Miscellaneous

* Asterisks denote mandatory information

Name of Announcer *	CITY DEVELOPMENTS LIMITED
Company Registration No.	196300316Z
Announcement submitted on behalf of	CITY DEVELOPMENTS LIMITED
Announcement is submitted with respect to *	CITY DEVELOPMENTS LIMITED
Announcement is submitted by *	Enid Ling Peek Fong
Designation *	Company Secretary
Date & Time of Broadcast	14-Feb-2007 12:36:01
Announcement No.	00032

>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Announcement of Full Year 2006 Results of Subsidiary Company, CDL Investments New Zealand Limited
Description	We attach herewith the results announcement for the full year ended 31 December 2006 issued by CDL Investments New Zealand Limited on 14 February 2007, for your information.
Attachments:	CINZ_Summary.pdf CINZ_Chairman_Review.pdf CINZ_Results.pdf CINZ_Press_Release.pdf Total size = **719K** (2048K size limit recommended)

CDL INVESTMENTS NEW ZEALAND LIMITED

Results for announcement to the market

Reporting Period	12 months to 31 December 2006
Previous Reporting Period	12 months to 31 December 2005

	Amount (000s)	Percentage change
Revenue from ordinary activities	NZ$ 31,606	Up 28.9%
Profit (loss) from ordinary activities after tax attributable to security holders	NZ$ 10,865	Up 19.1%
Net profit (loss) attributable to security holders	NZ$ 10,865	Up 19.1%

Interim/Final Dividend	Amount per security	Imputed amount per security
Final Dividend	NZ$ 0.023	Fully imputed

Record Date	16 March 2007
Dividend Payment Date	30 March 2007

Comments:	Please refer to the attached Chairman's Review.

CHAIRMAN'S REVIEW

Financial Performance

CDL Investments New Zealand Limited ("CDLI") has reported yet another record operating profit after tax of $10.9 million for the year ended 31 December 2006, an increase of 19.1% from the corresponding period in 2005. Operating profit before tax and minorities was $16.3 million (2005: $13.6 million). Property sales & other income for the period under review was $31.6 million. This was an increase of 28.9% on 2005 (2005: $24.5 million). A total of 182 sections were sold.

Shareholders' funds as at 31 December 2006 were $74.7 million (2005: $64.6 million) and total assets stood at $76.2 million (2005: $65.6 million). The net tangible asset per share was 34.1 cents (2005: 30.7 cents). The value of CDLI's land holdings as at 31 December 2006 was $157.0 million (2005: $131.2 million).

CDLI adopted the New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') in 2005.

Dividend Announcement

The Company has resolved to pay a fully imputed ordinary dividend of 2.3 cents per share payable on 30 March 2007 (2005: 2.0 cents). The Dividend Reinvestment Plan applies to this dividend.

Directors

In August 2006, Graham McKenzie retired from the Board and John Henderson was appointed as an Independent Director. I would like to thank Graham for his valuable contribution to the Board during the year.

Outlook

The New Zealand property market continued to be buoyant and enjoyed better than expected growth in 2006 despite predictions to the contrary. It is anticipated that this positive sentiment will continue into the first quarter of 2007. While factors such as increases in the number of residential building consents in the latter part of 2006 and keen buyer interest in the residential market were welcome, the Reserve Bank continues to signal that there are underlying negative economic pressures and, until last month, had signaled further interest rate rises. While it is still somewhat early to say in which direction the economy will head, the Company is focused on ensuring maintenance of profitability as well as market share during this year to take best advantage of the ongoing upbeat market climate. Assuming that there will not be any further interest rate increases or other unexpected changes in market conditions, the Board believes that the Company will deliver another satisfactory set of results in 2007.

Management and staff

On behalf of the Board, I wish to extend our thanks to the Company's management and staff for their hard work during 2006.

Wong Hong Ren
Chairman
14 February 2007

CDL Investments New Zealand Limited and its Subsidiary

Consolidated Income Statement

For the year ended 31 December 2006

		Group		Parent	
In thousands of dollars	Note	2006	2005	2006	2005
Revenue		31,061	24,225	-	-
Cost of sales		(12,891)	(8,683)	-	-
Gross Profit		**18,170**	**15,542**	-	-
Other operating income	2	80	95	4,000	4,002
Finance income		465	206	-	-
Administrative expenses	3, 4	(157)	(154)	(103)	(95)
Other operating expenses	3, 4	(2,294)	(2,133)	(341)	(364)
Profit before income tax		**16,264**	**13,556**	**3,556**	**3,543**
Income tax expense	5	(5,399)	(4,433)	(6)	(7)
Profit for the year		**10,865**	**9,123**	**3,550**	**3,536**
Attributable to:					
Equity holders of the parent		10,865	9,123	3,550	3,536
Basic earnings per share (cents)	14	5.01	4.40		
Diluted earnings per share (cents)	14	5.01	4.40		

Consolidated Statement of Recognised Income and Expense

		Group		Parent	
In thousands of dollars	Note	2006	2005	2006	2005
Profit for the year		10,865	9,123	3,550	3,536
Total recognised income and expense for the period		10,865	9,123	3,550	3,536
Attributable to:					
Equity holders of the parent		10,865	9,123	3,550	3,536

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

CDL Investments New Zealand Limited and its Subsidiary

Consolidated Balance Sheet

As at 31 December 2006

In thousands of dollars	Note	Group 2006	Group 2005	Parent 2006	Parent 2005
SHAREHOLDERS' EQUITY					
Issued capital	13	31,246	27,783	31,246	27,783
Retained earnings	13	43,435	36,782	(9,580)	(8,918)
Total Equity		74,681	64,565	21,666	18,865
Represented by:					
NON CURRENT ASSETS					
Plant, furniture and equipment	8	19	25	7	10
Development property	9	41,362	41,868	-	-
Related party debtors		-	-	8,481	5,607
Investments in subsidiary		-	-	13,266	13,266
Deferred tax assets	10	-	-	9	15
Total Non Current Assets		41,381	41,893	21,763	18,898
CURRENT ASSETS					
Development property	9	17,948	14,955	-	-
Income tax receivable	6	219	221	-	-
Trade and other receivables	11	1,026	436	12	8
Cash and cash equivalents	12	15,639	8,133	1	23
Total Current Assets		34,832	23,745	13	31
Total Assets		76,213	65,638	21,776	18,929
NON CURRENT LIABILITIES					
Deferred tax liabilities	10	479	485	-	-
Total Non Current liabilities		479	485	-	-
CURRENT LIABILITIES					
Trade and other payables	15	1,031	548	107	60
Employee entitlements		22	40	3	4
Total Current Liabilities		1,053	588	110	64
Total Liabilities		1,532	1,073	110	64
Net Assets		74,681	64,565	21,666	18,865

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For and on behalf of the Board

HR WONG, CHAIRMAN, 14 February 2007

BK CHIU, MANAGING DIRECTOR, 14 February 2007

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

CDL Investments New Zealand Limited and its Subsidiary

Consolidated Statement of Cash Flows

For the year ended 31 December 2006

In thousands of dollars	Note	Group 2006	Group 2005	Parent 2006	Parent 2005
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Receipts from customers		30,551	24,344	-	2
Interest received		465	206	-	-
Dividends received		-	-	4,000	4,000
Cash was applied to:					
Payment to suppliers and employees		(17,353)	(20,511)	(395)	(535)
Intercompany payments		-	-	(2,874)	(3,136)
Income tax paid	7	(4,849)	(4,442)	-	-
Net Cash Inflow/(Outflow) from Operating Activities		**8,814**	**(403)**	**731**	**331**
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Advances from subsidiary		-	-	555	519
Cash was applied to:					
Purchase of fixed assets		(3)	(2)	(3)	(2)
Net Cash Inflow/(Outflow) From Investing Activities		**(3)**	**(2)**	**552**	**517**
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was applied to:					
Dividends paid		(750)	(763)	(750)	(763)
Supplementary dividend paid		(555)	(519)	(555)	(519)
Net Cash Inflow/(Outflow) from Financing Activities		**(1,305)**	**(1,282)**	**(1,305)**	**(1,282)**
Net Increase / (Decrease) in Cash and Cash Equivalents		7,506	(1,687)	(22)	(434)
Add Opening Cash and Cash Equivalents Brought Forward		8,133	9,820	23	457
Closing Cash and Cash Equivalents	12	**15,639**	**8,133**	**1**	**23**

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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 2006

		Group		Parent	
In thousands of dollars	Note	2006	2005	2006	2005
RECONCILIATION OF NET PROFIT TO CASHFLOWS FROM OPERATING ACTIVITIES					
Net profit after taxation		10,865	9,123	3,550	3,536
Adjusted for non cash items:					
Depreciation	8	9	10	6	7
Income tax expense		5,399	4,433	6	7
Adjustments for movements in working capital:					
(Increase)/decrease in receivables		(590)	24	(4)	4
(Increase)/decrease in development properties		(2,487)	(9,460)	-	-
(Increase)/decrease in taxation due		2	-	-	-
Increase/(decrease) in payables		465	(91)	47	(87)
Increase/(decrease) in related parties		-	-	(2,874)	(3,136)
Cash generated from operating activities		**13,663**	**4,039**	**731**	**331**
Income tax paid	7	(4,849)	(4,442)	-	-
Cash Inflows/(Outflow) from Operating Activities		**8,814**	**(403)**	**731**	**331**

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

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 an issuer in terms of the Financial Reporting Act 1993.

The consolidated financial statements of CDL Investments New Zealand Limited as at and for the year ended 31 December 2006 comprise the Company and its subsidiary (together referred to as the "Group").

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the requirements of the Companies Act 1993, Financial Reporting Act 1993 and New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), as appropriate for profit-oriented entities. Compliance with NZ IFRS ensures that the financial statements also comply with International Financial Reporting Standards ("IFRS").

The consolidated financial statements were authorised for issuance on 14 February 2007.

(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.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgments, 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.

To ensure consistency with the current period, comparative figures have been restated where appropriate.

The accounting policies set out below have been applied consistently by Group entities, and to all periods presented in these consolidated financial statements.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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Significant accounting policies - continued

(d) **Plant, furniture and equipment**

Initial recording

Items of plant, furniture and equipment are stated at cost less accumulated depreciation. The cost of purchased plant, furniture 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. Where parts of an item of plant, furniture and equipment have different useful lives, they are accounted for as separate items of plant, furniture and equipment.

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, furniture and equipment	3 - 10 years

Gains or losses arising from the retirement or disposal of plant, furniture and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss account on the date of retirement or disposal.

(e) **Development properties**

Property held for future development is stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, and holding costs such as interest and rates. Interest and other holding costs incurred after completion of development are expensed as incurred. All holding costs are written off through the income statement in the year incurred with the exception of interest holding costs which are capitalised during the period when active development is taking place. Revenue and profit are not recognised on development properties until the legal title passes to the buyer when the full settlement of the purchase consideration of the properties occurs.

(f) **Trade and other receivables**

Trade and other receivables are stated at their cost less impairment losses.

(g) **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(h) **Impairment**

The carrying amounts of the Group's assets other than deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy h(i)).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(i) Calculation of recoverable amount

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The recoverable amount of the Group's receivables with short duration is not discounted.

(ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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Significant accounting policies - continued

(i) **Trade and other payables**

Trade and other payables are stated at cost.

(j) **Expenses**

(i) **Operating lease payments**

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

(ii) **Finance expenses and income**

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

Finance income is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date the entity's right to receive payments is established.

Interest attributable to funds used to finance the acquisition, development or construction of property held for development or sale is capitalised gross of tax relief and added to the cost of the property during the period when active development takes place.

(k) **Income tax**

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

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

Deferred tax is provided using the balance sheet liability method of providing for 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 sheet 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.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

(l) **Revenue**

Revenue represents amounts derived from:

- Income from land and property sales: recognised on the transfer of the related significant risk and rewards of ownership.

(m) **Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(n) **Investments in subsidiaries**

Investment in subsidiaries are stated at cost less any provision for permanent diminution in value, which is recorded through the income statement.

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CDL Investments New Zealand Limited and its Subsidiary

Notes to the Consolidated Financial Statements
For the year ended 31 December 2006

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1. Segment reporting

Segment reporting has not been prepared as the Group operates in a single market, i.e. property operations, comprising the development and sale of land and development properties, in a single business segment i.e. New Zealand.

2. Other operating income

In thousands of dollars

	Group 2006	Group 2005	Parent 2006	Parent 2005
Rental income	80	93	-	-
Other	-	2	-	2
Dividend income	-	-	4,000	4,000
	80	95	4,000	4,002

3. Administration and Other operating expenses

In thousands of dollars

	Note	Group 2006	Group 2005	Parent 2006	Parent 2005
Auditors' remuneration					
- Audit fees		53	50	26	24
- Audit IFRS conversion		-	50	-	50
- Tax compliance		5	20	5	20
Depreciation	8	9	10	6	7
Directors' remuneration					
- Fees		65	50	65	50
- Other		-	15	-	15
Legal fees		74	77	2	2
Movement in doubtful debts provision		(1)	1	-	-
Operating lease and rental payments		58	54	17	17
Rates		358	276	-	-
Sales commission		858	790	-	-
Other		495	451	230	188
Total excluding personnel expenses		1,974	1,844	351	373

4. Personnel expenses

In thousands of dollars

	Group 2006	Group 2005	Parent 2006	Parent 2005
Wages and salaries	466	426	92	85
Other	11	17	1	1
	477	443	93	86

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5. Income tax expense

Recognised in the income statement

In thousands of dollars	Group		Parent	
Current tax expense	2006	2005	2006	2005
Current year	5,373	4,585	-	-
Adjustments for prior years	32	(40)	-	-
	5,405	4,545	-	-
Deferred tax expense				
Origination and reversal of temporary differences	(6)	(112)	6	7
	(6)	(112)	6	7
Total income tax expense in income statement	5,399	4,433	6	7

Reconciliation of effective tax rate

In thousands of dollars	Group		Parent	
	2006	2005	2006	2005
Profit before tax	16,264	13,556	3,556	3,543
Income tax using the company tax rate of 33%	5,367	4,473	1,173	1,169
Tax exempt revenues	-	-	(1,320)	(1,320)
Group tax offset	-	-	153	158
Under / (over) provided in prior years	32	(40)	-	-
	5,399	4,433	6	7

6. Current tax assets and liabilities

The current tax asset of $219,000 (2005: $221,000) represents the amount of income taxes paid in advance.

7. Imputation credits

In thousands of dollars	Group		Parent	
	2006	2005	2006	2005
Balance at beginning of year	15,212	12,226	2,006	1,492
Imputation credits attached to dividends received	-	-	1,970	1,970
Taxation paid	4,849	4,442	-	-
Imputation credits attached to dividends paid	(1,520)	(1,456)	(1,520)	(1,456)
	18,541	15,212	2,456	2,006
The imputation credits are available to shareholders of the parent company as follows:				
Through the parent company	2,456	2,006	2,456	2,006
Through subsidiary	16,085	13,206	-	-
	18,541	15,212	2,456	2,006

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8. Plant, furniture and equipment

In thousands of dollars	Group	Parent
Cost		
Balance at 1 January 2005	160	119
Acquisitions	1	1
Balance at 31 December 2005	161	120
Balance at 1 January 2006	161	120
Acquisitions	3	3
Balance at 31 December 2006	164	123
Depreciation and impairment losses		
Balance at 1 January 2005	(126)	(103)
Depreciation charge for the year	(10)	(7)
Balance at 31 December 2005	(136)	(110)
Balance at 1 January 2006	(136)	(110)
Depreciation charge for the year	(9)	(6)
Balance at 31 December 2006	(145)	(116)
Carrying amounts		
At 1 January 2005	34	16
At 31 December 2005	25	10
At 1 January 2006	25	10
At 31 December 2006	19	7

9. Development property

In thousands of dollars	Group		Parent	
	2006	2005	2006	2005
Development land	59,310	56,823	-	-
Less expected to settle within one year	17,948	14,955	-	-
	41,362	41,868	-	-

Development land is carried at the lower of cost and net realisable value. No interest (2005: $nil) has been capitalised during the year. The value of development land held at 31 December 2006 was determined by independent registered valuers, DM Koomen SPINZ of DTZ New Zealand Limited as $157.0 million (2005: $131.2 million).

10. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

In thousands of dollars	Group					
	Assets		Liabilities		Net	
	2006	2005	2006	2005	2006	2005
Plant, furniture and equipment	1	-	-	-	1	-
Development property	-	-	(500)	(547)	(500)	(547)
Employee benefits	17	49	-	-	17	49
Trade and other payables	3	13	-	-	3	13
Net tax assets / (liabilities)	21	62	(500)	(547)	(479)	(485)

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10. **Deferred tax assets and liabilities -cont'd**
Recognised deferred tax assets and liabilities

In thousands of dollars	Parent					
	Assets		Liabilities		Net	
	2006	2005	2006	2005	2006	2005
Plant, furniture and equipment	-	-	(1)	(2)	(1)	(2)
Employee benefits	9	8	-	-	9	8
Trade and other payables	1	9	-	-	1	9
Net tax assets / (liabilities)	10	17	(1)	(2)	9	15

Movement in temporary differences during the year

In thousands of dollars	Group		
	Balance 1 Jan 05	Recognised in income	Balance 31 Dec 05
Plant, furniture and equipment	-	-	-
Development property	(635)	88	(547)
Employee benefits	1	48	49
Trade and other payables	37	(24)	13
	(597)	112	(485)

In thousands of dollars	Group		
	Balance 1 Jan 06	Recognised in income	Balance 31 Dec 06
Plant, furniture and equipment	-	1	1
Development property	(547)	47	(500)
Employee benefits	49	(32)	17
Trade and other payables	13	(10)	3
	(485)	6	(479)

Movement in temporary differences during the year

In thousands of dollars	Parent		
	Balance 1 Jan 05	Recognised in income	Balance 31 Dec 05
Plant, furniture and equipment	(2)	-	(2)
Employee benefits	1	7	8
Trade and other payables	23	(14)	9
	22	(7)	15

In thousands of dollars	Parent		
	Balance 1 Jan 06	Recognised in income	Balance 31 Dec 06
Plant, furniture and equipment	(2)	1	(1)
Employee benefits	8	1	9
Trade and other payables	9	(8)	1
	15	(6)	9

Deferred tax assets have not been recognised in respect of the following items:

In thousands of dollars	Group		Parent	
	2006	2005	2006	2005
Investment in subsidiary	-	-	13,266	13,266

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11. Trade and other receivables

In thousands of dollars	Group		Parent	
	2006	2005	2006	2005
Trade receivables	305	135	-	-
Other receivables and pre-payments	721	301	12	8
	1,026	436	12	8

12. Cash and cash equivalents

In thousands of dollars	Group		Parent	
	2006	2005	2006	2005
Bank balances	1	23	1	23
Call deposits	15,638	8,110	-	-
Cash and cash equivalents in the statement of cash flows	15,639	8,133	1	23

13. Capital and reserves

Reconciliation of movement in capital and reserves - Group

In thousands of dollars	Attributable to equity holders of the parent		
	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2005	24,536	31,669	56,205
Total recognised income and expense	-	9,123	9,123
Shares issued under dividend reinvestment plan	3,247	-	3,247
Dividends to shareholders	-	(4,010)	(4,010)
Balance at 31 December 2005	27,783	36,782	64,565
Balance at 1 January 2006	27,783	36,782	64,565
Total recognised income and expense	-	10,865	10,865
Shares issued under dividend reinvestment plan	3,463	-	3,463
Dividends to shareholders	-	(4,212)	(4,212)
Balance at 31 December 2006	31,246	43,435	74,681

Reconciliation of movement in capital and reserves - Parent

In thousands of dollars	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2005	24,536	(8,444)	16,092
Total recognised income and expense	-	3,536	3,536
Shares issued under dividend reinvestment plan	3,247	-	3,247
Dividends to shareholders	-	(4,010)	(4,010)
Balance at 31 December 2005	27,783	(8,918)	18,865
Balance at 1 January 2006	27,783	(8,918)	18,865
Total recognised income and expense	-	3,550	3,550
Shares issued under dividend reinvestment plan	3,463	-	3,463
Dividends to shareholders	-	(4,212)	(4,212)
Balance at 31 December 2006	31,246	(9,580)	21,666

13. Capital and reserves (continued)

Share capital

	Group and parent			
	2006 Shares '000s	2006 $000's	2005 Shares '000s	2005 $000's
Shares issued 1 January	210,643	27,783	200,503	24,536
Issued under dividend reinvestment plan	8,258	3,463	10,140	3,247
Total shares issued and outstanding	218,901	31,246	210,643	27,783

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 2006, the authorised share capital consisted of 218,900,766 fully paid ordinary shares (2005: 210,643,474).

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 market price on the dividend payment date.

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

In thousands of dollars	Group		Parent	
	2006	2005	2006	2005
2 cents per qualifying ordinary share (2005: 2 cents)	4,212	4,010	4,212	4,010

After 31 December 2006 the following dividends were declared by the directors. The dividends have not been provided for and there are no income tax consequences.

In thousands of dollars	Parent
2.3 cents per qualifying ordinary share	5,035

14. Earnings per share

Basic and diluted earnings per share
The calculation of basic and diluted earnings per share at 31 December 2006 was based on the profit attributable to ordinary shareholders of $10,865,000 (2005: $9,123,000); and weighted average number of ordinary shares outstanding during the year ended 31 December 2006 of 216,837,000 (2005: 207,263,000), calculated as follows:

Profit attributable to ordinary shareholders (basic & diluted)

In thousands of dollars	Group	
	2006	2005
Profit for the period	10,865	9,123
Profit attributable to ordinary shareholders	10,865	9,123

Weighted average number of ordinary shares

In thousands of shares	Group	
	2006	2005
Issued ordinary shares at 1 January	210,643	200,503
Effect of 8,258 shares issued in March 2006	6,194	-
Effect of 10,140 shares issued in April 2005	-	6,760
Weighted average number of ordinary shares at 31 December	216,837	207,263

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15. Trade and other payables

In thousands of dollars	Group 2006	Group 2005	Parent 2006	Parent 2005
Trade payables	801	349	15	-
Non-trade payables and accrued expenses	230	199	92	60
	1,031	548	107	60

16. Financial instruments

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.

Investments 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 sheet 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, including derivative financial instruments, in the balance sheet as shown below:

In thousands of dollars	Note	Group 2006	Group 2005	Parent 2006	Parent 2005
Bank and short term deposits	12	15,639	8,133	1	23
Trade and other receivables	11	1,026	436	12	8
		16,665	8,569	13	31

Interest rate risk

The Group has a minimal exposure to interest rate risk on the bank overdraft of nil (2005: nil).

Effective interest and repricing analysis

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

Group *In thousands of dollars*	2006 Note	2006 Effective interest rate	2006 Total	2006 6 months or less	2005 Effective interest rate	2005 Total	2005 6 months or less
Cash and cash equivalents	12	7.25% to 7.67%	15,639	15,639	7.25%	8,133	8,133
			15,639	15,639		8,133	8,133

Parent *In thousands of dollars*	Note	2006 Effective interest rate	2006 Total	2005 Effective interest rate	2005 Total
Cash and cash equivalents	12	Non interest bearing	1	Non interest bearing	23
			1		23

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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.

16. Financial instruments - Estimation of fair values - continued

(a) Cash, accounts receivable, accounts payable and prepaid taxation:- The carrying amount for these balances approximate their fair value because of the short maturities of these items.
(b) Shares in companies and other investments:- The carrying amount for these balances represents cost less impairment, if any.

17. Operating Leases
Leases as Lessee

Non-cancellable operating lease rentals are payable as follows:

In thousands of dollars	Group		Parent	
	2006	2005	2006	2005
Less than one year	15	9	-	-
Between one and five years	13	13	-	-
	28	22	-	-

During the year ended 31 December 2006, $15,000 was recognised as an expense in the income statement in respect of operating leases (2005: $19,000) and $80,000 (2005: $93,000) was recognised as income in the income statement in respect of subleases.

18. Capital commitments
As at 31 December 2006, the Group has entered into contracts for construction on development properties of $2,427,000 (2005: $4,618,000).

19. Related parties
Identity of related parties
The Group has a related party relationship with its subsidiary (see note 20), 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.

Total remuneration is included in "personnel expenses" (see note 4):

Consolidated
CDL Investments New Zealand Limited is a subsidiary of Millennium & Copthorne Hotels New Zealand Limited (formerly CDL Hotels New Zealand Limited) by virtue of Millennium & Copthorne Hotels New Zealand Limited owning 63.48% (2005: 62.46%) of the Company and having 3 out of 6 of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 70.22% owned by CDL Hotels Holdings New Zealand Limited, 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, $187,000 (2005: $198,000) for expenses incurred by the parent on behalf of the Group.

Parent
At balance date, there were non-interest bearing advances owing from its subsidiary of $8,481,000. (2005: $5,607,000). There are no set repayment terms. No related party debts have been written off or forgiven during the year.

During the year CDL Investments New Zealand Limited entered into the following transactions with its subsidiary:

- $4,000,000 dividends were received from CDL Land New Zealand Limited (2005: $4,000,000).

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20. Group entities

Subsidiary	Principal Activity
CDL Land New Zealand Limited	Property Investment and Development

The company is a wholly owned direct subsidiary of CDL Investments New Zealand Limited and has a balance date of 31 December.

21. 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 16 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 market fluctuations in the value of development properties. The carrying value of development properties is $59,310,000 (2005: $56,823,000) while the net realisable value determined by independent valuers is $153,790,000 (2005: $128,485,000). Accordingly there has to be a significant decline in value before the Group is affected.

Audit report

To the shareholders of CDL Investments New Zealand Limited

We have audited the financial statements on pages 1 to 17. The financial statements provide information about the past financial performance and financial position of the company and group as at 31 December 2006. This information is stated in accordance with the accounting policies set out on pages 5 to 7.

Directors' responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the company and group as at 31 December 2006 and the results of their operations and cash flows for the year ended on that date.

Auditors' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgments made by the Directors in the preparation of the financial statements;
- whether the accounting policies are appropriate to the company's and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Our firm has also provided other services to the company and certain of its subsidiaries in relation to taxation and general accounting services. Partners and employees of our firm may also deal with the company and group on normal terms within the ordinary course of trading activities of the business of the company and group. These matters have not impaired our independence as auditors of the company and group. The firm has no other relationship with, or interest in, the company or any of its subsidiaries.

KPMG

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the company as far as appears from our examination of those records;

- the financial statements on pages 1 to 17:

  - comply with New Zealand generally accepted accounting practice;

  - give a true and fair view of the financial position of the company and group as at 31 December 2006 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 14 February 2007 and our unqualified opinion is expressed as at that date.

KPMG

Auckland

14 February 2007

CDL INVESTMENTS CAPITALISES ON CONTINIUED STRONG MARKET DEMAND FOR QUALITY RESIDENTIAL SECTIONS

Property development company CDL Investments New Zealand Limited (**NZX: CDI**) today reported its preliminary results for the year ended 31 December 2006.

Chairman Mr. Wong Hong Ren said that the company had achieved an operating profit after tax of $10.9 million on revenue of $31.6 million and had sold a total of 182 sections in 2006. The company's total assets had also increased to $76.2 million.

Acknowledging the healthy 19.1% increase in profit and 28.9% increase in revenue over the same period in 2005, Mr. Wong noted that the New Zealand property market had continued to be buoyant in 2006 despite predictions to the contrary.

"We are pleased that CDL Investments has been able to take advantage of these better than expected market conditions and deliver yet another set of strong results", Mr. Wong said.

The Company also announced that its Board had increased the ordinary dividend to 2.3 cents per share, a 15% increase from last year. The dividend would be fully imputed and payable to shareholders on 30 March 2006. The Company announced that the Dividend Reinvestment Plan would apply to this dividend and the record date for participation would be 16 March 2007.

Managing Director B K Chiu said that while it was too early in the year to make definitive comments about the prospects for this year, he believed that CDL Investments could continue to capitalize on positive market conditions into the first quarter of 2007.

"Trading conditions remain positive in the residential property markets generally and this has been reflected in the good start made to date. However, we are conscious of the increasing compliance and development costs such as local government levies. These have increased over the past eighteen months and are starting to impact on our business".

Mr. Chiu remained upbeat about CDL Investments' prospects for 2007.

"CDL Investments has an excellent and long-held reputation for producing high quality sections in key growth areas. Our focus in 2007 will therefore be on maintaining our profitability, market share and section quality in order to maximize our returns across the board", he said.

<u>Summary of results:</u>

• Operating profit after tax	$10.9 million (2005: $9.1 million)
• Operating profit before tax and minorities	$16.3 million (2005: $13.6 million)
• Total group revenue	$31.6 million (2005: $24.5 million)
• Shareholders' funds	$74.7 million (2005: $64.6 million)
• Total assets	$76.2 million (2005: $65.6 million)
• Net tangible asset value	34.1 cents per share (2005: 30.7 cents)

ENDS
Issued by CDL Investments New Zealand Limited

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