

CDL Investments New Zealand Limited and its Subsidiary
Condensed Interim Statement of Comprehensive Income
For the half year ended 30 June 2024 (unaudited)

<i>In thousands of dollars</i>	Note	Group	
		Unaudited 6 months to 30/06/24	Unaudited 6 months to 30/06/23
Property sales		15,202	10,626
Rental income		1,412	1,342
Revenue		16,614	11,968
Cost of sales		(6,292)	(4,372)
Gross profit		10,322	7,596
Administrative expenses		(536)	(742)
Property expenses		(341)	(222)
Selling expenses		(392)	(294)
Other expenses		(1,191)	(1,067)
Results from operating activities		7,862	5,271
Finance income		1,350	1,713
Finance costs		(5)	(6)
Net finance income		1,345	1,707
Profit before income tax		9,207	6,978
Income tax expense	5	(6,465)	(1,954)
Profit for the period		2,742	5,024
Total comprehensive income for the period		2,742	5,024
Profit attributable to:			
Equity holders of the parent		2,742	5,024
Total comprehensive income for the period		2,742	5,024
Basic and Diluted Earnings per share (cents per share)	3	0.94	1.73

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 2024 (unaudited)

		<u>Group</u>		
<i>In thousands of dollars</i>	Note	Unaudited Share Capital	Unaudited Retained Earnings	Unaudited Total Equity
Balance at 1 January 2023		65,829	243,052	308,881
Total comprehensive income for the period				
Profit for the period		-	5,024	5,024
Total comprehensive income for the period		-	5,024	5,024
Transactions with owners of the Company				
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
Balance at 30 June 2023		67,318	237,968	305,286
Balance at 1 January 2024		67,318	246,407	313,725
Total comprehensive income for the period				
Profit for the period		-	2,742	2,742
Total comprehensive income for the period		-	2,742	2,742
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	2	723	-	723
Dividend to shareholders	2	-	(10,177)	(10,177)
Supplementary dividend		-	(221)	(221)
Foreign investment tax credits		-	221	221
Balance at 30 June 2024		68,041	238,972	307,013

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 2024 (unaudited)

<i>In thousands of dollars</i>	Note	Group	
		Unaudited as at 30/06/24	Audited as at 31/12/23
SHAREHOLDERS' EQUITY			
Issued capital		68,041	67,318
Retained earnings		238,972	246,407
Total equity		307,013	313,725
<i>Represented by:</i>			
NON CURRENT ASSETS			
Property, plant and equipment		90	114
Development property		223,458	203,034
Investment property		35,646	35,834
Investment in associate	7	2	2
Total non current assets		259,196	238,984
CURRENT ASSETS			
Cash and cash equivalents		10,703	2,159
Short term deposits		25,150	50,000
Trade and other receivables		6,945	6,578
Income tax receivable		206	-
Development property		11,261	21,507
Total current assets		54,265	80,244
Total assets		313,461	319,228
NON CURRENT LIABILITIES			
Deferred tax liabilities		4,299	284
Lease liability		41	57
Total non current liabilities		4,340	341
CURRENT LIABILITIES			
Trade and other payables		1,920	3,820
Employee entitlements		153	138
Income tax payable		-	1,165
Lease liability		35	39
Total current liabilities		2,108	5,162
Total liabilities		6,448	5,503
Net assets		307,013	313,725

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 2024 (unaudited)

<i>In thousands of dollars</i>	Note	Group	
		Unaudited 6 months to 30/06/24	Unaudited 6 months to 30/06/23
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		16,095	10,408
Interest received		1,502	1,962
Cash was applied to:			
Payment to suppliers		(13,194)	(4,250)
Payment to employees		(703)	(575)
Purchase of development land		(6,620)	-
Income tax paid		(3,600)	(5,050)
Net cash (outflow)/inflow from operating activities		(6,520)	2,495
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Short term deposits		50,000	40,075
Cash was applied to:			
Development of investment property		(87)	(286)
Purchase of plant and equipment		-	(6)
Short term deposits		(25,150)	(20,075)
Net cash outflow from investing activities		24,763	19,708
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was applied to:			
Dividend paid	2	(9,454)	(8,619)
Principal repayment of lease liability		(24)	(18)
Supplementary dividend paid		(221)	(211)
Net cash outflow from financing activities		(9,699)	(8,848)
Net increase in cash and cash equivalents		8,544	13,355
Add opening cash and cash equivalents		2,159	31,667
Closing cash and cash equivalents		10,703	45,022

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 2024 (unaudited)

<i>In thousands of dollars</i>	Note	<u>Group</u> Unaudited 6 months to 30/06/24	Unaudited 6 months to 30/06/23
RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit after Taxation		2,742	5,024
Adjusted for non cash items:			
Depreciation of investment property		275	511
Depreciation of plant & equipment		4	3
Depreciation of right-of-use assets		20	14
Income tax expense		6,465	1,954
Adjustments for movements in working capital:			
Increase in receivables		(367)	(1,311)
(Increase)/Decrease in development property		(10,178)	1,952
Decrease in payables		(1,881)	(602)
Cash (consumed)/generated from operating activities		<u>(2,920)</u>	<u>7,545</u>
Income tax paid		(3,600)	(5,050)
Cash (outflow)/inflow from operating activities		<u>(6,520)</u>	<u>2,495</u>

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 2024 (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 2024 comprises the Company and its subsidiary (together referred to as the "Group"). The registered office is located at Level 7, 23 Customs Street East, Auckland, New Zealand.

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 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 2023.

The condensed interim financial statements were authorised for issuance on 7 August 2024.

2. Capital & Reserves

Share Capital

Under the Company's Dividend Reinvestment Plan, an additional 1,038,719 shares were issued on 17 May 2024 (2023: 1,977,136) at a strike price of \$0.6961 (2023: \$0.7530).

At 30 June 2024, the authorised share capital consisted of 291,823,552 fully paid ordinary shares (2023: 290,784,833).

Dividends

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

In thousands of dollars

Cash - 3.5 cents per qualifying ordinary share (2023: 3.5 cents)

Dividend reinvestment plan - 3.5 cents per qualifying ordinary share (2023: 3.5 cents)

2024	2023
9,454	8,619
723	1,489
10,177	10,108

3. Earnings Per Share

The calculation of basic and diluted earnings per share at 30 June 2024 of 0.94 cents (2023: 1.73 cents) was based on the profit attributable to ordinary shareholders of \$2,742,000 (2023: \$5,024,000); and weighted average number of shares of 291,477,312 (2023: 290,125,788) 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 2024 (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.

	Residential land development		Investment property		Group	
	6 months to 30/06/24	6 months to 30/06/23	6 months to 30/06/24	6 months to 30/06/23	6 months to 30/06/24	6 months to 30/06/23
<i>In thousands of dollars</i>						
External revenue	15,310	10,749	1,304	1,219	16,614	11,968
Earnings before interest, depreciation, amortisation & tax	6,866	4,600	1,295	1,199	8,161	5,799
Finance income	1,350	1,713	-	-	1,350	1,713
Finance expense	(5)	(6)	-	-	(5)	(6)
Depreciation and amortisation	(4)	(3)	(275)	(511)	(279)	(514)
Depreciation of Right-of-use assets	(20)	(14)	-	-	(20)	(14)
Profit before income tax	8,187	6,290	1,020	688	9,207	6,978
Income tax expense	(2,265)	(1,761)	(4,200)	(193)	(6,465)	(1,954)
Profit after income tax	5,922	4,529	(3,180)	495	2,742	5,024
Plant and equipment expenditure	-	6	-	-	-	6
Investment property expenditure	-	-	87	286	87	286
Residential land development expenditure	11,626	2,420	-	-	11,626	2,420
Purchase of land for residential land development	6,620	-	-	-	6,620	-
<i>In thousands of dollars</i>						
Cash & cash equivalents and short term bank deposits	35,853	52,159	-	-	35,853	52,159
Investment in associates	2	2	-	-	2	2
Tax receivable	206	-	-	-	206	-
Other segment assets	241,754	231,233	35,646	35,834	277,400	267,067
Total assets	277,815	283,394	35,646	35,834	313,461	319,228
Segment liabilities	(2,149)	(4,054)	-	-	(2,149)	(4,054)
Tax liabilities	(4,299)	(1,449)	-	-	(4,299)	(1,449)
Total liabilities	(6,448)	(5,503)	-	-	(6,448)	(5,503)

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 2024 (unaudited)

5. Income Tax Expense

Recognised in the statement of comprehensive income

In thousands of dollars

Current tax expense

Current year
Under/(over) provided for prior years

Deferred tax expense

Origination and reversal of temporary differences
Changes in treatment of building depreciation

Total income tax expense in the statement of comprehensive income

Group	
6 months to 30/06/24	6 months to 30/06/23
2,476	1,768
(26)	-
2,450	1,768
102	186
3,913	-
4,015	186
6,465	1,954

Reconciliation of effective tax rate

In thousands of dollars

Profit before income tax
Income tax using the company tax rate of 28% (2023: 28%)
Changes in treatment of building depreciation
Under/(over) provided for prior years

Effective tax rate

Group	
6 months to 30/06/24	6 months to 30/06/23
9,207	6,978
2,578	1,954
3,913	-
(26)	-
6,465	1,954
70%	28%

Impact of change in tax depreciation

Before 2010, all components of commercial buildings were depreciable for tax purposes. On 28 March 2024, the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) legislation was enacted, encompassing a range of changes to tax legislation including the removal of the tax deduction for depreciation on building core of commercial buildings.

As a result of the change in legislation, income tax expense and deferred tax liability has increased by \$3.9m for the six months ended 30 June 2024.

6. Commitments

As at 30 June 2024, the Group had entered into contractual commitments for development expenditure and unconditional purchases of land. Development expenditure represents amounts contracted and forecast to be incurred in the remainder of 2024 in accordance with the Group's development programme.

In thousands of dollars

Capital expenditure on investment properties
Development expenditure
Land purchases

As at 30/06/24	As at 30/06/23
11	60
10,542	21,471
17,100	20,407
27,653	41,938

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Condensed Interim Financial Statements

For the half year ended 30 June 2024 (unaudited)

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 65.31% (2023: 65.54%) of the Company and having one out of four of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 70.79% (2023: 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 2024 CDL Investments New Zealand Limited has reimbursed its parent, Millennium & Copthorne Hotels New Zealand Limited, \$214,000 (2023: \$205,000) for shared office expenses incurred by the parent on behalf of the Group and reimbursed its parent for its portion of insurance premiums of \$20,000 (2023:\$28,000).

Subsidiary	Principal Activity	% Holding by 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 CDL Land New Zealand Limited	Balance Date
Prestons Road Limited	Service Provider	33.33	31 March