CDL INVESTMENTS
NEW ZEALAND LIMITED

ANNUAL REPORT 2018

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The Directors of CDL Investments New Zealand Limited are pleased to present the Annual Report of the Company for the year ended 31 December 2018.

Signed for and on behalf of the Board of Directors:

Colin Sim
Chairman

22 March 2019

BK Chiu
Managing Director

22 March 2019

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DIRECTORS' REVIEW

FINANCIAL PERFORMANCE

CDL Investments New Zealand Limited ("CDI") recorded a profit after tax of $33.6 million for the year ended 31 December 2018, an increase of 4.6% from the previous year (2017: $32.2 million). This result is the ninth consecutive year of profit growth for the company.

Property sales & other income totaled $85.0 million (2017: $78.7 million). Profit before tax also increased to $46.7 million (2017: $44.7 million). Shareholders' funds as at 31 December 2018 increased to $210.6 million (2017: $186.1 million) and the Company's total assets stood at $217.6 million (2017: $191.7 million). The net tangible asset per share (at book value) at balance date was 75.7 cents (2017: 67.1 cents).

DIVIDEND ANNOUNCEMENT

Reflecting the result, CDI has resolved to maintain its fully imputed ordinary dividend at 3.5 cents per share payable on 17 May 2019. The record date will be 3 May 2019. The Dividend Reinvestment Plan will apply to this dividend.

LAND PORTFOLIO

At 31 December 2018, the independent market value of CDI's land holdings was $337.8 million (2017: $276.3 million). At cost, the portfolio was valued at $169.7 million (2017:$124.7 million) in line with CDI's accounting policies. This reflects both the sales made during the year as well as acquisitions of 86.4 hectares of land in 2018 in Hamilton and Christchurch.

Good progress is being made on the commercial areas which are part of our Prestons Park and Stonebrook subdivisions and we anticipate that these should be ready for occupation in the first half of 2020.

SUMMARY AND OUTLOOK

With our recent land acquisitions, the Board is confident that the future of the Company and its core business is secure. The Board is also satisfied that the changes to the Overseas Investment Act introduced in 2018 merely adds additional procedural steps and will not materially affect the Company's acquisitions of land already zoned residential. The Board is therefore confident in CDI's business model of developing residential sections in growth areas.

While we are confident that 2019 will be profitable, we are already seeing a slowing property market and this sentiment will impact our sections sales in coming months. 2019 will therefore necessitate some degree of flexibility in our sales approaches in order to maintain our positive sales tempo.

MANAGEMENT AND STAFF

On behalf of the Board, I thank our management and staff for their work in 2018.

I would like to take this opportunity to acknowledge two members of the CDI family who we lost in the course of 2018. Long-standing former Independent Director Rob Challinor passed away after a long illness in October and our highly respected former Executive Director John Lindsay passed away after a short illness in November. The Board sent its condolences to both families and will mark their respective contributions to CDI at an appropriate time in the future.

Colin Sim

Chairman

13 February 2019

BOARD OF DIRECTORS

COLIN SIM

(Chairman & Non-Executive Director)

Mr Sim is the executive chairman of the East Quarter Group of companies (East Quarter Hurstville, EQ Projects and EQ Constructions) (EQ) in Australia. EQ is currently involved in the development and construction of residential units across New South Wales. Mr Sim is also an executive director of Waterbrook Lifestyle Resorts (Waterbrook); an award-winning creator, developer and operator of luxury resort lifestyles for retirees. Mr Sim has strong analytical skills and extensive experience in construction and property development/investment in Australia. He studied Mechanical Engineering in London and has lived in Sydney, Australia for the last 40 years.

B K CHIU

(Managing Director)

Mr Chiu is also the Managing Director of Millennium & Copthorne New Zealand Limited. Prior to joining the company, Mr. Chiu was Regional Vice-President and Managing Director, Asia of Merisant Company. He holds a Masters degree in agricultural economics and marketing from Massey University, Palmerston North.

KIAN SENG TAN

(Non-Executive Director)

Mr Tan is the Interim Group CEO of Millennium & Copthorne Hotels plc. Mr Tan's management background includes over 30 years of senior executive level experience managing SGX-listed businesses and US multinational corporations. His diverse experience incorporates operations, financial management, legal and investor relations, purchasing, business development, human resources, and information technology functions. He started his career as an accountant in the UK and audit manager in Malaysia with the audit firms currently known as Deloitte and PricewaterhouseCoopers respectively. Mr Tan is an associate of the Institute of Chartered Accountants in England and Wales.

VINCENT YEO

(Non-Executive Director)

Mr. Yeo is Chief Executive Officer and Executive Director of M&C REIT Management Limited. From 1993 to 1998, he was Managing Director of CDL Hotels New Zealand Limited (now Millennium & Copthorne Hotels New Zealand Limited) and CDL Investments New Zealand Limited. He previously also served as an Executive Director of Millennium & Copthorne Hotels plc in London and President, Millennium & Copthorne Hotels Asia Pacific Region.

ROY AUSTIN

(Independent Non-Executive Director / Chairman of the Audit Committee)

Mr. Austin has been a principal at Northington Partners, a private investment bank and is currently a Consultant to that firm. He has extensive investment banking experience across a wide range of industries covering mergers, acquisitions, divestments, capital raising and IP commercialisation. His practical experience also includes participation in local and international manufacturing, marketing and European and New Zealand based private equity funds. In 2017 he was awarded a Companion of the New Zealand Order of Merit. He is a Chartered Accountant and a member of the New Zealand Institute of Directors and CAANZ (Chartered Accountants Australia & New Zealand).

JOHN HENDERSON

(Independent Non-Executive Director / Member of the Audit Committee)

Mr. Henderson is currently the Managing Director of John Henderson Resources Limited and an Independent Director of Te Hoiere Asset Holding Company Limited, Maara Moana Limited and Ding Bay Limited. In 2015, he was appointed by NZ Department of Conservation to the Waipu Cove Reserve Board and was elected Board Chair. Previously, Mr. Henderson had a 28 year career with the Starwood Hotels and Resorts Group holding various senior corporate management positions across Asia Pacific, Europe, and North America.

CORPORATE GOVERNANCE

CDL Investments New Zealand Limited is committed to maintaining strong corporate governance in line with best practice at all times. With that in mind, the Company undertook a review of its corporate governance framework and objectives in 2018 and has adopted the following which, in the Board's opinion, complies materially with the NZX Corporate Governance Code (the "NZX Code") as well as the Financial Markets Authority Corporate Governance Principles and Guidelines (the FMA Principles).

ETHICAL BEHAVIOUR

(PRINCIPLE 1)

Directors should set high standards of ethical behaviour, model this behaviour and hold Management accountable for these standards being followed throughout the organisation.

All of CDI's directors are bound by the Board's Code of Ethics which is as follows:

- Directors shall undertake their duties with due care and diligence at all times and will conduct themselves honestly and with integrity. Directors shall not do anything, or cause anything to be done, which may or does brings CDI or the Board into disrepute.
- All Directors must act in the best interests of the company and exercise independent and unfettered judgement. All Directors must carry out their duties with integrity and honesty and participate in open and constructive discussions.
- To the best of their ability, Directors will use reasonable endeavours to ensure that CDI's records and documents (including its financial reports) are true and complete and comply with the requisite reporting standards and controls.
- So that the Board may determine a Director's independence and to ensure that there are no conflicts of interest, all Directors shall disclose all relevant business and / or personal interests they may have to the Board forthwith as well as any relationships they may have with CDI.
- All Directors shall ensure that they do not support any organisation other than in a personal capacity without the prior written approval of the Chairman.
- Directors shall not accept any gifts or personal benefits from external parties if it could be perceived that this could compromise or influence any decision by the Board or by CDI.
- All Directors shall maintain and protect the confidentiality of all information about CDI at all times except where disclosure is permitted or required by law.
- All Directors shall ensure that they do not use company information and / or property for personal gain or profit. All Directors shall use and / or retain Company information and property only for business purposes in their capacity as Directors of CDI or to meet legal obligations.
- All Directors shall comply with the laws and regulations that apply to CDI.
- All Directors shall immediately report any illegal or unethical behaviour of which they become aware to the Chairman of the Board and to the Chairman of the Audit Committee.

All of CDI's employees are expected to act in the best interests of CDI and to enhance the reputation of the Company. CDI also has a number of operational policies which must be followed by employees and the CDI Code of Conduct forms part of each employee's employment agreement.

CDI also believes in fair dealing with its customers and suppliers, shareholders, employees and other stakeholders and external third parties.

CDI has recently revised its Share Trading Policy which applies to Directors and Officers. It also has a global Whistleblowing Policy which extends to all management and employees. The Whistleblowing Policy facilitates the disclosure and impartial investigation of any serious wrongdoing. This policy advises employees of their right to disclose serious wrongdoing, and sets out the Company's internal procedures for receiving and dealing with such disclosures. The policy is consistent with, and facilitates, the Protected Disclosures Act 2000 and is supported by the Board.

BOARD COMPOSITION AND PERFORMANCE

(PRINCIPLE 2)

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

CDI's Board has responsibility, control and oversight of the business activities, strategic direction and the governance of CDI and its subsidiary Companies. It looks at how the Company is operating, how risk and compliance are managed, approving financial and other reports and capital expenditure and reporting to CDI's shareholders. The Board approves CDI's budgets and business plans as well as significant projects and has statutory obligations for other matters such as the payments of dividends and the issue of shares. The Board is accountable to CDI's shareholders for the Company's performance.

Certain powers are delegated to Board Committees and Subcommittees. The role of the Committees is detailed under Principle 3.

CORPORATE GOVERNANCE – continued

Day-to-day management is delegated to the Managing Director and senior management. The levels of authority are approved by way of a Delegated Authorities Manual which is reviewed by the Audit Committee and ultimately approved by the Board.

Appointments to the Board are considered by the Board and the Board takes into account the skills required to allow it to carry out its functions and governance role. The Board does not impose a restriction on the tenure of any Director as it considers that such a restriction may lead to the loss of experience and expertise from the Board.

CDI's Constitution specifies a minimum number of three directors and a maximum number of nine directors at any one time. Two directors must ordinarily be living in New Zealand. In line with the NZX Main Board Listing Rules, CDI is required to have at least two Independent Directors. Currently, CDI has determined that its Chair Colin Sim and Messrs. Austin and Henderson are Independent Directors as none of them have a Disqualifying Relationship (as that term is defined in the NZX Main Board Listing Rules) or Substantial Product Holders. Messrs Chiu, Tan and Yeo are not considered by the Board to be Independent Directors.

Board meetings are generally held quarterly with additional meetings convened when required. The table below details directors' attendances during 2018.

DIRECTOR	MEETINGS ATTENDED
Colin Sim	2/3
BK Chiu	3/3
Roy Austin	3/3
John Henderson	3/3
Kian Seng Tan	3/3
Vincent Yeo	2/3

In 2018, the Board devised its own Skills Matrix to demonstrate the skills, experience and diversity of its Board.

SKILL / ATTRIBUTE	RELEVANT DIRECTOR
Sales, marketing and brand experience	Chiu, Yeo
Governance experience	Austin, Chiu, Henderson, Sim, Yeo
Large enterprise / Multinational business or leadership experience	Chiu, Henderson, Sim, Tan, Yeo
Accounting / Finance / Tax experience	Austin
Business strategy experience	Austin, Chiu, Henderson, Sim, Tan, Yeo
Property development / management experience	Chiu, Sim, Yeo

The Board encourages all directors to undertake their own continuous education so that they can perform their duties as directors and provide maximum benefit to the Board and to shareholders.

In 2018, CDLI adopted a Diversity Policy with the following principles:

- We encourage diversity and inclusion in the workplace, not just because it is best practice, but also because it makes good business sense.
- We create a working environment free of harassment, victimisation and unlawful discrimination and have a Whistleblowing Policy in place. We promote dignity and respect for all employees where individual differences and their contributions are recognised and valued.
- These principles apply to our own staff, suppliers and stakeholders and we aim to apply them in our local communities as well.

OUR FRAMEWORK FOR EMBRACING DIVERSITY:

a) Talent Recruitment & Selection Process
   - All positions at CDLI are to be filled on the basis of merit and qualifications.
   - We recognise the importance of having a diverse workforce and thus encouraging people from all backgrounds to apply to work with our team

b) Learning & Development
   - CDLI seeks to develop our employees and to hone their technical, management and leadership skills.
   - Management staff will receive training around Diversity and EEO awareness .

REVIEW OF POLICY

The company will:

- undertake periodic reviews of its Diversity Policy and its deliverables;
- obtain diversity metrics from other organisations and compare them with sector and best practice guidelines; and
- produce a report on diversity for CDI's Board and Senior Management annually.

The Board is in the process of determining its targets for promoting diversity and is currently aiming for female board representation to be at least 20% of the Board by 2023.

In terms of CDI's permanent staff, 50% are male and 50% are female.

CORPORATE GOVERNANCE – continued

BOARD COMMITTEES

(PRINCIPLE 3)

The Board should use committees where this will enhance its effectiveness in key areas while still retaining board responsibility.

Committees help the Board in carrying out its responsibilities and CDI currently has one standing committee being its Audit Committee which is comprised solely of Independent Directors. The current members of the Audit Committee are Roy Austin (Chair) and John Henderson. The Managing Director and senior management attend only by invitation.

The table below reports attendance of the Audit Committee members during 2018:

DIRECTOR	MEETINGS ATTENDED
Roy Austin (Chair)	2/2
John Henderson	2/2

The Board also forms subcommittees as and when required.

The Audit Committee recently reviewed and revised its charter which will be published shortly. The charter outlines the Committee's membership, role and responsibilities which include receiving reports from the internal and external auditors, make recommendations about the audit services, oversee those audit services and reviewing and recommending the Company's financial statements (half-year and full year) and corporate governance policies.

CDI does not currently have a Remuneration or Nominations Committee. The Board as a whole deals with the issues that would normally be dealt with by these committees and conducts periodic reviews of its fees and the remuneration of the Managing Director and senior management. Vacancies and appointments to the Board are considered by the Board as a whole. For those reasons, CDI does not consider it necessary to form and maintain either Committee at this time.

The Board has not established a protocol which sets out procedures to be followed in the event of a takeover offer being received by the Company. This is because the Board considers that receipt of a takeover offer to be a very unlikely event in light of CDL Hotels Holdings New Zealand Limited's long-term majority shareholding in the Company. CDI is also the owner of property assets including "sensitive land" (as defined under the Overseas Investment Act 2015) which, if the subject of an overseas takeover offer, would require regulatory and / or government approvals for their acquisition.

CDI's Board believes that the Company would have sufficient time to adopt protocols and procedures necessary to respond to any such offer when received and to communicate those to shareholders. CDI's Board therefore believes that it is reasonable and appropriate for the Company not to follow Recommendation 3.6 of the new Code at this time but agrees with the principles behind Recommendation 3.6.

REPORTING & DISCLOSURE

(PRINCIPLE 4)

The Board should demand integrity in financial and non-financial reporting and in the timeliness and balance of corporate disclosures.

As an NZX-listed entity, CDI recognises the need to ensure that it is fully compliant in terms of reporting and disclosure and has in place a Continuous Disclosure Policy (CDP) which applies to CDI, its subsidiaries ("Group"), and all their respective directors and employees. The Board has appointed the Chairman, the Chairman of the Audit Committee, the Managing Director, the Company Secretary and the Vice President Finance to act as CDI's Continuous Disclosure Committee (the Disclosure Committee). A quorum of the Disclosure Committee shall consist of no less than three (3) of these persons.

The Disclosure Committee is responsible for:

- Determining what information amounts to material information and must be disclosed;
- Determining the timing of disclosure of any information in accordance with the CDP;
- Approving the content of any disclosure to NZX (including matters not directly covered by the CDP);
- Ensuring that all employees and directors within the Group whom the Committee considers appropriate receive a copy of the CDP and appropriate training with respect to it;
- Developing mechanisms designed to identify potential material information (e.g. agenda item on management meetings); and
- Liaising with legal advisers in respect of CDI's compliance with its continuous disclosure obligations.

The key points from the CDP are:

- No person may release material information concerning CDI to any person who is not authorised to receive it without the approval of the Disclosure Committee.
- The Board will consider at each Board meeting whether there is any information that may require disclosure in accordance with the CDP, and will note any disclosures made subsequent to the prior meeting. Any employee or director of CDI must inform a member of the Disclosure Committee as soon as practicable after that person becomes aware of any material information.

CORPORATE GOVERNANCE – continued

- The CDP includes a list of incidents which should be disclosed to a member of the Disclosure Committee. The Disclosure Committee must confer, decide whether disclosure is required, and coordinate disclosure of any material information in a form specified by the Listing Rules as soon as practicable after it becomes aware of the existence of material information, unless it determines:

a) a reasonable person would not expect the information to be disclosed; and

b) the information is confidential and its confidentiality is maintained; and

c) one or more of the following applies:
    - i) it would breach the law to disclose the information; or
    - ii) the information concerns an incomplete proposal or negotiation; or
    - iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
    - iv) the information is generated for internal management purposes of CDI or its subsidiaries; or
    - v) the information is a trade secret.

The Disclosure Committee will ensure that all Board members, not already aware of the information, are promptly provided with it.

- The Disclosure Committee is responsible for CDI's obligations under the Listing Rules to release material information to NZX to the extent necessary to prevent development or subsistence of a market for its listed securities which is materially influenced by false or misleading information emanating from the issuer or any associated person of the issuer; or other persons in circumstances in each case which would give such information substantial credibility.
- All employees of CDI, as soon as practicable after becoming aware of a rumour or speculation that is "generally available to the market", must disclose the existence of that rumour or speculation to a member of the Disclosure Committee.
- The Disclosure Committee is also responsible for co-ordinating CDI's responses to leaks and inadvertent disclosures. Even in the event that leaked or inadvertently disclosed information is not price sensitive, the Disclosure Committee should consider whether the information should be released to NZX via its market announcement platform in order to provide investors with equal access.
- All external communications by CDI must comply with the CDP, any media policy and the Company's rules with respect to confidential information. No material information is to be disclosed to such persons before it is released to NZX.
- Slides and presentations used in briefings should be released to NZX for immediate release to the market.

Prior to approval and release of CDI's half year and full year results, the Vice President Finance and Company Secretary are required to provide a letter of representation to the Board (or its nominated subcommittee) that the financial statements have been prepared in accordance with generally accepted accounting practice and are correct in all material respects.

Copies of annual reports and key corporate governance documents and policies are available at https://cdlinvestments.co.nz/corporate_profile/.

REMUNERATION

(PRINCIPLE 5)

The remuneration of directors and executives should be transparent, fair and reasonable.

The total pool for Directors' Fees is capped at $180,000 and was last approved by shareholders in 1996. All non-executive directors receive a base fee of NZ$30,000 per annum. The Chair of the Board and of the Audit Committee receive a further NZ$5,000 per annum. Executive Directors do not receive Directors' or Committee fees.

Employee (including the Managing Director and senior management) remuneration is made up of two primary components being a fixed component and a short term incentive. Remuneration is determined with reference to market information as well as the responsibilities of the position, experience and overall performance. Short term incentives are designed to reward high performing employees with appropriate incentives which are measured on key performance indicators which are reviewed and monitored regularly and company performance. The Company reserves the right to suspend or adjust incentives if targets are not met. CDI does not currently have an employee share plan or a long term incentive scheme.

RISK MANAGEMENT

(PRINCIPLE 6)

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

CDI's Board, Audit Committee and Management Team all have a role in identifying areas of risk and understanding their impact on the Company as well as how these areas are to be mitigated.

CDI's Management Team is responsible for the day-to-day identification, assessment and management of risks applicable to the Company as well as the implementation of appropriate controls, processes and policies to manage such risks. Management also ensures that there are training programmes in place to identify, mitigate or eliminate hazards and risks in the workplace.

CORPORATE GOVERNANCE – continued

The Audit Committee's role is to review and report to the Board on the adequacy of Management's oversight and implementation of risks with particular regard to financial and operational risks. The Audit Committee also has oversight of the Company's Internal Audit function and reviews internal audit reports as part of its duties.

The Board is ultimately responsible for the oversight and implementation of the Company's responses to risk management.

CDI's Board has identified four main risks areas being Market, Operational, Financial and Global Risks. Market Risks may arise through changes in demand from customers, competitor pricing development trends and external events. Operational Risks may arise from changes to the regulatory environment such as district or local plan changes, health and safety issues, material changes to CDI's subdivisions and development plans or strategy, overseas investment legislation, key personnel changes and other such events. Financial Risks may arise where earnings or cashflow change or are affected in some way due to adverse customer demand or other market conditions or events within or outside CDI's control. Global Risks refer to situations like a global catastrophe, natural disaster or crisis event which is beyond CDI's control but have an impact on its earnings and / or operations.

CDI has a series of internal controls in place covering such areas as financial monitoring and reporting, human resources and risk management. The primary responsibility for monitoring and reporting against internal controls and remedying any deficiencies lies with Management.

CDI also keeps current insurances appropriate to its business with reputable global insurers.

AUDITORS

(PRINCIPLE 7)

The Board should ensure the quality and independence of the external audit process.

External Audit plays a critical role in ensuring the integrity of financial reporting. The role of the external auditor is to plan and carry out an audit of CDI's annual financial reports and review the half-yearly reports. The Audit Committee reviews the performance and independence of the external auditors.

CDI has in place an External Auditor Independence Policy which deals with the provision of services by the CDI's external auditors, auditor rotation and the relationships between the external auditor and the Company. The policy states that:

The Audit Committee shall only recommend to the Board a firm to be external auditor if that firm:

- would be regarded by a reasonable investor, with full knowledge of all relevant facts and circumstances, as capable of exercising objective and impartial judgment on all issues encompassed within the auditor's engagement;
- audit partners are members of Chartered Accountants Australia New Zealand (CAANZ);
- has not, within two years prior to the commencement of the audit, had as a member of its audit engagement team CDI's Managing Director, Vice President Finance, Group Accounting Manager, or any member of the Company's Management who acts in a financial oversight role.
- does not allow the direct compensation of its audit partners for selling non-audit services to CDI.

The general principles to be applied in assessing non-audit services are as follows:

a) the external auditor should not have any involvement in the production of financial information or preparation of financial statements such that they might be perceived as auditing their own work. This includes the provision of bookkeeping and payroll services as well as valuation services where such valuation forms an input into audited financial information;

b) the external auditor should not perform any function of management, or be responsible for making management decisions;

c) the external auditor should not be responsible for the design or implementation of financial information systems; and

d) the separation between internal audit and external audit should be maintained.

CDI's Audit Committee shall pre-approve all audit and related services that are to be provided by the auditor. Aside from core external audit services, it is appropriate for the CDI's auditors to provide the following services:

- due diligence (except valuations) on proposed transactions;
- review of financial information where third party verification is required or deemed necessary (outside the normal audit process);
- completion audits / reviews;
- financial model preparation or review;
- accounting policy advice;
- listing advice;
- accounting/technical training; and
- taxation services of an assurance nature.

It is not considered appropriate for CDI's external auditors to provide:

- book keeping services related to accounting records or financial statements;
- tax planning and strategy services unless specifically approved by the Audit Committee;
- appraisal / valuation services including opinions as to fairness;
- provision of payroll services;
- the design or implementation of financial information systems;

CORPORATE GOVERNANCE – continued

- outsourced internal audit and risk management services;
- legal services;
- management functions;
- broker / dealer / investment adviser / investment banking services;
- advocacy for the Company;
- actuarial services; and
- assistance in the recruitment of senior management.

These prohibitions apply to all offices of the audit firm, including overseas offices and affiliates.

The billing arrangements for services provided by CDI's external auditors should not include any contingent fees.

CDI's expects that its external auditors will rigorously comply with their own internal policies on independence and all relevant professional guidance, including independence rules and guidance issued by CAANZ.

The nature of services provided by CDI's auditors and the level of fees incurred should be reported to the Audit Committee Chairman semi-annually (or sooner where requested) to enable the Committee to perform its oversight role and report back to the Board. This policy does not prescribe any particular ratio of non-audit service fees to audit fees but the Committee shall monitored the fees and ratio.

The continued appointment of CDI's external auditors is confirmed annually by the Board on recommendation from the Audit Committee.

Rotation of the lead audit partner or firm will be required every five years. Lead audit partners who are rotated will be subject to a 2 year cooling off period (i.e. 2 years must expire between the rotation of an audit partner and that partner's next engagement with the Company).

The hiring by CDI of any former lead audit partner or audit manager must first be approved by the Chairman of the Audit Committee. There are no other restrictions on the hiring of other staff from the audit firm.

KPMG are currently CDI's external auditor and the lead external audit engagement partner was rotated earlier this year.

The Audit Committee monitors local and overseas practice on auditor independence regularly to ensure that this policy remains consistent with best practice and meets CDI's requirements.

CDI's external auditors also attend the Company's Annual Meeting to answer any questions from shareholders as to the audit and the content of the Annual Report.

CDI has outsourced its internal audit function to its parent company Millennium & Copthorne Hotels New Zealand Limited which in turn has currently outsourced its internal audit function. A programme of work is developed annually and submitted to the Audit Committee for approval. The areas covered by internal audit mainly centre around those which pose an operational business risk for CDI's section sales and corporate office functions. In this way, the internal audit function strengthens CDI's internal controls and provides the Audit Committee and the Board with an assessment of the functioning and overall adequacy of CDI's processes.

SHAREHOLDER RIGHTS & COMMUNICATION

(PRINCIPLE 8)

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

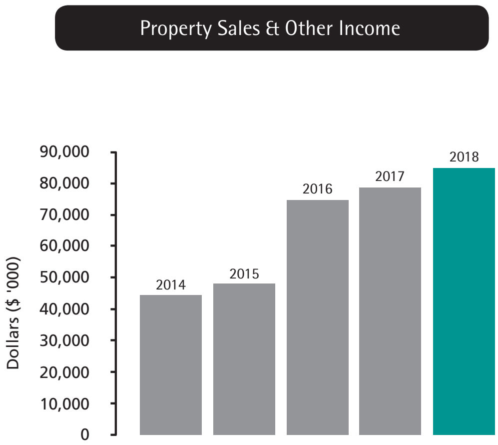
CDI is committed to providing shareholders and stakeholders with timely information on its activities and performance. CDI does this through a number of channels including:

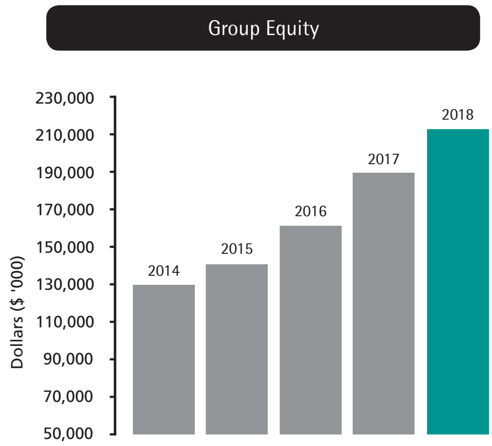
- announcements in accordance with continuous disclosure as required under the Listing Rules;
- publication of the company's annual and interim reports which are sent to all shareholders; and
- encouraging shareholders to attend the Annual Meeting in May of each year to hear the Chairman and the Managing Director provide updates on the company's performance, ask questions of the Board and vote on the resolutions to be determined at the meeting. Resolutions at shareholder meetings are usually determined by poll where each ordinary shareholder has one vote per share.

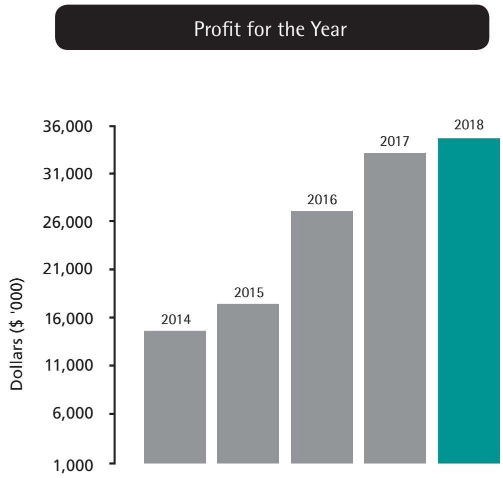
Relevant communications, copies of annual reports and key corporate governance documents and policies are now available on a dedicated webpage https://cdlinvestments.co.nz/corporate_profile/.

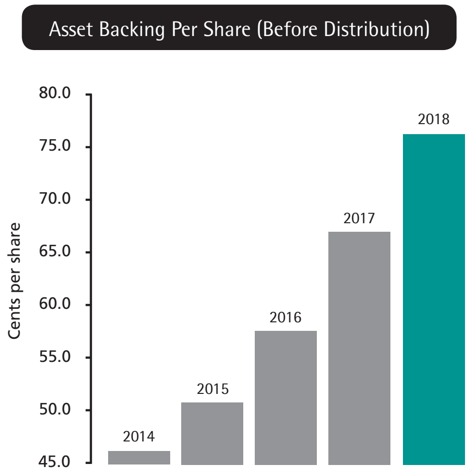
TREND STATEMENT

For the year ended 31 December 2018









FINANCIAL SUMMARY

For the year ended 31 December 2018

In thousands of dollars (unless otherwise stated)	2014	2015	2016	2017	2018
Property sales & other income	44,160	47,599	74,471	78,667	85,030
Profit before income tax	20,537	24,159	37,538	44,668	46,719
Profit for the year	14,710	17,473	27,028	32,161	33,641
Earnings per share	5.35c	6.33c	9.77c	11.60c	12.10c
Dividends per share	2.20c	2.20c	3.00c	3.50c	3.50c
Percentage of dividends per share over earnings per share	41.1%	34.8%	30.7%	30.2%	28.9%
Asset backing per share (before distributions)	46.6c	50.8c	58.4c	67.1c	75.7c
Total assets	130,469	142,680	168,277	191,706	217,614
Group equity	128,489	140,289	161,795	186,112	210,594

CDL INVESTMENTS
NEW ZEALAND LIMITED

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

		GROUP	
In thousands of dollars	**Note**	**2018**	**2017**
Revenue		84,954	78,630
Cost of sales		(35,861)	(32,144)
Gross Profit		**49,093**	**46,486**
Other income		76	37
Administrative expenses	3, 4	(236)	(248)
Property expenses		(403)	(491)
Selling expenses		(2,151)	(2,123)
Other expenses	3, 4	(1,312)	(1,137)
Results from operating activities		45,067	42,524
Finance income	5	1,652	2,144
Net finance income		**1,652**	**2,144**
Profit before income tax		**46,719**	**44,668**
Income tax expense	6	(13,078)	(12,507)
Profit for the period		33,641	32,161
Total comprehensive income for the period		**33,641**	**32,161**
Profit attributable to:			
Equity holders of the parent		33,641	32,161
Total comprehensive income for the period		**33,641**	**32,161**
Earnings per share			
Basic earnings per share (cents)	13	12.10	11.60
Diluted earnings per share (cents)	13	12.10	11.60

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

		GROUP		
In thousands of dollars	**Note**	**Share Capital**	**Retained Earnings**	**Total Equity**
Balance at 1 January 2017		53,846	107,949	161,795
Total comprehensive income for the period				
Profit for the period		-	32,161	32,161
Total comprehensive income for the period		-	32,161	32,161
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	12	464	-	464
Dividend to shareholders	12	-	(8,308)	(8,308)
Supplementary dividend		-	(253)	(253)
Foreign investment tax credits		-	253	253
Balance at 31 December 2017		**54,310**	**131,802**	**186,112**
Balance at 1 January 2018		54,310	131,802	186,112
Total comprehensive income for the period				
Profit for the period		-	33,641	33,641
Total comprehensive income for the period		**-**	**33,641**	**33,641**
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	12	554	-	554
Dividend to shareholders	12	-	(9,713)	(9,713)
Supplementary dividend		-	(309)	(309)
Foreign investment tax credits		-	309	309
Balance at 31 December 2018		**54,864**	**155,730**	**210,594**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

		GROUP	
In thousands of dollars	**Note**	**2018**	**2017**
SHAREHOLDERS' EQUITY			
Issued capital	12	54,864	54,310
Retained earnings		155,730	131,802
Total Equity		**210,594**	**186,112**
Represented by:			
NON CURRENT ASSETS			
Property, plant and equipment		4	5
Development property	8	124,652	90,595
Investment in associate		2	2
Total Non Current Assets		**124,658**	**90,602**
CURRENT ASSETS			
Cash and cash equivalents	11	7,280	18,774
Short term deposits	14	38,620	46,500
Trade and other receivables	10	1,984	1,726
Development property	8	45,072	34,104
Total Current Assets		**92,956**	**101,104**
Total Assets		**217,614**	**191,706**
NON CURRENT LIABILITIES			
Deferred tax liabilities	9	71	2
Total Non Current liabilities		**71**	**2**
CURRENT LIABILITIES			
Trade and other payables		2,175	2,133
Employee entitlements		32	27
Income tax payable		4,742	3,432
Total Current Liabilities		**6,949**	**5,592**
Total Liabilities		**7,020**	**5,594**
Net Assets		**210,594**	**186,112**

For and on behalf of the Board

R AUSTIN, DIRECTOR, 13 February 2019

BK CHIU, MANAGING DIRECTOR, 13 February 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

		GROUP	
In thousands of dollars	**Note**	**2018**	**2017**
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		84,702	80,228
Interest received		1,722	1,875
Cash was applied to:			
Payment to suppliers		(32,833)	(29,687)
Payment to employees		(550)	(427)
Deposits paid on unconditional contracts for development land		-	(14,965)
Purchase of development land		(51,557)	(174)
Income tax paid		(11,390)	(10,968)
Net Cash Inflow/(Outflow) from Operating Activities		**(9,906)**	**25,882**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Short term deposits		46,500	45,500
Cash was applied to:			
Purchase of plant and equipment		-	-
Short term deposits		(38,620)	(46,500)
Net Cash Inflow/(Outflow) From Investing Activities		**7,880**	**(1,000)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was applied to:			
Dividend paid		(9,159)	(7,844)
Supplementary dividend paid		(309)	(253)
Net Cash Outflow from Financing Activities		**(9,468)**	**(8,097)**
Net Increase/(Decrease) in Cash and Cash Equivalents		(11,494)	16,785
Add Opening Cash and Cash Equivalents		18,774	1,989
Closing Cash and Cash Equivalents	11	**7,280**	**18,774**

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

CONSOLIDATED STATEMENT OF CASH FLOWS – continued

For the year ended 31 December 2018

		GROUP	
In thousands of dollars	**Note**	**2018**	**2017**
RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit after Taxation		33,641	32,161
Adjusted for non cash items:			
Depreciation		1	-
Income tax expense	6	13,078	12,507
Adjustments for movements in working capital:			
(Increase)/Decrease in receivables		(258)	1,292
Increase in development properties		(45,025)	(6,936)
Increase/(Decrease) in payables		47	(2,174)
Cash generated from operating activities		**1,484**	**36,850**
Income tax paid		(11,390)	(10,968)
Cash Inflow/(Outflow) from Operating Activities		**(9,906)**	**25,882**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

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 2018 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 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 13 February 2019.

(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.

The financial statements have been prepared on the historical cost 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) Changes in accounting policies and new accounting standards adopted in the year

The Group has adopted two standards, NZ IFRS 15 Revenue from Contracts with Customers and NZ IFRS 9 Financial Instruments, which are mandatory for the financial periods beginning on 1 January 2018.

Impact of adoption of NZ IFRS 15 Revenue from Contracts with Customers

Effective 1 January 2018, the Group applied NZ IFRS 15 for its accounting of revenue from customers. The new standard replaces NZ IAS 18 Revenue and introduces a principles based five-step model to recognise revenue when a performance obligation is satisfied by transferring control of a good or service to the customer.

It has been determined that the impact of the new standard is not significant. All revenue of the Group is derived from the satisfaction of a single performance obligation, which is the sale of development property. There has been no change in the timing of revenue recognition for this performance obligation.

The Group elected to apply the cumulative effect method under NZ IFRS 15, which did not result in an impact on the financial statements for the year ended 31 December 2018.

Impact of Adoption of NZ IFRS 9 Financial Instruments

Effective 1 January 2018, the Group applied NZ IFRS 9 for its accounting of financial instruments, which included the adoption of the "expected loss model", replacing the "incurred loss" impairment model for financial assets that are not measured at fair value through profit and loss (FVTPL). In accordance with the new standard, the Group's financial assets which consist primarily of trade and other receivables, are assessed for impairment on a forward looking basis taking into consideration not only past events and current conditions, but also forecast future economic conditions.

It has been determined that the impact of NZ IFRS 9 on the Group's impairment assessment of trade and other receivables is not significant. Other provisions of NZ IFRS 9 were not consider applicable to the Group's financial statements in 2018.

The Group elected to apply the cumulative effect method under NZ IFRS 9 which did not result in an impact on the financial statements for the year ended 31 December 2018.

The accounting policies have been applied consistently to all periods presented in these financial statements. The accounting policies are now included within the relevant notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – *continued*

For the year ended 31 December 2018

SIGNIFICANT ACCOUNTING POLICIES – *continued*

(d) 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.

(ii) Subsidiaries

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

(e) 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:

Plant and equipment	3 - 10 years

(f) Trade and other payables

Trade and other payables are stated at cost.

(g) Revenue

Revenue represents amounts derived from:

- Land and property sales: recognised when the customer obtains control of the property and is able to direct and obtain the benefits from the property.

(h) New standards and interpretations not yet adopted

The following new standards and amendments to standards are not yet effective for the year ended 31 December 2018, and have not been applied in preparing these consolidated financial statements:

- NZ IFRS 9 – Financial Instruments (effective after 1 January 2019)
- NZ IFRS 16 – Leases (effective 1 January 2019)
- 2017 Omnibus Amendments to NZ IFRS Part B; Amendments to NZ IFRS 10 Consolidated Financial Statements and NZ IAS 28 Investments in Associates and Joint Ventures (effective 1 January 2019)
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle (effective 1 January 2019)
- NZ IFRIC 23 Uncertainty over Income Tax Treatments (effective 1 January 2019)
- Long-term Interests in Associates and Joint Ventures; amendments to NZ IFRS 9 (effective 1 January 2019)
- Prepayment Features with Negative Compensation (Amendment to NZ IFRS 9) (effective 1 January 2019)

The Group has assessed the new standards and the adoption of these standards is not expected to have a material impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2018

1. SEGMENT REPORTING

Operating segments

The single operating segment of the Group consists of property operations, comprising the development and sale of residential land sections.

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.

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.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In Note 14, detailed analysis is given of the interest rate and credit risk exposure of the Group and risks in relation thereto. The Group is also exposed to a risk of impairment to development properties should the carrying value exceed the market value due to market fluctuations in the value of development properties. However, there is no indication of impairment as in Note 8 the carrying value of development properties is $169,724,000 (2017: $124,699,000) while the market value determined by an independent registered valuer is $337,765,000 (2017: $276,316,000).

3. ADMINISTRATIVE AND OTHER EXPENSES

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

		GROUP	
In thousands of dollars	**Note**	**2018**	**2017**
Auditors' remuneration			
- Audit fees		53	52
- Scrutineering fees		3	-
- Tax compliance & advisory fees		12	1
Depreciation		1	-
Directors' fees	17	133	150
Operating lease and rental payments		82	83
Other		714	673
Total excluding personnel expenses		**998**	**959**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2018

4. PERSONNEL EXPENSES

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

	GROUP	
In thousands of dollars	**2018**	**2017**
Wages and salaries	494	396
Employee related expenses and benefits	55	29
Increase in liability for long-service leave	1	1
	550	**426**

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

	GROUP	
In thousands of dollars	**2018**	**2017**
Interest income	1,652	2,144
Net finance income	**1,652**	**2,144**

Finance income and expense comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, and dividend income that are recognised in the profit or loss.

Finance income is recognised in profit or loss as it accrues, using the effective interest method.

6. INCOME TAX EXPENSE

Recognised in the statement of comprehensive income

In thousands of dollars	GROUP	
Current tax expense	**2018**	**2017**
Current year	13,012	12,508
Adjustments for prior years	(3)	-
	13,009	**12,508**
Deferred tax expense		
Origination and reversal of temporary differences	69	(1)
	69	(1)
Total income tax expense in the statement of comprehensive income	**13,078**	**12,507**

Reconciliation of effective tax rate

In thousands of dollars	GROUP	
	2018	**2017**
Profit before income tax	46,719	44,668
Income tax using the company tax rate of 28% (2017: 28%)	13,081	12,507
Adjusted for: Over provided in prior years	(3)	-
	13,078	12,507
Effective tax rate	**28%**	**28%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2018

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

	GROUP	
In thousands of dollars	**2018**	**2017**
Imputation credits available for use in subsequent reporting periods	57,594	49,673

8. DEVELOPMENT PROPERTY

	GROUP	
In thousands of dollars	**2018**	**2017**
Expected to settle greater than one year	124,652	90,595
Expected to settle within one year	45,072	34,104
Development property	**169,724**	**124,699**

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. $287,000 (2017: nil) has been capitalised during the year. Development property includes deposits paid on unconditional contracts for development land.

The carrying amounts of the development property are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount the impairment loss is recognised in profit or loss.

The value of development property held at 31 December 2018 was determined, on an open market existing use basis, by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited as $337.8 million (2017: $276.3 million).

The fair value of development property as determined by the independent valuer is categorised as Level 3 based on the inputs to the valuation methodology. The basis of the valuation is the hypothetical subdivision approach and/or block land sales comparisons to derive the residual block land values. The major unobservable inputs that are used in the valuation model that require judgement include the individual section prices, allowances for profit and risk, projected completion and sell down periods and interest rates during the holding period. The estimated fair value would increase or (decrease) if: the individual section prices were higher/(lower); the allowances for profit were higher/(lower); the allowances for risk were lower/(higher); the projected completion and sell down periods were shorter/(longer); and the interest rate during the holding period was lower/(higher).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2018

9. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	GROUP					
	Assets		Liabilities		Net	
In thousands of dollars	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Plant and equipment	-	-	(1)	(1)	(1)	(1)
Development property	-	-	(126)	(47)	(126)	(47)
Employee benefits	56	41	-	-	56	41
Trade and other payables	-	5	-	-	-	5
Net tax assets/(liabilities)	**56**	**46**	**(127)**	**(48)**	**(71)**	**(2)**

Movement in deferred tax balances during the year

	GROUP		
In thousands of dollars	Balance 1 Jan 2017	Recognised in profit or loss	Balance 31 Dec 2017
Plant and equipment	-	(1)	(1)
Development property	(50)	3	(47)
Employee benefits	44	(3)	41
Trade and other payables	4	1	5
	(2)	**-**	**(2)**

	GROUP		
In thousands of dollars	**Balance 1 Jan 2018**	**Recognised in profit or loss**	**Balance 31 Dec 2018**
Plant and equipment	(1)	-	(1)
Development property	(47)	(79)	(126)
Employee benefits	41	15	56
Trade and other payables	5	(5)	-
	(2)	**(69)**	**(71)**

10. TRADE AND OTHER RECEIVABLES

	GROUP	
In thousands of dollars	**2018**	**2017**
Trade receivables	176	13
Other receivables and prepayments	1,808	1,713
Trade and other receivables	**1,984**	**1,726**

None of the trade and other receivables are impaired.

Trade and other receivables are stated at their cost less impairment losses. The carrying amounts of the trade and other receivables are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount the impairment loss is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2018

11. CASH AND CASH EQUIVALENTS

	GROUP	
In thousands of dollars	**2018**	**2017**
Bank balances	2,280	8,274
Call deposits	5,000	10,500
Cash and cash equivalents	**7,280**	**18,774**

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

12. CAPITAL AND RESERVES

	PARENT			
Share capital	2018 **Shares '000s**	2018 **$000's**	2017 **Shares '000s**	2017 **$000's**
Shares issued 1 January	277,514	54,310	276,947	53,846
Issued under dividend reinvestment plan	605	554	567	464
Total shares issued and outstanding	278,119	54,864	277,514	54,310

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 2018, the authorised share capital consisted of 278,118,487 fully paid ordinary shares (2017: 277,513,971).

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 604,516 additional shares under the Dividend Reinvestment Plan on 18 May 2018 (2017: 566,646) at a strike price of $0.9154 per share issued (2017: $0.8198).

Dividends

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

	PARENT	
In thousands of dollars	**2018**	**2017**
3.5 cents per qualifying ordinary share (2017: 3.0 cents)	9,713	8,308
	9,713	**8,308**

After 31 December 2018 the following dividends were declared by the directors. 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	PARENT
3.5 cents ordinary dividend per qualifying ordinary share	9,734
3.5 cents total dividend per qualifying ordinary share	**9,734**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2018

13. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2018 was based on the profit attributable to ordinary shareholders of $33,641,000 (2017: $32,161,000); and weighted average number of ordinary shares outstanding during the year ended 31 December 2018 of 277,917,000 (2017: 277,325,000), calculated as follows:

Profit attributable to ordinary shareholders (basic & diluted)	GROUP	
In thousands of dollars	**2018**	**2017**
Profit for the period	33,641	32,161
Profit attributable to ordinary shareholders	**33,641**	**32,161**

Weighted average number of ordinary shares	PARENT	
	2018 Shares '000s	**2017 Shares '000s**
Issued ordinary shares at 1 January	277,514	276,947
Effect of 604,516 shares issued in May 2018	403	-
Effect of 566,646 shares issued in May 2017	-	378
Weighted average number of ordinary shares at 31 December	277,917	277,325

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.

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.

Prestons Road Limited

		GROUP	
In thousands of dollars	**Note**	**2018**	**2017**
Cash and cash equivalents	11	7,280	18,774
Short term deposits		38,620	46,500
Trade and other receivables	10	1,984	1,726
Financial Liabilities			
Trade and other payables		2,175	2,133

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2018

14. FINANCIAL INSTRUMENTS – continued

Credit risk

Management 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.

Cash, cash equivalents, and term deposits are allowed only in liquid securities and only with counterparties 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 exposure to interest rate risk as there are no funding facilities (2017: nil). However, the Group is 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.

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

		2018				2017			
In thousands of dollars	**Note**	**Effective interest rate**	**Total**	**6 months or less**	**6-12 months**	**Effective interest rate**	**Total**	**6 months or less**	**6-12 months**
Cash and cash equivalents	11	0.00% to 2.53%	7,280	7,280	-	0.00% to 2.67%	18,774	18,774	-
Short term deposits		3.20% to 3.46%	38,620	22,000	16,620	3.20% to 3.51%	46,500	42,000	4,500
			45,900	**29,280**	**16,620**		**65,274**	**60,774**	**4,500**

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.

A decrease of one percentage point in interest rates would have decreased the Group's profit before income tax by $422,000 (2017: $605,000) in the current period.

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

	2018			2017		
In thousands of dollars	**Balance Sheet**	**6 months or less**	**6-12 months**	**Balance Sheet**	**6 months or less**	**6-12 months**
Trade and other payables	2,175	2,175	-	2,133	1,990	143
	2,175	**2,175**	**-**	**2,133**	**1,990**	**143**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2018

14. FINANCIAL INSTRUMENTS – continued

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.

15. OPERATING LEASES

Leases as Lessee

Non-cancellable operating lease rentals are payable as follows:

	GROUP	
In thousands of dollars	**2018**	**2017**
Less than one year	16	13
Between one and five years	27	21
	43	**34**

During the year ended 31 December 2018, $16,000 was recognised as an expense in profit or loss in respect of operating leases (2017: $17,000) and $76,000 (2017: $37,000) was recognised as other income in profit or loss in respect of leases.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

16. COMMITMENTS

As at 31 December 2018, the Group had entered into contractual commitments for development expenditure 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 2019 in accordance with the Group's development programme.

On 11 February 2019, the Group withdrew from an agreement to purchase land to the value of $35.00 million due to Plan Change timing and zoning issues along with infrastructural constraints.

	GROUP	
In thousands of dollars	**2018**	**2017**
Development expenditure	42,496	32,665
Land purchases	46,132	35,956
	88,628	**68,621**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2018

17. RELATED PARTIES

Identity of related parties

The Company has a related party relationship with its subsidiary as well as a fellow subsidiary of its parent (see Note 18), 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 2018 was:

	GROUP	
In thousands of dollars	**2018**	**2017**
C Sim	38	15
HR Wong	-	40
VWE Yeo	30	30
KS Tan	-	-
R Austin	35	35
J Henderson	30	30
Total for non-executive directors	**133**	**150**
BK Chiu	-	-
Total for executive directors	**-**	**-**
	133	**150**

Non-executive directors receive director's fees only. The executive directors do not receive remuneration or any other benefits as a director of the Parent Company or of the Company's subsidiary.

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

Investment in associate

The Company's subsidiary, CDL Land New Zealand Limited, has a 33.33% investment in Prestons Road Limited. The principal activities of Prestons Road Limited are as a service provider and in this regard, it is charged with engaging suitably qualified consultants in fields such as geotechnical engineering, resource management compliance, subdivision of land, legal and regulatory compliance and related issues.

The associate has no revenue or expenses, therefore the Group's share of profit in its associate for the year was nil (2017: nil).

Summary unaudited financial information for the associate, not adjusted for the percentage ownership held by the Group:

	GROUP	
In thousands of dollars	**2018**	**2017**
Current assets	34	34
Current liabilities	28	28
Net assets (100%)	6	6
Group interests	33.33%	33.33%
Group's interest of net assets	2	2
Carrying amount in associates	2	34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2018

17. RELATED PARTIES – continued

Movements in the carrying value of the associate:

	GROUP	
In thousands of dollars	**2018**	**2017**
Balance at 1 January	2	2
Purchase of investment	-	-
Balance at 31 December	**2**	**2**

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

18. 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 66.42% (2017: 66.56%) of the Company and having three out of six of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 70.79% (2017: 70.79%) owned by CDL Hotels Holdings New Zealand Limited (computed on voting shares), which is a wholly owned subsidiary of Millennium & Copthorne Hotels plc 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, $314,000 (2017: $313,000) for expenses incurred by the parent on behalf of the Group.

During 2018, CDL Investments New Zealand Limited issued no additional shares (2017: nil) to its parent, Millennium & Copthorne Hotels New Zealand Limited, under the Dividend Reinvestment Plan (see Note 12). The total shares on issue to Millennium & Copthorne Hotels New Zealand Limited is 184,724,438 (2017: 184,724,438).

KPMG

Independent Auditor's Report

To the shareholders of CDL Investments New Zealand Limited

Report on the consolidated financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of CDL Investments New Zealand Limited (the company) and its subsidiaries (the group) on pages 12 to 28:

i. present fairly in all material respects the Group's financial position as at 31 December 2018 and its financial performance and cash flows for the year ended on that date; and

ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

— the consolidated statement of financial position as at 31 December 2018;

— 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 and other explanatory information.

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 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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 to taxation compliance, taxation advisory and scrutineering at the group's annual meeting of shareholders. 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 $2.3 million determined with reference to a benchmark of group profit before tax. 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 of the consolidated financial statements. The group's development property comprises land and costs incurred to develop land into subdivisions and individual properties for sale. At 31 December 2018 development properties amounted to $169.7 million representing 80.6% of net assets in the consolidated statement of financial position. 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 how to allocate the costs to individual properties.	To assess the capitalisation of development costs we examined the operating effectiveness of the Group's process to capitalise and record development costs. We then obtained invoices for a sample of capitalised costs to check whether the nature of the expense met the capitalisation criteria in the accounting standards. We found no exceptions. Our procedures over the allocation of these development costs involved considering the costs capitalised to properties sold versus costs capitalised to the remaining properties in the portfolio, and in comparison to realised value upon sale. We also checked for consistency in approach between periods. The evidence we obtained demonstrated the allocation of costs was in line with our expectations.

Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. Other information includes the Director's review, disclosures relating to corporate governance, the trend statement and financial summary and the other information included in the Annual Report. 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 other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially 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 Director's Review and have nothing to report in this regard. The Annual Report is expected to be made available to us after the date of this Independent Auditors 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;
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and 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 consolidated 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-8/

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

The engagement partner on the audit resulting in this independent auditor's report is **Aaron Woolsey**

For and on behalf of

KPMG

KPMG
Auckland
13 February 2019

REGULATORY DISCLOSURES

20 LARGEST SHAREHOLDERS (as at 1 March 2019) (Listing Rule 3.7.1c)

Rank	Shareholder	Number of Securities	% of Issued Capital
1.	MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED	184,724,438	66.42
2.	ADRIAN HO	20,457,444	7.36
3.	HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET -NZCSD	13,908,548	5.00
4.	JPMORGAN CHASE BANK NA NZ BRANCH-SEGREGATED CLIENTS ACCT - NZCSD	7,991,904	2.87
5.	ACCIDENT COMPENSATION CORPORATION - NZCSD	6,653,685	2.39
6.	CHRISTINA SEET	2,225,743	0.80
7.	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD	1,576,993	0.57
8.	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD	1,490,879	0.54
9.	HUGH GREEN INVESTMENTS LIMITED	1,102,090	0.40
10.	GEOK LOO GOH	1,079,834	0.39
11.	ROGER PARKER	801,032	0.29
12.	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD	706,176	0.25
13.	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	616,436	0.22
14.	STEVEN CHEONG KWOK WING	548,544	0.20
15.	CALIBER TRUSTEE COMPANY LIMITED	532,310	0.19
16.	GRAHAM KENNETH GASKIN + DONALD ERIC FORSYTH	450,587	0.16
17.	DEBORAH LEE SEERUP	450,005	0.16
18.	JBWERE (NZ) NOMINEES LIMITED	411,321	0.15
19.	ROBERT WONG + CHRISTEIN JOE WONG	390,057	0.14
20.	BRUCE LESLIE DAVISON + SHONA ELIZABETH DAVISON	381,088	0.14

NZCSD provides a custodial depositary service to its clients and does not have a beneficial interest in the shares held in its name.

HOLDINGS SIZE (as at 1 March 2019)

Range	Number of shareholders	Number of shares	% of Issued Capital
1-99	6	390	0.00
100 – 199	5	694	0.00
200 - 499	8	2,516	0.00
500 - 999	31	19,906	0.01
1,000 - 1,999	379	505,620	0.18
2,000 - 4,999	1,047	3,183,072	1.14
5,000 - 9,999	522	3,601,308	1.29
10,000 - 49,999	555	10,954,321	3.94
50,000 - 99,999	77	5,256,418	1.89
100,000 - 499,999	53	10,060,563	3.62
500,000 - 999,999	3	1,881,886	0.68
1,000,000 +	6	242,651,793	87.25
Total	**2,692**	**278,118,487**	**100.00**

REGULATORY DISCLOSURES – continued

DOMICILE OF SHAREHOLDERS (as at 1 March 2019)

	Number of shareholders	Number of shares	% of Issued Capital
New Zealand	2,583	252,676,619	90.85
Australia and overseas	109	25,441,868	9.15
Total	**2,692**	**278,118,487**	**100.00**

WAIVERS FROM NZX LIMITED

On 19 March 2018, NZX also granted the Company a waiver from Listing Rule 5.2.3 in respect of its ordinary shares for a period of twelve months from that date (the **Ordinary Shares Waiver**).

NZX granted the Ordinary Shares Waiver on the following conditions:

(a) that the Company clearly and prominently discloses the waiver, its conditions and its implications in its half-year and annual reports and in any other offer documents relating to any offer of shares undertaken by CDI during the period of the waiver; and

(b) consistently monitors the percentage of shares held by total number of Members of the Public and notifies NZX Regulation as soon as practicable if there are material changes to the percentage of Ordinary Shares held by Members of the Public.

The implication of these waivers is that the Company's preference and ordinary shares may not be widely held and there may be reduced liquidity in both classes of shares.

SUBSTANTIAL SECURITY HOLDERS

According to notices given to the Company under the Securities Markets Act 1988, as at 1 March 2019, the substantial security holders in the Company are noted below:

	Securities	Class	%
Millennium & Copthorne Hotels New Zealand Limited	184,724,438	Ordinary Shares	66.91
Adrian Ho	20,457,444	Ordinary Shares	7.36
Aberdeen Standard Australian Small Companies Fund	13,908,548	Ordinary Shares	5.00

As at 1 March 2019, the total number of issued voting securities of CDL Investments New Zealand Limited (all of which are ordinary shares) was 278,118,487.

STATUTORY INFORMATION

DIRECTORS (section 211(1)(l) Companies Act 1993)

As at 31 December 2018, the Company's Directors were Messrs. C Sim, BK Chiu, RJ Austin, JH Henderson, KS Tan and VWE Yeo.

The gender breakdown of the Board is 6 male directors and 0 female directors. CDI currently has 1 female and 3 male officers..

INTERESTS REGISTER (sections 189(1)(c) and 211(1)(e), Companies Act 1993)

The Company maintains an Interests Register as required under the Companies Act 1993. For the period under review, the following entries were recorded:

USE OF COMPANY INFORMATION (section 145, Companies Act 1993)

During the year, the Board did not receive any notices from any Directors of the Company requesting the use of company information which they would have received in their capacity as Directors which would not otherwise have been available to them.

SHARE DEALING (section 148, Companies Act 1993)

No share dealings by Directors occurred during the year.

DIRECTORS' AND ASSOCIATED PERSONS SHAREHOLDINGS (as at 31 December 2018)

Director	2018	2017
C Sim	Nil	Nil
BK Chiu	Nil	Nil
KS Tan	Nil	Nil
VWE Yeo	Nil	Nil
RJ Austin	Nil	Nil
J Henderson	Nil	Nil

REMUNERATION (sections 161 and 211(1)(f), Companies Act 1993)

The total remuneration and value of other benefits earned received by each of the Directors of the Company for the year ending 31 December 2018 was:

Director	Remuneration
C Sim	$37,500
BK Chiu	Nil^
KS Tan	Nil^
VWE Yeo	$30,000
RJ Austin	$35,000
J Henderson	$30,000

^ Mr. KS Tan, being the Interim Group Chief Executive and Executive Director of Millennium & Copthorne Hotels plc, did not receive any fees as Chairman or as a Director of the Company. Mr. BK Chiu, being the Managing Director of Millennium & Copthorne Hotels New Zealand Limited did not receive any fees as Chairman or as a Director of the Company or its subsidiary.

INDEMNITY AND INSURANCE (section 162, Companies Act 1993)

In accordance with the Company's constitution, the Company has insured all its Directors and the Directors of its subsidiary against liabilities to other parties (except the Company or a related party of the Company) that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions.

GENERAL DISCLOSURES OF INTEREST (section 140(2), Companies Act 1993)

As at 31 December 2018, the Directors of the Company have made general disclosures of interest in the following companies:

C Sim

Chairman/Director of:
Millennium & Copthorne Hotels New Zealand Limited

Director of:
Autocaps (Aust) Pty Ltd
Autocaps Vogue Pty Limited
Builders Recycling Properties Pty Ltd
CS Investments No. 1 Pty Ltd
Desert Rose Holdings Pty Limited
Autocaps Pastoral Division Pty Limited
Bathurst Range Investments Pty Limited
Builders Recycling Operations Pty Ltd
Desert Rose Group Pty Limited
DMM Investments (NSW) Pty Ltd

STATUTORY INFORMATION – continued

GENERAL DISCLOSURES OF INTEREST (section 140(2), Companies Act 1993) – continued

Dockside Parramatta Pty Limited
Dockside Venues Pty Ltd
East Quarter Group Pty Ltd
East Quarter Hurstville Pty Limited
EQ Constructions Pty Ltd
EQ Equity Pty Ltd
EQ Finance Services Pty Limited
EQ Gosford Pty Ltd
EQ Projects Pty Ltd
EQ Projects Holdings Pty Ltd
EQ Property Holdings Pty Ltd
EQ Revesby Pty Ltd
EQ Riverside Pty Ltd
EQ Zetland Pty Ltd
EQ Zetland Finance Pty Ltd
Hurstville NSW Pty Limited
Llenruk Pty Ltd
Naxta Pty Ltd
New Dale Sim Pty Ltd
PBD Phoenix Pty Limited
PCC Devoco 1 Pty Limited
Phoenix Palm Developments Pty Limited
Preslite Drive Technologies Pty Limited
Proactive Management Systems Pty Ltd
SSK Investments Pty Ltd
SSK Investments No 2 Pty Ltd
SSK Investments O/S Pty Ltd
Waterbrook Bayview Pty Ltd
Waterbrook Bayview Investment Pty Ltd
Waterbrook Bayview Village Management Pty Ltd
Waterbrook Bowral Pty Ltd
Waterbrook Bowral Investment Pty Ltd
Waterbrook Brand Pty Ltd
West Quarter Hurstville Pty Limited

BK Chiu

Chairman/Director of:
Quantum Limited
Waitangi Resort Joint Venture Committee

Director of:
All Seasons Hotels & Resorts Limited
CDL Land New Zealand Limited
Context Securities Limited
Hospitality Group Limited
Hospitality Leases Limited
Hospitality Services Limited
Kingsgate Hotels & Resorts Limited
Millennium & Copthorne Hotels Limited
Millennium & Copthorne Hotels New Zealand Limited
QINZ Holdings (New Zealand) Limited
QINZ (Anzac Avenue) Limited

KS Tan

Chairman / President/ Director of:
Grand Plaza Hotel Corporation

Director / President of:
The Philippine Fund Limited

Internal Director of:
CDL Hotels (Korea) Ltd

Executive Director / Chief Executive Officer of:
Millennium & Copthorne Hotels plc

Commissioner of:
PT Millennium Sirih Jakarta Hotel

Director of:
CDL Entertainment & Leisure Pte Ltd
City Century Pte Ltd
First Sponsor Group Limited
Harbour Land Corporation
Hong Leong Hotel Development Limited
Millennium & Copthorne Hotels Management (Shanghai) Limited
Millennium & Copthorne Hotels New Zealand Limited
Millennium & Copthorne International Limited
Rogo Realty Corporation

VWE Yeo

Executive Director / Chief Executive Officer of:
M&C Business Trust Management Limited
M&C REIT Management Limited

Director of:
CCDL HBT Cambridge City Pte. Ltd
CDL HBT Cambridge City (UK) Ltd
CDL HBT Cambridge City Hotel (UK) Ltd
CDL HBT Hanei Pte. Ltd
CDL HBT North Ltd
CDL HBT Oceanic Holdings Pte Ltd
CDL HBT Oceanic Ltd
CDL HBT Oceanic Maldives Pvt Ltd
CDL HBT Oceanic Two Ltd
CDLHT (BVI) One Ltd
CDLHT CFM One Pte Ltd
CDLHT CFM Two Pte Ltd
CDLHT Hanei One Pte.Ltd
CDLHT Hanei Two Pte Ltd
CDLHT MTN Pte. Ltd
CDLHT Munich One Pte Ltd
CDLHT Munich Two Pte Ltd
CDLHT Oceanic Holdings Pte Ltd
CDLHT Oceanic Ltd
CDLHT Oceanic Maldives Pvt Ltd
CDLHT Oceanic Two Ltd
CDLHT Sanctuary Limited
CDLHT Sunrise Limited
CDLHT Sunshine Limited
CDLHT Two Ltd
Event Hospitality Group III BV

STATUTORY INFORMATION – continued

GENERAL DISCLOSURES OF INTEREST (section 140(2), Companies Act 1993) – continued

Event Hospitality Group III Italy SRL
Munich Furniture BV
NKS Hospitality III SRL
Sun Four Investments Limited
Sun Three Investments Limited
Sunshine Hotels Australia Pty Ltd
The Lowry Hotel Ltd
Hospitality Holdings Pte Ltd
NKS Hospitality I BV
Sanctuary Sands Maldives Private Limited
Sun One Investments Limited
Sun Two Investments Limited

RJ Austin

Director of:
Anglebury & Konig Limited
Café Brands Limited
CCNZ Limited
Cure Kids Ventures Limited
Ohaupo Farms Limited
Vintage Sport and Leisure Limited
Austand Securities Limited
CBMC Limited
Cure Kids Capital Limited
Northington Investments Limited
Pastoral Management Limited
Your Local Collective Limited

Trustee of:
Cure Kids

J Henderson

Director of:
Ding Bay Limited
Maara Moana Limited
John Henderson Resources Limited
Te Hoiere Asset Holding Company Limited

Member of:
Waipu Cove Reserve Board

EMPLOYEE REMUNERATION (section 211(1)(g), Companies Act 1993)

The number of employees or former employees of the Company and its subsidiary who received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded $100,000 per annum are as follows:

Remuneration and value of other benefits	Number of employees
110,001 – 120,000	1
280,001 – 290,000	1

DONATIONS (sections 211(1)(h) and 211(2), Companies Act 1993)

The Company made no donations during the year.

AUDIT FEES (sections 211(1)(j) and 211(2), Companies Act 1993)

During the period under review, the following amounts were payable to the external auditors KPMG:

In thousands of dollars	2018	2017
Annual Audit	53	52
KPMG Other Services	15	1

SUBSIDIARY COMPANY AND DIRECTORS (section 211(2), Companies Act 1993)

The Company's subsidiary and its directors as at 31 December 2018 are listed below:

Name	Directors	Ownership	Activity
CDL Land New Zealand Limited	BK Chiu, JC Adams JB Pua	100.00%	Development & Sale of Residential Land Sections

(*) Mr. DJ Lindsay ceased to be a director on 15 November 2018. Mr. JC Adams was appointed as a director with effect from 15 February 2019.

The directors of CDL Land New Zealand Limited did not receive any remuneration or other benefits as directors.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Colin Sim (Chairman)
BK Chiu (Managing Director)
Kian Seng Tan (Non-Executive Director)
Vincent Yeo (Non-Executive Director)
Roy Austin (Independent Non-Executive Director)
John Henderson (Independent Non-Executive Director)

MANAGEMENT TEAM

Jason Adams (General Manager, CDL Land New Zealand Limited)
Natasha Hood (Group Accounting Manager)
Takeshi Ito (Company Secretary)

REGISTERED OFFICE & CONTACT DETAILS

Level 13, 280 Queen Street, Auckland, New Zealand
P O Box 3248, Shortland Street, Auckland 1140, New Zealand
Telephone: +64 9 353 5077 Facsimile: +64 9 353 5098
Website: www.cdlinvestments.co.nz

AUDITORS

KPMG, Auckland

BANKERS

ANZ Bank New Zealand Limited, Auckland

SOLICITORS

Bell Gully

SHARE REGISTRAR

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road, Takapuna
Private Bag 92119, Auckland 1142, New Zealand
Telephone: +64 9 488 8700 Facsimile: +64 9 488 8787
Email: enquiry@computershare.co.nz

STOCK EXCHANGE LISTING

New Zealand Exchange (NZX)
Company Code: CDI

CDL INVESTMENTS
NEW ZEALAND LIMITED