

CDL Investments New Zealand Limited and its Subsidiary

Condensed Interim Statement of Comprehensive Income

For the half year ended 30 June 2021

In thousands of dollars	Note	Unaudited 6 Months to 30/06/21	Unaudited 6 Months to 30/06/20
Revenue		61,181	40,883
Cost of sales		(30,162)	(20,004)
Gross profit		31,019	20,879
Other income		90	72
Administrative expenses		(187)	(146)
Property expenses		(133)	(177)
Selling expenses		(1,517)	(1,180)
Other expenses		(770)	(866)
Results from operating activities		28,502	18,582
Finance income		324	504
Finance costs		(2)	(1)
Net finance income		322	503
Profit before income tax		28,824	19,085
Income tax expense		(8,071)	(5,344)
Profit for the period		20,753	13,741
Total comprehensive income for the period		20,753	13,741
Profit Attributable to:			
Equity holders of the Parent		20,753	13,741
Total comprehensive income for the period		20,753	13,741
Earnings per share	3	7.28c	4.91c
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 2021

In thousands of dollars	Note	Unaudited Share Capital	GROUP Unaudited Retained Earnings	Unaudited Total Equity
Balance at 1 January 2020		55,374	180,136	235,510
Total comprehensive income for the period				
Profit for the period		-	13,741	13,741
Total comprehensive income for the period		-	13,741	13,741
Shares issued under dividend reinvestment plan	2	1,280	-	1,280
Dividend to shareholders	2	-	(9,758)	(9,758)
Supplementary dividend		-	(286)	(286)
Foreign investment tax credits		-	286	286
Balance at 30 June 2020		56,654	184,119	240,773
Balance at 1 January 2021		56,654	200,477	257,131
Total comprehensive income for the period				
Profit for the period		-	20,753	20,753
Total comprehensive income for the period		-	20,753	20,753
Shares issued under dividend reinvestment plan	2	7,800	-	7,800
Dividend to shareholders	2	-	(9,815)	(9,815)
Supplementary dividend		-	(194)	(194)
Foreign investment tax credits		-	194	194
Balance at 30 June 2021		64,454	211,415	275,869

CDL Investments New Zealand Limited and its Subsidiary

Condensed Interim Statement of Financial Position

As at 30 June 2021

In thousands of dollars	Note	Unaudited as at 30/06/21	Audited as at 31/12/20	Unaudited as at 30/06/20
SHAREHOLDERS' EQUITY				
Issued capital		64,454	56,654	56,654
Retained earnings		211,415	200,477	184,119
Total Equity		275,869	257,131	240,773
<i>Represented by:</i>				
NON CURRENT ASSETS				
Plant, furniture and equipment		51	23	32
Development property		115,865	119,096	137,251
Investment property		8,401	3,325	-
Investment in associate	17	2	2	2
Total Non Current Assets		124,319	122,446	137,285
CURRENT ASSETS				
Cash and cash equivalents		90,950	10,111	18,850
Short term deposits		41,500	86,620	48,500
Trade and other receivables		3,384	3,486	2,139
Development property		24,550	42,342	37,265
Total Current Assets		160,384	142,559	106,754
Total Assets		284,703	265,005	244,039
NON CURRENT LIABILITIES				
Deferred tax liabilities		59	59	63
Lease Liability		22	3	6
Total Non Current Liabilities		81	62	69
CURRENT LIABILITIES				
Trade and other payables		4,933	3,932	1,692
Employee entitlements		59	52	46
Income tax payable		3,748	3,821	1,448
Lease Liability		13	7	11
Total Current Liabilities		8,753	7,812	3,197
Total Liabilities		8,834	7,874	3,266
Net Assets		275,869	257,131	240,773

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 2021

In thousands of dollars	Note	Unaudited 6 Months to	
		30/06/21	30/06/20
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		61,207	42,895
Interest received		490	357
Cash was applied to:			
Payments to suppliers		(10,399)	(13,206)
Payments to employees		(308)	(282)
Income tax paid		(7,950)	(7,691)
Net Cash Inflow from Operating Activities		43,040	22,073
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Short Term Deposit Maturities		86,620	19,620
Cash was applied to:			
Purchase of plant and equipment		(3)	(6)
Purchase of investment property		(5,101)	-
Short term deposits		(41,500)	(48,500)
Net Cash Inflow/(Outflow) From Investing Activities		40,016	(28,886)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was applied to:			
Dividend paid		(2,015)	(8,478)
Principal repayment of lease liability		(8)	(8)
Supplementary dividend paid		(194)	(286)
Net Cash Outflow from Financing Activities		(2,217)	(8,772)
Net Increase/(Decrease) in Cash and Cash Equivalents		80,839	(15,585)
Add Opening Cash and Cash Equivalents		10,111	34,435
Closing Cash and Cash Equivalents		90,950	18,850

CDL Investments New Zealand Limited and its Subsidiary
Condensed Interim Statement of Cash Flows - continued

For the half year ended 30 June 2021

In thousands of dollars	Note	Unaudited 6 Months to	
		30/06/21	30/06/20
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit after taxation		20,753	13,741
Adjusted for non cash items:			
Depreciation of plant & equipment		1	1
Depreciation of right-of-use assets		7	6
Depreciation of investment property		25	-
Income tax expense		8,071	5,344
Adjustments for movements in working capital:			
Decrease in receivables		102	1,793
Decrease in development properties		21,023	8,163
Increase in payables		1,008	716
Cash generated from Operations		50,990	29,764
Income tax paid		(7,950)	(7,691)
Cash Inflows from Operating Activities		43,040	22,073

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 2021 (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 2021 comprises the Company and its subsidiary (together referred to as the "Group").

The principal activity of the Group is the development and sale of residential land properties.

(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 2020.

The condensed interim financial statements were authorised for issuance on 2 August 2021.

2. **Capital & Reserves**

Share Capital

Under the Company's Dividend Reinvestment Plan, an additional 7,077,888 shares were issued on 14 May 2021 (2020: 1,629,555) at a strike price of \$1.1020 (2020: \$0.7854).

At 30 June 2021, the authorised share capital consisted of 287,513,023 fully paid ordinary shares (2020: 280,435,135).

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 (2020: 3.5 cents)

	2021	2020
	9,815	9,758
	9,815	9,758

3. **Earnings Per Share**

The calculation of basic and diluted earnings per share at 30 June 2021 of 7.28 cents (2020: 4.91 cents) was based on the profit attributable to ordinary shareholders of \$20,753,000 (2020: \$13,741,000); and weighted average number of shares of 285,153,727 (2020: 279,891,950) on issue in the period.

4. **Segment Reporting**

Operating segments

The major operating segment of the Group consists of property operations, comprising the development and sale of residential land sections. The revenue from investment property for the current period is only \$16,000 and therefore is not significant enough to justify a separate segmental disclosure.

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.

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 2021 (unaudited)

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

There were no material events subsequent to the end of the six month period ended 30 June 2021 (2020: Nil) that would require disclosure.

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

There were no changes in contingent liabilities and contingent assets that would require disclosure for the six month period ended 30 June 2021 (2020: Nil). There were no contingent liabilities or contingent assets as at 30 June 2021 (2020: Nil).

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 66.29% (2020: 65.87%) of the Company and having three out of six of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 70.79% (2020: 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 2021 CDL Investments New Zealand Limited has reimbursed its parent, Millennium & Copthorne Hotels New Zealand Limited, \$161,000 (2020: \$161,000) for expenses incurred by the parent on behalf of the Group.

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

8. Commitments

As at 30 June 2021, 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 2021 in accordance with the Group's development programme.

In thousands of dollars

Development expenditure

Land purchases

Capital expenditure on investment properties

	2021	2020
Development expenditure	12,888	19,160
Land purchases	56,258	1,272
Capital expenditure on investment properties	24,675	-
	93,821	20,432

9. Subsequent Event

Subsequent to balance date, the Group settled the acquisition of 69.4 hectares of land at Havelock North.