Takeovers Code (CDL Investments New Zealand Limited) Exemption Notice 2025

Pursuant to section 45 of the Takeovers Act 1993, the Takeovers Panel, being satisfied of the matters set out in section 45(6) of that Act, gives the following notice.

Contents

Notice

1   Title

This notice is the Takeovers Code (CDL Investments New Zealand Limited) Exemption Notice 2025.

2   Application

This notice applies to acts or omissions occurring on or after 26 January 2025.

3   Expiry

This notice expires on the close of 30 June 2025.

4   Interpretation

(1)   In this notice, unless the context otherwise requires,-

Act means the Takeovers Act 1993

Code means the Takeovers Code under the Act

CDI means CDL Investments New Zealand Limited, a company incorporated in New Zealand

CDL means City Developments Limited, a company incorporated in Singapore

CDLHH NZ means CDL Hotels Holdings New Zealand Limited

MCK means Millennium & Copthorne Hotels New Zealand Limited, a company incorporated in New Zealand

transaction means the acquisition by CDLHH NZ (a wholly-owned subsidiary of CDL) of ordinary shares in MCK:

(a) under a full offer to be made by CDLHH NZ in accordance with the Code for the ordinary shares in MCK not already held by CDLHH NZ; and

(b) should CDLHH NZ become the dominant owner of MCK by reason of acceptances of the full offer referred to in (a), through compulsory acquisition of the outstanding securities under and in accordance with Part 7 of the Code.

(2) In this notice, a reference to a person increasing voting control is a reference to the person becoming the holder or controller of an increased percentage of voting rights in CDI.

(3) Any term or expression that is defined in the Act or the Code and used, but not defined, in this notice has the same meaning as in the Act or the Code.

5 Exemption from rule 6(1) of Code

CDL, CDLHH NZ, and each of CDL's other wholly-owned subsidiaries are exempted from rule 6(1) of the Code in respect of any increase in their voting control that results from the transaction.

Dated at Auckland this 26th day of January 2025.

[signed]

Carl Blanchard
Chair

Statement of Reasons

This notice applies to acts or omissions occurring on or after 26 January 2025 and expires on 30 June 2025.

The Takeovers Panel has granted an exemption for City Developments Limited (**CDL**) CDL Hotels Holdings New Zealand Limited (**CDLHH NZ**), and each of CDL's other wholly-owned subsidiaries from rule 6(1) of the Takeovers Code in respect of any increase in their voting control in CDL Investments New Zealand Limited (**CDI**) that results from the acquisition of ordinary shares in Millennium & Copthorne Hotels New Zealand Limited (**MCK**):

(a) under a full offer to be made by CDLHH NZ in accordance with the Code for the ordinary shares in MCK not already held by CDLHH NZ

(b)   should CDLHH NZ become the dominant owner of MCK by reason of acceptances of the full offer referred to in (a), through compulsory acquisition of the outstanding securities under and in accordance with Part 7 of the Code.

(the **transaction**).

Each of MCK and CDI is listed on the NZX Main Board. City Developments Limited (**CDL**), a company listed on the Main Board of the Singapore Exchange Securities Trading Limited, currently controls 75.86% of the ordinary shares in MCK (these MCK shares being held by CDL's indirect wholly owned subsidiary, CDLHH NZ). MCK, in turn, currently holds 65.54% of the ordinary shares in CDI. Accordingly, CDL exercises control over MCK by its ability to appoint the majority of MCK's board. This also gives CDL control over CDI, by MCK's ability to control the appointment of a majority of CDI's board. However, given the restrictions imposed by the NZX Listing Rules it may be that, while CDL exercises control over both MCK and CDI, that control is not absolute.

Depending on the level of acceptances, the transaction will result in CDL (through CDLHH NZ and various wholly-owned intermediate holding companies) acquiring a greater shareholding in MCK. Accordingly:

(a)   The transaction may increase, to an extent, the control which CDL exercises over MCK (particularly if the full offer proceeds to compulsory acquisition and MCK were to be delisted and become a wholly-owned subsidiary of CDL).

(b)   By virtue of rule 6(2)(c) of the Code, the transaction may result in an increase in the extent to which CDL controls the CDI voting rights held by MCK.

(c)   Therefore, but for this exemption:

(i)   the transaction may be restricted by rule 6(1) of the Code through the application of rule 6(2)(c); and

(ii)   CDL (and any of its subsidiaries which would share in the control of MCK's voting rights in CDI) would be required to comply with rule 7 of the Code in relation to the transaction.

The Panel considers that it is appropriate and consistent with the objectives of the Code to grant the exemption because, -

- prior to the transaction, CDL had a significant level of control over the voting rights in CDI held by MCK through CDL controlling 75.86% of the voting rights in MCK, giving CDL:

  o   the ability to control the appointment of a majority of the directors of MCK; and

  o   through the appointment of a majority of the MCK directors, the ability to control how MCK exercised its 65.54% voting control over CDI, including the ability to appoint a majority of the directors of CDI;

- accordingly:

  o   any increase in CDL's voting control in relation to MCK as a result of the transaction would be very minor; and

  o   such a minor increase in voting control of CDI could not reasonably be regarded as a significant purpose of the transaction;

- complying with the Code in respect of the transaction would be impracticable and would impose disproportionate compliance costs on CDL; and

- the exemption is consistent with the Panel's policy for exemptions in respect of upstream acquisitions.

Date of Notification in the *Gazette*: 29 January 2025