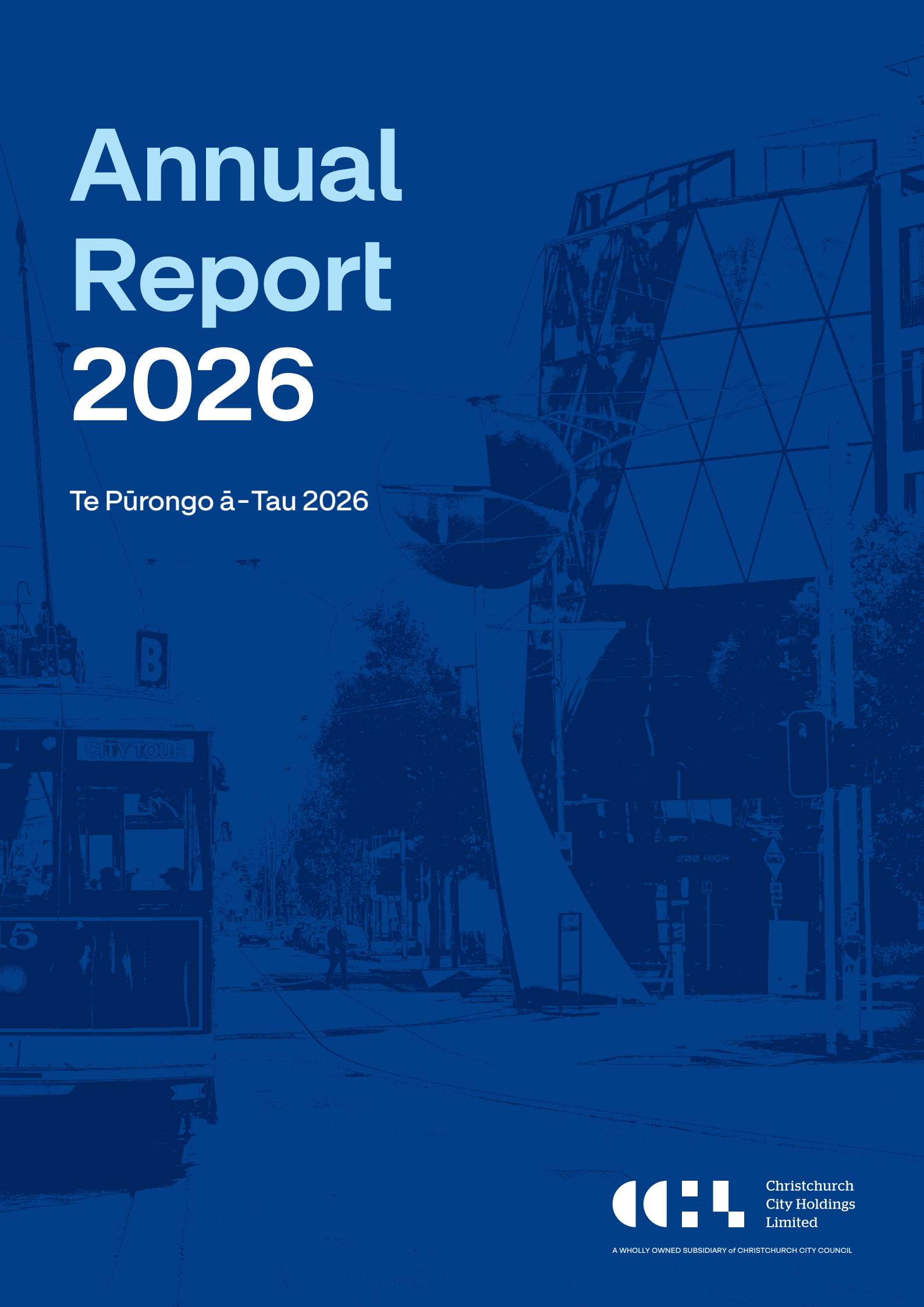
Annual Report 2026

Te Pūrongo ā-Tau 2026



Christchurch City Holdings Limited

A WHOLLY OWNED SUBSIDIARY of CHRISTCHURCH CITY COUNCIL

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Additional photography courtesy of Christchurch NZ

CEO and Chair's report

Te Pūrongo a te Heamana me te Kaiwhakahaere Matua

Over the last 12 months, Christchurch has continued to demonstrate the benefits of investment made into its regeneration. On economic, employment and quality of life metrics, Christchurch and Canterbury have consistently led the country's other major centres.

Christchurch City Holdings' (CCHL) solid performance sits in the context of an increasingly uncertain world, with major impacts from climate change and global unrest. How we maintain that record of growth, meet the needs of an expanding – and evolving – population, and provide a highly liveable environment requires a clear strategy for the future.

For CCHL, and the portfolio of strategic assets that support access to the world's markets while delivering vital infrastructure services for our community, this consideration remains at the heart of every decision we make. Our primary role is to ensure the portfolio is fit for purpose, resilient, and able to meet the future needs and prosperity of the region, while delivering benefits to Christchurch City Council (Council) for ratepayers today, and those that follow.

CCHL's role and responsibility

CCHL is cognisant of its public ownership and community expectations while exercising the duties entrusted to and expected of it by elected members of Council. This has never been more front-of-mind than at present, as we face into decisions that shape the portfolio.

Established in 1993 by Council, CCHL was designed as a confidential, independent, non-political buffer between Council and the companies it owned, to ensure a commercial approach was adopted to managing that investment. This structure has continued through multiple Council elections, while delivering substantial income and asset growth to the people of Christchurch.

Council retains ultimate control through two mechanisms: all CCHL entities are registered on Council's Strategic Asset Register and cannot be sold without Council's approval; and, Council appoints the CCHL Board with a combination of independent and Council directors. Alongside these measures, direction is provided by Council to CCHL through the annual Letter of Expectation. As the Audit Office notes, the structure successfully provides "...effective separation between political and operational matters, although this may mean that elected representatives have limited access to information about the businesses".

CCHL remains committed to transparency, not just for elected members, but through Council to the community generally. Due to the commercial nature of our role, as we contemplate the decisions that shape the portfolio, we note this cannot be completely unfettered. We are guided by the successful model of past decades and the trust placed in CCHL by Council, to make those decisions.

Growing portfolio

Over the last three decades, the community-owned assets have achieved considerable growth, from $300 million in 1993 to more than $6.7 billion this year. The portfolio has also delivered substantial returns for the Council, and the wider community.

Underpinning this growth has been the performance in FY26 from across the CCHL Group. This is highlighted by consistently solid earnings, with operating revenue of $1.67 billion, up from $1.58 billion last year, and EBITDA of $581 million, compared to $506 million in FY25.

Christchurch Airport performed well with ongoing property precinct development alongside growing airline capacity. Expansion of existing and development of new routes and wide body services contributed to international passenger growth of 11.2% and an enhanced service for South Island exporters. Lyttelton Port had another record result following strong general cargo volume as it continues to target efficiency and productivity for customers. While Orion performed in line with expectations as it successfully invests into the growing region and the evolution of the energy operating environment.

The results of the Group's performance are represented in the dividends paid directly to Council, this year reaching $65 million. It is also reflected in the significant benefits provided through capital gains from debt management and investment revaluations, alongside a non-cash property distribution and tax benefits.

Total distributions of $98million, alongside a valuation increase of $200million, combined to provide a total shareholder return to Council of 7.2% this year. This measure reflects the true commercial value of the portfolio to the region and community, however, that benefit is not simply financial. By investing in and maintaining the portfolio over more than three decades, Christchurch has also enjoyed greater control over how these assets operate in areas that make a meaningful difference to our wider community – through environmental standards, health and safety, living wages for directly employed workforces, local investment, and deep and respectful partnerships with Iwi and local communities.

Long term focus

As signalled in last year's report, the focus of CCHL has remained on the long-term future of the assets. While CCHL is committed to continuing the growth trajectory of the portfolio, how we approach the needs of the future are a fundamental consideration.

Supporting a growing region requires investment into the subsidiaries, with a particular emphasis on ensuring the monopoly infrastructure assets are fit for purpose across generations. This is contemplated by Orion embarking on a customised price path process with the Commerce Commission to support the ongoing electrification of the region and Christchurch Airport's investment in a freight apron expansion. In addition, CCHL has actively considered supporting Lyttelton Port with its Te Awaparahi Bay expansion, while reviewing whether it is the right owner for the future of Enable, including testing where capital is most appropriately allocated within the portfolio.

Lyttelton Port, Te Awaparahi Bay

Following over a decade of post-earthquake planning, and as contemplated through the 2015 Lyttelton Port Recovery Plan, Lyttelton Port approved the $821m Te Awaparahi Bay resilience and expansion project in 2025. Since then, it has worked with CCHL, as shareholder, to gather support for the equity contribution and the required Companies Act major transaction approval. Supported by an independent review, CCHL's approval for Lyttelton Port's investment was granted shortly after financial year end. The approval reflected a convergence of factors including a need for resilient infrastructure, capacity, emissions reductions, operational enhancements, and the ability to accommodate larger ships.

Enable, Ownership Review

In 2026, CCHL undertook an ownership review of Enable. The review was designed to examine the market, benchmark Enable's performance relative to its peers, consider the risks from evolving technology and competition, and analyse Enable's valuation.

The review concluded that Enable has substantially delivered on a successful roll-out of fibre infrastructure to the wider Canterbury region. It also contemplated that CCHL may not be the right owner for Enable's future given completion of the fibre network, evolving technology and market conditions, and the potential of a strong valuation outcome from divestment. In considering the recommendation to Council, CCHL was cognisant of the regulatory framework and competitive market that protects consumer interests. On that basis, CCHL recommended Council delegate it the authority to divest 100% of its shares, which remains under consideration by Council.

Furthermore, divestment would derisk and strengthen CCHL's balance sheet through debt repayment and increase dividends to Council, while providing capacity to reinvest in the portfolio, acquire subsidiary minority interests or alternative investments.

Ultimately, any decision on divestment is one for Council, and the community will be expected to play a major role in that decision. CCHL cannot sell any assets, that is not our role. Our role is to explore and develop available options, assess risks, and present recommendations, working alongside subsidiary companies and Council.

In doing so, CCHL is operating with a firm focus on the future, by investing to grow the portfolio, and ensure the region's key strategic assets will underpin the future of the local economy, environment and community.

BRYAN PEARSON
Chair

MATTHEW SLATER
Chief Executive Officer

Strategy

Rautaki

The portfolio

Te kohinga

Ownership/Investment Value*

Orion New Zealand Limited

89% $1.645B

Lyttelton Port Company Limited

100% $457M

Christchurch International Airport Limited

75% $1.828B

City Care Limited

100% $166M

Enable Networks Limited

100% $776M

EcoCentral Limited

100% $9M

* Independently valued as at 30 June 2026

CCHL's role in supporting Ōtautahi Christchurch*

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

CCHL was established in 1993 to provide independent management and governance of Christchurch City Council's strategic infrastructure and service assets. The portfolio 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 %).

What we do

CCHL ensures the region's strategic assets are operated in an efficient commercial manner, while also providing key benefits to the whole region. To establish broad parameters for their management, in a way that reflects the public interest in these assets, Council sets CCHL's mandate and annual performance targets 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.

* Includes Banks Peninsula

How we work

As stewards of this intergenerational investment, CCHL is focused on ensuring Christchurch's strategic assets operate in a way that is commercially, environmentally and socially sustainable, while ensuring they remain fit to meet the needs of the local community and support the long-term growth and development of the region.

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.

As well as being guided by our Responsible Ownership Framework, CCHL's strategic priorities support the outcomes outlined in Council's Long Term Plan. They are also aligned with the 'Christchurch Economic Ambition' report, further detailing the pathway to intergenerational prosperity and well-being for Ōtautahi Christchurch.

Value creation through responsible ownership

Te waihanga wāriu mā te pupuritanga haepapa

UN Principles for Responsible Investment

Principle 1 We will incorporate environmental 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 environmental 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 Environmental, 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:

Financial | **Intellectual** | **Social** | **Natural**

Outputs

Financial → Resilient commercial infrastructure

Intellectual → Strong stewardship

Social → Social licence

Natural → Healthy environment and low emissions

Value creation model

Tā tātou tauira hei waihanga wāriu

Vision

Enhancing 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	What we do	Outcomes/measures

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

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.

enable fibre broadband

Lyttelton Port Company

Orion

Citycare Group

CHRISTCHURCH AIRPORT

ECO CENTRAL

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

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

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

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

Materiality assessment

Te aromatawai hiranga

CCHL prioritises environmental, social, governance and economic areas that matter most to stakeholders and the business. This approach is informed by a comprehensive materiality assessment, completed with input from the organisation's key stakeholders on the topics they consider most important. The next materiality assessment is due in 2027.

CCHL has used a materiality lens to build sustainability into business strategy and ensure we are communicating the information that is most important to stakeholders. This helps strengthen relationships with internal and external stakeholders, improve decision making and develop a robust sustainability strategy.

CCHL's subsidiaries also engage with stakeholders through their business operations. Meaningful engagement with communities, iwi, employees and the supply chain is critical for operating 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 understand the stakeholders important to them, the needs and expectations of those groups, the policies and processes for delivering, maintaining, and strengthening those relationships, and the people responsible for such activities.

Many subsidiary businesses undertake and report their own materiality assessments to formally rank and prioritise material issues.

The key material topics we focus on include:

Governance and strategy: Accountability, transparency and credibility to achieve positive environmental 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.

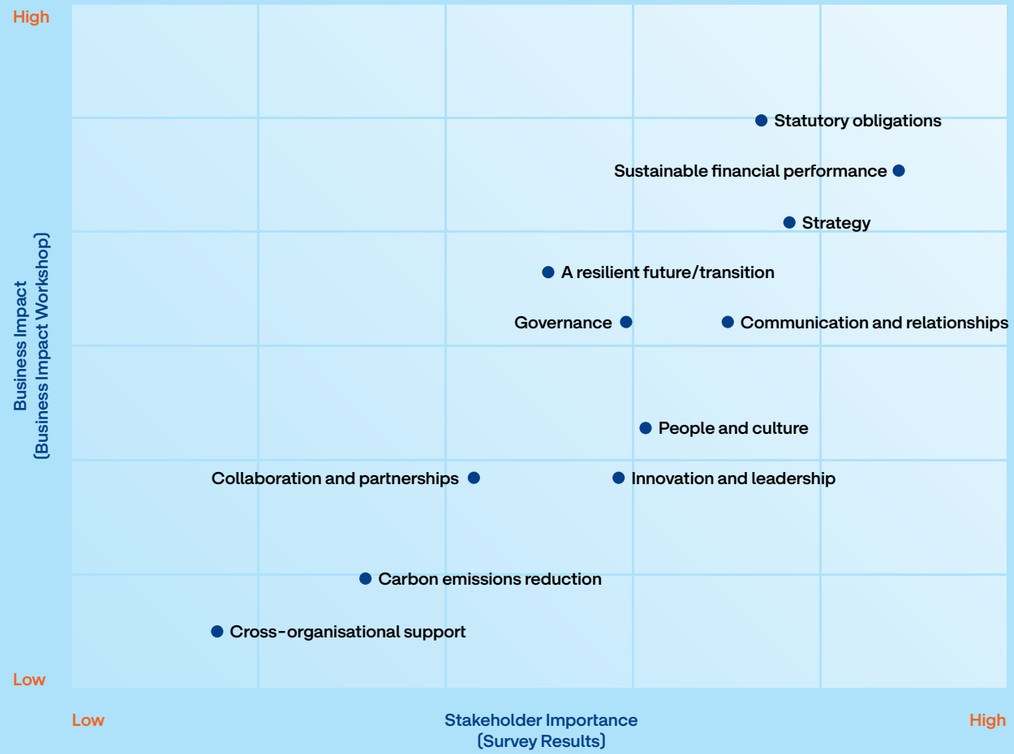
Resilient future (and emissions reduction): Understanding and adapting to direct and indirect impacts on the business from – and of the business on – climate change (double materiality). Advocate for long-term sustainability and societal impact through responsible portfolio management. Consider the low-carbon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

Relationships and partnerships: Actively engage with all 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 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.

Materiality Matrix



Information courtesy of Thinkstep ANZ

Performance

Tutukinga

FY26 Performance highlights

Ngā tutukinga me ngā kōrero matua o te tau ā-ahumoni 2026

Financial

GROUP EBITDA

$581M

FY25: $506M

GROUP NORMALISED NPAT*

$208M

FY25: $159M

SHAREHOLDER DIVIDEND

$65M

FY25: $55M

PORTFOLIO VALUE

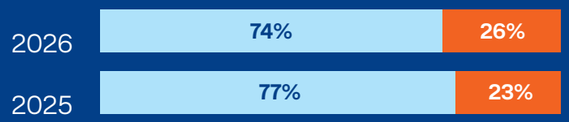
$4.3B

FY25: $4.1B

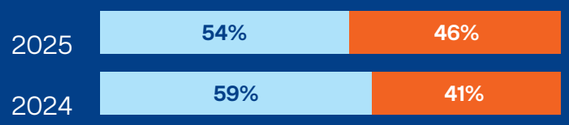
* FY26 NPAT is normalised for non-cash after-tax impairment and revaluation movements relating to goodwill and property, plant and equipment assets.

Intellectual

Group gender diversity*



Group Board gender diversity



H&S LEADERSHIP FORUM (NEW IN 2026)

5 meetings

male female

* 2025 excludes Spencers and Apex Water

Social

TE REO INDIVIDUAL BLOCK COURSE COMPLETIONS

95

FY25: 129

WOMEN'S NETWORK ATTENDEES

774

over seven events throughout the year

FY25 **1,123**

over ten events throughout the year

STAKEHOLDER ENGAGEMENT

6/6 Subsidiaries

undertake and report stakeholder engagement

Group gender pay gap

2026

↓12.1%

median total remuneration (c.f. national average 12.9%)

0.7% base pay (c.f. national average 5.2%)

2025

14.4%

median total remuneration (national average 17.7%)

Natural

GHG COMMITMENT*

1.5°

GHG

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

GHG REDUCTION

5/6 Group subsidiaries

reported year on year reduction in GHG emissions

FY25: 3/6

SCOPE 1 + 2 GREENHOUSE GAS EMISSIONS

10%

gross reduction since 2022

FY25 **12%**

55%

net reduction since 2022

FY25 **31%**

* 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

Strategic Focus

CCHL is focused on the broad range of opportunities the strategic assets provide in meeting the long-term needs of the community, the economy and the environment.

Ensuring the portfolio continues to grow, while meeting the evolving demands of a dynamic and expanding region underpins the key commercial and operational decisions made across the Group.

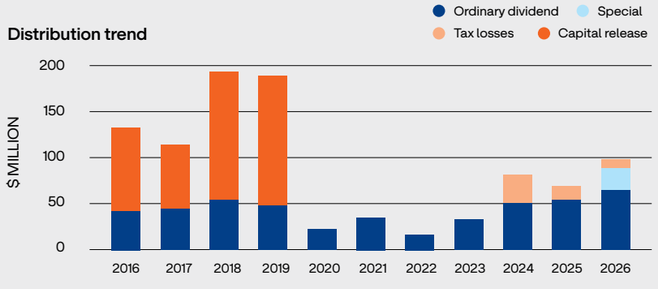
FY26 has seen a continuation of solid performances across the Group subsidiaries to deliver another positive result for the CCHL Group.

Strong revenues and effective cost control have returned earnings before interest, tax, depreciation, amortisation and impairment for the Group of $581 million in FY26, an increase of 15% on the $506 million delivered in FY25, and ahead of the target EBITDA outlined in the FY26 Statement of Intent (SOI) to Council of $509 million.

RETURNS TO COUNCIL

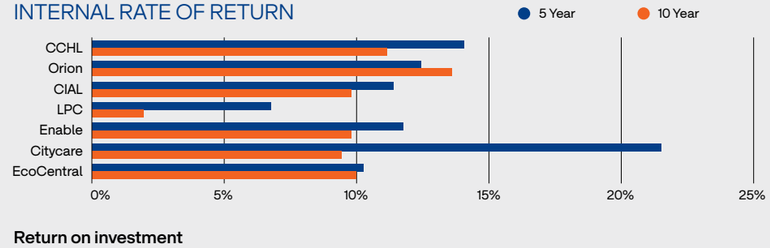
7.2% Total shareholder return

In FY26, CCHL returned to Christchurch City Council (Council) a $65 million cash dividend in line with the FY26 SOI target (FY25: $55 million), and non-cash distributions of $33 million (FY25: $14 million), comprising property and the tax effect of CCHL tax losses utilised by Council.



In addition, the portfolio value of CCHL increased from $4.1billion in FY25 to $4.3billion at the end of FY26. In aggregate, this represents a Total Shareholder Return to council of 7.2%.

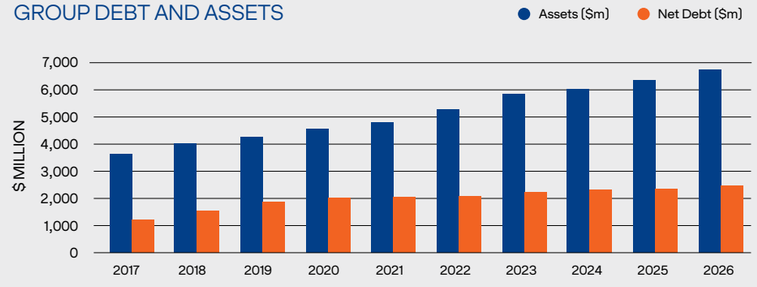
INTERNAL RATE OF RETURN



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 an appropriate indicator of 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.

New Airport facilities bringing growth to the region

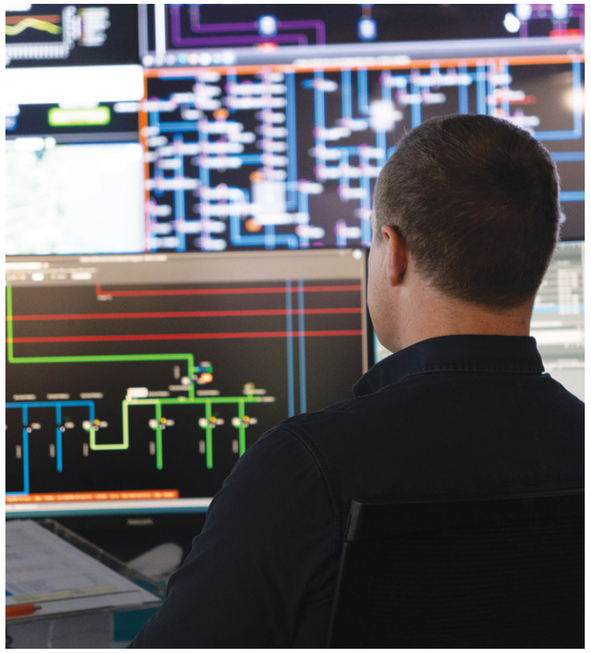
The completion of Christchurch Airport's $40 million freight apron, coupled with the opening of two major manufacturing and logistics facilities have highlighted the value the airport precinct is bringing to the local economy.

Opened in June, the new apron expands the airport's freight handling capacity and flexibility, helping meet growing demand from freight operators while creating room for future growth. Covering an area larger than six rugby pitches, the apron includes more than 11 kilometres of underground services. Lower-emission asphalt and recycled materials were used in the new construction.

One of the freight operators who will benefit from that new capacity, DHL also opened its $42 million state-of-the-art logistics gateway in May. The 8,500m^2 facility features a range of new technology, including an automatic parcel conveyor system capable of processing up to 6,500 inbound parcels per hour and a high-speed X-ray machine. The new facility is DHL's first 100% carbon-neutral building in New Zealand and includes solar power and EV charging infrastructure.

Also taking advantage of the location and connectivity of the airport, Enatel's new 8,000m^2 manufacturing, engineering, distribution and office development opened in February. The purpose-built facility is designed to help the organisation electrify industrial fleets globally.

The newly-launched developments reflect growth and investment across the airport campus, now home to more than 7,000 people working across 250 businesses and organisations. That growth includes the expansion of the Pratt & Whitney engine centre, future freight and logistics developments and advanced manufacturing businesses that support trade, tourism, innovation and economic growth across the South Island.



A smarter network that heals itself

Orion has become New Zealand's first electricity distribution business to roll out an automated power restoration system, designed to limit the local impacts of power outages.

The Primary Outage Restoration Tool restores multiple feeders when a whole substation loses supply. It kicks in automatically, quickly restoring as much of the substation as possible – leaving only the fault-affected area without power.

The innovative new system was developed by Orion's operational technology team, as part of the organisation's focus on continual improvements that benefit local households and businesses.

Intellectual capital

Kete ā-Whakaaro

Governance and Leadership

Reflecting the evolving make-up of the community and the strength offered by access to a range of different perspectives, CCHL is continuing to focus on the development of strong and diverse governance and leadership teams. This helps nurture new talent and enhances the organisation's ability to effectively meet compliance and ethical standards.

The unique opportunities afforded by the Council's long-term ownership of the city's strategic assets extend far beyond financial returns. The Group is able to take a leadership position in how these businesses operate, interact with the local community and key stakeholders, and maintain standards of employment, safety and diversity across the portfolio.

This financial year, this approach continues to be reflected in a broad range of initiatives, which represents an investment in the development of key skills and perspectives that will support the local economy and community for generations.

The ongoing success of the Associate Director Programme is a good example of CCHL's focus on building governance capability for the region. With more than 40 directors completing the programme since its inception, the initiative has added considerable strength and depth to the range of emerging talent available to lead businesses in the local economy.

Bringing new voices to the table has not only been a strength of the Associate Director Programme. A number of activities across the Group such as our annual women's leadership programme, Te Puna Manawa, have also been designed to strengthen capability while recognising the fundamental value of diversity in building organisations that reflect the needs and expectations of the broader community. These opportunities have been successful because they are widely embraced by participants, bring together a range of talented individuals from across the Group, and continue to be shaped and evolved by an emerging generation of leaders.

GROUP BOARD GENDER DIVERSITY (Calendar year to 31 December 2025)

46% Female | **54% Male**

2024: 41/59%

2025 GOVERNANCE APPOINTMENTS (ACROSS THE GROUP):

7 New appointments

2024: 9

10 Reappointments

2024: 6

41 Total directors across the group

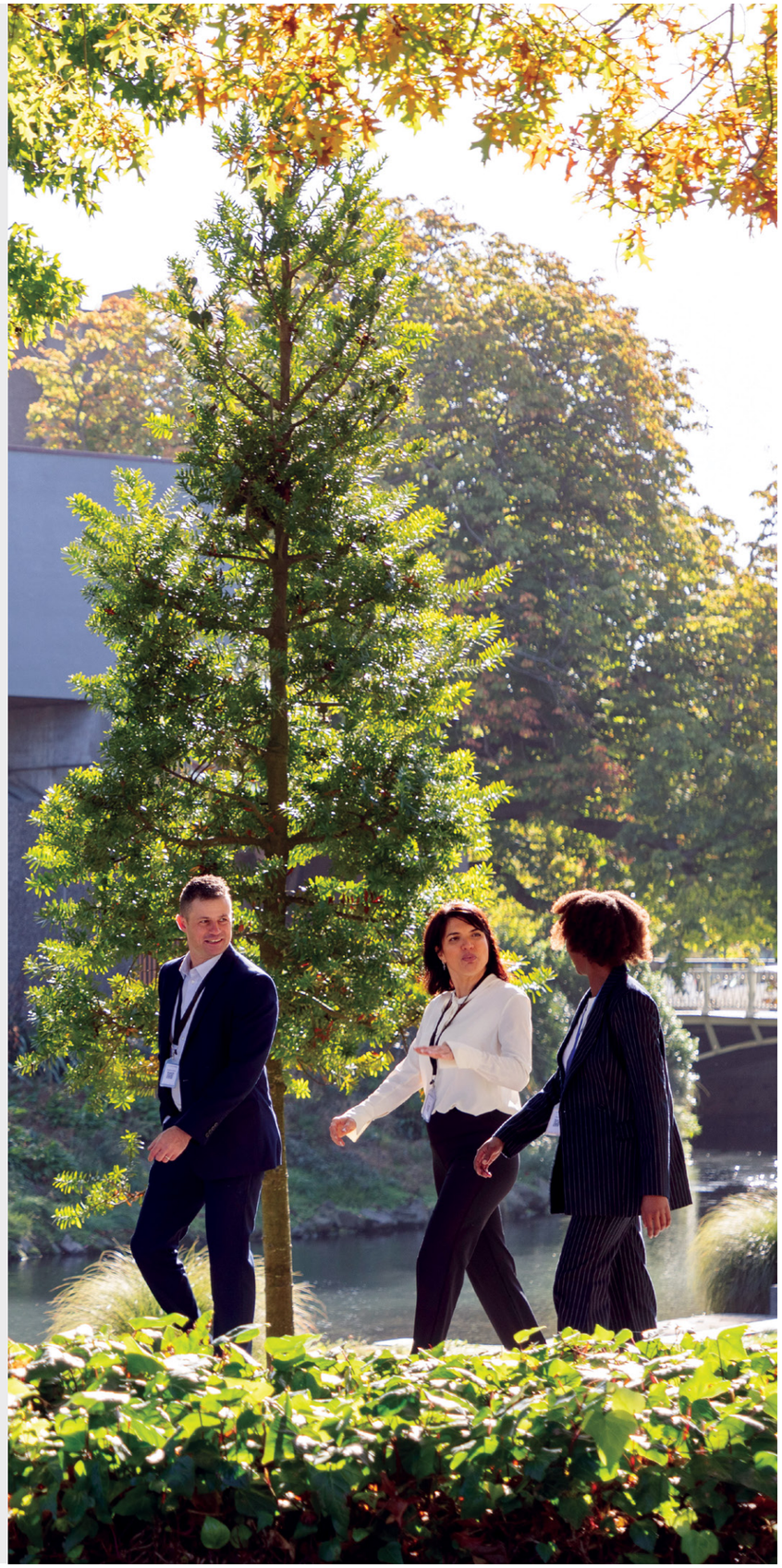
2024: 41

STAFF ENGAGEMENT REPORTED

6/6 Subsidiaries

HEALTH AND SAFETY LEADERSHIP FORUM (NEW IN 2026)

5 Meetings



Activities across the Group

Developing leadership capacity through diversity, pipeline and new skills.

Te Puna Manawa

With over 50 women from across the Group having now completed Te Puna Manawa, CCHL's leadership development programme for women, the initiative is seeing considerable success. Of the 17 women who participated in the 2025/26 programme, 100% would recommend Te Puna Manawa to others.

The programme, created for CCHL's subsidiaries and run by leadership development experts The Female Career, identifies women with the potential, aspiration and motivation to become influential leaders within their organisations. The programme offers a series of workshops, guest speaker sessions and networking opportunities. Participants in the 2025/26 programme reported a 36% improvement across 12 measured leadership competencies

Associate Director Programme

In 2026, CCHL continued to strengthen governance capability across Ōtautahi Christchurch through its Associate Director programme. Now in its sixth season, the programme appointed nine emerging directors to boards across the CCHL Group, ChristchurchNZ and Venues Ōtautahi, providing practical boardroom experience, mentoring and cohort learning. Since launching in 2014 the programme has supported 50 associate directors, contributing to a stronger and more diverse governance pipeline for the region.

Supporting and accelerating the development of Mana Wāhine

Citycare Property's third annual Wāhine Summit, held in March, brought together women from across the organisation, including Apex Water, Citycare Water and Spencers.

The annual summit aims to strengthen relationships across the business, while supporting women, building confidence and accelerating development. The summit, held in parallel sessions in both Auckland and Christchurch, included panel events and workshops focused on practical strategies for building relationships, responding to change and drawing on the organisation's support systems.

Women currently make up over 25% of the Citycare Property workforce.

Social capital

Pūmanawa ā-Tangata

Culture, Values and Partnerships

Creating open and transparent engagement is a vital part of working in – and for – the community. CCHL supports this through transparent reporting and communication, investment in projects that benefit the community and the development of lasting relationships to build understanding.

The CCHL Group has broad and deep relationships across the local community which we take seriously. They help guide our priorities as we provide a broad range of services that underpin the regional economy, now and into the future. We also encourage working relationships for collaboration, knowledge sharing and innovation between the subsidiaries of the group and we promote wellbeing, diversity and inclusion for an engaged and capable workforce.

Businesses within the Group increasingly collaborate to build capability, to solve challenging problems, and to magnify their individual impact. Examples of such collaborations are the Health & Safety Leadership Forum, our Māori working group He Huanui, and shared work on human rights in the supply chain. Many subsidiaries also lead or contribute to working groups specific to their industry. LPC's innovation and leadership in health & safety was this year recognised by a Workplace Health & Safety Safeguard Award.

The culture and values of the Group's workforce matters. This is reflected in active staff engagement networks, robust health, safety and wellbeing systems, the values we place on diversity and cultural awareness, and ongoing efforts to address inequities by reducing the gender pay gap and paying a living wage.

GROUP GENDER DIVERSITY

26% Female

2025: 23%, 2024: 22%

GENDER PAY GAP

Median total remuneration

12.1% 2026 | **14.4%** 2025 | **12.7%** 2024

NZ average 12.9%

Median base salary

0.7% 2026 | **3.7%** 2025 | **4.2%** 2024

NZ average 5.2%

LIVING WAGE

Maintained

across group

TE REO MĀORI TRAINING

95 Employees

FY25: 129

NEURODIVERSITY AWARENESS

660 Attendees

across four events

HE KURA HISTORY LEARNING MODULES

114 Enrolments

74 completed

Activities across the Group

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

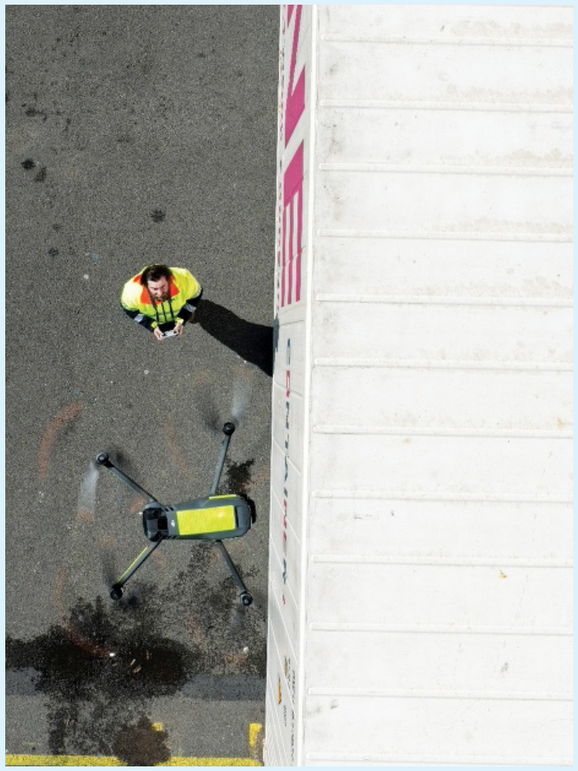
Christchurch's iconic Spitfire replica restored

A beloved local landmark, Christchurch Airport's Spitfire replica was restored by Citycare Property's project team and returned in time for ANZAC Day 2026 commemorations.

The replica of Spitfire TE288 – the original of which is preserved at the Air Force Museum in Wigram – was extensively refurbished by Citycare's workshop mechanics and a dedicated group of local suppliers.

As well as repairing sun and weather exposure damage, the team took the opportunity to improve the replica's historical accuracy by reinstating details like the rear wheel assembly and cockpit headrest. The tail number font and placement were also corrected, modelled on the original aircraft at the Airforce Museum.

With the improvements to both the structure and coatings, the Spitfire is expected to perform well in its position at Spitfire Square for at least the next decade.



National safety award for LPC

Using drone technology to reduce risks from working at heights, near water and around equipment has won national recognition for LPC.

LPC won the Award for the Best Initiative to address a work-related safety risk at the 2026 Safeguard New Zealand Workplace Health & Safety Awards in June.

Drones were used for container roof inspections, stockpile monitoring, Container Terminal pavement inspections and Cruise berth seawall rock surveys. At MidlandPort thousands of container roof inspections have been completed since November using this technology.

Three staff at MidlandPort are trained as drone operators, with three more in training.

Connecting the electricity industry

After a seven-year gap, Ōtautahi Christchurch was once again host to Annual Connection, thanks to support from Orion, EA Networks and Connetics.

The three-day electricity industry competition was held at Canterbury Park in October 2025. The event drew over 100 line mechanic crews and cable jointers from around New Zealand to compete in a series of challenges that put their workplace skills to the test.

Annual Connection also provided a unique showcase for the industry, designed to demonstrate the broad range of skills and careers in the electricity industry.

Natural capital

Toitūtanga ā-Taiao

Tiaki

We recognise the performance of the businesses depends on the health and resilience of natural systems underpinning the region's economy and communities. The aim is to protect and enhance the local environment, while leading and supporting a Group-wide focus on the transition to a healthier environment and a low-emissions economy.

In 2026, CCHL will publish its third Climate Report, discussing climate-related risks and opportunities, and our strategy to transition to both a greener economy and a warmer world. 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 1.5° of warming by 2030. Progress against this target is measured consistently by the individual organisations and for the Group as a whole. For increased impact, our focus is moving to scope 3 (indirect) emissions sources associated with the supply chains and industries that we operate within.

Looking to the future, the Group is steadily electrifying, by testing battery technology across a wide range of vehicles and plant and investing in renewable electricity. Increased energy demand is also 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.

As well as meeting their GHG emissions reduction targets, the subsidiaries are demonstrating leadership in environmental mitigation and enhancement with measurable results: Orion's Excellence Award for their iwi-partnered habitat restoration project on Banks Peninsula is an example of this.

Third publishing
of Climate Report

GHG INVENTORY BY SUBSIDIARY
5/6 Subsidiaries
Reported year-on-year reduction in GHG emissions
FY25: 3/6

GHG INTENSITY
5.01 tCO_2e/$M
GHG intensity based on asset value
FY25: 5.22

SCOPE 3 ENGAGEMENT PLANS
5/6 Subsidiaries

386 ha
Land under active habitat restoration or protection

GROUP COMMITMENT TO SCIENCE-ALIGNED TARGET
1.5° of warming
Declared 2030 target
Net zero by 2050

GROSS REDUCTIONS IN SCOPE 1 + 2 GHG EMISSIONS
10% Since 2022
FY25: 12%

ABSOLUTE CHANGE IN SCOPE 1 + 2 GHG EMISSIONS (year on year)
↑2%
FY24: ↓down 1%

Activities across the Group

Reducing emissions, improving environmental outcomes and restoring natural landscapes.

EcoCentral transitioning to electric loader fleet

With a greater range of lower-emissions alternatives becoming available for New Zealand's heavy vehicle sector, EcoCentral has taken delivery of its first fully electric loader. The new 19-tonne loader can run for up to 8 hours per charge on its 282-kWh battery pack.

Loaders are currently the largest source of EcoCentral's greenhouse gas emissions, with the diesel machines contributing over 50% of the company's emissions.

The new fully electric alternative is part of a multi-year plan for EcoCentral to replace the entire diesel loader fleet with low-emissions vehicles.

Community conservation corridor protected by Port Saddle covenant

LPC and the Banks Peninsula Conservation Trust (BPCT) have marked a significant milestone in the enduring protection of biodiversity in the Port Hills, with the establishment of a perpetual conservation covenant on the 17-hectare Port Saddle site.

The Port Saddle creates an ecological corridor between Council's Urumau Reserve and Department of Conservation land. Owned by LPC, the site has been actively restored since 2017 in partnership with BPCT, with local schools, volunteers, community groups and businesses all actively engaged in the restoration.

Five thousand native trees have been planted within the site, with local volunteers and students contributing around 4,500 hours to planting, weeding, and maintenance. A predator control programme also uses 40 active traps to target possums, mustelids, and rodents.

Restoration efforts have delivered measurable ecological gains, with increased sightings of native birdlife, such as kererū (wood pigeon), korimako (bellbird), and the return of tūī, which had been absent from the area for decades.

Activities across the Group

Reducing emissions, improving environmental outcomes and restoring natural landscapes.

Kowhai Park solar farm construction completed

Set to become one of New Zealand's largest solar projects, the Kowhai Park solar farm, adjacent to Christchurch Airport, is nearing completion. All 300,000 solar panels have now been installed.

The 230-hectare project is expected to generate 290 GWh of electricity per year – equivalent to the energy needs of around 36,000 homes – when it is fully commissioned later in 2026.

Project partners Lightsource bp and Contact Energy have combined their global and local expertise in their first project together in New Zealand, to bring new large-scale renewables capacity online and help accelerate the region's energy transition.

Ecologically engineered habitat to support local marine life

LPC is installing ecologically engineered habitat units to encourage marine life in new reclamation areas.

Approximately 220 ECOncrete 'Coastalock' units will be installed in cluster patterns to create intertidal and subtidal habitats. The first cluster, consisting of twenty-two units weighing 3.5 tonnes each, have been installed along the eastern side of the reclamation seawall, with positive early results from initial trials.

The units create pools and textured surfaces which, unlike traditional quarry rock seawalls, better mimic natural reef environments. Further eco engineering features are planned for other parts of the reclamation. On the southern seawall, smaller "living seawall" habitat boulders will be installed to complement the larger units already in place.

Governance

Mana Urungi

CCHL Board

Te Poari o CCHL

BRYAN PEARSON
(Independent Chair)

Bryan is a governance professional with more than 30 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, venues and events, healthcare, and education.

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

Currently, Gill serves as Chair of Venues Ōtautahi and is a director of Waimakariri Irrigation Ltd and several privately held entities. 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. Bridget is currently the Director Aquaculture for MPI and serves as a director for Puketeraki Limited and MEA Fragrance. Bridget brings strong financial oversight as a Chartered Accountant and holds an LLB.

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 Merrill 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
(Council 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 Alpine Waters Ltd and MoD/NZDF Maritime Fleet Renewal Common Project Board, Ōtautahi Community Housing Trust and Whitestone Contracting Limited. Sina is also sponsor of the Cotter Tait scholarship for Māori and Pasifika engineering students at the University of Canterbury.

MICHAEL RONDEL
(Independent Director, Chair ARMC)
Bachelor of Commerce; Fellow of Chartered Accountants Australia and NZ

Michael has over 30 years' experience in New Zealand and overseas in providing professional services to medium to large-sized corporate, public sector and not-for-profit entities. He leads the audit division at BDO Christchurch and is the Head of Assurance for BDO NZ.

Michael has considerable audit, assurance and governance experience in both the private and public sectors and in particular the Local Government and education sectors, as well as the manufacturing, software development, agri-business and not-for-profit sectors.

With our thanks

We thank departing director, Sam MacDonald (retired October 2025), for his years of commitment to CCHL.

CCHL strategic risk

Te tūraru ā-rautaki a CCHL

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

Along with the 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 the current and future portfolio
- The nature and velocity of **geopolitical uncertainty**, and the 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 frameworks
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 portfolio to adequately address climate change exposure

Statement of Intent 2027 Priorities:

Priority	Description	Strategic Risk Category
Embed the Group's strategic approach to responsible ownership	Explore portfolio opportunities, options and risks to develop recommendations to Council with respect to the portfolio composition. Council ultimately decide any ownership changes in consultation with the people of Christchurch.	Governance, Finance, Stakeholder, Regulatory
Retain resilience in our infrastructure	Strong financial management is required through a deep understanding of Group capital needs.	Finances, Climate Change, Disruptive Events
Build shared understanding of commercial risks and opportunities across the portfolio	This is inherent to navigating challenges we face in balancing financial returns with a long-term view of evolving infrastructure needs to best serve our communities now and into the future.	Portfolio, Climate Change, Stakeholders
Protect the natural environment and respond to climate change	CCHL and its subsidiaries are committed to exercising leadership on reducing greenhouse gas emissions and contributing to Council's emissions reduction target.	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 consider 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 2026

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 the Group financial statements present fairly in all material respects:

- the Statement of financial position as at 30 June 2026
- the Statement of comprehensive income, the Statements of changes in equity and the Statement of cash flows for the year ended 30 June 2026; and
- the Statement of performance for the year ended 30 June 2026 (refer to Note 30).

The directors consider 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 115 of the annual report, for the year ended 30 June 2026.

The Board of Directors of Christchurch City Holdings Limited authorises these financial statements for issue on 30 September 2026.

For and on behalf of the Board.

Bryan Pearson
Chair
Christchurch
30 September 2026

Michael Rondel
Chair Audit and Risk Management Committee
Christchurch
30 September 2026

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Statement of comprehensive income *for the year ended 30 June 2026*

	Note	2026 $m	2025 $m
Operating revenue	4	1,674	1,576
Other gains	6	43	26
Operating expenses	5	(1,135)	(1,096)
Other losses	6	(1)	–
Earnings before interest, tax, depreciation, amortisation and impairment		581	506
Depreciation and amortisation	5	(196)	(190)
Impairment and revaluation movements	9,18	(7)	52
Finance costs	5	(114)	(109)
Interest income		6	8
Net profit before income tax expense		270	267
Income tax expense	7	(69)	(61)
Net profit after income tax expense for the year		201	206
Other comprehensive income			
Items that will not be recycled to profit or loss:			
Revaluation of assets		175	120
Income tax effect of above items		(42)	(33)
Items that may be recycled to profit or loss in future:			
Fair value gains/losses on cash flow hedges		3	(68)
Income tax effect of above items		(2)	19
Other comprehensive income for the year, net of tax		134	38
Total comprehensive income for the year		335	244
Net profit for the year is attributable to:			
Non-controlling interests		28	21
Owners of the parent		173	185
		201	206
Total comprehensive income for the year is attributable to:			
Non-controlling interests		41	30
Owners of the parent		294	214
Total comprehensive income		335	244

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

Statement of financial position *as at 30 June 2026*

	Note	2026 $m	2025 $m
ASSETS			
Current assets			
Cash and cash equivalents	11	34	83
Debtors and other receivables	12	157	132
Prepayments and other current assets		34	27
Contract assets	14	34	32
Finance lease receivable	19	4	4
Inventory	13	35	34
Other financial assets	17	26	9
Total current assets		324	321
Non-current assets			
Property, plant and equipment	9	5,215	4,896
Investment property	10	938	871
Other financial assets	17	57	31
Goodwill and other intangible assets	18	99	104
Investment in equity accounted joint venture		1	–
Other receivables	12	3	–
Right-of-use assets	19	47	44
Finance lease receivable	19	36	40
Prepayments		7	7
Total non-current assets		6,403	5,993
Total assets		6,727	6,314
LIABILITIES			
Current liabilities			
Borrowings	16	340	308
Other financial liabilities	17	7	1
Creditors and other payables	15	174	160
Provisions		2	2
Contract liabilities	14	20	13
Current tax liabilities		38	39
Lease liabilities	19	9	8
Other liabilities	22	48	51
Total current liabilities		638	582
Non-current liabilities			
Borrowings	16	2,135	2,084
Other financial liabilities	17	39	17
Net deferred tax liabilities	7	670	606
Provisions		2	2
Lease liabilities	19	80	82
Other liabilities	22	5	5
Total non-current liabilities		2,931	2,796
Total liabilities		3,569	3,378
Net assets		3,158	2,936
Equity			
Share capital	20	94	94
Reserves	21	1,392	1,281
Retained earnings		1,156	1,071
Shareholder interests		2,642	2,446
Non-controlling interests		516	490
Total equity		3,158	2,936

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 2026*

	Note	Share Capital 20 $m	Asset Revaluation Reserve 21 $m	Hedging Reserve 21 $m	Retained Earnings $m	Attributable to equity holders of the parent $m	Non-controlling interests 24 $m	Total $m
Balance at 1 July 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
Net profit after income tax expense for the year		–	–	–	173	173	28	201
Other comprehensive income for the year, net of tax		–	120	1	–	121	13	134
Total comprehensive income for the year		–	120	1	173	294	41	335
Dividends paid or provided for		–	–	–	(65)	(65)	(15)	(80)
Distribution for tax losses utilised		–	–	–	(9)	(9)	–	(9)
Distribution of property asset		–	(7)	–	(17)	(24)	–	(24)
Transfers through reserves		–	(3)	–	3	–	–	–
Balance at 30 June 2026		94	1,396	(4)	1,156	2,642	516	3,158

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

	Note	2026 $m	2025 $m
Cash flows from operating activities			
Receipts from customers and other sources		1,639	1,582
Interest received		4	8
Payments to suppliers and employees		(1,126)	(1,086)
Interest and other finance costs paid		(112)	(108)
Income tax paid		(45)	(30)
Subvention payments		(16)	(18)
Net cash from operating activities	8	344	348
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		6	1
Proceeds from bank deposits maturing		53	281
Proceeds from sale of business		–	1
Payments for investment properties		(53)	(42)
Payments for property, plant and equipment		(315)	(236)
Payments for intangible assets		(13)	(15)
Payments for investment into bank deposits		(65)	(278)
Other payments		(3)	(9)
Net cash used in investing activities		(390)	(297)
Cash flows from financing activities			
Proceeds from borrowings		683	462
Dividends paid	20	(65)	(55)
Repayment of borrowings		(596)	(432)
Repayment of lease liabilities		(10)	(7)
Dividends paid – non-controlling interests		(15)	(13)
Net cash used in financing activities		(3)	(45)
Net increase/(decrease) in cash and cash equivalents		(49)	6
Cash and cash equivalents at the beginning of the financial year		83	77
Cash and cash equivalents at the end of the financial year	11	**34**	**83**

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

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).

The financial statements are for the year ended 30 June 2026. The financial statements were authorised for issue by the CCHL Board of Directors on 30 September 2026. 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 30 June 2026	Effective ownership 30 June 2025
Christchurch City Holdings Ltd	Holding company	30 June		
Christchurch International Airport Ltd [1]	Airport	30 June	75%	75%
City Care Ltd	Contracting	30 June	100%	100%
Development Christchurch Ltd	Holds assets and investment in Christchurch Adventure Park [2]	30 June	0%	100%
EcoCentral Ltd	Waste recycling	30 June	100%	100%
Enable Networks Ltd	Ultra-fast broadband network	30 June	100%	100%
Lyttelton Port Company Ltd	Port	30 June	100%	100%
Orion New Zealand Ltd [3]	Electricity network	31 March	89.275%	89.275%
RBL Property Ltd	Investment property	30 June	0%	100%
Port Hills Leisure Ltd	Holds investment in Christchurch Adventure Park [2]	30 June	54.73%	0%

[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.

Orion New Zealand Ltd (Orion) has a 100% equity interest in Connetics Limited (Connetics), a contractor in the electricity distribution and utility sectors. Connetics holds a 50% interest in HCB Solar New Zealand Limited. Under NZ IFRS 11 Joint Arrangements, this interest is classified as a joint venture and has been included in these financial statements using the equity method.

On 8 April 2026, RBL Property Limited (RBL) amalgamated with its parent entity, CCHL, with CCHL the resulting entity. The amalgamation represented a reorganisation of RBL within the Group and had no material effect on the Group's consolidated financial statements. Subsequently on 8 May 2026, the related investment property was transferred to CCC as an in-specie distribution at its current book value of $23.8m.

On 31 May 2026, Development Christchurch Limited (DCL) amalgamated with its parent entity, CCHL, with CCHL the resulting entity. As part of the amalgamation, CCHL's direct shareholding in the Christchurch Adventure Park (CAP), (through Port Hills Leisure Limited), increased from nil to 54.73% through the transfer of shares previously held by DCL. The amalgamation did not result in any change in the Group's effective ownership interest in CAP or in the Group's control of CAP. The amalgamation represented a reorganisation of DCL within the Group and had no material effect on the Group's consolidated financial statements.

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 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 – 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.

Notes to the financial statements *for the year ended 30 June 2026*

2. 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 9 and note 10)

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 10)

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 3)

The carrying value of CCHL's investment in subsidiaries is $4,882m ($4,730m at 30 June 2025).

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 2026 by Deloitte Limited (on behalf of the Deloitte Trading Trust) ("Deloitte"). All valuations are reviewed by the Executive team and approved by the board. 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 $4,675m to $5,063m as at 30 June 2026. Details about the valuation methodology for each subsidiary at the valuation date of 30 June 2026 are provided in the following table.

Subsidiary	Valuation methodology	Key inputs
Christchurch International Airport Ltd	Discounted Cashflow	Forecast cashflows (10 years), terminal value (EBITDA exit multiple), discount rate
City Care Ltd	Discounted Cashflow	Forecast cashflows (3 years), terminal value (growth rate 2%), discount rate
Enable Networks Ltd	Discounted Cashflow	Forecast cashflows (10 years), terminal value (growth rate 2%), discount rate
Lyttelton Port Company Ltd	Discounted Cashflow	Forecast cashflows (15 years), terminal value (growth rate 2%), risk adjusted discount rate
Orion New Zealand Ltd	Discounted Cashflow	Forecast cashflows (10 years), terminal value (Regulated Asset Base multiple), discount rate
EcoCentral Ltd	Discounted Cashflow	Forecast cashflows (3 years), terminal value (realisation of assets), discount rate
Christchurch Adventure Park	Realisation of assets	Assets and liabilities

2. Critical accounting judgements, estimates and assumptions *(continued)*

Changes in Valuation Techniques

During the year ended 30 June 2026, there were no changes in the valuation techniques for subsidiaries.

DCL and CAP

DCL was amalgamated with CCHL during the year ended 30 June 2026 resulting in the investment in CAP now being held directly by CCHL. The valuation method for CAP is consistent with the prior year valuation method used by DCL.

3. Segment reporting

The Group's operating segments are identified on the basis of the eight 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.

Since the last annual report, the make-up of the Group's reportable segments has changed, with the assets and liabilities of DCL and RBL, previously reported in Other, amalgamated with CCHL during the year. (Refer note 1). In relation to this, CCHL's investment in CAP is recorded in the Parent segment, and eliminated on consolidation, and the assets and liabilities of CAP recorded in Other.

These eight 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 CIAL, 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; and
- Christchurch Adventure Park (CAP)

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 $123 million (2025: $124 million) mainly from sales by Citycare, EcoCentral and Orion (refer to note 25.)

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 2026 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'.

3. Segment reporting *(continued)*

For the year ended 30 June 2026

	Parent	CIAL	Citycare	Enable	LPC	Orion	Other	Intra-group	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m
Segment revenue	111	273	565	134	226	427	63	(125)	1,674
Inter-segment revenue	(109)	–	(12)	–	–	(2)	–	123	–
Revenue from external customers	2	273	553	134	226	425	63	(2)	1,674
Interest income	21	1	1	1	1	–	–	(19)	6
Finance costs	(43)	(30)	(2)	(13)	(7)	(38)	–	19	(114)
Depreciation and amortisation	–	(48)	(15)	(31)	(24)	(73)	(5)	–	(196)
Net gains/(losses)	5	36	1	–	–	–	–	–	42
Impairment and revaluation movements	(2)	–	(8)	–	1	–	–	2	(7)
Tax expense	–	(30)	(6)	(16)	(12)	(13)	(1)	9	(69)
Segment profit/loss	87	96	5	40	35	35	2	(99)	201
Total non-current (excluding derivatives and deferred tax)	5,156	2,577	101	900	722	2,019	24	(5,153)	6,346
Total assets	5,202	2,614	215	948	785	2,099	37	(5,173)	6,727
Total liabilities	885	952	128	446	307	1,116	20	(285)	3,569
Additions to non-current assets	–	119	20	36	42	179	6	–	402

The results of CIAL, Citycare, Enable, LPC and Orion are deemed significant to the Group as they provide 97% of total revenue and 99% of total assets (2025: 96% of total revenue and 98% of total assets).

For the year ended 30 June 2025

Restated	Parent	CIAL	Citycare	Enable	LPC	Orion	Other	Intra-group	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m
Segment revenue	96	245	576	128	207	368	59	(103)	1,576
Inter-segment revenue	(95)	–	(8)	–	–	–	–	103	–
Revenue from external customers	1	245	568	128	207	368	59	–	1,576
Interest income	33	–	2	1	1	–	–	(29)	8
Finance costs	(56)	(29)	(3)	(14)	(8)	(27)	(1)	29	(109)
Depreciation and amortisation	–	(45)	(19)	(32)	(22)	(69)	(5)	–	(192)
Net gains/(losses)	–	26	–	–	–	–	–	–	26
Impairment and revaluation movements	–	–	–	–	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 (excluding derivatives and deferred tax)	5,335	2,472	105	870	707	1,768	26	(5,308)	5,975
Total assets	5,397	2,507	217	894	754	1,839	37	(5,331)	6,314
Total liabilities	1,228	893	130	420	298	982	22	(595)	3,378
Additions to non-current assets	–	87	16	22	33	136	–	–	294

The table above has been restated to reflect the amalgamation of RBL and DCL with CCHL (Parent), as if they had always been combined.

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.

4. Operating revenue and other income

	2026 $m	2025 $m
Revenue from contracts with customers		
Contracting	348	347
Construction contract revenue	264	286
Sale of goods	48	35
Gross telecommunications revenue	125	119
Electricity distribution	300	258
Airport services	121	112
Port services	226	207
Waste and recycling services	46	43
Total revenue from contracts with customers	1,478	1,407
Other operating revenue		
Rent and lease income	48	41
Rental income from investment property	63	57
Other	85	71
Total other operating revenue	196	169
Total revenue	1,674	1,576

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.

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.

5. Expenses

(a) Operating expenses

	2026 $m	2025 $m
Salaries and wages	382	365
Defined contribution/benefit plan employer contributions	2	2
Increase/(decrease) in employee entitlements/liabilities	1	1
Remuneration of auditors	3	3
Consultants and legal fees	23	16
Directors' fees	3	3
Donations	1	1
Orion network maintenance and transmission expenses	100	87
Raw materials and consumables used	54	50
Repairs and maintenance	17	16
Service contracts (including sub-contractors)	286	305
Investment property direct operating expenses	10	10
Other operating expenses	253	237
Total operating expenses	1,135	1,096

(i) Remuneration of auditors

The Audit Office, 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 The Audit Office, 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 The Audit Office and other auditors, (KPMG and PwC), and for each other type of service provided by the same firm.

	2026 Fees paid to The Audit Office $m	2026 Fees paid to other auditors $m	2026 Total $m	2025 Fees paid to The Audit Office $m	2025 Fees paid to other auditors $m	2025 Total $m
Auditors of financial statements						
Audit of the financial statements	1.57	0.50	2.07	1.57	0.50	2.07
Recoveries from prior year	0.06	–	0.06	0.07	–	0.07
Audit or review related services						
Assurance engagement in relation to special purpose financial statements	0.04	–	0.04	0.05	–	0.05
Assurance engagement in relation to disclosure regulations	0.39	0.07	0.46	0.21	0.05	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	2.08	0.57	2.65	2.03	0.57	2.60
Fees not paid to auditors of financial statements						
Assurance engagement in relation to greenhouse gas disclosures	–	0.07	0.07	–	–	–
Other assurance services and other agreed-upon procedures engagements	–	0.08	0.08	–	0.04	0.04
Total fees not paid to auditors of financial statements	–	0.15	0.15	–	0.04	0.04
Total audit fees paid	2.08	0.72	2.80	2.03	0.61	2.64

5. Expenses *(continued)*

Other assurance fees not paid to auditors of financial statements include assurance in relation to CCHL's Sustainable Finance Report (EY), assurance on 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.

(b) Depreciation and amortisation

	Note	2026 $m	2025 $m
Depreciation of property, plant and equipment	9	173	165
Amortisation of intangibles	18	13	16
Depreciation of right of use assets	19	10	9
Total depreciation and amortisation		196	190

(c) Finance costs

	2026 $m	2025 $m
Interest on borrowing	93	76
Interest on loans from CCC	21	33
Interest expense on lease liabilities	4	3
less: Capitalised interest	(4)	(3)
Total finance costs	114	109

6. Other gains and losses

Other gains

	Note	2026 $m	2025 $m
Fair value gain on investment properties	10	42	24
Gain on disposal of property, plant and equipment		–	1
Share of post-tax profits of equity accounted joint venture		1	–
Ineffectiveness – fair value hedges		–	1
Total other gains		43	26

Other losses

	2026 $m	2025 $m
Loss on disposal of property, plant and equipment	1	–

7. 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.

	2026 $m	2025 $m
Current tax expense	58	57
Adjustments to current tax of prior years	–	(2)
Deferred tax expense/(income)	11	8
Adjustments to deferred tax of prior years	–	(2)
Total tax expense	69	61

Reconciliation of prima facie income tax

	2026 $m	2025 $m
Profit before tax	270	267
Tax at statutory rate of 28%	76	75
Tax effects of:		
Non-deductible expenses	3	–
Non-assessable income and deductible items	(6)	(2)
Other	(4)	(12)
Total tax expense	69	61

The tax rate used in the above reconciliation is the corporate tax rate of 28.00% (30 June 2025: 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 $221m (2025: $209m).

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 2026					
Deferred tax liabilities/(assets):					
Property, plant and equipment	546	7	42	–	595
Cash flow/fair value hedges	(2)	–	2	–	–
Intangible assets	7	1	–	–	8
Provision/employee entitlements	(10)	–	–	–	(10)
Tax gains/(losses)	(8)	(8)	–	9	(7)
Other	73	11	–	–	84
Net deferred tax liability	606	11	44	9	670

Other adjustments of $9m in the year relate to the tax effect of Parent tax losses utilised by the CCC Tax Group, recognised as a distribution from equity.

	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
Provision/employee entitlements	(11)	1	–	–	(10)
Tax gains/(losses)	(14)	(8)	–	14	(8)
Other	66	6	–	1	73
Net deferred tax liability	573	6	14	13	606

The tax effect of Parent tax losses utilised by the CCC Tax Group in the year to 30 June 2025 was $14m, recorded within other adjustments.

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.

8. Reconciliation of profit to net cash operating flows

	Note	2026 $m	2025 $m
Profit for the year		201	206
Add/(less) non-cash items			
Depreciation and amortisation		198	192
(Gains)/losses in fair value of investment property	10	(42)	(25)
Impairment and revaluation movements		7	(54)
Deferred tax charged/(credited) to income	7	11	5
Other		(3)	3
		171	121
Add/(less) items classified as investing or financing activities			
(Gain)/loss on disposal of non-current assets		1	(1)
Movement in capital creditors		7	(1)
Other		–	1
		8	(1)
Add/(less) movement in working capital items			
Debtors, inventory and other current assets		(36)	(9)
Non-current receivables, prepayments and other		–	4
Creditors		4	16
Current provisions and other liabilities		(4)	4
Current tax liabilities		(6)	9
Contract liabilities		6	(1)
Non-current provisions and other liabilities		–	(1)
		(36)	22
Net cash from operating activities		344	348

9. Property, plant and equipment

	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
30 June 2026										
Cost or valuation										
Balance at beginning of year	838	368	236	256	1,573	553	719	856	162	5,561
Additions	1	-	2	20	154	-	1	-	144	322
Disposals	(4)	-	(2)	(18)	(2)	-	-	-	-	(26)
Net revaluation movements, taken to reserves	22	-	6	-	6	-	(1)	-	4	37
Transfers	(4)	6	2	2	-	54	1	28	(91)	(2)
Balance at end of year	853	374	244	260	1,731	607	720	884	219	5,892
Accumulated depreciation and impairment										
Balance at beginning of year	(35)	-	(46)	(176)	(56)	-	(341)	(11)	-	(665)
Disposals	-	-	4	17	-	-	-	-	-	21
Revaluation movements, taken to asset revaluation reserve	(1)	-	-	-	114	-	(2)	26	-	137
Depreciation expense	-	(21)	(9)	(20)	(58)	(19)	(20)	(26)	-	(173)
Transfers and other	(1)	-	3	-	-	-	1	-	-	3
Balance at end of year	(37)	(21)	(48)	(179)	-	(19)	(362)	(11)	-	(677)
Carrying value at 30 June 2026	816	353	196	81	1,731	588	358	873	219	5,215

Carrying value by subsidiary

	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
30 June 2026										
CIAL	530	353	98	13	-	588	-	-	39	1,621
Enable	-	-	-	2	-	-	-	873	7	882
LPC	143	-	49	-	-	-	358	-	127	677
Orion	137	-	42	23	1,731	-	-	-	45	1,978
Other subsidiaries	6	-	7	43	-	-	-	-	1	57
Carrying value at 30 June 2026	816	353	196	81	1,731	588	358	873	219	5,215

9. Property, plant and equipment *(continued)*

	Land	Terminal buildings	Other buildings	Plant and equipment	Electricity distribution system	Airport infra-structure assets	Port Assets	Ultra-fast Broadband Network	Work in progress	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
30 June 2025										
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	–	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

	Land	Terminal buildings	Other buildings	Plant and equipment	Electricity distribution system	Airport infra-structure assets	Port Assets	Ultra-fast Broadband Network	Work in progress	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
30 June 2025										
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

9. Property, plant and equipment *(continued)*

Revalued assets at deemed cost

	2026 $m	2025 $m
For assets that are revalued		
If these revalued assets had been measured using the cost model, the net carrying amount would be:		
Freehold land	449	449
Terminal buildings	109	112
Other buildings	165	171
Electricity distribution system	1,399	1,293
Airport infrastructure assets	216	178
Port assets	416	438
Ultra-fast Broadband Network	568	562
Total	3,322	3,203

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 (2025: $132m).
- terminal buildings, being 35.4% of total floor area or $133m (2025: 35.5% of total floor area or $131m).
- other buildings associated with aeronautical activities $18m (2025: $19m).
- land associated with port activities $8.0m (2025: $8.0m).
- other buildings associated with port activities $0.1m (2025: $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 10), 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 23 'Areas of financial risk and fair value'.

9. Property, plant and equipment *(continued)*

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.

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.

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

There are no movements resulting from revaluations as at 30 June 2026.

	2026 $m	2025 $m
Terminal buildings	–	60
Sealed surfaces	–	61
Airport infrastructure assets	–	(46)
Total	–	75

The methods of valuation, key assumptions and sensitivities applied as at 30 June 2026 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.

9. Property, plant and equipment *(continued)*

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.

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 10).	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.

9. Property, plant and equipment *(continued)*

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 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.

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.

9. Property, plant and equipment *(continued)*

Enable's ultra-fast broadband network

Enable's ultra-fast broadband network is measured at fair value. The revaluation undertaken at 30 June 2026, based on a range provided by independent valuers Deloitte, resulted in a net increase of $26 million. (2025: increase of $20 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%	$17m	$17m	The higher the connections rate, the higher the fair value.
Average revenue per user +/- 1%	$17m	$17m	The higher the average revenue per user, the higher the fair value.
WACC +/- 0.5%	$76m	$108m	The higher the WACC, the lower the fair value.

LPC's property, plant and equipment

LPC's property, plant and equipment (excluding work in progress) 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 fair value assessment was performed as at 30 June 2026, and as a result of this assessment no change was made to the carrying value of property, plant and equipment. 2025: $79m increase.

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 WACC rate.

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

9. Property, plant and equipment *(continued)*

Key assumptions	Range of significant unobservable inputs 2026	2025
EBITDA margin – Revenue/expense Inflation	33%-38% 2%-5.0%	32%-36% 2%-5.0%
Container TEU growth rate – Container pricing Increases	1.6%-2.6% 2.1%-3%	2.4%-2.9% 2%-3%
Terminal growth rate	2%	2%
Risk adjusted discount rate	7.40%	7.24%
Estimated capital expenditure	$811m	$557m

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%	223,085	-197,299	The higher the container pricing, the higher the fair value.
WACC +/- 1%	165,588	-113,309	The higher the WACC, the lower the fair value.
Capital expenditure +/- 10%	114,936	-126,514	The higher the capital expenditure, the lower the fair value.
Container volumes +/- 1%	5,185	-11,257	The higher the container volumes, the higher the fair value.
Inflation +/- 0.5%	50,507	-48,060	The higher the inflation, the higher the fair value.

9. Property, plant and equipment *(continued)*

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. The revaluations undertaken in the year resulted in a net increase of $151m. (2025: nil).

Electricity distribution system

The electricity distribution system was revalued to fair value as at 31 March 2026, based on a valuation range provided by independent valuer Deloitte.

In the absence of an active market for the network, Deloitte calculated fair value using Level 3 unobservable inputs and a DCF methodology. Deloitte based its cash flow forecasts on the company'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 WACC for future regulatory control periods. Deloitte utilised forecasts consistent with the Commerce Commission's default price path framework, excluding additional opex, capex and revenue allowances which may arise from the company's customised price path application.

Deloitte's key valuation assumptions were that:

- For the nine years ending 31 March 2035, estimated network revenues follow the Commerce Commission's building blocks approach but exclude growth assumptions related to expansionary growth.
- For the forecast adjusted closing RAB as at 31 March 2035 is discounted to its net present value.
- For the four years ending 31 March 2030, network revenues achieve returns based on the regulatory parameters on regulatory investment value, adjusted for any known or estimated wash-up amounts carried forward from the earlier regulatory periods.
- The estimated DCF mid-point discount rate was 6.43% (nominal, post-tax). The discount rate is a matter of professional judgement. Deloitte used the ten-year NZ government bond rate as at the valuation date as the basis of risk-free rate. This was used in conjunction with a view of an appropriate post tax market risk premium. Deloitte 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%	$43m	$43m	The higher the capital expenditure, the lower the fair value.
Operating expenditure +/- 5%	$53m	$53m	The higher the operating expenditure, the lower the fair value.
Discount rate +/- 0.5%	$75m	$72m	The higher the discount rate, the lower the fair value.
Distribution revenue +/- 0.5%	$11m	$11m	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 were revalued to fair value as at 31 March 2026, 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 of 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 2,800 substation sites.
- Valuing Orion's head office land and building using a market rental assessment and a capitalisation rate of 6.25% 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.

9. Property, plant and equipment *(continued)*

Citycare, EcoCentral, and CAP

The net carrying value of the property, plant and equipment of these companies at 30 June 2026 comprised less than 2% (2025: 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.

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.

10. Investment property

	2026 $m	2025 $m
Parent	–	19
CIAL	938	852
Total	938	871
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	871	799
Additional capitalised expenditure	50	48
Distribution of property asset	(24)	-
Net gain/(loss) from fair value adjustments	42	24
Transfer (to)/from property, plant and equipment	(1)	-
Balance at end of financial year	**938**	**871**

Valuation of investment property – CIAL

The valuation of CIAL's investment property as at 30 June 2026 and 30 June 2025 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 6.60% (2025: 6.54%). Rental yield range 3.56% - 12.13% (2025: 0.84% - 11.53%).
- Average market capitalisation rate 6.54% (2025: 6.71%). Market capitalisation rate range 5.00% - 9.00% (2025: 4.19% - 11.05%).
- Weighted average lease term 5.96 years (2025: 5.43 years).

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

Asset type	2026 Rental range	2025 Rental range
Office	$160-$280/sqm	$190-$275/sqm
Warehouse	$100-$170/sqm	$100-$175/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	+$43.2 million -$39.1 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.

10. Investment property *(continued)*

Valuation of investment property – RBL

During the year, the assets of RBL, including its investment property, were amalgamated with its Parent, CCHL, with CCHL the resulting entity. Subsequently, in May 2026, the investment property was transferred from CCHL to CCC as an in specie distribution at its fair value of $24m (2025: $19m).

In 2026, the investment property was revalued by Colliers using a capitalised income and direct sales comparison method (2025: Bayleys using a capitalised income and direct sales comparison method).

The principal assumption used in establishing the valuation was:

- $ per sqm $875 (2025: $688).

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).

11. Cash and cash equivalents

	2026 $m	2025 $m
Cash balances and call deposits	34	77
Other short term investments	-	6
Total cash and cash equivalents	34	83
Cash and cash equivalents denominated in:		
New Zealand dollars	34	83

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 $5.8m (2025: $5.7m). $0.9m (2025: $1.2m) is related to retentions, which are held in accordance with Construction Contracts Act 2022. This cash is not available for business use. The remaining $4.9m (2025: $4.5m) 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.

12. Debtors and other receivables

	2026 $m	2025 $m
Current assets		
Trade receivables – contracted	148	122
Less: Allowance for expected credit losses – contracted	–	(1)
Net trade receivables – contracted	148	121
Other receivables	9	11
Total debtors and other receivables	**157**	**132**
Non-current assets		
Other receivables	**3**	**–**

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

Credit risk – aging of receivables

	2026 $m	2025 $m
Gross receivables		
Not past due	138	111
Past due 0-30 days	6	8
Past due 31-60 days	1	1
Past due more than 60 days	3	2
	148	122
Impairment		
Past due more than 60 days	–	(1)
Gross trade receivables	148	122
Individual impairment	–	(1)
Trade receivables (net)	148	121

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:

	2026 $m	2025 $m
Opening balance	1	1
Expected credit loss made during the year	–	–
Provisions reversed during the year	(1)	–
Closing balance	**–**	**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.

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.

13. Inventory

	2026 $m	2025 $m
Raw materials and maintenance items	34	33
Finished goods	1	1
Total inventory	**35**	**34**

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.

14. Contract assets and contract liabilities

	2026 $m	2025 $m
Contract assets	34	32
Contract liabilities	20	13
Revenue recognised in the period from:		
Amounts included in the contract liability at the beginning of the period	13	3
Performance obligations that are unsatisfied (or partially unsatisfied):		
Revenue to recognise during the following period	23	34

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.

15. Creditors and other payables

	2026 $m	2025 $m
Trade payables and accrued expenses	158	142
Retentions	1	1
GST payable	6	7
Deposits held	1	1
Interest payable	8	8
Other payables	–	1
Total creditors and other payables	174	160

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 25 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.

16. 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 $270m (2025: $578m) from CCHL (Parent) to subsidiaries, which are eliminated from the consolidated Group total. During the year, $294m of Group borrowing from CCHL was repaid and refinanced with external borrowing.

Group borrowings 2026	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	20	200	–	20	100	**340**	60
Non-current borrowings							
Unsecured	–	705	615	660	155	**2,135**	438
Total borrowings	20	905	615	680	255	**2,475**	498

Group maturity profile 2026	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	20	200	–	20	100	**340**	60
1-2 years	–	252	75	69	10	**406**	36
2-5 years	–	179	140	536	95	**950**	297
Over 5 years	–	274	400	55	50	**779**	105
Total borrowings	20	905	615	680	255	**2,475**	498

Carrying value by subsidiary 2026	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)	20	527	75	–	255	**877**	120
CIAL	–	378	–	257	–	**635**	76
Citycare	–	–	–	–	–	**–**	10
Enable	–	–	–	275	–	**275**	80
LPC	–	–	–	62	–	**62**	63
Orion	–	–	540	86	–	**626**	149
Total borrowings	20	905	615	680	255	**2,475**	498

16. Borrowings *(continued)*

Group borrowings 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 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 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

16. Borrowings *(continued)*

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 $900m (2025: $750m), 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, Enable and Orion, and overdraft facilities 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.

Changes in liabilities arising from financing activities

	Opening 1 July 2025 $m	Cash flows $m	Changes in fair value $m	New leases $m	Re-classification $m	Other $m	Closing 30 June 2026 $m
Current liabilities:							
Borrowings from external parties	128	(40)	–	–	152	–	240
Loans from CCC	180	(180)	–	–	100	–	100
Lease liabilities	8	(12)	3	–	10	–	9
Derivative liabilities	1	–	6	–	–	–	7
Non-current liabilities:							
Borrowings from external parties	1,660	475	(3)	–	(152)	–	1,980
Loans from CCC	424	(170)	–	–	(100)	1	155
Lease liabilities	82	(1)	(2)	10	(10)	1	80
Derivative liabilities	17	2	20	–	–	–	39
	2,500	**74**	**24**	**10**	**–**	**2**	**2,610**

	Opening 1 July 2024 $m	Cash flows $m	Changes in fair value $m	New leases $m	Re-classification $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)	2	4	-	-	8
Derivative liabilities	1	–	1	–	–	–	1
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)	2	10	-	-	82
Derivative liabilities	2	-	12	-	-	3	17
	2,431	22	29	14	1	3	2,500

17. Other financial assets and liabilities

	2026 $m	2025 $m
Current assets		
Term deposits	20	8
Interest rate swaps	6	1
Total current other financial assets	26	9
Non-current assets		
Other loans	14	13
Interest rate swaps	43	18
Total non-current other financial assets	57	31
Current liabilities		
Interest rate swaps	(7)	(1)
Total current other financial liabilities	(7)	(1)
Non-current liabilities		
Cross currency interest rate swaps	(1)	–
Interest rate swaps	(38)	(17)
Total non-current other financial liabilities	(39)	(17)

Refer to note 23 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 23). 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).

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).

18. 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 2024	89	4	28	91	212
Additions	–	–	–	22	22
Disposals	–	–	–	(23)	(23)
Transfers	–	–	–	4	4
Gross carrying amount at 30 June 2025	89	4	28	94	215
Additions	–	–	4	13	17
Disposals	–	–	–	(7)	(7)
Transfers	–	–	–	–	–
Gross carrying amount 30 June 2026	89	4	32	100	225
Accumulated balance at 1 July 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)
Amortisation expense	–	–	(2)	(11)	(13)
Impairment	(8)	–	–	–	(8)
Disposals	–	–	–	6	6
Accumulated balance at 30 June 2026	(50)	(1)	(19)	(56)	(126)
Carrying amount at 30 June 2025	47	3	11	43	104
Carrying amount at 30 June 2026	39	3	13	44	99

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.

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:

	2026 $m	2025 $m
Orion	2	2
Enable	1	1
Citycare	36	44
Total	39	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, $37m (2025: $45m) originates from subsidiary balance sheets, and $2m (2025: $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.

18. Goodwill and other intangible assets *(continued)*

Citycare goodwill

The Group balance of goodwill includes $36m from the CityCare CGU, relating to Spencer Henshaw and Apex Water Limited (Apex Water).

As at 30 June 2026, 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 forecast for Apex Water is 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.

Relating to the cash flow forecasts of Spencer Henshaw, given the uncertainty associated with the outcome of the upcoming retender process for large contracts, an outcome probability assumption was made to reflect Citycare management's assessment of contract renewal risk within the DCF model.

Other key assumptions used in the value in use calculations are:

Key assumptions	Spencer Henshaw	Apex Water
Pre tax discount rate	12.7%	12.6%
Terminal growth rate	2%	2%
Forecast period	5	5

Based on the assessment performed, it was determined that the goodwill for Spencer Henshaw Limited was impaired as at 30 June 2026, with the impairment loss of $8m recognised through profit and loss.

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.

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.

Notes to the financial statements *for the year ended 30 June 2026*

19. 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 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
Additions	1	10	1	1	13
Disposals	–	–	(1)	–	(1)
Cost at 30 June 2026	12	53	12	9	86
Accumulated depreciation at 1 July 2024	–	25	3	2	30
Depreciation	–	7	2	–	9
Disposals	–	–	(1)	–	(1)
Accumulated depreciation at 30 June 2025	–	27	3	–	30
Depreciation	–	7	3	–	10
Disposals	–	–	(1)	–	(1)
Accumulated depreciation at 30 June 2026	–	34	5	–	39
Carrying amount at 30 June 2025	11	16	9	8	44
Carrying amount at 30 June 2026	12	19	7	9	47
Lease term (range in years)		3-27	1-7	22-28	

(a) (ii) Lease liabilities

	2026 $m	2025 $m
Current liabilities		
Lease liability	9	8
Non-current liabilities		
Lease liability	80	82
Total lease liabilities	89	90

19. Lease assets and liabilities *(continued)*

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 (2025: between 1 and 29 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.

	2026 $m	2025 $m
Amounts recognised in the statement of comprehensive income		
Expense relating to short term leases	1	2
Cash outflows for leases:		
Interest on lease liabilities	4	3
Repayments of lease liabilities	4	4
Payments of short term leases	1	2
Total cash outflows for leases	9	9

At 30 June 2026 Orion had $0.2m commitment for short term leases (2025 $0.2m), and payment of low value leases by Orion was $0.3m (2025: $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.

	2026 $m	2025 $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	25	30
Total undiscounted receivable	45	50
Unearned finance income	(5)	(6)
Net investment in finance leases	40	44
Finance lease receivable included in the Statement of financial position		
Current	4	4
Non-current	36	40
Total finance lease receivable	40	44

Total lease receivables of $40m (2025: $44m) 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".

Notes to the financial statements *for the year ended 30 June 2026*

19. Lease assets and liabilities *(continued)*

(b) (ii) Operating leases

	2026 $m	2025 $m
Less than 1 year	71	73
Between 1 to 2 years	53	54
Between 2 to 3 years	43	39
Between 3 to 4 years	37	32
Between 4 to 5 years	31	26
Later than five years	166	147
Total operating leases	401	371

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.

20. Share capital and dividends

	2026 $m	2025 $m
Fully paid ordinary shares	94	94
Dividends declared on fully paid ordinary shares	65	55
Cents per share	135	114

During the year ended 30 June 2026, the Parent paid its full Statement of Intent (SOI) dividend target to CCC of $65m (2025: $55m).

CCHL has on issue:

- 48,090,528 (2025: 48,090,528) fully paid ordinary shares held by CCC, carrying one vote per share and the right to dividends.
- 1,500,139,000 (2025: 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 S&P Global Ratings (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.

21. Reserves

	2026 $m	2025 $m
Asset revaluation reserve	1,396	1,286
Hedging reserve	(4)	(5)
Total reserves	1,392	1,281

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 9.

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 23.

22. Other liabilities

	2026 $m	2025 $m
Current liabilities		
Employee entitlements	41	43
Deferred revenue	2	1
Income in advance	4	5
Other current liabilities	1	2
Total current other liabilities	48	51
Non-current liabilities		
Employee entitlements	4	4
Deferred revenue	–	1
Other non-current liabilities	1	–
Total non-current other liabilities	5	5
Total other liabilities	53	56

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.

23. 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 (2025: US$8m) to Christchurch Engine Centre (see note 17). 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 comingled 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 2026 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.

	Less than 1 year $m	1-2 years $m	2-5 years $m	More than 5 years $m	Carrying value $m
30 June 2026					
Cash and term deposits	54	–	–	–	54
Other loans and deposits	14	–	–	–	14
Borrowings (net of derivatives) and lease liabilities	(641)	(226)	(848)	(852)	(2,567)
Total	(573)	(226)	(848)	(852)	(2,499)
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)

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.

	2026 Profit/loss $m	2026 Equity $m	2025 Profit/loss $m	2025 Equity $m
100 basis point increase	(2)	17	(4)	30
100 basis point decrease	2	(17)	4	(30)

Notes to the financial statements *for the year ended 30 June 2026*

Credit risk

	Counterparty Credit rating	2026 $m	2025 $m
Cash and term deposits	AA, A	54	91
Debtors, contract assets and other receivables	Unrated	157	164
Loans and deposits	Lower than BBB or unrated	14	13
Derivative financial instrument assets	AA, A	49	19
Total		274	287

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 17.

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 2026						
Creditors and other payables	176	174	1	1	-	176
Net derivative financial instrument liabilities/(assets)	(3)	1	4	-	(1)	4
Borrowings from external parties	2,220	358	595	654	1,275	2,882
Loans from related parties	255	217	24	227	126	594
Lease liabilities	89	15	13	29	64	121
Total	2,737	765	637	911	1,464	3,777
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

23. Areas of financial risk and fair value *(continued)*

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

	Notional principal 2026 $m	Interest rate swaps 2026 $m	Cross currency interest rate swaps 2026 $m	Total 2026 $m	Notional principal 2025 $m	Interest rate swaps 2025 $m	Cross currency interest rate swaps 2025 $m	Total 2025 $m
Current assets								
Designated	45.0	–	–	–	258.0	0.7	–	0.7
	45.0	–	–	–	258.0	0.7	–	0.7
Non-current assets								
Designated	2,095.0	17.9	–	17.9	2,046.0	18.4	0.2	18.6
	2,095.0	17.9	–	17.9	2,046.0	18.4	0.2	18.6
Current liabilities								
Designated	100	0.3	–	0.3	95.0	0.8	–	0.8
	100	0.3	–	0.3	95.0	0.8	–	0.8
Non-current liabilities								
Designated	813	11.3	0.7	12.0	1,000.0	17.3	–	17.3
	813	11.3	0.7	12.0	1,000.0	17.3	–	17.3
Total	3,053.0	6.3	(0.7)	5.6	3,399.0	1.0	0.2	1.2

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	
	2026 %	2025 %	2026 $m	2025 $m	2026 $m	2025 $m
Floating for fixed contracts						
Less than 1 year	3.45%	3.27%	170	253	–	(1)
1 to 2 years	3.25%	2.43%	424	274	–	1
2 to 5 years	3.96%	3.36%	1,911	1,135	(2)	(2)
More than 5 years	3.28%	3.85%	460	1,235	1	(6)
			2,965	2,897	(1)	(8)
Fixed for floating contracts						
Less than 1 year	1.33%	–	60	–	–	–
1 to 2 years	2.17%	2.65%	130	60	2	–
2 to 5 years	4.30%	4.89%	175	255	4	8
More than 5 years	4.66%	4.23%	275	175	2	1
			640	490	8	9
Total			3,605	3,387	7	1

23. 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.

	2026 $m	2025 $m
Fair value hedges – Interest rate swaps		
Hedged items – Fixed rate borrowings:		
Carrying value	646	609
Cumulative fair value adjustment	6	9
Change in value used for calculating hedge ineffectiveness	(3)	9
Hedging instruments – Interest rate swaps:		
Nominal amount of the hedging asset/(liability)	(640)	(490)
Carrying value	1	9
Change in fair value for recognising hedge ineffectiveness	2	4
Fair value hedges – Cross currency interest rate swaps		
Hedged items – Fixed rate loan:		
Hedging instruments - Cross currency interest rate swaps:		
Nominal amount of the hedging asset/(liability)	14	13
Cash flow hedges		
Hedging items – Variable rate borrowings:		
Balance in hedge reserve (continuing hedges)	(5)	(10)
Hedging instruments – Interest rate swaps:		
Nominal amount of the hedging asset/(liability)	2,594	2,182
Carrying value of hedging instrument	(4)	(7)
Change in fair value for recognising hedge ineffectiveness	(4)	(37)
Current period hedging gains/(losses) recognised in other comprehensive income	5	(36)

There were no reclassifications of cash flow hedges during the year (2025: none)

Recognition in financial statements	Statement/Note reference
Statement of financial position:	
Hedging instrument asset	note 17 - Other financial assets
Hedging instrument liability	note 17 - 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 6: Net gains/losses
Changes in the carrying value of fair value hedged items	note 6: 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 6: Net gains/losses
Hedge ineffectiveness (losses)	note 6: 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.

23. 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 2026 $m	Quoted prices in active markets Level 1 $m	Significant observable inputs Level 2 $m	Significant unobservable inputs Level 3 $m	30 June 2025 $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	49	–	49	–	19	–	19	–
Derivative financial instrument liabilities	(46)	–	(46)	–	(18)	–	(18)	–
Total financial assets/(liabilities) at fair value	3	–	3	–	1	–	1	–
Financial assets/(liabilities) at amortised cost								
Cash and term deposits	54	–	–	–	91	–	–	–
Debtors and other receivables	157	–	–	–	132	–	–	–
Other loans and deposits	14	–	–	–	13	–	–	–
Creditors and other payables	(174)	–	–	–	(160)	–	–	–
Borrowings	(2,475)	–	–	–	(2,392)	–	–	–
Net financial assets/(liabilities) at amortised cost	(2,424)	–	–	–	(2,316)	–	–	–
Total financial assets and liabilities	(2,421)	–	3	–	(2,315)	–	1	–

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 9, 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).

	30 June 2026 $m	Quoted prices in active markets Level 1 $m	Significant observable inputs Level 2 $m	Significant unobservable inputs Level 3 $m	30 June 2025 $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	4,909	–	180	4,729	4,648	–	153	4,495
Investment property	938	–	–	938	871	–	–	871
Total	5,847	–	180	5,667	5,519	–	153	5,366

23. Areas of financial risk and fair value *(continued)*

Analysis of movements in Level 3 assets:

	30 June 2026 Total $m	Property, plant and equipment $m	Investment property $m	30 June 2025 Total $m	Restated Property, plant and equipment $m	Investment property $m
Opening carrying value	5,366	4,495	871	5,079	4,280	799
Additions	206	156	50	238	190	48
Disposals	(1)	(1)	–	(1)	(1)	–
Transfers	88	89	(1)	10	10	–
Fair value movements	183	141	42	186	162	24
Depreciation	(151)	(151)	–	(146)	(146)	–
Distribution of property asset	(24)	–	(24)	–	–	–
Closing carrying value	5,667	4,729	938	5,366	4,495	871

The above table has been restated to exclude work in progress not considered to be measured at fair value.

Fair value of liabilities

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

- $415m (2025: $365m) of debt held by CCHL is matched by interest rate swap agreements with notional amounts totalling $415m (2025: $365m) whereby CCHL receives an average fixed rate of interest of 3.74% (2025: 3.74%) 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 $2m (2025: $4m), resulting in a total carrying value of the fair valued hedged debt of $417m (2025: $369m).
- $225m (2025: $125m) of debt held by CIAL is matched by an interest rate swap agreement with a notional amount of $225m (2025: $125m) whereby CIAL receives a fixed rate of interest of 5.28% (2025: 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 $3m (2025: $5m), resulting in a total carrying value of the fair valued hedged debt of $228m (2025: $130m).

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.

23. 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.

24. Non-controlling interests in subsidiary companies

Set out below is summarised financial information for each subsidiary that has non-controlling interests. At 30 June 2026, Orion, CIAL and CAP are the subsidiaries not 100% owned by CCHL.

	30 June 2026					30 June 2025			
	Orion	CIAL	CAP	Consolidation adjustments	Total	Orion	CIAL	Consolidation adjustments	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m
Non-controlling interest (NCI)	10.725%	25.0%	45.27%			10.725 %	25.0%		
Revenue	427	273	5			368	245		
Net profit after tax	35	96	-			24	75		
Other comprehensive income (OCI)	121	(1)	-			(18)	43		
Total comprehensive income	156	95	-			6	118		
Profit allocated to NCI	**4**	**24**	**-**		**28**	**3**	**19**		**22**
OCI allocated to NCI	**13**	**-**	**-**		**13**	**(2)**	**11**		**9**
Current assets	76	26	-			70	25		
Non-current assets	2,022	2,587	10			1,768	2,482		
Current liabilities	73	102	1			95	87		
Non-current liabilities	1,043	850	5			887	805		
Net assets	982	1,661	4			857	1,614		
Carrying amount of NCI	**105**	**415**	**2**	**(6)**	**516**	**92**	**403**	**(5)**	**490**
Operating cash flows	119	105	-			83	106		
Investing cash flows	(168)	(121)	-			(128)	(78)		
Financing cash flows*	48	16	-			47	(29)		
* Includes dividends paid to NCI	(3)	(12)	-			(3)	(10)		

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.

25. 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

	2026 $m	2025 $m
Dividends paid/payable to CCC	65	55
Interest paid to CCC	21	33
Services provided to CCC	123	124
Services provided by CCC (including rent and rates)	24	23

(ii) Subvention payments

	Orion $m	CIAL $m	LPC $m	Enable $m	30 June 2026 Citycare $m
Subvention payments:					
Paid to:					
CCC	1	–	6	7	2

	Orion $m	CIAL $m	LPC $m	Enable $m	30 June 2026 Citycare $m
Subvention payments:					
Paid to:					
CCC	2	6	–	7	3

(iii) Other transaction

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

EcoCentral Ltd made payments of $29m in relation to the disposal of waste (2025: $27m), to Transwaste Canterbury Ltd, a company in which the ultimate shareholder, CCC, has a material shareholding.

Transactions to other CCC owned entities are:

- Purchases from ChristchurchNZ Holdings Limited of $0.00m (2025: $0.04m).

25. Related party disclosures *(continued)*

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 2026, borrowings are $255m (2025: $604m). During FY26 $349m was repaid by the Parent to CCC. Weighted average borrowing cost for the year pre hedging was 3.54% (2025: 3.97%).

	2026 $m	2025 $m
Borrowing maturity		
Short term 3 months	10	10
3 months-1 year	90	170
1-2 years	10	150
3-5 years	95	174
>5 years	50	100
Total	255	604

(ii) Other balances

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

	Owing by CCC		Owing to CCC	
	2026 $m	2025 $m	2026 $m	2025 $m
Orion	1	1	–	–
Citycare	11	9	–	–
EcoCentral	2	1	–	–
	14	11	–	–

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.

	2026 $m	2025 $m
Short-term employee benefits	1.0	1.0
Termination benefits	–	–
Total	1.0	1.0

Short-term employee benefits include payments to the Directors, CEO and Head of Finance for the year ending 30 June 2026.

26. Capital commitments

	2026 $m	2025 $m
Property, plant & equipment	41	56
Electricity distribution network	37	44
Investment property	9	–
Intangibles	12	37
Total	99	137

27. Contingent liabilities and assets

Quantifiable contingent liabilities – Performance Bonds	2026 $m	2025 $m
Citycare	39	14
Orion	1	2
Total	40	16

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 2026.

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 $12.6m below its MAR (2025: estimated $14.46m 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 (2025: recovered within 2026 delivery prices).

The Group had no other material or significant contingent assets as at 30 June 2026.

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.

28. Events after the reporting period

During FY26 LPC approved a port expansion and resilience project at Te Awaparahi Bay. A condition of LPC's approval was CCHL's approval of the major transaction. Post balance date, CCHL approved the major transaction and committed to an equity contribution to LPC of $300 million.

This item is a non-adjusting event and therefore not reflected in the Group financial statements.

No other matter or circumstance has arisen since 30 June 2026 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.

29. New and issued accounting standards

New accounting standards and interpretations

NZ IFRS 18 Presentation and Disclosure in Financial Statements was issued in May 2024 and is effective for accounting periods beginning on or after 1 January 2027 with early adoption permitted. The new standard aims to improve consistency and therefore comparability in the presentation of the profit and loss, cash flow statement and related notes. It also requires disclosure of management-defined performance targets and provides enhanced guidance on aggregation and disaggregation of financial information across the financial statements. The Group is currently assessing the full impact of this new standard on the presentation of its financial statements.

Standards issued by the International Accounting Standards Board but not yet issued by the External Reporting Board.

The International Accounting Standards Board (IASB) issued IFRS 20 Regulatory Assets and Regulatory Liabilities on 27 May 2026. IFRS 20 is effective for annual reporting periods beginning on or after 1 January 2029. The External Reporting Board (XRB) has not yet adopted this standard. If an equivalent standard is adopted by the XRB, the company will apply the standard when required to based on the mandatory effective dates determined by the XRB. The company has not yet assessed the impact of this standard on the financial statements.

Other new accounting standards and amendments have been issued that are not mandatory for the year ended 30 June 2026 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.

30. Statement of Performance

The SOI issued by CCHL last year in respect of the 2026 financial year included a set 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

30. Statement of Performance *(continued)*

Financial

The following table compares the actual financial results for the year ended 30 June 2026 with the financial targets contained within the SOI:

Group

Performance measure	Performance target	2026 result
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	$509m	$581m
Net Profit After Tax (NPAT)*	$131m	$201m
*Normalised Net Profit after Tax***		$208m
Return on capital	5.9%	6.9%
Return on equity	4.6%	6.6%
Debt to EBITDA (times)	5.0	4.3
Shareholders' funds/total assets	45.8%	46.9%

* Target NPAT excludes non-cash investment property revaluation gains/losses
** NPAT is normalised for non-cash after-tax impairment and revaluation movements relating to goodwill and property, plant and equipment assets.

Parent

Performance measure	Performance target	2026 result
Dividends	$65m	$65m
Interest cover EBIT/Interest (times)	2.5	3.1

Objective and performance measure	Performance target	2026 result
Effective monitoring and meaningful reporting	Assess portfolio performance by undertaking annual benchmarking and report this to the Board	**Achieved** Benchmarking was undertaken internally for the largest subsidiaries. A full portfolio benchmarking exercise is to be completed in FY27 once comparative company data is available for FY26
	Quarterly portfolio reporting to Council	**Achieved** Quarterly performance reporting has been provided to Council

30. Statement of Performance *(continued)*

Intellectual

Objective and performance measure	Performance target	2026 result
Development of diversity in leadership		
Successful delivery of Te Puna Manawa – CCHL Women's Leadership Development Programme	100% of participant recommend programme to others	**Achieved** The 17 participants of the FY26 programme would recommend Te Puna Manawa to others
Diverse, high performing boards across CCHL Group		
Robust appointment process, through strategic recruitment and succession planning of board directors	A 40/40/20 male/female/any ratio	**Achieved** Gender diversity at Board level is balanced with 54/46 male/female representation across the CCHL Group
	Directors' skill matrix reported and reviewed annually	**Achieved** Directors' skills matrices for all CCHL Group Boards are reviewed regularly and prior to recruitment
Development of future governance skills and expertise in Christchurch		
Through the CCHL Associate Director Programme	Associate Directors (7) appointed across the Group	**Achieved** Seven (7) associate directors were appointed across the CCHL Group and two (2) were appointed to other CCC owned entities

30. Statement of Performance *(continued)*

Social

Objective and performance measure	Performance target	2026 result
Continued improvement in health and safety		
Health and safety-focused organisational culture	Quarterly subsidiary near miss reporting to CCHL	**Achieved** 6/6 subsidiaries provided near miss reporting each quarter. The establishment of a Health and Safety Leadership Group reinforces CCHL's focus on Health and Safety and promotes collaboration across the Group
Clear process for each subsidiary for management and mitigation of organisational risk	Zero serious harm incidents across the Group	**Achieved** There were no serious harm incidents involving CCHL Group employees. *Results relate to direct employees only*
A strong license to operate		
To understand the issues most important to its stakeholders CCHL companies will deliberately engage with a wide range of stakeholders	CCHL and each subsidiary will hold a current stakeholder engagement plan	**Partially achieved** All subsidiaries undertake stakeholder management activities but not all completed a separate stakeholder engagement plan; 4/7 stakeholder engagement plans are finalised
	Materiality Matrix completed by subsidiaries and reported to CCHL	**Partially achieved** Not all subsidiaries have a current materiality matrix; 4/6 subsidiaries have provided a copy of their current materiality matrix to CCHL
Honour Te Tiriti o Waitangi and enhance partnerships with mana whenua	Deliver programme of work to enhance cultural understanding and competency of the CCHL Group	**Achieved** CCHL champions He Huanui Māori Pathways programme. It is designed to help embed Te Ao Māori, Tikanga Māori, Mātauranga Māori and the principles of Te Tiriti o Waitangi within the CCHL Group
Demonstrable progress on gender, diversity, and equity		
Progress towards gender diversity across all employees of 40/40/20 male/female/any ration	One percent more female across the CCHL Group on prior year	**Achieved** Female representation increased by 3.1% (2025 22.6% to 2026 25.7% female)
Reduce the Gender Pay Gap for the CCHL Group	Progress towards goal of at least 1% p.a. across the CCHL Group	**Achieved** Group Gender Pay Gap reduced by 2.3% (based on median total remuneration) (2025 14.4% to 2026 12.1%)
All CCHL subsidiaries publicly report their Gender Pay Gap and provide their action plan to close any gap	Subsidiaries publicly report their gender pay gap (6)	**Achieved** Subsidiaries have reported their gender pay gap in their FY26 Annual Reports
Strong employee engagement and culture		
Subsidiaries to undertake a regular (at least annual) staff engagement assessment	Subsidiary staff engagement outcomes reported to CCHL (6)	**Achieved** All subsidiaries measure staff engagement and have reported results to CCHL during the year

30. Statement of Performance *(continued)*

Natural

Objective and performance measure	Performance target	2026 result
Tangible climate action		
Robust measurement of scope 1, 2 and material scope 3 emissions across the Group	Scope 1 and 2 emissions reductions targets are set across CCHL align with Council's interim target	**Achieved** Further information on emissions reduction targets can be found in the CCHL Group Climate Statement 2025 and in the CCHL Group Climate Report 2026 which will be published by 30 October 2026
Risk assessment of scenarios to test the resilience of the current strategy	Climate report is published informed by consistent, accurate and timely data and subsidiary reporting	**Achieved** On track to publish the CCHL Group Climate Report 2026 by 30 October 2026
Ongoing investigation into alternative technologies, operating procedures, and asset upgrades	Each subsidiary (6) has an emissions reduction plan in accordance with the targets	**Achieved** Further information on emissions reduction targets can be found in the CCHL Group Climate Statement 2025 and in the CCHL Group Climate Report 2026 which will be published by 30 October 2026
Transparent reporting of social and environmental outcomes		
Monitor a range of performance data with UN Sustainable Development Goals	Evidence-based integrated report	**Partially achieved** CCHL quarterly portfolio reporting to Council shows alignment of performance targets to UNSDG
Align to UN Principles of Responsible Investment	Become a signatory to UNPRI	**Achieved** The PRI Directory can be viewed at www.unpri.org/supporters
Identify long term environmental enhancement opportunities		
Recognise environmental impacts, assets, indicators and mitigation/enhancement opportunities	Coordinated approach to nature and biodiversity outcomes making use of international frameworks	**Achieved** The CCHL Group reached a consensus on its approach to nature and biodiversity outcomes, guided by the Taskforce on Nature-related Financial Disclosures (TNFD) framework

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.

Under part 7A of the Financial Markets Conduct Act 2013 (FMCA) CCHL is a climate reporting entity. The Financial Markets Conduct Amendment Bill proposes to modify the climate related disclosures regime within the FMCA by raising the reporting threshold. The Bill is progressing through parliament. The Financial Market Authority (FMA) recognised the company would be impacted by the uncertain timeframe in which the amending legislation might be enacted and have issued a 'no action' relief. This means the FMA will not take action against the company for electing not to prepare a Climate Statement as at 30 June 2026 based on an expectation climate reporting obligations will cease once this legislation is passed.

The CCHL Climate Report for 2026 will be available when released at *https://www.cchl.co.nz/annual-reports*

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.

CIAL, LPC, Orion and Citycare have included the following performance measures in their FY26 Statement of Intent, which are considered material to the Group.

30. Statement of Performance *(continued)*

Subsidiary	Performance target	2026 result
CIAL	Maintain airport operational greenhouse gas emissions reduction of 90% or greater (scope 1 and 2 emissions)	Currently on-track to maintain GHG emissions reductions of >90%, while continuing to assess load shedding volumes (92% reduction achieved FY26). Noting FY28 will see this challenged with the transition of airfield lighting assets from Airways which may negatively impact on emissions reductions. In measuring our carbon footprint we have considered the principles and requirements of ISO 14064-1:2018 (Part 1), the GHG Protocol's Corporate Standard and Corporate Value Chain (Scope 3) Standard, as well as the requirements set out under the Airport Carbon Accreditation for Level 5 accreditation. The measure includes Scope 1 and 2: **Scope 1:** Direct GHG emissions that occur from sources owned and/or controlled by the airport, such as emissions from the combustion of fuels in owned/controlled generators and vehicles. **Scope 2:** Indirect emissions from the generation of purchased electricity consumed by the airport (using a market-based approach). Market based approach refers to the use of certified renewable energy certificates to address Scope 2 emissions. NZBCI verifies that the issuance and redemption of these certificates have been performed in accordance with the NZECS System Rules and relate specifically to electricity generated at Monowai Hydro Power Station. The consolidation approach used is operational control basis. This means that airfield and terminal facilities along with other company assets are included. Investment and hotel properties are excluded from scope 2 (and included in scope 3) when the tenant or operator has control of operating and environmental policies. Excluded from our CSR 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. The significant emissions in Scopes 1 and 2 are petrol, diesel and electricity purchased. There is a level of inherent uncertainty in reporting greenhouse gas emissions. This is due to a level of scientific uncertainty as well as estimation uncertainty involved in the measurement processes. Emissions inventory for petrol, diesel and electricity are captured from purchase information, with estimation required for some supply chain elements. The company generally apply the emissions factors included in the Measuring Emissions: A guide for organisations published by the Ministry for the Environment for the majority of its emissions, but particular factors have been obtained for Fire Training and De-icing, from Airport Council International (ACERT) and ICAO (CORSIA). Emissions factors are periodically revised by the MFE with changes to those factors occasionally being significant. The airport has not revised its 2015 baseline. If we had revised our baseline for updated emissions factors, this would not alter our decreasing trend in emissions since 2015.
LPC	Achieve science aligned target for scope 1 and scope 2 emissions reductions.	LPC's baseline year (FY18) 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 Toitu Envirocare Carbon Reduce Programme. LPC's Scope 1 and 2 market-based emissions for FY26 were 8,313 tCO_2e. This is an 18% reduction in Scope 1 and 2 emissions from FY18 to FY26. 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.

Notes to the financial statements *for the year ended 30 June 2026*

30. Statement of Performance *(continued)*

Subsidiary	Performance target	2026 result
Orion	Reducing the environmental impact of our operations. Group carbon emissions are below 2,400 tCO_2e	**Not Achieved** **Orion Group operational emissions tCO_2e** — FY26 Actual: Location 3,068; Market 2,945 — FY26 Target: Market 2,400 Emission sources included in our group operational emissions 2026 target and reported in this disclosure include Scope 1, Scope 2 (excluding emissions associated with electricity lost as it travels our network) and Scope 3 categories 3-6. This means our target does not cover, and this disclosure does not report, potentially significant emission sources that are measured by the group. These are Scope 2 emissions associated with electricity lost as it travels our network (2026: 11,285 tCO_2e, 2025: 13,813 tCO_2e) and Scope 3 emissions from categories 1 (purchased goods and services), 2 (capital goods),6 (accommodation), 7 (employee commuting), 8 (cloud-based storage), 9 (transportation of goods sold by Connetics), 10 (processing of sold goods), 11 (use of sold products), 12 (disposal of sold products) and 15 (investments). Additional information on our approach to management of greenhouse gas emissions generally and on emissions measured but not included in this group disclosure can be found on our website: oriongroup.co.nz/your-energy-future/sustainability-measurements. We have aligned with the measurement guidance included in the Greenhouse Gas Protocol and recommend reference to that document for more information on scope and category definitions. The majority of our emission factors are sourced from the latest publication of the Ministry for the Environment's (MfE) Measuring Emissions Catalogue 2026. We use Renewable Energy Certificates (RECs) for our Scope 2 electricity consumption. As a result, we report both location Scope 2 emissions, calculated from an MfE emission factor that reflects the standard national mix of electricity generation emissions and market Scope 2 emissions, calculated through the use of RECs that allow an assumption that all electricity used by the group is sourced from zero-emission renewable generation. We did not achieve our target in 2026, largely due to a discharge of sulphur hexafluoride and a significant purchase of bulk diesel (fuel emissions based on date of purchase rather than the date the fuel was utilised) in March 2026 to mitigate any uncertainty around access to fuel associated with the Middle East conflict.

30. Statement of Performance *(continued)*

Subsidiary	Performance target	2026 result
Citycare	Annual reduction of Company-wide GHG emissions from scope 1 and scope 2 sources normalised against annual turnover to reach 2030 goals	**Not Achieved**

	Restated 2022	Restated[1] 2025	Actual 2026
Scope 1 and 2 emissions (tCO_2e)	8,132	8,354	8,301
Emissions intensity[2] (tCO_2e/$M Revenue)	$15.53	$14.50	$14.68

[1] FY25 diesel emissions have been restated following the identification of an error in the application of diesel emission factors to fleet vehicles within Bravegen. This omission resulted in an understatement of 20tCO2e. Accordingly, FY25 comparative information has been corrected.

[2] In prior years emissions intensity was calculated using adjusted revenue (revenue less contractor, plus 10% margin). The metric has been recalculated using total revenue to align with the GHG Protocol-aligned reporting frameworks.

GHG Emissions

The group continues to measure and manage greenhouse gas (GHG) emissions across its operations.

The group applies the operational control consolidation approach to define its GHG reporting boundary, aligning with the wider CCHL Group reporting framework.

The group maintains an annual Scope 1 and 2 emissions intensity targets to measure the effectiveness of emissions reduction initiatives over time, independent of changes in business size. Emissions intensity is calculated as Scope 1 and 2 emissions (tCO_2e) per million dollars of gross revenue[1].

In FY26, Scope 1 and 2 emissions intensity increased slightly from 14.50 tCO_2e/$M revenue in FY25 to 14.68 tCO_2e/$M revenue, an increase of 1.2%.

The group remains committed to supporting the transition to a low-carbon economy and has adopted a target to reduce absolute Scope 1 and 2 emissions by 30% by 2030, relative to the FY22 baseline. This target reflects operational requirements, the expected pace of fleet electrification, and does not rely on carbon offsets.

As fleet fuel remains the group's largest emissions source, key initiatives focus on transitioning from internal combustion vehicles to lower-emission alternatives, fuel reduction initiatives, including elevating driver behaviour, and optimising vehicle size for operational needs.

In FY26, the Ministry for the Environment updated the purchased electricity emission factor for 2022, resulting in a material change to the factor previously applied. In accordance with the group's base year recalculation procedure, FY22 Scope 1 and 2 emissions were restated. The update reduced the FY22 baseline by 104 tCO_2e.

Scope 1 and 2 gross emissions increased by 2% (169 tCO_2e) compared with the FY22 baseline, primarily due to business growth across the Property, Water and Apex businesses, which contributed to higher fuel consumption. However, emissions intensity decreased by 5.5% over the same period, indicating that emissions growth was lower than revenue growth. This reflects improved operational efficiency and the positive impact of fleet optimisation, fuel reduction initiatives, and the transition to lower-emission vehicles and equipment.

The group also measures and reports material Scope 3 emissions in its annual climate summary, including purchased goods and services, well-to-tank fuel emissions, business travel, and operational waste.

Notes to the financial statements *for the year ended 30 June 2026*

30. Statement of Performance *(continued)*

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	2026 result
CIAL	Passenger numbers	**Domestic** 4,943,362 passengers	**Domestic** 5,093,243 passengers
		International 1,598,359 passengers	**International** 1,757,868 passengers
Enable	Operational	Total network availability > 99.97%	99.99%
Orion	Regulatory measures	Duration of supply interruptions in minutes per year per connected customer (SAIDI) Total minutes per customer target < 124.12	102.12
		Number of supply interruptions per year per connected customer (SAIFI) Total number of interruptions per customer < 1.1299	0.6741

Glossary and abbreviations

Throughout this Annual Report, a number of technical and accounting terms, abbreviations and performance measures have been used. The following is provided to assist readers in understanding these references.

CGU – Cash generating unit

CPI – Consumers price index

DCF – Discounted cash flow

EBITDA - Earnings before interest, tax, depreciation, amortisation, impairments and fair value movements relating to property, plant and equipment

EDB – Electricity distribution businesses

Group - Christchurch City Holdings Group – comprises Christchurch City Holdings (CCHL), and its subsidiaries, Christchurch International Airport Limited (CIAL), City Care Limited (Citycare), Enable Networks Limited (Enable), Lyttelton Port Company (LPC), Orion New Zealand Limited (Orion), EcoCentral Limited (EcoCentral), Christchurch Adventure Park (CAP)

Group debt – CCHL Parent debt (core debt plus on-lending to subsidiaries) plus subsidiary debt from external parties

Internal rate of return - Measure of investment performance that represents the annualised rate of return generated by an investment, taking into account the timing and amount of all cash inflows and outflows

Investment value - Independently valued investment value in subsidiary as at 30 June, adjusted for minority interests

MAR – Maximum allowable revenue

NCI – Non-controlling interest

Net debt – Group debt less cash and cash equivalents

NPAT – Net profit after tax

Normalised NPAT – NPAT adjusted for non-cash after tax accounting adjustments (i.e. impairments or revaluation movements relating to property, plant and equipment)

NZ IFRS – New Zealand equivalents to International Financial Reporting Standards

ODRC – Optimised depreciated replacement cost

OCI – Other comprehensive income

Parent – Christchurch City Holdings Limited

Portfolio value – CCHL's independently valued Net Assets as at 30 June, including adjustments to reflect non-wholly owned interests

RAB – Regulated asset base

SaaS – Software as a service

Shareholder return – CCHL's total return to its shareholder, which comprises CCHL total returns in the year as a percentage of its opening equity

Science Based Targets initiative (SBTi) – More information on this initiative can be found here : *Ambitious corporate climate action - Science Based Targets Initiative (sciencebasedtargets.org)*

SDG – Sustainable Development Goals. A set of 17 global goals that call on all countries to work together to end poverty, promote prosperity, improve social wellbeing, and protect the environment through sustainable economic and social development. CCHL's performance indicators are aligned with relevant SDGs on pages 109-111. More information can be found here: *un.org/sustainabledevelopment*.

TEU – Twenty-foot equivalent units

WACC – Weighted average cost of capital

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of Christchurch City Holdings Limited's Group consolidated financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of Christchurch City Holdings Limited (the Group). The Auditor-General has appointed me, Scott Tobin, using the staff and resources of The Audit Office, to carry out the audit of the consolidated financial statements and performance information on his behalf.

Opinion

We have audited:

- the consolidated financial statements of the Group, that comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and its consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements, including material accounting policy information on pages 51 to 107, and
- the performance information that consists of the statement of performance of the Group for the year ended 30 June 2026 on pages 107 to 115.

In our opinion:

- the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2026 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 IFRS Accounting Standards; and
- the performance information of the Group accurately reports, in all material respects, the Group's actual performance compared against the performance targets and other measures adopted for the year ended 30 June 2026, 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 performance information of the Group* section of our report. We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate 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 fulfilled our other ethical responsibilities in accordance with these requirements.

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 5(a)(i) on page 62, 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 performance information of the Group of the current period. These matters were addressed in the context of our audit of the consolidated financial statements and performance information 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 matter	How we addressed this matter
Fair value 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 $938 million as at 30 June 2026. The value of the portfolio continues to grow as available land is developed for further investment properties.	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*

Description of key audit matter	How we addressed this matter
Note 10 to the consolidated financial statements provides information on the valuation and the 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.	*Value Measurement* and evaluating their reasonableness. • Engaging a valuation expert to assist with critiquing and challenging the key assumptions used by the Group's valuers. • Testing a sample of key inputs used in the valuations to underlying records. • 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 for any significant or unusual changes in value. • Considering the adequacy of the disclosures made in note 10 to the consolidated financial statements. We found that the valuations adopted by the Group were reasonable, supportable and appropriately disclosed.
Valuation of investment in subsidiaries at fair value	
The Company's investment in subsidiaries of $4.882 billion is disclosed in note 2 to the consolidated financial statements. These investments are a major part of the parent segment total assets of $5.202 billion disclosed in the segment reporting note (note 3). 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 judgments in determining appropriate valuation	Our audit procedures included: • Assessing the valuers' expertise for the work and their objectivity. • Engaging an external valuation expert to assist us in reviewing the appropriateness of a valuation methodology, 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. • Assessing the sensitivity of the valuations to changes in assumptions.

Description of key audit matter	How we addressed this matter
approaches, and their sensitivity to changes in key assumptions.	• 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 Company were reasonable and supportable.

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 performance information consisting of the statement of performance of the Group, and our auditor's report thereon.

Our opinion on the consolidated financial statements and performance information 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 performance information 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 performance information 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.

Responsibilities of the Board of Directors for the consolidated financial statements and performance information 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 IFRS Accounting Standards. The Board of Directors is also responsible for the preparation of the performance information contained in 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 the preparation of consolidated financial statements and performance information of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and performance information 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 Act and the Financial Markets Conduct Act 2013.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and performance information 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 these consolidated financial statements and performance information 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 performance information 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 performance information 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 performance information of the Group, including the disclosures, and assess whether the performance information 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 its statement of intent.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information and performance information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements and performance information 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 performance information 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 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.

Scott Tobin
The Audit Office
On behalf of the Auditor-General
Christchurch, New Zealand
30 September 2026

Sustainable finance report

For the year ending 30 June 2026

Sustainability in focus

At CCHL, sustainability plays a role in decision making, to preserve and grow assets for the long-term benefit of the Ōtautahi Christchurch community.

The CCHL Group includes some of the region's largest and most significant companies, which are owned for the benefit of the people of Christchurch. As intergenerational guardians, CCHL's sustainability focus considers how these assets can make the largest long-term impact for the good of our community. This is measured 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 for the construction of Enable's ultra-fast fibre network.

The Framework was established in 2021 to support the refinancing of debt relating to CCHL's 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 2026

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	CCHL Shareholding (%)[1]	Asset Value, as at 30 June 2026 (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%	$776	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	$776m
Sustainability Bond (comprising maximum proposed value)	$150m
Surplus Eligible Assets	$626m
Eligible Asset Ratio:	5.2x

EY's Limited Assurance (dated September 2026) 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) 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 $776m (independent valuation by Deloitte as at 30 June 2026). CCHL has used the equity investment value of $776m 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

Eligible categories (GBP)	Eligible categories (SBP)	Target population (SBP)	SDG alignment
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 100% 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

Eligible categories (SBP)	Target population (SBP)	SDG alignment
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 CCC 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 contributes to the strength of the Canterbury community through targeted sponsorships and partnerships. During the year, Enable supported five community initiatives through its Enable People Sponsorship Programme and continued its support of organisations and events that bring together the region's business and technology communities, including Canterbury Tech, Business Canterbury and TUANZ. Enable also supported programmes that recognise and encourage emerging talent, including the GirlBoss Innovation Award and the TUANZ Future Leaders in Technology (FLINT) programme.

Shape the future with confidence

Independent Limited 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") attached 2026 Sustainable Finance Report (the "Report"), in all material respects, 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 2026.

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 is not, in all material respects, in compliance with the compliance requirements as at 30 June 2026.

Basis for conclusion

We conducted our engagement in accordance with Standard on Assurance Engagements SAE 3100 (Revised) *Compliance Engagements* issued by the New Zealand Auditing and Assurance Standards Board.

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 the CCHL Sustainable Finance Framework, Green Bond and Social Bond Principles June 2021, for the year ending 30 June 2026;

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 compliance requirements, as at 30 June 2026. 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 compliance requirements.

Shape the future with confidence

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the Entity, as appropriate, and observation and walk-throughs, and evaluates the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material non-compliance with the compliance requirements is likely to arise.

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; and
- Through discussion, enquiries, observation and walk-throughs, obtained an understanding of relevant compliance activities that are undertaken to meet the compliance requirements.

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 compliance requirements.

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 as at 30 June 2026 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') for the purpose of assisting in complying with the compliance requirements. 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 dated 14 May 2026, 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

Matthew Cowie
Partner – Assurance
Auckland
30 September 2026

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 2026:

Bryan Pearson (Chair)

Executive Director & Shareholder	Bryan Pearson [2020] Limited
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 (retired 14 October 2025)

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

Gill Cox

Director	Waimakariri Irrigation Limited Group
Director	Venues Ōtautahi Limited
Director	Motus Health Limited
Board Advisor	Connell Contractors Limited
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	SW Holdings Ltd
Director	Milford Sound Tourism Limited
Director	Confederation of Asian and Pacific Accountants Limited
Shareholder	Somerton Investment Holdings Limited
Independent Board member	Anderson Lloyd Partnership
Trustee	Project Crimson Trust

Bridget Giesen

Director	Puketeraki Limited
Employee	Ministry for Primary Industries (MPI)

Andrew Bascand

Director & Shareholder	Harbour Asset Management Limited
Director & Shareholder	BNZ Investment Services Limited (BNZ KiwiSaver Scheme)
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)

Michael Rondel (appointed 17 December 2025)

Independent Chair ARMC	Environment Canterbury
Partner/Director & Shareholder	BDO Christchurch Limited
Commissioner	Ko Taku Reo
Board Member (Chair)	Golf New Zealand Inc
Board Member	Canterbury Golf Inc
Trustee	International Track and Field Trust
Member (Deputy Chair)	Ara Council
Trustee	Comcare Trust

Sina Cotter Tait

Director & Shareholder	Collective Success Ltd
Director	Te Waihanga (The Infrastructure Commission)
Director	KiwiRail Holdings Limited
Director	Whitestone Contracting Limited
Director	Indemnity & General Insurance Company Limited
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	University of Canterbury Council
Member	Christ Church Cathedral Reinstatement Review Panel

Melanie Coker

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

Gender balance

The gender balance of CCHL's Directors and Officers as at 30 June 2026 is tabled below:

	Officers		Directors	
	June 2026	June 2025	June 2026	June 2025
Female	1 (50%)	1 (50%)	3 (43%)	3 (43%)
Male	1 (50%)	1 (50%)	4 (57%)	4 (57%)
Total	**2**	**2**[1]	**7**	**7**

[1] Prior year incorrectly reported as 3 [2F|1M]

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 2026:

	Board meetings	Audit and risk management committee meetings	Governance and appointments committee meetings	Impact Committee
Total meetings held	**10**	**5**	**3**	**4**
Bryan Pearson	10/10		3/3	2/2
Gill Cox	9/10	5/5	3/3	4/4
Bridget Giesen	9/10			4/4
Sam MacDonald (retired 14 October 2025)	2/10	2/2	1/1	
Andrew Bascand	10/10	5/5		
Melanie Coker	9/10		3/3	0/2
Sina Cotter Tait	9/10			4/4
Michael Rondel[2] (appointed 17 December 2025)	5/5	5/5		

CCHL has arranged directors' liability insurance for all directors, and indemnified all directors, 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 (2025: 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		Christchurch International Airport Ltd		Lyttelton Port Company Ltd		Enable Networks Ltd		Citycare Group	
J Crawford	$65,000	S Ottrey	$120,215	N Easy	$66,000	J Murray	$106,566	B Jamison	$61,336
J McDonald[3]	$117,000	P Reid	$64,000	V Doig	$60,000	D Blackett	$60,841	E Trout	$69,668
S Farrier	$61,000	K Morrison	$64,000	B Bragg	$105,000	K Horne	$67,206	J Colliar	$54,000
M Sang	$69,000	A Barlass	$64,000	K Jordan	$66,000	N Lammiman	$64,023	K Posa	$55,670
P Munro	$119,000	E Sims	$64,000	J Hughes	$60,000	G Lawrie	$64,022	T Nickels	$81,337
V Crawley	$59,000	M Matthews	$57,000	S Bolt	$60,000	P Hoogerwerf	$40,561	W Bayfield	$63,669
M Todd	$33,000			R Smith	$66,000			H Walton	$24,669
								T Gibson	–
								C Horn	–

EcoCentral Ltd		Christchurch Adventure Park		Christchurch City Holdings Ltd	
M Jordan	$77,250	P Houghton	$12,500	B Pearson	$110,000
B Reed	$13,000	J McVicar	$25,000	G Cox	$55,000
M Christensen	$44,000	D Hawkey	$25,000	B Giesen	$55,000
J Cheyne	$40,000	M Noone	$60,000	S Cotter Tait	$55,000
M Henderson	$7,000	C Serlath	$25,000	A Bascand	$55,000
G Hughes	$13,333	D Bull	$10,417	M Rondel[2]	$35,000
				M Coker	–
				S MacDonald	–

M Slater and T King were retired as Directors of RBL Property upon amalgamation with CCHL on 8 April 2026 with nil fees paid.

Acknowledgement of directors

The CCHL Board thanks the Directors of the Group's subsidiary companies for their support and commitment to the governance of the Group. It is acknowledged director fees, as set by CCHL, reflect a discount to recognise the 'public service' element to these governance roles.

Donations

CCHL made donations of $220,000 to The Mayor's Welfare Fund Charitable Trust for the year ended 30 June 2026 (30 June 2025: $220,000). The donations comprised payment in lieu of fees for CCHL Council Directors plus an additional amount so the total donations were equivalent to fees for four Directors, as agreed with the shareholder. Other donations of $600,000 (2025: $600,000) were made by subsidiaries.

Employee remuneration

The board determines the CEO's remuneration, after taking independent expert advice and considering relevant market data and reviews the CEO's remuneration annually. Matthew Slater's total remuneration as CEO in the 2026 financial year was $464,000. (2025: $451,000, noting Matthew Slater was appointed CEO from 1 November 2024 receiving compensation of $287,000 and Paul Silk acting CEO till 31 October 2024 receiving compensation of $164,000).

Details of remuneration ranges for employees:

Range ($000)	Group	Range ($000)	Group	Range ($000)	Group	Range ($000)	Group
100-110	257	210-220	18	310-320	6	440-450	2
110-120	266	220-230	21	320-330	5	450-460	4
120-130	232	230-240	8	330-340	5	460-470	2
130-140	201	240-250	12	340-350	1	510-520	1
140-150	143	250-260	8	360-370	3	610-620	1
150-160	119	260-270	9	380-390	2	750-760	1
160-170	84	270-280	5	390-400	3	880-890	1
170-180	64	280-290	8	400-410	2	900-910	1
180-190	40	290-300	11	410-420	2	910-920	1
190-200	34	300-310	1	420-430	4	1,060-1,070	1
200-210	22						
Total							**1,611**

[2] Independent Chair of Audit and risk management committee prior to appointment to the Board on 17 December then continued as Chair of Audit and risk management committee (not independent).

[3] Includes Connetics Limited Directorship.

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 Council Directors and six independent Directors.

All Council 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 to Council Organisations.

The Board generally meets on a six-weekly 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 (2025: three out of seven). The Executive team comprises one male and four females (2025: one male and two females).

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 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**

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 2026 (total Bonds on issue):

Range	Holders	Units	% Units
1 to 9,999	15	86,000	0.03
10,000 to 49,999	112	2,376,000	0.79
50,000 to 99,999	25	1,505,000	0.50
100,000 to 499,999	27	6,498,000	2.17
500,000 to 999,999	9	5,332,000	1.78
1,000,000 and over	26	284,203,000	94.73
Total	**214**	**300,000,000**	**100.00**

Total Bonds on issue

1	BNP PARIBAS NOMINEES (NZ) LIMITED	38,506,000	12.84
2	WESTPAC NEW ZEALAND LIMITED	33,700,000	11.23
3	ANZ BANK NEW ZEALAND LIMITED	25,556,000	8.52
4	CUSTODIAL SERVICES LIMITED	24,958,000	8.32
5	FNZ CUSTODIANS LIMITED	22,313,000	7.44
6	NZPT CUSTODIANS (GROSVENOR) LIMITED	19,885,000	6.63
7	TSB BANK LIMITED	17,400,000	5.80
8	FORSYTH BARR CUSTODIANS LIMITED	16,024,000	5.34
9	APEX CUSTODIAN NOMINEES (NZ) LIMITED	14,643,000	4.88
10	HSBC NOMINEES (NEW ZEALAND) LIMITED	12,450,000	4.15
11	CITIBANK NOMINEES (NEW ZEALAND) LIMITED	10,301,000	3.43
12	SOUTHLAND BUILDING SOCIETY	8,700,000	2.90
13	HSBC NOMINEES (NEW ZEALAND) LIMITED	8,655,000	2.89
14	JPMORGAN CHASE BANK NA NZ BRANCH-SEGREGATED CLIENTS ACCT	4,300,000	1.43
15	FORSYTH BARR CUSTODIANS LIMITED	4,153,000	1.38
16	FNZ CUSTODIANS LIMITED	3,110,000	1.04
17	INVESTMENT CUSTODIAL SERVICES LIMITED	3,083,000	1.03
18	CUSTODIAL SERVICES LIMITED	2,849,000	0.95
19	JBWERE (NZ) NOMINEES LIMITED	2,557,000	0.85
20	FORSYTH BARR CUSTODIANS LIMITED	2,498,000	0.83
Total Top 20 Holders of Bonds		**275,641,000**	**91.88**
Total Remaining Holders Balance		**24,359,000**	**8.12**

Directory

Registered Office

Level 1, 151 Cambridge Terrace
Christchurch Central
Christchurch 8013

Directors

B M C Pearson
W G Cox
B A Giesen
A Bascand
M Coker
S Cotter Tait
M Rondel (appointed Dec 2025)

Management (Officers)

M Slater – Chief Executive Officer
P Davis – Head of Finance

Bankers

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

Auditor

The Audit Office
on behalf of the Auditor-General
Christchurch

Supervisor

Public Trust
Level 16, 151 Queens Street
Auckland 1010

0800 371 471
info@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
info@cchl.co.nz
cchl.co.nz

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

+64 3 328 8198
lpc.co.nz

Enable Networks Limited
Level 3, 93 Cambridge Terrace
Christchurch 8013

PO Box 9228, Tower Junction
Christchurch 8149

+64 3 363 2962
support@enable.net.nz
enable.net.nz

City Care Limited
818 Wairakei Road
Christchurch Airport
Christchurch 8053

PO Box 7669, Sydenham
Christchurch 8240

+64 3 941 7200
citycare.co.nz

EcoCentral Limited
Level 1, Baigent Way
Middleton, Christchurch 8024

PO Box 6320, Upper Riccarton
Christchurch 8442

+64 3 336 0080
admin@ecocentral.co.nz
ecocentral.co.nz

Christchurch
City Holdings
Limited

Christchurch City Holdings Ltd

Level 1, 151 Cambridge Terrace,
PO Box 1151,
Christchurch 8140,
Aotearoa New Zealand