strong performance in 2023 especially in its key corporate and leisure market segments where Central Brisbane Hotels recorded September YTD Occupancy of ~73% and ADR of ~A\$235.

"The impact of the use of our cash reserves held in Australia together with the use of our existing banking facility will be shown in our 31 December financial statements. This acquisition will not put pressure on our overall debt profile or banking covenants with an LVR of 12.4% and it did not require an equity raise.

"The settling of this acquisition will be a critical step forward in our "Revive" strategy and we expect that the hotel's performance will help enhance MCK's overall results next year as we optimize operations in New Zealand and create new opportunities in Australia", said Mr. Harrison.

Mr. Harrison noted that Sofitel Brisbane Central has unique strengths as an established fixture in the Brisbane / Queensland market for meetings, conferences, and incentives and the hotel would continue to be managed by the Accor Group as a Sofitel hotel. Management will work with the Hotels Manager to determine where any enhancements can be made to the property by means of refurbishment plans, and we will update shareholders as we complete the assessment and put plans in place.

(*: NZD / AUD exchange rates used are 1 / 0.9314 as at 30 November 2023)

“Its key strengths in many areas made this acquisition very attractive. We were particularly aware of its reputation in the Australian Conference and Incentive (‘C&I’) Market. MCK also has a long-established reputation as a leading player in the New Zealand C&I markets so one of our immediate priorities will be to determine what synergies we can create between that hotel and our network to maximize revenue and client demand for both”.

“Having the ability to host events at MCK-owned properties in New Zealand and Australia will be beneficial for us in the medium to long term”, he said.



Sofitel Brisbane Central at a glance:

Location	249 Turbot Street, Brisbane City QLD 4000, Australia
The Hotel	A 5-star landmark hotel prominently located in the heart of Brisbane CBD, overlooking ANZAC Square and Post Office Square, with direct access to Central Railway Station, the city's main transport hub.
Rooms & Suites	416 (379 rooms and 37 suites)
Restaurant & Bars	6 restaurants, bars and lounges
Meetings & Conferences	Ballroom Le Grand and 8 meeting rooms
Facilities	<ul style="list-style-type: none">• Heated outdoor swimming pool and sundeck, plus an Elite high-performance gym• Spa, hair salon and medical clinic• Undercover parking for 220 vehicles• Rooftop helicopter pad
Land Tenure	<ul style="list-style-type: none">• 99-year from 25 May 2021

MCK Chairman Colin Sim said that he was very pleased that the transaction had settled.

"We have been working very hard since we announced the acquisition in March, and we are really looking forward to having this excellent hotel as part of our property portfolio. On behalf of the MCK Board, I would like to thank Stuart and his team and our advisors in New Zealand and Australia together with the global Millennium & Copthorne team for their efforts", he said.

-ENDS-

Issued by Millennium & Copthorne Hotels New Zealand Limited

About Millennium & Copthorne Hotels New Zealand Limited

Millennium & Copthorne Hotels New Zealand Limited (NZX:MCK) is the only NZX 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.

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