

**CDL INVESTMENTS**  
NEW ZEALAND LIMITED  
ANNUAL REPORT 2020





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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 2020.

Signed for and on behalf of the Board of Directors:



Colin Sim  
Chairman

19 March 2021



BK Chiu  
Managing Director



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# DIRECTORS' REVIEW

## FINANCIAL PERFORMANCE

CDL Investments New Zealand Limited ("CDI") is pleased to report that after an extraordinary year, the company recorded a profit after tax of \$30.1 million (2019: \$34.1 million) in 2020, which is a very creditable result under challenging circumstances.

Reflecting the fact that the company was able to trade during lockdown and also reflecting active demand in all regions during the year, CDI's property sales & other income totaled \$88.8 million (2019: \$91.8 million). Profit before tax was \$41.8 million (2019: \$47.4 million).

At 31 December 2020, CDI's shareholders' funds increased to \$257.1 million (2019: \$235.5 million) and total assets also increased to \$265.0 million (2019: \$240.7 million). Net tangible asset per share (at book value) was 91.7 cents (2019: 84.5 cents).

## PROPERTY PORTFOLIO

Our Dominion Road (Papakura, South Auckland) and Kewa Road (North Shore, Auckland) subdivisions both sold well and further stages commenced development in 2020. Demand was high and we expect that the new additional stages will sell quickly in 2021.

Sales at Prestons Park (Christchurch) were also very positive and we recorded additional sales at Magellan Heights (Hamilton) and Northwood (Hastings).

During 2020, CDI acquired a total of 1.4 hectares of land in the Hawkes Bay region. Additional acquisitions are being considered in 2021 to ensure that the company has sufficient development stock in areas where we forecast demand to remain high and which can be developed and sold over the short to medium term.

The five unit Commercial Centre located at Stonebrook (Rolleston, Selwyn District) is complete and the first lease agreements were signed in Q4 2020 with the tenants commencing their operations during Q1 2021. Construction of the fifteen unit Commercial Centre at Prestons Park, Christchurch has commenced with Block 1 (five units) scheduled to be completed in July 2021 and Block 2 (ten units) due to be completed in December 2021.

In addition, the company has entered into an agreement for a Design Build and Lease development at one of its commercially-zoned sites in Wiri, Auckland. This is a very positive step for CDI's diversification strategy and construction of the warehouse/ office is scheduled to commence in February 2021.

CDI did not apply for assistance from the government Wage Subsidy programme.

As at 31 December 2020, the independent market value of CDI's property holdings was \$292.8 million (2019: \$315.6 million). At cost, the portfolio was valued at \$164.8 million (2019: \$182.7 million) in line with CDI's accounting policies.

## DIVIDEND ANNOUNCEMENT

The Board has resolved to maintain its fully imputed ordinary dividend at 3.5 cents per share payable on 14 May 2021. The amount reflects the profit result achieved in 2020 but will also allow the company to retain earnings to acquire additional land during the course of this year.

The record date will be 30 April 2021. The Dividend Reinvestment Plan will apply to this dividend.

## SUMMARY AND OUTLOOK

Shareholders should be pleased that CDI was able to achieve a result in 2020 which mirrored 2019 especially in a year which, to put it mildly, was discombobulating. CDI with its geographically diverse portfolio of residential sections in Auckland, Hamilton and Christchurch benefitted from unusually positive market conditions. While these conditions remain evident, the company is optimistic that 2021 will also see a solid level of sales across New Zealand for residential sections. New stages will be developed and brought to market to meet this demand including sections in Kewa Road and Dominion Road in Auckland, and Prestons Park in Christchurch.

Over the past seven years, we have selectively acquired 154.5 hectares of land for our core business of residential development. These acquisitions will continue as more identified opportunities become available and announcements made in due course. In the past three years, we have also embarked on strategies to diversify our development programme and revenue stream and we will continue with this where we believe this is suitable and will deliver additional value to shareholders.

The Board is confident that the acquisitions made and those to be made in 2021 will ensure that the Company is able to secure a sufficient pipeline of development land to maintain CDI's future profitable operations.

On behalf of the Board, I thank our staff for their extraordinary work in an extraordinary year.



Colin Sim  
Chairman

# 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.

Mr. Sim was elected as a director at the 2018 annual meeting of shareholders.

## B K CHIU

(Managing Director / Member of the Audit Committee)

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.

Mr. Chiu was last elected as a director at the 2018 annual meeting of shareholders.

## 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).

Mr. Austin was last elected as a director at the 2020 annual meeting of shareholders.

## 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.

Mr. Henderson was last elected as a director at the 2019 annual meeting of shareholders.

## EIK SHENG KWEK

(Non-Executive Director)

Mr. Kwek is currently the Group Chief Strategy Officer of City Developments Limited ("CDL") and has been in that role since 2018. Mr. Kwek joined CDL in 2009, covering Business Development for overseas projects before being appointed as Head of Corporate Development. He assumed his role as Chief Strategy Officer in 2014 and was additionally appointed Head, Asset Management in April 2016. Prior to joining CDL, he was with the Hong Leong Group of companies in Singapore specialising in corporate finance roles since 2006.

He is also Executive Director of Millennium & Copthorne Hotels Limited, previously listed on the London Stock Exchange as Millennium & Copthorne Hotels plc. He holds a Bachelor of Engineering in Electrical and Electronics Engineering from Imperial College of Science, Technology and Medicine and a Master of Philosophy in Finance from Judge Business School, Cambridge University.

Mr. Kwek was appointed to the Board on 1 January 2020 and was elected as a director at the 2020 annual meeting of shareholders.

## 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.

Mr. Yeo was last elected as a director at the 2020 annual meeting of shareholders.

# CORPORATE GOVERNANCE

CDL Investments New Zealand Limited is committed to maintaining strong corporate governance in line with best practice at all times. Its corporate governance framework, set out below, 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 bring 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 revised its Share Trading Policy in 2018 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.

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

# CORPORATE GOVERNANCE – continued

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, Kwek 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 2020.

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

\* Mr. ES Kwek was appointed from 1 January 2020.

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, Kwek, Sim, Yeo
Large enterprise / Multinational business or leadership experience	Chiu, Henderson, Kwek, Sim, Yeo
Accounting / Finance / Tax experience	Austin, Kwek
Business strategy experience	Austin, Chiu, Henderson, Kwek, Sim, Tan, Yeo
Property development / management experience	Chiu, Kwek, 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:

- 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
- 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 CDLI'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 CDLI's permanent staff, 50% are male and 50% are female.

## 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 CDLI 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), John Henderson and BK Chiu. Senior management attend only by invitation.

The table below reports attendance of the Audit Committee members during 2020:

DIRECTOR	MEETINGS ATTENDED
Roy Austin (Chair)	3/3
John Henderson	3/3
BK Chiu	3/3

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

# CORPORATE GOVERNANCE – continued

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 formed a Nominations Committee of the Board comprising Messrs. Austin and Chiu in 2020. The Committee has been considering possible nominations for a new appointment to the Board.

CDI does not currently have a Remuneration 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.
- 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.

# CORPORATE GOVERNANCE – continued

- 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/](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 Audit Committee receives 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.

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.

# CORPORATE GOVERNANCE – continued

## 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;
- 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 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 monitor the fees and ratio.

# CORPORATE GOVERNANCE – continued

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 in 2018.

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.

## 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:

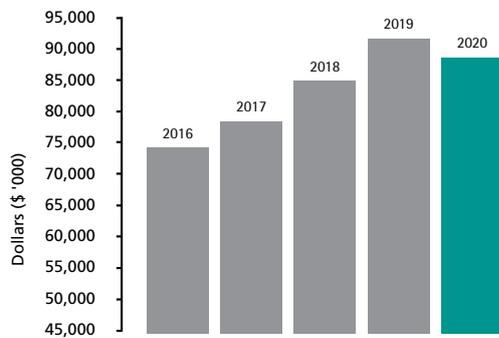
- announcements in accordance with continuous disclosure as required under the Listing Rules;
- publication of the company's annual and interim reports which are sent to all shareholders; and
- encouraging shareholders to attend the Annual Meeting in May of each year to hear the Chairman and the Managing 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/](https://cdlinvestments.co.nz/corporate_profile/).

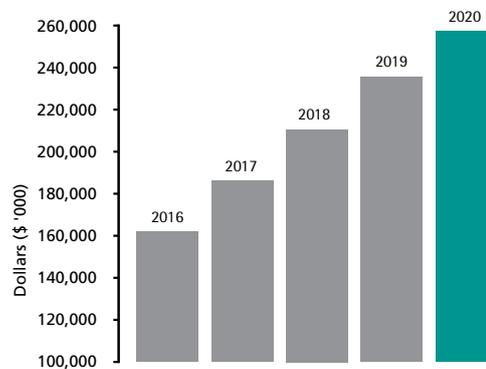
# TREND STATEMENT

For the year ended 31 December 2020

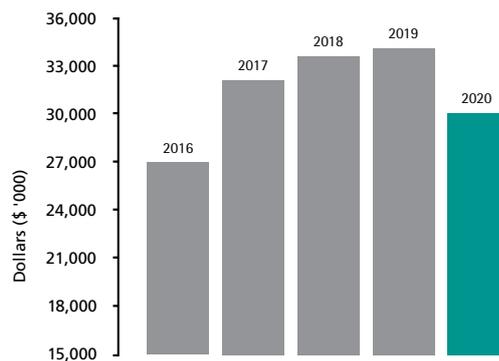
Property Sales & Other Income



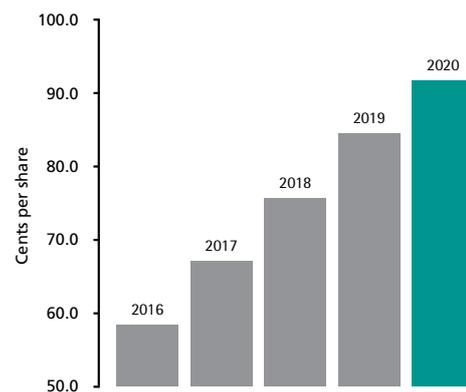
Group Equity



Profit for the Year



Asset Backing Per Share (Before Distribution)



# FINANCIAL SUMMARY

For the year ended 31 December 2020

In thousands of dollars (unless otherwise stated)	2016	2017	2018	2019	2020
Property sales & other income	74,471	78,667	85,030	91,794	88,778
Profit before income tax	37,538	44,668	46,719	47,426	41,811
Profit for the year	27,028	32,161	33,641	34,140	30,099
Earnings per share	9.77c	11.60c	12.10c	12.26c	10.75c
Dividends per share	3.00c	3.50c	3.50c	3.50c	3.50c
Percentage of dividends per share over earnings per share	30.7%	30.2%	28.9%	28.5%	32.6%
Asset backing per share (before distributions)	58.4c	67.1c	75.7c	84.5c	91.7c
Total assets	168,277	191,706	217,614	240,700	265,005
Group equity	161,795	186,112	210,594	235,510	257,131



**CDL INVESTMENTS**  
NEW ZEALAND LIMITED

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

In thousands of dollars	Note	2020	2019
			GROUP
Revenue		88,633	91,610
Cost of sales		(43,290)	(40,861)
<b>Gross Profit</b>		<b>45,343</b>	<b>50,749</b>
Other income		145	184
Administrative expenses	3, 4	(256)	(240)
Property expenses		(417)	(384)
Selling expenses		(2,541)	(2,559)
Other expenses	3, 4	(1,499)	(1,349)
<b>Results from operating activities</b>		<b>40,775</b>	<b>46,401</b>
Finance income	5	1,038	1,029
Finance costs	5	(2)	(4)
<b>Net finance income</b>		<b>1,036</b>	<b>1,025</b>
<b>Profit before income tax</b>		<b>41,811</b>	<b>47,426</b>
Income tax expense	6	(11,712)	(13,286)
Profit for the period		30,099	34,140
<b>Total comprehensive income for the period</b>		<b>30,099</b>	<b>34,140</b>
<b>Profit attributable to:</b>			
Equity holders of the parent		30,099	34,140
<b>Total comprehensive income for the period</b>		<b>30,099</b>	<b>34,140</b>
Earnings per share (cents per share)	14	10.75	12.26

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 2020

In thousands of dollars	Note	GROUP		Total Equity
		Share Capital	Retained Earnings	
Balance at 1 January 2019		54,864	155,730	210,594
<b>Total comprehensive income for the period</b>				
Profit for the period		-	34,140	34,140
<b>Total comprehensive income for the period</b>		-	<b>34,140</b>	<b>34,140</b>
<b>Transactions with owners of the Company</b>				
Shares issued under dividend reinvestment plan	13	510	-	510
Dividend to shareholders	13	-	(9,734)	(9,734)
Supplementary dividend		-	(309)	(309)
Foreign investment tax credits		-	309	309
<b>Balance at 31 December 2019</b>		<b>55,374</b>	<b>180,136</b>	<b>235,510</b>
Balance at 1 January 2020		55,374	180,136	235,510
<b>Total comprehensive income for the period</b>				
Profit for the period		-	30,099	30,099
<b>Total comprehensive income for the period</b>		-	<b>30,099</b>	<b>30,099</b>
<b>Transactions with owners of the Company</b>				
Shares issued under dividend reinvestment plan	13	1,280	-	1,280
Dividend to shareholders	13	-	(9,758)	(9,758)
Supplementary dividend		-	(286)	(286)
Foreign investment tax credits		-	286	286
<b>Balance at 31 December 2020</b>		<b>56,654</b>	<b>200,477</b>	<b>257,131</b>

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 2020

In thousands of dollars	Note	GROUP	
		2020	2019
<b>SHAREHOLDERS' EQUITY</b>			
Issued capital	13	56,654	55,374
Retained earnings		200,477	180,136
<b>Total Equity</b>		<b>257,131</b>	<b>235,510</b>
Represented by:			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		23	32
Development property	8	119,096	145,138
Investment property	9	3,325	-
Investment in associate	17	2	2
<b>Total Non Current Assets</b>		<b>122,446</b>	<b>145,172</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	12	10,111	34,435
Short term deposits	15	86,620	19,620
Trade and other receivables	11	3,486	3,932
Development property	8	42,342	37,541
<b>Total Current Assets</b>		<b>142,559</b>	<b>95,528</b>
<b>Total Assets</b>		<b>265,005</b>	<b>240,700</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities	10	59	63
Lease liability		3	10
<b>Total Non Current liabilities</b>		<b>62</b>	<b>73</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,932	984
Employee entitlements		52	38
Income tax payable		3,821	4,081
Lease liability		7	14
<b>Total Current Liabilities</b>		<b>7,812</b>	<b>5,117</b>
<b>Total Liabilities</b>		<b>7,874</b>	<b>5,190</b>
<b>Net Assets</b>		<b>257,131</b>	<b>235,510</b>

For and on behalf of the Board

R AUSTIN, DIRECTOR, 17 February 2021



BK CHIU, MANAGING DIRECTOR, 17 February 2021



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

In thousands of dollars	Note	GROUP	
		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
<b>Cash was provided from:</b>			
Receipts from customers		89,391	89,650
Interest received		871	1,225
<b>Cash was applied to:</b>			
Payment to suppliers		(21,979)	(49,854)
Payment to employees		(546)	(527)
Deposits paid on unconditional contracts for development land		-	(78)
Purchase of development land		(1,260)	(9,060)
Income tax paid		(11,690)	(13,646)
<b>Net Cash Inflow from Operating Activities</b>		<b>54,787</b>	<b>17,710</b>
CASH FLOWS FROM INVESTING ACTIVITIES			
<b>Cash was provided from:</b>			
Short term deposits		19,620	38,620
<b>Cash was applied to:</b>			
Development of investment property		(3,325)	-
Purchase of plant and equipment		(6)	(6)
Short term deposits		(86,620)	(19,620)
<b>Net Cash Inflow/(Outflow) From Investing Activities</b>		<b>(70,331)</b>	<b>18,994</b>
CASH FLOWS FROM FINANCING ACTIVITIES			
<b>Cash was applied to:</b>			
Dividend paid		(8,478)	(9,224)
Principal repayment of lease liability		(16)	(16)
Supplementary dividend paid		(286)	(309)
<b>Net Cash Outflow from Financing Activities</b>		<b>(8,780)</b>	<b>(9,549)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents		(24,324)	27,155
Add Opening Cash and Cash Equivalents		34,435	7,280
<b>Closing Cash and Cash Equivalents</b>	<b>12</b>	<b>10,111</b>	<b>34,435</b>

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 2020

In thousands of dollars	Note	GROUP	
		2020	2019
RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit after Taxation		30,099	34,140
<b>Adjusted for non cash items:</b>			
Depreciation		1	1
Depreciation of right-of-use assets		14	14
Income tax expense	6	11,712	13,286
<b>Adjustments for movements in working capital:</b>			
(Increase)/Decrease in receivables		446	(1,948)
Increase in development properties		21,241	(12,955)
Increase/(Decrease) in payables		2,964	(1,182)
<b>Cash generated from operating activities</b>		<b>66,477</b>	<b>31,356</b>
Income tax paid		(11,690)	(13,646)
<b>Cash Inflow from Operating Activities</b>		<b>54,787</b>	<b>17,710</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 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 2020 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 17 February 2021.

#### (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) 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.

#### (d) Property, plant and equipment

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

Plant and equipment	3 - 10 years
---------------------	--------------

#### (e) Trade and other payables

Trade and other payables are stated at cost.

#### (f) Revenue

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2020

### SIGNIFICANT ACCOUNTING POLICIES – continued

#### (g) 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 2020, and have not been applied in preparing these consolidated financial statements:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to NZ IAS 37)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to NZ IFRS 9, IAS 39, NZ IFRS 7, NZ IFRS 4 and NZ IFRS 16)
- COVID-19 Related Rent concessions (Amendment to NZ IFRS 16)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to NZ IAS 16)
- Reference to Conceptual Framework (Amendments to NZ IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to NZ IAS 1)
- NZ IFRS 17 Insurance Contracts and Amendments to NZ IFRS 17 Insurance Contracts

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 2020

### 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 15, 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 \$161,438,000 (2019: \$182,679,000) while the market value determined by an independent registered valuer is \$286,380,000 (2019: \$315,620,000).

### 3. ADMINISTRATIVE AND OTHER EXPENSES

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

In thousands of dollars	Note	GROUP	
		2020	2019
Auditors' remuneration			
- Audit fees		55	54
- Tax compliance & advisory fees		4	7
Depreciation		15	15
Directors' fees	17	130	130
Rental payments		66	66
Other		939	790
<b>Total excluding personnel expenses</b>		<b>1,209</b>	<b>1,062</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2020

#### 4. PERSONNEL EXPENSES

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

In thousands of dollars	GROUP	
	2020	2019
Wages and salaries	480	455
Employee related expenses and benefits	64	70
Increase in liability for long-service leave	2	2
	<b>546</b>	<b>527</b>

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

#### 5. NET FINANCE INCOME

In thousands of dollars	GROUP	
	2020	2019
Interest income	1,038	1,029
Finance income	1,038	1,029
Interest expense	(2)	(4)
Finance costs	(2)	(4)
<b>Net finance income</b>	<b>1,036</b>	<b>1,025</b>

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

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

#### 6. INCOME TAX EXPENSE

Recognised in the statement of comprehensive income

In thousands of dollars	GROUP	
	2020	2019
<b>Current tax expense</b>		
Current year	11,711	13,289
Adjustments for prior years	5	5
	<b>11,716</b>	<b>13,294</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(4)	(10)
Adjustments for prior years	-	2
	<b>(4)</b>	<b>(8)</b>
<b>Total income tax expense in the statement of comprehensive income</b>	<b>11,712</b>	<b>13,286</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2020

## 6. INCOME TAX EXPENSE – continued

## Reconciliation of effective tax rate

In thousands of dollars	GROUP	
	2020	2019
Profit before income tax	41,811	47,426
Income tax using the company tax rate of 28% (2019: 28%)	11,707	13,279
Adjusted for: Under/(over) provided in prior years	5	7
	11,712	13,286
<b>Effective tax rate</b>	<b>28%</b>	<b>28%</b>

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

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

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

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

## 7. IMPUTATION CREDITS

In thousands of dollars	GROUP	
	2020	2019
Imputation credits available for use in subsequent reporting periods	75,946	67,765

## 8. DEVELOPMENT PROPERTY

In thousands of dollars	GROUP	
	2020	2019
Expected to settle greater than one year	119,096	145,138
Expected to settle within one year	42,342	37,541
<b>Development property</b>	<b>161,438</b>	<b>182,679</b>

Development property is carried at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, and holding costs such as interest. Interest and other holding costs incurred after completion of development are expensed as incurred. All holding costs are written off through profit or loss in the year incurred with the exception of interest holding costs which are capitalised during the period when active development is taking place. No interest (2019: nil) has been capitalised during the year. Development property includes deposits paid on unconditional contracts for development land.

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

The value of development property held at 31 December 2020 was determined, on an open market existing use basis, by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited as \$286.4 million (2019: \$315.6 million). The fair value is determined to estimate the net realisable value.

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 2020

## 9. INVESTMENT PROPERTY

In thousands of dollars	GROUP			
	Freehold Land	Buildings	Work in Progress	Total
<b>Cost</b>				
Balance at 1 January 2020	-	-	-	-
Acquisitions	265	2,873	187	3,325
Balance at 31 December 2020	265	2,873	187	3,325
<b>Depreciation and impairment losses</b>				
Balance at 1 January 2020	-	-	-	-
Balance at 31 December 2020	-	-	-	-
<b>Carrying amounts</b>				
Balance at 1 January 2020	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>265</b>	<b>2,873</b>	<b>187</b>	<b>3,325</b>

Investment properties consist of retail shops at Stonebrook in Rolleston and retail shops at Prestons Park in Christchurch. The former were completed during December 2020 while the latter are currently under construction. The fair value of investment properties held at 31 December 2020 was determined by an independent registered valuer, DM Koomen SPINZ, of Extensor Advisory Limited as \$6.43 million (2019: nil).

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

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

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 capitalisation of the assessed market rentals allowing for vacancies and leasing fees to derive the fair values. The major unobservable inputs that are used in the valuation model that require judgement include the rental rate on the individual tenancy, allowances for vacancies, estimation of leasing fees, and interest rates during the holding period. The estimated fair value would increase or (decrease) if: the individual rental rates were higher/(lower); the allowances for vacancies were (higher)/lower; the allowances of leasing fees were lower/(higher); and the interest rate during the holding period was lower/(higher).

## 10. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

In thousands of dollars	GROUP					
	Assets		Liabilities		Net	
	2020	2019	2020	2019	2020	2019
Development property	-	-	(116)	(118)	(116)	(118)
Employee benefits	50	48	-	-	50	48
Trade and other payables	7	7	-	-	7	7
<b>Net tax assets/(liabilities)</b>	<b>57</b>	<b>55</b>	<b>(116)</b>	<b>(118)</b>	<b>(59)</b>	<b>(63)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2020

## 10. DEFERRED TAX ASSETS AND LIABILITIES – continued

In thousands of dollars	GROUP		
	Balance 1 Jan 2019	Recognised in profit or loss	Balance 31 Dec 2019
Plant and equipment	(1)	1	-
Development property	(126)	8	(118)
Employee benefits	56	(8)	48
Trade and other payables	-	7	7
	<b>(71)</b>	<b>8</b>	<b>(63)</b>

In thousands of dollars	GROUP		
	Balance 1 Jan 2020	Recognised in profit or loss	Balance 31 Dec 2020
Development property	(118)	2	(116)
Employee benefits	48	2	50
Trade and other payables	7	-	7
	<b>(63)</b>	<b>4</b>	<b>(59)</b>

## 11. TRADE AND OTHER RECEIVABLES

In thousands of dollars	GROUP	
	2020	2019
Trade receivables	86	29
Other receivables and prepayments	3,400	3,903
<b>Trade and other receivables</b>	<b>3,486</b>	<b>3,932</b>

None of the trade and other receivables are impaired.

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

## 12. CASH AND CASH EQUIVALENTS

In thousands of dollars	GROUP	
	2020	2019
Bank balances	6,111	3,935
Call deposits	4,000	30,500
<b>Cash and cash equivalents</b>	<b>10,111</b>	<b>34,435</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2020

## 13. CAPITAL AND RESERVES

Share capital	PARENT			
	2020 Shares '000s	2020 \$000's	2019 Shares '000s	2019 \$000's
Shares issued 1 January	278,806	55,374	278,119	54,864
Issued under dividend reinvestment plan	1,629	1,280	687	510
<b>Total shares issued and outstanding</b>	<b>280,435</b>	<b>56,654</b>	<b>278,806</b>	<b>55,374</b>

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 2020, the authorised share capital consisted of 280,435,135 fully paid ordinary shares (2019: 278,805,580).

## Dividend Reinvestment Plan

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

Accordingly, the Company issued 1,629,555 additional shares under the Dividend Reinvestment Plan on 15 May 2020 (2019: 687,093) at a strike price of \$0.7854 per share issued (2019: \$0.7422).

## Dividends

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

In thousands of dollars	PARENT	
	2020	2019
3.5 cents per qualifying ordinary share (2019: 3.5 cents)	9,758	9,734
	<b>9,758</b>	<b>9,734</b>

After 31 December 2020 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	9,815
<b>3.5 cents total dividend per qualifying ordinary share</b>	<b>9,815</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2020

#### 14. EARNINGS PER SHARE

Basic and diluted earnings per share

The basic earnings per share and the diluted earnings per share are the same. The calculation of basic and diluted earnings per share at 31 December 2020 was based on the profit attributable to ordinary shareholders of \$30,099,000 (2019: \$34,140,000); and weighted average number of ordinary shares outstanding during the year ended 31 December 2020 of 279,892,000 (2019: 278,577,000), calculated as follows:

Profit attributable to ordinary shareholders (basic & diluted)	GROUP	
	2020	2019
<b>In thousands of dollars</b>		
Profit for the period	30,099	34,140
<b>Profit attributable to ordinary shareholders</b>	<b>30,099</b>	<b>34,140</b>
<b>Weighted average number of ordinary shares</b>	PARENT	
	2020	2019
	Shares '000s	Shares '000s
Issued ordinary shares at 1 January	278,806	278,119
Effect of 1,629,555 shares issued in May 2020	1,086	-
Effect of 687,093 shares issued in May 2019	-	458
<b>Weighted average number of ordinary shares at 31 December</b>	<b>279,892</b>	<b>278,577</b>

#### 15. 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 nonderivative 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.

In thousands of dollars	Note	GROUP	
		2020	2019
<b>Financial Assets</b>			
Cash and cash equivalents	12	10,111	34,435
Short term deposits		86,620	19,620
Trade and other receivables	11	3,486	3,932
<b>Financial Liabilities</b>			
Trade and other payables		3,932	984

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 2020

## 15. FINANCIAL INSTRUMENTS – continued

### Credit risk

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

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

The Group's exposure to credit risk is mainly influenced by its customer base. As such it is concentrated to the default risk of its industry. However, geographically there is no credit risk concentration.

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 (2019: 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.

### 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 \$579,000 (2019: \$299,000) in the current period.

### Effective interest and repricing analysis

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

GROUP									
In thousands of dollars	Note	Effective interest rate	2020			Effective interest rate	2019		
			Total	6 months or less	6-12 months		Total	6 months or less	6-12 months
Cash and cash equivalents	12	0.00% to 0.62%	10,111	10,111	-	0.00% to 1.68%	34,435	34,435	-
Short term deposits		0.50% to 1.70%	86,620	86,500	120	2.15% to 3.00%	19,620	19,500	120
			<b>96,731</b>	<b>96,611</b>	<b>120</b>		<b>54,055</b>	<b>53,935</b>	<b>120</b>

### 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						
In thousands of dollars	2020			2019		
	Balance Sheet	6 months or less	6-12 months	Balance Sheet	6 months or less	6-12 months
Trade and other payables	3,932	3,932	-	984	984	-
	<b>3,932</b>	<b>3,932</b>	<b>-</b>	<b>984</b>	<b>984</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2020

### 15. 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.

### 16. CAPITAL AND LAND DEVELOPMENT COMMITMENTS

As at 31 December 2020, 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 2021 in accordance with the Group's development programme.

In thousands of dollars	GROUP	
	2020	2019
Development expenditure	19,696	30,845
Land purchases	56,258	13,631
	<b>75,954</b>	<b>44,476</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2020

## 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 ended 31 December 2020 was:

In thousands of dollars	GROUP	
	2020	2019
C Sim	35	35
VWE Yeo	30	30
ES Kwek	-	-
KS Tan	-	-
R Austin	35	35
J Henderson	30	30
<b>Total for non-executive directors</b>	<b>130</b>	<b>130</b>
BK Chiu	-	-
<b>Total for executive directors</b>	<b>-</b>	<b>-</b>
	<b>130</b>	<b>130</b>

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 (2019: nil).

The net assets of Prestons Road Limited, not adjusted for the percentage ownership held by the Group, is \$6,000 with the Group's share equal to \$2,000. Prestons Road Limited has a 31 March balance date. No adjustment is made for the difference in balance date of Prestons Road Limited, because it has no profits to report.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2020

### 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 65.87% (2019: 66.26%) of the Company and having three out of six of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 70.79% (2019: 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, \$323,000 (2019: \$318,000) for expenses incurred by the parent on behalf of the Group.

During 2020, CDL Investments New Zealand Limited issued no additional shares (2019: nil) to its parent, Millennium & Copthorne Hotels New Zealand Limited, under the Dividend Reinvestment Plan (see Note 13). The total shares on issue to Millennium & Copthorne Hotels New Zealand Limited is 184,724,438 (2019: 184,724,438).

### 19. CONTINGENT LIABILITIES

CDL Investments New Zealand Limited has two bank guarantees in place; the first is a requirement of being listed on the New Zealand Stock Exchange, and the second as a security to the Auckland Council for infrastructure development surrounding the Nesdale Pond. The combined maximum value of these guarantees is \$195,000 (2019: \$195,000).



# Independent Auditor's Report

To the shareholders of CDL Investments New Zealand Limited

## Report on the audit of the consolidated financial statements

### Opinion

In our opinion, the accompanying consolidated financial statements of CDL Investments New Zealand Limited (the 'company') and its subsidiary (the 'group') on pages 12 to 29:

- i. present fairly in all material respects the Group's financial position as at 31 December 2020 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 2020;
- 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 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

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



### Materiality

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



## Key audit matter

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 2020 development properties amounted to \$161.4 million representing 62.8% 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 Directors' 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 Directors' Review and have nothing to report in regards to it. The Annual Report is expected to be made available to us after the date of this Independent Auditor's Report and we will report the matters identified, if any, to those charged with governance.



## Use of this independent auditor's report

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



or assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

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## **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-1/>

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

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

For and on behalf of

KPMG  
Auckland

17 February 2021

## REGULATORY DISCLOSURES

## 20 LARGEST SHAREHOLDERS (as at 28 February 2021) (Listing Rule 3.7.1c)

Rank	Shareholder	Number of Securities	% of Issued Capital
1.	MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED	184,724,438	65.87
2.	ADRIAN HO	21,369,073	7.62
3.	ACCIDENT COMPENSATION CORPORATION - NZCSD	13,602,074	4.85
4.	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	4,069,574	1.45
5.	CHRISTINA SEET	2,434,559	0.87
6.	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD	2,297,589	0.82
7.	MFL MUTUAL FUND LIMITED - NZCSD	2,046,338	0.73
8.	FARO EQUITIES LIMITED	1,940,000	0.69
9.	HUGH GREEN LIMITED	1,205,486	0.43
10.	GEOK LOO GOH	1,079,834	0.39
11.	ROGER PARKER	801,032	0.29
12.	NEW ZEALAND DEPOSITORY NOMINEE LIMITED	687,238	0.25
13.	CALIBER TRUSTEE COMPANY LIMITED	641,573	0.23
14.	STEVEN CHEONG KWOK WING	600,008	0.21
16.	NATIONAL NOMINEES LIMITED - NZCSD	462,630	0.16
17.	SIMON HUGH BERRY	417,825	0.15
18.	TEA CUSTODIANS LIMITED CLIENT PROPERTY TRUST ACCOUNT - NZCSD	400,996	0.14
19.	ROBERT WONG + CHRISTEIN JOE WONG	390,057	0.14
20.	BRUCE LESLIE DAVISON + SHONA ELIZABETH DAVISON	381,088	0.14
21.	CUSTODIAL SERVICES LIMITED	380,895	0.14

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

## HOLDINGS SIZE (as at 28 February 2021)

Range	Number of shareholders	Number of shares	% of Issued Capital
1 - 99	11	645	0.00
100 - 199	12	1,689	0.00
200 - 499	19	6,216	0.00
500 - 999	39	25,362	0.01
1,000 - 1,999	366	493,535	0.18
2,000 - 4,999	1,008	3,100,851	1.11
5,000 - 9,999	531	3,691,446	1.32
10,000 - 49,999	679	13,676,457	4.88
50,000 - 99,999	95	6,376,248	2.27
100,000 - 499,999	82	14,532,988	5.18
500,000 - 999,999	4	2,729,851	0.97
1,000,000 +	7	235,799,847	84.08
Rounding			0.00
<b>Total</b>	<b>2,853</b>	<b>280,435,135</b>	<b>100.00</b>

## REGULATORY DISCLOSURES – continued

## DOMICILE OF SHAREHOLDERS (as at 28 February 2021)

	Number of shareholders	Number of shares	% of Issued Capital
New Zealand	2,747	253,271,957	96.28
Australia and overseas	106	27,163,178	3.72
<b>Total</b>	<b>2,853</b>	<b>280,435,135</b>	<b>100.00</b>

## ADOPTION OF NEW NZX LISTING RULES

No waivers were sought from NZX in 2020.

## SUBSTANTIAL PRODUCT HOLDERS

According to notices given to the Company under the Financial Markets Conducts Act 2013, as at 26 February 2021, the substantial product holders in the Company are noted below

	Securities	Class	%
Millennium & Copthorne Hotels New Zealand Limited	184,724,438	Ordinary Shares	66.26
Adrian Ho	21,369,073	Ordinary Shares	7.62

As at 28 February 2021, the total number of issued voting securities of CDL Investments New Zealand Limited (all of which are ordinary shares) was 280,435,135.

## STATUTORY INFORMATION

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

As at 31 December 2020, the Company's Directors were Messrs. C Sim, BK Chiu, RJ Austin, JH Henderson, ES Kwek and VWE Yeo. Mr. KS Tan retired as a director on 31 December 2019 and Mr. ES Kwek was appointed on 1 January 2020.

The gender breakdown of the Board is 6 male directors and 0 female directors (2019: 6 male directors and 0 female directors). CDI currently has 1 female and 3 male officers (2019: 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 2020)

Director	2019	2020
C Sim	Nil	Nil
BK Chiu	Nil	Nil
RJ Austin	Nil	Nil
J Henderson	Nil	Nil
ES Kwek	NA	Nil
VWE Yeo	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 ended 31 December 2020 was:

Director	Remuneration
C Sim	\$35,000
BK Chiu	Nil <sup>^</sup>
RJ Austin	\$35,000
J Henderson	\$30,000
ES Kwek	Nil <sup>^</sup>
VWE Yeo	\$30,000

<sup>^</sup> Mr ES Kwek, being the Executive Director of Millennium & Copthorne Hotels Limited, 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 2020, the Directors of the Company have made general disclosures of interest in the following companies:

#### Colin 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

Autocaps Pastoral Division Pty Limited

Bathurst Range Investments Pty Limited

Builders Recycling Operations Pty Ltd

Desert Rose Group Pty Limited

## STATUTORY INFORMATION – continued

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

Desert Rose Holdings Pty Limited	DMM Investments (NSW) 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
Lienruk Pty Ltd	Naxta Pty Ltd
New Dale Sim Pty Ltd	PBD Phoenix Pty Limited
PCC DevCo 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	TECH5 Australia 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 Hospitality Group Limited Hospitality Services Limited Millennium & Copthorne NZ Limited QINZ Holdings (New Zealand) Limited	CATG Limited Context Securities Limited Hospitality Group Limited Hospitality Leases Limited Kingsgate Hotels & Resorts Limited Millennium & Copthorne Hotels New Zealand Limited QINZ (Anzac Avenue) Limited

**RJ Austin**

Director of: Austand Securities Limited Cure Kids Ventures Limited Ohaupo Farms Limited	Cure Kids Capital Limited Northington Investments Limited Pastoral Management 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
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**ES Kwek**

Chairman / Director / President of: Grand Plaza Hotel Corporation	
Director / President of: The Philippine Fund Limited	
Director of: 125 OBS (Nominees 1) Limited 125 OBS GP Limited Adelais Properties Limited Adella Properties Pte. Ltd Adisa Holdings Pte. Ltd. Allsgate Properties Limited Androgate Properties Limited Archyfield Limited Ascent View Holdings Pte. Ltd Aston Properties Pte. Ltd Beaumont Properties Limited Bellevue Properties Pte. Ltd Bloomshine Holdings Limited Bop Luxembourg (125 Obs) 2 SARL Barvogate Holdings SARL	125 OBS (Nominees 2) Limited Actas Holdigns Pte. Ltd Adelanto Investments Pte. Limited Adelphia Holdings Limited Allinvest Holding Pte. Ltd Alphagate Holdings Limited Aquarius Properties Pte. Ltd Asbury Holdings Pte. Ltd Aster Land Development Pte Ltd Baynes Investments Pte Ltd Beijing Fortune Hotel Co. Ltd Bestro Holdings Limited Bloomsville Investments Pte Ltd Branbury Investments Ltd Busy Bee Ventures Limited

## STATUTORY INFORMATION – continued

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

Camborne Developments Pte. Ltd  
 CDL Acquisitions Pte. Ltd  
 CDL Australia Pte. Ltd  
 CDL Crestview Holdings Pte. Ltd  
 CDL Entertainment & Leisure Pte. Ltd  
 CDL Hotels (Chelsea) Ltd  
 CDL Hotels (Malaysia) Ltd  
 CDL Infinity Pte. Ltd  
 CDL Land Pte. Ltd  
 CDL Netherlands Investments BV  
 CDL Pegasus Pte. Ltd  
 CDL Pro Star Development Pty Ltd  
 CDL Real Estate Managers Pte Ltd  
 CDL Suzhou Investment Pte. Ltd  
 Centro Investment Holding Pte Ltd  
 Chania Holdings Limited  
 Chestnut Avenue Developments Pte Ltd  
 City Boost Pte. Ltd  
 City Condominiums Pte. Ltd  
 City Delta Pte. Ltd  
 City Elite Pte. Ltd  
 City Ikonik Pte. Ltd  
 City Montage Pte. Ltd  
 City REIT Management Pte. Ltd  
 City Sceptre Holdings Pte. Ltd  
 City Services Offices Pte. Ltd  
 City Sunshine Holdings Pte. Ltd  
 Citydev Properties Pte. Ltd  
 Citydev Venture Holdings Pte. Ltd  
 Cliffmont Pte Ltd (in voluntary liquidation)  
 Copthorne Hotel (Birmingham) Limited  
 Copthorne Hotel (Effingham Park) Limited  
 Copthorne Hotel (Manchester) Limited  
 Copthorne Hotel (Merry Hill) Limited  
 Copthorne Hotel (Plymouth) Limited  
 Copthorne Hotel Holdings Limited  
 Orchid Hotel Singapore Pte Ltd  
 Darien Properties Investment Limited  
 Delfi One Investments Pte Ltd  
 Delfi Two Investments Pte Ltd  
 Eastwest Portfolio Pte Ltd  
 Eccott Pte Ltd  
 Educado Company Limited  
 Elite Holdings Private Limited  
 Illinois Management Services Pte Ltd  
 Euroform (S) Pte Ltd  
 Fairsteps Properties Pte. Ltd  
 First Platinum Holdings Pte. Ltd  
 Glades Properties Pte. Ltd  
 Golden Crest Holdings Pte Ltd  
 Grand Strategic Pte. Ltd  
 Grange 100 Pte Ltd  
 Greystand Holdings Limited  
 Harbour Land Corporation  
 Harrow Entertainment Pte Ltd  
 Highline Holdings Limited  
 Hong Leong Enterprises Pte Ltd  
 Hong Leong International Hotel (Singapore) Pte Ltd  
 Hospitality Holdings Pte Ltd  
 Hotel Liverpool Limited  
 Iconique Tokutei Mokuteki Kaisha  
 Iselin Limited  
 Island Glades Developments Pte Ltd  
 Keygate Holdings Limited  
 Landco Properties Limited  
 Canvey Developments Pte. Ltd  
 CDL Aquila Pte. Ltd  
 CDL Constellation Pte. Ltd  
 CDL Crown REIT Management Pte. Ltd  
 CDL Evergreen Pte. Ltd  
 CDL Hotels (Labuan) Ltd  
 CDL Hotels (U.K.) Ltd  
 CDL Hotels Japan Pte. Ltd  
 CDL Management Services Pte. Ltd  
 CDL Orion Investment Holdings Pte. Ltd  
 CDL Perseus Pte. Ltd  
 CDL Properties BV  
 CDL Regulus Pte. Ltd  
 Central Mall Pte. Ltd  
 Centro Property Holding Pte Ltd  
 Chester Properties Pte Ltd (in voluntary liquidation)  
 Cideco Pte Ltd  
 City Century Pte. Ltd  
 City Connected Communities Pte. Ltd  
 City Developments Investments Pte. Ltd  
 City Hotels Pte. Ltd  
 City Lux Pte. Ltd  
 City Platinum Holdings Pte. Ltd  
 City Ridgeview Pte. Ltd  
 City Sceptre Investments Pte. Ltd  
 City Strategic Equity Pte. Ltd  
 Citydev Investments Pte. Ltd  
 Citydev Real Estate (Singapore) Pte. Ltd  
 Cityzens Developments Pte Ltd  
 Copthorne Aberdeen Limited  
 Copthorne Hotel (Cardiff) Limited  
 Copthorne Hotel (Gatwick) Limited  
 Copthorne Hotel (Merry Hill) Construction Limited  
 Copthorne Hotel (Newcastle) Limited  
 Copthorne Hotel (Slough) Limited  
 Copthorne Nominees Limited Copthorne  
 Crescent View Developments Pte Ltd  
 Dathan Holdings Pte Ltd  
 Delfi Three Investments Pte Ltd  
 Diplomat Hotel Holding Company Limited  
 Easy Thrive Ventures Limited  
 Edeva Holdings Limited  
 Elishan Investments Pte Ltd  
 Elite Hotel Management Services Pte Ltd  
 Eton Properties Pte. Ltd  
 Faber-Rhine Properties Pte Ltd  
 Finite Properties Investment Limited  
 Freshview Developments Pte Ltd  
 Glengary Pte. Ltd  
 Grand Isle Holdings Pte Ltd  
 Grand Terre Properties Pte Ltd  
 Granmill Holdings Pte Ltd  
 Guan Realty (Private) Limited  
 Harbour View Hotel Pte Ltd  
 Heritage Pro International Limited  
 Highline Investments GP Limited  
 Hong Leong Hotel Development Limited  
 Hong Leong Properties Pte Limited  
 Hospitality Ventures Pte Ltd  
 Hotel Liverpool Management Limited  
 Impac Holdings Pte Ltd  
 Island City Garden Development Pte Ltd  
 Jayland Properties Limited  
 King's Tanglin Shopping Pte Ltd  
 Le Grove Management Pte Ltd

## STATUTORY INFORMATION – continued

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

Lightspark Holdings Limited	Lingo Enterprises Limited
London Britannia Hotel Limited	London Tara Hotel Limited
Lukestone Properties Limited	M&C (CB) Limited
M&C (CD) Limited	M&C Finance (1) Limited
M&C Management Holdings Limited	M&C NZ Limited
M&C Reservations Services Limited	M&C Asia Finance (UK) Limited
M&C Asia Holdings (UK) Limited	M&C Holdings (Thailand) Limited
M&C Hotel Investments Pte Limited	M&C Hotels Holdings Japan Pte Limited
M&C Hotels Holdings Limited	M&C Hotels Japan Pte Limited
M&C New York Finance (UK) Limited	M&C Singapore Finance (UK) Limited
M&C Sponsorship Limited	Melvale Holdings Limited
Merivale JV Pty Limited	Millennium & Copthorne (Australian Holdings) Limited
Millennium & Copthorne (Jersey Holdings) Limited	Millennium & Copthorne Hotels Limited
Millennium & Copthorne Hotels Management (Shanghai) Limited	Millennium & Copthorne Hotels New Zealand Limited
Millennium & Copthorne International Limited	Millennium & Copthorne Share Trustees Limited
Millennium Hotel Holdings EMEA Limited	Millennium Hotels & Resorts Services Limited
Millennium Hotels (West London) Limited	Millennium Hotels (West London) Management Limited
Millennium Hotels Europe Holdings Limited	Millennium Hotels Limited
Millennium Hotels London Limited	New Empire Investments Pte Ltd
New Synergy Investments Pte Ltd	New Vista Realty Pte Ltd
Newbury Investments Pte Ltd	Nin Investment Holdings Pte Ltd
Novel Developments Pte Ltd	Palmerston Holdings Sdn. Bhd.
Pavo Properties Pte Ltd	Pinenorth Properties Limited
Qaiser Holdings Limited	Redvale Developments Pte Ltd
Redvale Investments Pte Ltd	Redvale Properties Pte Ltd
Republic Iconic Hotel Pte Ltd	Republic Plaza City Club (Singapore) Pte Ltd
Reselton Properties Limited	Richmond Hotel Pte Ltd
Richview Holdings Pte Ltd	Rogo Investments Pte Ltd
Rogo Realty Corporation	Scentview Holding Limited
Scottsdale Properties Pte Ltd	Serangoon Green Pte Ltd
Siena Commercial Development Pte Ltd	Siena Residential Development Pte Ltd
Siena Trustee Pte Ltd	Silkpark Holdings Limited
Singapura Developments (Private) Limited	South Beach Consortium Pte Ltd
South Beach International Hotel Management Pte Ltd	Southwaters Investment Pte Ltd
Sparkland Holdings Pte Ltd	Summit Vistas Pte Ltd
Sunmaster Holdings Pte Ltd	Sunny Vista Developments Pte Ltd
Sunshine Plaza Pte Ltd	TC Development Pte Ltd
Tempus Platinum Investments Tokutei Mokuteki Kaisha	TOSCAP Limited
Treasure Realm Limited	Trentwell Management Pte Ltd
Trentworth Properties Limited	Tucana Commercial Pte Ltd
Tucana Properties Pte Ltd	Tucana Residential Pte Ltd
U-Paragon Holdings Limited	Ventagrand Holdings Limited
Verspring Properties Pte Ltd	Verwood Holdings Pte Ltd
Vinemont Investments Pte Ltd	Welland Investments Limited
White Haven Properties Pte Ltd	Whitehall Holdings Limited Zatrio Pte Ltd
Representative Director of:	
CDL Hotels (Korea) Ltd	
Alternate Director of:	
Mount V Development Pte Ltd	

## VWE Yeo

Executive Director / Chief Executive Officer of:

M&amp;C Business Trust Management Limited

Director of:

CDL HBT Cambridge City Pte. Ltd

CDL HBT Cambridge City Hotel (UK) Ltd

CDL HBT North Ltd

CDLHT CFM One Pte Ltd

CDLHT CFM III BV

CDLHT Hanei One Pte.Ltd

CDLHT Munich One Pte Ltd

CDLHT MTN Pte. Ltd

CDLHT Two Ltd

Hospitality Holdings Pte Ltd

M&amp;C REIT Management Limited

CDL HBT Cambridge City (UK) Ltd

CDL HBT Hanei Pte. Ltd

CDL HBT Oceanic Holdings Pte Ltd

CDLHT CFM Two Pte Ltd

CDLHT CFM III SRL

CDLHT Hanei Two Pte.Ltd

CDLHT Munich Two Pte Ltd

CDLHT Oceanic Holdings Pte Ltd

Gemini Two Pte Ltd

Munich Furniture BV

## STATUTORY INFORMATION – continued

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

NKS Hospitality I BV	NKS Hospitality III SRL
Sunshine Hotels Australia Pty Ltd	The Lowry Hotel Ltd
Hospitality Holdings Pte Ltd	Munich Furniture BV
NKS Hospitality I BV	NKS Hospitality III SRL
Sanctuary Sands Maldives Private Limited	Sunshine Hotels Australia Pty Ltd
The Lowry Hotel Ltd	

### 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
120,001 – 130,000	1
330,001 – 340,000	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	2019	2020
Annual Audit	54	55
KPMG Other Services	7	4

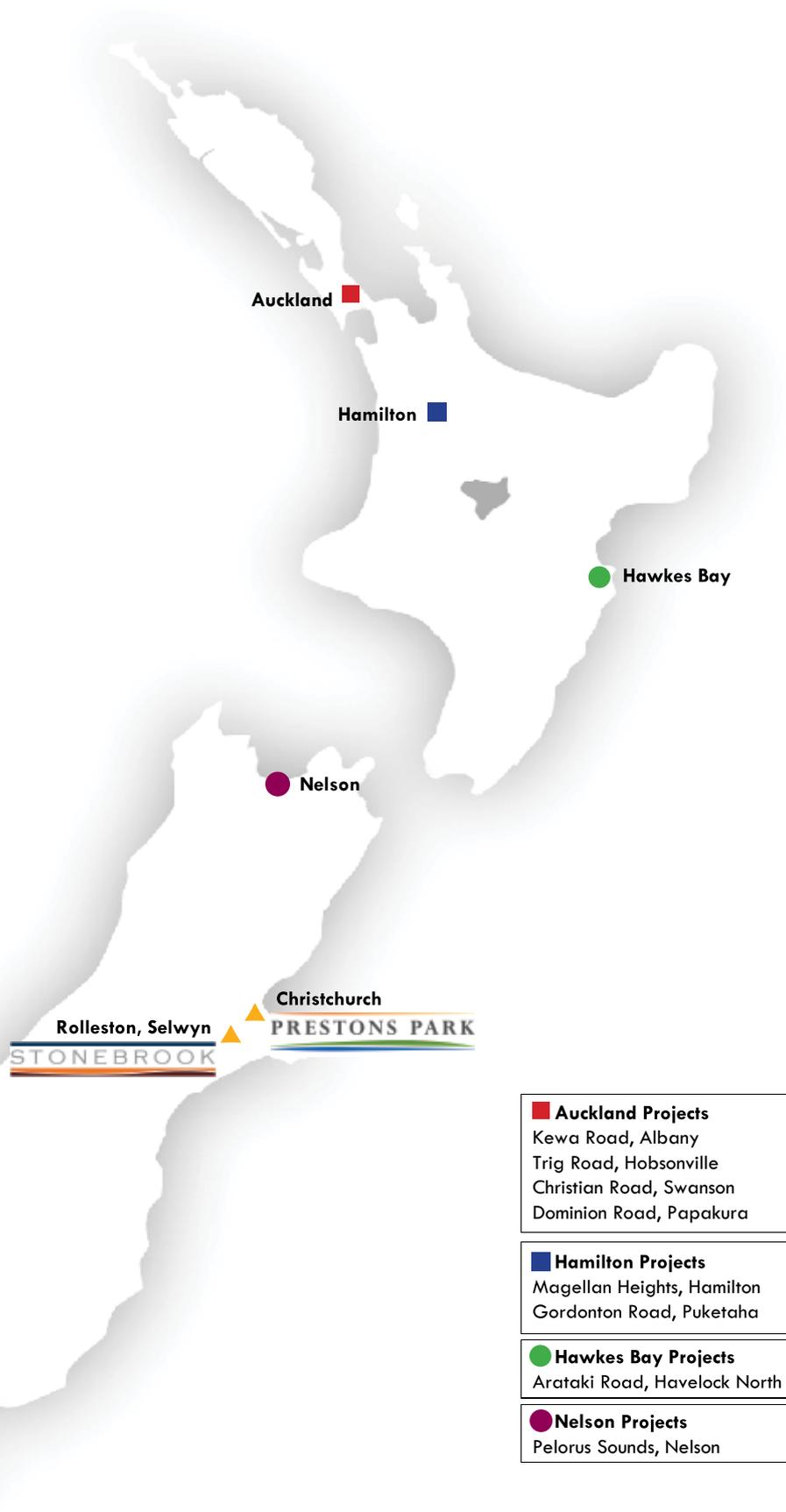
### SUBSIDIARY COMPANY AND DIRECTORS (section 211(2), Companies Act 1993)

The Company's subsidiary and its directors as at 31 December 2020 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

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

# SUBDIVISION LOCATION MAP



**Auckland Projects**  
Kewa Road, Albany  
Trig Road, Hobsonville  
Christian Road, Swanson  
Dominion Road, Papakura

**Hamilton Projects**  
Magellan Heights, Hamilton  
Gordonton Road, Puketaha

**Hawkes Bay Projects**  
Arataki Road, Havelock North

**Nelson Projects**  
Pelorus Sounds, Nelson

# CORPORATE DIRECTORY

## BOARD OF DIRECTORS

Colin Sim (Chairman)  
BK Chiu (Managing Director)  
Kwek Eik Sheng (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](http://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](mailto:enquiry@computershare.co.nz)

## STOCK EXCHANGE LISTING

New Zealand Exchange (NZX)  
Company Code: CDI



**CDL INVESTMENTS**  
NEW ZEALAND LIMITED