General Announcement::Announcement by Subsidiary Company, CDL Investments New Zealand Limited

Issuer & Securities

Issuer/ Manager	CITY DEVELOPMENTS LIMITED
Securities	CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	19-Feb-2016 17:57:45
Status	New
Announcement Sub Title	Announcement by Subsidiary Company, CDL Investments New Zealand Limited
Announcement Reference	SG160219OTHRANYZ
Submitted By (Co./ Ind. Name)	Enid Ling Peek Fong
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	Please refer to the Announcement issued by CDL Investments New Zealand Limited on 19 February 2016 relating to Full Year Results for the Year Ended 31 December 2015.

Attachments	19022016_CDLNZ_2015 Full Year Results.pdf Total size =2075K

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CDL Investments New Zealand Limited

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015

In thousands of dollars	Note	Group 2015	Group 2014
Revenue		47,540	44,101
Cost of sales		(20,908)	(21,839)
Gross Profit		26,632	22,262
Other income		59	59
Administrative expenses	3, 4	(205)	(192)
Property expenses		(471)	(427)
Selling expenses		(1,751)	(1,665)
Other expenses	3, 4	(957)	(846)
Results from operating activities		23,307	19,191
Finance income	5	852	1,358
Finance costs	5	-	(12)
Net finance income		852	1,346
Profit before income tax		24,159	20,537
Income tax expense	6	(6,686)	(5,827)
Profit for the period		17,473	14,710
Total comprehensive income for the period		17,473	14,710
Profit attributable to:			
Equity holders of the parent		17,473	14,710
Total comprehensive income for the period		17,473	14,710
Earnings per share			
Basic earnings per share (cents)	13	6.33	5.35
Diluted earnings per share (cents)	13	6.33	5.35

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

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CDL Investments New Zealand Limited

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

In thousands of dollars	Note	Group Share Capital	 Retained Earnings	 Total Equity
Balance at 1 January 2014		52,499	66,366	118,865
Total comprehensive income for the period				
Profit for the period		-	14,710	14,710
Total comprehensive income for the period		-	**14,710**	**14,710**
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	12	408	-	408
Dividend to shareholders	12	-	(5,494)	(5,494)
Supplementary dividend		-	(145)	(145)
Foreign investment tax credits		-	145	145
Balance at 31 December 2014		**52,907**	**75,582**	**128,489**
Balance at 1 January 2015		52,907	75,582	128,489
Total comprehensive income for the period				
Profit for the period		-	17,473	17,473
Total comprehensive income for the period		-	**17,473**	**17,473**
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan		387	-	387
Dividend to shareholders	12	-	(6,060)	(6,060)
Supplementary dividend	12	-	(167)	(167)
Foreign investment tax credits		-	167	167
Balance at 31 December 2015		**53,294**	**86,995**	**140,289**

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

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CDL Investments New Zealand Limited

Consolidated Statement of Financial Position

As at 31 December 2015

In thousands of dollars	Note	Group 2015	Group 2014
SHAREHOLDERS' EQUITY			
Issued capital	12	53,294	52,907
Retained earnings		86,995	75,582
Total Equity		140,289	128,489
Represented by:			
NON CURRENT ASSETS			
Property, plant and equipment		3	4
Development property	8	88,304	72,313
Investment in associate		2	2
Total Non Current Assets		88,309	72,319
CURRENT ASSETS			
Cash and cash equivalents	11	9,993	2,532
Short term deposits		5,000	29,500
Trade and other receivables	10	1,131	1,466
Development property	8	38,247	24,652
Total Current Assets		54,371	58,150
Total Assets		142,680	130,469
NON CURRENT LIABILITIES			
Deferred tax liabilities	9	19	49
Total Non Current liabilities		19	49
CURRENT LIABILITIES			
Trade and other payables		201	214
Employee entitlements		33	26
Income tax payable		2,138	1,691
Total Current Liabilities		2,372	1,931
Total Liabilities		2,391	1,980
Net Assets		140,289	128,489

For and on behalf of the Board

R AUSTIN, DIRECTOR, 19 February 2016

BK CHIU, MANAGING DIRECTOR, 19 February 2016

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

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CDL Investments New Zealand Limited

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

In thousands of dollars	Note	Group 2015	Group 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		47,576	43,340
Interest received		1,210	1,251
Cash was applied to:			
Payment to suppliers		(44,819)	(30,420)
Payment to employees		(366)	(336)
Purchase of development land		(8,697)	(4,522)
Interest paid		-	(12)
Income tax paid		(6,102)	(5,194)
Net Cash Inflow/(Outflow) from Operating Activities		(11,198)	4,107
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Short term deposits		29,500	-
Cash was applied to:			
Purchase of plant and equipment		(1)	(3)
Short term deposits		(5,000)	(29,500)
Net Cash Inflow/(Outflow) From Investing Activities		24,499	(29,503)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was applied to:			
Dividend paid		(5,673)	(5,086)
Supplementary dividend paid		(167)	(145)
Net Cash Outflow from Financing Activities		(5,840)	(5,231)
Net Increase/(Decrease) in Cash and Cash Equivalents		7,461	(30,627)
Add Opening Cash and Cash Equivalents		2,532	33,159
Closing Cash and Cash Equivalents	11	9,993	2,532

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

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CDL Investments New Zealand Limited

Consolidated Statement of Cash Flows - continued

For the year ended 31 December 2015

In thousands of dollars	Note	Group 2015	Group 2014
RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit after Taxation		17,473	14,710
Adjusted for non cash items:			
Depreciation		2	1
Gain on disposal of plant and equipment	3	-	2
Income tax expense	6	6,686	5,827
Adjustments for movements in working capital:			
(Increase)/Decrease in receivables		335	(929)
Increase in development properties		(29,586)	(10,332)
Increase/(Decrease) in payables		(6)	22
Cash generated from/(absorbed by) operating activities		(5,096)	9,301
Income tax paid		(6,102)	(5,194)
Cash Inflow/(Outflow) from Operating Activities		(11,198)	4,107

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

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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 2015 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 profit-oriented entities. The financial statements also comply with International Financial Reporting Standards ("IFRS").

The External Reporting Board of New Zealand ("XRB") has released a new accounting standards framework which establishes the financial standards to be applied to entities with statutory financial reporting obligations. The Group is currently reporting under NZ IFRS. Under the new XRB framework the Group continues to apply NZ IFRS as applicable for Tier 1 for-profit entities. This has no material impact on the preparation and disclosures included in the financial statements.

The financial statements were authorised for issuance on 19 February 2016.

(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 amount recognised in the financial statements are described in Note 2 - Accounting Estimates and Judgements.

(c) Changes in accounting policies

The accounting policies have been applied consistently to all periods presented in these financial statements.

(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) Transactions eliminated on consolidation

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

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Significant accounting policies - continued

(e) **Financial instruments**

Non-derivative financial instruments
Non-derivative financial instruments 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.

Accounting for finance income and expense is discussed in accounting policy m(ii).

(f) **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. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant 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 and equipment	3 - 10 years

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

(g) **Development property**

Property held for future development is stated at the lower of cost and net realisable value. The net realisable value is determined by independent valuers. 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. 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.

(h) **Trade and other receivables**

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

(i) **Cash and cash equivalents**

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

(j) **Impairment**

The carrying amounts of the Group's assets other than income tax receivable and deferred tax assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy j(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 profit or loss.

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Significant accounting policies - continued

(j) Impairment (continued)

(i) Calculation of recoverable amount

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

(k) Employee long-term service benefits

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.

(l) Trade and other payables

Trade and other payables are stated at cost.

(m) Expenses

(i) Operating lease payments

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

(ii) Finance income and expense

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

Finance income is recognised in profit or loss as it accrues, using the effective interest method. 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 sale is capitalised gross of tax relief and added to the cost of the property during the period when active development takes place.

(n) Income tax

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.

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Significant accounting policies - continued

(n) Income tax (continued)

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.

(o) Revenue

Revenue represents amounts derived from:

- Land and property sales: recognised on the transfer of the related significant risk and rewards of ownership which is when legal title passes to the buyer and full settlement of the purchase consideration of the property occurs.

(p) Operating segment reporting

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.

(q) Investments in associates

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

Interests in associates and the joint venture 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.

(r) New standards adopted and interpretations not yet adopted

The following new standards and amendments to standards are not yet effective for the year ended 31 December 2015, and have not been applied in preparing these consolidated financial statements:

- *NZ IFRS 9 - Financial Instruments (effective after 1 January 2018)*
- *NZ IFRS 15 - Revenue from Contracts with Customers (effective 1 January 2018)*
- *IFRS 16 - Leases (effective 1 January 2019)*

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

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CDL Investments New Zealand Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2015

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.

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 2 major Hamilton based customers representing 29% 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 market fluctuations in the value of development properties. In Note 8 the carrying value of development properties is $126,551,000 (2014: $96,965,000) while the market value determined by an independent registered valuer is $265,010,000 (2014: $205,970,000).

3. ADMINISTRATIVE AND OTHER EXPENSES

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

In thousands of dollars	Note	Group 2015	Group 2014
Auditors' remuneration			
- Audit fees		47	46
- Tax compliance & advisory		11	12
Depreciation		2	1
Directors' fees	17	95	95
Net gain on disposal of plant and equipment		-	2
Operating lease and rental payments		76	71
Other		565	475
Total excluding personnel expenses		**796**	**702**

4. PERSONNEL EXPENSES

In thousands of dollars	Group 2015	Group 2014
Wages and salaries	341	314
Employee related expenses and benefits	25	20
Increase in liability for long-service leave	-	2
	366	**336**

5. NET FINANCE INCOME

In thousands of dollars	Group 2015	Group 2014
Interest income	852	1,358
Finance income	852	1,358
Interest expense	-	(12)
Finance costs	-	(12)
Net finance income	**852**	**1,346**

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6. INCOME TAX EXPENSE

Recognised in the statement of comprehensive income

In thousands of dollars	Group	
	2015	**2014**
Current tax expense		
Current year	6,794	5,827
Adjustments for prior years	(79)	83
	6,715	5,910
Deferred tax expense		
Origination and reversal of temporary differences	(29)	(83)
	(29)	(83)
Total income tax expense in the statement of comprehensive income	**6,686**	**5,827**

Reconciliation of effective tax rate

In thousands of dollars	Group	
	2015	**2014**
Profit before income tax	24,159	20,537
Income tax using the company tax rate of 28% (2014: 28%)	6,765	5,744
Adjusted for:		
Under/(over) provided in prior years	(79)	83
	6,686	**5,827**
Effective tax rate	**28%**	**28%**

7. IMPUTATION CREDITS

In thousands of dollars	Group	
	2015	**2014**
Imputation credits available for use in subsequent reporting periods	30,451	29,571

8. DEVELOPMENT PROPERTY

In thousands of dollars	Group	
	2015	**2014**
Expected to settle greater than one year	88,304	72,313
Expected to settle within one year	38,247	24,652
Development property	**126,551**	**96,965**

Development property is carried at the lower of cost and net realisable value. No interest (2014: nil) has been capitalised during the year. The value of development property held at 31 December 2015 was determined, on an open market existing use basis, by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited as $265.0 million (2014: $206.0 million).

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

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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	Group					
	Assets		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
Plant and equipment	-	-	(1)	-	(1)	-
Development property	-	-	(60)	(94)	(60)	(94)
Employee benefits	38	42	-	-	38	42
Trade and other payables	4	3	-	-	4	3
Net tax assets/(liabilities)	42	45	(61)	(94)	(19)	(49)

Movement in deferred tax balances during the year

In thousands of dollars	Group		
	Balance 1 Jan 2014	Recognised in profit or loss	Balance 31 Dec 2014
Development property	(164)	70	(94)
Employee benefits	29	13	42
Trade and other payables	3	-	3
	(132)	83	(49)

In thousands of dollars	Group		
	Balance 1 Jan 2015	Recognised in profit or loss	Balance 31 Dec 2015
Plant and equipment	-	(1)	(1)
Development property	(94)	34	(60)
Employee benefits	42	(4)	38
Trade and other payables	3	1	4
	(49)	30	(19)

10. TRADE AND OTHER RECEIVABLES

In thousands of dollars	Group	
	2015	2014
Trade receivables	448	324
Other receivables and prepayments	683	1,142
Trade and other receivables	1,131	1,466

None of the trade and other receivables are impaired.

11. CASH AND CASH EQUIVALENTS

In thousands of dollars	Group	
	2015	2014
Bank balances	2,993	32
Call deposits	7,000	2,500
Cash and cash equivalents	9,993	2,532

12. CAPITAL AND RESERVES

Share capital

	Parent			
	2015	2015	2014	2014
	Shares '000s	$000's	Shares '000s	$000's
Shares issued 1 January	275,468	52,907	274,675	52,499
Issued under dividend reinvestment plan	625	387	793	408
Total shares issued and outstanding	276,093	53,294	275,468	52,907

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 2015, the authorised share capital consisted of 276,093,676 fully paid ordinary shares (2014: 275,468,365).

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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 625,311 additional shares under the Dividend Reinvestment Plan on 15 May 2015 (2014: 793,321) at a strike price of $0.6190 per share issued (2014: $0.5145).

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

In thousands of dollars	Parent	
	2015	2014
2.2 cents per qualifying ordinary share (2014: 2.0 cents)	6,060	5,494
	6,060	**5,494**

After 31 December 2015 the following dividends were declared by the directors. The dividends have not been provided for and there are no income tax consequences. It is anticipated that a portion of the dividends declared will be paid by way of shares through the Dividend Reinvestment Plan.

In thousands of dollars	Parent
2.2 cents ordinary dividend per qualifying ordinary share	6,074
2.2 cents total dividend per qualifying ordinary share	6,074

13. EARNINGS PER SHARE

Basic and diluted earnings per share
The calculation of basic and diluted earnings per share at 31 December 2015 was based on the profit attributable to ordinary shareholders of $17,473,000 (2014: $14,710,000); and weighted average number of ordinary shares outstanding during the year ended 31 December 2015 of 275,885,000 (2014: 275,204,000), calculated as follows:

Profit attributable to ordinary shareholders (basic & diluted)

In thousands of dollars	Group	
	2015	2014
Profit for the period	17,473	14,710
Profit attributable to ordinary shareholders	**17,473**	**14,710**

Weighted average number of ordinary shares

	Parent	
	2015	2014
	Shares '000s	Shares '000s
Issued ordinary shares at 1 January	275,468	274,675
Effect of 625,311 shares issued in May 2015	417	-
Effect of 793,321 shares issued in May 2014	-	529
Weighted average number of ordinary shares at 31 December	275,885	275,204

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. Exposure to credit and interest rate risks arises in the normal course of the Group's business. All financial assets are classified as loans and receivables. All financial liabilities are classified as payables.

In thousands of dollars		Group	
	Note	2015	2014
Financial Assets			
Cash and cash equivalents	11	9,993	2,532
Short term deposits		5,000	29,500
Trade and other receivables	10	1,131	1,466
Financial Liabilities			
Trade and other payables		201	214

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14. FINANCIAL INSTRUMENTS - continued

Credit risk

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

The key factor in managing risk is that Certificate of Title are 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.

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 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 (2014: 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		2015			2014			
In thousands of dollars	Note	Effective interest rate	Total	6 months or less	Effective interest rate	Total	6 months or less	6 - 12 months
Cash and cash equivalents	11	0.00% to 3.50%	9,993	9,993	0.00% to 4.25%	2,532	2,532	-
Short term deposits		3.53%	5,000	5,000	4.40% to 4.82%	29,500	27,000	2,500
			14,993	14,993		32,032	29,532	2,500

Sensitivity analysis

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

A decrease of one percentage point in interest rates would have decreased the Group's profit before income tax by $136,000 (2014: $291,000) in the current period.

Liquidity risk

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

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

Group	2015		2014	
In thousands of dollars	Balance Sheet	6 months or less	Balance Sheet	6 months or less
Trade and other payables	201	201	214	214
	201	201	214	214

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.

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14. FINANCIAL INSTRUMENTS - **Estimation of fair values** - continued

(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	Group	
	2015	2014
Less than one year	16	11
Between one and five years	16	15
	32	26

During the year ended 31 December 2015, $16,000 was recognised as an expense in profit or loss in respect of operating leases (2014: $11,000) and $58,000 (2014: $59,000) was recognised as other income in profit or loss in respect of leases.

16. CAPITAL COMMITMENTS

As at 31 December 2015, the Group has entered into contracts for construction on development properties of $12,509,000 (2014: $20,073,000).

17. RELATED PARTIES

Identity of related parties
The Group 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 2015 was:

In thousands of dollars	Group	
	2015	2014
VWE Yeo	30	30
RL Challinor	12	35
R Austin	23	-
J Henderson	30	30
Total for non-executive directors	95	95
BK Chiu	-	-
Total for executive directors	-	-
	95	95

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17. RELATED PARTIES - Transactions with key management personnel - continued

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 Group'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 (2014: nil).

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

Prestons Road Limited	Group	
In thousands of dollars	2015	2014
Current assets	260	1,818
Current liabilities	(254)	(1,812)
Net assets (100%)	6	6
Group interests	33.33%	33.33%
Group's interest of net assets	2	2
Carrying amount in associates	2	2

Movements in the carrying value of the associate:

	Group	
In thousands of dollars	2015	2014
Balance at 1 January	2	2
Purchase of investment	-	-
Balance at 31 December	2	2

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 66.91% (2014: 67.06%) of the Company and having two out of five 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, $230,000 (2014: $204,000) for expenses incurred by the parent on behalf of the Group.

During 2015, CDL Investments New Zealand Limited issued no additional shares (2014: 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 (2014: 184,724,438).

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Independent auditor's report

To the shareholders of CDL Investments New Zealand Limited

We have audited the accompanying consolidated financial statements of CDL Investments New Zealand Limited and its subsidiaries ("the group") on pages 1 to 16. The financial statements comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in the 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 company's shareholders as a body, for our audit work, this report or any of the opinions we have formed.

Directors' responsibility for the consolidated financial statements

The directors are responsible on behalf of the company for the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Our firm has also provided other services to the group in relation to taxation compliance and 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.

Opinion

In our opinion, the consolidated financial statements on pages 1 to 16 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the consolidated financial position of CDL Investments New Zealand Limited as at 31 December 2015 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

KPMG

19 February 2016
Auckland

Full and Half year Preliminary Announcements and Half Year Results

CDL INVESTMENTS NEW ZEALAND LIMITED

Results for announcement to the market

Reporting Period	12 months to 31 December 2015
Previous Reporting Period	12 months to 31 December 2014

	Amount (000s)	Percentage change
Revenue from ordinary activities	NZ$ 47,599	Up 7.79%
Profit (loss) from ordinary activities after tax attributable to security holders	NZ$ 17,473	Up 18.78%
Net profit (loss) attributable to security holders	NZ$ 17,473	Up 18.78%

Interim/Final Dividend	Amount per security	Imputed amount per security
Final Dividend	Ordinary dividend of 2.2 cents per share	Fully imputed

Record Date	6 May 2016
Dividend Payment Date	20 May 2016

Comments:	Please refer to the attached Directors' Review.

DIRECTORS' REVIEW

Financial Performance

CDL Investments New Zealand Limited ("CDLI") is pleased to report a profit after tax of $17.5 million for the year ended 31 December 2015, an increase of 18.8% from the previous year (2014: $14.7 million). This result is the sixth consecutive year of profit growth and a record profit for the company.

Profit before tax also increased to $24.2 million (2014: $20.5 million). Property sales & other income totaled $47.6 million (2014: $44.2 million) with the number of sections sold in 2015 at 255 (2014: 248).

Shareholders' funds as at 31 December 2015 increased to $140.3 million (2014: $128.5 million) and the Company's total assets stood at $142.7 million (2014: $130.5 million). The net tangible asset per share (at book value) was 50.8 cents (2014: 46.6 cents).

Dividend Announcement

Reflecting the continued level of profitability, the Company has resolved to maintain its fully imputed ordinary dividend at 2.2 cents per share payable on 20 May 2016. The record date will be 6 May 2016. The Dividend Reinvestment Plan will apply to this dividend.

Land portfolio

At 31 December 2015, the independent market value of CDLI's land holdings was $265.0 million (2014: $206.0 million). CDLI's accounting policies require the company to carry the value of its land portfolio at the lower of cost or net realisable value and at 31 December 2015, the land portfolio at cost was $126.6 million (2014:$ 97.0 million).

CDLI acquired a further 4.1 hectares of land in Auckland during the year.

Summary and Outlook

Strong customer demand for high quality residential sections continue to underpin CDLI's results and this is being reflected in both increased revenue and profitability. The Board and Management are therefore focused on growth as well as meeting future demand expectations with supply in a sustainable and sensible way. With sales having commenced at Prestons Road, Christchurch and Greville Road, Auckland, 2016 should prove to be another profitable year.

Management and staff

On behalf of the Board, I thank the Company's management and staff for their hard work during 2015 to deliver this outstanding result.

Wong Hong Ren
Chairman
19 February 2016

CDL INVESTMENTS NEW ZEALAND REPORTS RECORD PROFIT FOR 2015

Property development company CDL Investments New Zealand Limited (**NZX: CDI**) today reported its results for the year ended 31 December 2015.

CDI increased its profit after tax by 18.8% to $17.5 million with property sales & other income increasing by 7.8% to $47.6 million over the previous twelve months.

"It is very pleasing to report a sixth consecutive year of increased profitability and even more pleasing to report a record profit," said Managing Director Mr. B K Chiu. "The result is underpinned by continued strong demand for residential sections and we believe that this level of demand will continue through 2016".

CDI's geographically diverse land portfolio was independently valued at $265.0 million at 31 December 2015 and the company also acquired an additional 4.1 hectares of land in Auckland during the year.

CDI's Board resolved to maintain its dividend at 2.2 cents per share fully imputed which would be paid to shareholders on 20 May 2016. The Record Date would be 6 May 2016 and the Dividend Reinvestment Plan would apply to this dividend.

With regard to 2016, Mr. Chiu said that CDI would be focused on growth as well as meeting future demand expectations with supply in a sustainable and sensible way.

"We have commenced sales at our Prestons Park (Christchurch) and Greville Road (Auckland) subdivisions and these, together with sales from our other developments, should ensure that 2016 will be another profitable year", he said.

<u>Summary of results:</u>

• Profit after tax	$17.5 million (2014: $14.7 million)
• Profit before tax	$24.2 million (2014: $20.5 million)
• Total revenue & other income	$47.6 million (2014: $44.2 million)
• Shareholders' funds	$140.3 million (2014: $128.5 million)
• Total assets	$142.7 million (2014: $130.5 million)
• Net tangible asset value (at book value)	50.8 cents per share (2014:46.6cps)
• Earnings per share	6.33 cents per share (2014:5.35cps)

About CDL Investments New Zealand Limited:

CDL Investments New Zealand Limited (CDI) has a proud track record of acquiring and developing residential sections in New Zealand for two decades. With a focus on creating and developing a range of high-quality residential sections to New Zealanders, CDI has over the past twenty years successfully completed numerous subdivision projects in Auckland, Hamilton, Tauranga, Hastings, Havelock North, Taupo, Nelson, Christchurch, Rolleston (Canterbury) and Queenstown. CDI is a majority-owned subsidiary of NZX-listed Millennium & Copthorne Hotels New Zealand Limited.

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Issued by CDL Investments New Zealand Limited

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