Christchurch
City Holdings
Limited

A WHOLLY OWNED SUBSIDIARY of CHRISTCHURCH CITY COUNCIL

Annual report 2025

Te Pūrongo ā-Tau 2025

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Rārangi Upoko

Additional photography: ChristchurchNZ

CEO and Chair’s report

Te Pūrongo a te Heamana me te Kaiwhakahaere Matua

In a challenging economic environment, the CCHL Group provided welcome stability over the past year. In fronting up to the questions about how we prepare for the long-term development of our region, that stable foundation will become increasingly important.

In 2025 financial year (FY25), the CCHL Group has performed well across the board, with each business either meeting or exceeding their targets. This year’s achievements have reinforced the financial strength of the group, providing the ability to prudently manage our long-term commitments, pay down earthquake recovery debt and return dividends to the ratepayers of Christchurch and Banks Peninsula – as committed to in Council’s 2025-2035 Long Term Plan.

This also reflects the approach to responsible ownership. It is striking the balance between dividend payments and debt management, while investing in resilience and ensuring the assets can meet the long term needs of a growing region and contribute to positive environmental and social outcomes.

Commercial value was provided to Council of $69m through dividends ($55m) and distributed tax losses ($14m), together with an exceptional 2025 portfolio capital appreciation of $635m. While noting capital appreciation is non-cash, it represents an independent valuer’s increasingly positive outlook for the portfolio, reflecting a combination of commercially enhancing investment within the subsidiary businesses, prudent debt management, and market data.

Rebuilding stability and understanding

For CCHL itself, the year has seen the re-establishment of stability within both our board and management. Our ability to attract a breadth of experience and diverse capability to the board – especially in key areas such as infrastructure management, investment and strategy – has ensured we have the capacity to meet current demands and navigate the future. Our management team, too, has been renewed, providing a new range of professional expertise to support the needs of the group.

What has also been significant this year are the deliberate steps we have taken to rebuild our key stakeholder relationships. This enabled a foundation of common understanding and purpose, and a shared appreciation of the strategic issues we face across the portfolio. As Chair and CEO, we have been pleased by the sense of goodwill and reciprocity in the commitment to work together as a group, from across the subsidiaries and Council, in the best interests of Christchurch and Banks Peninsula.

This common understanding and purpose allows us to make considered responses to some of the bigger issues we face over the coming years, and brings heightened objectivity to decision making.

Meeting the needs of our region

In doing so, the key question for us – not only as a group but as a broader community – is how do we use our valuable portfolio to make an even greater contribution to meeting the growing needs of Christchurch and Canterbury?

Christchurch has invested well in our social infrastructure, and we know that our region is experiencing strong population growth. As a result of the rebuild, Christchurch has been able to establish an extraordinary foundation. We have very strong, publicly-owned infrastructure. We have a positive and optimistic commercial environment. We have significant natural assets providing recreation and wellbeing benefits. We have great social infrastructure. We have major events which are having a material impact on the local economy and community. And we have an enduring commitment to our heritage and the arts.

As a result, people are flocking to our region in their tens of thousands.

But all of these elements represent an opportunity for the future – not the finished product. To meet the evolving needs of the Canterbury community, we can’t rest on what we have achieved to date. We have to continue to invest, grow and develop, so in the coming decades we don’t look at this moment and realise we missed an enormous opportunity.

Proud of our assets

The conversations we need to have as a community about the future of our city and region reflect the vital considerations we must face about the future of our asset portfolio.

At $6 billion, this is a significant portfolio – not only in terms of scale but in its potential to have a positive impact for our community over the long term.

Just ensuring that the portfolio remains fit for purpose is a considerable challenge. In the near future, we know there will be opportunities to further grow these assets. That will also create new demands to fund the development of our infrastructure in a way that is appropriate for the long term.

At the same time, we are considering the future of our portfolio against the background of significant global economic and environmental change. In particular, as a group, we cannot afford to ignore the significance of climate change. As owners of major infrastructure assets, we must remain focused on the impacts climate change could have on their operation and the steps that may be needed to adapt to a broad range of climate effects – from changing energy demands, to rising sea-levels.

Exactly how these needs are addressed is something that we at CCHL, and our colleagues across the group and at Council, are very focused on. This reinforces the investment we are making in establishing a foundation of common understanding about these opportunities and challenges.

Striking the right balance

As we have highlighted, the essence of responsible ownership is about getting the balance right. That is not only a consideration for the present moment, but something that must be addressed at an intergenerational level. Taking that long view is something that has characterised the ownership and management of the portfolio over past decades and is one of the key reasons why Christchurch has retained its assets.

Fundamentally, that balance is between what is a fair return for the ratepayers today through dividends, which help reduce rates, and what's required to invest for those assets to meet the needs of future generations. We have to front into these decisions now, in order to make the most of the opportunities we have before us – while being fully cognisant of the risks and challenges we face.

Because what we have before us is a true, once in a generation opportunity. One that we will all – as the people of Christchurch and Banks Peninsula – have a role to play in responding to.

BRYAN PEARSON
Chair

MATTHEW SLATER
CEO

Strategy

Rautaki

The portfolio

Te kohinga

Ownership/Investment Value[2]

Orion New Zealand Limited

89% $1.63B

Lyttelton Port Company Limited

100% $459M

Christchurch International Airport Limited

75% $1.72B

City Care Limited

100% $149M

Enable Networks Limited*

100% $714M

EcoCentral Limited

100% $13M

Other

Development Christchurch Limited

100% $25M

RBL Property Limited

100% $22M

* Enable Services Limited name change (refer p56 Note 1 financials)

[2] Independently valued as at 30 June 2025

CCHL's role in supporting Ōtautahi Christchurch*

Te wāhi ki a CCHL hei tautoko i a Ōtautahi, i a Te Pātaka-a-Rākaihautū hoki

Established in 1993, CCHL holds Council's shares in major economic infrastructure assets and service providers. This includes four 100% owned companies, Lyttelton Port Company Limited (LPC), Enable Networks Limited (Enable), City Care Limited (Citycare) and EcoCentral Limited (EcoCentral), as well as two organisations that are majority owned, Orion New Zealand Limited (Orion) (89.275 %) and Christchurch International Airport Limited (CIAL) (75 %). In addition, CCHL also holds investments in RBL Property Limited and Development Christchurch Limited (including a majority shareholding in the Christchurch Adventure Park).

What we do

CCHL's strategic intent reflects Council's desire to establish independent oversight and management of these commercial entities. CCHL's mandate and annual performance targets are established by Council through an annual letter of expectation and CCHL's Statement of Intent.

CCHL takes an active and prudent approach to managing the subsidiaries within the CCHL Group. This reflects the expectations of Council and the ratepayers of Christchurch, while managing the assets with an intergenerational approach – balancing the needs of today with the demands of investing for the future.

CCHL has developed a Responsible Ownership Framework to guide its direction and programme of work.

How we work

At CCHL, we support the current and future growth of Christchurch through our stewardship of Christchurch City Council's investments in local infrastructure companies that are commercially, environmentally and socially sustainable.

We take our role as stewards of these intergenerational investments seriously. We understand that how we operate and behave as an organisation matters, and that the decisions we make today will have impacts for our community and region, well into the future.

Our approach is built on a foundation of strong leadership and long-term value creation that balances financial and non-financial performance with evolving social, ethical and environmental considerations.

Our actions and decisions are guided by our Responsible Ownership Framework. The Framework aligns with the UN's Principles for Responsible Investment (see following page) that promotes long-term thinking and establishes a broad view of stakeholder value creation.

It supports the strategic priorities and community outcomes outlined in Council's Long Term Plan and is aligned with the 'Christchurch Economic Ambition' report, further detailing the pathway to intergenerational prosperity and well-being for Ōtautahi Christchurch.

* Includes Banks Peninsula

Value creation through responsible ownership

Te waihanga wāriu mā te pupuritanga haepapa

UN Principles for Responsible Investment

Principle 1	We will incorporate ESG issues into investment analysis and decision-making processes.
Principle 2	We will be active owners and incorporate ESG issues into our ownership policies and practices.
Principle 3	We will seek appropriate disclosure on ESG issues by the entities in which we invest.
Principle 4	We will promote acceptance and implementation of the Principles within the investment industry.
Principle 5	We will work together to enhance our effectiveness in implementing the Principles.
Principle 6	We will each report on our activities and progress towards implementing the Principles.

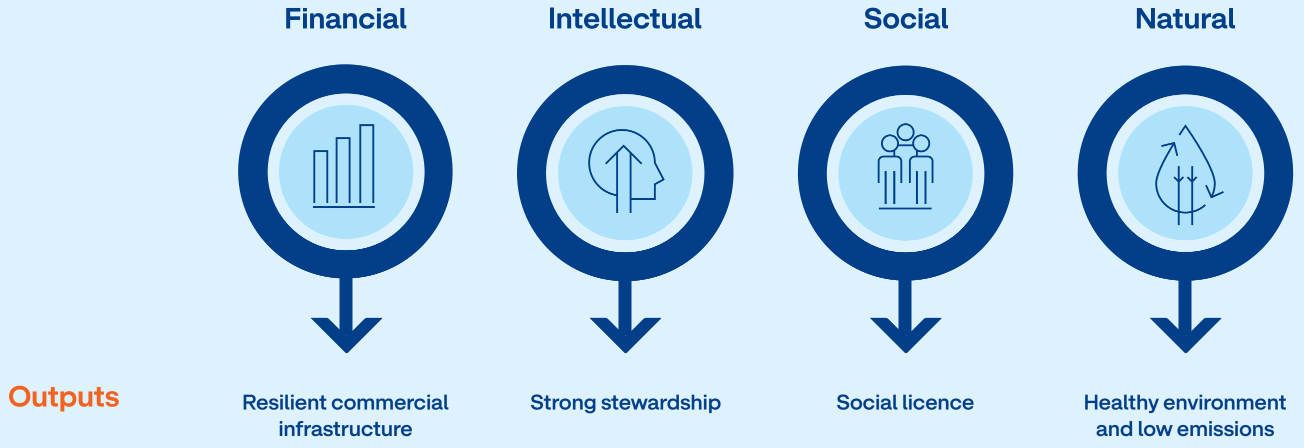
Responsible Ownership Framework

Te Anga o te Pupuritanga Haepapa

Objective Shape resilient, sustainable and accountable businesses that enhance long-term value and positively contribute to Christchurch's economic, social and environmental well-being.

Purpose Establish the guidelines for responsible corporate behaviour for CCHL and the subsidiaries by balancing Economic, Social and Governance (ESG) considerations in their corporate practices and culture that aligns financial performance with positive community impacts.

Inputs Decisions and behaviours are guided by four core capitals based on our value creation model. These reflect our values, culture and ambition as a responsible owner. They align with what we, our owner – Christchurch City Council – and our subsidiary companies care about:



Our value creation model

Tā tātou tauira hei waihanga wāriu

Vision

Creating value from publicly owned infrastructure for the people of Christchurch and Banks Peninsula.

Mission

To support the future growth of Christchurch and Banks Peninsula by investing in key infrastructure assets that are commercially viable and environmentally and socially sustainable.

Inputs and relationships

Financial capital

- Christchurch City Council
- Bondholders and banks
- Local Government Funding Authority
- Subsidiary financial performance
- Retained earnings

Intellectual capital

- Leadership and governance capability
- Diversity of thought
- External assurance
- Regulation and legislation

Social & relationship capital

- Engaged, diverse workforce
- Manawhenua
- Christchurch City Council
- Communities and customers

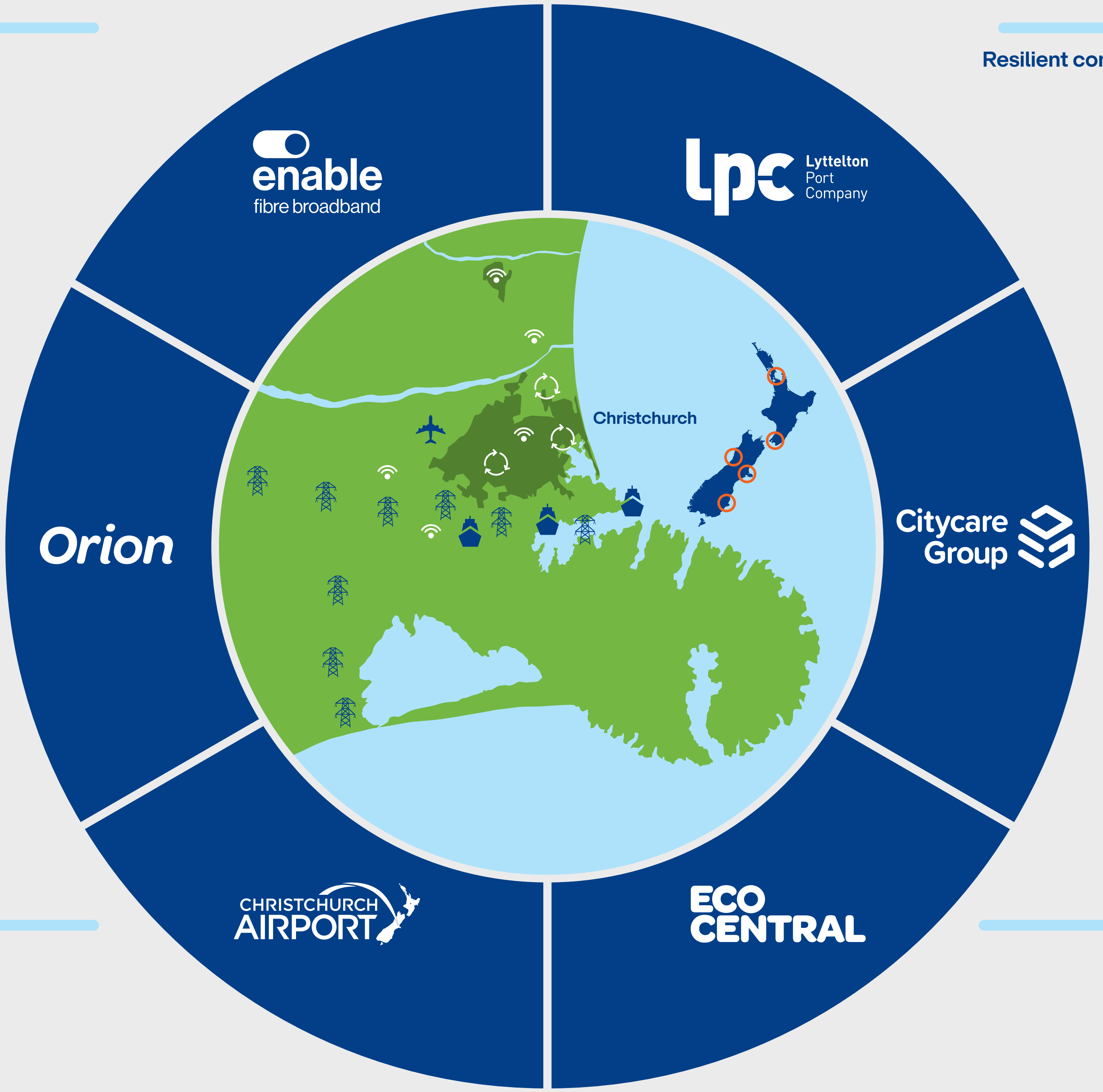
Natural capital

- Natural environment
- Renewable and non-renewable resources
- Indigenous biodiversity
- Stable climate

What we do

Active capital management with strong assurance, risk management and responsible ownership frameworks.

Ensure high quality, experienced and diverse governance and leadership, respecting operational independence of subsidiaries.



Prioritise safe, inclusive and engaged workplaces and strong stakeholder relationships.

Establish a platform for leadership and investment in sustainability and ESG.

Outcomes/measures

Resilient commercial infrastructure

- Provide sustainable dividends to the city
- Long term capital investment planning for future resilience
- Debt management
- Transparent engagement with Council
- Integrated reporting

Strong stewardship

- Diverse and highly experienced Boards of Directors
- Genuine diversity and inclusion across the Group
- Continuous staff development; investment in careers and talent
- Rigorous appointment and review process for directors
- Group collaboration to enhance best practice

Social licence

- Strong social licence
- Engaged workforce
- Safety and wellbeing of staff is prioritised
- Open, transparent communication with stakeholders
- Respect and understanding for te ao Māori

Healthy environment and low emissions

- Reduce harmful environmental impacts
- Reduced reliance on fossil fuels
- Transparent reporting and communication of performance
- Climate risk management, targets and disclosure

Orion · Enable · Lyttelton Port Company · Christchurch Airport · Eco Central · Citycare

Materiality assessment

Te aromatawai hiranga

To understand and prioritise the environmental, social, governance and economic areas that matter most to our stakeholders and our business, CCHL carries out comprehensive stakeholder engagement. In late 2024, CCHL completed a materiality assessment.

To complete the materiality assessment, CCHL invited important stakeholders – internal and external – to contribute material topics that they consider as most important for our business.

CCHL identified a wide cross-section of stakeholders, including Group employees, subsidiary board members, service providers to CCHL, councillors, former directors and community board members, to provide a diverse range of viewpoints and gain insights from individuals or organisations affected by CCHL's activities. In total, more than 50 local people were interviewed as part of the assessment process.

The key material topics identified in this process included:

Governance and strategy: Accountability, transparency and credibility to achieve positive ESG outcomes. Maintain CCHL's social licence to operate through responsible and ethical investment and practices. This topic also includes meeting statutory obligations and responding to changing requirements through proactive leadership.

Sustainable financial performance: Ensuring sustainable financial performance and returns as a key component of the triple bottom line (economic, environmental, and social). Business continuity planning including risk management and reliance on key holdings and assets.

Resilient future (and emissions reduction): Understanding and adapting to direct and indirect impacts on the business from – and of the business on – climate change (double materiality). Advocate for long-term sustainability and societal impact through portfolio management, utilisation and investments. Consider the low-carbon transition in CCHL's portfolio and financial decisions. Support our subsidiaries to drive carbon reduction.

Relationships and partnerships: Actively engage with all our stakeholders through communication that is genuine, transparent and timely. Building positive and lasting relationships with key stakeholders, the community, and our staff. Foster alignment and forge partnerships to achieve shared outcomes for the future of the region.

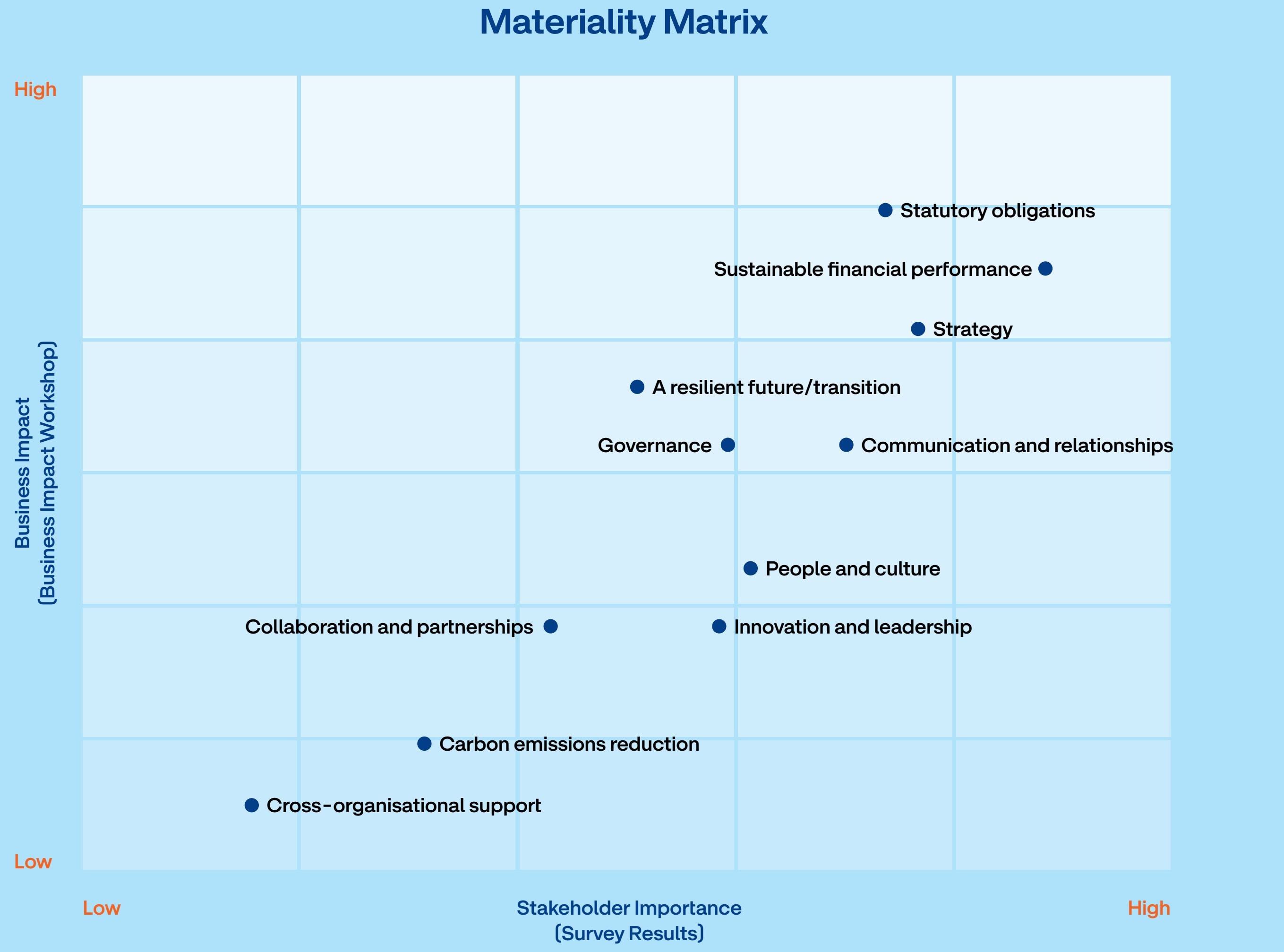
People and culture: Empowering our people and creating environments where people can thrive and share a purpose. Ensuring everyone can confidently bring their skills, values, backgrounds, and experiences to work.

Innovation and leadership: Forward looking leadership for the region. Understanding what a possible innovative future could look like and working with partners to align growth with future community needs.

Understanding what matters most to our stakeholders is an essential element of ensuring a future-proofed sustainability strategy that captures the most important ESG issues raised during the materiality assessment. CCHL is using the results of the materiality assessment to build sustainability into our ongoing business strategy and ensure we are communicating the information that is most important to our stakeholders. This will help to strengthen relationships with internal and external stakeholders, improve decision making and develop a robust sustainability strategy.

Subsidiaries also engage with stakeholders through their business operations. Meaningful engagement with communities, iwi, employees and the supply chain is critical for operating sustainable, successful businesses over the long term. To support this engagement, all subsidiaries develop, implement and maintain a stakeholder engagement plan. The purpose of this plan is to clearly describe the stakeholders that are important to them and whom they impact on, the needs and expectations of those groups, the policies and processes for delivering on, maintaining and strengthening those relationships, and the people responsible for such activities.

Many subsidiary businesses also undertake and report a materiality assessment to formally rank and prioritise material issues.



Information courtesy of Thinkstep ANZ

Performance

Tutukinga

FY25 Performance highlights

Ngā tutukinga me ngā kōrero matua o te tau ā-ahumoni 2025

Financial

EBITDA
$506M
FY24: $450M

SHAREHOLDER DIVIDEND
$55M
FY24: $50.7M

NORMALISED NPAT*
$159M
FY24: $111M

PORTFOLIO VALUE
$4.1B ↑17%
FY24: $3.5B

* FY25 NPAT normalised by $47m, which adjusts for the non-cash after-tax fair value gain related to the revaluation of Lyttelton Port Company's property, plant and equipment.

Intellectual

Group gender diversity*

	male	female
FY25	77.2%	22.6%
FY24	78.1%	21.5%

Board Gender diversity

	male	female
FY25	59%	41%
FY24	67%	33%

Gender pay gap

FY25
14.4%
median total remuneration
(national average 17.7%)

FY24
12.7%
median total remuneration
(national average 16.7%)

male female

* Diversity metrics reported exclude Spencer Henshaw and Apex Water.

Social

TE REO
129 Employees
across the group took part in te reo classes

STAKEHOLDER ENGAGEMENT
5/6 Subsidiaries
hold a stakeholder engagement plan and report against it

WOMEN'S NETWORK
1,123 Attendees
over ten events throughout the year

H & S INDICATORS
5/6 Subsidiaries
reported an improvement in lead H&S indicators, including near miss reporting, engagement, leadership and safe work observations

Natural

GHG COMMITMENT
1.5° GHG
declared Group commitment to 2030 GHG target aligned with 1.5° of warming

GHG REDUCTION
3/6
Group subsidiaries
reported year on year reduction in GHG emissions

SCOPE 1 + 2 GREENHOUSE GAS EMISSIONS
↓12%
gross reduction since 2022

↓31%
net reduction since 2022

* Emission reduction targets have been developed using information from www.sciencebasedtargets.org, and going forward, CCHL (and its subsidiaries) will review GHG emissions reduction targets in-line with the best available science that states what is needed to limit warming to within 1.5 degrees of warming above pre-industrial levels. CCHL is not making any claims that targets will be submitted to or validated by external parties such as the Science Based Targets initiative but will utilise publicly available tools and resources from the Science Based Targets initiative to model target requirements.

Financial capital

Pūrawa ā-Ahumoni

Intergenerational Investment

CCHL is focused on long-term value creation through prudent financial management and responsible ownership.

This means managing assets transparently and sustainably to deliver long-term value, while balancing current operational needs with growth to benefit generations of the people of Christchurch*.

* Includes Banks Peninsula

Strong contributions from across the portfolio have delivered a solid result for the CCHL Group for FY25.

Earnings before interest, tax, depreciation, amortisation and impairment for the Group was $506 million in FY25, compared to $450 million in FY24, driven by strong revenues and effective cost control across the Group in an environment of challenging economic conditions.

The value of CCHL Parent increased $635m (17%) across the year, growing from $3.5 billion to $4.1 billion at the end of FY25, reflecting the positive outlook for the Group, and contributing to the commercial value that CCHL provides to Council, alongside dividends and distributions of tax losses.

NORMALISED NPAT

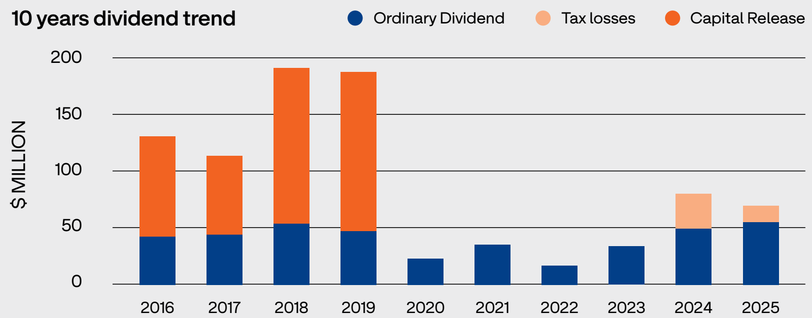
$159M FY25 SOI TARGET **$96M**

FY24: $111M

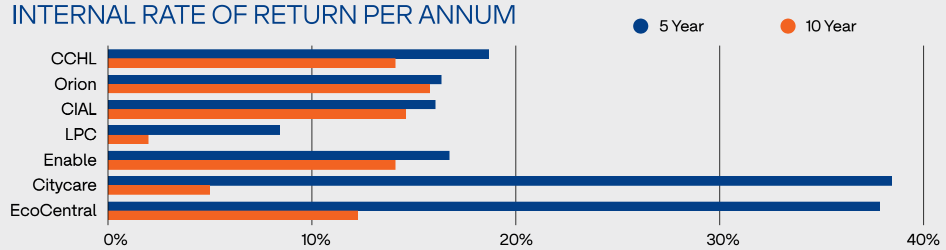
DISTRIBUTIONS TO COUNCIL

$55M DIVIDEND AS PER SOI TARGET

10 years dividend trend



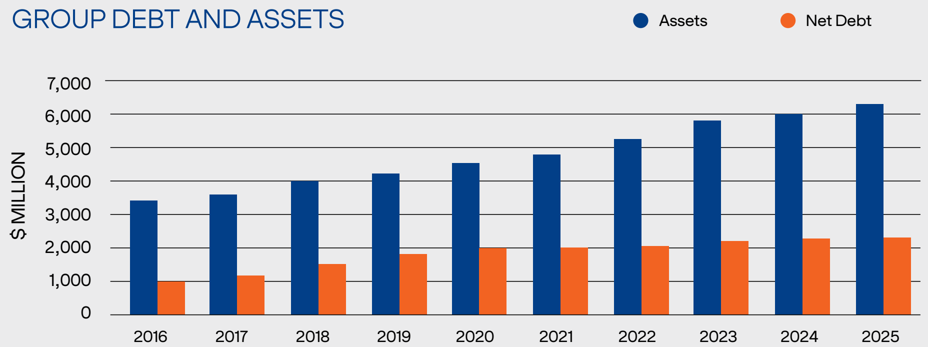
INTERNAL RATE OF RETURN PER ANNUM



Return on investment

- This chart shows what CCHL has earned on its investments over the last 5 and 10 years.
- The chart uses an annualised internal rate of return (IRR) methodology, which includes dividends received and changes in the value of each investment, noting the valuation of each investment is an important, but subjective, input in the IRR calculations.
- CCHL believes that IRR is a good indicator on investment returns over long periods.

GROUP DEBT AND ASSETS



* Net Debt is Group debt, (consisting of CCHL Parent debt (core debt plus on-lending to subsidiaries) and subsidiary debt from external parties), less cash and cash equivalents.

Activities across the Group

Building resilience and investing for the future.

Te Awaparahi Bay project

Te Awaparahi Bay project is a proposed expansion of Lyttelton Port's container berth capacity, designed to solidify the port's position as the South Island's main hub port and ensure the long-term sustainability and resilience of the region's economy and environment.

Currently, LPC can only berth a single large container vessel at a time. A new berth would allow two large vessels to berth simultaneously. This will enable Lyttelton to handle up to 850,000 TEU's (twenty-foot equivalent units) per year and accommodate the largest vessels that visit New Zealand.

The land development is a continuation of the Port Lyttelton Recovery Plan, under the Canterbury Earthquake Recovery Act 2011, and has been fully consented since January 2018. The land development is being carried out under a comprehensive construction environmental plan and a sustainability framework based on international best practices developed specifically for Te Awaparahi Bay project.

Having completed the first two stages of the project, covering 16 hectares, by December 2020, the current seven hectare stage is expected to take two years to complete.

Building network resilience

In September 2024, Orion marked another milestone in its major works programme to upgrade the electricity network in Ōtautahi Christchurch with the official opening of the Milton Street Switching Station.

The first stage in a programme of work to replace older oil-filled power cables in the city, this is the largest cable project Orion has ever undertaken. The switching station allows Orion to switch between power circuits, meaning the electricity provider has alternatives in an outage and can restore power more quickly.

On the outside of the new switching station building, artist Hori-Te-Ariki Mataki from Ariki Creative has designed a special piece of cultural art telling the story of the natural environment of Ōpāwaho Heathcote River. Ōpāwaho was also an important travel route connecting peninsular settlements with Ōtākaro and north to Kaiapoi.

Located next to Faraday Street, the switching station is a purpose-built, secure building housing high voltage switchgear. Native trees and shrubs have also been planted around the switching station, to enhance biodiversity on the site and complement the tukutuku pattern on the building's facade. Information boards on the site share the kōrero behind the artwork.

Intellectual capital

Kete ā-Whakaaro

Governance and Leadership

CCHL is dedicated to providing and fostering strong, diverse governance and leadership with a commitment to transparency and accountability, nurturing talent and with strict adherence to compliance, regulations and ethical standards.

The reset of the Board in 2025 has not only brought renewed stability to the governance of the organisation but also a diverse range of skills and experience to the table. That focus on the benefits of diversity, as well as the value of bringing a breadth of viewpoints to our governance, is also reflected in an increased level of diversity among the group's directors.

Creating pathways for development is key to providing opportunities for a wider group of people to have their skills and talents recognised. For CCHL, the success of programmes like Te Puna Manawa, both in terms of engagement and retention, reinforces the importance of establishing more opportunities for women in leadership. Developing a pipeline of talent has also been the focus of CCHL's Associate Director Programme. Alumni of the programme have regularly joined the group's governance network, reinforcing the importance of the programme in recognising and supporting local talent at this level.

Climate change is an issue we cannot ignore – both as owners of key infrastructure assets and as a leader in a community and economy that will increasingly need to grapple with its effects. How those impacts will be directly felt by each organisation, and how they can be managed in the future, is an increasing focus for leaders across our group.

GROUP BOARD GENDER DIVERSITY

↑ **41% Female**

FY24: 37%

FY25 GOVERNANCE APPOINTMENTS (ACROSS THE GROUP):

9	**6**	**41**
New Appointments	Reappointments	Total Directors across the group

STAFF ENGAGEMENT

3/6 Subsidiaries

increased staff engagement scores from FY24

DIRECTOR CLIMATE CHANGE TRAINING

80% of directors

completed climate change training course

Activities across the Group

Developing leadership capacity through diversity, pipeline and new skills.

Te Puna Manawa

First established as a pilot in 2023/24, Te Puna Manawa is a leadership development programme for women across the wider CCHL Group. Run by leadership development experts, The Female Career, for this year's programme 16 participants were chosen for their aspiration and potential to become influential leaders within their organisations.

The programme is designed to improve retention, engagement and performance of women leaders in their organisations. It also supports their career development and improves opportunities for women from across the Group, particularly in leadership roles.

Te Puna Manawa offered a wide range of activities over a six month programme, including workshops, mentoring and coaching as well as expert sessions and networking with external speakers and CCHL leaders.

Associate Director Programme

In September 2025, CCHL will relaunch its Associate Director Programme across the CCHL Group of Companies for the 2026/27 period, with ChristchurchNZ and Venues Ōtautahi joining the programme. This next intake will welcome nine new participants, building on the 41 Associate Directors who have taken part since the programme's inception in 2016.

CCHL is proud to partner with Sheffield South Island to deliver this programme, which is designed to strengthen governance capability in Christchurch and enhance the pipeline of future directors across the CCHL Group boards.

Director Learning and Development

The IOD Climate Governance Essentials course was offered as a professional development opportunity for Group directors, aimed at promoting best-practice climate governance across the organisation.

Thirty-five Group directors participated in the course, gaining a comprehensive understanding of their responsibilities and accountabilities in the climate governance space.

Social capital

Pūmanawa ā-Tangata

Culture, Values and Partnerships

CCHL invests in people, culture, safety and relationships to create engagement and support a strong social license to operate within the communities we serve.

As one of the largest employer organisations across the region, CCHL plays a major part in not only meeting the needs of our community but also ensuring there are opportunities for fulfilling and engaging roles for each of our employees.

In particular, it is vitally important that we appropriately reflect the make-up of our increasingly diverse and evolving population. This means not only supporting improved living standards, by providing a living wage and taking up the challenge of reducing gender pay inequality, but also ensuring we are creating a welcoming and inclusive environment for people of all cultures, backgrounds and abilities.

At the same time, our organisations meet a variety of needs across the region, and beyond – providing essential services, supporting economic development and protecting the environment. In doing so, they are finding a range of ways to support the community, including providing pathways to employment for young people, protecting the value of the assets owned by our ratepayers, and supporting those in need.

HEALTH AND SAFETY

5/6

Subsidiaries

Reported improvement in H&S indicators

LIVING WAGE

Maintained

across group

GROUP GENDER DIVERSITY

↑22.6% Female

FY24: 21.5%

GENDER PAY GAP

14.4%

median total remuneration

NATIONAL AVERAGE **17.7%**

FY24: 12.7% median total remuneration (national average 16.7%)

TE AO MĀORI TRAINING

TE REO

129 employees

across the group took part in te reo classes

Activities across the Group

Supporting communities, supporting and protecting our people and improving inclusiveness.

Diverting waste, supporting communities

Whether it's for students looking to fitout their flat, a family in need of help to get back on their feet, or a local business seeking a good home for old goods, the EcoShop team is passionate about diverting reusable items from landfill and giving them a second life.

Part of EcoCentral, the EcoShop recovers a broad variety of used materials – from furniture and homewares, to building supplies and garden tools. In the last year, the shop has diverted fifty 40-foot containers of material collected from EcoCentral's resource recovery centres as well as almost 60 tonnes of stock donated directly to the shop.

The collected materials all go to good use, with the 38 staff employed by the EcoShop not only running a profitable operation but also supporting many local people. EcoShop is well known by local community support agencies for its 'care packages', in support of local people looking to restart their lives, which provides a houselot of furnishings for only $350.

Neuroinclusion Network

To reflect its support of diversity, inclusion and belonging, this year CCHL convened a steering group on neurodiversity which aims to increase awareness of neurodiversity in the workplace.

Neurodiversity refers to the natural variation in how human brains are wired, leading to differences in thinking, learning, and processing information. Examples of neurodivergence include ADHD, autism, dyslexia, dyspraxia, dyscalculia, dysgraphia, and Tourette Syndrome.

The Neuroinclusion Network offered four events, including webinars, panel discussions and guest speakers this year that were open to all staff.

Latest technology to detect fire risk

Facing an increasing risk of fire from a growing number of discarded lithium-ion batteries, EcoCentral engaged an expert team of project managers, fire engineers and environmental engineers to develop a new system for the safety of the organisation's recently redeveloped materials recovery facility.

Having been extensively upgraded in 2022, the impact of a major fire within the facility would not only be measured in rebuild costs – estimated to be up to $40 million – but also in the likely delays and disruption to the city's recycling operation. Although an uncontrolled fire was most likely to occur within stored materials overnight, staff health and safety was also a key concern.

Working with Fire and Emergency New Zealand (FENZ), the project team identified that early warning, rather than specialised and expensive fire suppression systems would be the most cost-effective protection against a fire caused by a damaged battery. The result was the installation of a thermal imaging system, which can detect hot spots and smoke. Directly connected to FENZ, the system can alert local fire crews quickly, who have a requirement to be onsite in less than eight minutes.

Along with the protection system, EcoCentral has also been supporting public education and providing dedicated battery disposal containers at each of the transfer stations around the city.

Citycare supporting youth

Citycare Property is supporting young people from around the country, often from challenging backgrounds, through involvement in the Limited Service Volunteer (LSV) programme, designed to help trainees move on to jobs or study.

The LSV course is a free, six-week residential trainee course for young people between the ages of 18 and 25, which is run in collaboration between the Ministry of Defence, NZ Police and the Ministry of Social Development.

In the last year, two members of Citycare Property's executive leadership team have been patrons of the LSV programme, providing leadership guidance and supporting participation. A team from Citycare Property also attended the LSV Career Expos events in Christchurch, Wellington and Auckland, which are held towards the end of the programme as the graduates look towards their next steps.

Citycare Property recently launched a cadetship programme, "Bright Futures", in partnership with LSV to connect trainees with local job opportunities. Three LSV Bright Future cadets have joined the organisation this year, with Citycare Property looking forward to welcoming more outstanding LSV Graduates in the future.

Natural capital

Toitūtanga ā-Taiao

Tiaki

CCHL recognises the impact and dependency of the Group's operations on the natural environment. Our aim is to protect and enhance natural infrastructure assets, while leading and promoting the Group's transition to a healthier environment and low-emission economy.

In 2025, CCHL will publish its second Climate Statement, focusing on climate risks and the key strategies employed by the group to manage the ongoing impacts of climate change. In developing the report, the Board is supported by two subcommittees, the Audit and Risk Management and Impact committees, as well as the Sustainability Working Group – made up of representatives from across the group, which oversees the operational implementation of the group's climate response.

The significance of CCHL's approach to climate risk is also underscored by the declaration of a science-aligned target, to ensure the group's greenhouse gas emissions are consistent with a target of no-greater than 1.5degrees of warming by 2030. Progress against this target is continually measured across the group, as well as by the individual organisations.

As well as meeting their broader emissions targets, the group is also demonstrating leadership in a range of environmental impact mitigations. From reducing water sediment in the Cashmere Stream and controlling weeds in some of Canterbury's iconic river environments, to establishing native planting and supporting biodiversity, over the 2025 year, a diverse range of projects have demonstrated measurable results across the region.

Looking to the future, the group is also pursuing a renewable energy strategy, by employing battery technology across a wide range of vehicle fleets. Increased energy demand is also being supported by Orion's focus on a resilient network, as well as Christchurch Airport's creation of a renewable energy hub to help meet future requirements.

Second publishing
of Climate Statement

GHG INVENTORY BY SUBSIDIARY
3/6 Subsidiaries
reported year-on-year reduction in GHG emissions

GHG INTENSITY
5.22 GHG **tCO_2e/$M**
Reduced GHG intensity based on asset value

GROUP COMMITMENT TO SCIENCE-ALIGNED TARGET
1.5° of warming
declared 2030 target

GROSS REDUCTIONS IN SCOPE 1 + 2 GHG EMISSIONS
12%
since 2022

ABSOLUTE REDUCTION IN SCOPE 1 + 2 GHG EMISSIONS (year on year)
↓1%
on FY24

Activities across the Group

Reducing emissions, improving environmental outcomes and restoring natural landscapes.

Electric fire truck a regional first

As part of the organisation's commitment to sustainability, Christchurch Airport has introduced the first electric fire truck to be operated by an airport in the Southern Hemisphere.

The Rosenbauer RT (Revolutionary Technology) fire truck will serve as the airport's primary first-response vehicle, replacing the existing diesel truck that handles most emergency call outs across the airport campus. While the RT is a 100% EV it has a small back up range extender generator that can top up the batteries in exceptional circumstances, ensuring continuous operations even in prolonged emergency situations. The truck is fast, highly manoeuvrable, and packed with innovative technology to help make the airport's fire team's response times even more effective.

The new vehicle is part of the airport's broader fleet transition programme. With the corporate fleet already 100% electric, the airport is now transitioning its emergency response vehicles as part of its commitment to a zero-emission fleet by 2035.

Tautoru Mautai

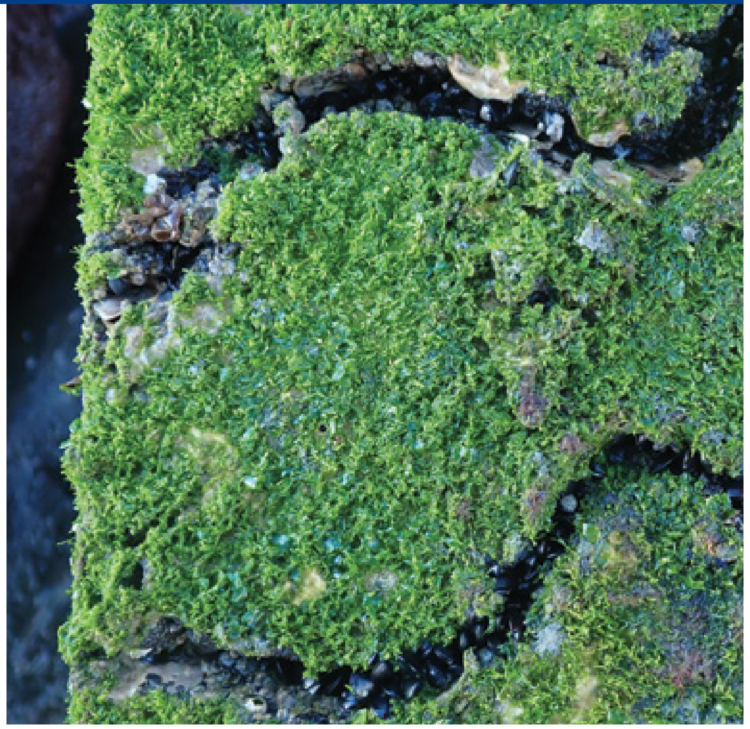
Mahi has continued at pace on Orion's Tautoru Mautai, an inter-generational reforestation partnership kaupapa with Wairewa Rūnanga to recloak farmland at Te Kaio Tumbledown Bay. The project is entering its third year and over 133,000 trees have now been planted, with 59,000 planted in the 2025 financial year alone.

While the project partners had some challenges with sheep in the planting area, once the stock was removed and grass sprayed around the seedlings to allow them more space and light to grow, tree growth and survival has been good. While not all seedlings survived, enough were planted to ensure a successful outcome.

Visit the website for more information

Activities across the Group

Reducing emissions, improving environmental outcomes and restoring natural landscapes.



Enhancing seawall biodiversity

With the smooth surfaces of seawalls around the Port offering little opportunity for life to take hold, in late 2023, LPC constructed and installed four artificial tidal pools.

Now in place for over 18 months, the pools have been showing signs of life, with organisms that typically live between the high and low tide zones beginning to colonise them. Constructed using textured concrete, each pool offers a variety of habitats.

Testing air quality

Following a year-long study of air quality impacts from its bulk cargo loading operation, in 2025 LPC undertook a comprehensive air quality monitoring programme to assess the environmental impact of cruise ship emissions in Whakaraupō/Lyttelton Harbour.

The study was designed to validate previous modelling and respond to growing community interest and concerns about emissions from visiting vessels. The monitoring programme was structured to capture data during peak cruise activity (December 2024 to April 2025) and a post-season control period (April to May 2025), enabling a comparison of emissions with and without cruise ships present.

LPC partnered with Mote Ltd to deploy solar-powered monitors capable of real-time data collection. The monitoring programme focused on key pollutants associated with marine fuel – sulphur dioxide and nitrogen dioxide.

The study found that sulphur dioxide levels were compliant with relevant guidelines, and there were no higher levels of nitrogen dioxide measured during the cruise vessel season.

Protecting local habitats

Members of the Citycare Property Ecological Team have been delivering pest and weed control services in the Upper Waimakariri and Rakaia Gorge on behalf of Environment Canterbury, which is committed to weed control as part of their biodiversity strategy. Their vision is to make these areas weed-free, to keep the rivers wild, to protect and restore native plant and wildlife communities, and to allow their enjoyment by the community.

In addition to the weed clearing, Citycare Property is also involved in planting restoration work on the lower to mid reaches of Te Waikēkēwai/Waikēkēwai Stream. The stream has important whakapapa/genealogical connection for Te Taumutu whānau. The area was once a mahinga kai site flowing through rich wetlands before reaching Te Waihora/Lake Ellesmere.

Te Waikēkēwai/Waikēkēwai Stream project is about establishing riparian plantings on the stream including planting of sedges, rushes and other lowland species. Eventually it is hoped that this will improve water quality and as a result improve biodiversity.

Citycare Property has a team of 14 biodiversity specialists working across these three sites.

Improving city waterways

The Christchurch Adventure Park undertook a new stream contouring project for the tributary of the Cashmere Stream that runs through the park, to reduce the impact of sediment on the catchment and the waterways downstream.

Suspended sediment is the biggest water quality issue for the Cashmere Stream. Erosion in the hill catchments, caused by increasing rainfall intensity, changes in vegetation cover and the impact of development, has been increasing the volume of fine soil particles in the stream. Excess sediment can alter water chemistry, block light and smother habitats – all of which can cause a decline in aquatic life.

In the Christchurch Adventure Park, stream bank sediment is a significant sediment source. The new contouring project, which includes rock 'armour' to lower the stream bank and floor and the planting of a riparian edge with a range of native plant species, is designed to reduce the impact of sediment on the local waterways.

Governance

Mana Urungi

CCHL Board

Te Poari o CCHL

BRYAN PEARSON (Chair)

Bryan is a governance professional with more than 25 years' experience in chief executive and board chair roles in the corporate, private, and public sectors across New Zealand and Australia. His experience spans across a range of sectors including professional services, retail, manufacturing, global distribution, events, healthcare, and education.

GILL COX (Deputy Chair)
NZOM, DistFInstD, CAANZ – Life Member

Currently, Gill serves as Chair of Venues Ōtautahi Ltd and holds board positions with Te Kaha Project Development Ltd and Waimakariri Irrigation Ltd, alongside roles in several privately held companies. Gill was previously a partner in the Christchurch office of Deloitte for 25 years before embarking on a career in corporate governance.

BRIDGET GIESEN (Independent Director)
LLB, BCom, CA, MInstD

Bridget is a strategy and transformation expert with a robust commercial background in airports, airlines, and investment roles, including positions at Ngāi Tahu and NZTE. She currently serves as a director for Puketeraki Limited and MEA Fragrance. Bridget brings strong financial oversight as a Chartered Accountant and holds an LLB.

SAM MACDONALD (Director)
BCom, CA, CMInstD

Sam is a second-term City Councillor and brings experience as a chartered accountant in both public and private sectors. He currently serves as a director at Civic Building Limited, an Independent Trustee at Development West Coast, and is the Chair of Te Rūnanga o Waihāo Holdings Limited. Sam's focus on Council includes financial governance oversight and effective capital programme management, aimed at delivering meaningful investment into the Christchurch community. He maintains a strong interest in infrastructure and its effective delivery.

ANDREW BASCAND (Independent Director)
Bachelor of Commerce (Hons) Agriculture and Finance

With over 40 years of investment management experience, including roles with the RBNZ, the Bank of England and Merill Lynch, Andrew is a founder, Co-CEO and Chief Investment Officer of Harbour Asset Management. Established in 2009, Harbour is one of New Zealand's most trusted asset managers. Andrew is passionate about the opportunity to contribute his extensive asset management experience to a region where he holds deep connections.

DR MELANIE COKER (Director)
Bachelor of Science (Hons), PHD

Spreydon Ward Councillor, Dr Melanie Coker was elected to Council in 2019. Melanie is deputy chair of the Council's Finance Committee and holds a Resource Management Act accreditation. Prior to her election, Melanie also spent 6 years representing Spreydon as a community board member. Canterbury born and raised, Melanie worked for a decade as a research scientist, before completing her PhD in biochemistry in 2010. She also founded education company AHeadStart Ltd in 2009, to support local students in reaching their academic goals.

DR SINA COTTER TAIT (Independent Director)
Bachelor of Engineering (Hons) (Civil), MBA (Dist) and PhD

Drawing on more than 20 years' experience as a civil engineer, Sina is the founder and director of local engineering consultancy, Collective Success. An alumnus of CCHL's associate director programme, Sina has extensive governance experience, including current roles on the boards of Te Waihanga, the New Zealand Infrastructure Commission, Ōtautahi Community Housing Trust, KiwiRail and Whitestone Contracting Limited. Sina also sponsors the Cotter Tait scholarship for Māori and Pasifika engineering students at the University of Canterbury. Appointed March 2025.

With our thanks

We would like to thank departing director, Sara Templeton (retired January 2025), for her years of commitment and governance to the organisation. We also extend our gratitude to Paul Silk for his contributions as Acting Chief Executive.

CCHL strategic risk

Te tūraru ā-rautaki a CCHL

CCHL's decisions and behaviours are guided by our four capitals – Financial, Intellectual, Social and Natural, which reflect our values, culture and ambition as a responsible owner.

Along with our capitals, CCHL's strategic risk profile is also informed by multiple macro drivers which continue to shape both the profile itself and where we focus our mitigation strategies. These drivers include:

- An increasing understanding of the impact of **climate change**, and the implications of this for our current and future portfolio
- The nature and velocity of **geopolitical uncertainty**, and our ability to build appropriate resilience across our portfolio
- The impact of **macroeconomic shifts**, and the direct and indirect impacts this may have at a subsidiary and portfolio level.

Strategic Risks Summary:

Category	Strategic risk
Portfolio	Portfolio composition exposes CCHL to multiple concentration risks – geography, climate, risk of obsolescence
Finances	Sustained (or acute) underperformance of subsidiaries, or other core financial constraints impacting our ability to deliver on expectations
Regulatory	Limitations on CCHL and/or subsidiary performance due to regulatory framework
Governance	Misalignment between CCHL and CCC on strategic direction, priorities and expectations
People and Culture	Lack of awareness or understanding of the status of core people and culture systems across subsidiaries
Stakeholders	Lack of awareness or understanding of the status of key stakeholder relationships across subsidiaries
Disruptive events	Significant disruptive event (e.g. natural disaster, cyber/IT or global supply chain) impacting one or more subsidiaries
Climate change	Lack of awareness, understanding and/or coordinated action across our portfolio to adequately address our climate change exposure

Statement of Intent 2026 Priorities:

Priority	Description	Strategic Risk Category
Align the Group's strategic approach to responsible ownership	A framework including the principles underpinning our conduct as responsible owners is now in place. The next step is ensuring Group alignment and embedding across operational matters.	Governance, Finance, Stakeholder, Regulatory
Retain resilience in our infrastructure	Strong financial management is required through a deep understanding of Group capital needs over coming years to achieve balance between sustainable dividends, asset quality, resilience and growth.	Finances, Climate Change, Disruptive Events
Build shared understanding of commercial risks and opportunities across the portfolio	This is inherent to navigating the challenge we face in balancing financial returns with a long-term view of evolving infrastructure threats and needs to best serve our communities now and into the future.	Portfolio, Climate Change, Stakeholders
Protect our natural capital as part of our commitment to kaitiaki	CCHL is committed to Council's targets to reduce emissions in Christchurch and the district, and this is reflected in the Group's Climate Strategy and a focus on fulfilling our climate-reporting obligations.	Climate Change, Regulatory, Portfolio
Prioritise people and impact with a focus on health and safety, equity, diversity and inclusion	Uphold our commitment as a good employer and honour the communities we are connected with across the Group, through CCHL's Impact programme.	People and Culture, Stakeholder, Regulatory

Financial statements

Ngā Tauākī Ahumoni

For the year ending 30 June 2025

Directors' responsibility statement

Full year financial statements

These financial statements are for Christchurch City Holdings Group (Group). The Group comprises Christchurch City Holdings Ltd and the entities over which it has control.

Christchurch City Holdings Ltd is registered in New Zealand under the Companies Act 1993. The directors are responsible for ensuring that the Group financial statements present fairly in all material respects:

- the Statement of financial position as at 30 June 2025
- the Statement of comprehensive income, the Statements of changes in equity and the Statement of cash flows for the year ended 30 June 2025; and
- the Statement of performance for the year ended 30 June 2025 (refer to Note 31).

The directors consider that the financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates, and comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and IFRS as appropriate for profit-oriented entities.

The directors consider that proper accounting records have been kept, which enable, with reasonable accuracy, the determination of the financial position of the Group.

The directors are pleased to present the financial statements of the Group, set out on pages 51 to 120 of the annual report, for the year ended 30 June 2025.

The Board of Directors of Christchurch City Holdings Limited authorises these financial statements for issue on 30 September 2025.

For and on behalf of the Board.

Bryan Pearson
Chair
Christchurch
30 September 2025

Gill Cox
Deputy Chair
Christchurch
30 September 2025

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STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 June 2025

	Note	2025 $m	2024 $m
Operating revenue	5	1,576	1,562
Other gains	7	26	17
Operating expenses	6	(1,096)	(1,128)
Other losses	7	-	(1)
Earnings before interest, tax, depreciation, amortisation and impairment		506	450
Depreciation and amortisation	6	(190)	(193)
Impairment and revaluation movements	2,10	52	(5)
Finance costs	6	(109)	(108)
Interest income		8	9
Net profit before income tax expense from continuing operations		267	153
Income tax expense	8	(61)	(87)
Net profit after income tax expense from continuing operations		206	66
Net profit after income tax expense from discontinued operations		-	2
Net profit after income tax expense for the year		206	68
Other comprehensive income			
Items that will not be recycled to profit or loss:			
Revaluation of assets		120	137
Income tax effect of above items		(33)	(25)
Items that may be recycled to profit or loss in future:			
Fair value gains/losses on cash flow hedges		(68)	(24)
Income tax effect of above items		19	6
Other comprehensive income for the year, net of tax		38	94
Total comprehensive income for the year		244	162
Net profit for the year is attributable to:			
Non-controlling interests		21	5
Owners of the parent		185	63
		206	68
Total comprehensive income for the year is attributable to:			
Continuing operations		30	20
Discontinued operations		-	-
Non-controlling interests		30	20
Continuing operations		214	140
Discontinued operations		-	2
Owners of the parent		214	142
Total comprehensive income		244	162

The above statement of comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION As at 30 June 2025

	Note	2025 $m	Restated 2024 $m
Assets			
Current assets			
Cash and cash equivalents	12	83	77
Debtors and other receivables	13	132	126
Prepayments and other current assets		27	24
Contract assets	15	32	34
Finance lease receivable	20	4	2
Inventory	14	34	32
Other financial assets	18	9	25
Total current assets		321	320
Non-current assets			
Property, plant and equipment	10	4,896	4,665
Investment property	11	871	799
Other financial assets	18	31	58
Goodwill and other intangible assets	19	104	97
Inventory	14	-	6
Right-of-use assets	20	44	37
Finance lease receivable	20	40	41
Prepayments		7	6
Total non-current assets		5,993	5,709
Total assets		6,314	6,029
Liabilities			
Current liabilities			
Borrowings	17,30	308	615
Other financial liabilities	18	1	-
Creditors and other payables	16	160	143
Provisions		2	2
Contract liabilities	15	13	15
Current tax liabilities		39	30
Lease liabilities	20	8	10
Other liabilities	23	51	48
Total current liabilities		582	863
Non-current liabilities			
Borrowings	17,30	2,084	1,731
Other financial liabilities	18	17	2
Net deferred tax liabilities	8	606	573
Provisions		2	3
Lease liabilities	20	82	74
Other liabilities	23	5	6
Total non-current liabilities		2,796	2,389
Total liabilities		3,378	3,252
Net assets		2,936	2,777
Equity			
Share capital	21	94	94
Reserves	22	1,281	1,250
Retained earnings		1,071	959
Shareholder interests		2,446	2,303
Non- controlling interests		490	474
Total equity		2,936	2,777

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2025

	Share Capital	Asset Revaluation Reserve	Hedging Reserve	Retained Earnings	Attributable to equity holders of the parent	Non-controlling interests	Total
Note	21	22	22			25	
	$m	$m	$m	$m	$m	$m	$m
Balance at 1 July 2023	94	1,116	57	974	2,241	466	2,707
Net profit after income tax expense for the year	-	-	-	63	63	5	68
Other comprehensive income for the year, net of tax	-	97	(18)	-	79	15	94
Total comprehensive income for the year	-	97	(18)	63	142	20	162
Transfer on impairment of revalued assets	-	(2)	-	3	1	(1)	-
Dividends paid or provided for	-	-	-	(51)	(51)	(11)	(62)
Distribution for tax losses utilised	-	-	-	(30)	(30)	-	(30)
Balance at 30 June 2024	94	1,211	39	959	2,303	474	2,777
Net profit after income tax expense for the year	-	-	-	185	185	21	206
Other comprehensive income for the year, net of tax	-	73	(44)	-	29	9	38
Total comprehensive income for the year	-	73	(44)	185	214	30	244
Acquisition of non-controlling interest without change in control	-	-	-	(4)	(4)	(2)	(6)
Dividends paid or provided for	-	-	-	(55)	(55)	(13)	(68)
Distribution for tax losses utilised	-	-	-	(14)	(14)	-	(14)
Adjustment	-	2	-	-	2	1	3
Balance at 30 June 2025	94	1,286	(5)	1,071	2,446	490	2,936

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS For the year ended 30 June 2025

	Note	2025 $m	Restated 2024 $m
Cash flows from operating activities			
Receipts from customers and other sources		1,582	1,570
Interest received		8	7
Payments to suppliers and employees	9	(1,086)	(1,149)
Interest and other finance costs paid		(108)	(108)
Income tax paid		(30)	(11)
Subvention payments		(18)	(34)
Net cash from operating activities	9	348	275
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		1	2
Proceeds from bank deposits maturing		281	46
Proceeds from sale of business		1	2
Proceeds from repayment of advances		-	9
Payments for investment properties		(42)	(12)
Payments for property, plant and equipment	9	(236)	(235)
Payments for intangible assets		(15)	(12)
Payments for investment into bank deposits		(278)	(57)
Other payments		(9)	(5)
Net cash used in investing activities		(297)	(262)
Cash flows from financing activities			
Proceeds from borrowings		462	532
Dividends paid	21	(55)	(51)
Repayment of borrowings		(432)	(474)
Repayment of lease liabilities		(7)	(9)
Dividends paid - non-controlling interests		(13)	(11)
Net cash used in financing activities		(45)	(13)
Net increase in cash and cash equivalents		6	-
Cash and cash equivalents at the beginning of the financial year		77	77
Cash and cash equivalents at the end of the financial year	12	83	77

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

1. Reporting Entity

Christchurch City Holdings Ltd (CCHL) is a wholly-owned subsidiary of Christchurch City Council (CCC), formed for the purpose of holding investments in subsidiary organisations. CCHL is a registered company under the Companies Act 1993 incorporated on 12 May 1993, and commenced operations on 14 May 1993.

CCHL is an issuer for the purposes of the Financial Markets Conduct Act 2013 as its issued debt securities are listed on the New Zealand Debt Exchange (NZDX) and is a climate reporting entity.

The financial statements are for the year ended 30 June 2025. The financial statements were authorised for issue by the CCHL Board of Directors on 30 September 2025. The Board of Directors has the power to amend the financial statements after issue.

Basis of preparation

The financial statements have been prepared:

- In accordance with generally accepted accounting practice in New Zealand (NZ GAAP), comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand accounting standards and with International Financial Reporting Standards (IFRS). For the purposes of complying with NZ GAAP the entity is a Tier 1 for-profit entity, and reports in accordance with Tier 1 for-profit accounting standards,
- In accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013,
- Using accounting policies set out in these financial statements, which have been applied consistently to all periods presented in these financial statements,
- On the basis of historical cost, modified by revaluation of certain non-current assets and financial instruments,
- In New Zealand dollars (NZD), with all values rounded to millions ($m) unless otherwise stated, and
- Exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

Group structure

The Group financial statements comprise the financial statements of CCHL and its subsidiaries, as shown in the table below.

Group	Business	Balance date	Effective ownership
Christchurch City Holdings Ltd	Holding company	30 June	100%
Christchurch International Airport Ltd [1]	Airport	30 June	75%
City Care Ltd	Contracting	30 June	100%
Apex Water Ltd		30 June	100%
City Care Property Ltd		30 June	100%
City Care Water Ltd		30 June	100%
Spencer Henshaw Ltd		30 June	100%
Development Christchurch Ltd [2]	Holds assets and investment in Christchurch Adventure Park	30 June	100%
EcoCentral Ltd	Waste recycling	30 June	100%
Enable Networks Ltd	Ultra-fast broadband network	30 June	100%
Lyttelton Port Company Ltd	Port	30 June	100%
Orion New Zealand Ltd [3]	Electricity network	31 March	89.275%
Connetics Ltd		31 March	100%
RBL Property Ltd	Investment property	30 June	100%

[1] Minister for State-Owned Enterprises 12.5% ownership share
Minister of Finance 12.5% ownership share
[2] Port Hills Leisure Limited (PHLL) is the trustee of Leisure Investments NZ Ltd Partnership (LINZ), trading as Christchurch Adventure Park
[3] Selwyn District Council 10.725% ownership share

1. Reporting Entity (continued)

Additionally, CCHL has four wholly-owned companies which hold no assets and have not traded. These are CCHL (2) Ltd, CCHL (4) Ltd, CCHL (5) Ltd, and Christchurch City Networks Ltd.

On 20 December 2024, City Care Ltd acquired a further 25% interest in Apex Water Limited, increasing its ownership from 75% to 100%. The consideration paid amounted to $5 million and resulted in a decrease in equity attributable to owners of the Group of $4 million as shown in the Statement of Changes in Equity.

On 30 June 2025, Enable Networks Limited amalgamated with its parent entity, Enable Services Limited and continue as one company under the name Enable Networks Limited.

Section 461(3) of the Financial Markets Conduct Act requires the reporting entity and all its subsidiaries to have the same balance date. As noted above, Orion New Zealand Ltd (Orion) and its subsidiary has a 31 March balance date. CCHL applied for and has received an exemption from this obligation from the Financial Markets Authority until 27 August 2028.

Accounting policy – subsidiaries

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiaries (other than Orion New Zealand Ltd (Orion) – see below) are prepared for the same reporting period as the parent company (CCHL, parent or company), using consistent accounting policies. In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses, and profits and losses resulting from intra-group transactions are eliminated in full.

Orion has a 31 March balance date. When the balance dates between a subsidiary and group differ, NZ IFRS 10 Consolidated Financial Statement (NZ IFRS10) requires the subsidiary to prepare financial statements as at the Group's balance date for consolidation, unless this is impracticable to do so. Orion is subject to distinct legislative and regulatory regimes governing electricity distribution businesses (EDBs). Under the electricity industry regime, EDB's must demonstrate compliance with price-quality path requirements, and make extensive audited financial information disclosures assessed against a 12 month period ending on 31 March each year. It would be unduly burdensome, highly inefficient and therefore impractical for Orion and its subsidiaries to duplicate accounting and audit practices and resource to run two different balance dates for its financial and regulatory reporting. Consequently Orion's twelve month results to 31 March are consolidated into the Group's financial statements to 30 June, as they are within three months of the Group balance date. Adjustments are made to the 31 March information for effects of significant transactions or events that occur between 31 March and 30 June each year, where applicable.

Subsidiaries are fully consolidated from the date on which control is transferred to CCHL and cease to be consolidated from the date control ceases. The purchase method of accounting is used to account for the consolidation of subsidiaries.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting, which involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values. The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

Common control transactions are accounted for using the book value method. Assets and liabilities transferred in a common control transaction are recognised by the receiving entity at the controlling party's book values. No new fair value is established, and no new goodwill arises from such transactions. The receiving company includes the transferred company's assets, liabilities, income and expenses in its financial statements retrospectively from the beginning of the earliest period presented (as if the receiving company and transferred company had always been combined, with pre-combination information restated).

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction. The difference between the carrying value of the non-controlling interests and the consideration paid is recognised directly in equity attributable to the Parent, in accordance with the requirements of NZ IFRS 10.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated balance sheet, separately from the equity of the owners of the parent.

2. Significant items during the period

Revaluation of Lyttelton Port Company
In 2020, LPC changed its accounting policy from carrying property, plant and equipment at historical cost less depreciation and impairment to carrying property, plant and equipment at fair value as one cash generating unit (CGU) using the income approach. The change in accounting policy aligned LPCs carrying values with the amount they expected to earn from them and resulted in a negative fair value adjustment through profit and loss of $190m. For the Group, the change in accounting policy reduced the value LPCs property, plant and equipment assets, and impacted the profit and loss as a negative revaluation movement of $155m (Property) and an impairment loss of $35m (Plant, Equipment and vehicles).

In 2025, the assets in LPC were revalued using the same approach as the previous valuation in 2020. The assessment indicated a partial recovery in expected future cash flows of $79m. As a result, a reversal of the impairment loss of $19m relating to assets held at cost (previously impaired in 2020) and a reversal of revaluation decrement of $35m (previously recognised in 2020) relating to assets held at fair value were recognised in profit or loss ($54m total through fair value adjustment in profit and loss). Additionally, a revaluation adjustment increase of a $25m was recognised in other comprehensive income for assets that were not subject to the prior movements through profit and loss.

3. Critical accounting judgements, estimates and assumptions

In preparing the financial statements, management has made estimates and assumptions about the future that affect the reported amounts of assets and liabilities at balance date, and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

In applying the Group's accounting policies, management has made the following judgements, estimates and assumptions that have had the most significant impact on the amounts recognised in the financial statements:

Valuation of property, plant and equipment and investment property (note 10 and note 11)
Management of most of the subsidiary companies use independent valuers to determine the fair value of certain assets. The valuation process requires the use of assumptions and estimates which are based on market conditions at the time. Any changes in market conditions subsequent to balance date will impact future valuations. A movement in the fair value of an asset is subsequently recorded within the statement of comprehensive income, depending on the asset classification.

The assets of Lyttelton Port Company (LPC) have been deemed as being inextricably linked and are therefore treated as a single cash generating unit (CGU) for valuation and impairment purposes.

Impairment assessments are completed annually on various asset classes. An impairment assessment measures the recoverable amount of an asset based on projections and estimates of future cash flows specifically related to the asset. An impairment charge is recognised for any asset with a carrying value in excess of its recoverable amount.

Classification of investment property (note 11)
The identification by Christchurch International Airport Limited (CIAL) of which components of property, plant and equipment are to be reclassified to investment property involves the use of judgement. A key factor for this classification is whether the property is used for aircraft-related activities. The classification has implications as to whether revaluation gains and losses are recognised through profit or loss or through other comprehensive income.

Valuation of investment in subsidiaries (note 4)
The carrying value of CCHL's investment in subsidiaries is $4,730m ($4,085m at June 2024).

CCHL's investments in its subsidiary companies are reflected in total assets for the segment note but are not reported on the consolidated statement of financial position due to being eliminated on consolidation. These investments are measured at fair value for the purposes of this note. The investments in all of the trading subsidiaries were revalued as at 30 June 2025 by Deloitte Limited (on behalf of the Deloitte Trading Trust) ("Deloitte"). The mid-point of the valuation range has been applied for each subsidiary.

When measuring the enterprise value of the Parent's investments in subsidiaries, Deloitte uses observable market data as much as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. As there is a significant portion of unobservable inputs included in the valuations, all investments in subsidiaries are reported at Level 3 in the fair value hierarchy.

Deloitte has applied a range of valuation methods across the subsidiaries including discounted cash flows (DCF), market multiples, and net asset value approaches as was determined appropriate for each subsidiary. Deloitte assessed a valuation range for the fair value of CCHL's investment in subsidiaries of $4,447m to $5,019m as at 30 June 2025. Details about the valuation methodology for each subsidiary at the valuation date of 30 June 2025 are provided in the following table.

Subsidiary	Valuation methodology	Key inputs
Christchurch International Airport Ltd	Discounted Cashflow	Forecast cashflows, discount rates
City Care Ltd	Discounted Cashflow	Forecast cashflows, discount rates
Enable Networks Ltd	Discounted Cashflow	Forecast cashflows, discount rates
Lyttelton Port Company Ltd	Discounted Cashflow	Forecast cashflows, discount rates
Orion New Zealand Ltd	Discounted Cashflow	Forecast cashflows, discount rates
EcoCentral Ltd	Discounted Cashflow	Forecast cashflows, discount rates
Development Christchurch Ltd	Realisation of assets	Cash balances, receivables and investment in CAP
RBL Property Ltd	Realisation of assets	Independent valuations of property assets and assumed recovery rates for other assets and liabilities

3. Critical accounting judgements, estimates and assumptions (continued)

Changes in Valuation Techniques
During the year ended 30 June 2025, there were changes in the valuation techniques for certain subsidiaries:

Orion
For the prior year ended 30 June 2024 Deloitte applied a market-based valuation methodology, using market multiples and regulated asset base values to value Orion. At 30 June 2025, Deloitte have used a discounted cash flow methodology as the primary valuation approach for Orion.

Citycare
For the prior year ended 30 June 2024 Deloitte valued City Care Water and Apex Water separately, and the City Care Water business using a realisation of assets methodology. At 30 June 2025 Deloitte have adopted a sums of parts approach utilising discounted cash flow as the primary approach to value Apex Water, City Care Property, City Care Water and Spencer Henshaw.

4. Segment reporting

The Group's operating segments are identified on the basis of the nine significantly different businesses whose individual operating results are received on a quarterly basis by the Group chief operating decision maker (CCHL Board) to assess and monitor performance.

These nine businesses make up seven reportable segments of the Group as follows:

(i) Christchurch City Holdings Ltd (Parent) – does not trade in its own right, its primary assets are its investments in and advances to its operating subsidiaries.
(ii) Christchurch International Airport Ltd (CIAL) – provides airport facilities and services to airline and airport users at Christchurch International Airport, and holds investment property (land and buildings) from which it generates rental income.
(iii) City Care Ltd (Citycare) – provides construction, maintenance and management services for water and property infrastructure sectors throughout New Zealand.
(iv) Enable Networks Ltd (Enable) – owns and operates the ultra-fast broadband fibre network across greater Christchurch and parts of Waimakariri and Selwyn districts.
(v) Lyttelton Port Company Ltd (LPC) – primarily involved in providing and managing port services and cargo handling facilities over three sites in the Canterbury region.
(vi) Orion New Zealand Ltd (Orion) – owns and operates the electricity distribution network in Christchurch and central Canterbury.
(vii) Other - comprises business not considered reportable segments including:
- EcoCentral Ltd (EcoCentral) – manages the processing of refuse and sorting of recycling throughout Canterbury;
- Development Christchurch Ltd (DCL) – holds assets and investment in Christchurch Adventure Park; and
- RBL Property Ltd (RBL Property) – holds investment property from which it generates rental income.

All Group assets are domiciled and operated in New Zealand.

The Group's revenue from external customers by geographical location are not allocated to operating segments as they are not reported at a Group level.

Major customers:
Revenue from CCC amounted to $124 million (2024: $114 million) mainly from sales by Citycare, EcoCentral and Orion (refer to note 26).

Segment reporting explanation:

- Revenue from external customers reflects the revenue of each reportable segment excluding revenue earned from other Group entities.
- Segment profit/(loss) represents the actual profit/(loss) of each segment.
- Parent total non-current assets and total assets includes advances to subsidiaries and the investments held in subsidiaries which have been measured at fair value as at 30 June 2025 per independent valuations completed by Deloitte. These have been eliminated in Intra-group for the Group total.
- Intra-group transactions between segments have been eliminated on consolidation and recognised in 'Intra-group'.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

4. Segment reporting (continued)

For the year ended 30 June 2025

	Parent $m	CIAL $m	Citycare $m	Enable $m	LPC $m	Orion $m	Other $m	Intra-group $m	Total $m
Segment revenue	95	245	576	128	207	368	60	(103)	1,576
Inter-segment revenue	(95)	-	(8)	-	-	-	-	103	-
Revenue from external customers	-	245	568	128	207	368	60	-	1,576
Interest income	32	-	2	1	1	-	1	(29)	8
Finance costs	(56)	(29)	(3)	(14)	(8)	(27)	(1)	29	(109)
Depreciation, amortisation and impairment	-	(45)	(19)	(32)	(22)	(69)	(5)	-	(192)
Net gains/(losses)	-	26	-	-	-	-	-	-	26
Fair value adjustment	-	-	-	-	54	-	-	-	54
Tax expense	-	(25)	(5)	(13)	(16)	(8)	(2)	8	(61)
Segment profit/loss	66	75	13	41	72	24	2	(87)	206
Total non-current assets (excluding derivatives and deferred tax)	5,313	2,472	105	870	707	1,768	42	(5,302)	5,975
Total assets	5,347	2,507	217	894	754	1,839	82	(5,326)	6,314
Total liabilities	1,227	893	130	420	298	982	22	(594)	3,378
Additions to non-current assets	-	87	16	22	33	136	-	-	294

The results of CIAL, Citycare, Enable, LPC and Orion are deemed significant to the Group as they provide 96% of total revenue and 98% of total assets (2024: 96% of total revenue and 98% of total assets).

For the year ended 30 June 2024

	Parent $m	CIAL $m	Citycare $m	Enable $m	LPC $m	Orion $m	Other $m	Intra-group $m	Total $m
Segment revenue	93	233	622	122	194	334	69	(105)	1,562
Inter-segment revenue	(93)	-	(9)	-	-	(2)	(1)	105	-
Revenue from external customers	-	233	613	122	194	332	68	-	1,562
Interest income	34	1	1	1	1	-	2	(31)	9
Finance costs	(58)	(33)	(3)	(13)	(9)	(23)	-	31	(108)
Depreciation, amortisation and impairment	-	(44)	(19)	(30)	(22)	(62)	(21)	-	(198)
Net gains/(losses)	-	13	1	-	-	1	1	-	16
Tax expense	-	(52)	(3)	(16)	(13)	(11)	(1)	9	(87)
Segment profit/loss	62	23	9	34	10	12	2	(84)	68
Total non-current assets (excluding derivatives and deferred tax)	4,673	2,338	109	847	620	1,703	48	(4,675)	5,663
Total assets	4,732	2,366	213	864	683	1,789	83	(4,701)	6,029
Total liabilities	1,247	830	130	421	300	913	25	(614)	3,252
Additions to non-current assets	-	35	9	46	25	142	1	-	258

Accounting policy - segment reporting

The Group applies NZ IFRS 8 to its consolidated financial statements as it has fixed rate bonds traded in a public market. The core principle of NZ IFRS 8 is for an entity to disclose information to enable users to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

5. Operating revenue and other income

	2025 $m	2024 $m
Revenue from contracts with customers		
Contracting	347	315
Construction contract revenue	286	351
Sale of goods	35	37
Gross telecommunications revenue	119	113
Electricity distribution	258	236
Airport services	112	106
Port services	207	194
Waste and recycling services	43	41
Total revenue from contracts with customers	1,407	1,393
Other operating revenue		
Rent and lease income	41	39
Rental income from investment property	57	55
Other	71	75
Total other operating revenue	169	169
Total revenue	1,576	1,562

During the year, EcoCentral received $0.2m (2024: $12m) in funding from Ministry for the Environment for a materials recycling facility upgrade.

Gross telecommunications revenue is required to be disclosed in accordance with the information disclosure requirements under section 83 of the Telecommunications Act 2001.

Accounting policy – revenue

Airport and port services
Services are provided on demand and the transaction price recognised as revenue based on their stand-alone selling price. The stand-alone selling price is based on published prices, and calculated as a price per unit of the service. Revenue is recognised over time as the customer simultaneously obtains the benefits from the service as it is being performed. Where applicable, separate incentive or rebate agreements are signed with individual customers and associated adjustments are made to the transaction prices recognised as revenue. These charges are invoiced monthly in arrears and payment is generally expected within 30 days.

Electricity distribution revenue
Electricity delivery service revenue relates to the provision of electricity distribution services to both electricity retailers and directly contracted customers. Electricity retailer delivery services are performed on a daily basis and are considered as a series of distinct services provided over time. Prices are regulated and retailers are charged through a combination of fixed charges and variable charges based on the quantities delivered. Revenue is recognised over time using an output method based on the actual quantity of delivery services provided on a daily basis.

For directly contracted customers, Orion has determined that the individual construction contracts and individual delivery service agreements were negotiated as a package with a single commercial objective, to provide the required delivery capacity to the customer. This performance obligation has been assessed as being satisfied over time based on the duration of the contractual arrangement. The contract term is the period during which the parties have present and enforceable rights and obligations. A term of ten years has been determined based on the requirements of the contract and Orion's business practice. The transaction price includes both the initial upfront customer contributions and subsequent delivery charges based on an estimate of quantities delivered. Revenue is recognised over time based on an output method, as the performance obligation is satisfied on a straight line basis over the term of the contract.

Customer contribution revenue relates to contributions received from customers (other than delivery service customers who are directly contracted) towards the cost of new connections and network extensions. The customer's supply of electricity is contracted separately, interposed through a retailer, and is therefore considered a separate commercial arrangement. Pricing is fixed and contributions are paid in advance for new connections. Capital contributions are recognised as revenue at the point in time of livening the connection to the network. Capital contributions that are refundable to customers are treated as a contract liability until cancelled or applied. Delivery charges for the current month are billed around the 10th of the month for payment on the 20th of that month.

5. Operating revenue and other income (continued)

Gross telecommunications revenue
The Group recognises telecommunications revenue as it provides services to its customers, based on published fixed charges. Billings are made on a monthly basis. Unbilled revenues from the billing cycle date to the end of each month are recognised as revenue during the month that the service is provided. Revenue from installations and connections is recognised upon completion of the installation or connection. These charges are invoiced monthly in arrears and payment is generally expected within 30 days.

Construction contract and contracting revenue
Where maintenance contracts involve various different activities and services that are highly inter-related they are treated as one performance obligation, otherwise separate performance obligations are identified. The transaction price is allocated across each service or performance obligation based on individual stand-alone selling prices. Revenue from maintenance services is recognised over time relative to the proportion of work that has been performed under the contract. Citycare use the input method whereas Orion uses the output method to estimate the proportion of work performed. An assessment is completed at balance date to ensure the revenue recognised fairly depicts the transfer of goods or services to the customer.

For construction contracts the construction of each individual piece of infrastructure is normally assessed as one performance obligation. Where contracts are entered into for several projects the total transaction price is allocated across each project based on stand-alone selling prices. Orion use the input method to estimate the proportion of work performed whereas Citycare uses the input method for horizontal construction contracts and the output method for vertical construction contracts. An assessment is completed at balance date to ensure the revenue recognised fairly depicts the transfer of goods or services to the customer.

Revenue from construction contracts is recognised over time as the work enhances an asset that the customer controls. An output method based on a statement of work provided to the customer is used to determine the amount of revenue to be recognised at each reporting date.

Any amount recognised as a contract asset is reclassified to trade receivables at the point at which the Group has an enforceable right to consideration. If a payment received exceeds the revenue recognised, the Group recognises a contract liability for the difference.

Waste and recycling services
EcoCentral operates three refuse stations and a materials recovery facility for the processing of recyclable products. Revenue for the processing of waste and recyclables is recognised when the product or waste is received by EcoCentral. EcoCentral's performance obligations for each customer are satisfied at the time of delivery as no further work or processing is required, the quantity and quality of the goods has been determined and the price is fixed.

Sale of goods revenue
Revenue from goods sold is recognised at a point in time when the control of the goods has transferred to the customer. Revenue is determined based on standalone selling prices for each unit sold. Payment for each transaction is due immediately.

Rental and lease income
Rent and lease income is recognised on a straight-line basis over the term of the lease where the Group is the lessor.

Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Other
This includes non-core operating aspects of the Group including but not limited to transmission rental rebates, greenfield development contributions, and operating recoveries from investment properties.

6. Expenses

(a) Operating expenses

	2025 $m	2024 $m
Salaries and wages	365	356
Defined contribution/benefit plan employer contributions	2	2
Increase/(decrease) in employee entitlements/liabilities	1	1
Remuneration of auditors	3	2
Consultants and legal fees	16	25
Directors' fees	3	2
Donations	1	1
Orion network maintenance and transmission expenses	87	88
Raw materials and consumables used	50	48
Repairs and maintenance	16	16
Service contracts (including sub-contractors)	305	363
Investment property direct operating expenses	10	9
Other operating expenses	237	215
Total operating expenses	1,096	1,128

(a) (i) Remuneration of auditors

Audit New Zealand (Audit NZ), on behalf of the Auditor-General, is the auditor of Christchurch City Holdings Limited Group.

The auditor of Group subsidiaries, excluding LPC and Enable, is also Audit NZ, on behalf of the Auditor-General.

KPMG is the auditor of LPC, and PwC is the auditor of Enable, both on behalf of the Auditor-General.

The following table sets out the fees paid to audit firms in relation to the Group and subsidiary financial statements and performance information, being Audit NZ and other auditors, (KPMG and PwC), and for each other type of service provided by the same firm.

	2025 Fees paid to AuditNZ $m	2025 Fees paid to other auditors $m	2025 Total $m	2024 Fees paid to AuditNZ $m	2024 Fees paid to other auditors $m	2024 Total $m
Auditors of financial statements						
Audit of the financial statements	1.57	0.50	2.07	1.38	0.49	1.87
Recoveries from prior year	0.07	-	0.07	0.06	-	0.06
Audit or review related services						
Assurance engagement in relation to special purpose financial statements	0.05	-	0.05	-	-	-
Assurance engagement in relation to disclosure regulations	0.21	0.05	0.26	0.17	0.09	0.26
Assurance engagement in relation to compliance with bond conditions	0.02	-	0.02	0.02	-	0.02
Recovery from prior year in relation to assurance engagements	-	0.02	0.02	-	-	-
Other assurance services and other agreed-upon procedures engagements						
Assurance engagement in relation to climate statement	0.11	-	0.11	-	-	-
Total fees paid to auditors of financial statements	2.03	0.57	2.60	1.63	0.58	2.21
Fees not paid to auditors of financial statements						
Other assurance services and other agreed-upon procedures engagements	-	0.04	0.04	-	0.10	0.10
Total audit fees paid	2.03	0.61	2.64	1.63	0.68	2.31

Other assurance fees not paid to auditors of financial statements include assurance in relation to CCHL's Sustainable Finance Report (EY), independent verification of GHG emissions and internal assurance services.

CCHL Parent and its subsidiaries do not receive any tax services or other services from the auditor of its financial statements.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

6. Expenses (continued)

(b) Depreciation and amortisation

	Note	2025 $m	2024 $m
Depreciation of property, plant and equipment	10	165	169
Amortisation of intangibles	19	16	15
Depreciation of right of use assets	20	9	9
Total depreciation and amortisation		190	193

(c) Finance costs

	2025 $m	2024 $m
Interest on borrowing	76	77
Interest on loans from CCC	33	32
Interest expense on lease liabilities	3	3
less: Capitalised interest	(3)	(4)
Total finance costs	**109**	**108**

7. Other gains and losses

Other gains

	2025 $m	2024 $m
Fair value gain on financial assets	-	1
Fair value gain on investment properties	24	15
Gain on disposal of property, plant and equipment	1	1
Ineffectiveness - fair value hedges	1	-
Total other gains	26	17

Other losses

	2025 $m	2024 $m
Loss on disposal of inventory	-	1

8. Income and deferred taxes

Components of tax expense

This note provides an analysis of the Group's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items.

	2025 $m	2024 $m
Current tax expense	57	42
Adjustments to current tax of prior years	(2)	-
Deferred tax expense/(income)	8	3
Deferred tax expense from removal of depreciation on buildings	-	43
Adjustments to deferred tax of prior years	(2)	(1)
Total tax expense	61	87

Reconciliation of prima facie income tax

	2025 $m	2024 $m
Profit before tax	267	153
Tax at statutory rate of 28%	75	43
Tax effects of:		
Non-deductible expenses	-	2
Non-assessable income and deductible items	(2)	-
Deferred tax from removal of depreciation on buildings	-	43
Other	(12)	(1)
Total tax expense	61	87

The tax rate used in the above reconciliation is the corporate tax rate of 28.00% (30 June 2024: 28.00%) payable by New Zealand companies on taxable profits under New Zealand tax law.

Imputation credits

The amount of imputation credits available for use in subsequent reporting periods by the Group and the CCC Tax Group (of which CCHL is a member) is $209m (2024: $210m).

No adjustments have been made for credits/debits associated with tax payable/receivable due to uncertainty regarding the utilisation of group losses.

Deferred tax balances

	Opening balance $m	Profit/loss $m	Other comprehensive income $m	Other adjustments $m	Closing balance $m
30 June 2025					
Deferred tax liabilities/(assets):					
Property, plant and equipment	506	7	33	-	546
Cash flow/fair value hedges	19	-	(19)	(2)	(2)
Intangible assets	7	-	-	-	7
Provisions/employee entitlements	(11)	1	-	-	(10)
Tax gains/(losses)	(14)	(8)	-	14	(8)
Other	66	6	-	2	74
Net deferred tax liabilities at 30 June 2025	573	6	14	14	607

Other adjustments of $14m in the year relate to the tax effect of tax losses utilised by the CCC Tax Group.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

8. Income and deferred taxes (continued)

	Opening Balance $m	Profit/loss $m	Other comprehensive income $m	Other adjustments $m	Closing balance $m
30 June 2024					
Deferred tax liabilities/(assets):					
Property, plant and equipment	455	26	25	-	506
Cash flow/fair value hedges	25	-	(6)	-	19
Intangible assets	7	-	-	-	7
Provisions/employee entitlements	(10)	(1)	-	-	(11)
Tax gains/(losses)	1	(9)	-	(6)	(14)
Other	37	29	-	-	66
Net deferred tax liabilities at 30 June 2024	515	45	19	(6)	573

Other adjustments of $6m in the year to 30 June 2024 relate to recognition of the tax effect of remaining historical tax losses, at a Group level, after utilisation of $30m of this asset by the CCC Tax Group.

Accounting policy - income tax

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax assets and liabilities are based on the current period's taxable income, plus adjustments to income tax payable for prior periods. Current tax is calculated based on rates and laws that are enacted or substantively enacted by balance date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is calculated at tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised by the CCC Tax Group. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered by the CCC Tax Group.

9. Reconciliation of profit to net cash operating flows

	Note	2025 $m	Restated 2024 $m
Profit for the year		206	68
Add/(less) non-cash items			
Depreciation, amortisation and impairment expense		192	198
(Gains)/losses in fair value of investment property	11	(25)	(15)
(Gains)/losses in fair value of property, plant and equipment		(54)	-
Deferred tax charged/(credited) to income	10	5	45
Other		3	4
		121	232
Add/(less) items classified as investing or financing activities			
(Gain)/loss on disposal of non-current assets		(1)	(1)
Movement in capital creditors		(1)	5
Other		1	1
		(1)	5
Add/(less) movement in working capital items			
Debtors, inventory and other current assets		(9)	3
Non-current receivables, prepayments and other		4	(3)
Creditors		16	(26)
Current provisions and other liabilities		4	(7)
Current tax liabilities		9	(1)
Contract liabilities		(1)	3
Non-current provisions and other liabilities		(1)	1
		22	(30)
Net cash from operating activities		348	275

During the year the Group has reclassified certain cash flows between operating and investing cash to better align treatment across the Group, resulting in a restatement of 2024, reducing payments to suppliers by $9m and increasing payments for property, plant and equipment by $9m. This has also resulted in a change to 2024 comparatives in the reconciliation of profit to operating cash flows, with previously recorded internal labour allocated to PP&E and Intangibles of $9m removed as no longer required.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

10. Property, plant and equipment

Restated 30 June 2025	Land $m	Terminal buildings $m	Other buildings $m	Plant and equipment $m	Electricity distribution system $m	Airport infra-structure assets $m	Port Assets $m	Ultra-fast Broadband Network $m	Work in progress $m	Total $m
Cost or valuation										
Balance at beginning of year	835	352	231	230	1,430	557	702	824	168	5,329
Additions	1	-	-	23	145	-	8	-	51	228
Disposals	-	-	(2)	(13)	(1)	-	(1)	(6)	-	(23)
Net revaluation movements, taken to reserves	-	15	4	-	-	(11)	21	1	-	30
Transfers	2	1	3	16	(1)	7	(11)	37	(57)	(3)
Balance at end of year	838	368	236	256	1,573	553	719	856	162	5,561
Accumulated depreciation and impairment										
Balance at beginning of year	(54)	(22)	(37)	(163)	-	(13)	(355)	(9)	(11)	(664)
Disposals	-	-	-	12	-	-	1	5	-	18
Revaluation movements, taken to asset revaluation reserve	-	44	-	-	-	27	-	19	-	90
Revaluation adjustments, taken to income statement	19	-	2	-	-	-	14	-	-	35
Reversal of impairment/impairment losses charged to income statement	-	-	-	-	(1)	-	8	(1)	11	17
Depreciation expense	-	(22)	(9)	(19)	(56)	(14)	(20)	(25)	-	(165)
Transfers and other	-	-	(2)	(6)	1	-	11	-	-	4
Balance at end of year	(35)	-	(46)	(176)	(56)	-	(341)	(11)	-	(665)
Carrying value at 30 June 2025	803	368	190	80	1,517	553	378	845	162	4,896

Carrying value by subsidiary

Restated 30 June 2025	Land $m	Terminal buildings $m	Other buildings $m	Plant and equipment $m	Electricity distribution system $m	Airport infra-structure assets $m	Port Assets $m	Ultra-fast Broadband Network $m	Work in progress $m	Total $m
CIAL	533	368	101	12	-	553	-	-	33	1,600
Enable	-	-	-	3	-	-	-	845	6	854
LPC	144	-	50	-	-	-	378	-	83	655
Orion	118	-	33	24	1,517	-	-	-	40	1,732
Other subsidiaries	8	-	6	41	-	-	-	-	-	55
Carrying value at 30 June 2025	803	368	190	80	1,517	553	378	845	162	4,896

During the year, Harbour structures has been renamed Port Assets to better reflect the specialised nature of the Group's port operations, with $111m of Plant and equipment assets also reclassified as Port assets as at 1 July 2023, restating prior year comparatives in relation to this.

10. Property, plant and equipment (continued)

Restated 30 June 2024	Land $m	Terminal buildings $m	Other buildings $m	Plant and equipment $m	Electricity distribution system $m	Airport infra-structure assets $m	Port assets $m	Ultra-fast broadband network $m	Work in progress $m	Total $m
Cost or valuation										
Balance at beginning of year	818	346	210	485	1,305	525	372	783	221	5,065
Reclassification between categories	(11)	-	-	(259)	-	-	259	-	11	-
Balance at beginning of year	807	346	210	226	1,305	525	631	783	232	5,065
Additions	1	-	5	20	123	-	14	-	74	237
Disposals	-	-	(3)	(15)	(1)	-	(8)	-	(1)	(28)
Net revaluation movements	32	-	(5)	-	14	15	-	7	-	63
Transfers	(5)	6	24	(1)	(11)	17	65	34	(137)	(8)
Balance at end of year	835	352	231	230	1,430	557	702	824	168	5,329
Accumulated depreciation and impairment										
Balance at beginning of year	(65)	-	(29)	(292)	-	-	(194)	(3)	-	(583)
Reclassification between categories	11	-	-	148	-	-	(148)	-	(11)	-
Balance at beginning of year	(54)	-	(29)	(144)	-	-	(342)	(3)	(11)	(583)
Disposals	-	-	2	13	-	-	6	-	-	21
Revaluation adjustments	-	-	3	-	52	1	-	18	-	74
Impairment losses charged to income statement	-	-	(1)	(4)	-	-	-	-	-	(5)
Depreciation expense	-	(22)	(10)	(28)	(52)	(14)	(19)	(24)	-	(169)
Transfers and other	-	-	(2)	-	-	-	-	-	-	(2)
Balance at end of year	(54)	(22)	(37)	(163)	-	(13)	(355)	(9)	(11)	(664)
Carrying value at 30 June 2024	781	330	194	67	1,430	544	347	815	157	4,665

Carrying value by subsidiary

Restated 30 June 2024	Land $m	Terminal buildings $m	Other buildings $m	Plant and equipment $m	Electricity distribution system $m	Airport infra-structure assets $m	Port Assets $m	Ultra-fast Broadband Network $m	Work in progress $m	Total $m
CIAL	532	330	106	7	-	544	-	-	10	1,529
Enable	-	-	-	4	-	-	-	815	16	835
LPC	125	-	45	-	-	-	347	-	56	573
Orion	118	-	36	20	1,430	-	-	-	74	1,678
Other subsidiaries	6	-	7	36	-	-	-	-	1	50
Carrying value at 30 June 2024	781	330	194	67	1,430	544	347	815	157	4,665

Revalued assets at deemed cost

For assets that are revalued	2025 $m	Restated 2024 $m
If these revalued assets had been measured using the cost model, the net carrying amount would be:		
Freehold land	449	383
Terminal buildings	112	121
Other buildings	171	172
Electricity distribution system	1,293	1,229
Airport infrastructure assets	178	181
Port assets	438	205
Ultra-fast Broadband Network	562	547
Total	3,203	2,838

During the year, the Group have revised calculations relating to the amounts of revalued assets had they been measured using cost, which has resulted in a restatement of certain prior year figures, with Plant and equipment and Other categories no longer required to be disclosed.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

10. Property, plant and equipment (continued)

The following categories of property, plant and equipment are subject to operating leases where the Group is the lessor:

- land associated with aeronautical activities, retail facilities within the terminal and other commercial activities carried at $132m (2024: $123m).
- terminal buildings, being 35.5% of total floor area or $131m (2024: 35.7% of total floor area or $118m).
- other buildings associated with aeronautical activities $19m (2024: $19m).
- land associated with port activities $8.0m (2024: $8.0m).
- other buildings associated with port activities $0.1m (2024: $0.1m).

Recognition and measurement

Land, terminal buildings, other buildings, the electricity distribution network, airport infrastructure assets, port assets and the ultra-fast broadband network (except for investment properties - refer note 11), are shown at fair value in accordance with NZ IAS 16, Property, Plant and Equipment, NZ IAS 36, Impairment of Assets, and NZ IFRS 13, Fair Value Measurement, at the date of revaluation, less any subsequent depreciation and impairment losses.

Airport sealed surfaces, car parking building, car parks and other infrastructure assets are aggregated and disclosed as airport infrastructure assets.

All other property, plant and equipment is stated at historical cost less depreciation and impairment.

Fair value and revaluation

Valuations are performed with sufficient regularity to ensure that the fair value of the assets does not vary materially from their carrying value.

Any revaluation increase arising on the revaluation of these assets is credited to the asset revaluation reserve included in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense through profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of these assets is charged as an expense through profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset, except for port assets where accumulated depreciation is not eliminated.

Additions are recorded at historical cost less depreciation until the next revaluation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

A summary of the fair value consideration of assets valued by external independent valuers significant to the carrying value is provided below. In the absence of significant observable inputs, certain valuations undertaken in relation to property, plant and equipment utilise some unobservable (non-market data) inputs which are classified as Level 3 under the Groups fair value hierarchy. Level 3, as noted in the following in relation to the valuations of CIAL, LPC and Orion, is further defined in note 24 'Areas of financial risk and fair value'.

CIAL's property and airport assets

CIAL's land, terminal buildings, other buildings and airport infrastructure assets are recorded at fair value and, in the absence of significant observable inputs, are classified as Level 3 within the fair value hierarchy.

Terminal buildings comprise terminal facilities, other buildings comprise commercial buildings and hotel business assets, and airport infrastructure assets comprise sealed surfaces, infrastructure and car parking.

At each reporting date CIAL assesses whether the carrying value of each asset class differs materially from the fair value and consequently determines if a revaluation is required.

Car parking and land assets were last valued at 30 June 2024 by independent valuer Crighton Anderson Property and Infrastructure Ltd trading as Colliers International Ltd.

10. Property, plant and equipment (continued)

Commercial buildings were last valued at 30 June 2022 by independent valuer Crighton Anderson Property and Infrastructure Ltd trading as Colliers International Ltd.

The hotel business assets was last revalued in 2022 by CBRE. A fair value assessment of the hotel building asset was carried out by CBRE. It was decided that, notwithstanding the movements in discount rates and profitability a revaluation was not required and there was no indication of impairment.

At 30 June 2025 Sealed surfaces, terminal facilities and infrastructure assets were revalued by independent valuers WSP New Zealand Ltd.

The movements resulting from revaluations at 30 June were:

	2025 $m	2024 $m
Land	-	24
Terminal buildings	60	-
Sealed surfaces	61	-
Airport infrastructure assets	(46)	16
Total	75	40

The methods of valuation, key assumptions and sensitivities applied as at 30 June 2025 are summarised below:

Land
Includes land used for airport activities and specialised aeronautical assets and for non-aeronautical purposes e.g. industrial, service, retail and land associated with the vehicle business (revalued 2024).

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Market value highest and best use approach, with an allowance being deducted to allow for services valued as infrastructure assets and for further costs required to achieve the required zoning. Land included in car parking, hotel and investment property categories are not included in this category.	Adopted rate per hectare average: Landside $469,000 (2022: $919,000).	+/-$19m (of a 5% change in adopted rate).	The critical elements in establishing the 'highest and best use approach' of land is the market rate prevailing for similar land: - An increase in demand for land will increase the fair value; - A decrease in demand will decrease the fair value.
Market value alternative use (MVAU) for airside e.g. elements of airfield land and valued on MVAU.	Average rated value is $125,000 per hectare (2022: $129,000 per hectare).	+/- $7m (of a 5% change in adopted rate).	Critical elements in the MVAU calculation are: Rate per hectare - An increase to the rate would increase the fair value and decrease to the rate would reduce the fair value.

Terminal buildings
(revalued 2025)

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Optimised depreciated replacement cost derived from modern equivalent asset rate.	Unit costs of construction square metre (sqm): Range of $3,632 - $5,842 (2023: $3,308 - $5,726) with weighted average of $4,678 (2023: $4,458).	+/- $18.4m (of a 5% change of cost estimate).	An increase in modern equivalent asset replacement cost will increase the fair value. A decrease in modern equivalent asset replacement will decrease the fair value.

10. Property, plant and equipment (continued)

Other buildings

Buildings
Buildings for identified airport activities, including offices spaces and storage that exist because of the airport activities (revalued 2022).

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Specialised buildings are valued by optimised depreciated replacement cost derived from modern equivalent asset rate. Buildings that are owned by CIAL that could be leased by a third party are valued on an income valuation approach similar to that used for Investment Properties (see note 11).	Unit costs of construction sqm: Range of $504 – $4,604 (2021: $504 – $4,604) with weighted average of $1,130 (2021: $1,309).	+/- $1.7m (of a 5% change of cost estimate).	An increase in modern equivalent asset replacement cost will increase the fair value. A decrease in modern equivalent asset replacement will decrease the fair value. An increase in the cashflow from an asset will increase the fair value. A decrease in the cashflow from an asset will decrease the fair value.

Hotel business assets
Assets associated with the hotel, including land (revalued 2022).

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Discounted cash flow and income capitalisation rate approach performed by independent valuers based on forecast trading and capital expenditure estimates, and market evidence.	Discount rate 9.75% (2021: 9.25%.) Income capitalisation rate 7.25% (2021: 7.0%).	+/- $3m for a change in discount rate by an absolute 0.5%. +/- $3m for an absolute change in capitalisation rate of 0.25%.	An increase in the discount rate used would decrease the fair value. A decrease in the discount rate would increase the fair value. An increase in the capitalisation rate will decrease the fair value. A decrease in the capitalisation rate will increase the fair value.

Airport infrastructure assets

Infrastructure and Sealed Surfaces
Infrastructure and sealed surfaces including site services (revalued 2025).

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Optimised depreciated replacement cost – the cost of constructing equivalent asset at current market-based input cost rates, adjusted for the remaining useful life of the assets (depreciation) and the sub optimal usage of the assets in their current application (optimisation). These inputs are deemed unobservable.	Sealed Surfaces Unit costs of combined concrete and asphalt pavement construction sqm: Range of $358 – $635 (2023: $273 - $396) with weighted average of $507 (2023: $350). Infrastructure Unit costs of road and footpaths construction sqm: Range of $22 – $122 (2023: $20 – $124) with weighted average of $69 (2023: $81). Unit costs of water and drainage construction m: Range of $251 – $1,539 (2023: $256 – $1,574) with weighted average of $967 (2023: $612).	+/- $18.9m (of a 5% change of cost estimate).	The critical elements in establishing the fair value of civil assets is the movement in the average cost rates for concrete, asphalt, base course and foundations, as well as the estimated remaining useful life of the assets: – An increase to any of the average cost rates listed above will increase the fair value; – A reduction in the estimated remaining useful life of the assets will reduce the fair value.

10. Property, plant and equipment (continued)

Car Parking
Assets associated with car parking, taxi, shuttle and bus services (including land) (revalued 2024).

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Discounted cash flow valuation performed by independent valuers based on: – Internal management information such as forecast future revenues, costs and capital expenditure. – Assumptions such as the discount rate. These are based on management's judgement and arrived at in consultation with external experts. Both the internal management information and the discount rate are deemed to be unobservable inputs.	Revenue growth per annum 0.5% and 0.5% for the 10-year cashflow period from year 11 (2023: 0.5% and 0.5%). Cost growth per annum 2% for the 10-year cashflow period and 2% from year 11 (2023: 2% and 2%). Discount rate 8.9% post tax, 10-year cash flow period and 8.9% from year 11 (2023: 8.4% and 8.4%).	+/- $8.8m (of a 5% change in discount rate). +/- $0.8m (of a change in growth rate to either 0% or 1.0% for year 11 onwards).	An increase in vehicle numbers will increase the fair value. A decrease in vehicle numbers will decrease the fair value. An increase in the discount rate used would decrease the fair value. An increase in costs would decrease the fair value.

Enable's Ultra-fast Broadband Network

Enable's ultra-fast broadband network is measured at fair value. The revaluation undertaken at 30 June 2025, based on a range provided by independent valuers Deloitte, resulted in a net increase of $20 million (2024: increase of $25 million) in the carrying value.

Deloitte and Enable management considered that the 10-year discounted cash flow (DCF) methodology was the most appropriate method of valuation for the ultra-fast broadband network.

The DCF methodology involved assessing:
- The future free cash flows of the business (excluding future expansionary capital expenditure and related revenue).
- A 10-year cash flow forecast with a terminal value determined by using either a Gordon Growth Model formula based on the FY34 projected free cash flows or a terminal Regulated Asset Base (RAB) multiple notionally assuming the assets are sold at the end of the 10 year period.
- Discounting the cash flows using a discount rate based on weighted average cost of capital (WACC).
- Whether there were any surplus assets.

The valuation of Enable's ultra-fast broadband network are sensitive to the inputs used in the discounted cash flow valuation model. A sensitivity analysis of key inputs is given in the table below.

Assumption change	Valuation movement up	Valuation movement down	Relationship of Unobservable Inputs to Fair Value
Connections +/- 1%	$16m	$16m	The higher the connections rate, the higher the fair value.
Average revenue per user +/- 1%	$16m	$16m	The higher the average revenue per user, the higher the fair value.
WACC +/- 0.5%	$78m	$66m	The higher the WACC, the lower the fair value.

LPC's property, plant and equipment

LPC's property, plant and equipment is measured at fair value with all classes of assets under the revaluation model considered part of one CGU, meaning they work together to generate cash flows. The port relies on the shipping channel; the inland ports are necessary for efficient operation; the marina, dry dock, and other inner harbour facilities are part of the CGU because they depend on the port's seawalls, breakwaters, and the support of other aspects of the port operations.

An internal valuation was performed as at 30 June 2025, resulting in $79m added to the carrying value of property, plant and equipment to fair value. A previous fair value reduction of $190.5m was recognised in 2020.

10. Property, plant and equipment (continued)

LPC values its assets using the income approach, based on future cash flows. This method is best because the assets are interdependent and cannot be valued separately, so a single enterprise valuation is used.

LPC does not fully recover its Enterprise Value (EV) under the cost methodology in NZ IFRS 13 Fair Value Measurement. The future cash flows, including expected profits and capital expenses, do not support valuing the assets using the Optimised Depreciated Replacement Cost (ODRC) method. Therefore, LPC uses the income approach as the best estimate of fair value for its fixed assets.

Certain assumptions are made for the EV model based on management's best estimates. Actual results and cash flow impacts could differ significantly.

The valuation does not include any major port expansions in the next 15 years. Volumes are capped at 560,000 twenty foot equivalent units (TEU). Cruise volumes are not expected to grow significantly.

A 15-year forecast period is used for cash flows, followed by a terminal value, due to the long-term nature of LPC's infrastructure. The expected net cash flows are discounted using a risk adjusted discount rate. The valuation is mainly driven by growth in container volume, margin improvement, capital expenditure, and the Weighted Average Cost of Capital (WACC) rate.

All LPC's property, plant and equipment are categorised as Level 3 in the fair value hierarchy.

	Range of significant unobservable inputs	
Key assumptions	**2025**	**2024**
EBITDA margin	32%-36%	28% -36%
- Revenue/expense Inflation	2%-5.0%	2% - 4.5%
Container TEU growth rate	2.4%-2.9%	2.7%-3.2%
- Container pricing Increases	2%-3%	3% - 4.5%
Terminal growth rate	2%	2%
Risk adjusted discount rate	7.24%	7.60%
Estimated capital expenditure	$557m	$493m

The valuation of LPC's property, plant and equipment is sensitive to the inputs used in the EV model. A sensitivity analysis of key inputs is given in the table below.

Assumption change	Valuation movement up	Valuation movement down	Relationship of Unobservable Inputs to Fair Value
Container pricing +/- 1%	228,064	-202,732	The higher the container pricing, the higher the fair value.
WACC +/- 1%	164,356	-111,370	The higher the WACC, the lower the fair value.
Capital expenditure +/- 10%	79,790	-86,040	The higher the capital expenditure, the lower the fair value.
Container volumes +/- 1%	3,807	-55,104	The higher the container volumes, the higher the fair value.
Inflation +/- 0.5%	54,817	-51,853	The higher the inflation, the higher the fair value.

Orion's property plant and equipment

Orion's electricity distribution system and the majority of Orion's land and buildings are measured at fair value. At 31 March 2025 the carrying value remains materially at fair value. (2024: increase of $71m).

Electricity distribution system

The electricity distribution system was revalued to fair value as at 31 March 2024, based on a valuation range provided by independent valuer Deloitte.

10. Property, plant and equipment (continued)

In the absence of an active market, Deloitte calculated fair value using Level 3 significant unobservable inputs using a DCF methodology and based its cash flow forecasts on Orion's cash flow forecasts and adjusted those forecasts to remove the impacts of expansionary growth on forecast future revenues, operating expenditure and capital expenditure, and to reflect Deloitte's estimates of the regulatory Weighted Average Cost of Capital (WACC) for RCP4 and RCP5.

Deloitte's key valuation assumptions were that:

- For the ten years ending 31 March 2034 estimated network revenues follow the Commerce Commission's building blocks approach, but exclude growth assumptions related to expansionary growth.
- For the five years ending 31 March 2030 network revenues will be reset to achieve returns based on the new expected regulatory parameters - reset regulatory WACC - on regulatory investment value, adjusted for any known or estimated wash-up amounts carried forward from the current regulatory period.
- The estimated DCF mid-point discount rate is 6.65% (nominal, post-tax). The discount rate is a matter of professional judgement. Deloitte has used the ten-year NZ government bond rate as at the valuation date as the basis of risk-free rate. This has been used in conjunction with a view of an appropriate post tax market risk premium. Deloitte has used the same level of asset beta and leverage to that set by the Commerce Commission for the five-year regulatory period commencing 1 April 2025.

The valuation of Orion's electricity distribution system is sensitive to the inputs used in the DCF valuation model. A sensitivity analysis of key inputs is given in the table below. The sensitivities are calculated by flexing a single variable at a time, noting that in practice the variables are inter-related within the regulatory framework.

Assumption change	Valuation movement up	Valuation movement down	Relationship of Unobservable Inputs to Fair Value
Capital expenditure +/- 5%	$51m	$51m	The higher the capital expenditure, the lower the fair value.
Operating expenditure +/- 5%	$72m	$72m	The higher the operating expenditure, the lower the fair value.
Discount rate +/- 0.5%	$158m	$132m	The higher the discount rate, the lower the fair value.
Distribution revenue +/- 0.5%	$19m	$19m	The higher the distribution revenue, the higher the fair value.

Land and other buildings

The majority of the company's land and non-substation buildings, comprising substation sites, head office land and building and Waterloo Road property, were revalued to fair value as at 31 December 2023, by Colliers International Limited.

The methodologies and key assumptions used in valuing Orion's land and non-substation building assets included:

- selecting a representative sample Orion's substation sites and valued land at those sites using sales comparisons and unit metre frontage methodologies. These values were compared with respective rateable values and comparisons used to develop standard site multipliers, which were applied to rateable land values for approximately 2,500 substation sites.
- valuing Orion's head office land and building using a market rental assessment and a capitalisation rate of 6.75% and comparing the result with recent market transactions.
- valuing Orion's Waterloo Road property using a market rental assessment and a capitalisation rate of 6.0% and comparing the result with recent market transactions.

Citycare, EcoCentral, and DCL

The net carrying value of the property, plant and equipment of these companies at 30 June 2025 comprised less than 2% (2024: less than 2%) of total Group property, plant and equipment. Assets of these companies are either independently revalued at regular intervals, or carried at cost less accumulated depreciation and impairment.

Accounting policy for property, plant and equipment - depreciation and impairment

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. Depreciation is generally recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

10. Property, plant and equipment (continued)

If a revalued asset is determined to be impaired, then the impairment is firstly applied against the revaluation reserve related to that asset, with any remaining impairment loss expensed in profit or loss. If the impairment loss is subsequently reversed, the reversal is firstly applied to profit or loss to the extent of previously expensed impairment losses relating to that asset, with any further increase taken to the revaluation reserve.

For assets that are not revalued, an impairment loss is expensed immediately in profit or loss. If an impairment loss is subsequently reversed, the carrying value of the asset is stated at not more than what its carrying value would have been had the earlier impairment not occurred.

Depreciation is calculated on each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Electricity distribution system	
Electricity distribution system	60 yrs
Airport assets	
Airport infrastructure and roads	15-100 yrs
Sealed surfaces (other than roads)	15-120 yrs
Terminal buildings	10-60 yrs
Car parks	7-50 yrs
Ultra-fast broadband network	
Ethernet communication equipment	5-12 yrs
Provision of unlit ultra-fast broadband	20-50 yrs
Port assets	
Harbour structures	3-100 yrs
Seawalls	100 yrs
Vessels	5-25 yrs
Container cranes	30 yrs
Other assets	
Buildings/building fit-out/services	2-100 yrs
Mobile plant including vehicles	1-30 yrs
Office/computer equipment	2-20 yrs

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Capital work in progress is not depreciated until commissioned. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are recognised through profit or loss. When revalued assets are sold, any revaluation reserve relating to the particular asset is transferred to retained earnings.

Distinction between capital and operating expenditure

Capital expenditure is defined as all expenditure incurred in the creation of a new asset and any expenditure that results in a significant restoration or increased service potential for existing assets. Constructed assets are included in property, plant and equipment as each becomes operational and available for use. Operating expenditure is defined as expenditure that is incurred in the maintenance and operation of the property, plant and equipment of the Group.

11. Investment property

	2025 $m	2024 $m
RBL Property	19	20
CIAL	852	779
Total	871	799
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Balance at beginning of financial year	799	764
Additional capitalised expenditure	48	10
Net gain/(loss) from fair value adjustments	24	15
Transfer (to)/from property, plant and equipment	-	10
Balance at end of financial year	871	799

Valuation of investment property - CIAL

The valuation of CIAL's investment property as at 30 June 2025 and 30 June 2024 was completed by Crighton Anderson Property and Infrastructure Ltd, trading as Colliers International Ltd, registered valuers and member of the New Zealand Property Institute. The basis of valuation is fair value, being the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The valuation methodologies used were a direct sales comparison or a direct capitalisation of rental income using market comparison of capitalisation rates, supported by a discounted cash flow approach. The valuation methodologies are consistent with the prior year.

Principal assumptions used in establishing the valuations were:

- Average rental yield rate 6.54% (2024: 6.60%). Rental yield range 0.84% - 11.53% (2024: 0.93% - 10.99%).
- Average market capitalisation rate 6.71% (2024: 6.81%). Market capitalisation rate range 4.19% - 11.05% (2024: 4.15% - 10.52%).
- Weighted average lease term 5.43 years (2024: 5.76 years).

Rental ranges in aggregate across the different property asset types were as follows:

Asset type	2025 rental range	2024 rental range
Office	$190-$275/sqm	$190-$270/sqm
Warehouse	$100-175/sqm	$100-$165/sqm

Fair value hierarchy

Asset classification and description	Valuation approach	Key valuation assumptions	Fair value hierarchy level	Valuation sensitivity
Investment Properties are land and buildings which are owned to earn rental income, for capital appreciation or both.	The income-based valuation approach is used.	Land is included when infrastructure services are available and future development is expected within the next 3 years.	3	+$37.9 million -$34.4 million for a 5% change of capitalisation rate.

Level 3 Asset classification	Sensitivity of significant unobservable inputs
Investment properties	An increase in the cash flow from an asset will increase the fair value of the asset and a decrease in the cash flow from an asset will decrease the fair value of the asset.

Valuation of investment property - RBL Property

The valuation of RBL's investment property as at 30 June 2025 was completed by Bayley's using the capitalised income and direct sales comparison method. RBL's investment property was last revalued at 30 June 2024 using a direct sales comparison method.

The principal assumption used in establishing the valuation was:

- $ per sqm $688 (2024: $725) Range of $ per square metre $550 - $750 (2024: $700-$750).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

11. Investment property (continued)

Sensitivity analysis

Assumption change	Valuation movement up	Valuation movement down
Valuation of land per sqm +/- $100	$21.4m	$16m

Accounting policy – investment property

Land is held by the Group for long term and strategic purposes and is not held for resale. Investment properties are land and buildings where the building is constructed or developed to maximise the return on land and buildings as an "interim use", are held for long term rental yield, and are not occupied by the Group. Investment property also includes property that is being constructed or developed for future use as investment property.

Properties leased to third parties under operating leases are generally classified as investment property unless:

- The occupants provide services that are integral to the operation of the Group's business;
- The property is being held for future delivery of services.

Land where there are infrastructure services in place up to its boundary, or there is a firm commitment to provide such infrastructure and the further development of that land is signalled within the next 3 years (being the current business planning cycle), is classified as investment property. Land/Buildings that are held for a currently undetermined future use, or that are vacant but held to be leased out under one or more operating leases, are classified as investment properties.

The classification of properties is at the lowest possible level. Therefore, where part of a property is occupied by a party other than the Group, consideration is given to whether that portion of the building could be classified as an investment property. Classification as an investment property will be indicated if the section of the building could be separately sold or leased under a finance lease. If the section of the property occupied by a party other than the Group is unable to be sold or leased separately from the rest of the building, the building is assessed as a whole and will usually only be classified as investment property if the Group occupies an insignificant portion of the total building.

Investment property is carried at fair value, based on valuation methodologies using direct sales comparison or a direct capitalisation of rental income using market comparison of capitalisation rates, supported by a DCF approach. These values are determined annually by external valuers. Gains or losses arising from a change in fair value are recorded in the Statement of comprehensive income.

Fair value measurement on property under construction is only applied if the fair value is considered to be reliably determinable.

If it is determined that the fair value of an investment property under construction is not reliably determinable but the Group has an expectation that the fair value of the property will be reliably determinable when construction is complete, the investment property under construction will be measured at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

12. Cash and cash equivalents

	2025 $m	2024 $m
Cash balances and call deposits	77	73
Other short term investments	6	4
Total cash and cash equivalents	83	77
Cash and cash equivalents denominated in:		
New Zealand dollars	83	77

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for periods of between one day and three months, and earn interest at the respective short term deposit rates.

Cash and cash equivalents includes demand deposits of $5.7m (2024: $3.6m). $1.2m (2024: $0.9m) is related to retentions, which are held in accordance with Construction Contracts Act 2022. This cash is not available for business use. The remaining $4.5m (2024: $2.7m) of this balance relates to funds held on trust which are restricted under contract, which specifies that the funds remain the property of the customer until disbursed in accordance with the contractual terms. Accordingly, these funds are not considered freely available for business use.

Accounting policy - cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits, and other short-term investments with original maturities of three months or less, and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

13. Debtors and other receivables

	2025 $m	2024 $m
Trade receivables - contracted	122	123
Less: Allowance for expected credit losses - contracted	(1)	(1)
Net trade receivables - contracted	121	122
Other receivables	11	3
Interest receivable	-	1
Total debtors and other receivables	132	126

Included in trade receivables - contracted are amounts due from the ultimate shareholder, CCC, as disclosed in note 26.

Credit risk - aging of receivables

	Note	2025 $m	2024 $m
Gross receivables			
Not past due		111	111
Past due 0-30 days		8	9
Past due 31-60 days		1	1
Past due more than 60 days		2	2
		122	123
Impairment			
Past due more than 60 days		(1)	(1)
Gross trade receivables		122	123
Individual impairment		(1)	(1)
Trade receivables (net)		121	122

Specific expected credit loss rates for each component are not disclosed because the overall lifetime expected credit loss is not material. Expected credit losses are based on historical information. Forward looking information has also been considered but has not changed the expectations for future credit losses.

Movements in the allowance for expected credit losses are as follows:

	2025 $m	2024 $m
Opening balance	1	1
Expected credit loss made during the year	-	-
Receivables written off during the year	-	-
Closing balance	1	1

Accounting policy - debtors and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment.

Sales of goods are generally due for settlement within 30 days. No interest is charged on outstanding trade receivables.

13. Debtors and other receivables (continued)

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group considers a receivable in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a receivable to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A receivable is written off when there is no reasonable expectation of recovering the contractual cash flows. The Group has recognised a loss allowance of 100% against all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

14. Inventory

	2025 $m	2024 $m
Current assets		
Inventory - raw materials and maintenance items	33	22
Inventory - finished goods	1	10
Total current inventory	34	32
Non-current assets		
Inventory - finished goods	-	6
Total inventory	34	38

Accounting policy - inventory

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. For Citycare, cost is based on the first-in first-out principle, whereas Orion, CIAL, and Enable apply the weighted average principle. Inventories include expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

15. Contract assets and contract liabilities

	2025 $m	2024 $m
Contract assets	32	34
Contract liabilities	13	15
Revenue recognised in the period from:		
Amounts included in the contract liability at the beginning of the period	3	12
Performance obligations that are unsatisfied (or partially unsatisfied):		
Revenue to recognise during the following period	34	1

Contract assets and liabilities are held by Orion and Citycare. All performance obligations that are unsatisfied (or partially unsatisfied) for Citycare are part of a contract that have an original duration of one year or less, therefore as permitted under NZ IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Accounting policy - contract assets and liabilities

Contract assets are initially recognised at fair value. They are subsequently adjusted for credit impairment loss. The Group will recognise a contract asset for work performed where they do not have an unconditional right to consideration. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point which the Group has an unconditional right to consideration. If the payment received exceeds the revenue recognised to date then the Group recognises a contract liability for the difference.

The financing component in construction contracts with customers is not considered to be significant as the period between the recognition of revenue and receipt of payment is always less than one year.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers under construction contracts.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

16. Creditors and other payables

	2025 $m	2024 $m
Trade payables and accrued expenses	142	115
Retentions	1	1
GST payable	7	12
Deposits held	1	1
Interest payable	8	9
Other payables	1	5
Total creditors and other payables	160	143

The carrying value of creditors and other payables approximates their fair value. Included in trade payables are amounts owing to the ultimate shareholder, CCC, as disclosed in note 26 Related Parties Disclosures.

Accounting policy – creditors and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. They represent liabilities for goods and services provided to the Group prior to the end of the financial year but that remain unpaid at the end of the financial year. The amounts are usually paid within 30 days of recognition.

17. Borrowings

Recognition and measurement
Borrowings are recognised at fair value, net of directly attributable transaction costs incurred, and are subsequently carried at amortised cost (except for any fair value adjustments required by hedge accounting rules). Any difference between initial recognition and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings, using the effective interest method.

The carrying values of Group borrowings are tabled below. Tables exclude intra-group loans of $578m (2024: $584m) from CCHL (Parent) to subsidiaries, which are eliminated from the consolidated Group total.

Group borrowings

30 June 2025	Commercial paper $m	Bonds $m	Floating rate notes $m	Loans from external parties $m	Loans from CCC $m	Total $m	Undrawn borrowing facility $m
Current borrowings							
Unsecured	60	-	-	68	180	**308**	132
Non-current borrowings							
Unsecured	-	759	415	486	424	**2,084**	184
Total borrowings	60	759	415	554	604	**2,392**	316

Group maturity profile

Maturity profile 30 June 2025	Commercial paper $m	Bonds $m	Floating rate notes $m	Loans from external parties $m	Loans from CCC $m	Total $m	Undrawn borrowing facility $m
Less than 1 year	60	-	-	68	180	**308**	132
1 - 2 years	-	200	-	115	150	**465**	95
2 - 5 years	-	250	120	371	174	**915**	89
Over 5 years	-	309	295	-	100	**704**	-
Total borrowings	60	759	415	554	604	**2,392**	316

Carrying value by subsidiary 30 June 2025	Commercial paper $m	Bonds $m	Floating rate notes $m	Loans from external parties $m	Loans from CCC $m	Total $m	Undrawn borrowing facility $m
CCHL (Parent)	60	479	75	-	604	**1,218**	100
CIAL	-	280	-	293	-	**573**	92
Citycare	-	-	-	-	-	**-**	10
LPC	-	-	-	53	-	**53**	72
Orion	-	-	340	208	-	**548**	42
Total borrowings	60	759	415	554	604	**2,392**	316

30 June 2024	Commercial paper $m	Bonds $m	Floating rate notes $m	Restated Loans from external parties $m	Loans from CCC $m	Total $m	Undrawn borrowing facility $m
Current borrowings							
Unsecured	60	150	50	302	130	**692**	110
Non-current borrowings							
Unsecured	-	571	340	192	551	**1,654**	181
Total borrowings	60	721	390	494	681	**2,346**	291

17. Borrowings (continued)

Maturity profile 30 June 2024	Commercial paper $m	Bonds $m	Floating rate notes $m	Restated Loans from external parties $m	Loans from CCC $m	Total $m	Undrawn borrowing facility $m
Less than 1 year	60	150	50	302	130	**692**	110
1 - 2 years	-	-	-	160	180	**340**	163
2 - 5 years	-	300	45	32	232	**609**	18
Over 5 years	-	271	295	-	139	**705**	-
Total borrowings	60	721	390	494	681	**2,346**	291

*2024 comparatives have been restated as per note 30

Carrying value by subsidiary 30 June 2024	Commercial paper $m	Bonds $m	Floating rate notes $m	Loans from external parties $m	Loans from CCC $m	Total $m	Undrawn borrowing facility $m
CCHL (Parent)	60	447	50	-	681	**1,238**	100
CIAL	-	274	-	282	-	**556**	93
Citycare	-	-	-	-	-	**-**	10
LPC	-	-	-	77	-	**77**	48
Orion	-	-	340	135	-	**475**	40
Total borrowings	60	721	390	494	681	**2,346**	291

Financing arrangements
Commercial paper
Commercial paper is issued under CCHL's $200m unsecured commercial paper programme.

Bonds
Bonds are unsecured retail and wholesale bonds issued by CCHL and CIAL. The bonds have a total nominal principal amount of $750m (2024: $725m), with the carrying value including the impact of fair value hedges.

Floating rate notes
Floating rate notes include those issued by CCHL under a Master Trust Deed, and by Orion in the United States Private Placement market - unsecured NZD borrowing.

Loans from external parties
All borrowings under bank facilities for CIAL, LPC and Orion, and overdraft facility for CIAL and LPC are unsecured and supported by a negative pledge deed.

Average Interest Rate on Borrowing
Borrowing and finance costs that are directly attributable to the acquisition or construction of an item of property, plant and equipment, investment properties or other qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Financial Covenants
Group borrowing is subject to financial covenants for a mix of interest cover, gearing, and minimum shareholder's funds, certified on a semi-annual basis. The specific covenants and thresholds for each Group entity are negotiated between that entity and its financiers, and may differ across the Group. All Group entities were compliant with their covenant requirements throughout the financial year.

17. Borrowings (continued)

Changes in liabilities arising from financing activities

2025	Restated Opening 1 July 2024 $m	Cash flows $m	Changes in fair value $m	New leases $m	Reclassification $m	Other $m	Closing 30 June 2025 $m
Current liabilities:							
Borrowings from external parties	485	(277)	-	-	(80)	-	128
Loans from CCC	130	(130)	-	-	180	-	180
Lease liabilities	10	(8)	1	4	-	-	7
Non-current liabilities:							
Borrowings from external parties	1,179	388	12	-	81	-	1,660
Loans from CCC	551	53	-	-	(180)	-	424
Lease liabilities	74	(4)	3	10	-	-	83
Derivative liabilities	2	-	13	-	-	3	18
	2,431	22	29	14	1	3	2,500

2024	Restated Opening 1 July 2023 $m	Cash flows $m	Changes in fair value $m	New leases $m	Reclassification $m	Other $m	Restated Closing 30 June 2024 $m
Current liabilities:							
Borrowings from external parties	353	(131)	3	-	260	-	485
Loans from CCC	125	(125)	-	-	130	-	130
Lease liabilities	7	(8)	4	4	(1)	4	10
Derivative liabilities	3	-	(3)	-	-	-	-
Non-current liabilities:							
Borrowings from external parties	1,272	164	3	-	(260)	-	1,179
Loans from CCC	533	148	-	-	(130)	-	551
Lease liabilities	71	(1)	7	-	-	(3)	74
Derivative liabilities	2	-	-	-	-	-	2
	2,366	47	14	4	(1)	1	2,431

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

18. Other financial assets and liabilities

	2025 $m	2024 $m
Current assets		
Term deposits	8	11
Other loans and deposits	-	1
Interest rate swaps	1	13
Total current other financial assets	9	25
Non-current assets		
Other loans	13	12
Interest rate swaps	18	46
Total non-current other financial assets	31	58
Current liabilities		
Interest rate swaps	(1)	-
Total current other financial liabilities	(1)	-
Non-current liabilities		
Interest rate swaps	(17)	(2)
Total non-current other financial liabilities	(17)	(2)

Refer to note 24 for further information on areas of financial risk and fair value.

Other loans

Loan to Christchurch Engine Centre
On 29 June 2012, CCHL entered into a loan agreement with Christchurch Engine Centre to advance up to US$17m, effectively replacing the CCC's previous combined equity/debt investment in Jet Engine Facility Ltd. CCHL has entered into a cross currency interest rate swap to convert its fixed rate USD income on this loan into NZD floating rates (note 24). US$9m of the US$17m principal drawn has been repaid, with the remaining amount outstanding as at the current reporting date of US$8m payable in 2028. The loan is assessed to have low credit risk at each reporting date based on the Group's internal assessment. As such, the Group has assessed that the credit risk on this financial instrument has not increased significantly since initial recognition as permitted by NZ IFRS 9, and recognises 12 months expected credit losses for the asset. No material provision has been made.

The Christchurch Engine Centre has continued to experience strong growth in volumes and revenue.

Accounting policies

Derivative financial instruments
The Group uses derivatives only for economic hedging purposes and not as speculative investments.

Derivatives are initially recognised at fair value, and are subsequently re-measured to their fair value at each balance date. They are designated and documented at their inception date as either a cash flow hedge or a fair value hedge under NZ IFRS 9 – in each case:

- The economic relationship is determined by critical terms, such as the reference rate, reset dates, payment dates, maturity, and notional amount. The Group enters into derivatives which have similar critical terms to the related hedged items.
- The hedge ratio is established with reference to the notional amount of the derivative. The Group may hedge less than 100% of any particular exposure, so the hedged item may be defined as just a proportion of the total exposure (up to but not exceeding the notional amount of the derivative).
- The primary sources of hedge ineffectiveness are any differences in the critical terms of the derivative and the hedged item. For hedges of forecast transactions, ineffectiveness can also arise if the timing of the forecast transaction changes from what was originally estimated.

Cash flow hedge
The effectiveness of cash flow hedges is assessed at each balance date based on the relative fair value movements of the actual derivative and its "hypothetical" (as defined by NZ IFRS 9).

18. Other financial assets and liabilities (continued)

Changes in a designated derivative's fair value are accounted for as follows:

- The effective portion is recognised in Other Comprehensive Income.
- The ineffective portion (if any) is recognised in Profit & Loss as Other Income / Expense.
- Amounts accumulated in Other Comprehensive Income are recycled to Profit & Loss in the periods affected by the hedged item (except where a derivative is hedging a forecast transaction that results in the recognition of a non-financial asset or liability, in which case the accumulated amount is included in the initial cost or carrying amount of that asset or liability).

If a derivative is sold, terminated, or no longer meets the hedge accounting criteria in NZ IFRS 9, then any cumulative gain or loss existing in Other Comprehensive Income at that point will remain in Other Comprehensive Income in the first instance, and will be released over time as the related hedged item is recognised in Profit & Loss (or as a non-financial asset / liability, as the case may be). However, if the hedged item was a forecasted transaction that is no longer expected to occur, then the cumulative gain or loss in Other Comprehensive Income will be transferred immediately to Profit & Loss as Other Income / Expense.

Fair value hedge

The effectiveness of fair value hedges is assessed at each balance date based on the relative fair value movements of the derivative and its hedged item (as described in NZ IFRS 9). The Group normally only uses fair value hedges to hedge fixed rate borrowings (ie. to convert a fixed interest rate to a floating rate).

For designated hedges, fair value movements for both the derivative and its hedged item are recognised in Profit & Loss as Other Income / Expense.

Derivatives that do not qualify for hedge accounting

If a derivative does not qualify for hedge accounting (or has not been designated as part of a qualifying hedge relationship), changes in its fair value are recognised in Profit or loss as Other Income / Expense.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction. Foreign currency monetary assets and liabilities at balance date are translated to NZ dollars at the ruling rate at that date. Foreign exchange differences arising on translation are recognised through profit or loss, except when deferred in equity as qualifying cash flow hedges.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Those that are stated at fair value are translated to NZ dollars at ruling rate at the date the fair value was determined.

Term deposits

Term deposits are cash investments with original maturities of more than three months.

Other loans and deposits

Other loans and deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Impairment

The carrying amounts of the Group's other financial assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

19. Goodwill and other intangible assets

	Goodwill $m	Easements and consents $m	Customer related $m	Software and other $m	Total $m
Gross carrying amount					
Gross carrying amount at 1 July 2023	89	4	28	79	200
Additions	-	-	-	13	13
Additions from internal developments	-	-	-	1	1
Disposals	-	-	-	(2)	(2)
Gross carrying amount at 30 June 2024	89	4	28	91	212
Additions	-	-	-	22	22
Disposals	-	-	-	(23)	(23)
Transfers	-	-	-	4	4
Gross carrying amount 30 June 2025	89	4	28	94	215
Accumulated balance at 1 July 2023	(42)	(3)	(5)	(54)	(104)
Amortisation expense	-	-	(6)	(9)	(15)
Disposals	-	-	-	2	2
Transfers	-	2	-	-	2
Accumulated balance at 30 June 2024	(42)	(1)	(11)	(61)	(115)
Amortisation expense	-	-	(6)	(10)	(16)
Disposals	-	-	-	23	23
Transfers	-	-	-	(3)	(3)
Accumulated balance at 30 June 2025	(42)	(1)	(17)	(51)	(111)
Carrying amount at 30 June 2024	47	3	17	30	97
Carrying amount at 30 June 2025	47	3	11	43	104

Accounting policy – intangible assets

Computer software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Costs of developing or maintaining computer software programmes are recognised as an expense as incurred. Costs directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets and amortised over their estimated useful lives. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Software as a Service (SaaS)

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the term of the contract. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances, modifies or creates additional capability for existing on premise systems. Where these costs meet the definition and recognition criteria for an intangible asset, these costs are recognised as an intangible software asset and are amortised over the useful life on a straight-line basis. Judgement is applied in determining whether the code meets the definition and recognition criteria for an intangible asset. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period and adjusted if appropriate.

Customer relationships and customer contracts

Customer relationships and customer contracts acquired as part of a business combination are recognised separately from goodwill. Customer relationships and customer contracts have a finite life and are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method over the period of projected cash flows of the contracts and relationships over their estimated useful lives, which are amortised over an estimated useful life of 2-13 years.

19. Goodwill and other intangible assets (continued)

Other intangible assets
Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Amortisation/Impairment
An intangible asset with a finite useful life is amortised on a straight-line basis over the life of the asset. The asset is reviewed annually for indicators of impairment, and tested for impairment if these indicators exist. The asset is carried at cost less accumulated amortisation and accumulated impairment losses. Estimated useful lives are:

Software	2-10 years
Easements and resource consents	5-35 years
Customer related	2-13 years

An intangible asset with an indefinite useful life, such as goodwill, is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

Amount of goodwill allocated to cash-generating units

The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

	2025 $m	2024 $m
Orion	2	2
Enable	1	1
Citycare	44	44
Total	47	47

The carrying value of Goodwill is subject to an annual impairment test at the CGU level to ensure the carrying value does not exceed the recoverable amount at balance date, which at a subsidiary level is reviewed by each individual Board. Of the total carrying amount, $45m (2024: $45m) originates from subsidiary balance sheets, and $2m (2024: $2m) is generated from goodwill on acquisition of subsidiaries.

In testing for impairment, the approach to calculating recoverable amounts and the key assumptions used for significant CGUs are outlined below.

Citycare goodwill

The Group balance of goodwill includes $44m from the CityCare CGU, relating to Spencer Henshaw and Apex Water Limited (Apex Water).

As at 30 June 2025, an annual impairment test of goodwill was undertaken by Citycare on the balance of goodwill. The recoverable amount has been calculated based on a value in use calculation using a DCF model.

The cash flow forecasts for both Spencer Henshaw and Apex Water are based on budgeted gross margin, which is at a rate consistently achieved in previous years, and budgeted overhead, which is expected to increase in line with increased revenue. Other key assumptions used in the value in use calculations are:

Key assumptions	Spencer Henshaw	Apex Water
Pre tax discount rate	12.6%	13.1%
Terminal growth rate	2%	2%
Forecast period	5 years	5 years

Accounting policy – goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired, is recognised as an asset. After initial recognition, goodwill is measured at the amount recognised at acquisition date less any accumulated impairment losses.

Goodwill is allocated to cash-generating units and is tested annually for impairment, and whenever there is an indication that it may be impaired. An impairment of goodwill is not subsequently reversed.

19. Goodwill and other intangible assets (continued)

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The amount of impairment loss is measured as the difference between the asset’s carrying amount and the recoverable amount. The recoverable amount is the higher of the asset’s net fair value less costs of disposal, or its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Impairments are recognised immediately in profit or loss, and are not subsequently reversed.

20. Lease assets and liabilities

(a) Leases as lessee

(a) (i) Right of use assets

	Land $m	Buildings $m	Plant and equipment $m	Electricity distribution system $m	Total $m
Cost at 1 July 2023	3	35	5	10	53
Additions	3	14	2	-	19
Disposals	-	(4)	(1)	-	(5)
Cost at 30 June 2024	6	45	6	10	67
Additions	5	4	8	-	17
Disposals	-	(6)	(2)	(2)	(10)
Cost at 30 June 2025	11	43	12	8	74
Accumulated depreciation at 1 July 2023	-	19	3	2	24
Depreciation	-	7	2	-	9
Disposals	-	(1)	(2)	-	(3)
Accumulated depreciation at 30 June 2024	-	25	3	2	30
Depreciation	-	7	2	-	9
Disposals	-	(5)	(2)	(2)	(9)
Accumulated depreciation at 30 June 2025	-	27	3	-	30
Carrying amount at 30 June 2024	6	20	3	8	37
Carrying amount at 30 June 2025	11	16	9	8	44
Lease term (range in years)		2-27	2-3	1-26	

(a) (ii) Lease liabilities

	2025 $m	2024 $m
Current liabilities		
Lease liability	8	10
Non-current liabilities		
Lease liability	82	74
Total lease liabilities	90	84

The Group leases various land and buildings, equipment and vehicles. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The Group has lease liabilities relating to agreements between Orion and Transpower New Zealand Ltd (Transpower) for Transpower to install new assets at or near its local grid exit points, and for the lease of properties in the Wellington and Central Otago areas.

The Transpower agreements have remaining terms of between 1 and 29 years (2024: between 0 and 30 years). Orion does not own the assets at the end of the lease term and there is no residual value. There is no security provided for the arrangements. The monthly payment amounts are reviewed periodically by Transpower based on prevailing interest rates and agreed margins.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

20. Lease assets and liabilities (continued)

	2025 $m	2024 $m
Amounts recognised in the statement of comprehensive income		
Expense relating to short term leases	2	2
Cash outflows for leases:		
Interest on lease liabilities	3	1
Repayments of lease liabilities	4	6
Payments of short term leases	2	2
Total cash outflows for leases	9	9

At 30 June 2025 Orion had $0.2m commitment for short term leases (2024 $0.1m), and payment of low value leases by Orion was $0.3m (2024: $0.3m)

(b) Leases as lessor

(b) (i) Finance lease receivable

The Group has assessed subleases as finance leases where they act as a lessor for subleases on sites that they lease. The Group has assessed each sublease based on the right of use asset and expected useful life of the head lease and where a sublease is for a significant part of the expected life of the lease. The Group has derecognised part of the right of use asset and recorded this as sublease receivable.

	2025 $m	2024 $m
Less than 1 year	4	4
Between 1 to 2 years	4	4
Between 2 to 3 years	4	4
Between 3 to 4 years	4	4
Between 4 to 5 years	4	4
Later than five years	30	32
Total undiscounted receivable	50	52
Unearned finance income	(7)	(9)
Net investment in finance leases	43	43
Finance lease receivable included in the Statement of financial position		
Current	4	2
Non-current	39	41
Total finance lease receivable	43	43

Total lease receivables of $43m (2024: $43m) are attributable to LPC's non-cancellable finance lease receivables. LPC leases a range of land, buildings and equipment to a number of customers. A number of leases include rights of renewal for further periods including "in perpetuity".

(b) (ii) Operating leases

	2025 $m	2024 $m
Less than 1 year	73	65
Between 1 to 2 years	54	58
Between 2 to 3 years	39	42
Between 3 to 4 years	32	29
Between 4 to 5 years	26	25
Later than five years	147	156
Total operating leases	371	375

20. Lease assets and liabilities (continued)

Accounting policy - leases

Right-of-use assets and lease liabilities as lessee
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use that asset.

All leases are classified as leases of right-of-use assets unless they meet the definition of short-term or low value leases, or are sublet. Lease payments that are short-term or low value are recognised as an expense on a straight-line basis over the lease term.

Lease liability payments are allocated between expense and reduction of the lease liability over the term of the lease. Capitalised right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The group applies NZ IAS 36, Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss under this standard.

As a practical expedient, NZ IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has adopted this practical expedient.

As lessor
The Group subleases one of its leases for land and buildings. This sublease is classified as a finance sublease as substantially all of the risks and rewards of ownership have been transferred to the sub lessee. Both the maturity and value of the lease payments match both the head lease and the sublease. The payment of both interest and principal is settled between the head lessor and the sublease. The Group does not recognise these payments in the cash flow statement.

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

21. Share capital and dividends

	2025 $m	2024 $m
Fully paid ordinary shares	94	94
Dividends declared on fully paid ordinary shares	55	51
Cents per share	114	105

During the year ended 30 June 2025, the Parent paid its full SOI dividend target to CCC of $55m (2024 $50.7m).

CCHL has on issue:

• 48,090,528 (2024: 48,090,528) fully paid ordinary shares held by Christchurch City Council, carrying one vote per share and the right to dividends.

• 1,500,139,000 (2024: 1,500,139,000) of redeemable preference shares, paid up to $1,390, held by CCC. No further calls have been made on these shares. Dividends are only payable to the extent that the shares are fully paid. CCHL may elect to redeem the whole or any part of the shares. The shares do not carry any right to conversion into ordinary shares in CCHL. The shares have no par value.

Capital management and dividend policy

The Group's capital includes share capital, reserves and retained earnings. The Group's policy is to maintain a strong capital base to ensure public, shareholder, investor, creditor and market confidence and to sustain future development of the business.

Management monitors capital through the gearing ratio (total liabilities to total tangible assets) and the interest cover ratio (EBIT plus finance income / finance expenses). It maintains a strong credit rating from Standard & Poor's (currently AA- with a stable outlook), although it is noted that the Parent's rating is largely determined by CCC's rating due to the close financial relationship between the two entities.

The CCHL Board will pay dividends to its shareholder, CCC, after taking into account its profitability, debt levels, future investment requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993, whilst being cognisant of its SOI targets.

Accounting policy – dividends

Dividends are recognised as a liability in the period in which they are declared.

22. Reserves

	2025 $m	2024 $m
Asset revaluation reserve	1,286	1,211
Hedging reserve	(5)	39
Total reserves	1,281	1,250

Revaluation reserve – property, plant and equipment

The revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 10.

Hedging reserve

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income, as described in note 24.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

23. Other liabilities

	2025 $m	2024 $m
Current liabilities		
Employee entitlements	43	41
Deferred revenue	1	3
Income in advance	5	4
Other current liabilities	2	-
Total current other liabilities	51	48
Non-current liabilities		
Employee entitlements	4	4
Deferred revenue	1	2
Total non-current other liabilities	5	6
Total other liabilities	56	54

Accounting policy - employee entitlements

Current employee entitlements in respect of short-term benefits expected to be wholly settled within 12 months are accrued at the full amount owing at the pay period ending immediately prior to the balance sheet date.

Non-current employee entitlements in respect of long-term employee benefits that are not expected to be settled within 12 months, such as long service leave, are measured as the present value of the estimated future cash flows to be made by the Group in respect of services provided by employees up to the reporting date taking into account years of service, years to entitlement and the likelihood of staff reaching the point of entitlement.

24. Areas of financial risk and fair value

Foreign currency risk

Foreign currency risk is the risk that the value of the Group's assets and liabilities or revenues and expenses will fluctuate due to changes in foreign exchange rates. The Group has some exposure to foreign currency risk as a result of transactions that are denominated in a foreign currency - primarily Australian dollars, US dollars and Euros. The Group's policy is to hedge any material foreign currency exposure, usually with forward exchange contracts.

CCHL has loaned US$8m (2024: US$8m) to Christchurch Engine Centre (see note 18). This asset is fully hedged to New Zealand dollars using a cross-currency interest rate swap, which reduces the net currency exposure on this transaction to zero.

The Group has assessed that a reasonably possible change in foreign exchange rates (a 10% variance either way) would not have a significant impact on profit or equity.

Commodity price and demand risk

EcoCentral's operations can be significantly impacted by fluctuations in commodity prices and international demand for certain products. This risk is mitigated to an extent by tendering and entering into supply contracts, and through the structure of its commercial contracts for incoming commingled products. Any residual risk is not considered material to the Group.

Interest rate risk

The Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swaps, options and forward interest rate contracts (see Interest rate hedging activity section below).

At 30 June 2025 the Group had a mix of financial assets and liabilities exposed to the re-pricing of interest rates as set out in the following tables. To the extent that assets and liabilities exposed to variable interest rate risk are hedged, they are classified as fixed.

Interest rate re-pricing analysis

	Less than 1 year $m	1-2 years $m	2-5 years $m	More than 5 years $m	Carrying value $m
30 June 2025					
Cash and term deposits	91	-	-	-	91
Other loans and deposits	13	-	-	-	13
Borrowings (net of derivatives) and lease liabilities	(751)	(46)	(1,193)	(468)	(2,458)
Total	(647)	(46)	(1,193)	(468)	(2,354)
30 June 2024					
Cash and term deposits	88	-	-	-	88
Other loans and deposits	13	-	-	-	13
Borrowings (net of derivatives) and lease liabilities	(918)	(88)	(404)	(965)	(2,375)
Total	(817)	(88)	(404)	(965)	(2,274)

Interest rate sensitivity

In managing interest rate risks, the Group aims to reduce the impact of short term fluctuations on earnings. Over the longer term, however, changes in interest rates will affect reported profits. The following table summarises the estimated impact of a 1% movement in interest rates on the Group's pre-tax profit and equity (excluding retained earnings), taking into account the effect of interest rate swaps. The carrying amount of the hedging instruments is disclosed in Fair value of total derivatives section of this note.

	2025 Profit/loss $m	2025 Equity $m	2024 Profit/loss $m	2024 Equity $m
100 basis point increase	(4)	30	(5)	28
100 basis point decrease	4	(30)	5	(28)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

24. Areas of financial risk and fair value (continued)

Credit risk

	Counterparty Credit rating	2025 $m	2024 $m
Cash and term deposits	AA, A	91	88
Debtors, contract assets and other receivables	Unrated	164	174
Loans and deposits	Lower than BBB or unrated	13	13
Derivative financial instrument assets	AA, A	19	58
Total		**287**	**333**

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Parent or Group. Financial instruments that potentially subject the Parent and Group to concentrations of credit risk are summarised above. The Parent and Group places its cash and short-term investments with high credit quality financial institutions and limits the amount of credit exposure to any one financial institution in accordance with the treasury policies of the respective companies. The Parent and Group do not hold any credit derivatives to offset credit exposure.

There is some concentration of credit risk at subsidiary level in relation to trade receivables, however all of these major customers are considered to be of high credit quality, and as such on a Group-wide basis, the risk of credit losses arising is not considered to be significant.

CCHL entered into a loan agreement with Christchurch Engine Centre. Details of the loan and associated credit risk are provided in note 18.

Geographically, there is no significant credit risk concentration for the Parent or Group outside New Zealand.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management requires maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

In meeting its liquidity requirements, the Group manages its investments and borrowings in accordance with its treasury policies, which include restrictions on the amount of debt maturing in any 12 month period and require sufficient approved financing facilities to cover a specified percentage over the anticipated peak debt over a rolling 12 month period. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has funding arrangements in place to cover potential shortfalls.

The Group's exposure to liquidity risk based on undiscounted contractual cash flows is as follows:

	Statement of Financial Position $m	Less than 1 year $m	1-2 years $m	2-5 years $m	More than 5 years $m	Total contractual cash flows $m
30 June 2025						
Creditors and other payables	160	160	-	-	-	160
Net derivative financial instrument liabilities/(assets)	(1)	(1)	-	12	1	12
Borrowings from external parties	1,788	299	605	548	667	2,119
Loans from related parties	604	202	166	201	108	677
Lease liabilities	91	13	13	32	67	125
Total	**2,642**	**673**	**784**	**793**	**843**	**3,093**
30 June 2024						
Creditors and other payables	145	145	-	-	-	145
Net derivative financial instrument liabilities/(assets)	(57)	(15)	(11)	(12)	(2)	(40)
Borrowings from external parties	1,665	641	165	752	537	2,095
Loans from related parties	681	168	206	266	155	795
Lease liabilities	85	15	11	24	51	101
Total	**2,519**	**954**	**371**	**1,030**	**741**	**3,096**

24. Areas of financial risk and fair value (continued)

Fair value of total derivatives designated/not designated as hedging instruments analysed as:

	Notional principal 2025 $m	Interest rate swaps 2025 $m	Cross currency interest rate swaps 2025 $m	Total 2025 $m	Notional principal 2024 $m	Interest rate swaps 2024 $m	Cross currency Interest rate swaps 2024 $m	Total 2024 $m
Current assets								
Designated	258.0	0.7	-	0.7	422.0	12.7	-	12.7
	258.0	0.7	-	0.7	422.0	12.7	-	12.7
Non-current assets								
Designated	2,046.0	18.4	0.2	18.6	1,660.2	45.1	0.4	45.5
	2,046.0	18.4	0.2	18.6	1,660.2	45.1	0.4	45.5
Current liabilities								
Designated	95	0.8	-	0.8	-	-	-	-
	95	0.8	-	0.8	-	-	-	-
Non-current liabilities								
Designated	1,000	17.3	-	17.3	275.0	2.0	-	2.0
	1,000	17.3	-	17.3	275.0	2.0	-	2.0
Total	3,399.0	1.0	0.2	1.2	2,357.2	55.8	0.4	56.2

The fair values of derivative financial instruments are determined by discounting the future projected cash flows of each instrument to present value amounts, using the relevant interest rate yield curve. The present value amount is adjusted to reflect the credit risk of the counterparty to each transaction (or CCHL's credit risk, if the transaction is a liability). These valuations are considered Level 2 of the IFRS three-level valuation hierarchy, and there has been no movement between levels during the year.

Interest rate hedging activity

The Group uses interest rate swaps in the normal course of business to reduce its exposure to fluctuations in interest rates. The notional principal values and fair values of swaps held are summarised in the table below. The fair value of assets is disclosed in the Classification of assets and liabilities section of this note.

Group	**Avg contracted fixed interest rate**		**Notional principle**		**Fair value**	
	2025 %	**2024 %**	**2025 $m**	**2024 $m**	**2025 $m**	**2024 $m**
Floating for fixed contracts						
Less than 1 year	3.27%	3.09%	253	442	(1)	13
1 to 2 years	2.43%	2.68%	275	273	1	9
2 to 5 years	3.36%	3.30%	1,135	829	(2)	28
More than 5 years	3.85%	2.94%	1,235	485	(6)	11
			2,898	2,029	(8)	61
Fixed for floating contracts						
1 to 2 years	2.65%	-	60	-	-	-
2 to 5 years	4.89%	3.81%	255	190	8	(4)
More than 5 years	4.23%	5.44%	175	125	1	(1)
			490	315	9	(5)
Total			3,388	2,344	1	56

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

24. Areas of financial risk and fair value (continued)

The following disclosure shows the amount of debt being hedged by interest rate swaps for fair value and cash flow hedges plus the various related amounts that impact the statement of financial position and statement of comprehensive income.

	2025 $m	2024 $m
Fair value hedges - Interest rate swaps		
Hedged items - Fixed rate borrowings:		
Carrying value	609	571
Cumulative fair value adjustment	9	3
Change in value used for calculating hedge ineffectiveness	9	(1)
Hedging instruments - Interest rate swaps:		
Nominal amount of the hedged asset / (liability)	(490)	(315)
Carrying value	9	(5)
Change in fair value for recognising hedge ineffectiveness	4	3
Fair value hedges - Cross currency interest rate swaps		
Hedged items - Fixed rate loan:		
Carrying Value	-	12
Cumulative fair value adjustment	-	(1)
Hedging instruments - Cross currency interest rate swaps:		
Nominal amount of the hedged asset / (liability)	13	(13)
Cash flow hedges		
Hedged items - Variable rate borrowings:		
Balance in hedge reserve (continuing hedges)	(10)	33
Hedging instruments - Interest rate swaps:		
Nominal amount of the hedged asset/(liability)	2,182	(1,864)
Carrying value of hedging instrument	(7)	55
Change in fair value for recognising hedge ineffectiveness	(37)	(11)
Current period hedging gains/(losses) recognised in other comprehensive income	(36)	(13)

There were no reclassifications of cash flow hedges during the year (2024: none)

Recognition in financial statements	**Statement/Note reference**
Statement of financial position:	
Hedging instrument asset	note 18 - Other financial assets
Hedging instrument liability	note 18 - Other financial liabilities
Hedged item (carrying amount)	note 17 - Changes in liabilities arising from financing activities
Statement of comprehensive income:	
Changes in the carrying value of fair value hedging instruments	note 7: Net gains/losses
Changes in the carrying value of fair value hedged items	note 7: Net gains/losses
Changes in the carrying value of cash flow hedging instruments	Other comprehensive income - fair value gains/(losses) on cash flow hedges
Hedge ineffectiveness (gains)	note 7: Net gains/losses
Hedge ineffectiveness (losses)	note 7: Net gains/losses

Classification of assets and liabilities

The following section provides further information about the Group's financial instruments, including:

- An overview of all financial instruments held by the Group, and their classification.
- Disaggregated information for those instruments that the directors consider to be most significant in the context of the Group's operations.
- Specific accounting policies where relevant.
- Information about determining the fair value of the financial instruments, including judgements and estimation uncertainty involved.

24. Areas of financial risk and fair value (continued)

The following table outlines the Groups' classification of financial assets and liabilities:

Classes of financial assets and liabilities

	30 June 2025 $m	Quoted prices in active markets Level 1 $m	Significant observable inputs Level 2 $m	Significant unobservable inputs Level 3 $m	30 June 2024 $m	Quoted prices in active markets Level 1 $m	Significant observable inputs Level 2 $m	Significant unobservable inputs Level 3 $m
Hedge derivatives								
Derivative financial instrument assets	19	-	19	-	59	-	59	-
Derivative financial instrument liabilities	(18)	-	(18)	-	(2)	-	(2)	-
Total financial assets/(liabilities) at fair value	**1**	**-**	**1**	**-**	**57**	**-**	**57**	**-**
Financial assets/(liabilities) at amortised cost								
Cash and term deposits	91	-	-	-	88	-	-	-
Debtors and other receivables	132	-	-	-	126	-	-	-
Other loans and deposits	13	-	-	-	13	-	-	-
Creditors and other payables	(160)	-	-	-	(143)	-	-	-
Borrowings	(2,392)	-	-	-	(2,346)	-	-	-
Net financial assets/(liabilities) at amortised cost	**(2,316)**	**-**	**-**	**-**	**(2,262)**	**-**	**-**	**-**
Total financial assets and liabilities	**(2,315)**	**-**	**1**	**-**	**(2,205)**	**-**	**57**	**-**

Non-financial assets measured at fair value

When measuring the fair value of non-financial assets held by the Group, the Group uses observable market data as much as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The tables below classify the Group's non-financial assets recorded at fair value in accordance with NZ IFRS 13 as described in the accounting polices set out below.

Property, plant and equipment classified as level 3 utilises some unobservable (non-market data) inputs, further described in note 10, related to the following asset classes carried at fair value, Land, Terminal Buildings, Other buildings, Electricity distribution system, Airport infrastructure assets, Port assets, Ultra-fast broadband network.

Property, plant and equipment that is classified as Level 2 arises from the use by Orion's valuer of significant observable inputs – sales comparisons and unit metre frontage methodologies – in determining the fair value of land at substation sites. In addition, the valuer used a market rental assessment to value Orion's Waterloo Road depot site and head office land and building (Level 2).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

24. Areas of financial risk and fair value (continued)

	30 June 2025 $m	Quoted prices in active markets Level 1 $m	Significant observable inputs Level 2 $m	Significant unobservable inputs Level 3 $m	30 June 2024 Restated $m	Quoted prices in active markets Level 1 $m	Significant observable inputs Level 2 $m	Significant unobservable inputs Level 3 $m
Property, plant and equipment	4,725	-	153	4,578	4,491	-	155	4,336
Investment property	871	-	-	871	799	-	-	799
Total	5,596	-	153	5,449	5,290	-	155	5,135

Analysis of movements in Level 3 assets:

	30 June 2025			30 June 2024	Restated	
	Total $m	Property, plant and equipment $m	Investment property $m	Total $m	Property, plant and equipment $m	Investment property $m
Opening carrying value	5,135	4,336	799	4,926	4,162	764
Additions	254	208	48	192	182	10
Disposals	(1)	(1)	-	(1)	(1)	-
Transfers	8	8	-	(11)	(21)	10
Fair value movements	198	173	24	146	131	15
Depreciation	(146)	(146)	-	(117)	(117)	-
Closing carrying value	5,448	4,578	871	5,135	4,336	799

Fair value of liabilities

Fixed rate debt is recognised in the financial statements at amortised cost, noting the following:

- $365m (2024: $190m) of debt held by CCHL is matched by interest rate swap agreements with notional amounts totalling $365m (2024: $190m) whereby CCHL receives an average fixed rate of interest of 3.74% (2024: 3.81%) and pays interest at a variable rate on the notional amounts. The swaps are used to hedge the exposure to changes in the fair value of the bonds. The accumulated fair value hedge adjustments made on the carrying amounts of these bonds total $4m (2024: $4m), resulting in a total carrying value of the fair valued hedged debt of $369m (2024: $187m).
- $125m (2024: $125m) of debt held by CIAL is matched by an interest rate swap agreement with a notional amount of $125m (2024: $125m) whereby CIAL receives a fixed rate of interest of 5.44% (2024: 5.44%) and pays interest at a variable rate on the notional amount. The swap is used to hedge the exposure to changes in the fair value of the bond. The accumulated fair value hedge adjustments made on the carrying amount of this bond totals $5m (2024: $0.4m), resulting in a total carrying value of the fair valued hedged debt of $130m (2024: $124m).

Transfers between categories

There were no transfers between Level 1 and Level 2 during the year.

The directors consider that the carrying amounts of all other financial assets and financial liabilities approximate their fair values, on the basis that settlement is due in the short term and expected to be at, or very close to, carrying value.

24. Areas of financial risk and fair value (continued)

Accounting policies

Fair value

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date, based on the highest and best use of that asset.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments are described in the relevant notes. External valuers are involved for valuation of significant assets such as properties. Selection criteria for valuers include market knowledge, reputation, independence and whether professional standards are maintained.

Classification of investments and financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Despite this, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Group may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income (FVTOCI) criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

25. Non-controlling interests in subsidiary companies

Set out below is summarised financial information for each subsidiary that has non-controlling interests. At 30 June 2025, Orion New Zealand Ltd ('Orion') and Christchurch International Airport Ltd ('CIAL') were the only subsidiaries not 100% owned by CCHL.

	30 June 2025				30 June 2024			
	Orion $m	**CIAL $m**	**Consolidation adjustments $m**	**Total $m**	**Orion $m**	**CIAL $m**	**Consolidation adjustments $m**	**Total $m**
Non-controlling interest (NCI)	10.725 %	25.0%			10.725 %	25.0%		
Revenue	368	245			335	246		
Net profit after tax	24	75			12	21		
Other comprehensive income (OCI)	(18)	43			47	40		
Total comprehensive income	6	118			59	61		
Profit allocated to NCI	3	19		22	1	5	(1)	5
OCI allocated to NCI	(2)	11		9	5	10	-	15
Current assets	70	25			76	27		
Non-current assets	1,768	2,482			1,712	2,339		
Current liabilities	95	87			58	265		
Non-current liabilities	887	805			855	565		
Net assets	857	1614			875	1536		
Carrying amount of NCI	92	403	(5)	490	94	384	(4)	474
Operating cash flows	83	106			71	93		
Investing cash flows	(128)	(78)			(132)	(39)		
Financing cash flows*	47	(29)			61	(54)		
* Includes dividends paid to NCI	(3)	(10)			(3)	(8)		

Accounting policy – non-controlling interests

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated balance sheet, separately from the equity of owners of the parent.

26. Related party disclosures

The parent entity in the group structure is CCHL, which is 100% owned by CCC. The Group undertakes transactions with CCC and its related parties, all of which are carried out on a commercial basis. No material transactions were entered into with related parties except as disclosed below.

a) Transactions between CCHL Group entities and CCC

(i) Routine transactions

	2025 $m	2024 $m
Dividends paid/payable to CCC	55	51
Interest paid to CCC	33	103
Services provided to CCC	124	114
Services provided by CCC (including rent and rates)	23	21

(ii) Subvention payments

30 June 2025	Orion $m	CIAL $m	LPC $m	Enable $m	Citycare $m	EcoCentral $m	RBL Property $m
Subvention payments:							
Paid to:							
CCC	2	6	-	7	3	-	-

30 June 2024	Orion $m	CIAL $m	LPC $m	Enable $m	Citycare $m	EcoCentral $m	RBL Property $m
Subvention payments:							
Paid to:							
CCC	3	10	4	11	5	1	-

(iii) Other transactions
Other transactions between members of the Group and CCC or its subsidiaries were as follows:

EcoCentral Ltd made payments of $27m in relation to the disposal of waste (2024: $25m), to Transwaste Canterbury Ltd, a company in which the ultimate shareholder, CCC, has a material shareholding.

Transactions to other CCC owned entities are:
- Sales to Venues Ōtautahi of $nil (2024: $0.67m), purchases of nil (2024: $nil).
- Sales to ChristchurchNZ of $nil (2024: $0.02m), purchases of $0.04m (2024: $0.42m).

b) Balances between CCHL Group entities and CCC

(i) Borrowings
CCHL borrows from CCC, based on CCC's borrowing rate plus a margin. As at 30 June 2025, borrowings are $604m (2024: $681m). Weighted average borrowing cost for the year pre hedging was 3.97% (2024: 5.88%).

	2025 $m	2024 $m
Borrowing maturity		
Short term 3 months	10	10
3 months-1 year	170	120
1-2 years	150	180
3-5 years	174	231
>5 years	100	140
Total	604	681

(ii) Other balances
Other balances between members of the Group and CCC or its subsidiaries were as follows:

26. Related party disclosures (continued)

	Owing by CCC 2025 $m	Owing by CCC 2024 $m	Owing to CCC 2025 $m	Owing to CCC 2024 $m
Orion	1	1	-	2
Citycare	9	10	-	-
EcoCentral	1	1	-	1
	11	12	-	3

c) Key management personnel compensation

From an accounting perspective, as the Parent is a holding company, the key management personnel of the Parent are also considered to be the key management personnel of the Group.

Compensation of the directors and executives of the Group, being the key management personnel of the Parent, is tabled below.

	2025 $m	2024 $m
Short-term employee benefits	1.2	1.0
Termination benefits	-	-
	1.2	1.0

Short-term employee benefits include payments to the Directors, Acting CEO, CEO and Head of Finance and Head of Impact for the year ending 30 June 2025.

27. Capital commitments

	2025 $m	2024 $m
Property, plant & equipment	56	8
Electricity distribution network	44	37
Investment property	-	8
Intangibles	37	-
	137	53

28. Contingent liabilities and assets

Quantifiable contingent liabilities - Performance Bonds	2025 $m	2024 $m
Citycare	14	16
Orion	2	1
Total	16	17

Citycare has an arrangement with Bank of New Zealand for the issue of performance related bonds.

Other contingent liabilities
The Group had no other material or significant contingent liabilities as at 30 June 2025.

All Group companies insure for liability risks, in line with good industry practice.

No provisions have been made where the Group does not expect to have the contingent liabilities realised.

Accounting policy – contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity, and include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. A contingent liability is not recognised in the Statement of financial position, but are disclosed when the possibility of an outflow is not considered to be remote.

Contingent assets

Revenue above and below maximum allowable revenue
Orion is permitted to receive a maximum allowable revenue (MAR) for its electricity distribution services under the Commerce Commission's default price path regime. Due to differences between quantity estimates and CPI estimates used in price setting and actual quantities and actual CPI, Orion estimates that it charged customers $14.46m below its MAR (2024: estimated $12.26m below MAR). This amount is still subject to wash-ups as improved information becomes available. Orion will adjust the final amount plus interest when it sets delivery prices for 2026 (2024: recovered within 2026 delivery prices).

The Group had no other material or significant contingent assets as at 30 June 2025.

Accounting policy – contingent assets

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised in the statement of financial position, but they are disclosed when it is more likely than not that an inflow of benefits will occur.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

29. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

30. New and issued accounting standards

New accounting standards and interpretations

The amendment to NZ IAS 1 Presentation of Financial Statements was issued in May 2023 and is effective for the financial year ended 30 June 2025. The impact of these changes has resulted in restatements in relation to the classification of Borrowings for prior periods in both the Statement of Financial Position and note 17 'Borrowings':

The Group has certain Loans from external parties, which include the right to rollover loans, subject to certain conditions being met at the time of rollover. Drawdowns on these facilities are for periods of less than a year. Under the requirements allowed under NZ IAS 1, the Group has elected to disclose these drawdowns as a Non-Current Liability, resulting in a $77m restatement in the FY24 year as outlined in the table below.

	2024 As reported $m	Adjustment $m	Restated $m
1 July 2023			
Current borrowings	541	(63)	478
Non-current borrowings	1,742	63	1,805
Total Borrowings	**2,283**	**-**	**2,283**
30 June 2024			
Current borrowings	692	(77)	615
Non-current borrowings	1,654	77	1,731
Total Borrowings	**2,346**	**-**	**2,346**

NZ IFRS 18 Presentation and Disclosure in Financial Statements was issued in May 2024 by the External Reporting Board and is effective for accounting periods beginning on or after 1 January 2027. The Group has yet to assess the full impact of this new standard.

Other new accounting standards and amendments have been issued that are not mandatory for the year ended 30 June 2025 and have not been early adopted by the Group. The Group has assessed that these are not likely to have an effect on its financial statements.

31. Statement of Performance

The Statement of Intent (SOI) issued by CCHL last year in respect of the 2025 financial year included a number of financial and non-financial performance measures. Level of achievement is measured using the scale in the table below:

Target Status	Explanation
Achieved	Target has been met.
In progress	A plan has been put in place and is underway, achievable within the timeframe.
Partially achieved	Certain key outcomes achieved but target not fully met.
Not achieved	Target has not been met, or target is unachievable.

FINANCIAL

The following table compares the actual financial results for the year ended 30 June 2025 with the financial targets contained within the SOI:

Group

Performance measure	Performance target	2025 result
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	$442m	$506m
Net Profit After Tax (NPAT)	$96m	$206m
** Normalised NPAT*		*$159m*
Shareholders' funds/total assets	45%	46%
Debt to EBITDA (times)	5.5	4.7
Return on capital	5.1%	7.0%
Return on equity	3.6%	7.2%
** Normalised Return on equity*		*5.6%*

** FY25 NPAT normalised by $47m, which adjusts for the non-cash after-tax fair value gain related to the revaluation of LPC's property, plant and equipment.*

Parent

Performance measure	Performance target	2025 result
Dividends	$55m	$55m
Dividend yield	1.7%	1.4%
Interest cover EBIT/Interest (times)	2.0	2.2

Performance measure	Performance target	2025 result
Improved financial performance	Introduction of a Group capital allocation framework.	**Not Achieved** A Group capital allocation framework was not progressed. CCHL will continue to work with subsidiaries to understand and support their capital requirements.
	Develop in consultation with Council the principles of a responsible investment framework.	**Achieved** CCHLs responsible investment framework has been developed and agreed with Council. In addition, CCHL have committed to becoming a signatory to UN Principles of Responsible Investment.
	Work with Council to implement a Sustainable Dividend Policy.	**Achieved** A Sustainable Dividend Policy has been agreed with Council (targeting between 60%-90% of CCHL Parent NPAT).
Improved company monitoring and reporting	Undertake annual benchmarking of each asset to assess performance relative to peers in the industry.	**Partially Achieved** Benchmarking was undertaken for the four largest subsidiaries (CIAL, LPC, Orion and Enable). Analysis included both financial and nonfinancial performance.
	Develop an integrated risk framework to provide CCHL with insights into Group portfolio risks.	**Achieved** Refer page 44-45 within this Annual Report.

INTELLECTUAL

Performance measure	Performance target	2025 result
To support improved performance through a demonstrable commitment to diversity, equity and engagement, including: - Board diversity	A best practice gender diversity ratio at Board level. (Note, this is a CCHL target as the body that appoints subsidiary boards). Achieve 40/40/20 male/female/any ratio.	**Achieved** Gender diversity at Board level is balanced at CCHL and subsidiaries (59/41 male/female).
- Group diversity - A closed gender pay gap	A best practice gender diversity ratio. Achieve 40/40/20 male/female/any ratio.	**Not achieved** Gender balance has not been achieved for the Group in FY25 (22.6% female against 40% target). This is an improvement on FY24 (21.5%). Males are overrepresented in Orion (including Connetics), LPC and Citycare.
- A highly engaged workforce	Measure gender pay gap (average male pay and average female pay, including by career bands). Work toward zero pay gap by 2030.	**Achieved** CCHL's gender pay gap was measured as 14.4% (based on median total remuneration). This compares favourably to the national gender pay gap of 17.7% but is an increase on prior year (FY24 12.7%).
	Measured by staff Engagement Index. Staff either 'strongly agree' or 'agree' to five standard questions to gauge levels of workplace engagement.	**Not Achieved** Each subsidiary undertakes their own measurement of staff engagement. Three of six subsidiaries reported an improved engagement score when compared to FY24. The use of standardised questions did not progress as it was considered a duplication of work already completed by the subsidiaries.
	CCHL and subsidiary companies have clear diversity, gender equity and engagement plans in place.	**Achieved** CCHL and subsidiaries have diversity, gender equity and engagement plans and this will remain a focus of the Impact programme in FY26.
To ensure appropriately qualified Boards of directors with the right set of skills required by the organisation.	Each subsidiary maintains a regularly reviewed Directors' skills matrix with the skills and areas of experience the organisation needs on its Board mapped against its strategy and current capabilities.	**Achieved** Directors' skills matrices for all CCHL Group Boards are reviewed regularly and prior to recruitment.

SOCIAL/RELATIONSHIPS

Performance measure	Performance target	2025 result
Continual improvement in operational health and safety.	Zero serious harm incidents or workplace fatalities.	**Not achieved** There were serious harm incidents, defined as a notifiable injury and/or illness by WorkSafe, within the CCHL Group during FY25. There were zero workplace fatalities. *Results relate to direct employees only; contractor incidents and fatalities are excluded.*
	Reduction in total recordable injury frequency rate (TRIFR).	**Not achieved** Four subsidiaries measure TRIFR. No subsidiaries showed a decrease in TRIFR, with a high number of sprain and strain injuries. Health and safety will continue to be a priority for the CCHL Group.
	Increased trend in reporting of potential safety incidents (near miss reporting), demonstrating a healthy, safety-focused organisational culture.	**Partially Achieved** All subsidiaries are demonstrating a healthy, safety-focused organisational culture. Five out of six subsidiaries reported an improvement in a range of lead health and safety indicators, including near miss reporting, improvements in health and safety engagement factors, senior leadership interactions and safe work observations.
Effective stakeholder, iwi and community engagement.	Material stakeholder issues reflected in business strategy.	**Achieved** Subsidiaries have identified material stakeholder issues and responded to them in their business strategy.
	Trusted network of stakeholder relationships.	**Partially Achieved** The Group has a trusted network of stakeholder relationships. Five subsidiaries hold a stakeholder engagement plan and report against it. The remaining subsidiary is working toward completing and implementing their stakeholder engagement plan during FY26.

NATURAL

Performance measure	Performance target	2025 result
Reduce greenhouse gas emissions.	Gross greenhouse gas emissions across the Group fall year-on-year (or greenhouse gas emissions intensity if core business changes).	**Partially Achieved** Three out of six subsidiaries (Orion, LPC and EcoCentral) reported a year-on-year reduction in greenhouse gas emissions (location-based). CIAL, Citycare and Enable did not achieve this group target. DCL and RBL Property are not included in this measure as they do not have greenhouse gas emission measures or inventories established, have limited trading activity and their greenhouse gas emissions are not considered material to the Group.
	Group emission reduction targets are set and reported publicly.	**Partially Achieved** Emission reduction targets were disclosed in the CCHL Group FY24 Climate Statement released on 31 October 2024. Targets were reported for each subsidiary except EcoCentral. A CCHL Group target will be disclosed in the FY25 Climate Statement, to be released by 31 October 2025.
Produce integrated reporting and climate-based disclosures	CCHL Group Climate Statement is published on an annual basis, informed by consistent, accurate and timely subsidiary reporting.	**Achieved** CCHL Group FY24 Climate Statement released on 31 October 2024.
	Integrated report from CCHL captures a range of data around the environmental impacts and mitigations across subsidiary companies.	**Achieved** Refer to pages 34-39 of this report.

The CCHL Group has chosen to include measures of its greenhouse gas (GHG) emissions in its performance information. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards. This has resulted in an emphasis of matter paragraph being included in the audit reports of CIAL, Citycare, Enable and Orion, EcoCentral as well as in CCHL Group's own audit report, to highlight this uncertainty to its readers. This uncertainty also applies to LPC's reported GHG emissions performance information.

CCHL is a climate reporting entity for the purposes of the Financial Markets Conduct Act 2013.

Full climate statements will be available when released at https://www.cchl.co.nz/annual-reports

CIAL, LPC, Orion, Enable and Citycare have included the following performance measures in their FY25 Statement of Intent, which are considered material to the Group. EcoCentral's FY25 Statement of Intent performance is not considered material to the Group and has been excluded from the performance measures presented here.

References to "science based" or "science aligned" targets were modelled using the Science Based Targets initiative's tools, which outline the reductions in emissions required to contribute to limiting global warming to 1.5°C. While these targets were set using publicly available resources from the Science Based Targets initiative (SBTi), they have not been submitted to or approved by the Science Based Targets initiative. More information can be found on the SBTi website.

Subsidiary	Performance target	2025 result
CIAL	Maintain airport operational greenhouse gas emissions reduction of 90% or greater (scope 1 and 2 emissions).	**Achieved** Scope 1 & 2 emissions for FY25 were 93% reduced against CIAL 2015 baseline using the market-based approach. A new electric fire truck has replaced one of the diesel fire fleet from January 2025, this is expected to show up as a small dip in mobile diesel usage. Scope 1, 2 & 3 have been independently verified. When using location-based approach and not considering renewable energy certificates, total emissions for CIAL electricity consumption has reduced to 1,503 tCO_2e from the 2015 baseline of 1,811 tCO_2e. CIAL has the following material sources of emissions: Scope 1: Diesel Stationary use, diesel and petrol in motor vehicles. Scope 2: Purchased electricity (commercial buildings, EV chargers). The following are considered outside CIAL's organisational boundary, as no operational control exists, and are therefore excluded from Scope 1 & 2 (and included in Scope 3): - Investment properties when the tenant has control of operating and environmental policies. - Hotel property given it is operated by a 3rd party under a service agreement, and CIAL does not have full authority to introduce and implement its operating policies over the operation. Also excluded from our targets are Scope 3 emissions which includes full flight emissions from aircraft, emissions associated with capital works and purchases of goods and services, and other upstream and downstream (indirect) emissions arising from our activities.
LPC	Achieve science aligned target for scope 1 and scope 2 emissions reductions. For FY25 this was a 20% reduction in scope 1 and scope 2 operational emissions from baseline year FY18.	**Achieved** In LPC's baseline year (FY18) LPC's Scope 1 and 2 emissions were 10,153 tCO_2e (location and market based). This figure was audited in accordance with ISO 14060:2018 under the Toitū Envirocare Carbon reduce programme. LPC's Scope 1 and 2 market-based emissions for FY25 were 8,069 tCO_2e. This is a 20.5% reduction in Scope 1 and 2 emissions from FY18 to FY25. LPC applies an operational control consolidation approach (as defined by the GHG Protocol) to define its organisational boundary for the purposes of calculating its GHG emissions. This allows LPC to focus on those emissions sources that they have greater control over and can influence in line with their targets. The following Scope 3 emissions sources have been excluded: Upstream leased assets, downstream transportation and distribution, end of life treatment of sold products, franchises and investments.

Subsidiary	Performance target	2025 result
Orion	Group carbon emissions are below 2,456 tCO_2e.	**Not Achieved** Location-based: 2,802 tCO_2e, Market-based: 2,644 tCO_2e Organisational boundaries are set with reference to the methodology described in the GHG Protocol and ISO 14064:2018 standards. Orion use an equity share consolidation approach. This approach includes consolidating emissions from wholly owned subsidiary Connetics. Emissions and reductions are reported using both a location-based methodology, and a market-based methodology for Scope 2 purchased electricity, identifying where renewable electricity certificates have been purchased to achieve reductions. The majority of Orion's disclosures use the 2024 Ministry of Environment (MfE) emission factors, as using the 2025 emissions factors would only have a minor impact on the results, except for Scope 2 electricity, where the 2025 MfE electricity factors were applied. Where MfE has not provided an emission factor it has been sourced from alternative sources such as Gazette notices for specific landfills, the UK GHG Conversion Factors 2024 publication for recycled waste and Knowledge Auckland spend based emission factors for rental cars. As Orion's financial year spans a calendar year period, for electricity emissions associated with buildings and EV chargers, annual factors released by MfE for the calendar year that covers the April to December (nine months) period of disclosure has been used. For Air travel the MfE emissions factor that includes radiative forcing has been used. Wherever possible information on emission sources is drawn from the vendor as this is the most robust measure available (for example, litres of fuel). Where this is not possible, spend-based emission factors have been used, these carry a greater level of uncertainty. Orion's Inventory Management Report, produced with Toitu Envirocare, includes ongoing actions to improve the data quality of emission sources over time by working together with vendors. This year, Orion undertook a re-baselining of their FY20 carbon emissions to improve data accuracy and reflect updated methodologies. This included revisiting key assumptions, incorporating more complete activity data, and aligning the approach with 2024 emission factors and best practice guidelines. Orion has the following material sources of emissions: Scope 1: Diesel and LPG Stationary use, refrigerants, diesel and petrol in motor vehicles. Scope 2: Imported electricity (commercial buildings, EV chargers). Scope 3: Business travel – transport, upstream freight – paid by the Orion group, Downstream freight – paid by Connetics, Disposal of solid waste to landfill and recoveries for recycling, Scope 3 T&D losses from electricity consumed in Orion group buildings outside the Orion network area. Note distribution losses (emissions associated with the electricity lost, in the form of heat, as it travels through our network) are excluded from our operational target and reported result for two reasons: - they are largely outside of our control at the present time. - Orion Group benefits from significant 'free rider' reductions as the generation of New Zealand electricity reduces its reliance on fossil fuels like gas and coal. Due to the size of this emissions source (around 90% of our footprint excluding Scope 3), including them in our ambition could remove scrutiny from reductions in our Scope 1 emissions, which are comparatively small by comparison. As a result, their exclusion keeps our focus on reducing emission sources in our operations that support our transition (e.g. the use of fossil fuels in our vehicle fleet). Additional detail on Orion's GHG emissions and its reduction journey can be found in Orion's Annual Report 2025 and on its website.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

Subsidiary	Performance target	2025 result
Enable	Continue to measure greenhouse gas emissions with a focus on Scope 1 and 2 emissions reduction goals of 35% by FY25 and 62% by FY30, against the FY20 baseline, and strive to achieve net zero emissions by FY30 in line with the CCHL group. Emissions reported against base year FY20. Net zero emissions means to a balance the amount of greenhouse gas produced, and the amount removed in a given time period.	**Achieved** Scope 1 and 2 science-based goals have been adopted, and an emissions reduction investment plan has been approved. FY25 Scope 1 and 2 market-based emissions have decreased by 161 tCO_2e (81%) to 38 tCO_2e against their restated FY20 baseline, with the full years benefit from the solar panels on three central offices and 87.5% of vehicles are now electric. Enable purchased Renewable Energy Certificates (RECs) to reduce emissions associated with Scope 2 operational electricity use. There is some level of uncertainty associated with calculating Greenhouse Gas emissions. To minimise this uncertainty, all Scope 1 and 2 source data has been obtained directly from suppliers. Enable has calculated emissions based on the most up to date emissions factors available from the Ministry for the Environment and supplier sources at the time Greenhouse Gas emissions data was produced. Enable has the following material sources of emissions: Scope 1: Diesel Stationary use, refrigerants, diesel and petrol in motor vehicles Scope 2: Purchased electricity Contractor related emission are excluded from scope 1 and scope 2 and are recorded within scope 3. Scope 3 emission sources include accommodation, travel, T&D losses (electricity), air and sea freight, waste to landfill, rental cars, taxi travel, contractor fleet emissions.
Citycare	Annual reduction of Company-wide GHG emissions from scope 1 and scope 2 sources normalised against annual turnover to reach 2030 goals	**Achieved** This year Citycare applied the operational control consolidation approach to its GHG emissions reporting boundaries; a change in approach from previous years, away from an equity share consolidation. The operational control has been used as directed by CCHL to align Citycare's consolidation approach with the wider CCHL Group. This change will see 100% of Apex Water accounted for as Citycare holds operational control over Apex Water and Citycare now has 100% shareholding of Apex Water*. This does not change the treatment for Spencer Henshaw as this was already 100% accounted for under Citycare Limited. To enable like-for-like comparisons for past and future inventories, Citycare has recalculated its prior year's emissions to include the remaining 25% of Apex's emissions, and the latest Ministry for the Environment emission factors. The recalculation has resulted in a FY2024 revised group Scope 1 & 2 emissions of 86 tCO_2e higher than the emissions previously reported. The Citycare group has set an annual scope 1 and 2 emissions reduction intensity target to ensure we can compare the impact of our reduction initiatives over time without being influenced by increases or decreases in the group's overall size. This intensity factor is our normalised tonnes of emissions from our scope 1 and 2 emission sources per $ of revenue (less contractor cost + 10% margin). This adjustment has been made because the related contractor emissions fall within Scope 3. Normalised scope 1 and 2 emissions – (tCO_2e)/$ revenue decreased from 0.000034152 against our audited restated 2024 emissions to 0.000032852 in 2025, a decrease of 4% (note this result is not inflation adjusted). Citycare has the following material sources of emissions: Scope 1: LPG Stationery use, diesel and petrol in vehicles Scope 2: Purchased electricity Contractor related emissions are excluded from Scope 1 and Scope 2 as they fall within Scope 3. Scope 3 emission sources include purchased goods and services, including subcontractors, and well to tank fuel emissions. * Citycare previously accounted for 75% of Apex's emissions under the equity share approach. During FY25 Citycare bought the remaining 25% of shares of Apex Water Ltd and now owns 100% of Apex.

OTHER OPERATIONAL PERFORMANCE TARGETS

The following material non-financial performance measures for CIAL, Enable and Orion as set out in their SOIs are included below to further assist users of the financial statements in reading and understanding the overall Group performance.

Further information on the subsidiary SOI performance is provided in the subsidiary annual reports.

Subsidiary	Performance measure	Performance target	2025 result
CIAL	Passenger numbers	Domestic 4,921,878 passengers	**Not achieved** 4,834,465 passengers
		International 1,645,816 passengers	**Not achieved** 1,560,693 passengers
Enable	Operational	Total network availability	99.969%
Orion	Regulatory measures	Duration of supply interruptions in minutes per year per connected customer (SAIDI) Planned – target 39.68 Unplanned – target 84.71 Total SAIDI – target 124.39	 Achieved – 29.80 Achieved – 23.39 Achieved – 53.19
		Number of supply interruptions per year per connected customer (SAIFI) Planned – target 0.1496 Unplanned – target 1.0336 Total SAIFI – target 1.1832	 Achieved – 0.0997 Achieved – 0.4233 Achieved – 0.5230

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Christchurch City Holdings Limited's group consolidated financial statements and consolidated statement of performance for the year ended 30 June 2025

The Auditor-General is the auditor of Christchurch City Holdings Limited (the Company) and its controlled entities (collectively referred to as "the Group"). The Auditor-General has appointed me, Chantelle Gernetzky, using the staff and resources of Audit New Zealand, to carry out the audit of the consolidated financial statements and the statement of performance of the Group on his behalf.

Opinion

We have audited the consolidated financial statements of the Group on pages 51 to 111, that comprise the statement of financial position as at 30 June 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of material accounting policy information and the statement of performance of the Group for the year ended 30 June 2025 on pages 112 to 120.

In our opinion:

- the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards; and
- the statement of performance of the Group accurately reports, in all material respects, the Group's actual performance compared against the performance targets and other measures by which the Group's performance can be judged in relation to the Group's objectives in its statement of intent, and has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Basis for opinion

We conducted our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements and the statement of performance of the Group* section of our report. We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1*: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, as applicable to audits of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Auditor-General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In addition to this audit, we have carried out other audit and assurance engagements for the Company and Group. These audit and assurance engagements, as described in note 6(a)(i) on page 64, are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the statement of performance of the Group of the current period. These matters were addressed in the context of our audit of the consolidated financial statements and the statement of performance of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	How we addressed this matter
Valuation of Group property, plant and equipment	
The carrying value of Group property, plant and equipment (PPE) is $4.9 billion. Group PPE is characterised by a large number of specialised service delivery and infrastructure assets, in addition to land and buildings. A number of the asset classes are carried at fair value, with revaluations performed on a regular basis, or when the fair value is materially different to the carrying value. A number of assets are also subject to impairment reversal assessments. The valuation of these assets requires significant judgement due to uncertainties inherent in the valuation of these assets. The following asset classes, that apply the revaluation model, were revalued as at 30 June 2025: • terminal buildings; • airport infrastructure assets; • other buildings; • ultra-fast broadband network; and • port assets.	Our audit procedures included: • Assessing the valuers' expertise for the work and their objectivity. • Confirming our understanding of the valuation methodologies and key assumptions. Assessing these for compliance with the requirements of the applicable financial reporting standards and evaluating their reasonableness based on our experience and knowledge of other specialised valuations in the public sector. • Using our own valuation and finance experts to assist us in reviewing the appropriateness of the valuation methodologies and key assumptions used by management and the Group's valuers. • Obtaining an understanding of the source data used for the valuations, including assessing the reliability of the source data and the risk of errors or omissions in that data.

Description of key audit matters	How we addressed this matter
The following asset classes, include assets subject to impairment loss or revaluation decrement reversals through profit or loss, related to Lyttelton Port Company, in the year ended 30 June 2025: • land; • other buildings; • port assets; and • work in progress. Due to the varied nature of these assets, some are valued at optimised depreciated replacement cost, with others valued based on discounted cash flows or market-based approaches. All valuations for revalued assets were carried out by independent specialist valuers, with the exception of the Lyttelton Port Company valuation which was prepared internally by management. Note 2 and 10 to the consolidated financial statements provides information on the most recent valuations and impairment reversals. We consider the valuation of PPE is a key audit matter due to the significance of the carrying values to the financial statements and the judgements involved.	• Testing a sample of calculations in the valuations. • Assessing the sensitivity of the valuations to changes in assumptions and confirming that the significant assumptions and sensitivities were appropriately disclosed in the financial statements. • Reviewing the overall valuation changes and obtaining explanations for any significant or unusual changes in value. We found that the valuations adopted by the Group for these assets were reasonable and supportable and that the valuations used approaches consistent with our expectations.
Valuation of investment property	
The Group's investment property portfolio comprises industrial, commercial and retail investments in the area surrounding Christchurch International Airport. Investment properties are revalued annually by independent valuers. The value of the portfolio is $871 million as at 30 June 2025. The value of the portfolio continues to grow as available land is developed for further investment properties. Changes in use, as a result of development or changes in the business, can result in transfers of properties between investment property and property, plant and equipment. Note 11 to the consolidated financial statements provides information on the valuation and the	Our audit procedures included: • Assessing the valuer's expertise for the work and their objectivity, which included considering the existence of other engagements or relationships. • Confirming our understanding of the valuation methodology and key assumptions. Assessing these for compliance with the requirements of the applicable financial reporting standards (NZ IAS 40 Investment Property and NZ IFRS 13 Fair Value Measurement) and evaluating their reasonableness based on our experience and knowledge of other valuations.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Description of key audit matters	How we addressed this matter
movements in the investment property balance since the previous year. We consider this a key audit matter due to the significance of the carrying value, and associated fair value gains or losses, and because of the judgements and assumptions involved in determining fair value.	• Engaging a valuation expert to assist with critiquing and challenging the key assumptions used by the Group's valuers, including their appropriateness. • Testing a sample of key inputs used in the valuations to the underlying records, including lease term information and current rental rates. • Assessing the sensitivity of the valuations to changes in assumptions and confirming that the significant assumptions and sensitivities were appropriately disclosed. • Reviewing the overall valuation changes and obtaining explanations from the valuers for any significant or unusual changes in value. We found that the valuations adopted by the Group were reasonable and supportable.
Valuation of investment in subsidiaries at fair value	
The Company's investment in subsidiaries of $4.7 billion is disclosed in note 3 to the consolidated financial statements. These investments are a major part of the parent segment total assets of $5.3 billion disclosed in the segment reporting note (note 4). The investments in subsidiaries figure eliminates out in the consolidated statement of financial position where subsidiaries' assets and liabilities are consolidated on a line-by-line basis. For segment reporting, investments in subsidiaries are measured at fair value. The Company engages specialist valuers to complete the valuations because of the complexity and significance of assumptions applied. We consider this a key audit matter due to the significance of the carrying value of investments, the judgements in determining appropriate valuation approaches, and their sensitivity to changes in key assumptions.	Our audit procedures included: • Assessing the valuers' expertise for the work and their objectivity. • Engaging external valuation experts to assist us in reviewing the appropriateness of valuation methodologies and key assumptions such as discount rates and multiples used by the Company's valuers. • Obtaining an understanding of the market data sources used by the valuers and the reliability of that data for developing key inputs in the valuation. • Assessing the robustness of forecast cash flow information, by reviewing the process to develop forecasts, and assessing forecasts against historical actual performance. • Assessing the sensitivity of the valuations to changes in assumptions. • Reviewing the overall valuation changes and obtaining explanations from the valuers for any significant or unusual changes in value.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Description of key audit matters	How we addressed this matter
	• Assessing compliance with the requirements of the applicable financial reporting standard NZ IFRS 8, *Operating Segments.* We found that the valuations adopted by the Company were reasonable and supportable.

Emphasis of matter – Inherent uncertainties in the measurement of greenhouse gas emissions

The Group has chosen to include measures of its greenhouse gas (GHG) emissions in its statement of performance. Without modifying our opinion and considering the public interest in climate change related information, we draw attention to page 116 of the annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emission factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards.

Other Information

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and the statement of performance of the Group, and our auditor's report thereon. The other information also includes the Group's Climate Statement prepared in accordance with the Aotearoa New Zealand Climate Standards. This report is separate from the Annual Report and is expected to be made available to us after the date of this audit report.

Our opinion on the consolidated financial statements and the statement of performance of the Group does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the statement of performance of the Group, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the statement of performance of the Group, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Responsibilities of the Board of Directors for the consolidated financial statements and the statement of performance of the Group

The Board of Directors is responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards. The Board of Directors is also responsible for the preparation of the statement of performance of the Group in accordance with the Act. The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare consolidated financial statements and the statement of performance of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the statement of performance of the Group, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Financial Markets Conduct Act 2013.

Auditor's responsibilities for the audit of the consolidated financial statements and the statement of performance of the Group

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the statement of performance of the Group, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of readers, taken on the basis of the consolidated financial statements and the statement of performance of the Group.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We, also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the statement of performance of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the statement of performance of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the statement of performance of the Group, including the disclosures, and assess whether the statement of performance of the Group achieves its statutory purpose of enabling the Group's readers to judge the actual performance of the Group against its objectives in the Group's statement of intent.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information and the service performance information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements and the statement of performance of the Group. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements and the statement of performance of the Group of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Our responsibilities arise from the Public Audit Act 2001.

Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
30 September 2025

Sustainable finance report

For the year ending 30 June 2025

Sustainability in focus

At CCHL sustainability plays a significant role in its decision-making to preserve and grow assets for the long-term benefit of the Ōtautahi Christchurch community. As intergenerational guardians, CCHL looks at financial stability and beyond as a measure of success.

The CCHL Group includes some of the region's largest and most significant companies in the region for the benefit of our ultimate owners – the people of Christchurch. In focusing on how these assets can make the largest impact for the good of our community – not only in terms of financial stability but also environmental sustainability and social impact.

Recognising the integral role of sustainability in its business, CCHL's Sustainable Finance Framework was established to enable it to increase its leadership and investment in sustainability, while providing the platform for future growth in this area.

CCHL Sustainability Bond – Use of Proceeds

CCHL's Sustainability Bond of $150m was issued in November 2021 to refinance a $159m loan provided by Crown Infrastructure Partners (CIP) for the construction of Enable's ultra-fast fibre network.

The Framework was established in 2021 to support the refinancing of debt relating to our investment in Enable's fibre-optic network. Since its establishment, Enable's network has improved sustainable business initiatives, digital equity and community engagement across the city, aligned with the UN's Sustainable Development Goals (SDGs).

Overview of sustainability bond issue:

CCHL closed its first Sustainability Bond offer in late October 2021. The bond received significant interest – with offers representing more than double the initial bond offer ($100 million plus an allowance of $50 million for oversubscriptions). The issue margin for the fixed rate sustainability bonds was set at 0.35% per annum. The fixed interest rate for the bonds is set at 3.01%.

Issuing this bond, only the second sustainability bond issued in New Zealand, was a major milestone for CCHL reflecting its approach to providing long-term, economic social and environmental returns to the city and region.

Value of sustainability bond on issue

$150m of 3.01% fixed rate bonds, issued on 05-Nov-21, maturing on 05-Nov-26. Trading as "CCH030" on NZX.

Key terms of the sustainability bond:

Issue Rating	AA- positive outlook (S&P Global Ratings)
Current Issuer Rating	AA- stable outlook (S&P Global Ratings)
Instrument	CCH 05/11/2026 3.01% — Christchurch City Holdings Limited Bonds
Sustainability Bond Assurance	Assurance from EY confirming that CCHL's Sustainable Finance Report Framework continues to meet the Social Bond Principles 2021, Green Bond Principles 2021 and Sustainability Bond Guidelines 2021
Tenor	5 years
Issue Date	5 November 2021
Maturity Date	5 November 2026
Issue Amount (NZD $m)	150
Coupon	3.010%
ISIN	NZCCHDT895C5
NZX Code	CCH

Eligible Asset Schedule/Register, as at 30 June 2025

The net proceeds of CCHL's Sustainability Bond offer will be notionally allocated in accordance with CCHL's Sustainable Finance Framework (dated October 2021) for projects identified for positive environmental and/or social outcomes.

Terms defined in CCHL's Sustainable Finance Framework have the same meaning when used in this Schedule/Register.

Eligible Assets are consistent with the sustainable finance Market Standards, being the ICMA Sustainability Bond Guidelines, Green Bond Principles (GBP) and Social Bond Principles (SBP).

At the time of issuance, the proceeds of CCHL's Sustainability Bond will be notionally allocated in full to the Eligible Assets outlined in the below table:

Eligible Asset	Description	Location (%)[1]	CCHL Shareholding 30 June 2025 (NZ $m)[2]	Asset Value, as at 30 June 2025 (NZ $m)[2]	Eligible Categories (GBP)	Eligible Categories (SBP)	Target Population (SBP)	SDG Alignment
enable fibre broadband **Enable Networks Limited**	**Construction, development, maintenance and operation of ultra-fast fibre network and infrastructure.**	**Greater Christchurch, New Zealand**	**100%**	**$714**	Energy Efficiency	–	–	**SDG 7 – Renewable Energy** (Target 7.3: Double the rate of improvement in energy efficiency). **SDG 9 – Innovation & Infrastructure** (Target 9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes).
					–	Affordable Basic Infrastructure	Underserved, owing to a lack of essential goods and services Living below the poverty line Undereducated Unemployed	**SDG 9 – Innovation & Infrastructure** (Target 9.c: Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries).
					–	Access to Essential Services		**SDG 4 – Quality Education** (Target 4.3: Ensure equal access for all to affordable and quality technical, vocational and tertiary education, including university).
					–	Employment Generation		**SDG 8 – Good Jobs and Economic Growth** (Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on high value added and labour-intensive sectors).
						Socioeconomic Advancement and Empowerment		**SDG 10 – Reduced Inequalities** (Target 10.3: Ensure equal opportunity and reduce inequalities of outcome)

Under the Sustainable Finance Framework, CCHL intends to maintain a balance of Eligible Assets that have a fair value at least equal to the original principle amount of the Sustainability Bonds at the time of issuance.

Sustainability Bond (NZX ticker)	Sustainability Bond (comprising maximum proposed value) (NZD $m)[3]	Date of Issuance	Maturity Date
CCH030	$150m	5 November 2021	5 November 2026

Total Eligible Assets	$714m
Sustainability Bond (comprising maximum proposed value)	$150m
Surplus Eligible Assets	$564m
Eligible Asset Ratio:	4.8x

EY's Limited Assurance (dated September 2025) concludes that nothing came to its attention that causes it to believe that the subject matter (i.e. CCHL's Sustainable Finance Framework and Eligible Asset Schedule/Register) was not prepared, and presented fairly, in all material respects, in accordance with the criteria, which are listed below:

(1) Green Bond Principles 2021;
(2) Social Bond Principles 2021;
(3) Sustainability Bond Guidelines 2021; and
(4) CCHL's Sustainable Finance Framework (which forms the criteria for assessing asset eligibility).

The Green Bond Principles

The Social Bond Principles

The Sustainability Bond Guidelines

[1] The fibre network was constructed by Enable Networks Limited (ENL), which is in turn a wholly owned subsidiary of CCHL. Construction of the fibre network was completed in 2018. The Crown holds one share in ENL which does not confer on it any voting rights or rights to dividends but gives the Crown rights of control over ENL's business activities under certain circumstances (as set out in ENL's constitution).

[2] The fair value of CCHL's equity investment in ENL is $714m (independent valuation by Deloitte as at 30 June 2025), represented by the enterprise value of ENL of $1,008m less debt of $294m. CCHL has used the equity investment value of $714m for the purpose of this Eligible Asset Register. None of ENL's own borrowing has been allocated as green, social or sustainable against the value of the fibre optic network.

Impact of the CCHL sustainability bond:

Established in 2007, Enable provides highly sustainable and efficient fibre broadband services to three quarters of the Ōtautahi Christchurch broadband market. This network was built through investment from CCHL, aimed at creating a more resilient and accessible fibre network for the people of Ōtautahi Christchurch. The sustainability bond has been used to refinance the construction debt for the Enable fibre broadband network.

Impact aligning with Green Bond Principles

Energy efficiency	–	–	**SDG 7 – Renewable Energy** (Target 7.3: Double the rate of improvement in energy efficiency). **SDG 9 – Innovation & Infrastructure** (Target 9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes).

Improving energy efficiency

Enable is committed to reducing its emissions and has decreased Scope 1 and 2 market-based emissions by 81% of the restated FY20 base to 38 tCO_2e.

This progress comes from actions such as decarbonising 90% of the vehicle fleet and installing solar panels at four of their Central Offices (COs).

These COs help power parts of the fibre network across the city. The solar panels support the energy needs of the COs, which collectively can connect up to 72,000 customers. Depending on the weather and sunlight, the panels can save up to 15% in energy use. For non-renewable electricity, Enable buys Renewable Energy Certificates (RECs) to help reduce emissions.

Fibre broadband is known for its energy efficiency, and a 2021 study by Sapere Research Group in 2021, showed fibre has a lower per-user electricity footprint than all other fixed broadband alternatives in New Zealand for connections of 50 Mbps and above. As the fibre speeds increase, the service becomes even more efficient, helping reduce overall energy use.

Impact aligning with social bond principles

Affordable Basic Infrastructure	Underserved, owing to a lack of essential goods and services Living below the poverty line Undereducated Unemployed	**SDG 9 – Innovation & Infrastructure** (Target 9.c: Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries).
Access to Essential Services		**SDG 4 – Quality Education** (Target 4.3: Ensure equal access for all to affordable and quality technical, vocational and tertiary education, including university).
Employment Generation		**SDG 8 – Good Jobs and Economic Growth** (Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on high value added and labour-intensive sectors).
Socioeconomic Advancement and Empowerment		**SDG 10 – Reduced Inequalities** (Target 10.3: Ensure equal opportunity and reduce inequalities of outcome)

Free Wi-Fi service continues to be popular

Enable continues to provide free Wi-Fi service in the Central City, extending from the Bridge of Remembrance and along Oxford Terrace to Victoria Square, across to Colombo Street to the Lichfield Street corner.

Enable worked in partnership with Council to deliver this service by using existing infrastructure such as streetlights to install equipment on and utilising the Council's existing internet connectivity.

Enabling digital equity

Through FY25, Enable has worked with the Manaiakalani Education Trust to deliver a pilot programme that provided ongoing support to digitally excluded households that were originally part of the Ministry of Education's Equitable Digital Access Programme.

They have also continued to work with their industry counterparts on a sustainable digital equity offer.

Socioeconomic advancements and empowerment

In 2021, Enable entered a partnership with Ōtautahi Community Housing Trust (ŌCHT) with a mission to tackle digital inequity by providing free internet to ŌCHT tenants. To date, this initiative has supported 500 eligible tenants across the community, who otherwise might not have been able to access the internet.

The initiative has also facilitated internet connections for 18 ŌCHT community lounges, providing free Wi-Fi and helping keep the community connected and empowered.

Supporting the community

Enable continues to support local initiatives and causes through the Enable People Sponsorship programme. Each quarter, the programme reviews applications for support from Enable employees actively involved with different causes and organisations in the community. This initiative has supported 9 community initiatives over the past year.

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with confidence

Independent Assurance Report to the Management of Christchurch City Holdings Limited

Conclusion

We have undertaken a limited assurance engagement on whether Christchurch City Holdings Limited's ("CCHL's") attached 2025 Sustainable Finance Report (the "Report"), in all material respects, is compliant with the CCHL Sustainable Finance Framework and the requirements of the Green Bond and Social Bond Principles June 2021 (the "compliance requirements") as at 30 June 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Entity's Report for the year ended 30 June 2025 is not, in all material respects, in compliance with the compliance requirements of the Green Bond and Social Bond Principles June 2021.

Basis for conclusion

We conducted our engagement in accordance with Standard on Assurance Engagements SAE 3100 (Revised) *Compliance Engagements* issued by the New Zealand External Reporting Board ('XRB').

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibilities

Management of CCHL is responsible for:

a. Preparation of an annual Sustainable Finance Report which complies, in all material respects, with the compliance requirements of CCHL's Sustainable Finance Framework and the Green Bond and Social Bond Principles June 2021, for the year ending 30 June 2025.

b. Identification of the compliance requirements;

c. The compliance activity undertaken to meet the compliance requirements; and

d. Identification and implementation of controls which will mitigate those risks that prevent the compliance requirements being met and monitor ongoing compliance.

Our independence and quality control

We have complied with the independence and other requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance practitioner's responsibilities

Our responsibility is to express a limited assurance conclusion on CCHL's Report's compliance, in all material respects, with the requirements of the Green Bond and Social Bond Principles June 2021, as at 30 June 2025. SAE 3100 (Revised) requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that the Entity's Report is not in compliance, in all material respects, with the requirements of the Green Bond and Social Bond Principles June 2021.

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Our procedures over May to August 2025 primarily consisted of discussion and enquiries of management and others within CCHL, as appropriate, observation and walk-throughs and evaluation of the evidence obtained against the compliance requirements.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through discussion, enquiries and observation, obtained an understanding of the Entity's compliance framework and internal control environment to meet the compliance requirements of the Green and Social Bond Principles June 2021 and

- Through discussion, enquiries, observation and walk-throughs, obtained an understanding of relevant compliance activities that are undertaken to meet the compliance requirements of the Green and Social Bond Principles June 2021

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on compliance with the requirements of the Green and Social Bond Principles June 2021.

Other than in our capacity as independent assurance practitioner we have no relationship with, or interest in the Entity. Partners and employees of our firm may deal with the Entity on normal terms within the ordinary course of trading activities of the business of the Entity.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error, or non-compliance with compliance requirements may occur and not be detected.

A limited assurance engagement for the year ended 30 June 2025 does not provide assurance on whether compliance with the compliance requirements will continue in the future.

Restrictions on use of report

This report has been prepared for the Management of Christchurch City Holdings Limited ('CCHL') Limited for the purpose of assisting in complying with the compliance requirements and may not be suitable for any other purpose. We disclaim any assumption of responsibility for any reliance on this report to any person other than the parties to our engagement, being those parties who have signed the engagement agreement dated15 May 2025, or for any purpose other than that for which it was prepared.

Any other party seeking to use this report does so at their own risk and we disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from, or relating to or in any way connected with the contents of our report, the provision of our report to the other party or the reliance on our report by the other party.

Ernst & Young Limited

Ernst & Young Limited

Pip Best
Partner - Assurance
Auckland
30 September 2025

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Statutory information

Ownership and principal activities

CCHL is owned 100% by Christchurch City Council. Its principal activity during the year was to operate as an investment company of the Council

Directors' interests

CCHL maintains an interests register in which particulars of certain transactions and matters involving the directors are recorded. These are requirements under the Companies Act 1993. The following entries were recorded in the interests register for current Directors during the year ended 30 June 2025:

Bryan Pearson (Chair)

Executive Director & Shareholder	Bryan Pearson [2020] Limited
Director	Christ Church Cathedral Reinstatement Trust
Director	CCHL (2) Ltd
Director	CCHL (4) Ltd
Director	CCHL (5) Ltd
Director	Christchurch City Networks Limited
Director	Development Christchurch Limited
Director	RBL Property Limited
Trustee	BMC and SL Pearson Family Trust
Trustee	The Christchurch Cancer Foundation
Trustee	Henshaw Family 2022 Trust
Trustee	The Huntingtower Trust
Shareholder	Antipodean Consumer Holdings Limited [Trading as Ethique]

Sam MacDonald

Councillor	Christchurch City Council
Employee	Downer New Zealand Ltd
Director & Shareholder	MacDonald Consultancy Limited
Director	Civic Building Limited
Director & Shareholder	Eminence Property Holdings Ltd
Director	West Coast Alliance Holdings Ltd
Director	West Coast Development Holdings Ltd
Director	Te Rūnanga o Waihao Holdings Limited
Director	Te Rūnanga o Waihao Incorporated
Trustee	Development West Coast
Trustee	Sam MacDonald Family Trust

Sara Templeton (resigned 21/1/25)

Councillor	Christchurch City Council

Andrew Bascand (appointed 1/2/25)

Director & Shareholder	Harbour Asset Management Limited
Director & Shareholder	BNZ Investment Services Limited (BNZ KiwiSaver Scheme)
Director	Waipara Downs Limited
Director/Trustee	North Canterbury Truffieres Limited
Trustee	ACME Engineering Limited
Trustee	RM Bascand Family Trust
Trustee	W Fraser Family Trust
Trustee	AJ Bascand Family Trust
Trustee	EMCA Investments Limited
Employee	FirstCape Group Limited (Harbour, BNZISL, JBWere and Jarden)

Melanie Coker (appointed 26/2/23)

Councillor	Christchurch City Council
Director & Shareholder	AheadStart Ltd
Trustee	Canterbury Museum Trust Board
Trustee	Kate Sheppard Memorial Trust Award

Gill Cox

Director	Waimakariri Irrigation Limited Group
Director	Venues Ōtautahi Limited
Director	Motus Health Limited
Director	Foodco Holdings Pty Limited Group
Director	Te Kaha Project Delivery Limited
Director	Elastomer Products Limited
Director	Barlow Brothers NZ Limited
Director & Shareholder	A.R. Lovett Trustees No. 2 Limited
Director	Transwaste Canterbury Limited Group
Director	SW Holdings Ltd
Director	Confederation of Asian and Pacific Accountants Limited
Shareholder	Somerton Investment Holdings Limited
Independent Board member	Anderson Lloyd Partnership
Trustee	Project Crimson Trust (Trees That Count Trust)
Trustee	Hurunui Biodiversity Trust

Bridget Giesen

Director	McDrury Farm Investments Limited
Director	Taramea Fragrance Limited
Director	Puketeraki Limited
Director & Shareholder	Huriawa Strategy & Transformation Limited
Director	Hopkins Farming Group
Director	Wool Impact Limited
Director	Nelson Regional Development Agency Limited
Employee	MPI

Sina Cotter Tait (appointed 27/3/25)

Director & Shareholder	Collective Success Ltd
Director	Te Waihanga (The Infrastructure Commission)
Director	KiwiRail Holdings Limited
Director	Whitestone Contracting Limited
Director	Indemnity & General Ltd
Trustee	Cotter Tait Family Trust
Trustee	Ōtautahi Community Housing Trust
Trustee	Engineering New Zealand Limited
Shareholder	Lewis Bradford and Associates Ltd
Member	Canterbury Kaikoura Lotteries Commission
Member	Waihanga Ara Rau Pacific Reference Group
Member	University of Canterbury, Building Innovation Partnership Advisory Board
Member	Christ Church Cathedral Reinstatement Review Panel

Gender balance

The gender balance of CCHL's Directors and Officers as at 30 June 2025 is tabled below:

	Officers		Directors	
	June 2025	June 2024	June 2025	June 2024
Female	2 (67%)	- (0%)	3 (43%)	2 (40%)
Male	1 (33%)	1 (100%)	4 (57%)	3 (60%)
Total	**3**	**1**	**7**	**5**

Board and committee attendance

The Board, the Audit and Risk Management Committee, the Governance and Appointments Committee and the Impact Committee have a number of scheduled meetings each financial year. The following table is a summary of attendance at those scheduled meetings for CCHL's financial year ended 30 June 2025:

	Board meetings	Audit and risk management committee meetings	Governance and appointments committee meetings	Impact Committee
Total meetings held	14	5	3	4
Bryan Pearson	14/14	3/3	3/3	4/4
Gill Cox	14/14	4/5	2/3	4/4
Bridget Giesen	14/14			4/4
Sara Templeton (resigned 21 January 2025)	9/9		0/1	2/2
Sam MacDonald	12/14	4/5	3/3	
Andrew Bascand (appointed 1 February 2025)	5/5	2/2		
Melanie Coker (appointed 26 February 2025)	4/4		1/1	
Sina Cotter Tait (appointed 27 March 2025)	3/3			1/1
Michael Rondel (appointed 16 July 2024)		5/5		

CCHL has arranged directors' liability insurance for all directors, and indemnified all directors and the Independent Chair of Audit and Risk, CEO and Head of Finance through a Deed of Indemnity executed on 22 November 2006.

Transactions between CCHL and entities with whom certain directors are associated are described in note 26 to the financial statements. No loans were made to directors during the year (2024: none).

Remuneration of Directors

Remuneration and other benefits paid or due and payable to directors for services as a director during the year, were as follows:

Orion Group	
P Munro	$116,000
J Crawford	$63,000
J McDonald	$96,000
G Vazey	$40,000
S Farrier	$60,000
M Sang	$67,000
V Crawley	$57,000

Christchurch International Airport Ltd	
S Ottrey	$109,625
C Paulsen	$19,592
P Reid	$66,100
K Morrison	$66,100
A Barlass	$66,100
E Sims	$66,100
M Matthews	$39,508

Lyttelton Port Company Ltd	
B Bragg	$104,995
B Dwyer	$18,773
N Easy	$66,132
V Doig	$60,203
K Jordan	$66,132
N Crauford	$20,606
J Hughes	$60,203
S Bolt	$41,662
R Smith	$45,719

Enable Services Ltd	
J Murray	$106,566
D Blackett	$60,841
K Horne	$67,206
N Lammiman	$41,091
G Lawrie	$64,022
C Luey	$52,292
M Petrie	$21,341

Citycare Group	
B Jamison	$184,004
E Trout	$101,000
J Colliar	$52,335
M Todd	$27,796
K Posa	$52,668
T Nickels	$35,667
W Bayfield	$86,004
C Horn	–

EcoCentral Ltd	
M Jordan	$77,250
S Horgan	$14,666
B Reed	$40,000
M Christensen	$42,667
J Cheyne	$26,667

RBL Property Ltd	
T King	–
P Silk	–
M Slater	–

Development Christchurch Group	
B Pearson	–
M Slater	–
P Silk	–
M Noone	$60,000
P Houghton	$25,000
J McVicar	$25,000
D Hawkey	$25,000
C Serlath	$25,000

Christchurch City Holdings Ltd	
B Pearson	$110,000
G Cox	$55,000
B Giesen	$55,000
S Cotter Tait	$13,750
A Bascand	$22,917
M Coker	–
S MacDonald	–

Acknowledgement of Directors

The CCHL Board would like to thank the Directors of the Group's subsidiary companies for their support and commitment to the governance of the Group. It should also be acknowledged that Director fees, as set by CCHL, can reflect a discount to recognise the 'public service' element to these governance roles, further underscoring the dedication these talented and experienced individuals have shown in their work on behalf of the Group.

Donations

CCHL made donations of $220,000 to The Mayor's Welfare Fund Charitable Trust in relation to the year ended 30 June 2025 (30 June 2024: $193,400). The donations comprised payment in lieu of fees for CCHL Councillor Directors plus an additional amount so that the total donations were equivalent to fees for four Directors, as agreed with the shareholder. Donations of $600,000 (2024: $500,000) were made by subsidiaries.

Employee Remuneration

CCHL contracted Paul Silk to cover the CEO role in an acting capacity until the appointment of a permanent CEO on 1 November 2024. In the 2025 financial year, Paul received compensation as acting CEO totalling $164,000 to 31 October 2024 (2024 $435,000) and Matthew Slater appointed CEO from 1 November 2024 received $287,000.

Details of remuneration ranges for employees:

Range ($000)	Group
100-110	269
110-120	242
120-130	235
130-140	200
140-150	155
150-160	93
160-170	78
170-180	52
180-190	37
190-200	32
200-210	24
210-220	15
220-230	13
230-240	8
240-250	10
250-260	11
260-270	8
270-280	6
280-290	6
290-300	3

Range ($000)	Group
310-320	4
320-330	5
330-340	1
340-350	2
350-360	3
370-380	3
380-390	2
390-400	3
400-410	3
410-420	1
420-430	1
430-440	2
440-450	1
450-500	2
550-600	2
640-650	1
700-710	1
860-870	1
880-890	2
960-970	1
Total	1,878

[1] Independent Chair of Audit and risk management committee

Christchurch City Holdings Limited

Corporate Governance

This statement gives readers an overview of CCHL's main corporate governance policies, practices and processes adopted or followed by the CCHL Board.

Role of the Board of Directors

The CCHL Board is responsible for the strategic direction and control of CCHL's activities. The Board guides and monitors the business and affairs of CCHL on behalf of the Shareholder, Christchurch City Council ('the Council'), within the strategic framework and objectives that are set out in the Statement of Intent (SOI).

All Directors are required to comply with a formal Code of Conduct, which is based on the New Zealand Institute of Directors' Principles of Best Practice.

The Chair will conduct a Board effectiveness review with the Board annually.

Board relationship with Shareholder

The Board aims to keep the Council informed of all major developments affecting CCHL Parent's and CCHL Group's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public. CCHL will provide a quarterly update to Council on SOI performance.

The Board recommends to Council the appointment and reappointment of Directors and Chair, appointments to subsidiary companies and other Council Controlled Organisations in accordance with Council's Appointment & Remuneration of Directors to Council Organisations Policy.

Board Chairperson

The Shareholder appoints from among the Directors a Chairperson (Chair).

The Chair is responsible for representing the Board to the Shareholder, and for ensuring the integrity and effectiveness of the governance process of the Board. The Chair is responsible for maintaining regular dialogue with the Chief Executive (CEO) over all operational matters and consults with the remainder of the Board promptly over any matter that could give rise for major concern.

The Chair acts as facilitator at meetings of the Board to ensure that discussion results in logical and understandable outcomes.

A Deputy Chair may fulfil the Chair's responsibilities in the absence of the Chair.

Board committees

The Board has three standing committees namely the Audit and Risk Management Committee, the Governance and Appointments Committee, and the Impact Committee. The Board establishes other committees as required to address matters as they arise.

The standing committees and their purpose are as follows:

Audit and Risk Management Committee (ARMC)
The responsibilities of the ARMC include reviewing CCHL's accounting policies, treasury policy, reporting practices, financial statements, managing the debt capital market programme and oversight of CCHL's sustainable finance programme. The committee will also consider external audit reports, audit relationship matters and fees, and risk management issues. The CCHL Chair cannot be the Chair of the ARMC.

Governance and Appointments Committee (GAC)
The GAC is responsible for recommending Chair, director appointments and reappointments to its subsidiaries and other Council Controlled Organisations.

Impact Committee
The Impact Committee was established in 2023 to advise the Board on CCHL's strategies, policies and practices in relation to the Impact Programme which encompasses the Group's approach to ESG issues, including external reporting in relation to those areas.

Board composition

The Board comprises not more than eight Directors – two Councillor Directors and six independent Directors. All Councillor Directors are required to retire by rotation within three months following the triennial local government elections, but are eligible to be re-appointed. Where there are four or more independent Directors, two of those Directors must retire by rotation annually, but may offer themselves for re-appointment. Appointments to CCHL are made in accordance with the Council policy on Appointment and Remuneration of Directors.

The Board generally meets on a monthly basis.

Gender diversity

CCHL has adopted a Diversity and Inclusion Policy. As at balance date and the date of this report, the Board comprised three female Directors out of a total of seven (2024: two out of five). The Executive team comprises one male and two females (2024: one male).

Directors' remuneration

Fees for the CCHL Board and all subsidiary Boards are set triennially. In relation to the CCHL Board fees, CCHL recommends fee levels to the Council, based on commercial norms, but reflecting a public service element. In relation to subsidiary Board fees, CCHL will approve the Board fees, based on commercial norms, but discounted to reflect a public service element.

Protocol on conflicts of interest

The Board maintains a separate policy on conflicts of interest which meets all current legislative requirements.

Indemnities and insurance

CCHL provides all Directors, the CEO and the Head of Finance (HOF) with, and pays the premiums for, Directors and Officers liability insurance cover while acting in their capacities as Directors and Officers, to the fullest extent permitted by the Companies Act 1993.

CCHL indemnifies all Directors, the CEO and the HOF to the fullest extent allowed for, and in compliance with the requirements of the Companies Act 1993.

The Chief Executive

The CEO is an employee of CCHL and is employed in terms of a contract between the CEO and CCHL.

On an annual basis the Chair will undertake a performance appraisal with the CEO and set appropriate key performance targets for the year ahead.

Board relationship with Management

The Board delegates management responsibility of CCHL to the executive team under the leadership of the CEO to deliver the strategic direction and goals determined by the Board.

The CEO is responsible for the day-to-day management of CCHL.

The CEO:

- Ensures that appropriate, relevant reporting systems are in place and maintained to provide relevant, complete, accurate and timely information to the Board;
- Acts as a spokesperson for CCHL; and
- Meets business plan and SOI targets set by the Board.

The CEO is expected to act within all specific authorities delegated to them by the Board.

Continuous disclosure obligations

Under the Financial Markets Conduct Act 2013 and the NZX Listing Rules, CCHL must (subject to certain exceptions) immediately disclose any "Material Information" to the NZX of which CCHL, its Directors or senior managers become aware.

Material Information is any information which a reasonable person would expect (if available to the market) to have a material effect on the price of the Bonds.

Information is likely to be material if it is not generally available to the market and it relates to CCHL's ability to make interest payments to the holders of the Bonds or repay the principal amount of the Bonds on maturity, and any information that relates to those factors.

Investor relations

Investor Centre
CCHL's website, www.cchl.co.nz, enables Bondholders to view information about the Group, including SOIs, annual reports for CCHL and its subsidiaries and announcements.

Bondholder Interest Payments
Interest is paid semi-annually on each bond, based on its maturity date, until redemption.

Registrar
Computershare Investor Services Limited is the registrar with responsibility for administering and maintaining the Bond Register.

Computershare can be contacted directly:
Computershare Investor Services Limited
Private Bag 92119
Auckland 1142

Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622

Telephone +64 9 488 8777
Email enquiry@computershare.co.nz

Managing your Bondholding online

To view and update your bondholder details please visit **www.investorcentre.com/nz**

Investor relations

Bondholder Distribution and Holdings

In line with clause 3.7.1 of the NZX listing rules, the following table details the spread of bondholders as at 30 June 2025 (total Bonds on issue):

Range	Holders	Units	% Units
1 to 9,999	16	89,000	0.03
10,000 to 49,999	160	3,398,000	1.13
50,000 to 99,999	46	2,813,000	0.94
100,000 to 499,999	27	5,682,000	1.89
500,000 to 999,999	12	8,472,000	2.82
1,000,000 and over	28	279,546,000	93.19
Total	**289**	**300,000,000**	**100.00**

Total Bonds on issue

1	Westpac New Zealand Limited	33,700,000	11.23
2	BNP Paribas Nominees (NZ) Limited	29,954,000	9.98
3	ANZ Bank New Zealand Limited	25,763,000	8.59
4	FNZ Custodians Limited	24,157,000	8.05
5	Custodial Services Limited	23,608,000	7.87
6	NZPT Custodians (Grosvenor) Limited	19,885,000	6.63
7	Forsyth Barr Custodians Limited	17,408,000	5.80
8	TSB Bank Limited	17,400,000	5.80
9	Citibank Nominees (New Zealand) Limited	15,801,000	5.27
10	HSBC Nominees (New Zealand) Limited	12,450,000	4.15
11	Southland Building Society	8,700,000	2.90
12	ANZ Wholesale NZ Fixed Interest Fund	7,150,000	2.38
13	HSBC Nominees (New Zealand) Limited A/C State Street	7,103,000	2.37
14	Tea Custodians Limited Client Property Trust Account	5,658,000	1.89
15	JPMorgan Chase Bank NA NZ Branch-Segregated Clients	4,300,000	1.43
16	Forsyth Barr Custodians Limited	3,455,000	1.15
17	Investment Custodial Services Limited	3,042,000	1.01
18	Forsyth Barr Custodians Limited	3,038,000	1.01
19	ANZ Custodial Services New Zealand Limited	2,645,000	0.88
20	FNZ Custodians Limited	2,553,000	0.85
Total Top 20 Holders Of Bonds		**267,770,000**	**89.24**
Total Remaining Holders Balance		**32,230,000**	**10.76**

Directory

Registered Office

Level 1, 151 Cambridge Terrace
Christchurch Central
Christchurch 8013

Directors

B M C Pearson
W G Cox
B A Giesen
S L Templeton (retired 21 Jan 2025)
S T MacDonald
A Bascand (appointed 1 Feb 2025)
M Coker (appointed 26 Feb 2025)
S Cotter Tait (appointed 27 Mar 2025)

Management

P Silk – Acting Chief Executive Officer (until 1 Nov 2024)
M Slater – Chief Executive Officer
P Davis – Head of Finance
A Kidd – Head of Impact

Bankers

Bank of New Zealand, Christchurch
Westpac Institutional Bank, Auckland
ANZ New Zealand Ltd, Wellington

Auditor

Audit New Zealand
on behalf of the Auditor-General
Christchurch

Supervisor

Public Trust
Level 9, 34 Shortland Street
Auckland 1010

0800 371 471
cts.enquiry@publictrust.co.nz

Group contact details

Christchurch City Holdings Limited (Parent)
Level 1, 151 Cambridge Terrace
Christchurch Central
Christchurch 8013

PO Box 1151, Christchurch 8140

+64 3 941 6530
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Orion New Zealand Limited
565 Wairakei Road
Burnside, Christchurch 8053

PO Box 13896, Christchurch 8141

+64 3 363 9898
info@oriongroup.co.nz
oriongroup.co.nz

Christchurch International Airport Limited
Top floor, Car Park Building
30 Durey Road
Christchurch Airport
Christchurch 8053

PO Box 14001
Christchurch 8544

+64 3 358 5029
christchurch-airport.co.nz

Lyttelton Port Company Limited
Waterfront House
33-39 Gladstone Quay, Lyttelton

Private Bag 501, Lyttelton 8841

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lpc.co.nz

Enable Networks Limited
Level 3, 93 Cambridge Terrace
Christchurch 8013

PO Box 9228, Tower Junction
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enablenetworks.co.nz

City Care Limited
818 Wairakei Road
Christchurch Airport
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+64 3 941 7200
citycare.co.nz

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Middleton, Christchurch 8024

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ecocentral.co.nz

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C/- Christchurch City Holdings Ltd

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Development Christchurch Limited
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Christchurch
City Holdings
Limited

Christchurch City Holdings Ltd

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