

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

Issuer & Securities

Issuer/ Manager	CITY DEVELOPMENTS LIMITED
Securities	CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09
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Announcement Details

Announcement Title	General Announcement
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Announcement Sub Title	Announcement by Subsidiary Company, CDL Investments New Zealand Limited
Announcement Reference	SG180802OTHR920X
Submitted By (Co./ Ind. Name)	Enid Ling Peek Fong
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	Please refer to the Announcement released by CDL Investments New Zealand Limited on 2 August 2018 relating to Half Year Results Ended 30 June 2018.
Attachments	08022018 CDLNZ Half Year Results.pdf Total size =174K

CDL Investments New Zealand Limited and its Subsidiary

Condensed Interim Statement of Comprehensive Income

For the half year ended 30 June 2018

In thousands of dollars	Note	Unaudited 6 Months to 30/06/18	Unaudited 6 Months to 30/06/17
Revenue		60,192	51,021
Cost of sales		(23,090)	(21,407)
Gross profit		37,102	29,614
Other income		35	18
Administrative expenses		(140)	(150)
Property expenses		(185)	(218)
Selling expenses		(1,514)	(1,390)
Other expenses		(646)	(559)
Results from operating activities		34,652	27,315
Interest income		726	1,000
Finance income		726	1,000
Profit before income tax		35,378	28,315
Income tax expense		(9,908)	(7,928)
Profit for the period		25,470	20,387
Total comprehensive income for the period		25,470	20,387
Profit attributable to:			
Equity holders of the Parent		25,470	20,387
Total comprehensive income for the period		25,470	20,387
Earnings per share			
Basic earnings per share (cents)	3	9.16c	7.35c
Diluted earnings per share (cents)	3	9.16c	7.35c

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

CDL Investments New Zealand Limited and its Subsidiary Condensed Interim Statement of Changes in Equity

For the half year ended 30 June 2018

In thousands of dollars	Note	Unaudited Share Capital	Unaudited Retained Earnings	Unaudited Total Equity
Balance at 1 January 2017		53,846	107,949	161,795
Total comprehensive income for the period				
Profit for the period		-	20,387	20,387
Total comprehensive income for the period		-	20,387	20,387
Shares issued under dividend reinvestment plan	2	464	-	464
Dividend to shareholders		-	(8,308)	(8,308)
Supplementary dividend		-	(253)	(253)
Foreign investment tax credits		-	253	253
Balance at 30 June 2017		54,310	120,028	174,338
Balance at 1 January 2018		54,310	131,802	186,112
Total comprehensive income for the period				
Profit for the period		-	25,470	25,470
Total comprehensive income for the period		-	25,470	25,470
Shares issued under dividend reinvestment plan	2	554	-	554
Dividend to shareholders		-	(9,713)	(9,713)
Supplementary dividend		-	(308)	(308)
Foreign investment tax credits		-	308	308
Balance at 30 June 2018		54,864	147,559	202,423

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

CDL Investments New Zealand Limited and its Subsidiary

Condensed Interim Statement of Financial Position

As at 30 June 2018

In thousands of dollars	Unaudited as at 30/06/18	Audited as at 31/12/17	Unaudited as at 30/06/17
SHAREHOLDERS' EQUITY			
Issued capital	54,864	54,310	54,310
Retained earnings	147,559	131,802	120,028
Total Equity	202,423	186,112	174,338
<i>Represented by:</i>			
NON CURRENT ASSETS			
Property, plant and equipment	5	5	5
Development property	121,302	90,595	79,848
Investment in associate	2	2	2
Total Non Current Assets	121,309	90,602	79,855
CURRENT ASSETS			
Cash and cash equivalents	25,814	18,774	19,584
Short term deposits	31,000	46,500	52,000
Trade and other receivables	3,276	1,726	1,888
Development property	29,229	34,104	26,666
Total Current Assets	89,319	101,104	100,138
Total Assets	210,628	191,706	179,993
NON CURRENT LIABILITIES			
Deferred tax liabilities	2	2	2
Total Non Current Liabilities	2	2	2
CURRENT LIABILITIES			
Trade and other payables	2,730	2,133	2,473
Employee entitlements	36	27	28
Income tax payable	5,437	3,432	3,152
Total Current Liabilities	8,203	5,592	5,653
Total Liabilities	8,205	5,594	5,655
Net Assets	202,423	186,112	174,338

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

CDL Investments New Zealand Limited and its Subsidiary

Condensed Interim Statement of Cash Flows

For the half year ended 30 June 2018

	Unaudited 6 Months to 30/06/18	Unaudited 6 Months to 30/06/17
In thousands of dollars		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from customers	58,510	52,587
Interest received	893	582
Cash was applied to:		
Payments to suppliers	(14,164)	(14,110)
Payments to employees	(283)	(197)
Purchase of development land	(36,354)	-
Income tax paid	(7,595)	(6,670)
Net Cash Inflow from Operating Activities	1,007	32,192
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was provided from:		
Short term deposits	46,500	45,500
Cash was applied to:		
Short term deposits	(31,000)	(52,000)
Net Cash Inflow/(Outflow) from Investing Activities	15,500	(6,500)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash was applied to:		
Dividend paid	(9,159)	(7,844)
Supplementary dividend paid	(308)	(253)
Net Cash Outflow from Financing Activities	(9,467)	(8,097)
Net Increase in Cash and Cash Equivalents	7,040	17,595
Add Opening Cash and Cash Equivalents	18,774	1,989
Closing Cash and Cash Equivalents	25,814	19,584

CDL Investments New Zealand Limited and its Subsidiary

Condensed Interim Statement of Cash Flows - continued

For the half year ended 30 June 2018

	Unaudited 6 Months to	Unaudited 6 Months to
In thousands of dollars	30/06/18	30/06/17
RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit after taxation	25,470	20,387
Adjusted for non cash items:		
Depreciation	-	1
Income tax expense	9,908	7,928
Adjustments for movements in working capital:		
(Increase)/decrease in receivables	(1,550)	1,130
(Increase)/decrease in development properties	(25,832)	11,249
Increase/(decrease) in payables	606	(1,833)
Cash generated from Operating Activities	8,602	38,862
Income tax paid	(7,595)	(6,670)
Cash Inflow from Operating Activities	1,007	32,192

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

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Condensed Interim Financial Statements

For the half year ended 30 June 2018 (unaudited)

1. **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 condensed interim financial statements of the Company as at and for the half year ended 30 June 2018 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 condensed interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with NZ IAS 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all of the information required for full annual financial statements.

The accounting policies applied by the Group in these condensed financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2017.

The condensed interim financial statements were authorised for issuance on 2 August 2018.

2. **Capital & Reserves**

Share Capital

Under the Company's Dividend Reinvestment Plan, an additional 604,516 shares were issued on 18 May 2018 (2017: 566,646) at a strike price of \$0.9154 (2017: \$0.8198).

At 30 June 2018, the authorised share capital consisted of 278,118,487 fully paid ordinary shares (2017: 277,513,971).

Dividends

The following dividends were declared and paid during the period ending 30 June:

In thousands of dollars

3.5 cents per qualifying ordinary share (2017: 3.0 cents)

2018	2017
9,713	8,308
9,713	8,308

3. **Earnings Per Share**

The calculation of basic and diluted earnings per share at 30 June 2018 of 9.16 cents (2017: 7.35 cents) was based on the profit attributable to ordinary shareholders of \$25,470,000 (2017: \$20,387,000); and weighted average number of shares of 277,916,982 (2017: 277,325,089) on issue in the period.

4. **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.

5. **Material Events Subsequent to the end of the Interim Period**

There were no material events subsequent to the end of the six month period ended 30 June 2018 (2017: Nil) that would require disclosure.

6. **Changes in Contingent Liabilities and Contingent Assets since last Annual Balance Sheet Date**

There were no changes in contingent liabilities and contingent assets that would require disclosure for the six month period ended 30 June 2018 (2017: Nil). There were no contingent liabilities or contingent assets as at 30 June 2018 (2017: Nil).

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Condensed Interim Financial Statements

For the half year ended 30 June 2018 (unaudited)

7. Related Party Transactions

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 66.42% (2017: 66.56%) of the Company and having three out of six of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 70.79% (computed on voting shares) 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 six month period ending 30 June 2018 CDL Investments New Zealand Limited has reimbursed its parent, Millennium & Copthorne Hotels New Zealand Limited, \$157,000 (2017: \$157,000) for expenses incurred by the parent on behalf of the Group.

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

CHAIRMAN'S REVIEW

Financial Performance:

The Directors of CDL Investments New Zealand Limited ("CDI") advise that the Company has made an unaudited operating profit after tax of \$25.47 million for the six month period ending 30 June 2018 (2017: \$20.39 million). Operating profit before tax was \$35.38 million (2017: \$28.32 million).

Property sales and other income for the period was \$60.23 million (2017: \$51.04 million). Net Asset Backing (at cost) for the period under review was 72.8 cents per share (2017: 62.8 cents per share).

Portfolio update:

As advised at the annual meeting of shareholders, CDI has settled agreements for over 100 hectares of land in Hamilton and Christchurch to further its development projects in the medium term.

CDI recorded strong sales from Hamilton, Canterbury and Auckland notably at the Magellan Heights, Prestons Park and Greville Road subdivisions respectively. Further stages will be progressively developed to meet demand.

As part of the Prestons Park project, CDI is also looking at developing small scale commercial tenancies for lease on its land to enhance the amenity value of its holdings as well as produce a new income stream for CDI. Management is working with designers and agents to secure potential tenants with a view to commencing leases in 2020.

Commentary and Outlook:

The Board is pleased with the level of sales activity to date and also pleased to secure land to ensure its development future in the medium term. Diversification into commercial tenancies will also provide the company with new possibilities for development in the future.

The Board has noted that forward demand for sections in certain areas is softening but will not affect CDI's 2018 performance or results.

With steady demand for high quality residential sections still apparent, we believe that we will better our 2017 year end results at this stage.



Colin Sim
Chairman
2 August 2018

2 August 2018



CDL INVESTMENTS REPORTS STRONG HALF YEAR RESULT

Property development and investment company CDL Investments New Zealand Limited (NZX:CDI) today released its (unaudited) results for the six months to 30 June 2018 and announced an operating profit of \$25.47 million (2017: \$20.39 million) on revenue of \$60.23 million (2017: \$51.04 million).

“We are happy to report another half year where we have been able to grow our sales and profitability”, said CDI’s Managing Director Mr. BK Chiu.

CDI had, he said, settled acquisitions for over 100 hectares of land.

“This secures our development future for the medium term. We continue to evaluate other opportunities and are optimistic that we will be able to add to our portfolio later in the year” he said.

Mr. Chiu also noted that CDI’s sales for the period had come from its projects in Auckland, Hamilton, and Christchurch. “CDI’s diversified portfolio across growth centres helps manage our business performance in more challenging times” he added.

CDI also announced that it was looking at developing commercial premises for lease on its land.

“These will be small scale developments that are compatible with the residential areas and local community”, said Mr. Chiu. “We have seen demand for child care centres and medical centres around our subdivisions and we are looking at concept drawings now and talking to interested parties about tenancies for 2020”.

Mr. Chiu was optimistic that CDI would better its 2017 results at this stage.

“Although we are seeing some softening in forward demand, sales continue to be steady. We are therefore optimistic that we will better our 2017 results at this stage”, he said.

ENDS

Issued by CDL Investments New Zealand Limited

Any inquiries please contact:
B K Chiu
Managing Director
CDL Investments New Zealand Ltd
(09) 353 5077