

CDL INVESTMENTS
NEW ZEALAND LIMITED
ANNUAL REPORT 2019





CONTENTS

Directors' Review	2
Board of Directors	3
Corporate Governance	4
Trend Statement & Financial Summary	10
Financial Statements	11
Independent Auditor's Report	28
Regulatory Disclosures	31
Statutory Information	33
Subdivision Location Map	36
Corporate Directory	37

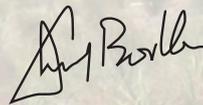
The Directors of CDL Investments New Zealand Limited are pleased to present the Annual Report of the Company for the year ended 31 December 2019.

Signed for and on behalf of the Board of Directors:



Colin Sim
Chairman

20 March 2020



BK Chiu
Managing Director

20 March 2020



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DIRECTORS' REVIEW

FINANCIAL PERFORMANCE

For the year ended 31 December 2019, CDL Investments New Zealand Limited ("CDI") recorded a profit after tax of \$34.1 million (2018: \$33.6 million). This result is the tenth consecutive year of profit growth for the company.

Property sales & other income totaled \$91.8 million (2018: \$85.0 million). Profit before tax also increased to \$47.4 million (2018: \$46.7 million). Given slowing market conditions, the Board believes that this is a very creditable result.

At 31 December 2019 shareholders' funds increased to \$235.5 million (2018: \$210.6 million) and total assets were \$240.7 million (2018: \$217.6 million). Net tangible asset per share (at book value) was 84.5 cents (2018: 75.7 cents).

LAND PORTFOLIO

The independent market value of CDI's land holdings was \$315.6 million reflecting sales made in 2019 (2018: \$337.8 million) as at 31 December 2019. At cost, the portfolio was valued at \$182.7 million (2018: \$169.7 million) in line with CDI's accounting policies.

During the year, CDI acquired a total of 9.7 hectares of land in Hawkes Bay. Management is targeting further acquisitions but only if pricing and location are competitive in line with the company's investment criteria.

We announced in late December that sales of the first stages had commenced at our Dominion Road (Papakura, South Auckland) and Kewa Road (North Shore, Auckland) subdivisions. Both of these developments are well located and well priced and we expect to recognise these sales in the current year with development on further stages to be also undertaken as well.

The commercial areas located at Prestons Park (Canterbury) and Stonebrook (Rolleston, Selwyn District) are progressing well. Stonebrook is on track for completion and letting out in the first half of this year with construction of Prestons Park due to be completed by the end of this year with letting in early 2021.

DIVIDEND ANNOUNCEMENT

The Board has resolved to maintain its fully imputed ordinary dividend at 3.5 cents per share payable on 15 May 2020. The record date will be 1 May 2020. The Dividend Reinvestment Plan will apply to this dividend.

SUMMARY AND OUTLOOK

In the 2019 interim report, we noted that trading conditions were "challenging" and it is a credit to the work of the CDI team, particularly in the latter part of 2019, that we have been able to deliver a result better than the last few years in a slowing market. These challenges are set to continue in 2020 but we are confident that the location and quality of our developments are in areas which have high demand and will prove attractive to buyers.

The Board has set realistic goals for the year ahead and we are targeting an earnings result for 2020 which reflects current market conditions. Shareholders can be confident that CDI has the land resources, the product expertise and the future pipeline to achieve positive earnings and will be able to withstand the cyclical nature of the property markets.

On behalf of my fellow directors, I thank our staff for their contributions to a profitable result in 2019.



Colin Sim

Chairman

10 February 2020

BOARD OF DIRECTORS

COLIN SIM

(Chairman & Non-Executive Director)

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

B K CHIU

(Managing Director / 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.

ROY AUSTIN

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

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

JOHN HENDERSON

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

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

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 will be required to be elected by shareholders at the next 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.

CORPORATE GOVERNANCE

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

ETHICAL BEHAVIOUR

(PRINCIPLE 1)

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

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

- Directors shall undertake their duties with due care and diligence at all times and will conduct themselves honestly and with integrity. Directors shall not do anything, or cause anything to be done, which may or does 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.

CORPORATE GOVERNANCE – continued

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

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

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

Board meetings are generally held quarterly with additional meetings convened when required. The table below details directors' attendances during 2019.

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 Tan retired from the Board on 31 December 2019 and 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, Sim, Yeo
Large enterprise / Multinational business or leadership experience	Chiu, Henderson, Sim, Tan, Yeo
Accounting / Finance / Tax experience	Austin
Business strategy experience	Austin, Chiu, Henderson, Sim, Tan, Yeo
Property development / management experience	Chiu, Sim, Yeo

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

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

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

OUR FRAMEWORK FOR EMBRACING DIVERSITY:

- 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 CDI's Board and Senior Management annually.

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

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

CORPORATE GOVERNANCE – continued

BOARD COMMITTEES

(PRINCIPLE 3)

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

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

The table below reports attendance of the Audit Committee members during 2019:

DIRECTOR	MEETINGS ATTENDED
Roy Austin (Chair)	3/3
John Henderson	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 about the audit services, oversee those audit services and reviewing and recommending the Company's financial statements (half-year and full year) and corporate governance policies.

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

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

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

REPORTING & DISCLOSURE

(PRINCIPLE 4)

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

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

The Disclosure Committee is responsible for:

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

The key points from the CDP are:

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

CORPORATE GOVERNANCE – continued

- The CDP includes a list of incidents which should be disclosed to a member of the Disclosure Committee. The Disclosure Committee must confer, decide whether disclosure is required, and coordinate disclosure of any material information in a form specified by the Listing Rules as soon as practicable after it becomes aware of the existence of material information, unless it determines:
 - a) a reasonable person would not expect the information to be disclosed; and
 - b) the information is confidential and its confidentiality is maintained; and
 - c) one or more of the following applies:
 - i) it would breach the law to disclose the information; or
 - ii) the information concerns an incomplete proposal or negotiation; or
 - iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
 - iv) the information is generated for internal management purposes of CDI or its subsidiaries; or
 - v) the information is a trade secret.

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

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

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

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

REMUNERATION

(PRINCIPLE 5)

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

The total pool for Directors' Fees is capped at \$180,000 and was last approved by shareholders in 1996. All non-executive directors receive a base fee of NZ\$30,000 per annum. The Chair of the 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.

CORPORATE GOVERNANCE – continued

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

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

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

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

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

AUDITORS

(PRINCIPLE 7)

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

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

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

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

- would be regarded by a reasonable investor, with full knowledge of all relevant facts and circumstances, as capable of exercising objective and impartial judgment on all issues encompassed within the auditor's engagement;

- audit partners are members of Chartered Accountants Australia New Zealand (CAANZ);
- has not, within two years prior to the commencement of the audit, had as a member of its audit engagement team CDI's Managing Director, Vice President Finance, Group Accounting Manager, or any member of the Company's Management who acts in a financial oversight role.
- does not allow the direct compensation of its audit partners for selling non-audit services to CDI.

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

- a) the external auditor should not have any involvement in the production of financial information or preparation of financial statements such that they might be perceived as auditing their own work. This includes the provision of bookkeeping and payroll services as well as valuation services where such valuation forms an input into audited financial information;
- b) the external auditor should not perform any function of management, or be responsible for making management decisions;
- c) the external auditor should not be responsible for the design or implementation of financial information systems; and
- d) the separation between internal audit and external audit should be maintained.

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

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

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

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

CORPORATE GOVERNANCE – continued

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

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

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

CDI 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.

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.

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

SHAREHOLDER RIGHTS & COMMUNICATION

(PRINCIPLE 8)

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

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

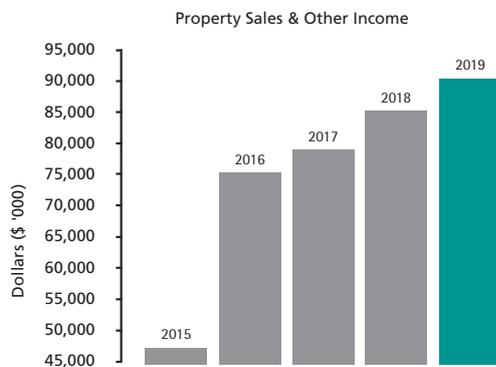
- announcements in accordance with continuous disclosure as required under the Listing Rules;
- publication of the company's annual and interim reports which are sent to all shareholders; and
- encouraging shareholders to attend the Annual Meeting in May of each year to hear the Chairman and the Managing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

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

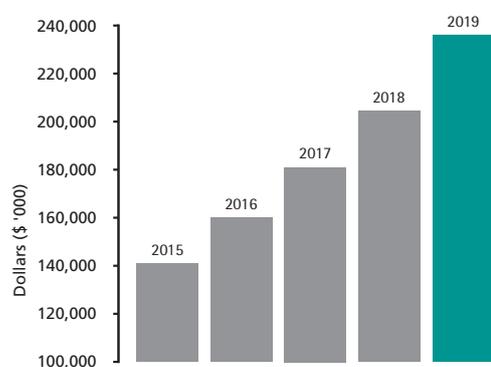
TREND STATEMENT

For the year ended 31 December 2019

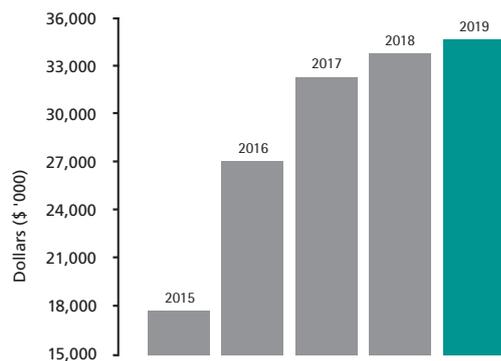
Property Sales & Other Income



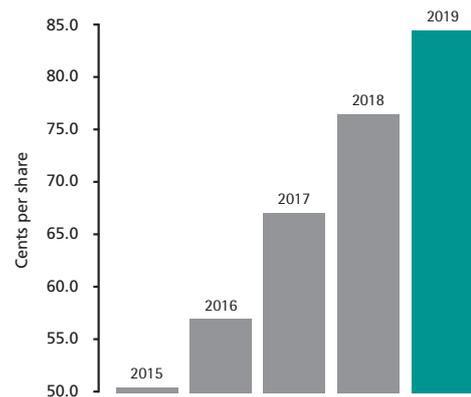
Group Equity



Profit for the Year



Asset Backing Per Share (Before Distribution)



FINANCIAL SUMMARY

For the year ended 31 December 2019

In thousands of dollars (unless otherwise stated)	2015	2016	2017	2018	2019
Property sales & other income	47,599	74,471	78,667	85,030	91,794
Profit before income tax	24,159	37,538	44,668	46,719	47,426
Profit for the year	17,473	27,028	32,161	33,641	34,140
Earnings per share	6.33c	9.77c	11.60c	12.10c	12.26c
Dividends per share	2.20c	3.00c	3.50c	3.50c	3.50c
Percentage of dividends per share over earnings per share	34.8%	30.7%	30.2%	28.9%	28.5%
Asset backing per share (before distributions)	50.8c	58.4c	67.1c	75.7c	84.5c
Total assets	142,680	168,277	191,706	217,614	240,700
Group equity	140,289	161,795	186,112	210,594	235,510



CDL INVESTMENTS
NEW ZEALAND LIMITED

FINANCIAL STATEMENTS – CONTENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	12
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	13
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	14
CONSOLIDATED STATEMENT OF CASH FLOWS	15-16
NOTES TO THE FINANCIAL STATEMENTS	17-27
INDEPENDENT AUDITOR'S REPORT	28-30

REGULATORY DISCLOSURES & STATUTORY INFORMATION – CONTENTS

REGULATORY DISCLOSURES	31-32
STATUTORY INFORMATION	33-35

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

		<u>Group</u>	
<i>In thousands of dollars</i>	Note	2019	2018
Revenue		91,610	84,954
Cost of sales		(40,861)	(35,861)
Gross Profit		50,749	49,093
Other income		184	76
Administrative expenses	3, 4	(240)	(236)
Property expenses		(384)	(403)
Selling expenses		(2,559)	(2,151)
Other expenses	3, 4	(1,349)	(1,312)
Results from operating activities		46,401	45,067
Finance income	5	1,029	1,652
Finance costs	5	(4)	-
Net finance income		1,025	1,652
Profit before income tax		47,426	46,719
Income tax expense	6	(13,286)	(13,078)
Profit for the period		34,140	33,641
Total comprehensive income for the period		34,140	33,641
Profit attributable to:			
Equity holders of the parent		34,140	33,641
Total comprehensive income for the period		34,140	33,641
Earnings per share (cents per share)	13	12.26	12.10

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 2019

		<u>Group</u>		
<i>In thousands of dollars</i>		Share Capital	Retained Earnings	Total Equity
	Note			
Balance at 1 January 2018		54,310	131,802	186,112
Total comprehensive income for the period				
Profit for the period		-	33,641	33,641
Total comprehensive income for the period		-	33,641	33,641
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	12	554	-	554
Dividend to shareholders	12	-	(9,713)	(9,713)
Supplementary dividend		-	(309)	(309)
Foreign investment tax credits		-	309	309
Balance at 31 December 2018		54,864	155,730	210,594
Balance at 1 January 2019		54,864	155,730	210,594
Total comprehensive income for the period				
Profit for the period		-	34,140	34,140
Total comprehensive income for the period		-	34,140	34,140
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	12	510	-	510
Dividend to shareholders	12	-	(9,734)	(9,734)
Supplementary dividend		-	(309)	(309)
Foreign investment tax credits		-	309	309
Balance at 31 December 2019		55,374	180,136	235,510

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2019

<i>In thousands of dollars</i>	Note	Group	
		2019	2018
SHAREHOLDERS' EQUITY			
Issued capital	12	55,374	54,864
Retained earnings		180,136	155,730
Total Equity		235,510	210,594
<i>Represented by:</i>			
NON CURRENT ASSETS			
Property, plant and equipment		32	4
Development property	8	145,138	124,652
Investment in associate	17	2	2
Total Non Current Assets		145,172	124,658
CURRENT ASSETS			
Cash and cash equivalents	11	34,435	7,280
Short term deposits	14	19,620	38,620
Trade and other receivables	10	3,932	1,984
Development property	8	37,541	45,072
Total Current Assets		95,528	92,956
Total Assets		240,700	217,614
NON CURRENT LIABILITIES			
Deferred tax liabilities	9	63	71
Lease liability		10	-
Total Non Current liabilities		73	71
CURRENT LIABILITIES			
Trade and other payables		984	2,175
Employee entitlements		38	32
Income tax payable		4,081	4,742
Lease liability		14	-
Total Current Liabilities		5,117	6,949
Total Liabilities		5,190	7,020
Net Assets		235,510	210,594

For and on behalf of the Board



R AUSTIN, DIRECTOR, 10 February 2020



BK CHIU, MANAGING DIRECTOR, 10 February 2020

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

<i>In thousands of dollars</i>	Note	Group	
		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		89,650	84,702
Interest received		1,225	1,722
Cash was applied to:			
Payment to suppliers		(49,854)	(32,833)
Payment to employees		(527)	(550)
Deposits paid on unconditional contracts for development land		(78)	-
Purchase of development land		(9,060)	(51,557)
Income tax paid		(13,646)	(11,390)
Net Cash Inflow/(Outflow) from Operating Activities		17,710	(9,906)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Short term deposits		38,620	46,500
Cash was applied to:			
Purchase of plant and equipment		(6)	-
Short term deposits		(19,620)	(38,620)
Net Cash Inflow From Investing Activities		18,994	7,880
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was applied to:			
Dividend paid		(9,224)	(9,159)
Principal repayment of lease liability		(16)	-
Supplementary dividend paid		(309)	(309)
Net Cash Outflow from Financing Activities		(9,549)	(9,468)
Net Increase/(Decrease) in Cash and Cash Equivalents		27,155	(11,494)
Add Opening Cash and Cash Equivalents		7,280	18,774
Closing Cash and Cash Equivalents	11	34,435	7,280

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 2019

		<u>Group</u>	
<i>In thousands of dollars</i>	Note	2019	2018
RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit after Taxation		34,140	33,641
Adjusted for non cash items:			
Depreciation of plant & equipment		1	1
Depreciation of right-of-use assets		14	-
Income tax expense	6	13,286	13,078
Adjustments for movements in working capital:			
Increase in receivables		(1,948)	(258)
Increase in development properties		(12,955)	(45,025)
Increase/(Decrease) in payables		(1,182)	47
Cash generated from operating activities		31,356	1,484
Income tax paid		(13,646)	(11,390)
Cash Inflow/(Outflow) from Operating Activities		17,710	(9,906)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

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 2019 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 10 February 2020.

(b) Basis of preparation

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

The financial statements have been prepared on the historical cost basis.

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

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

(c) Changes in accounting policies and new accounting standards adopted in the year

The Group has adopted one standard, NZ IFRS 16 *Leases* that is mandatory for the financial period beginning on 1 January 2019.

Impact of adoption of NZ IFRS 16 Leases

Effective 1 January 2019, the Group adopted NZ IFRS 16, using the modified retrospective approach. This standard requires a right-of-use asset and a corresponding lease liability to be recognised on the balance sheet in respect of the leased assets. The lease expense will be replaced with an interest expense and a depreciation expense in the income statement.

On adoption of NZ IFRS 16, the Group recognised a right-of-use asset of \$36,000 and a lease liability of \$36,000 from two motor vehicle leases. When measuring lease liability, the Group discounted the lease payments using the present value of the remaining lease payments, discounted at the incremental borrowing rate of 14.55%.

It has been determined that the impact of the new standard on the current year's profit and loss is insignificant:

- Operating expenses reduced by a net total of \$2,000 from an additional depreciation expense on right-of-use assets of \$14,000 and a credit of \$16,000 from lease payments posted as a reduction to lease liability on the balance sheet;
- Finance costs increased by the lease liability interest expense of \$4,000; and
- Net Profit before tax decreased by \$2,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2019

Significant accounting policies - continued

(d) Basis of consolidation

(i) Subsidiaries

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

(ii) Subsidiaries

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

(e) Property, plant and equipment

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

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

(f) Trade and other payables

Trade and other payables are stated at cost.

(g) Revenue

Revenue represents amounts derived from land and property sales, 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.

(h) New standards and interpretations not yet adopted

The following new standards and amendments to standards are not yet effective for the year ended 31 December 2019, and have not been applied in preparing these consolidated financial statements:

- *Amendments to References to Conceptual Framework in IFRS Standards*
- *Definition of a Business (Amendments to IFRS 3)*
- *Definition of Material (Amendments to IAS 1 and IAS 8)*
- *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 2019

1. SEGMENT REPORTING

Operating segments

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

The Group has determined that its chief operating decision maker is the Board of Directors on the basis that it is this group which determines the allocation of resources to segments and assesses their performance.

An operating segment is a distinguishable component of the Group:

- that is engaged in business activities from which it earns revenues and incurs expenses,
- whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions on resource allocation to the segment and assess its performance, and
- for which discrete financial information is available.

Geographical segments

Segment revenue is based on the geographical location of the segment assets. All segment revenues are derived in New Zealand.

Segment assets are based on the geographical location of the development property. All segment assets are located in New Zealand.

The Group has no major customer representing greater than 10% of the Group's total revenues.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Key sources of estimation uncertainty

In Note 14, detailed analysis is given of the interest rate and credit risk exposure of the Group and risks in relation thereto. The Group is also exposed to a risk of impairment to development properties should the carrying value exceed the market value due to market fluctuations in the value of development properties. However, there is no indication of impairment as in Note 8 the carrying value of development properties is \$182,679,000 (2018: \$169,724,000) while the market value determined by an independent registered valuer is \$315,620,000 (2018: \$337,765,000).

3. ADMINISTRATIVE AND OTHER EXPENSES

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

In thousands of dollars

Auditors' remuneration			
- Audit fees		54	53
- Scrutineering fees		-	3
- Tax compliance & tax advisory fees		7	12
Depreciation		15	1
Directors' fees	17	130	133
Rental payments		66	82
Other		790	714
Total excluding personnel expenses		1,062	998

Note	Group	
	2019	2018
	54	53
	-	3
	7	12
	15	1
17	130	133
	66	82
	790	714
	1,062	998

4. PERSONNEL EXPENSES

In thousands of dollars

Wages and salaries	455	494
Employee related expenses and benefits	70	55
Increase in liability for long-service leave	2	1
	527	550

	Group	
	2019	2018
Wages and salaries	455	494
Employee related expenses and benefits	70	55
Increase in liability for long-service leave	2	1
	527	550

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2019

5. NET FINANCE INCOME*In thousands of dollars*Interest income
Finance incomeInterest expense
Finance costs

Net finance income

Group	
2019	2018
1,029	1,652
1,029	1,652
(4)	-
(4)	-
1,025	1,652

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***Current tax expense**Current year
Adjustments for prior years**Deferred tax expense**Origination and reversal of temporary differences
Adjustments for prior years

Total income tax expense in the statement of comprehensive income

Group	
2019	2018
13,289	13,012
5	(3)
13,294	13,009
(10)	69
2	-
8	69
13,286	13,078

Reconciliation of effective tax rate*In thousands of dollars*Profit before income tax
Income tax using the company tax rate of 28% (2018: 28%)
Adjusted for:
Under/(over) provided in prior years

Effective tax rate

Group	
2019	2018
47,426	46,719
13,279	13,081
7	(3)
13,286	13,078
28%	28%

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2019

7. IMPUTATION CREDITS*In thousands of dollars*

Imputation credits available for use in subsequent reporting periods

Group	
2019	2018
67,765	57,594

8. DEVELOPMENT PROPERTY*In thousands of dollars*

Expected to settle greater than one year

Expected to settle within one year

Development property

Group	
2019	2018
145,138	124,652
37,541	45,072
182,679	169,724

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 (2018: \$287,000) 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 2019 was determined, on an open market existing use basis, by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited as \$315.6 million (2018: \$337.8 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).

9. 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

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

Group					
Assets		Liabilities		Net	
2019	2018	2019	2018	2019	2018
-	-	-	(1)	-	(1)
-	-	(118)	(126)	(118)	(126)
48	56	-	-	48	56
7	-	-	-	7	-
55	56	(118)	(127)	(63)	(71)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2019

9. DEFERRED TAX ASSETS AND LIABILITIES - continued**Movement in deferred tax balances during the year***In thousands of dollars*

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

Movement in deferred tax balances during the year*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
	(71)	8	(63)

10. TRADE AND OTHER RECEIVABLES*In thousands of dollars*

	Group	
	2019	2018
Trade receivables	29	176
Other receivables and prepayments	3,903	1,808
Trade and other receivables	3,932	1,984

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.

11. CASH AND CASH EQUIVALENTS*In thousands of dollars*

	Group	
	2019	2018
Bank balances	3,935	2,280
Call deposits	30,500	5,000
Cash and cash equivalents	34,435	7,280

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

12. CAPITAL AND RESERVES**Share capital**

	Parent			
	2019	2019	2018	2018
	Shares '000s	\$000's	Shares '000s	\$000's
Shares issued 1 January	278,119	54,864	277,514	54,310
Issued under dividend reinvestment plan	687	510	605	554
Total shares issued and outstanding	278,806	55,374	278,119	54,864

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 2019, the authorised share capital consisted of 278,805,580 fully paid ordinary shares (2018: 278,118,487).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2019

12. CAPITAL AND RESERVES - continued**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 687,093 additional shares under the Dividend Reinvestment Plan on 17 May 2019 (2018: 604,516) at a strike price of \$0.7422 per share issued (2018: \$0.9154).

Dividends

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

In thousands of dollars

3.5 cents per qualifying ordinary share (2018: 3.5 cents)

Parent	
2019	2018
9,734	9,713
9,734	9,713

After 31 December 2019 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

3.5 cents ordinary dividend per qualifying ordinary share

3.5 cents total dividend per qualifying ordinary share

Parent
9,758
9,758

13. 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 2019 was based on the profit attributable to ordinary shareholders of \$34,140,000 (2018: \$33,641,000); and weighted average number of ordinary shares outstanding during the year ended 31 December 2019 of 278,577,000 (2018: 277,917,000), calculated as follows:

Profit attributable to ordinary shareholders (basic & diluted)

In thousands of dollars

Profit for the period

Profit attributable to ordinary shareholders

Group	
2019	2018
34,140	33,641
34,140	33,641

Weighted average number of ordinary shares

Issued ordinary shares at 1 January

Effect of 687,093 shares issued in May 2019

Effect of 604,516 shares issued in May 2018

Weighted average number of ordinary shares at 31 December

Parent	
2019	2018
Shares '000s	Shares '000s
278,119	277,514
458	-
-	403
278,577	277,917

14. FINANCIAL INSTRUMENTS

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2019

14. FINANCIAL INSTRUMENTS - continued*In thousands of dollars***Financial Assets**

Cash and cash equivalents

Short term deposits

Trade and other receivables

Financial Liabilities

Trade and other payables

Note	Group	
	2019	2018
11	34,435	7,280
	19,620	38,620
10	3,932	1,984
	984	2,175

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

Credit risk

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

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

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

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 (2018: nil). However, the Group is exposed to movements in interest rates on short-term investments which is explained in the Sensitivity analysis. Interest income is earned on the cash and cash equivalent balance and the short term deposits balance.

Effective interest and repricing analysis

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

Group	2019					2018			
	Note	Effective interest rate	Total	6 months or less	6-12 months	Effective interest rate	Total	6 months or less	6-12 months
<i>In thousands of dollars</i>									
Cash and cash equivalents	11	0.00% to 1.68%	34,435	34,435	-	0.00% to 2.53%	7,280	7,280	-
Short term deposits		2.15% to 3.00%	19,620	19,500	120	3.20% to 3.46%	38,620	22,000	16,620
			54,055	53,935	120		45,900	29,280	16,620

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 \$299,000 (2018: \$422,000) in the current period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2019

14. FINANCIAL INSTRUMENTS - continued**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 <i>In thousands of dollars</i>	2019			2018		
	Balance Sheet	6 months or less	6-12 months	Balance Sheet	6 months or less	6-12 months
Trade and other payables	984	984	-	2,175	2,175	-
	984	984	-	2,175	2,175	-

Estimation of fair values

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

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

Capital management

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

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

The Group is not subject to any external imposed capital requirements.

The allocation of capital is, to a large extent, driven by optimisation of the return achieved on the capital allocated.

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

There have been no material changes in the Group's management of capital during the period.

15. OPERATING LEASES**Leases as Lessee**

Non-cancellable operating lease rentals are payable as follows:

In thousands of dollars

Less than one year
Between one and five years

Group	
2019	2018
-	16
-	27
-	43

During the year ended 31 December 2019, no payment was recognised as an expense in profit or loss in respect of operating leases (2018: \$16,000) due to the adoption of NZ IFRS 16 Leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2019

16. CAPITAL AND LAND DEVELOPMENT COMMITMENTS

As at 31 December 2019, 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 2020 in accordance with the Group's development programme.

In thousands of dollars

Development expenditure
Land purchases

Group	
2019	2018
30,845	42,496
13,631	46,132
44,476	88,628

17. RELATED PARTIES

Identity of related parties

The Company has a related party relationship with its subsidiary as well as a fellow subsidiary of its parent (see Note 18), and with its Directors and executive officers.

Transactions with key management personnel

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

The total remuneration and value of other benefits earned by each of the Directors of the Company for the year ending 31 December 2019 was:

In thousands of dollars

C Sim
VWE Yeo
KS Tan
R Austin
J Henderson
Total for non-executive directors
BK Chiu
Total for executive directors

Group	
2019	2018
35	38
30	30
-	-
35	35
30	30
130	133
-	-
-	-
130	133

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 (2018: 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

For the year ended 31 December 2019

17. RELATED PARTIES - Investment in associate - continued

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

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

18. GROUP ENTITIES**Control of the Group**

CDL Investments New Zealand Limited is a subsidiary of Millennium & Copthorne Hotels New Zealand Limited by virtue of Millennium & Copthorne Hotels New Zealand Limited owning 66.26% (2018: 66.42%) of the Company and having three out of six of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 70.79% (2018: 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, \$318,000 (2018: \$314,000) for expenses incurred by the parent on behalf of the Group.

During 2019, CDL Investments New Zealand Limited issued no additional shares (2018: nil) to its parent, Millennium & Copthorne Hotels New Zealand Limited, under the Dividend Reinvestment Plan (see Note 12). The total shares on issue to Millennium & Copthorne Hotels New Zealand Limited is 184,724,438 (2018: 184,724,438).



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 27:

- i. present fairly in all material respects the Group's financial position as at 31 December 2019 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 2019;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

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

We are independent of the group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Our firm has also provided other services to the group in relation to taxation compliance 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 \$2.3m determined with reference to a benchmark of group profit before tax. We chose the benchmark because, in our view, this is a key measure of the group's performance.



Key audit matters

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

The key audit matter

How the matter was addressed in our audit

Capitalisation and Allocation of Development costs

Refer to note 8 of the consolidated financial statements.

The group's development property comprises land and costs incurred to develop land into subdivisions and individual properties for sale. At 31 December 2019 development properties amounted to \$182.7 million representing 77.6% of net assets in the consolidated statement of financial position.

Determining whether to capitalise or expense costs relating to development of the land is subjective as it depends whether the costs enhance the land or maintain the current value. In addition there is significant judgement in determining how to allocate the costs to individual properties.

To assess the capitalisation of development costs we examined the operating effectiveness of the Group's process to capitalise and record development costs. We then obtained invoices for a sample of capitalised costs to check whether the nature of the expense met the capitalisation criteria in the accounting standards. We found no exceptions.

Our procedures over the allocation of these development costs involved considering the costs capitalised to properties sold versus costs capitalised to the remaining properties in the portfolio, and in comparison to realised value upon sale. We also checked for consistency in approach between periods. The evidence we obtained demonstrated the allocation of costs was in line with our expectations.



Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. Other information includes the Director's review, disclosures relating to corporate governance, the trend statement and financial summary and the other information included in the Annual Report. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have received the 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.



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);
 - implementing necessary internal control to enable the preparation of a set of consolidated 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

10 February 2020

REGULATORY DISCLOSURES

20 LARGEST SHAREHOLDERS (as at 2 March 2020) (Listing Rule 3.7.1c)

Rank	Shareholder	Number of Securities	% of Issued Capital
1.	MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED	184,724,438	66.26
2.	ADRIAN HO	20,457,444	7.34
3.	HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET -NZCSD	10,521,503	3.77
4.	ACCIDENT COMPENSATION CORPORATION - NZCSD	7,189,962	2.58
5.	JPMORGAN CHASE BANK NA NZ BRANCH-SEGREGATED CLIENTS ACCT - NZCSD	6,370,819	2.29
6.	CHRISTINA SEET	2,330,698	0.84
7.	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD	1,576,993	0.57
8.	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD	1,369,495	0.49
9.	HUGH GREEN INVESTMENTS LIMITED	1,154,059	0.41
10.	GEOK LOO GOH	1,079,834	0.39
11.	MFL MUTUAL FUND LIMITED - NZCSD	1,076,957	0.39
12.	ROGER PARKER	801,032	0.29
13.	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD	662,039	0.24
14.	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	608,117	0.22
15.	CALIBER TRUSTEE COMPANY LIMITED	599,668	0.22
16.	STEVEN CHEONG KWOK WING	574,411	0.21
17.	DEBORAH LEE SEERUP	450,005	0.16
18.	GRAHAM KENNETH GASKIN + DONALD ERIC FORSYTH	400,587	0.14
19.	SIMON HUGH BERRY	400,000	0.14
20.	ROBERT WONG + CHRISTEIN JOE WONG	390,057	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 1 March 2020)

Range	Number of shareholders	Number of shares	% of Issued Capital
1 - 99	11	654	0.00
100 - 199	7	965	0.00
200 - 499	11	3,458	0.00
500 - 999	33	20,351	0.01
1,000 - 1,999	361	483,759	0.17
2,000 - 4,999	1,011	3,100,632	1.11
5,000 - 9,999	520	3,605,890	1.29
10,000 - 49,999	630	12,605,968	4.52
50,000 - 99,999	77	5,211,072	1.87
100,000 - 499,999	68	12,602,872	4.52
500,000 - 999,999	3	1,975,111	0.71
1,000,000 +	6	239,194,848	85.79
Rounding			0.01
Total			100.00

REGULATORY DISCLOSURES – continued

DOMICILE OF SHAREHOLDERS (as at 2 March 2020)

	Number of shareholders	Number of shares	% of Issued Capital
New Zealand	2,635	252,845,188	90.69
Australia and overseas	103	25,960,392	9.31
Total	2,738	278,805,580	100.00

ADOPTION OF NEW NZX LISTING RULES

CDI adopted the new NZX Listing Rules from 1 March 2019.

No waivers were sought from NZX in 2019.

SUBSTANTIAL PRODUCT HOLDERS

According to notices given to the Company under the Financial Markets Conducts Act 2013, as at 2 March 2020, the substantial product holders in the Company are noted below:

	Securities	Class	%
Millennium & Cophorne Hotels New Zealand Limited	184,724,438	Ordinary Shares	66.26
Aberdeen Standard (Asia) Limited	20,461,758	Ordinary Shares	7.34
Adrian Ho	20,457,444	Ordinary Shares	7.34

As at 2 March 2020, the total number of issued voting securities of CDL Investments New Zealand Limited (all of which are ordinary shares) was 278,805,580.

STATUTORY INFORMATION

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

As at 31 December 2019, the Company's Directors were Messrs. C Sim, BK Chiu, RJ Austin, JH Henderson, KS Tan 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 (2018: 6 male directors and 0 female directors). CDI currently has 1 female and 3 male officers (2018: 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 2019)

Director	2018	2019
C Sim	Nil	Nil
BK Chiu	Nil	Nil
RJ Austin	Nil	Nil
J Henderson	Nil	Nil
KS Tan	Nil	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 ending 31 December 2019 was:

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

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

INDEMNITY AND INSURANCE (section 162, Companies Act 1993)

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

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

As at 31 December 2019, the Directors of the Company have made general disclosures of interest in the following companies:

C Sim

Chairman/Director of:

Millennium & Copthorne Hotels New Zealand Limited

Director of:

Autocaps (Aust) Pty Ltd

Autocaps Vogue Pty Limited

Builders Recycling Properties Pty Ltd

CS Investments No. 1 Pty Ltd

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	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
Context Securities Limited
Hospitality Leases Limited
Kingsgate Hotels & Resorts Limited
Millennium & Copthorne Hotels New Zealand Limited
QINZ (Anzac Avenue) Limited

CDL Land New Zealand Limited
Hospitality Group Limited
Hospitality Services Limited
Millennium & Copthorne NZ Limited
QINZ Holdings (New Zealand) Limited

VWE Yeo

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

M&C REIT Management Limited

Director of:

CDL HBT Cambridge City Pte. Ltd
CDL HBT Cambridge City Hotel (UK) Ltd
CDL HBT North Ltd
CDL HBT Oceanic Maldives Pvt Ltd
CDLHT CFM Two Pte Ltd
CDLHT CFM III SRL
CDLHT Hanei Two Pte.Ltd
CDLHT Munich One Pte Ltd
CDLHT Oceanic Holdings Pte Ltd
CDLHT Two Ltd
Hospitality Holdings Pte Ltd
NKS Hospitality I BV
Sanctuary Sands Maldives Private Limited
The Lowry Hotel Ltd

CDL HBT Cambridge City (UK) Ltd
CDL HBT Hanei Pte. Ltd
CDL HBT Oceanic Holdings Pte Ltd
CDLHT CFM One Pte Ltd
CDLHT CFM III BV
CDLHT Hanei One Pte.Ltd
CDLHT MTN Pte. Ltd
CDLHT Munich Two Pte Ltd
CDLHT Oceanic Maldives Private Ltd
Gemini Two Pte Ltd
Munich Furniture BV
NKS Hospitality III SRL
Sunshine Hotels Australia Pty Ltd

RJ Austin

Director of:

Anglebury & Konig Limited
Café Brands Limited
CCNZ Limited
Cure Kids Ventures Limited
Ohaupo Farms Limited
Vintage Sport and Leisure Limited

Austand Securities Limited
CBMC Limited
Cure Kids Capital Limited
Northington Investments Limited
Pastoral Management Limited
Your Local Collective Limited

Trustee of:

Cure Kids

J Henderson

Director of:

Ding Bay Limited
Maara Moana Limited

John Henderson Resources Limited
Te Hoiere Asset Holding Company Limited

Member of:

Waipu Cove Reserve Board

STATUTORY INFORMATION – continued

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	2018	2019
Annual Audit	53	54
KPMG Other Services	15	7

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

The Company's subsidiary and its directors as at 31 December 2019 are listed below:

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

(*) Mr. JC Adams was appointed as a director with effect from 15 February 2019.

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

SUBDIVISION LOCATION MAP

- **Auckland Projects**
 - Kewa Road, Albany
 - Greville Road, Pinehill
 - Crestview, Massey
 - Christian Road, Swanson
 - Dominion Road, Papakura


CDL LAND
NEW ZEALAND LIMITED
Auckland ●

Hamilton ●


MAGELLAN HEIGHTS
IN VIEW OF IT ALL

● Hastings, Hawke's Bay


NORTHWOOD
experience living | experience northwood

Rolleston, Selwyn ●


STONEBROOK

Christchurch ● PRESTONS PARK



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

AUDITORS

KPMG, Auckland

BANKERS

ANZ Bank New Zealand Limited, Auckland

SOLICITORS

Bell Gully

SHARE REGISTRAR

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

STOCK EXCHANGE LISTING

New Zealand Exchange (NZX)
Company Code: CDI



CDL INVESTMENTS
NEW ZEALAND LIMITED