

General Announcement::Announcement by Subsidiary Company, CDL Investments New Zealand Limited	
Issuer & Securities	
<b>Issuer/ Manager</b>	CITY DEVELOPMENTS LIMITED
<b>Securities</b>	CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09
<b>Stapled Security</b>	No
Announcement Details	
<b>Announcement Title</b>	General Announcement
<b>Date &amp; Time of Broadcast</b>	17-Feb-2017 17:21:32
<b>Status</b>	New
<b>Announcement Sub Title</b>	Announcement by Subsidiary Company, CDL Investments New Zealand Limited
<b>Announcement Reference</b>	SG170217OTHRSHD9
<b>Submitted By (Co./ Ind. Name)</b>	Enid Ling Peek Fong
<b>Designation</b>	Company Secretary
<b>Description (Please provide a detailed description of the event in the box below)</b>	Please refer to the Announcement released by CDL Investments New Zealand Limited on 17 February 2017 relating to Full Year Results for the Year Ended 31 December 2016.
<b>Attachments</b>	<a href="#">17022017_CDLNZ_2016_Full Year Results.pdf</a> Total size =3837K

# CDL Investments New Zealand Limited

## Consolidated Statement of Comprehensive Income

For the year ended 31 December 2016

### Group

*In thousands of dollars*

	Note	2016	2015
Revenue		74,434	47,540
Cost of sales		(33,747)	(20,908)
<b>Gross Profit</b>		<b>40,687</b>	<b>26,632</b>
Other income		37	59
Administrative expenses	3, 4	(217)	(205)
Property expenses		(583)	(471)
Selling expenses		(2,246)	(1,751)
Other expenses	3, 4	(1,096)	(957)
<b>Results from operating activities</b>		<b>36,582</b>	<b>23,307</b>
Finance income	5	956	852
<b>Net finance income</b>		<b>956</b>	<b>852</b>
<b>Profit before income tax</b>		<b>37,538</b>	<b>24,159</b>
Income tax expense	6	(10,510)	(6,686)
<b>Profit for the period</b>		<b>27,028</b>	<b>17,473</b>
<b>Total comprehensive income for the period</b>		<b>27,028</b>	<b>17,473</b>
<b>Profit attributable to:</b>			
Equity holders of the parent		27,028	17,473
<b>Total comprehensive income for the period</b>		<b>27,028</b>	<b>17,473</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)	13	9.77	6.33
Diluted earnings per share (cents)	13	9.77	6.33

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

# CDL Investments New Zealand Limited

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2016

<i>In thousands of dollars</i>		<u>Group</u>		
		Share Capital	Retained Earnings	Total Equity
	Note	52,907	75,582	128,489
Balance at 1 January 2015				
<b>Total comprehensive income for the period</b>				
		-	17,473	17,473
		-	<b>17,473</b>	<b>17,473</b>
<b>Total comprehensive income for the period</b>				
<b>Transactions with owners of the Company</b>				
Shares issued under dividend reinvestment plan	12	387	-	387
Dividend to shareholders	12	-	(6,060)	(6,060)
Supplementary dividend		-	(167)	(167)
Foreign investment tax credits		-	167	167
<b>Balance at 31 December 2015</b>		<b>53,294</b>	<b>86,995</b>	<b>140,289</b>
Balance at 1 January 2016				
		53,294	86,995	140,289
<b>Total comprehensive income for the period</b>				
		-	27,028	27,028
		-	<b>27,028</b>	<b>27,028</b>
<b>Total comprehensive income for the period</b>				
<b>Transactions with owners of the Company</b>				
Shares issued under dividend reinvestment plan	12	552	-	552
Dividend to shareholders	12	-	(6,074)	(6,074)
Supplementary dividend		-	(178)	(178)
Foreign investment tax credits		-	178	178
<b>Balance at 31 December 2016</b>		<b>53,846</b>	<b>107,949</b>	<b>161,795</b>

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

# CDL Investments New Zealand Limited

## Consolidated Statement of Financial Position

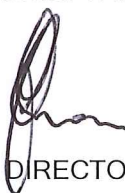
As at 31 December 2016

Group

*In thousands of dollars*

	Note	2016	2015
<b>SHAREHOLDERS' EQUITY</b>			
Issued capital	12	53,846	53,294
Retained earnings		107,949	86,995
<b>Total Equity</b>		<b>161,795</b>	<b>140,289</b>
<b>Represented by:</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		5	3
Development property	8	84,631	88,304
Investment in associate		2	2
<b>Total Non Current Assets</b>		<b>84,638</b>	<b>88,309</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11	1,989	9,993
Short term deposits	14	45,500	5,000
Trade and other receivables	10	3,018	1,131
Development property	8	33,132	38,247
<b>Total Current Assets</b>		<b>83,639</b>	<b>54,371</b>
<b>Total Assets</b>		<b>168,277</b>	<b>142,680</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities	9	2	19
<b>Total Non Current liabilities</b>		<b>2</b>	<b>19</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,312	201
Employee entitlements		22	33
Income tax payable		2,146	2,138
<b>Total Current Liabilities</b>		<b>6,480</b>	<b>2,372</b>
<b>Total Liabilities</b>		<b>6,482</b>	<b>2,391</b>
<b>Net Assets</b>		<b>161,795</b>	<b>140,289</b>

For and on behalf of the Board



R AUSTIN, DIRECTOR, 17 February 2017



BK CHIU, MANAGING DIRECTOR, 17 February 2017

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

# CDL Investments New Zealand Limited

## Consolidated Statement of Cash Flows

For the year ended 31 December 2016

Group

*In thousands of dollars*

	Note	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Receipts from customers		72,643	47,576
Interest received		897	1,210
<b>Cash was applied to:</b>			
Payment to suppliers		(24,591)	(44,819)
Payment to employees		(408)	(366)
Purchase of development land		-	(8,697)
Income tax paid		(10,341)	(6,102)
Net Cash Inflow/(Outflow) from Operating Activities		<u>38,200</u>	<u>(11,198)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Short term deposits		5,000	29,500
<b>Cash was applied to:</b>			
Purchase of plant and equipment		(4)	(1)
Short term deposits		(45,500)	(5,000)
Net Cash Inflow/(Outflow) From Investing Activities		<u>(40,504)</u>	<u>24,499</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash was applied to:</b>			
Dividend paid		(5,522)	(5,673)
Supplementary dividend paid		(178)	(167)
Net Cash Outflow from Financing Activities		<u>(5,700)</u>	<u>(5,840)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		(8,004)	7,461
Add Opening Cash and Cash Equivalents		9,993	2,532
Closing Cash and Cash Equivalents	11	<u>1,989</u>	<u>9,993</u>

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

# **CDL Investments New Zealand Limited**

## Consolidated Statement of Cash Flows - continued

For the year ended 31 December 2016

<i>In thousands of dollars</i>	<u>Group</u>	2016	2015
	<b>Note</b>		
<b>RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Profit after Taxation		27,028	17,473
<b>Adjusted for non cash items:</b>			
Depreciation		2	2
Income tax expense	6	10,510	6,686
<b>Adjustments for movements in working capital:</b>			
(Increase)/Decrease in receivables		(1,887)	335
(Increase)/Decrease in development properties		8,788	(29,586)
Increase/(Decrease) in payables		4,100	(6)
<b>Cash generated from/(absorbed by) operating activities</b>		<u><b>48,541</b></u>	<u><b>(5,096)</b></u>
Income tax paid		(10,341)	(6,102)
<b>Cash Inflow/(Outflow) from Operating Activities</b>		<u><b>38,200</b></u>	<u><b>(11,198)</b></u>

**CDL Investments New Zealand Limited**  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2016

**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 2016 comprises the Company and its subsidiary (together referred to as the "Group").

The principal activity of the Group is the development and sale of residential land properties.

**(a) Statement of compliance**

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for Tier 1 profit-oriented entities. The financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issuance on 17 February 2017.

**(b) Basis of preparation**

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

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

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

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

**(c) Changes in accounting policies**

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.

**(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.

**CDL Investments New Zealand Limited**  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2016

**Significant accounting policies - continued**

**(e) Financial instruments - Non-derivative financial instruments (continued)**

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.

**(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.



**CDL Investments New Zealand Limited**  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2016

**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 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.

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.



## **CDL Investments New Zealand Limited**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2016

### **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 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 and interpretations not yet adopted**

The following new standards and amendments to standards are not yet effective for the year ended 31 December 2016, 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)*
- *Disclosure Initiative (Amendments to IAS 7: Cash Flow Statements (effective after 1 January 2017))*

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

# CDL Investments New Zealand Limited

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2016

### 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. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

#### Key sources of estimation uncertainty

In Note 14 detailed analysis is given of the interest rate and credit risk exposure of the Group and risks in relation thereto. The Group is also exposed to a risk of impairment to development properties should the carrying value exceed the market value due to market fluctuations in the value of development properties. However, there is no indication of impairment as in Note 8 the carrying value of development properties is \$117,762,000 (2015: \$126,551,000) while the market value determined by an independent registered valuer is \$297,032,000 (2015: \$265,010,000).

### 3. ADMINISTRATIVE AND OTHER EXPENSES

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

*In thousands of dollars*

Auditors' remuneration
- Audit fees
- Tax compliance & advisory
Depreciation
Directors' fees
Operating lease and rental payments
Other
Total excluding personnel expenses

Note	Group	
	2016	2015
17	51	47
	14	11
	2	2
	95	95
	76	76
	667	565
	<b>905</b>	<b>796</b>

### 4. PERSONNEL EXPENSES

*In thousands of dollars*

Wages and salaries
Employee related expenses and benefits
Increase in liability for long-service leave

Group	
2016	2015
390	341
17	25
1	-
<b>408</b>	<b>366</b>

### 5. NET FINANCE INCOME

*In thousands of dollars*

Interest income
Net finance income

Group	
2016	2015
956	852
<b>956</b>	<b>852</b>

## CDL Investments New Zealand Limited

Notes to the Consolidated Financial Statements  
For the year ended 31 December 2016

### 6. INCOME TAX EXPENSE

Recognised in the statement of comprehensive income

*In thousands of dollars*

#### Current tax expense

Current year

Adjustments for prior years

#### Deferred tax expense

Origination and reversal of temporary differences

Total income tax expense in the statement of comprehensive income

Group	
2016	2015
10,527	6,794
-	(79)
10,527	6,715
(17)	(29)
(17)	(29)
<b>10,510</b>	<b>6,686</b>

#### Reconciliation of effective tax rate

*In thousands of dollars*

Profit before income tax

Income tax using the company tax rate of 28% (2015: 28%)

Adjusted for:

Over provided in prior years

Effective tax rate

Group	
2016	2015
37,538	24,159
10,510	6,765
-	(79)
<b>10,510</b>	<b>6,686</b>
<b>28%</b>	<b>28%</b>

### 7. IMPUTATION CREDITS

*In thousands of dollars*

Imputation credits available for use in subsequent reporting periods

Group	
2016	2015
41,551	30,451

### 8. DEVELOPMENT PROPERTY

*In thousands of dollars*

Expected to settle greater than one year

Expected to settle within one year

Development property

Group	
2016	2015
84,631	88,304
33,132	38,247
<b>117,763</b>	<b>126,551</b>

Development property is carried at the lower of cost and net realisable value. No interest (2015: nil) has been capitalised during the year. The value of development property held at 31 December 2016 was determined, on an open market existing use basis, by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited as \$297.0 million (2015: \$265.0 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).

**CDL Investments New Zealand Limited**  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2016

**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	
	2016	2015	2016	2015	2016	2015
Plant and equipment	-	-	-	(1)	-	(1)
Development property	-	-	(50)	(60)	(50)	(60)
Employee benefits	44	38	-	-	44	38
Trade and other payables	4	4	-	-	4	4
Net tax assets/(liabilities)	<b>48</b>	<b>42</b>	<b>(50)</b>	<b>(61)</b>	<b>(2)</b>	<b>(19)</b>

**Movement in deferred tax balances during the year**

*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
	<b>(49)</b>	<b>30</b>	<b>(19)</b>

*In thousands of dollars*

	Group		
	Balance 1 Jan 2016	Recognised in profit or loss	Balance 31 Dec 2016
Plant and equipment	(1)	1	-
Development property	(60)	10	(50)
Employee benefits	38	6	44
Trade and other payables	4	-	4
	<b>(19)</b>	<b>17</b>	<b>(2)</b>

**10. TRADE AND OTHER RECEIVABLES**

*In thousands of dollars*

	Group	
	2016	2015
Trade receivables	9	448
Other receivables and prepayments	3,009	683
Trade and other receivables	<b>3,018</b>	<b>1,131</b>

None of the trade and other receivables are impaired.

**11. CASH AND CASH EQUIVALENTS**

*In thousands of dollars*

	Group	
	2016	2015
Bank balances	1,989	2,993
Call deposits	-	7,000
Cash and cash equivalents	<b>1,989</b>	<b>9,993</b>

**12. CAPITAL AND RESERVES**

**Share capital**

	Parent			
	2016	2016	2015	2015
	Shares '000s	\$000's	Shares '000s	\$000's
Shares issued 1 January	276,093	53,294	275,468	52,907
Issued under dividend reinvestment plan	854	552	625	387
Total shares issued and outstanding	<b>276,947</b>	<b>53,846</b>	<b>276,093</b>	<b>53,294</b>

All shares carry equal rights and rank pari passu with regard to residual assets of the Company and do not have a par value.

At 31 December 2016, the authorised share capital consisted of 276,947,325 fully paid ordinary shares (2015: 276,093,676).

# CDL Investments New Zealand Limited

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2016

### 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 853,649 additional shares under the Dividend Reinvestment Plan on 19 May 2016 (2015: 625,311) at a strike price of \$0.6461 per share issued (2015: \$0.6190).

#### Dividends

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

*In thousands of dollars*

2.2 cents per qualifying ordinary share (2015: 2.2 cents)

Parent	
2016	2015
6,074	6,060
<b>6,074</b>	<b>6,060</b>

After 31 December 2016 the following dividends were declared by the directors. The dividends have not been provided for and there are no income tax consequences. It is anticipated that a portion of the dividends declared will be paid by way of shares through the Dividend Reinvestment Plan.

*In thousands of dollars*

3.0 cents ordinary dividend per qualifying ordinary share

3.0 cents total dividend per qualifying ordinary share

Parent
8,308
<b>8,308</b>

### 13. EARNINGS PER SHARE

#### Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2016 was based on the profit attributable to ordinary shareholders of \$27,028,000 (2015: \$17,473,000); and weighted average number of ordinary shares outstanding during the year ended 31 December 2016 of 276,663,000 (2015: 275,885,000), calculated as follows:

#### Profit attributable to ordinary shareholders (basic & diluted)

*In thousands of dollars*

Profit for the period

Profit attributable to ordinary shareholders

Group	
2016	2015
27,028	17,473
<b>27,028</b>	<b>17,473</b>

#### Weighted average number of ordinary shares

Issued ordinary shares at 1 January

Effect of 853,649 shares issued in May 2016

Effect of 625,311 shares issued in May 2015

Weighted average number of ordinary shares at 31 December

Parent	
2016	2015
Shares '000s	Shares '000s
276,093	275,468
570	-
-	417
<b>276,663</b>	<b>275,885</b>

### 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.

*In thousands of dollars*

#### Financial Assets

Cash and cash equivalents

Short term deposits

Trade and other receivables

#### Financial Liabilities

Trade and other payables

Note	Group	
	2016	2015
11	1,989	9,993
	45,500	5,000
10	3,018	1,131
	4,312	201

**CDL Investments New Zealand Limited**  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2016

**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 (2015: 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 <i>In thousands of dollars</i>	2016				2015			
	Note	Effective interest rate	Total	6 months or less	6-12 months	Effective interest rate	Total	6 months or less
Cash and cash equivalents	11	0.00% to 1.85%	1,989	1,989	-	0.00% to 3.50%	9,993	9,993
Short term deposits		3.11% to 3.60%	45,500	26,000	19,500	3.53%	5,000	5,000
			<b>47,489</b>	<b>27,989</b>	<b>19,500</b>		<b>14,993</b>	<b>14,993</b>

**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 \$246,000 (2015: \$136,000) 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 <i>In thousands of dollars</i>	2016			2015	
	Balance Sheet	6 months or less	6-12 months	Balance Sheet	6 months or less
Trade and other payables	4,312	3,585	727	201	201
	<b>4,312</b>	<b>3,585</b>	<b>727</b>	<b>201</b>	<b>201</b>

**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.



# CDL Investments New Zealand Limited

Notes to the Consolidated Financial Statements  
For the year ended 31 December 2016

## 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*

Less than one year  
Between one and five years

Group	
2016	2015
11	16
5	16
<b>16</b>	<b>32</b>

During the year ended 31 December 2016, \$16,000 was recognised as an expense in profit or loss in respect of operating leases (2015: \$16,000) and \$37,000 (2015: \$58,000) was recognised as other income in profit or loss in respect of leases.

## 16. CAPITAL COMMITMENTS

As at 31 December 2016, the Group has entered into contracts for construction on development properties of \$13,589,000 (2015: \$12,509,000).

## 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 2016 was:

*In thousands of dollars*

VWE Yeo  
RL Challinor  
R Austin  
J Henderson  
Total for non-executive directors  
BK Chiu  
Total for executive directors

Group	
2016	2015
30	30
-	12
35	23
30	30
<b>95</b>	<b>95</b>
-	-
-	-
<b>95</b>	<b>95</b>





## CDL Investments New Zealand Limited

Notes to the Consolidated Financial Statements  
For the year ended 31 December 2016

### 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 (2015: nil).

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

	Group	
	2016	2015
<b>Prestons Road Limited</b>		
<i>In thousands of dollars</i>		
Current assets	46	260
Current liabilities	40	(254)
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	
	2016	2015
<i>In thousands of dollars</i>		
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 66.70% (2015: 66.91%) of the Company and having three out of six 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, \$304,000 (2015: \$230,000) for expenses incurred by the parent on behalf of the Group.

During 2016, CDL Investments New Zealand Limited issued no additional shares (2015: 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 (2015: 184,724,438).





# Independent Auditor's Report

To the shareholders of CDL Investments New Zealand Limited

## Report on the consolidated financial statements

### Opinion

In our opinion, the accompanying consolidated financial statements of CDL Investments New Zealand Limited (the company) and its subsidiary (the Group) on pages 1 to 16:

- i. present fairly in all material respects the Group's financial position as at 31 December 2016 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

### We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 December 2016;
- the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



### Basis for opinion

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

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

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

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



### Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial



statements as a whole was set at \$1.8 million determined with reference to a benchmark of group profit before tax. We chose the benchmark because, in our view, this is a key measure of the group's performance.



## Key Audit Matters

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

### The key audit matter

### How the matter was addressed in our audit

#### Capitalisation of development costs

Refer to note 8 of the consolidated financial statements.

The Group's development property comprises land and costs incurred to develop land into subdivisions and individual properties for sale. At \$117.7m this represents 70% of assets on the consolidated statement of financial position.

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

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

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



## Other Information

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

The Annual Report is expected to be made available to us after the date of this audit report. Our responsibility is to read the Annual Report when it becomes available and consider whether the other information it contains is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appear misstated. If so, we are required to report such matters to the Directors.



## Use of this Independent Auditor's Report

This report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the Independent Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this report, or any of the opinions we have formed.



## Responsibilities of Directors for the consolidated financial statements

The Directors, on behalf of the group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



## Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Independent Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

[https://www.xrb.govt.nz/Site/Auditing\\_Assurance\\_Standards/Current\\_Standards/Page1.aspx](https://www.xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page1.aspx).

This description forms part of our Independent Auditor's Report.

Jason Doherty  
For and on behalf of  
KPMG  
Auckland  
17 February 2017

## CDL INVESTMENTS NEW ZEALAND LIMITED

### Results for announcement to the market

<b>Reporting Period</b>	12 months to 31 December 2016
<b>Previous Reporting Period</b>	12 months to 31 December 2015

	Amount (000s)	Percentage change
<b>Revenue from ordinary activities</b>	NZ\$ 74,471	Up 56.45%
<b>Profit (loss) from ordinary activities after tax attributable to security holders</b>	NZ\$ 27,028	Up 54.68%
<b>Net profit (loss) attributable to security holders</b>	NZ\$ 27,028	Up 54.68%
<b>Basic Earnings per share (cents)</b>	9.77c	Up 54.25%
<b>Diluted Earnings per share (cents)</b>	9.77c	Up 54.25%
<b>Net Tangible Assets per share (cents)</b>	58.42c	Up 14.97%

<b>Interim*/Final Dividend</b>	Amount per security	Imputed amount per security
Final Dividend	Ordinary dividend of 3.0 cents per share	3.0 cents per share

\* No interim dividend was declared

<b>Record Date</b>	5 May 2017
<b>Dividend Payment Date</b>	19 May 2017

<b>Comments:</b>	Please refer to the attached Directors' Review.
------------------	---

**Details of the reporting period and the previous corresponding reporting period:**

This report is for the full year ended 31 December 2016 and should be read in conjunction with the most recent annual financial report. Comparatives are in respect of the full year ended 31 December 2015.

**Information prescribed by NZX:**

Please refer to "Results for announcement to the market" and below.

--Statement of Financial Performance

Refer to the Annual Financial Statements.

--Statement of Financial Position

Refer to the Annual Financial Statements.

--Statement of Cash Flows

Refer to the Annual Financial Statements.

--Details of individual and total dividends or distributions and dividend or distribution payments

On 3 February 2017, the Directors declared a final dividend of 3.00 cents per ordinary share payable on 19 May 2017. The dividend reinvestment plan will apply to this dividend. The total dividend payable will be \$8.31 million. The dividend will be fully imputed and supplementary dividends will be paid to non-resident shareholders. The dividend has not been recognised for in the 31 December 2016 financial statements.

	NZ\$ (million)	NZ cents per share
<b>Distributions declared</b>		
Final dividend for the 2016 Financial Year (ordinary shares)	NZ\$ 8.31	3.00c
<b>Last distribution paid</b>		
Final dividend for the 2015 Financial Year (ordinary shares)	NZ\$ 6.07	2.20c

--Details of Dividend Reinvestment Plans in operation

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.

--Net Tangible Assets per security (with comparatives for the previous corresponding period)

NZ cents per share	Current full year	Previous full year
Ordinary shares	58.42c	50.81c

--Details of entities over which control has been gained or lost during the period

Nil.

--Details of associates and joint ventures

Name	% Held Current Full Year	% Held Previous Corresponding Full Year	Contributions to Net Profit Current Full Year	Contributions to Net Profit Previous Full Year
Prestons Road Limited	33.33%	33.33%	\$ -	\$ -

**Basis of preparation of financial statements:**

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRSs) as appropriate for Tier 1 profit-oriented entities. The financial statements also comply with International Financial Reporting Standards (IFRSs).

**Accounting Policies:**

Refer to the Annual Financial Statements.

**Changes in accounting policies:**

There are no changes to accounting policies during the period.

**Audit Report:**

The Independent Auditor's report is at pages 17 to 19 of the Annual Financial Statements.

**Additional Information:**

None.

**DATE:** 17 February 2017

EMAIL: [announce@nzx.com](mailto:announce@nzx.com)

# Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10. For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one (Please provide any other relevant details on additional pages) 1

Full name of Issuer CDL INVESTMENTS NEW ZEALAND LIMITED

Name of officer authorised to make this notice TROY DANDY, GROUP COMPANY SECRETARY Authority for event, e.g. Directors' resolution BOARD RESOLUTION

Contact phone number 09 353 5005 Contact fax number 09 309 3244 Date 17 / 02 / 2017

**Nature of event** Tick as appropriate

Bonus Issue  If ticked, state whether: Taxable  / Non Taxable  Conversion  Interest  Rights Issue Renounceable

Rights Issue non-renounceable  Capital change  Call  Dividend  If ticked, state whether: Interim  Full Year  Special  DRP Applies

**EXISTING securities affected by this** *If more than one security is affected by the event, use a separate form.*

Description of the class of securities Ordinary ISIN KZ KGLE 000 1S8  
*If unknown, contact NZX*

**Details of securities issued pursuant to this event** *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities  ISIN   
*If unknown, contact NZX*

Number of Securities to be issued following event  Minimum Entitlement  Ratio, e.g. 1 for 2  for

Conversion, Maturity, Call Payable or Exercise Date  Treatment of Fractions

Strike price per security for any issue in lieu or date Strike Price available.  Tick if *pari passu*  OR provide an explanation of the ranking

**Monies Associated with Event** *Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

*In dollars and cents*

Amount per security (does not include any excluded income) \$0.030 Source of Payment Cashflow

Excluded income per security (only applicable to listed PIEs) N/A

Currency NZD Supplementary dividend details - NZSX Listing Rule 7.12.7 Amount per security in dollars and cents \$0.005294

Total monies \$8,308,420 Date Payable 19/05/17

**Taxation** *Amount per Security in Dollars and cents to six decimal places*

In the case of a taxable bonus issue state strike price N/A Resident Withholding Tax \$0.001500 Imputation Credits (Give details) \$0.011667

Foreign Withholding Tax \$ FDP Credits (Give details)

**Timing** (Refer Appendix 8 in the NZSX Listing Rules)

**Record Date 5pm** For calculation of entitlements - 05/05/17

**Application Date** Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. 19/05/17

**Notice Date** Entitlement letters, call notices, conversion notices mailed N/A

**Allotment Date** For the issue of new securities. Must be within 5 business days of application closing date. N/A

**OFFICE USE ONLY**

Ex Date:  
Commence Quoting Rights:  
Cease Quoting Rights 5pm:  
Commence Quoting New Securities:  
Cease Quoting Old Security 5pm:

Security Code:  
Security Code:





# DIRECTORS' REVIEW

## Financial Performance

CDL Investments New Zealand Limited ("CDLI") is pleased to report a profit after tax of \$27.0 million for the year ended 31 December 2016, an increase of 54.7% from the previous year (2015: \$17.5 million). This result is the seventh consecutive year of profit growth for the company.

Profit before tax also increased to \$37.5 million (2015: \$24.2 million). Property sales & other income totalled \$74.5 million (2015: \$47.6 million).

Shareholders' funds as at 31 December 2016 increased to \$161.8 million (2015: \$140.3 million) and the Company's total assets stood at \$168.3 million (2015: \$142.7 million). The net tangible asset per share (at book value) was 58.4 cents (2015: 50.8 cents).

## Dividend Announcement

Reflecting the record result, the Company has resolved to increase its fully imputed ordinary dividend to 3.0 cents per share (2015: 2.2 cents per share) payable on 19 May 2017. The record date will be 5 May 2017. The Dividend Reinvestment Plan will apply to this dividend.

## Land portfolio

At 31 December 2016, the independent market value of CDLI's land holdings was \$297.0 million (2015: \$265.0 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 2016, the land portfolio at cost was \$117.8 million (2015:\$126.6 million).

## Summary and Outlook

The Board is conscious that in 2017 the Company needs to maintain its sales activity but also ensure that the Company continues to grow by acquiring additional land for development in the future.

That said, land prices, especially in the major metropolitan areas and surrounds remain at historically high levels. When assessing acquisitions, we will remain disciplined in land investment fundamentals. Our strong balance sheet gives us an added advantage when seeking and assessing these opportunities. In the meantime, we will continue to drive sales activity at our existing subdivisions with the aim of delivering another year of growth in 2017.

## Management and staff

The Board and I sincerely thank the Company's management and staff for their hard work during 2016 to deliver this outstanding result.

**Wong Hong Ren**  
Chairman  
17 February 2017



**CDL INVESTMENTS**  
NEW ZEALAND LIMITED

## **55% PROFIT GROWTH FOR CDL INVESTMENTS NEW ZEALAND**

Property development company CDL Investments New Zealand Limited (NZX: CDI) today reported its results for the year ended 31 December 2016.

CDI increased its profit after tax by 54.7% to \$27.0 million with property sales & other income increasing by 56.5% to \$74.5 million over 2015.

“We are very pleased to report a seventh consecutive year of increased profit performance” said managing director Mr. B K Chiu. “In 2016 our sales activity continued to be strong as was our subdivision development for the 2017 and 2018 pipeline of sections.”

CDI’s Board resolved to increase its dividend to 3.0 cents per share (from 2.2 cents in 2015) fully imputed which would be released to shareholders on 19 May 2017. The Record Date would be 5 May 2017 and the Dividend Reinvestment Plan would apply to this dividend.

Mr. Chiu said that in 2017 CDI would be looking to increase its sales activity and ensure that the Company continued to grow by acquiring additional land for development in the future.

“Our recent land purchase in Westgate/Whenuapai West Auckland looks promising under the Auckland Unitary Plan. We remain mindful and disciplined with regard to the fundamentals of land investment and its development in an environment of high land price expectations. In the meantime, the land development work established through 2015 and 2016, and moving into 2017 will better enable us to deliver profitable growth in 2017 from our existing subdivisions at Greville Road (Auckland), Magellan Heights (Hamilton), and Prestons Park (Christchurch)”, he said.

### Summary of results:

• Profit after tax	\$27.0 million (2015: \$17.5 million)
• Profit before tax	\$37.5 million (2015: \$24.2 million)
• Total revenue & other income	\$74.5 million (2015: \$47.6 million)
• Shareholders’ funds	\$161.8 million (2015: \$140.3 million)
• Total assets	\$168.3 million (2015: \$142.7 million)
• Net tangible asset value (at book value)	58.4 cents per share (2015: 50.8cps)
• Earnings per share	9.77 cents per share (2015: 6.33cps)

### **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.

**ENDS**

**Issued by CDL Investments New Zealand Limited**

Enquiries to:  
B K Chiu, Managing Director  
(09) 353 5058