


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

## Issuer &amp; 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>	04-Aug-2017 17:31:11
<b>Status</b>	New
<b>Announcement Sub Title</b>	Announcement by Subsidiary Company, CDL Investments New Zealand Limited
<b>Announcement Reference</b>	SG170804OTHRK0JY
<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 4 August 2017 relating to Half Year Results Ended 30 June 2017.
<b>Attachments</b>	<p> <a href="#">08042017_CD LINZ_Half Year Result.pdf</a></p> <p>Total size =482K</p>

# CDL Investments New Zealand Limited and its Subsidiary

## Condensed Interim Statement of Comprehensive Income

For the half year ended 30 June 2017

In thousands of dollars	Note	Unaudited 6 Months to 30/06/17	Unaudited 6 Months to 30/06/16
Revenue		51,021	42,762
Cost of sales		(21,407)	(18,810)
<b>Gross profit</b>		<b>29,614</b>	<b>23,952</b>
Other income		18	18
Administrative expenses		(150)	(118)
Property expenses		(218)	(254)
Selling expenses		(1,390)	(1,265)
Other expenses		(559)	(523)
<b>Results from operating activities</b>		<b>27,315</b>	<b>21,810</b>
Interest income		1,000	347
<b>Finance income</b>		<b>1,000</b>	<b>347</b>
<b>Profit before income tax</b>		<b>28,315</b>	<b>22,157</b>
Income tax expense		(7,928)	(6,204)
<b>Profit for the period</b>		<b>20,387</b>	<b>15,953</b>
<b>Total comprehensive income for the period</b>		<b>20,387</b>	<b>15,953</b>
<b>Profit attributable to:</b>			
Equity holders of the Parent		20,387	15,953
<b>Total comprehensive income for the period</b>		<b>20,387</b>	<b>15,953</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)	3	7.35c	5.77c
Diluted earnings per share (cents)	3	7.35c	5.77c
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 2017

In thousands of dollars	Note	Unaudited Share Capital	Unaudited Retained Earnings	Unaudited Total Equity
Balance at 1 January 2016		53,294	86,995	140,289
<b>Total comprehensive income for the period</b>				
Profit for the period		-	15,953	15,953
<b>Total comprehensive income for the period</b>		-	<b>15,953</b>	<b>15,953</b>
Shares issued under dividend reinvestment plan	2	552	-	552
Dividend to shareholders		-	(6,074)	(6,074)
Supplementary dividend		-	(178)	(178)
Foreign investment tax credits		-	178	178
<b>Balance at 30 June 2016</b>		<b>53,846</b>	<b>96,874</b>	<b>150,720</b>
Balance at 1 January 2017		53,846	107,949	161,795
<b>Total comprehensive income for the period</b>				
Profit for the period		-	20,387	20,387
<b>Total comprehensive income for the period</b>		-	<b>20,387</b>	<b>20,387</b>
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
<b>Balance at 30 June 2017</b>		<b>54,310</b>	<b>120,028</b>	<b>174,338</b>

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 2017

In thousands of dollars	Unaudited as at 30/06/17	Audited as at 31/12/16	Unaudited as at 30/06/16
<b>SHAREHOLDERS' EQUITY</b>			
Issued capital	54,310	53,846	53,846
Retained earnings	120,028	107,949	96,874
<b>Total Equity</b>	<b>174,338</b>	<b>161,795</b>	<b>150,720</b>
<i>Represented by:</i>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	5	2
Development property	79,848	84,631	88,643
Investment in associate	2	2	2
<b>Total Non Current Assets</b>	<b>79,855</b>	<b>84,638</b>	<b>88,647</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	19,584	1,989	23,955
Short term deposits	52,000	45,500	7,500
Trade and other receivables	1,888	3,018	2,609
Development property	26,666	33,132	32,859
<b>Total Current Assets</b>	<b>100,138</b>	<b>83,639</b>	<b>66,923</b>
<b>Total Assets</b>	<b>179,993</b>	<b>168,277</b>	<b>155,570</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities	2	2	19
<b>Total Non Current Liabilities</b>	<b>2</b>	<b>2</b>	<b>19</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	2,473	4,312	2,986
Employee entitlements	28	22	22
Income tax payable	3,152	2,146	1,823
<b>Total Current Liabilities</b>	<b>5,653</b>	<b>6,480</b>	<b>4,831</b>
<b>Total Liabilities</b>	<b>5,655</b>	<b>6,482</b>	<b>4,850</b>
<b>Net Assets</b>	<b>174,338</b>	<b>161,795</b>	<b>150,720</b>

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 2017

	Unaudited 6 Months to	Unaudited 6 Months to
In thousands of dollars	30/06/17	30/06/16
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Receipts from customers	52,587	41,350
Interest received	582	299
<b>Cash was applied to:</b>		
Payments to suppliers	(14,110)	(12,957)
Payments to employees	(197)	(189)
Purchase of development land	-	-
Income tax paid	(6,670)	(6,341)
<b>Net Cash Inflow from Operating Activities</b>	<b>32,192</b>	<b>22,162</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Short term deposits	45,500	5,000
<b>Cash was applied to:</b>		
Purchase of plant and equipment	-	-
Short term deposits	(52,000)	(7,500)
<b>Net Cash Outflow from Investing Activities</b>	<b>(6,500)</b>	<b>(2,500)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash was applied to:</b>		
Dividend paid	(7,844)	(5,522)
Supplementary dividend paid	(253)	(178)
<b>Net Cash Outflow from Financing Activities</b>	<b>(8,097)</b>	<b>(5,700)</b>
Net Increase in Cash and Cash Equivalents	17,595	13,962
Add Opening Cash and Cash Equivalents	1,989	9,993
<b>Closing Cash and Cash Equivalents</b>	<b>19,584</b>	<b>23,955</b>

## CDL Investments New Zealand Limited and its Subsidiary

### Condensed Interim Statement of Cash Flows - continued

For the half year ended 30 June 2017

	Unaudited 6 Months to	Unaudited 6 Months to
In thousands of dollars	30/06/17	30/06/16
<b>RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit after taxation	20,387	15,953
<b>Adjusted for non cash items:</b>		
Depreciation	1	1
Income tax expense	7,928	6,204
<b>Adjustments for movements in working capital:</b>		
(Increase)/decrease in receivables	1,130	(1,478)
Decrease in development properties	11,249	5,049
Increase/(decrease) in payables	(1,833)	2,774
<b>Cash generated from Operating Activities</b>	<b>38,862</b>	<b>28,503</b>
Income tax paid	(6,670)	(6,341)
<b>Cash Inflow from Operating Activities</b>	<b>32,192</b>	<b>22,162</b>

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 2017 (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 2017 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 2016.

The condensed interim financial statements were authorised for issuance on 4 August 2017.

### **2. Capital & Reserves**

#### **Share Capital**

Under the Company's Dividend Reinvestment Plan, an additional 566,646 shares were issued on 19 May 2017 (2016: 853,849) at a strike price of \$0.8198 (2016: \$0.6461).

At 30 June 2017, the authorised share capital consisted of 277,513,971 fully paid ordinary shares (2016: 276,947,325).

#### **Dividends**

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

*In thousands of dollars*

3.0 cents per qualifying ordinary share (2016: 2.2 cents)

	<b>2017</b>	<b>2016</b>
	8,308	6,074
	<b>8,308</b>	<b>6,074</b>

### **3. Earnings Per Share**

The calculation of basic and diluted earnings per share at 30 June 2017 of 7.35 cents (2016: 5.77 cents) was based on the profit attributable to ordinary shareholders of \$20,387,000 (2016: \$15,953,000); and weighted average number of shares of 277,325,089 (2016: 276,662,775) 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 2017 (2016: 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 2017 (2016: Nil). There were no contingent liabilities or contingent assets as at 30 June 2017 (2016: Nil).

## **CDL Investments New Zealand Limited and its Subsidiary**

Notes to the Condensed Interim Financial Statements

For the half year ended 30 June 2017 (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 66.56% (2016: 66.70%) of the Company and having three out of six of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 75.20% 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 2017 CDL Investments New Zealand Limited has reimbursed its parent, Millennium & Copthorne Hotels New Zealand Limited, \$157,000 (2016: \$148,000) for expenses incurred by the parent on behalf of the Group.

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

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





## **DIRECTORS' REVIEW**

### **Financial Performance:**

The Directors of CDL Investments New Zealand Limited ("CDI") advise that the Company has made an unaudited after tax operating profit after tax of \$20.39 million for the six month period ending 30 June 2017 (2016: \$15.95 million). Operating profit before tax was \$28.32 million (2016: \$22.16 million).

Property sales and other income for the period was \$51.04 million (2016: \$42.78 million). Net Asset Backing (at cost) for the period under review was 62.8 cents per share (2016: 54.4 cents per share).

### **Portfolio update:**

Sales were strongest in Auckland, Hamilton and Canterbury, in the Company's Greville Road, Magellan Heights and Prestons Park subdivisions. The Company has completed Stage 1 of its Prestons Park subdivision and is progressing with Stage 2.

In the year to date, work was being undertaken and completed at Greville Road (Auckland) and Magellan Heights (Hamilton) to allow for additional sales later in 2017 and into 2018.

### **Appointment of Kian Seng Tan and Colin Sim:**

In February we welcomed Mr Kian Seng Tan, Interim Group CEO of M&C Hotels plc to the Board as non-executive director. Mr Colin Sim also joined the Board in July following the retirement of long serving Board Chairman, Mr Hong Ren Wong. Mr Sim was elected as Board Chairman on 2 August 2017. CDI looks forward to utilizing their knowledge and expertise across the business.

### **Commentary and Outlook:**

Sales activity in the year to date remains steady and this reflects continued demand in the major centres in which CDI operates. The current level of sales activity should continue through to the end of 2017 and we expect to better our 2016 results this year.

A handwritten signature in black ink, appearing to read 'Colin Sim', with a horizontal line drawn underneath it.

**Colin Sim**  
**Chairman**  
**CDL Investments New Zealand Limited**  
**4 August 2017**

4 August 2017



## **CDL INVESTMENTS REPORTS A 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 2017 and announced an after tax operating profit of \$20.39 million (2016: \$15.95 million) on revenue of \$51.04 million (2016: \$42.78 million).

“Our first half financial performance has again registered growth” said CDI’s Managing Director Mr BK Chiu.

While the housing market has shown the characteristic lower winter activity, he noted that CDI had seen continued demand in Auckland, Hamilton, and Christchurch where the company has its major subdivision projects.

“However, buyers and builders are more selective for well-constructed and located housing sections. This underlying demand remains steady in Auckland and Hamilton where further sales are expected in the second half of 2017. These sales will contribute to another year of growth”, he said.

ENDS

Issued by CDL Investments New Zealand Limited

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