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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	16-Feb-2011 17:11:29
Announcement No.	00052

>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Announcement by Subsidiary Company, CDL Investments New Zealand Limited on Full Year Results Ended 31 December 2010
Description	Please see the attached announcement released by CDL Investments New Zealand Limited on 16 February 2011.
Attachments	CDLI_Results.pdf Total size = **2405K** (2048K size limit recommended) **Total attachment size has exceeded the recommended value**

Close Window

Independent Auditor's Report

To the Shareholders of CDL Investments New Zealand Limited

Report on the Company and Group Financial Statements

We have audited the accompanying financial statements of CDL Investments New Zealand Limited ("the company") and the group, comprising the company and its subsidiaries, on pages 1 to 20. The financial statements comprise the statement of financial position of the company and the consolidated statement of financial position of the group as at 31 December 2010, the statements of comprehensive income, changes in equity and cash flows of the company and the consolidated statements of comprehensive income, changes in equity and cash flows of the group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Company and Group Financial Statements

The directors are responsible for the preparation of company and group financial statements in accordance with generally accepted accounting practice in New Zealand and International Financial Reporting Standards that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of company and group 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 company and group financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the company and group financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the company and group financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company and group's preparation of the financial statements that give a true and fair view of the matters to which they relate 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 company and 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 financial statements.

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

Our firm has also provided other services to the company and group 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 and group.

Opinion

In our opinion the financial statements of CDL Investments New Zealand Limited and its subsidiaries ("the company and group") on pages 1 to 20:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards;
- give a true and fair view of the financial position of the company and the consolidated financial position of the group as at 31 December 2010 and of the financial performance and cash flows of the company and the consolidated financial performance and consolidated cash flows of the group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by CDL Investments New Zealand Limited and its subsidiaries as far as appears from our examination of those records.

KPMG

16 February 2011

Auckland

CDL Investments New Zealand Limited and its Subsidiary

Statement of Comprehensive Income

For the year ended 31 December 2010

In thousands of dollars	Note	Group 2010	Group 2009	Parent 2010	Parent 2009
Revenue		9,271	5,150	-	-
Cost of sales		(3,709)	(1,932)	-	-
Gross Profit		**5,562**	**3,218**	**-**	**-**
Other income	2	159	156	-	1
Administrative expenses	3, 4	(172)	(156)	(101)	(81)
Property expenses		(588)	(530)	-	-
Selling expenses		(462)	(260)	-	-
Other expenses	3, 4	(761)	(839)	(347)	(569)
Results from operating activities		**3,738**	**1,589**	**(448)**	**(649)**
Finance income	5	282	228	3,473	439
Finance costs	5	-	(2)	-	-
Net finance income		**282**	**226**	**3,473**	**439**
Profit/(loss) before income tax		**4,020**	**1,815**	**3,025**	**(210)**
Income tax (expense)/credit	6	(1,108)	(551)	(4)	56
Profit/(loss) for the period		**2,912**	**1,264**	**3,021**	**(154)**
Total comprehensive income/(expense) for the period		**2,912**	**1,264**	**3,021**	**(154)**
Profit/(loss) attributable to:					
Equity holders of the parent		2,912	1,264	3,021	(154)
Total comprehensive income/(expense) for the period		**2,912**	**1,264**	**3,021**	**(154)**
Earnings per share					
Basic earnings per share (cents)	15	1.17	0.52		
Diluted earnings per share (cents)	15	1.17	0.52		

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

CDL Investments New Zealand Limited and its Subsidiary

Statement of Changes in Equity

For the year ended 31 December 2010

Group

In thousands of dollars	Note	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2009		40,934	49,866	90,800
Total comprehensive income for the period				
Profit for the period		-	1,264	1,264
Total comprehensive income for the period		**-**	**1,264**	**1,264**
Balance at 31 December 2009		**40,934**	**51,130**	**92,064**
Balance at 1 January 2010		40,934	51,130	92,064
Total comprehensive income for the period				
Profit for the period		-	2,912	2,912
Total comprehensive income for the period		**-**	**2,912**	**2,912**
Transactions with owners, recorded directly in Equity				
Shares issued under dividend reinvestment plan	14	2,780	-	2,780
Dividends to shareholders	14	-	(2,920)	(2,920)
Supplementary dividends		-	(397)	(397)
Foreign investment tax credits		-	397	397
Balance at 31 December 2010		**43,714**	**51,122**	**94,836**

Parent

In thousands of dollars	Note	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2009		40,934	(14,343)	26,591
Total comprehensive expense for the period				
Loss for the period		-	(154)	(154)
Total comprehensive expense for the period		**-**	**(154)**	**(154)**
Balance at 31 December 2009		**40,934**	**(14,497)**	**26,437**
Balance at 1 January 2010		40,934	(14,497)	26,437
Total comprehensive income for the period				
Profit for the period		-	3,021	3,021
Total comprehensive income for the period		**-**	**3,021**	**3,021**
Transactions with owners, recorded directly in Equity				
Shares issued under dividend reinvestment plan	14	2,780	-	2,780
Dividends to shareholders	14	-	(2,920)	(2,920)
Supplementary dividends		-	(397)	(397)
Foreign investment tax credits		-	397	397
Balance at 31 December 2010		**43,714**	**(14,396)**	**29,318**

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 and its Subsidiary

Statement of Financial Position

As at 31 December 2010

In thousands of dollars	Note	Group 2010	Group 2009	Parent 2010	Parent 2009
SHAREHOLDERS' EQUITY					
Issued capital	14	43,714	40,934	43,714	40,934
Retained earnings/(accumulated losses)		51,122	51,130	(14,396)	(14,497)
Total Equity		**94,836**	**92,064**	**29,318**	**26,437**
Represented by:					
NON CURRENT ASSETS					
Plant, furniture and equipment	9	7	10	4	5
Development property	10	82,559	78,467	-	-
Related party debtors	21, 22	-	-	11,962	7,511
Investments in subsidiary	21, 22	-	-	13,266	13,266
Investment in associate	17	2	2	-	-
Deferred tax assets	11	-	-	19	35
Total Non Current Assets		**82,568**	**78,479**	**25,251**	**20,817**
CURRENT ASSETS					
Cash and cash equivalents	13	7,992	5,478	3,766	5,399
Trade and other receivables	12	409	430	67	50
Income tax receivable	7	-	-	404	64
Development property	10	4,676	8,507	-	-
Related party debtors	21, 22	-	309	-	309
Total Current Assets		**13,077**	**14,724**	**4,237**	**5,822**
Total Assets		**95,645**	**93,203**	**29,488**	**26,639**
NON CURRENT LIABILITIES					
Deferred tax liabilities	11	300	336	-	-
Total Non Current liabilities		**300**	**336**	**-**	**-**
CURRENT LIABILITIES					
Trade and other payables	16	226	418	170	182
Employee entitlements		16	32	-	20
Income tax payable	7	267	353	-	-
Total Current Liabilities		**509**	**803**	**170**	**202**
Total Liabilities		**809**	**1,139**	**170**	**202**
Net Assets		**94,836**	**92,064**	**29,318**	**26,437**

For and on behalf of the Board

RL CHALLINOR, DIRECTOR, 16 February 2011

BK CHIU, MANAGING DIRECTOR, 16 February 2011

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

CDL Investments New Zealand Limited and its Subsidiary

Statement of Cash Flows

For the year ended 31 December 2010

In thousands of dollars	Note	Group 2010	Group 2009	Parent 2010	Parent 2009
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Receipts from customers		9,478	5,401	-	1
Related party debtor receipts		309	-	-	-
Interest received		227	228	457	439
Dividends received	5	29	-	-	-
Income tax received	8	-	60	-	-
Cash was applied to:					
Payment to suppliers and employees		(6,158)	(4,746)	(479)	(653)
Purchase of development land		-	(316)	-	-
Related party debtor payments		-	(309)	-	-
Interest paid		-	(2)	-	-
Income tax paid	8	(833)	-	(328)	(139)
Net Cash Inflow/(Outflow) from Operating Activities		**3,052**	**316**	**(350)**	**(352)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Advances from subsidiary		-	-	397	-
Intercompany receipts		-	-	-	740
Cash was applied to:					
Advances to associate		-	(1)	-	-
Intercompany payments		-	-	(1,142)	-
Purchase of fixed assets	9	(1)	(2)	(1)	(1)
Net Cash Inflow/(Outflow) From Investing Activities		**(1)**	**(3)**	**(746)**	**739**
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was applied to:					
Dividends paid		(140)	-	(140)	-
Supplementary dividend paid		(397)	-	(397)	-
Net Cash Outflow from Financing Activities		**(537)**	**-**	**(537)**	**-**
Net Increase/(Decrease) in Cash and Cash Equivalents		2,514	313	(1,633)	387
Add Opening Cash and Cash Equivalents Brought Forward		5,478	5,165	5,399	5,012
Closing Cash and Cash Equivalents	13	**7,992**	**5,478**	**3,766**	**5,399**

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

Statement of Cash Flows - continued

For the year ended 31 December 2010

In thousands of dollars	Note	Group 2010	Group 2009	Parent 2010	Parent 2009
RECONCILIATION OF PROFIT/(LOSS) FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES					
Net Profit/(Loss) after Taxation		2,912	1,264	3,021	(154)
Adjusted for non cash items:					
Depreciation	9	4	4	2	1
Income Tax Expense/(Credit)	6	1,108	551	4	(56)
Intercompany Dividend	5	-	-	(3,000)	-
Adjustments for movements in working capital:					
(Increase)/Decrease in Receivables		21	95	(17)	-
Increase in Development Properties		(261)	(1,575)	-	-
Increase/(Decrease) in Payables		(208)	226	(32)	(4)
(Increase)/Decrease in Related Party Debtors		309	(309)	-	-
Cash generated from/(used in) operating activities		**3,885**	**256**	**(22)**	**(213)**
Income Tax (Paid)/Received	8	(833)	60	(328)	(139)
Cash Inflow/(Outflow) from Operating Activities		**3,052**	**316**	**(350)**	**(352)**

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 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 2010 comprise 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 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") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The consolidated financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issuance on 16 February 2011.

(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 23 - 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. 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 these consolidated financial statements.

(e) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise, trade and other receivables, cash and cash equivalents, and trade and other payables.

Significant accounting policies - continued

(e) Financial instruments - continued

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) Plant, furniture and equipment

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 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. 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.

(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.

Significant accounting policies - continued

(j) **Impairment** - continued

(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 as 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.

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.

Significant accounting policies - continued

(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 subsidiaries

Investment in subsidiaries are stated at cost less any provision for permanent diminution in value, which is recorded through profit or loss.

(r) Investments in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. They are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of the associate from the date that significant influence commences until the date that significant influence 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.

(s) 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 2010, and have not been applied in preparing these consolidated financial statements:

- *NZ IAS 24 - Related Party Disclosures (effective after 1 July 2011)*
- *NZ IFRS 9 - Financial Instruments (effective after 1 January 2013)*

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

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

2. OTHER INCOME

In thousands of dollars	Group		Parent	
	2010	2009	2010	2009
Rental income	158	155	-	-
Other	1	1	-	1
	159	**156**	**-**	**1**

3. ADMINISTRATIVE AND OTHER EXPENSES

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

In thousands of dollars		Group		Parent	
	Note	2010	2009	2010	2009
Auditors' remuneration					
- Audit fees		39	36	39	36
- Tax compliance		10	17	10	17
Depreciation	9	4	4	2	1
Directors' Fees	21	125	125	125	125
Operating lease and rental payments		71	73	-	-
Other		447	363	259	252
Total excluding personnel expenses		**696**	**618**	**435**	**431**

4. PERSONNEL EXPENSES

In thousands of dollars	Group		Parent	
	2010	2009	2010	2009
Wages and salaries	235	349	20	207
Employee related expenses and benefits	(11)	25	(20)	12
Increase in liability for long-service leave	13	3	13	-
	237	**377**	**13**	**219**

5. NET FINANCE INCOME

In thousands of dollars	Group		Parent	
	2010	2009	2010	2009
Interest income	253	228	187	199
Intercompany interest income	-	-	286	240
Dividend income	29	-	3,000	-
Finance income	282	228	3,473	439
Interest expenses	-	(2)	-	-
Finance costs	-	(2)	-	-
Net finance income	**282**	**226**	**3,473**	**439**

6. INCOME TAX EXPENSE

Recognised in the statement of comprehensive income

In thousands of dollars	Group		Parent	
Current tax expense	**2010**	**2009**	**2010**	**2009**
Current year	1,211	559	(7)	(61)
Adjustments for prior years	(67)	7	(5)	7
	1,144	566	(12)	(54)
Deferred tax expense				
Origination and reversal of temporary differences	(14)	(15)	14	(2)
Reduction in tax rate	(22)	-	2	-
	(36)	(15)	16	(2)
Total income tax expense/(credit) in the statement of comprehensive income	**1,108**	**551**	**4**	**(56)**

Reconciliation of effective tax rate

In thousands of dollars	Group		Parent	
	2010	2009	2010	2009
Profit/(loss) before income tax	4,020	1,815	3,025	(210)
Income tax using the company tax rate of 30% (2009: 30%)	1,206	544	907	(63)
Adjusted for:				
Imputation credits	(9)	-	-	-
Tax exempt revenues	-	-	(900)	
Reduction in tax rate	(22)	-	2	
Under/(over) provided in prior years	(67)	7	(5)	7
	1,108	**551**	**4**	**(56)**
Effective tax rate	**28%**	**30%**	**0%**	**27%**

In the May 2010 Budget the government announced a reduction in the corporate tax rate from 30% to 28%. This change is effective for the Group from 1 January 2011.

7. CURRENT TAX ASSETS AND LIABILITIES

In thousands of dollars	Group		Parent	
	2010	2009	2010	2009
Income tax receivable	-	-	404	64
Income tax payable	267	353	-	-

The current tax liability (2009: tax liability) for the Group represents the amount of income taxes payable.

8. IMPUTATION CREDITS

In thousands of dollars	Group 2010	Group 2009
Balance at beginning of year	21,519	21,579
Imputation credits attached to dividends received	9	-
Taxation paid/(received)	833	(60)
Imputation credits attached to dividends paid	(855)	-
	21,506	**21,519**
The imputation credits are available to shareholders of the parent company as follows:		
Through the parent company	2,271	1,512
Through subsidiary	19,235	20,007
	21,506	**21,519**

9. PLANT, FURNITURE AND EQUIPMENT

In thousands of dollars	Group	Parent
Cost		
Balance at 1 January 2009	169	126
Acquisitions	2	1
Balance at 31 December 2009	**171**	**127**
Balance at 1 January 2010	171	127
Acquisitions	1	1
Balance at 31 December 2010	**172**	**128**
Depreciation and impairment losses		
Balance at 1 January 2009	(157)	(121)
Depreciation charge for the year	(4)	(1)
Balance at 31 December 2009	**(161)**	**(122)**
Balance at 1 January 2010	(161)	(122)
Depreciation charge for the year	(4)	(2)
Balance at 31 December 2010	**(165)**	**(124)**
Carrying amounts		
At 1 January 2009	12	5
At 31 December 2009	**10**	**5**
At 1 January 2010	10	5
At 31 December 2010	**7**	**4**

10. DEVELOPMENT PROPERTY

In thousands of dollars	Group 2010	Group 2009	Parent 2010	Parent 2009
Development property	87,235	86,974	-	-
Less expected to settle within one year	4,676	8,507	-	-
	82,559	**78,467**	-	-

Development property is carried at the lower of cost and net realisable value. No interest (2009: $nil) has been capitalised during the year. The value of development property held at 31 December 2010 was determined, on an open market existing use basis, by an independent registered valuer, DM Koomen SPINZ of Darroch Limited as $159.4 million (2009: $171.6 million).

10. DEVELOPMENT PROPERTY - continued

The fair value of development property is determined by the independent valuer. 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 inputs and assumptions 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 rate during the holding period.

11. 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	
	2010	2009	2010	2009	2010	2009
Development property	-	-	(332)	(379)	(332)	(379)
Employee benefits	32	34	-	-	32	34
Trade and other payables	-	9	-	-	-	9
Net tax assets/(liabilities)	32	43	(332)	(379)	(300)	(336)

Recognised deferred tax assets and liabilities

In thousands of dollars	Parent					
	Assets		Liabilities		Net	
	2010	2009	2010	2009	2010	2009
Employee benefits	19	29	-	-	19	29
Trade and other payables	-	6	-	-	-	6
Net tax assets/(liabilities)	19	35	-	-	19	35

Movement in temporary differences during the year

In thousands of dollars	Group		
	Balance 1 Jan 2009	Recognised in profit or loss	Balance 31 Dec 2009
Plant, furniture and equipment	1	(1)	-
Development property	(395)	16	(379)
Employee benefits	37	(3)	34
Trade and other payables	6	3	9
	(351)	15	(336)

In thousands of dollars	Group		
	Balance 1 Jan 2010	Recognised in profit or loss	Balance 31 Dec 2010
Development property	(379)	47	(332)
Employee benefits	34	(2)	32
Trade and other payables	9	(9)	-
	(336)	36	(300)

Movement in temporary differences during the year

In thousands of dollars	Parent		
	Balance 1 Jan 2009	Recognised in profit or loss	Balance 31 Dec 2009
Employee benefits	29	-	29
Trade and other payables	4	2	6
	33	2	35

In thousands of dollars	Parent		
	Balance 1 Jan 2010	Recognised in profit or loss	Balance 31 Dec 2010
Employee benefits	29	(10)	19
Trade and other payables	6	(6)	-
	35	(16)	19

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12. TRADE AND OTHER RECEIVABLES

In thousands of dollars	Group		Parent	
	2010	2009	2010	2009
Trade receivables	46	123	-	-
Other receivables and pre-payments	363	307	67	50
Trade and other receivables	**409**	**430**	**67**	**50**

None of the trade and other receivables are impaired.

13. CASH AND CASH EQUIVALENTS

In thousands of dollars	Group		Parent	
	2010	2009	2010	2009
Bank balances	1,992	478	766	399
Call deposits	6,000	5,000	3,000	5,000
Cash and cash equivalents	**7,992**	**5,478**	**3,766**	**5,399**

14. CAPITAL AND RESERVES

Share capital

	Group and Parent			
	2010 Shares '000s	2010 $000's	2009 Shares '000s	2009 $000's
Shares issued 1 January	243,364	40,934	243,364	40,934
Issued under dividend reinvestment plan	9,411	2,780	-	-
Total shares issued and outstanding	**252,775**	**43,714**	**243,364**	**40,934**

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 2010, the authorised share capital consisted of 252,775,130 fully paid ordinary shares (2009: 243,364,299).

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 9,410,831 additional shares under the Dividend Reinvestment Plan on 14 May 2010.

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

In thousands of dollars	Group		Parent	
	2010	2009	2010	2009
1.2 cents per qualifying ordinary share (2009: 0.0 cents)	2,920	-	2,920	-
	2,920	**-**	**2,920**	**-**

After 31 December 2010 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
1.2 cents ordinary dividend per qualifying ordinary share	3,033
1.2 cents total dividend per qualifying ordinary share	3,033

15. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2010 was based on the profit attributable to ordinary shareholders of $2,912,000 (2009: $1,264,000); and weighted average number of ordinary shares outstanding during the year ended 31 December 2010 of 249,638,000 (2009: 243,364,000), calculated as follows:

Profit attributable to ordinary shareholders (basic & diluted)

In thousands of dollars	Group	
	2010	**2009**
Profit for the period	2,912	1,264
Profit attributable to ordinary shareholders	**2,912**	**1,264**

Weighted average number of ordinary shares

	Group	
	2010	**2009**
	Shares '000s	**Shares '000s**
Issued ordinary shares at 1 January	243,364	243,364
Effect of 9,410,831 shares issued in May 2010	6,274	-
Weighted average number of ordinary shares at 31 December	**249,638**	**243,364**

No shares were issued in 2009, therefore, the weighted average number of shares at 31 December 2009 is equal to the issued ordinary shares at 1 January 2009.

16. TRADE AND OTHER PAYABLES

In thousands of dollars	Group		Parent	
	2010	**2009**	**2010**	**2009**
Trade payables	-	204	-	-
Non-trade payables and accrued expenses	226	214	170	182
Trade and other payables	**226**	**418**	**170**	**182**

17. 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 (2009: nil).

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

In thousands of dollars	**Ownership**	**Total Assets**	**Total Liabilities**	**Revenues**	**Expenses**	**Profit/ (loss)**
2010						
Prestons Road Limited	33.33%	3,049	(3,043)	-	-	-
2009						
Prestons Road Limited	33.33%	2,229	(2,223)	-	-	-

Movements in the carrying value of the associate:

In thousands of dollars	Group	
	2010	**2009**
Balance at 1 January	2	1
Purchase of investment	-	1
Balance at 31 December	2	2

18. FINANCIAL INSTRUMENTS

The Group only holds non-derivative financial instruments which comprise trade and other receivables, cash and cash equivalents, and trade and other payables. Exposure to credit and interest rate risks arises in the normal course of the Group's business.

In thousands of dollars		Group		Parent	
	Note	2010	2009	2010	2009
Financial Assets					
Bank and short term deposits	13	7,992	5,478	3,766	5,399
Trade and other receivables & related party receivables	12, 22	409	739	67	359
Financial Liabilities					
Trade and other payables	16	226	418	170	182

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 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, in the statement of financial position as shown below:

In thousands of dollars		Group		Parent	
	Note	2010	2009	2010	2009
Bank and short term deposits	13	7,992	5,478	3,766	5,399
Trade and other receivables & related party receivables	12, 22	409	739	67	359
		8,401	**6,217**	**3,833**	**5,758**

Interest rate risk
The Group has minimal exposure to interest rate risk as there are no funding facilities (2009: nil). Interest income is earned on the cash and cash equivalent balance.

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

At 31 December 2010 it is estimated that a general decrease of one percentage point in interest rates would decrease the Group's profit before income tax by approximately $80,000 (2009: $55,000).

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.

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18. FINANCIAL INSTRUMENTS - Liquidity risk - continued

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

Group *In thousands of dollars*	Note	2010 Balance Sheet	2010 6 months or less	2009 Balance Sheet	2009 6 months or less
Trade and other payables	16	226	226	418	418
		226	**226**	**418**	**418**

Parent *In thousands of dollars*	Note	2010 Balance Sheet	2010 6 months or less	2009 Balance Sheet	2009 6 months or less
Trade and other payables	16	170	170	182	182
		170	**170**	**182**	**182**

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

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

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

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

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

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

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

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

19. OPERATING LEASES

Leases as Lessee

Non-cancellable operating lease rentals are payable as follows:

In thousands of dollars	Group 2010	Group 2009	Parent 2010	Parent 2009
Less than one year	11	10	-	-
Between one and five years	20	27	-	-
	31	**37**	**-**	**-**

During the year ended 31 December 2010, $11,000 was recognised as an expense in profit or loss in respect of operating leases (2009: $13,000) and $158,000 (2009: $154,000) was recognised as income in profit or loss in respect of leases.

20. CAPITAL COMMITMENTS

As at 31 December 2010, the Group has entered into contracts for construction on development properties of $1,298,000 (2009: $1,669,000).

21. 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 22), 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 2010 was:

In thousands of dollars	Group		Parent	
	2010	2009	2010	2009
HR Wong	30	30	30	30
VWE Yeo	30	30	30	30
RL Challinor	35	35	35	35
J Henderson	30	30	30	30
Total for non-executive directors	125	125	125	125
BK Chiu	-	-	-	-
J Lindsay	8	232	8	232
Total for executive directors	8	232	8	232
	132	**357**	**132**	**357**

Non-executive directors receive director's fees only. Mr J Lindsay resigned as an employee of the Company on 15 January 2010, prior to which he received short-term employee benefits which included a base salary and an incentive plan. 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).

22. GROUP ENTITIES

Control of the Group
CDL Investments New Zealand Limited is a subsidiary of Millennium & Copthorne Hotels New Zealand Limited by virtue of Millennium & Copthorne Hotels New Zealand Limited owning 65.74% (2009: 65.16%) of the Company and having three 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, $188,000 (2009: $210,000) for expenses incurred by the parent on behalf of the Group.

At balance date, there were no advances owing from any fellow subsidiary (2009: $309,000). No related party debts have been written off or forgiven during the year.

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22. GROUP ENTITIES - continued

Parent

At balance date, there were interest bearing advances owing from its subsidiary of $11,962,000 (2009: $7,511,000). There are no set repayment terms and interest is charged at the Official Cash Rate during the year which ranged from 2.50% to 3.00% (2009: 2.50 to 5.00%). 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:

- $286,000 interest was received from CDL Land New Zealand Limited (2009: $240,000).
- $3,000,000 dividend was received from CDL Land New Zealand Limited (2009: $nil) which was fully imputed.

Subsidiary	Principal Activity	% Holding by CDL Investments New Zealand Limited	Balance Date
CDL Land New Zealand Limited	Property Investment and Development	100.00	31 December

Associate	Principal Activity	% Holding by CDL Land New Zealand Limited	Balance Date
Prestons Road Limited	Service Provider	33.33	31 March

23. 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 18 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 10 the carrying value of development properties is $87,235,000 (2009: $86,974,000) while the market value determined by independent valuers is $159,360,000 (2009: $171,600,000).

DIRECTORS' REVIEW

Financial Performance

CDL Investments New Zealand Limited ("CDLI") has reported a profit after tax of $2.9 million for the year ended 31 December 2010, an increase of 130% from the previous year (2009: $1.3 million). Given the weaker than expected economic conditions and the number of sections sold, the overall result for 2010 is satisfactory.

Profit before tax was $4.0 million (2009: $1.8 million). Property sales & other income was $9.7 million (2009: $5.5 million).

In the period under review, 54 sections were sold (2009: 34).

Shareholders' funds as at 31 December 2010 were $94.8 million (2009: $92.1 million) and total assets stood at $95.6 million (2009: $93.2 million). The net tangible asset per share (at book value) was 37.5 cents (2009: 37.8 cents).

Dividend Announcement

The Company has resolved to pay a fully imputed ordinary dividend of 1.2 cents per share payable on 13 May 2011 (2009: 0.2 cents per share plus a special dividend of 1.0 cents per share). The record date will be 29 April 2011. The Dividend Reinvestment Plan will apply to this dividend.

Land portfolio

At 31 December 2010, the value of CDLI's land holdings was $159.4 million (2009: $171.6 million). No major new land acquisitions were made during 2010.

Outlook

2010 saw subdued sales activity due to a number of factors such as the increase in GST and availability of bank finance. However in 2011, compared to the previous two years, we are seeing signs of more positive trading in some of our key markets and we believe we will continue to see demand during this year, particularly for lower priced sections. CDLI will therefore continue to highlight its strengths - geographically diverse, high quality and competitively priced residential sections - in order to generate more sales.

Management and staff

On behalf of the Board, I thank the Company's management and staff for their work during 2010.

Wong Hong Ren

Wong Hong Ren
Chairman
16 February 2011

CDL INVESTMENTS NEW ZEALAND INCREASES PROFIT IN QUIET MARKET

Property development company CDL Investments New Zealand Limited (**NZX: CDI**) today reported its results for the year ended 31 December 2010.

CDI achieved a profit after tax of $2.9 million (2009: $1.3 million) on revenue of $9.7 million (2009: $5.5 million). The Company said given the weaker than expected economic conditions the overall result for 2010 was satisfactory.

CDI's land portfolio had been independently valued and had a market value of $159.4 million at 31 December 2010, down from $171.6 million in 2009. This reflected the sales made during the year and no new acquisitions made by the Company. CDI's land portfolio in the Canterbury / Christchurch areas was not adversely affected by the Canterbury Earthquake in September 2010.

CDI also declared an ordinary dividend of 1.2 cents per share fully imputed and payable on 13 May 2011. The Record date would be 29 April 2011. The Dividend Reinvestment Scheme would apply to this dividend.

Managing Director Mr. B K Chiu noted that the decline in building consents is widening the gap between demand for and availability of good housing stock.

"Overall, consumers are still being understandably cautious with their major spending. That said, we are now seeing good demand for our lower priced sections, despite the current slow trading patterns. We will be looking to highlight our geographically diverse, high quality and competitively priced residential sections in our efforts to generate more sales", he said.

<u>Summary of results:</u>

• Profit after tax	$2.9 million (2009: $1.3 million)
• Profit before tax	$4.0 million (2009: $1.8 million)
• Total group revenue	$9.7 million (2009: $5.5 million)
• Shareholders' funds	$94.8 million (2009: $92.1 million)
• Total assets	$95.6 million (2009: $93.2 million)
• Net tangible asset value (at book value)	37.5 cents per share (2009: 37.8 cps)
• Earnings per share	1.17 cents per share (2009: 0.52 cps)

ENDS
Issued by CDL Investments New Zealand Limited

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