

## CDL Investments New Zealand Limited and its Subsidiary Condensed Interim Statement of Comprehensive Income

For the half year ended 30 June 2022

In thousands of dollars	Note	Unaudited 6 Months to 30/06/22	Unaudited 6 Months to 30/06/21
Revenue		47,603	61,181
Cost of sales		(14,050)	(30,162)
<b>Gross profit</b>		<b>33,553</b>	<b>31,019</b>
Other income		211	90
Administrative expenses		(275)	(187)
Property expenses		(257)	(133)
Selling expenses		(1,089)	(1,517)
Other expenses		(849)	(770)
<b>Results from operating activities</b>		<b>31,294</b>	<b>28,502</b>
Finance income		513	324
Finance costs		(2)	(2)
<b>Net finance income</b>		<b>511</b>	<b>322</b>
<b>Profit before income tax</b>		<b>31,805</b>	<b>28,824</b>
Income tax expense		(8,906)	(8,071)
<b>Profit for the period</b>		<b>22,899</b>	<b>20,753</b>
<b>Total comprehensive income for the period</b>		<b>22,899</b>	<b>20,753</b>
<b>Profit Attributable to:</b>			
Equity holders of the Parent		22,899	20,753
<b>Total comprehensive income for the period</b>		<b>22,899</b>	<b>20,753</b>
Earnings per share	3	7.94c	7.28c
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 2022

In thousands of dollars	Note	Unaudited Share Capital	GROUP Unaudited Retained Earnings	Unaudited Total Equity
Balance at 1 January 2021		56,654	200,477	257,131
<b>Total comprehensive income for the period</b>				
Profit for the period		-	20,753	20,753
<b>Total comprehensive income for the period</b>		-	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
<b>Balance at 30 June 2021</b>		<b>64,454</b>	<b>211,415</b>	<b>275,869</b>
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>		-	22,899	22,899
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>

# CDL Investments New Zealand Limited and its Subsidiary

## Condensed Interim Statement of Financial Position

As at 30 June 2022

In thousands of dollars	Note	Unaudited as at 30/06/22	Audited as at 31/12/21	Unaudited as at 30/06/21
<b>SHAREHOLDERS' EQUITY</b>				
Issued capital		65,829	64,454	64,454
Retained earnings		234,762	221,926	211,415
<b>Total Equity</b>		<b>300,591</b>	<b>286,380</b>	<b>275,869</b>
<i>Represented by:</i>				
<b>NON CURRENT ASSETS</b>				
Plant, furniture and equipment		36	43	51
Development property		188,361	164,589	115,865
Investment property		33,084	23,332	8,401
Investment in associate	17	2	2	2
<b>Total Non Current Assets</b>		<b>221,483</b>	<b>187,966</b>	<b>124,319</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		15,076	53,025	90,950
Short term deposits		60,000	30,000	41,500
Trade and other receivables		1,483	5,479	3,384
Development property		8,706	21,152	24,550
<b>Total Current Assets</b>		<b>85,265</b>	<b>109,656</b>	<b>160,384</b>
<b>Total Assets</b>		<b>306,748</b>	<b>297,622</b>	<b>284,703</b>
<b>NON CURRENT LIABILITIES</b>				
Deferred tax liabilities		74	74	59
Lease liabilities		15	18	22
<b>Total Non Current Liabilities</b>		<b>89</b>	<b>92</b>	<b>81</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		1,698	7,297	4,933
Employee entitlements		83	71	59
Income tax payable		4,278	3,771	3,748
Lease liabilities		9	11	13
<b>Total Current Liabilities</b>		<b>6,068</b>	<b>11,150</b>	<b>8,753</b>
<b>Total Liabilities</b>		<b>6,157</b>	<b>11,242</b>	<b>8,834</b>
<b>Net Assets</b>		<b>300,591</b>	<b>286,380</b>	<b>275,869</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 2022

In thousands of dollars	Note	Unaudited 6 Months to	
		30/06/22	30/06/21
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Receipts from customers		51,949	61,207
Interest received		374	490
<b>Cash was applied to:</b>			
Payments to suppliers		(13,587)	(10,399)
Payments to employees		(359)	(308)
Purchase of development land		(19,380)	-
Income tax paid		(8,195)	(7,950)
<b>Net Cash Inflow from Operating Activities</b>		<b>10,802</b>	<b>43,040</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Short term deposit maturities		30,000	86,620
<b>Cash was applied to:</b>			
Purchase of plant and equipment		-	(3)
Purchase of investment property		(9,851)	(5,101)
Short term deposits		(60,000)	(41,500)
<b>Net Cash Inflow/(Outflow) From Investing Activities</b>		<b>(39,851)</b>	<b>40,016</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash was applied to:</b>			
Dividend paid		(8,688)	(2,015)
Principal repayment of lease liability		(8)	(8)
Supplementary dividend paid		(204)	(194)
<b>Net Cash Outflow from Financing Activities</b>		<b>(8,900)</b>	<b>(2,217)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents		(37,949)	80,839
Add Opening Cash and Cash Equivalents		53,025	10,111
<b>Closing Cash and Cash Equivalents</b>		<b>15,076</b>	<b>90,950</b>

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

For the half year ended 30 June 2022

In thousands of dollars	Note	Unaudited 6 Months to	
		30/06/22	30/06/21
<b>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit after taxation		22,899	20,753
<b>Adjusted for non cash items:</b>			
Depreciation of plant & equipment		1	1
Depreciation of right-of-use assets		7	7
Depreciation of investment property		99	25
Income tax expense		8,906	8,071
<b>Adjustments for movements in working capital:</b>			
Decrease in receivables		3,996	102
Decrease in development properties		(11,326)	21,023
Increase in payables		(5,585)	1,008
<b>Cash generated from Operations</b>		<b>18,997</b>	<b>50,990</b>
Income tax paid		(8,195)	(7,950)
<b>Cash Inflows from Operating Activities</b>		<b>10,802</b>	<b>43,040</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 2022 (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 2022 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 2021.

The condensed interim financial statements were authorised for issuance on 10 August 2022.

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

##### **Share Capital**

Under the Company's Dividend Reinvestment Plan, an additional 1,294,674 shares were issued on 13 May 2022 (2021: 7,077,888) at a strike price of \$1.0624 (2021: \$1.1020).

At 30 June 2022, the authorised share capital consisted of 288,807,697 fully paid ordinary shares (2021: 287,513,023).

##### **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 (2021: 3.5 cents)

2022	2021
10,063	9,815
<b>10,063</b>	<b>9,815</b>

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

The calculation of basic and diluted earnings per share at 30 June 2022 of 7.94 cents (2021: 7.28 cents) was based on the profit attributable to ordinary shareholders of \$22,899,000 (2021: \$20,753,000); and weighted average number of shares of 288,376,139 (2021: 285,153,727) 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 \$84,000 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 2022 (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 2022 (2021: Nil) that would require disclosure.

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

The Group has been named as respondents in a judicial review proceeding which was brought by the Applicant, Winton Property Investments Limited, in relation to a decision of the Overseas Investment Office relating to the Group's acquisition of land in Havelock North. The Applicant was seeking, 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 proceedings, which were advised to the market on 21 July 2021, were heard in February 2022 and a decision in favour of the respondents was handed down at the end of March 2022. The Applicant has now filed a notice of appeal and a hearing has been set down for May 2023 at this stage. The Group will continue to vigorously defend its position and 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 application 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 65.99% (2022: 66.29%) of the Company and having two out of six of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 70.79% (2021: 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 2022 CDL Investments New Zealand Limited has reimbursed its parent, Millennium & Copthorne Hotels New Zealand Limited, \$168,000 (2021: \$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 2022, 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 2022 in accordance with the Group's development programme.

*In thousands of dollars*

Development expenditure  
 Land purchases  
 Capital expenditure on investment properties

2022	2021
15,451	12,288
-	56,258
3,100	24,675
<b>18,551</b>	<b>93,821</b>