

CDL Investments New Zealand Limited

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

		<u>Group</u>	
<i>In thousands of dollars</i>	Note	2023	2022
Property sales		28,063	65,858
Rental income		2,716	1,240
Revenue		30,779	67,098
Cost of sales		(10,926)	(20,527)
Gross profit		19,853	46,571
Other income		397	248
Administrative expenses	3, 4	(1,433)	(882)
Property expenses		(527)	(589)
Selling expenses		(720)	(1,476)
Other expenses	3, 4	(2,373)	(2,211)
Results from operating activities		15,197	41,661
Finance income	5	3,514	1,664
Finance costs	5	(12)	(7)
Net finance income		3,502	1,657
Profit before income tax		18,699	43,318
Income tax expense	6	(5,236)	(12,129)
Profit for the period		13,463	31,189
Total comprehensive income for the period		13,463	31,189
Profit attributable to:			
Equity holders of the parent		13,463	31,189
Total comprehensive income for the period		13,463	31,189
Basic and Diluted Earnings per share (cents per share)	13	4.64	10.82



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

CDL Investments New Zealand Limited

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

		<u>Group</u>		
<i>In thousands of dollars</i>		Share Capital	Retained Earnings	Total Equity
	Note			
Balance at 1 January 2022		64,454	221,926	286,380
Total comprehensive income for the period				
Profit for the period		-	31,189	31,189
Total comprehensive income for the period		-	31,189	31,189
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	13	1,375	-	1,375
Dividend to shareholders	13	-	(10,063)	(10,063)
Supplementary dividend	13	-	(204)	(204)
Foreign investment tax credits	13	-	204	204
Balance at 31 December 2022		65,829	243,052	308,881
Balance at 1 January 2023		65,829	243,052	308,881
Total comprehensive income for the period				
Profit for the period		-	13,463	13,463
Total comprehensive income for the period		-	13,463	13,463
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	13	1,489	-	1,489
Dividend to shareholders	13	-	(10,108)	(10,108)
Supplementary dividend	13	-	(211)	(211)
Foreign investment tax credits	13	-	211	211
Balance at 31 December 2023		67,318	246,407	313,725



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

CDL Investments New Zealand Limited

Consolidated Statement of Financial Position

As at 31 December 2023

In thousands of dollars

		<u>Group</u>	
	Note	2023	2022
SHAREHOLDERS' EQUITY			
Issued capital	13	67,318	65,829
Retained earnings		246,407	243,052
Total Equity		313,725	308,881
<i>Represented by:</i>			
NON CURRENT ASSETS			
Property, plant and equipment		114	98
Development property	8	203,034	186,728
Investment property	9	35,834	36,381
Investment in associate		2	2
Total Non Current Assets		238,984	223,209
CURRENT ASSETS			
Cash and cash equivalents	12	2,159	31,667
Short term deposits	14	50,000	40,075
Trade and other receivables	11	6,578	2,327
Development property	8	21,507	16,420
Total Current Assets		80,244	90,489
Total Assets		319,228	313,698
NON CURRENT LIABILITIES			
Deferred tax liabilities	10	284	153
Lease liability		57	58
Total Non Current liabilities		341	211
CURRENT LIABILITIES			
Trade and other payables		3,820	1,340
Employee entitlements		138	118
Income tax payable		1,165	3,122
Lease liability		39	26
Total Current Liabilities		5,162	4,606
Total Liabilities		5,503	4,817
Net Assets		313,725	308,881

For and on behalf of the Board



D JAMESON, DIRECTOR, 26 February 2024



J ADAMS, MANAGING DIRECTOR, 26 February 2024



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

CDL Investments New Zealand Limited

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

In thousands of dollars

		<u>Group</u>	
	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		29,469	70,853
Interest received		3,509	1,309
Cash was applied to:			
Payment to suppliers		(14,088)	(22,956)
Payment to employees		(1,280)	(880)
Deposits paid on unconditional contracts for development land	19	(662)	-
Purchase of development land		(20,407)	(24,607)
Income tax paid		(6,850)	(12,495)
Net cash (outflow)/inflow from operating activities		<u>(10,309)</u>	<u>11,224</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Short term deposits		40,075	30,000
Cash was applied to:			
Development of investment property		(386)	(13,587)
Purchase of plant and equipment		(14)	(4)
Short term deposits		(50,000)	(40,075)
Net cash outflow from investing activities		<u>(10,325)</u>	<u>(23,666)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was applied to:			
Dividend paid		(8,619)	(8,668)
Principal repayment of lease liability		(44)	(24)
Supplementary dividend paid		(211)	(204)
Net cash outflow from financing activities		<u>(8,874)</u>	<u>(8,916)</u>
Net decrease in cash and cash equivalents		(29,508)	(21,358)
Add opening cash and cash equivalents		31,667	53,025
Closing cash and cash equivalents	12	<u>2,159</u>	<u>31,667</u>



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

CDL Investments New Zealand Limited

Consolidated Statement of Cash Flows - continued

For the year ended 31 December 2023

		<u>Group</u>	
<i>In thousands of dollars</i>	Note	2023	2022
RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit after Taxation		13,463	31,189
Adjusted for non cash items:			
Depreciation of investment property		933	538
Depreciation of plant & equipment		7	2
Depreciation of right-of-use assets		34	19
Income tax expense	6	5,236	12,129
Adjustments for movements in working capital:			
(Increase)/Decrease in receivables		(4,251)	3,152
Increase in development property		(21,393)	(17,407)
Increase/(Decrease) in payables		2,512	(5,903)
Cash (consumed)/generated from operating activities		<u>(3,459)</u>	<u>23,719</u>
Income tax paid		(6,850)	(12,495)
Cash (outflow)/inflow from operating activities		<u>(10,309)</u>	<u>11,224</u>



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

CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

MATERIAL 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 financial statements of the Company for the year ended 31 December 2023 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 New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”) and other applicable Financial Reporting Standards, as appropriate for Tier 1 profit-oriented entities. The financial statements also comply with International Financial Reporting Standards (“IFRS”).

The financial statements were authorised for issuance on 26 February 2024.

(b) Basis of preparation

The financial statements are presented in New Zealand Dollars (\$), which is the Company’s functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand, unless otherwise indicated.

The financial statements have been prepared on the historical cost basis and on a going concern basis.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of company policies and reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 2 - Accounting Estimates and Judgements.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing these consolidated financial statements.



CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

Material significant accounting policies - continued

(d) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation. The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs, which have been incurred in bringing the assets to the location and condition necessary for their intended service. Depreciation on assets is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Buildings	50 years
Building surfaces and finishes	30 years
Building services	20 - 30 years
Plant and equipment	3 - 10 years

No residual values are ascribed to building surfaces and finishes. Residual values of 10% are ascribed to building core.

(e) Trade and other payables

Trade and other payables are stated at amortised cost.

(f) Revenue

Revenue represents amounts derived from land and property sales, and is recognised when the customer obtains control of the property and is able to direct and obtain the benefits from the property. The customer gains control of the property when the Company receives full and final consideration for the property and the Company transfers over the Certificate of Title.

Rental income from investment properties under operating leases is recognised on a straight-line basis over the term of the lease to the extent that future rental increases are known with certainty. Lease incentives granted are recognised as an integral part of the total rental income.

The Group grants settlement terms of up to 12 months on certain sections as part of the agreement for sale and purchase for unconditional sales. In some instances, the acquirers are permitted access to the residential sections for building activities prior to settlement. However, the acquirer does not obtain substantially all of the remaining benefits of the asset until final settlement of the land and the title has passed.

(g) New standards and interpretations not yet adopted

A number of amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted the amended standards in preparing the consolidated financial statements. The Group will be adopting the amended standards from 1 January 2024.

The following amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

1. *Amendments to NZ IAS1 Non-current Liabilities with Covenants.*
2. *Amendments to NZ IFRS 16 Lease Liability in a Sale and Leaseback.*
3. *Amendments to NZ IAS 7 Supplier Finance Arrangements.*
4. *Amendments to NZ IFRS 7 Supplier Finance Arrangements.*
5. *Amendments to FRS-44 New Zealand Additional Disclosures of Fees for Audit Firms' Services.*

(h) New currently effective standards

The Group adopted all new and amended standards that became effective during the reporting period. However, they did not have any impact on the financial position, performance and cash flows of the Group.



CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

1. 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 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	
	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated
<i>In thousands of dollars</i>						
External revenue	28,285	66,106	2,494	1,240	30,779	67,346
Earnings before interest, depreciation & amortisation	13,698	41,446	2,473	775	16,171	42,221
Finance income	3,514	1,664	-	-	3,514	1,664
Finance costs	(12)	(7)	-	-	(12)	(7)
Depreciation and amortisation	(7)	(3)	(933)	(538)	(940)	(541)
Depreciation of Right-of-use assets	(34)	(19)	-	-	(34)	(19)
Profit before income tax	17,159	43,081	1,540	237	18,699	43,318
Income tax expense	(4,805)	(12,063)	(431)	(66)	(5,236)	(12,129)
Profit after income tax	12,354	31,018	1,109	171	13,463	31,189
Cash & cash equivalents and short term bank deposits	52,159	71,742	-	-	52,159	71,742
Investment in associates	2	2	-	-	2	2
Other segment assets	229,456	205,573	35,834	36,381	265,290	241,954
Total assets	281,617	277,317	35,834	36,381	317,451	313,698
Segment liabilities	(2,277)	(1,542)	-	-	(2,277)	(1,542)
Tax liabilities	(1,449)	(3,275)	-	-	(1,449)	(3,275)
Total liabilities	(3,726)	(4,817)	-	-	(3,726)	(4,817)
Plant and equipment expenditure	57	76	-	-	57	76
Investment property expenditure	-	-	386	13,587	386	13,587
Residential land development expenditure	10,135	13,327	-	-	10,135	13,327
Purchase of land for residential land development	20,407	24,607	-	-	20,407	24,607

The Group has changed the composition of its reportable segments, therefore the comparatives have been restated.

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 (2022: One off transaction for the sale of an industrial property of \$29.0 million).

CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

- Determining the net realisable value of development property to identify any impairment.
- The impairment test for investment properties (refer to note 9 for key assumptions and estimates used).

Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Key sources of estimation uncertainty

The Group is exposed to a risk of impairment to development properties should the carrying value exceed the net realisable value due to market fluctuations in the value of development properties. However, there is no indication of impairment as the net realisable value determined by an independent registered valuer significantly exceeds the carrying value of development properties (see Note 8).

The valuer adopts the Sales Comparison Approach to determine rates per hectare/per square metre for block land holdings in addition to recent section sales to derive the gross realisation values. The net realisable values are determined from gross realisation values after deducting appropriate selling costs.

For residential land under development or is due to commence development in the short term, the valuer adopts the Residual Subdivision Approach. This approach considers the gross realisation values of the sections less costs associated with development including GST, sales commissions, legal fees, civil and development costs including Council contributions, professional fees, and contingency allowances. In addition, holding costs are deducted for the estimated timing of development and sell down periods.

In both valuation approaches, the valuer makes assumptions relating to section prices, sell down periods, consumer confidence, unemployment rates, interest rates, and external economic factors. These assumptions are sensitive to economic factors such as net migration, Official Cash Rate set by the Reserve Bank, inflation, residential market activity, and business confidence.

The Group is also exposed to a risk of impairment to investment properties should the carrying value exceed the recoverable amount due to market fluctuations in the value of investment properties. However, there is no indication of impairment as the recoverable amount determined by an independent registered valuer significantly exceeds the carrying value of investment properties (see Note 9). In determining the recoverable amount, the valuer adopts the Income Capitalisation Approach whereby the assessed market rent for each asset is capitalised in perpetuity from the valuation date at an appropriate capitalisation rate. The adopted capitalisation rate reflects the nature, location, and tenancy profile of the property together with current market investment criteria as evidenced by recent sales. The recoverable amount is sensitive to movements in the adopted capitalisation rate and the market rent.

Climate-related disclosure

The Group is currently in the process of identifying and reporting on the impacts of climate change that are affecting the business. Climate change poses significant risks and challenges for the construction and property industry, as it affects the physical, operational, and financial aspects of development properties and investment properties. Extreme weather events, such as floods, storms, heatwaves, and droughts, can damage the infrastructure, disrupt the supply chain, reduce the revenue, and increase the insurance and maintenance costs. While property investors, managers, and owners are increasingly cognisant of the climate-related impacts on their properties, the investment community have yet to price in the climate-related impacts on the asset values. This means that the current market values of development properties and investment properties may not reflect the potential losses or gains associated with their exposure to climate risks or their adoption of sustainability measures, decarbonisation initiatives, and sound environmental stewardship.



CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

3. ADMINISTRATIVE AND OTHER EXPENSES

The following items of expenditure are included in administrative and other expenses:

In thousands of dollars

Auditors' remuneration
- Audit fees
- Tax compliance & tax advisory fees
- Strategy advisory fees
Depreciation
Directors' fees
Rental payments

Note	Group	
	2023	2022
17	91	88
	4	4
	74	-
	974	560
	130	130
	90	66

4. PERSONNEL EXPENSES

In thousands of dollars

Wages and salaries
Employee related expenses and benefits
Increase in liability for long-service leave

Group	
2023	2022
1,129	751
145	121
6	8
1,280	880

The Group's net obligation in respect of long-term service benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using their expected remunerations and an assessment of likelihood the liability will arise.

5. NET FINANCE INCOME

In thousands of dollars

Finance income

Finance costs
Net finance income

Group	
2023	2022
3,514	1,664
(12)	(7)
3,502	1,657

Finance income comprises interest receivable on funds invested that are recognised in profit or loss. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Finance costs comprises interest costs on lease liabilities that are recognised in the income statement.

6. INCOME TAX EXPENSE

Recognised in the statement of comprehensive income

In thousands of dollars

Current tax expense
Current year

Deferred tax expense
Origination and reversal of temporary differences

Total income tax expense in the statement of comprehensive income

Group	
2023	2022
5,105	12,050
5,105	12,050
131	79
131	79
5,236	12,129

Reconciliation of effective tax rate

In thousands of dollars

Profit before income tax
Income tax using the company tax rate of 28% (2022: 28%)

Effective tax rate

Group	
2023	2022
18,699	43,318
5,236	12,129
5,236	12,129
28%	28%

CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
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6. INCOME TAX EXPENSE - continued

Income tax for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences relating to investments in subsidiaries are not provided for to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

7. IMPUTATION CREDITS

In thousands of dollars

Imputation credits available for use in subsequent reporting periods

Group	
2023	2022
96,243	93,113

8. DEVELOPMENT PROPERTY

In thousands of dollars

Expected to settle greater than one year
 Expected to settle within one year
 Development property

Group	
2023	2022
203,034	186,728
21,507	16,420
224,541	203,148

Development property is carried at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, and holding costs such as interest. Interest and other holding costs incurred after completion of development are expensed as incurred. All holding costs are written off through profit or loss in the year incurred with the exception of interest holding costs which are capitalised during the period when active development is taking place. No interest (2022: nil) has been capitalised during the year.

The Group's inventory of development property is reviewed at each balance date to ensure its carrying amount is recorded at the lower of its cost and net realisable value. The net realisable value of the development property is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale. The determination of net realisable value of inventory involves estimates taking into consideration prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling costs. An impairment loss is recognised in the income statement to the extent that the carrying value of development property exceeds its estimated net realisable value.

The fair value of development property held at 31 December 2023 was determined by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited. The fair value is determined to estimate the net realisable value. The net realisable value as determined by the independent registered valuer, exceeds the carrying value of development property.



CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

9. INVESTMENT PROPERTY

In thousands of dollars

	Group			
	Freehold Land	Buildings	Work in Progress	Total
Cost				
Balance at 1 January 2022	659	3,053	19,691	23,403
Additions	-	-	13,587	13,587
Transfers between categories	-	33,278	(33,278)	-
Balance at 31 December 2022	659	36,331	-	36,990
Balance at 1 January 2023	659	36,331	-	36,990
Additions	-	-	386	386
Transfers between categories	-	386	(386)	-
Balance at 31 December 2023	659	36,717	-	37,376
Depreciation and impairment losses				
Balance at 1 January 2022	-	(71)	-	(71)
Depreciation charge for the year	-	(538)	-	(538)
Balance at 31 December 2022	-	(609)	-	(609)
Balance at 1 January 2023	-	(609)	-	(609)
Depreciation charge for the year	-	(933)	-	(933)
Balance at 31 December 2023	-	(1,542)	-	(1,542)
Carrying amounts				
Balance at 1 January 2022	659	2,982	19,691	23,332
Balance at 31 December 2022	659	35,722	-	36,381
Balance at 1 January 2023	659	35,722	-	36,381
Balance at 31 December 2023	659	35,175	-	35,834

Investment properties consist of commercial warehousing at Wiri in Auckland, retail shops at Prestons Park in Christchurch, and retail shops at Stonebrook in Rolleston which are fully operational. The fair value of investment properties held at 31 December 2023 was determined by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited as \$62.7 million (2022: \$62.6 million). The fair value measurement was categorised as Level 3 (highest of the fair value hierarchy) based on the inputs to the valuation methodology used i.e. income capitalisation approach.

Investment properties are properties held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services, or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation on the investment properties is computed by asset classes using the policy disclosed in Note (d). Cost includes expenditure that is directly attributable to the acquisition of the investment properties. Costs of self-constructed investment properties include costs of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs. Gains and losses on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amounts of the investment properties) are recognised in the profit and loss.

Impairment

Annual reviews of the carrying amounts of investment properties are undertaken for indicators of impairment. Where indicators of impairment were identified, the recoverable amounts were estimated based on internal or external valuations undertaken. The cash generating units (CGU) are individual properties. The recoverable amounts of the investment properties, being the higher of the fair value less costs to sell and value-in-use, were predominantly determined using the fair value less costs to sell basis and were estimated using the income capitalisation approach.



CDL Investments New Zealand Limited
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9. INVESTMENT PROPERTY - Impairment - continued

During the year, management identified two (2022: two) properties with a carrying value of \$13.7 million that had indicators of impairment. Average market capitalisation rates appropriate to the properties range from 6.50% to 7.00% (2022: 6.25% to 6.75%). Average market rent per square metre rates appropriate to the properties range from \$341 to \$358 (2022: \$330 to \$368).

Operating leases

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during 2023 was \$2.5 million (2022: \$1.2 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

In thousands of dollars

Within 1 year
 More than 1 year but within 2 years
 More than 2 years but within 3 years
 More than 3 years but within 4 years
 More than 4 years but within 5 years
 After 5 years

Group	
2023	2022
2,665	2,478
2,675	2,660
2,722	2,670
2,760	2,715
2,668	2,718
2,553	6,347
16,043	19,588

10. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

In thousands of dollars

Investment property
 Development property
 Employee benefits
 Trade and other payables
 Net tax assets/(liabilities)

Group					
Assets		Liabilities		Net	
2023	2022	2023	2022	2023	2022
-	-	(345)	(156)	(345)	(156)
-	-	(81)	(81)	(81)	(81)
142	84	-	-	142	84
-	-	-	-	-	-
142	84	(426)	(237)	(284)	(153)

Movement in deferred tax balances during the year

In thousands of dollars

Investment property
 Development property
 Employee benefits
 Trade and other payables

Group		
Balance 1 Jan 2022	Recognised in profit or loss	Balance 31 Dec 2022
(30)	(126)	(156)
(108)	27	(81)
55	29	84
9	(9)	-
(74)	(79)	(153)

Movement in deferred tax balances during the year

In thousands of dollars

Investment property
 Development property
 Employee benefits

Group		
Balance 1 Jan 2023	Recognised in profit or loss	Balance 31 Dec 2023
(156)	(189)	(345)
(81)	-	(81)
84	58	142
(153)	(131)	(284)

CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

11. TRADE AND OTHER RECEIVABLES

In thousands of dollars

Trade receivables
Other receivables and prepayments
Trade and other receivables

Group	
2023	2022
325	222
6,253	2,105
6,578	2,327

None of the trade and other receivables are impaired.

Trade and other receivables are stated at their cost less impairment losses. The Group applies the simplified approach to providing for expected credit losses prescribed by NZ IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The allowance for doubtful debts on trade receivables are either individually or collective assessed based on number of days overdue. The Group takes into account the historical loss experience and incorporate forward looking information and relevant macroeconomic factors.

12. CASH AND CASH EQUIVALENTS

In thousands of dollars

Bank balances
Call deposits
Cash and cash equivalents

Group	
2023	2022
2,084	1,667
75	30,000
2,159	31,667

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

13. CAPITAL AND RESERVES

Share capital

Shares issued 1 January
Issued under dividend reinvestment plan
Total shares issued and outstanding

Company			
2023	2023	2022	2022
Shares '000s	\$000's	Shares '000s	\$000's
288,808	65,829	287,513	64,454
1,977	1,489	1,295	1,375
290,785	67,318	288,808	65,829

All shares carry equal rights and rank pari passu with regard to residual assets of the Company and do not have a par value. At 31 December 2023, the authorised share capital consisted of 290,784,833 fully paid ordinary shares (2022: 288,807,697).

Dividend Reinvestment Plan

In 1998, the Company adopted a Dividend Reinvestment Plan pursuant to which shareholders may elect to receive ordinary dividends in the form of either cash or additional shares in the Company. The additional shares are issued at the weighted average market price for the shares traded over the first five business days immediately following the Record Date.

Accordingly, the Company issued 1,977,136 additional shares under the Dividend Reinvestment Plan on 12 May 2023 (2022: 1,294,674) at a strike price of \$0.7530 per share issued (2022: \$1.0624).



CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

13. CAPITAL AND RESERVES - continued

Dividends

The following dividends were declared and paid during the year 31 December 2023:

In thousands of dollars

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

Company	
2023	2022
10,108	10,063
10,108	10,063

The following dividends were declared by the directors on 23 February 2024. The dividends have not been provided for and there are no income tax consequences. It is anticipated that a portion of the dividends declared will be paid by way of shares through the Dividend Reinvestment Plan.

In thousands of dollars

3.5 cents ordinary dividend per qualifying ordinary share

3.5 cents total dividend per qualifying ordinary share

Company
10,177
10,177

Basic and diluted earnings per share

The basic earnings per share and the diluted earnings per share are the same. The calculation of basic and diluted earnings per share at 31 December 2023 was based on the profit attributable to ordinary shareholders of \$13,463,000 (2022: \$31,189,000); and weighted average number of ordinary shares outstanding during the year ended 31 December 2023 of 290,126,000 (2022: 288,376,000), calculated as follows:

Profit attributable to ordinary shareholders (basic & diluted)

In thousands of dollars

Profit for the period

Profit attributable to ordinary shareholders

Group	
2023	2022
13,463	31,189
13,463	31,189

Weighted average number of ordinary shares

Issued ordinary shares at 1 January

Weighted average effect on 1,977,136 shares issued in May 2023

Weighted average effect on 1,294,674 shares issued in May 2022

Weighted average number of ordinary shares at 31 December

Company	
2023	2022
Shares '000s	Shares '000s
288,808	287,513
1,318	-
-	863
290,126	288,376

Earnings per share (basic & diluted)

Basic and Diluted Earnings per share (cents per share)

Group	
2023	2022
4.64	10.82

Supplementary dividend and foreign investment tax credit

The Company pays a supplementary dividend to portfolio non-resident investors to offset non-resident withholding tax payable on imputed dividends from the Company. Under the foreign investor tax credit (FITC) rules, the Company receives a tax credit equal to the supplementary dividend paid. The supplementary dividend is based on the amount of imputation credit attached to the dividend.



CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

14. FINANCIAL INSTRUMENTS

The Group only holds non-derivative financial instruments which comprise trade and other receivables, cash and cash equivalents, short term deposits, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

On initial recognition, a financial asset is classified as subsequently measured at: Amortised cost; FVOCI- debt investment; FVOCI- equity investment; or FVTPL. Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfer the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

In thousands of dollars

Financial Assets

Cash and cash equivalents

Short term deposits

Trade and other receivables

Financial Liabilities

Trade and other payables

Note	Group	
	2023	2022
12	2,159	31,667
	50,000	40,075
11	6,578	2,327
	3,820	1,340

Exposure to credit and interest rate risks arises in the normal course of the Group's business.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

The key factor in managing risk is that the Certificate of Title is only transferred to the purchaser when all cash is received in full upon settlement.

The Group's exposure to credit risk is mainly influenced by its customer base. As such it is concentrated to the default risk of its industry. However, geographically there is no credit risk concentration as the Company spreads the risk by operating in three regions in the North Island and one region in the South Island.

Cash, cash equivalents, and term deposits are allowed only in liquid securities and only with counterparties (minimum rating of Moody's Aa3) that have a credit rating equal to or better than the Group. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

At the balance date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Interest rate risk

The Group has no debt (2022: nil) and is only exposed to movements in interest rates on short-term investments which is explained in the sensitivity analysis. Interest income is earned on the cash and cash equivalent balance and the short-term deposits balance.

CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

14. FINANCIAL INSTRUMENTS - continued

Sensitivity analysis

The Group manages interest rate risk by maximising its interest income through forecasting its cash requirements and cash inflows. Over the longer-term, however, permanent changes in interest rates will have an impact on profit.

An increase of one percentage point in interest rates would have increased the Group's profit before income tax by \$641,000 (2022: \$623,000) in the current period. Conversely, a decrease of one percentage point in interest rates would have decreased the Group's profit before income tax by \$641,000 (2022: \$623,000) in the current period.

Effective interest and repricing analysis

In respect of income earning financial assets, the following tables indicate the effective interest rates at the balance sheet date and the periods in which they reprice.

Group	2023					2022			
	Note	Effective interest rate	Total	6 months or less	6-12 months	Effective interest rate	Total	6 months or less	6-12 months
<i>In thousands of dollars</i>									
Cash and cash equivalents	12	0.00% to 5.77%	2,159	2,159	-	0.00% to 4.78%	31,667	31,667	-
Short term deposits		5.79% to 6.05%	50,000	45,000	5,000	3.30% to 5.26%	40,075	35,075	5,000
			52,159	47,159	5,000		71,742	66,742	5,000

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities. It is the Group's policy to provide credit and liquidity enhancement only to wholly owned subsidiaries.

The following table sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis:

Group	2023			2022		
	Balance Sheet	6 months or less	6-12 months	Balance Sheet	6 months or less	6-12 months
<i>In thousands of dollars</i>						
Trade and other payables	3,820	1,625	2,195	1,340	1,258	82
	3,820	1,625	2,195	1,340	1,258	82

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the above tables.

- (a) Cash, accounts receivable, accounts payable and related party receivables. The carrying amount for these balances approximate their fair value because of the short maturities of these items.

Capital management

The Group's capital includes share capital and retained earnings.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group is not subject to any external imposed capital requirements. The allocation of capital is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. There have been no material changes in the Group's management of capital during the period.

CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

15. CAPITAL AND LAND DEVELOPMENT COMMITMENTS

As at 31 December 2023, 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 2024 in accordance with the Group's development programme.

In thousands of dollars

Development expenditure
Land purchases

Group	
2023	2022
19,743	21,991
6,620	4,010
23,363	26,001

16. RELATED PARTIES

Identity of related parties

The Company has a related party relationship with its wholly owned subsidiary, CDL Land New Zealand Limited, as well as a fellow subsidiary of its parent (see Note 17), and with its Directors and executive officers.

Transactions with key management personnel

None of the Directors of the Company and their immediate relatives have control of the voting shares of the Company. Key management personnel include the Board comprising non-executive directors and executive directors.

The total remuneration and value of other benefits earned by each of the Directors of the Company for the year ending 31 December 2023 was:

In thousands of dollars

Non-executive directors
Executive directors

Group	
2023	2022
130	130
413	233
543	363

Non-executive directors receive director's fees only. The executive directors receive short-term employee benefits which include a base salary and an incentive plan. They do not receive remuneration or any other benefits as a director of the Company or its subsidiary.

Total remuneration of non-executive directors is included in "administrative and other expenses" (see Note 3) and total remuneration of executive directors is included in "personnel expenses" (see Note 4).

17. GROUP ENTITIES

Control of the Group

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: 65.88%) 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 Limited in the United Kingdom. The ultimate holding company is Hong Leong Investment Holdings Pte Ltd in Singapore.

During the year, CDL Investments New Zealand Limited has reimbursed its parent, Millennium & Copthorne Hotels New Zealand Limited, \$427,000 (2022: \$351,000) for shared office expenses incurred by the parent on behalf of the Group and reimbursed its parent for its portion of insurance premiums of \$199,000 (2022: \$153,000).

During 2023, CDL Investments New Zealand Limited issued no additional shares (2022: Nil) to its parent, Millennium & Copthorne Hotels New Zealand Limited, under the Dividend Reinvestment Plan (see Note 13). The total shares on issue to Millennium & Copthorne Hotels New Zealand Limited is 190,591,297 (2022: 190,591,297).

18. CONTINGENT LIABILITIES

CDL Investments New Zealand Limited has a bank guarantee in place as a requirement of being listed on the New Zealand Stock Exchange. The maximum value of this guarantee is \$75,000 (2022: \$75,000).

CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

19. SUBSEQUENT EVENTS

Post balance date, the purchase of 10.8 hectares of land for \$6.6 million in Nelson was settled during January 2024. The settlement will be recognised as an increase in land classified as development property in 2024.

On 23 February 2024, an ordinary dividend of 3.5 cents per qualifying share was declared by the Directors (see Note 13).





Independent Auditor's Report

To the shareholders of CDI Investments New Zealand Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the consolidated financial statements of CDI Investments New Zealand Limited (the 'company') and its subsidiaries (the 'group') on pages 1 to 19 present fairly, in all material respects:

- i. the Group's financial position as at 31 December 2023 and its financial performance and cash flows for the year ended on that date;

in accordance with New Zealand Equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards issued by the International Accounting Standards Board.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the group in accordance with 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 and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has also provided other services to the group in relation taxation compliance, taxation advisory and strategy support services. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.



Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at \$2m determined with reference to a benchmark of group total assets. We chose the benchmark because, in our view, this is a key measure of the group's performance.

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 in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter How the matter was addressed in our audit

Capitalisation and allocation of development costs

Refer to Note 8 to the Financial Report.

The group's development property comprises land and costs incurred to develop land into subdivisions and individual properties for sale. The development properties represent 70% of total assets on the consolidated statement of financial position.

The capitalisation and allocation of development costs is a key audit matter as determining whether to capitalise or expense costs relating to development of the land is subjective as it depends whether the costs enhance the land or maintain the current value. In addition, there is significant judgement in determining whether obligations exist for future costs and how to allocate capitalised development costs to individual properties or stages.

The key judgements used in this determination are:

- Whether costs are eligible for capitalisation under the relevant accounting standards
- the allocation of capitalised costs to the individual projects, stages and land lots and the associated recognition of cost of sales
- Whether a capitalised cost and the associated liability for future obligations should be recorded under the relevant accounting standard.

Our audit procedures included:

- Evaluating the group's accounting policy for capitalisation of development costs using the criteria in the accounting standard.
- Developing an understanding of the key controls over the cost capitalisation and allocation process.
- Agreeing a sample of capitalised development costs to supporting documentation. For each selected transaction we:
 - Considered the nature of the costs capitalised and evaluated whether they are eligible for capitalisation under the relevant accounting standard.
 - Assessed the appropriateness of allocation to the individual project stages and land lots.
- Agreeing a sample of land acquisitions to sales and purchase agreements, settlement document and cash payment.
- Performing analytical procedures in relation development property costs of sales to assess that margins recognised between periods were appropriate, including considering alternative methods of allocation.
- Evaluating the reasonableness of the group's judgement to record liabilities for future obligations and that these have been appropriately measured and recorded in accordance with the applicable accounting standard.
- Assessing disclosures included in the consolidated financial statements in respect of the development properties using our understanding obtained from our testing and against the requirements of the accounting standards.

Our testing did not identify any material exceptions related to capitalised development costs, the allocation of those costs to individual project stages and the recognition of future development cost obligations.

Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report and Annual Climate Statement (prepared in accordance with the Aotearoa New Zealand Climate Standards). Other information in the Annual report may include the Directors Review, Managing Directors review, disclosures relating to Corporate Governance, the Trend Statement, Financial Summary, and the other information included in the Annual report. The Annual Climate Statement discloses information about the effects of climate change on the entity's business. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the Annual Report and Annual Climate Statement when they become available and consider whether the other information it contains is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appear 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 received the Directors' review and have nothing to report in regard to it. The Annual Report and Annual Climate Statement are expected to be made available to us after the date of this Independent Auditor's Report and we will report the matters identified, if any, to those charged with governance.



Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Geoff Lewis.

For and on behalf of

KPMG
Auckland

26 February 2024



NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Results announcement

Results for announcement to the market		
Name of issuer	CDL Investments New Zealand Limited (CDI)	
Reporting Period	12 months to 31 December 2023	
Previous Reporting Period	12 months to 31 December 2022	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$31,176	(53.71%)
Total Revenue	\$31,176	(53.71%)
Net profit/(loss) from continuing operations	\$13,463	(56.83%)
Total net profit/(loss)	\$13,463	(56.83%)
Interim/Final Dividend		
Amount per Quoted Equity Security	\$0.03500000	
Imputed amount per Quoted Equity Security	\$0.01361111	
Record Date	3 May 2024	
Dividend Payment Date	17 May 2024	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$1.08	\$1.07
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer Directors' Review accompanying this announcement	
Authority for this announcement		
Name of person authorised to make this announcement	Takeshi Ito (Company Secretary)	
Contact person for this announcement	Takeshi Ito (Company Secretary)	
Contact phone number	09 353 5077	
Contact email address	takeshi.ito@cdli.co.nz	
Date of release through MAP	26 February 2024	

Audited financial statements accompany this announcement.

DIRECTORS' REVIEW

Financial Performance

CDL Investments New Zealand Limited ("CDI") recorded a profit after tax of \$13.5 million for 2023 (2022: \$31.2 million) which reflects the challenging trading environment seen over the past twelve months. While the Board is disappointed that the level of profit is significantly less than previous years, it is appreciative of the work put in by Management to achieve the results in 2023. The Board believes that CDI has established a platform for future revenue growth, particularly from the company's newer residential developments.

Profit before tax for 2023 was commensurate with the company's performance and was \$18.7 million (2022: \$43.3 million). Property sales, rental income & other income totalled \$31.2 million (2022: \$67.3 million). There were no one-off gains from land sales in 2023 as compared to \$29 million recognised in the previous year.

At year end, CDI's shareholders' funds increased to \$313.7 million (2022: \$308.9 million) and total assets also increased to \$319.2 million (2022: \$313.7 million). Net tangible assets per share (at book value) also increased to 107.9 cents (2022: 107.0 cents).

CDI's property holdings as at 31 December 2023 as independently valued was \$412.6 million (2022: \$405.4 million). This takes into account new acquisitions made in 2023 as well as the sales recorded. At cost, the portfolio was valued at \$260.4 million (2022: \$239.5 million) in line with CDI's accounting policies.

Property Portfolio

In 2023, we purchased and settled a total of 37.5 hectares of land. Our acquisitions were in the Waikato, Nelson / Marlborough and Canterbury regions with the majority being new projects, not adjacent to existing land holdings. Management is working on development schemes and resource consent applications for these new acquisitions to allow development work to commence in the near term.

Post balance date, the purchase of 10.8 hectares of land in Nelson was settled during January 2024.

Residential sales in 2023 were strongest at Prestons Park (Christchurch) with a small number of sales coming from the Auckland subdivisions (Kewa Road & Christian / Tram Valley Road), which are now sold out.

Solid progress has been made at our Iona Block development in Havelock North where we have secured resource consents for Stage 1 and commenced construction. We are confident that works will progress to a stage where off-the-plan sales can start in Q2 2024. The Stage 2 resource consent has been lodged and is currently being processed by Hastings District and Hawkes Bay Regional Councils.

CDI's commercial projects including the warehouses in Wiri, South Auckland and the neighbourhood centres located at Prestons Park and Stonebrook are performing as expected and contributed \$2.5 million, representing approximately 8% of total revenue in 2023. The high inflationary environment during 2023 impacted lease conversion rates with a number of tenants unable to secure sufficient finance to proceed.

Dividend Announcement

The Board resolved to maintain its fully imputed ordinary dividend at 3.5cents per share payable on 17 May 2024. The Board carefully considered the dividend amount and decided to provide a consistent return to shareholders. This is a sign of the confidence the Board has in the company's future prospects. The level of dividend will allow the company to retain enough cash resources to allow completion of its development work during this year.

The record date will be 3 May 2024. The Dividend Reinvestment Plan will apply to this dividend.

Summary and Outlook

The dramatic downward market shifts we encountered from the end of 2022 (which carried into 2023) should not continue into 2024. With a new government promising reform of convoluted consent processes and the prospect of some additional fast-tracking, we feel that residential property development as a whole should stabilise during 2024 and start to tick upward through 2025, if not earlier.

Market conditions are presenting some interesting opportunities which the Board has asked Management to assess and consider carefully. We are encouraging Management to broaden their horizons and look at property types and potential acquisitions in the residential and commercial spheres which they may not have considered previously.

For those reasons, the Board and Management currently expect CDI's revenues and profits in 2024 to be better than those in 2023. Further updates will be provided as the year progresses. The Board and Management share an optimistic outlook for 2024, particularly if sales from Havelock North commence before the end of the year. We will be doing everything practicable to keep to our development timelines so our sales targets can be met.

I would like to offer my thanks to our loyal shareholders on behalf of the Board for your invaluable support during 2023.



Colin Sim
Chairman
26 February 2024



CDL INVESTMENTS OPTIMISTIC ABOUT 2024 DESPITE REDUCED PROFIT FOR 2023

NZX-listed residential property developer CDL Investments New Zealand Limited (**NZX: CDI**) reported its results for the year ended 31 December 2023 earlier today.

“Given the very difficult market conditions we have had to endure in 2023, with no one-off gains as occurred in 2022, our 2023 results were lower than in the previous year. That being said, the Board is satisfied with the level of sales and profit that was achieved”, said CDI’s Chairman and Independent Director Colin Sim.

CDI’s Managing Director Jason Adams echoed Mr. Sim’s comments and also noted that the company had made acquisitions over the last year which might not have been available in times of better market conditions.

“We managed to keep our core business intact during difficult times and reduced our activity where the markets were not responding. We have been able to take advantage of the weak market conditions to bolster our land portfolio to grow our future sales pipeline”, he said.

CDI’s 2023 acquisitions totaled 37.5 hectares of land in the Waikato, Nelson / Marlborough and Canterbury regions with the majority being new projects not adjacent to existing holdings.

“This gives us the chance to start new projects with new designs which will create new sales opportunities for us”, said Mr. Adams. “These are smaller projects targeted for development, completion and sale within the short-term”, he said.

Despite the fall in profit, CDI maintained its dividend at 3.5 cents per share which is payable on 17 May 2024 with a record date of 3 May 2024.

“The Board wanted shareholders to receive a consistent level of returns from CDI. Shareholders should be assured that the Board has continued confidence in the company going forward. The level of dividend will ensure that we still retain enough cash to do what we need to do this year”, said Mr. Sim.

Mr. Sim said that the Board was optimistic about 2024.

“So far, our development work and consent applications are proceeding as planned and provided that we are able to keep to our timelines, we should see off-the-plan sales from new projects such as the Iona Block in Havelock North commence from Q2 2024. That should translate into increased revenue and profit during this year”, he said.

Summary of results:

• Profit after tax	\$13.5 million (2022: \$31.2 million)
• Profit before tax	\$18.7 million (2022: \$43.3 million)
• Property sales & other income	\$31.2 million (2022: \$67.3 million)
• Shareholders' funds	\$313.7 million (2022: \$308.9 million)
• Total assets	\$319.2 million (2022: \$313.7 million)
• Net tangible asset value (at book value)	107.9 cents per share (2022: 107.0cps)
• Earnings per share	4.64 cents per share (2022: 10.82cps)

About CDL Investments New Zealand Limited:

CDL Investments New Zealand Limited (NZX:CDI) has a proud track record of acquiring and developing residential sections in New Zealand for over two decades. With a focus on creating and developing a range of high-quality residential sections to New Zealanders, CDI has successfully completed numerous subdivision projects in Auckland, Hamilton, Tauranga, Hastings, Havelock North, Taupo, Nelson, Christchurch, Rolleston (Canterbury) and Queenstown. More recently, CDI has successfully completed commercial property projects including industrial warehouses in Wiri, South Auckland and neighbourhood centres at Prestons Park, Christchurch and Stonebrook in Rolleston. CDI is a majority-owned subsidiary of NZX-listed Millennium & Copthorne Hotels New Zealand Limited.

ENDS

Issued by CDL Investments New Zealand Limited

Enquiries to:
Jason Adams, Managing Director
027 683 7220



NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Distribution Notice

Please note: all cash amounts in this form should be provided to 8 decimal places

Section 1: Issuer information				
Name of issuer	CDL Investments New Zealand Limited			
Financial product name/description	Ordinary Shares			
NZX ticker code	CDI			
ISIN (If unknown, check on NZX website)	NZKGLE0001S8			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year	X	Quarterly	
	Half Year		Special	
	DRP applies	X		
Record date	03/05/2024			
Ex-Date (one business day before the Record Date)	02/05/2024			
Payment date (and allotment date for DRP)	17/05/2024			
Total monies associated with the distribution ¹	\$10,177,469.15			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution ²	\$0.04861111			
Gross taxable amount ³	\$0.04861111			
Total cash distribution ⁴	\$0.03500000			
Excluded amount (applicable to listed PIEs)	n/a			
Supplementary distribution amount	\$0.00617647			
Section 3: Imputation credits and Resident Withholding Tax ⁵				
Is the distribution imputed	Fully imputed			
	Partial imputation			
	No imputation			

¹ Continuous issuers should indicate that this is based on the number of units on issue at the date of the form

² "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (RWT).

³ "Gross taxable amount" is the gross distribution minus any excluded income.

⁴ "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should include any excluded amounts, where applicable to listed PIEs.

⁵ The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

If fully or partially imputed, please state imputation rate as % applied ⁶	28%	
Imputation tax credits per financial product	\$0.01361111	
Resident Withholding Tax per financial product	\$0.00243056	
Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)	Nil	
Start date and end date for determining market price for DRP	06/05/2024	10/05/2024
Date strike price to be announced (if not available at this time)	13/05/2024	
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)	Ordinary shares (new issue)	
DRP strike price per financial product	[to be advised]	
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	06/05/2024	
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Takeshi Ito (Company Secretary)	
Contact person for this announcement	Takeshi Ito (Company Secretary)	
Contact phone number	09 353 5077	
Contact email address	takeshi.ito@cdli.co.nz	
Date of release through MAP	26/02/2024	

⁶ Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.