

**CDL Investments New Zealand Limited and its Subsidiary**  
**Condensed Interim Statement of Comprehensive Income**  
**For the half year ended 30 June 2023 (unaudited)**

|  |      | <u>Group</u>                         |                                      |
|--|------|--------------------------------------|--------------------------------------|
| <i>In thousands of dollars</i>                         | Note | Unaudited<br>6 months to<br>30/06/23 | Unaudited<br>6 months to<br>30/06/22 |
| Property sales   |      | 10,626                               | 47,603                               |
| Rental income from investment properties               |      | 1,219                                | 84                                   |
| <b>Revenue</b>   |      | <b>11,845</b>                        | <b>47,687</b>                        |
| Cost of sales  |      | (4,372)                              | (14,050)                             |
| <b>Gross profit</b>                                    |      | <b>7,473</b>                         | <b>33,637</b>                        |
| Other income   |      | 123                                  | 127                                  |
| Administrative expenses                                |      | (742)                                | (275)                                |
| Property expenses                                      |      | (222)                                | (257)                                |
| Selling expenses                                       |      | (294)                                | (1,089)                              |
| Other expenses   |      | (1,067)                              | (849)                                |
| <b>Results from operating activities</b>               |      | <b>5,271</b>                         | <b>31,294</b>                        |
| Finance income   |      | 1,713                                | 513                                  |
| Finance costs  |      | (6)                                  | (2)                                  |
| <b>Net finance income</b>                              |      | <b>1,707</b>                         | <b>511</b>                           |
| <b>Profit before income tax</b>                        |      | <b>6,978</b>                         | <b>31,805</b>                        |
| Income tax expense                                     |      | (1,954)                              | (8,906)                              |
| <b>Profit for the period</b>                           |      | <b>5,024</b>                         | <b>22,899</b>                        |
| <b>Total comprehensive income for the period</b>       |      | <b>5,024</b>                         | <b>22,899</b>                        |
| <b>Profit attributable to:</b>                         |      |                                      |                                      |
| Equity holders of the parent                           |      | 5,024                                | 22,899                               |
| <b>Total comprehensive income for the period</b>       |      | <b>5,024</b>                         | <b>22,899</b>                        |
| Basic and Diluted Earnings per share (cents per share) | 3    | 1.73                                 | 7.94                                 |

The accompanying notes form part of, and should be read in conjunction with these financial statements.

**CDL Investments New Zealand Limited and its Subsidiary**  
**Condensed Interim Statement of Changes in Equity**  
**For the half year ended 30 June 2023 (unaudited)**

| <i>In thousands of dollars</i>                   |      |                            | <u>Group</u>                      |                           |
|--|------|----------------------------|-----------------------------------|---------------------------|
|  | Note | Unaudited<br>Share Capital | Unaudited<br>Retained<br>Earnings | Unaudited<br>Total Equity |
| Balance at 1 January 2022                        |      | 64,454                     | 221,926                           | 286,380                   |
| <b>Total comprehensive income for the period</b> |      |                            |                                   |                           |
| Profit for the period                            |      | -                          | 22,899                            | 22,899                    |
| <b>Total comprehensive income for the period</b> |      | -                          | <b>22,899</b>                     | <b>22,899</b>             |
| <b>Transactions with owners of the Company</b>   |      |                            |                                   |                           |
| Shares issued under dividend reinvestment plan   | 2    | 1,375                      | -                                 | 1,375                     |
| Dividend to shareholders                         | 2    | -                          | (10,063)                          | (10,063)                  |
| Supplementary dividend                           |      | -                          | (204)                             | (204)                     |
| Foreign investment tax credits                   |      | -                          | 204                               | 204                       |
| <b>Balance at 30 June 2022</b>                   |      | <b>65,829</b>              | <b>234,762</b>                    | <b>300,591</b>            |
| Balance at 1 January 2023                        |      | 65,829                     | 243,052                           | 308,881                   |
| <b>Total comprehensive income for the period</b> |      |                            |                                   |                           |
| Profit for the period                            |      | -                          | 5,024                             | 5,024                     |
| <b>Total comprehensive income for the period</b> |      | -                          | <b>5,024</b>                      | <b>5,024</b>              |
| <b>Transactions with owners of the Company</b>   |      |                            |                                   |                           |
| Shares issued under dividend reinvestment plan   | 2    | 1,489                      | -                                 | 1,489                     |
| Dividend to shareholders                         | 2    | -                          | (10,108)                          | (10,108)                  |
| Supplementary dividend                           |      | -                          | (211)                             | (211)                     |
| Foreign investment tax credits                   |      | -                          | 211                               | 211                       |
| <b>Balance at 30 June 2023</b>                   |      | <b>67,318</b>              | <b>237,968</b>                    | <b>305,286</b>            |

The accompanying notes form part of, and should be read in conjunction with these financial statements.

**CDL Investments New Zealand Limited and its Subsidiary**  
**Condensed Interim Statement of Financial Position**  
**For the half year ended 30 June 2023 (unaudited)**

| <i>In thousands of dollars</i>       | Note | Group                          |                              |                                |
|--------------------------------------|------|--------------------------------|------------------------------|--------------------------------|
|                                      |      | Unaudited<br>as at<br>30/06/23 | Audited<br>as at<br>31/12/22 | Unaudited<br>as at<br>30/06/22 |
| <b>SHAREHOLDERS' EQUITY</b>          |      |                                |                              |                                |
| Issued capital                       |      | 67,318                         | 65,829                       | 65,829                         |
| Retained earnings                    |      | 237,968                        | 243,052                      | 234,762                        |
| <b>Total Equity</b>                  |      | <b>305,286</b>                 | <b>308,881</b>               | <b>300,591</b>                 |
| <i>Represented by:</i>               |      |                                |                              |                                |
| <b>NON CURRENT ASSETS</b>            |      |                                |                              |                                |
| Property, plant and equipment        |      | 87                             | 98                           | 36                             |
| Development property                 |      | 182,336                        | 186,728                      | 188,361                        |
| Investment property                  |      | 36,156                         | 36,381                       | 33,084                         |
| Investment in associate              | 7    | 2                              | 2                            | 2                              |
| <b>Total Non Current Assets</b>      |      | <b>218,581</b>                 | <b>223,209</b>               | <b>221,483</b>                 |
| <b>CURRENT ASSETS</b>                |      |                                |                              |                                |
| Cash and cash equivalents            |      | 45,022                         | 31,667                       | 15,076                         |
| Short term deposits                  |      | 20,075                         | 40,075                       | 60,000                         |
| Trade and other receivables          |      | 3,638                          | 2,327                        | 1,483                          |
| Income tax receivable                |      | 372                            | -                            | -                              |
| Development property                 |      | 18,860                         | 16,420                       | 8,706                          |
| <b>Total Current Assets</b>          |      | <b>87,967</b>                  | <b>90,489</b>                | <b>85,265</b>                  |
| <b>Total Assets</b>                  |      | <b>306,548</b>                 | <b>313,698</b>               | <b>306,748</b>                 |
| <b>NON CURRENT LIABILITIES</b>       |      |                                |                              |                                |
| Deferred tax liabilities             |      | 339                            | 153                          | 74                             |
| Lease liability                      |      | 45                             | 58                           | 15                             |
| <b>Total Non Current liabilities</b> |      | <b>384</b>                     | <b>211</b>                   | <b>89</b>                      |
| <b>CURRENT LIABILITIES</b>           |      |                                |                              |                                |
| Trade and other payables             |      | 723                            | 1,340                        | 1,698                          |
| Employee entitlements                |      | 127                            | 118                          | 83                             |
| Income tax payable                   |      | -                              | 3,122                        | 4,278                          |
| Lease liability                      |      | 28                             | 26                           | 9                              |
| <b>Total Current Liabilities</b>     |      | <b>878</b>                     | <b>4,606</b>                 | <b>6,068</b>                   |
| <b>Total Liabilities</b>             |      | <b>1,262</b>                   | <b>4,817</b>                 | <b>6,157</b>                   |
| <b>Net Assets</b>                    |      | <b>305,286</b>                 | <b>308,881</b>               | <b>300,591</b>                 |

The accompanying notes form part of, and should be read in conjunction with these financial statements.

**CDL Investments New Zealand Limited and its Subsidiary**  
**Condensed Interim Statement of Cash Flows**  
**For the half year ended 30 June 2023 (unaudited)**

| <i>In thousands of dollars</i>                       | Note | Group                                |                                      |
|--|------|--------------------------------------|--------------------------------------|
|  |      | Unaudited<br>6 months to<br>30/06/23 | Unaudited<br>6 months to<br>30/06/22 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>          |      |                                      |                                      |
| <b>Cash was provided from:</b>                       |      |                                      |                                      |
| Receipts from customers                              |      | 10,408                               | 51,949                               |
| Interest received                                    |      | 1,962                                | 374                                  |
| <b>Cash was applied to:</b>                          |      |                                      |                                      |
| Payment to suppliers                                 |      | (4,250)                              | (13,587)                             |
| Payment to employees                                 |      | (575)                                | (359)                                |
| Purchase of development land                         |      | -                                    | (19,380)                             |
| Income tax paid                                      |      | (5,050)                              | (8,195)                              |
| Net Cash Inflow from Operating Activities            |      | <b>2,495</b>                         | <b>10,802</b>                        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>          |      |                                      |                                      |
| <b>Cash was provided from:</b>                       |      |                                      |                                      |
| Short term deposits                                  |      | 40,075                               | 30,000                               |
| <b>Cash was applied to:</b>                          |      |                                      |                                      |
| Development of investment property                   |      | (286)                                | (9,851)                              |
| Purchase of plant and equipment                      |      | (6)                                  | -                                    |
| Short term deposits                                  |      | (20,075)                             | (60,000)                             |
| Net Cash Inflow/(Outflow) from Investing Activities  |      | <b>19,708</b>                        | <b>(39,851)</b>                      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>          |      |                                      |                                      |
| <b>Cash was applied to:</b>                          |      |                                      |                                      |
| Dividend paid  |      | (8,619)                              | (8,688)                              |
| Principal repayment of lease liability               |      | (18)                                 | (8)                                  |
| Supplementary dividend paid                          |      | (211)                                | (204)                                |
| Net Cash Outflow from Financing Activities           |      | <b>(8,848)</b>                       | <b>(8,900)</b>                       |
| Net Increase/(Decrease) in Cash and Cash Equivalents |      | 13,355                               | (37,949)                             |
| Add Opening Cash and Cash Equivalents                |      | 31,667                               | 53,025                               |
| <b>Closing Cash and Cash Equivalents</b>             |      | <b>45,022</b>                        | <b>15,076</b>                        |

The accompanying notes form part of, and should be read in conjunction with these financial statements.

**CDL Investments New Zealand Limited and its Subsidiary**  
**Condensed Interim Statement of Cash Flows - continued**  
**For the half year ended 30 June 2023 (unaudited)**

| <i>In thousands of dollars</i>   | <b>Note</b> | <b>Group</b> | <b>Unaudited<br/>6 months to<br/>30/06/23</b> | <b>Unaudited<br/>6 months to<br/>30/06/22</b> |
|--|-------------|--------------|---|---|
| <b>RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS<br/>FROM OPERATING ACTIVITIES</b> |             |              |   |   |
| Net Profit after Taxation  |             |              | 5,024   | 22,899  |
| <b>Adjusted for non cash items:</b>  |             |              |   |   |
| Depreciation of investment property  |             |              | 511   | 99  |
| Depreciation of plant & equipment  |             |              | 3   | 1   |
| Depreciation of right-of-use assets  |             |              | 14  | 7   |
| Income tax expense   |             |              | 1,954   | 8,906   |
| <b>Adjustments for movements in working capital:</b>                                       |             |              |   |   |
| (Increase)/Decrease in receivables   |             |              | (1,311)                                       | 3,996   |
| (Increase)/Decrease in development property  |             |              | 1,952   | (11,326)                                      |
| Decrease in payables   |             |              | (602)   | (5,585)                                       |
| <b>Cash generated from operating activities</b>  |             |              | <b>7,545</b>                                  | <b>18,997</b>                                 |
| Income tax paid  |             |              | (5,050)                                       | (8,195)                                       |
| <b>Cash Inflow from Operating Activities</b>   |             |              | <b>2,495</b>                                  | <b>10,802</b>                                 |

The accompanying notes form part of, and should be read in conjunction with these financial statements.

# **CDL Investments New Zealand Limited and its Subsidiary**

## **Notes to the Condensed Interim Financial Statements**

### **For the half year ended 30 June 2023 (unaudited)**

#### **1. Significant Accounting Policies**

##### **Reporting Entity**

CDL Investments New Zealand Limited (the “Company”) is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The Company is a FMC Reporting Entity in terms of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

The condensed interim financial statements of the Company as at and for the half year ended 30 June 2023 comprises the Company and its subsidiary (together referred to as the “Group”).

The principal activities of the Group are the development and sale of residential land properties and rental income from the ownership of development properties and investment properties comprising commercial warehousing and retail shops.

##### **(a) Statement of compliance**

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

The accounting policies applied by the Group in these condensed financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2022.

The condensed interim financial statements were authorised for issuance on 8 August 2023.

#### **2. Capital & Reserves**

##### **Share Capital**

Under the Company’s Dividend Reinvestment Plan, an additional 1,977,136 shares were issued on 12 May 2023 (2022: 1,294,674) at a strike price of \$0.7530 (2022: \$1.0624).

At 30 June 2023, the authorised share capital consisted of 290,784,833 fully paid ordinary shares (2022: 288,807,697).

##### **Dividends**

The following dividends were declared and paid during the period ending 30 June:

*In thousands of dollars*

3.5 cents per qualifying ordinary share (2022: 3.5 cents)

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | 10,108        | 10,063        |
|  | <b>10,108</b> | <b>10,063</b> |

#### **3. Earnings Per Share**

The calculation of basic and diluted earnings per share at 30 June 2023 of 1.73 cents (2022: 7.94 cents) was based on the profit attributable to ordinary shareholders of \$5,024,000 (2022: \$22,899,000); and weighted average number of shares of 290,125,788 (2022: 288,376,139) on issue in the period.

**CDL Investments New Zealand Limited and its Subsidiary**  
**Notes to the Condensed Interim Financial Statements**  
**For the half year ended 30 June 2023 (unaudited)**

**4. Segment Reporting**

**Operating segments**

The operating segments of the Group consists of property operations, comprising the development and sale of residential land sections and rental income from development properties and investment properties.

The Group has determined that its chief operating decision maker is the Board of Directors on the basis that it is this group which determines the allocation of resources to segments and assesses their performance.

An operating segment is a distinguishable component of the Group:

- that is engaged in business activities from which it earns revenues and incurs expenses,
- whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions on resource allocation to the segment and assess its performance, and
- for which discrete financial information is available.

**Operating segments**

*In thousands of dollars*

|   | Residential land development |                      | Investment property  |                      | Group                |                      |
|---|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 6 months to 30/06/23         | 6 months to 30/06/22 | 6 months to 30/06/23 | 6 months to 30/06/22 | 6 months to 30/06/23 | 6 months to 30/06/22 |
| External revenue                                      | 10,749                       | 47,730               | 1,219                | 84                   | 11,968               | 47,814               |
| Earnings before interest, depreciation & amortisation | 4,600                        | 31,414               | 1,199                | (13)                 | 5,799                | 31,401               |
| Finance income  | 1,713                        | 513                  | -                    | -                    | 1,713                | 513                  |
| Finance expense                                       | (6)                          | (2)                  | -                    | -                    | (6)                  | (2)                  |
| Depreciation and amortisation                         | (3)                          | (1)                  | (511)                | (99)                 | (514)                | (100)                |
| Depreciation of Right-of-use assets                   | (14)                         | (7)                  | -                    | -                    | (14)                 | (7)                  |
| Profit before income tax                              | 6,290                        | 31,917               | 688                  | (112)                | 6,978                | 31,805               |
| Income tax expense                                    | (1,761)                      | (8,937)              | (193)                | 31                   | (1,954)              | (8,906)              |
| Profit after income tax                               | 4,529                        | 22,980               | 495                  | (81)                 | 5,024                | 22,899               |
| Cash & cash equivalents and short term bank deposits  | 65,097                       | 75,076               | -                    | -                    | 65,097               | 75,076               |
| Tax receivable  | 372                          | -                    | -                    | -                    | 372                  | -                    |
| Other segment assets                                  | 204,921                      | 198,586              | 36,156               | 33,084               | 241,007              | 231,670              |
| Investment in associates                              | 2                            | 2                    | -                    | -                    | 2                    | 2                    |
| Total assets  | 270,392                      | 273,664              | 36,156               | 33,084               | 306,548              | 306,748              |
| Segment liabilities                                   | (923)                        | (1,805)              | -                    | -                    | (923)                | (1,805)              |
| Tax liabilities                                       | (339)                        | (4,352)              | -                    | -                    | (339)                | (4,352)              |
| Total liabilities                                     | (1,262)                      | (6,157)              | -                    | -                    | (1,262)              | (6,157)              |
| Plant and equipment expenditure                       | 6                            | -                    | -                    | -                    | 6                    | -                    |
| Investment property expenditure                       | -                            | -                    | 286                  | 9,851                | 286                  | 9,851                |
| Residential land development expenditure              | 2,420                        | 5,996                | -                    | -                    | 2,420                | 5,996                |
| Purchase of land for residential land development     | -                            | 19,380               | -                    | -                    | -                    | 19,380               |

**Geographical segments**

Segment revenue is based on the geographical location of the segment assets. All segment revenues are derived in New Zealand.

Segment assets are based on the geographical location of the development property. All segment assets are located in New Zealand. The Group has no major customer representing greater than 10% of the Group's total revenues.

**CDL Investments New Zealand Limited and its Subsidiary**  
**Notes to the Condensed Interim Financial Statements**  
**For the half year ended 30 June 2023 (unaudited)**

**5. Material Events Subsequent to the end of the Interim Period**

Subsequent to the six month period ended 30 June 2023, the Group settled the purchase of a parcel of land in Hamilton for approximately \$4.0 million. The capital committed is included in Note 8.

**6. Changes in Contingent Liabilities since last Annual Balance Sheet Date**

The Group was named as respondents in a High Court judicial review proceeding which was brought by the Applicant, Winton Property Investments Limited, in relation to a recent decision relating to the Group's acquisition of land in Havelock North which was advised to the market on 21 July 2021 and which has settled. The Applicant sought, inter alia, an order setting aside the decision of the Overseas Investment Office in respect of the approval and/or a declaration that Ministers erred at law in making their decision to grant consent. The matter was heard in the High Court in February 2022 and a decision against the Applicant was handed down in March 2022. Winton has appealed to the Court of Appeal and the appeal hearing was held in May 2023. A decision has yet to be handed down by the Court of Appeal. The Group still considers the likelihood of the Applicant being successful as low. It is not possible to determine what the financial effect would be, if any, should the appeal be successful.

**7. Related Party Transactions**

CDL Investments New Zealand Limited is a subsidiary of Millennium & Copthorne Hotels New Zealand Limited by virtue of Millennium & Copthorne Hotels New Zealand Limited owning 65.54% (2022: 65.99%) of the Company and having two out of six of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 70.79% (2022: 70.79%) owned by CDL Hotels Holdings New Zealand Limited (computed on voting shares), which is a wholly owned subsidiary of Millennium & Copthorne Hotels Ltd in the United Kingdom. The ultimate holding company is Hong Leong Investment Holdings Pte Ltd in Singapore.

During the six month period ending 30 June 2023 CDL Investments New Zealand Limited has reimbursed its parent, Millennium & Copthorne Hotels New Zealand Limited, \$205,000 (2022: \$180,000) for shared office expenses incurred by the parent on behalf of the Group and reimbursed its parent for its portion of insurance premiums of \$28,000 (2022:\$28,000).

| Subsidiary                   | Principal Activity                  | % Holding by<br>CDL Investments New Zealand Limited | Balance Date |
|------------------------------|-------------------------------------|---|--------------|
| CDL Land New Zealand Limited | Property Investment and Development | 100.00  | 31 December  |

| Associate             | Principal Activity | % Holding by<br>CDL Land New Zealand Limited | Balance Date |
|-----------------------|--------------------|--|--------------|
| Prestons Road Limited | Service Provider   | 33.33  | 31 March     |

**8. Commitments**

As at 30 June 2023, the Group had entered into contractual commitments for development expenditure, construction of investment properties, and purchases of land. Contractual agreements for the purchase of land are subject to a satisfactory outcome of the Group's due diligence process, board approval, and OIO approval. Development expenditure represents amounts contracted and forecast to be incurred in the remainder of 2023 in accordance with the Group's development programme.

*In thousands of dollars*

Development expenditure  
 Land purchases  
 Capital expenditure on investment properties

| 2023          | 2022          |
|---------------|---------------|
| 21,471        | 15,451        |
| 20,407        | -             |
| 60            | 3,100         |
| <b>41,938</b> | <b>18,551</b> |