

CDL Investments New Zealand Limited and its Subsidiary

Statement of Comprehensive Income

For the year ended 31 December 2014

		<u>Group</u>		<u>Parent</u>	
<i>In thousands of dollars</i>	Note	2014	2013	2014	2013
Revenue		44,101	38,298	-	-
Cost of sales		(21,839)	(17,997)	-	-
Gross Profit		22,262	20,301	-	-
Other income	2	59	54	-	-
Administrative expenses	3, 4	(192)	(195)	(124)	(127)
Property expenses		(427)	(457)	-	-
Selling expenses		(1,665)	(1,526)	-	-
Other expenses	3, 4	(846)	(727)	(323)	(269)
Results from operating activities		19,191	17,450	(447)	(396)
Finance income	5	1,358	1,100	1512	25,638
Finance costs	5	(12)	-	(12)	-
Net finance income		1,346	1,100	1,500	25,638
Profit before income tax		20,537	18,550	1,053	25,242
Income tax expense	6	(5,827)	(5,146)	(369)	(61)
Profit for the period		14,710	13,404	684	25,181
Total comprehensive income for the period		14,710	13,404	684	25,181
Profit attributable to:					
Equity holders of the parent		14,710	13,404	684	25,181
Total comprehensive income for the period		14,710	13,404	684	25,181
Earnings per share					
Basic earnings per share (cents)	15	5.35	4.92		
Diluted earnings per share (cents)	15	5.35	4.92		

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

CDL Investments New Zealand Limited and its Subsidiary

Statement of Changes in Equity

For the year ended 31 December 2014

Group

In thousands of dollars

	Note	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2013		48,941	57,527	106,468
Total comprehensive income for the period				
Profit for the period		-	13,404	13,404
Total comprehensive income for the period		-	13,404	13,404
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	14	3,558	-	3,558
Dividend to shareholders	14	-	(4,565)	(4,565)
Supplementary dividend		-	(113)	(113)
Foreign investment tax credits		-	113	113
Balance at 31 December 2013		52,499	66,366	118,865
Balance at 1 January 2014		52,499	66,366	118,865
Total comprehensive income for the period				
Profit for the period		-	14,710	14,710
Total comprehensive income for the period		-	14,710	14,710
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan		408	-	408
Dividend to shareholders	14	-	(5,494)	(5,494)
Supplementary dividend	14	-	(145)	(145)
Foreign investment tax credits		-	145	145
Balance at 31 December 2014		52,907	75,582	128,489

Parent

In thousands of dollars

	Note	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2013		48,941	(17,520)	31,421
Total comprehensive income for the period				
Profit for the period		-	25,181	25,181
Total comprehensive income for the period		-	25,181	25,181
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	14	3,558	-	3,558
Dividend to shareholders	14	-	(4,565)	(4,565)
Supplementary dividend		-	(113)	(113)
Foreign investment tax credits		-	113	113
Balance at 31 December 2013		52,499	3,096	55,595
Balance at 1 January 2014		52,499	3,096	55,595
Total comprehensive income for the period				
Profit for the period		-	684	684
Total comprehensive income for the period		-	684	684
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	14	408	-	408
Dividend to shareholders	14	-	(5,494)	(5,494)
Supplementary dividend		-	(145)	(145)
Foreign investment tax credits		-	145	145
Balance at 31 December 2014		52,907	(1,714)	51,193

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

CDL Investments New Zealand Limited and its Subsidiary

Statement of Financial Position

As at 31 December 2014

		<u>Group</u>		<u>Parent</u>	
		2014	2013	2014	2013
<i>In thousands of dollars</i>					
SHAREHOLDERS' EQUITY					
Issued capital	14	52,907	52,499	52,907	52,499
Retained earnings/(accumulated losses)		75,582	66,366	(1,714)	3,096
Total Equity		128,489	118,865	51,193	55,595
<i>Represented by:</i>					
NON CURRENT ASSETS					
Property, plant and equipment	9	4	4	4	2
Development property	10	72,313	53,455	-	-
Related party debtors	21, 22	-	-	5,609	24,960
Investment in subsidiary	21, 22	-	-	13,266	13,266
Investment in associate	17	2	2	-	-
Total Non Current Assets		72,319	53,461	18,879	38,228
CURRENT ASSETS					
Cash and cash equivalents	13	2,532	33,159	2,506	17,096
Short term deposits		29,500	-	29,500	-
Trade and other receivables	12	1,466	537	405	247
Income tax receivable	7	-	-	-	100
Development property	10	24,652	33,178	-	-
Total Current Assets		58,150	66,874	32,411	17,443
Total Assets		130,469	120,335	51,290	55,671
NON CURRENT LIABILITIES					
Deferred tax liabilities	11	49	132	-	-
Total Non Current liabilities		49	132	-	-
CURRENT LIABILITIES					
Trade and other payables	16	214	204	60	76
Employee entitlements		26	14	-	-
Income tax payable	7	1,691	1,120	37	-
Total Current Liabilities		1,931	1,338	97	76
Total Liabilities		1,980	1,470	97	76
Net Assets		128,489	118,865	51,193	55,595

For and on behalf of the Board



R CHALLINOR, DIRECTOR, 10 February 2015



BK CHIU, MANAGING DIRECTOR, 10 February 2015

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

CDL Investments New Zealand Limited and its Subsidiary

Statement of Cash Flows

For the year ended 31 December 2014

		<u>Group</u>		<u>Parent</u>	
<i>In thousands of dollars</i>					
	Note	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Receipts from customers		43,340	38,820	-	-
Interest received		1,251	954	1,354	473
Cash was applied to:					
Payment to suppliers		(30,420)	(20,227)	(462)	(466)
Payment to employees		(336)	(269)	-	-
Purchase of development land		(4,522)	(3,833)	-	-
Interest paid		(12)	-	(12)	-
Income tax paid		(5,194)	(5,068)	(232)	(31)
Net Cash Inflow/(Outflow) from Operating Activities		<u>4,107</u>	<u>10,377</u>	<u>648</u>	<u>(24)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Advances from subsidiary		-	-	145	113
Intercompany receipts		-	-	19,351	8,302
Proceeds from disposal of plant and equipment		-	3	-	-
Cash was applied to:					
Purchase of plant and equipment	9	(3)	-	(3)	-
Short term deposits		(29,500)	-	(29,500)	-
Net Cash Inflow/(Outflow) From Investing Activities		<u>(29,503)</u>	<u>3</u>	<u>(10,007)</u>	<u>8,415</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was applied to:					
Dividend paid		(5,086)	(1,007)	(5,086)	(1,007)
Supplementary dividend paid		(145)	(113)	(145)	(113)
Net Cash Outflow from Financing Activities		<u>(5,231)</u>	<u>(1,120)</u>	<u>(5,231)</u>	<u>(1,120)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		(30,627)	9,260	(14,590)	7,271
Add Opening Cash and Cash Equivalents		33,159	23,899	17,096	9,825
Closing Cash and Cash Equivalents	13	<u>2,532</u>	<u>33,159</u>	<u>2,506</u>	<u>17,096</u>

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

CDL Investments New Zealand Limited and its Subsidiary

Statement of Cash Flows - continued

For the year ended 31 December 2014

		<u>Group</u>		<u>Parent</u>	
<i>In thousands of dollars</i>	Note	2014	2013	2014	2013
RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES					
Net Profit after Taxation		14,710	13,404	684	25,181
Adjusted for non cash items:					
Depreciation	9	1	2	1	1
Gain on disposal of plant and equipment	3	2	(3)	-	-
Income tax expense	6	5,827	5,146	369	61
Intercompany dividend	5, 22	-	-	-	(25,000)
Adjustments for movements in working capital:					
(Increase)/Decrease in receivables		(929)	325	(158)	(172)
Increase in development properties		(10,332)	(3,372)	-	-
Increase/(Decrease) in payables		22	(57)	(16)	(64)
Cash generated from operating activities		<u>9,301</u>	<u>15,445</u>	<u>880</u>	<u>7</u>
Income tax paid		(5,194)	(5,068)	(232)	(31)
Cash Inflow/(Outflow) from Operating Activities		<u>4,107</u>	<u>10,377</u>	<u>648</u>	<u>(24)</u>

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 Financial Statements

For the year ended 31 December 2014

SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

CDL Investments New Zealand Limited (the "Company") is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The Company is an issuer in terms of the Financial Reporting Act 1993.

The financial statements includes separate financial statements of CDL Investments New Zealand Limited as an individual entity and the consolidated entity comprising the Company and its subsidiary (together referred to as the "Group") as at and for the year ended 31 December 2014.

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

(a) Statement of compliance

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

From 1 April 2014, the new Financial Reporting Act 2013 ("FRA 2013") has come into force replacing the Financial Reporting Act 1993. This is effective for all for-profit entities with reporting periods beginning on or after 1 April 2014. This will be effective for the Group's 31 December 2015 year end. It is expected that the change in legislation will have no material impact on the Group's obligation to prepare general purpose financial statements.

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

The financial statements were authorised for issuance on 10 February 2015.

(b) Basis of preparation

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

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

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 23 - Accounting Estimates and Judgements.

(c) Changes in accounting policies

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

(d) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. 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.

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

Significant accounting policies - continued

(e) Financial instruments

Non-derivative financial instruments

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

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfer the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

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

(f) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation. The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs, which have been incurred in bringing the assets to the location and condition necessary for their intended service. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation on assets is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Plant and equipment	3 - 10 years
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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 and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

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.

(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.

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

Significant accounting policies - continued

(p) Operating segment reporting

An operating segment is a distinguishable component of the Group:

- that is engaged in business activities from which it earns revenues and incurs expenses,
- whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions on resource allocation to the segment and assess its performance, and
- for which discrete financial information is available.

(q) Investments in subsidiaries

In the separate financial statements of the Company, investment in subsidiaries are stated at cost less any impairment, which is recorded through profit or loss.

(r) Investments in associates

Associates are those entities in which the Group has significant influence, but not control 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.

(s) New standards adopted and interpretations not yet adopted

The following new standards and amendments to standards are not yet effective for the year ended 31 December 2014, and have not been applied in preparing these consolidated financial statements:

- *NZ IFRS 9 - Financial Instruments (effective after 1 January 2017)*
- *NZ IFRS 10 - Consolidated Financial Statements (effective 1 January 2016)*
- *NZ IFRS 11 - Joint Arrangements (effective 1 January 2016)*
- *NZ IFRS 15 - Revenue from Construction Contracts (effective 1 January 2017)*
- *NZ IAS 16 - Property, Plant and Equipment (effective 1 January 2016)*
- *NZ IAS 19 - Employee Benefits (effective after 1 January 2015)*
- *NZ IAS 28 - Investments in Associates and Joint Ventures (effective 1 January 2016)*
- *NZ IAS 38 - Intangible Assets (effective 1 January 2016)*

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

(t) Comparatives

Certain comparatives have been reclassified to conform to the current year's presentation.

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

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CDL Investments New Zealand Limited and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

1. SEGMENT REPORTING

Operating segments

The single operating segment of the Group consists of property operations, comprising the development and sale of residential land sections.

The Group has determined that its chief operating decision maker is the Board of Directors on the basis that it is this group which determines the allocation of resources to segments and assesses their performance.

Geographical segments

Segment revenue is based on the geographical location of the segment assets. All segment revenues are derived in New Zealand.

Segment assets are based on the geographical location of the development property. All segment assets are located in New Zealand. The Group has no major customer representing greater than 10% of the Group's total revenues.

2. OTHER INCOME

In thousands of dollars

Rental income

Group		Parent	
2014	2013	2014	2013
59	54	-	-
59	54	-	-

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 & consulting

Depreciation

Directors' fees

Net gain/(loss) on disposal of plant and equipment

Operating lease and rental payments

Other

Total excluding personnel expenses

Note	Group		Parent	
	2014	2013	2014	2013
	46	47	46	47
	12	15	6	8
9	1	2	1	1
21	95	95	95	95
	2	(3)	-	-
	71	70	-	-
	475	427	299	245
	702	653	447	396

4. PERSONNEL EXPENSES

In thousands of dollars

Wages and salaries

Employee related expenses and benefits

Increase in liability for long-service leave

Group		Parent	
2014	2013	2014	2013
314	258	-	-
20	8	-	-
2	3	-	-
336	269	-	-

5. NET FINANCE INCOME

In thousands of dollars

Interest income

Intercompany interest income

Dividend income

Finance income

Interest expense

Finance income

Net finance income

Note	Group		Parent	
	2014	2013	2014	2013
	1,358	1,100	1,155	537
	-	-	357	101
22	-	-	-	25,000
	1,358	1,100	1,512	25,638
	(12)	-	(12)	-
	(12)	-	(12)	-
	1,346	1,100	1,500	25,638

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

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

Adjustments for prior years

Total income tax expense in the statement of comprehensive income

Group		Parent	
2014	2013	2014	2013
5,827	5,281	295	68
83	(47)	74	(7)
5,910	5,234	369	61
(83)	(87)	-	-
-	(1)	-	-
(83)	(88)	-	-
5,827	5,146	369	61

Reconciliation of effective tax rate

In thousands of dollars

Profit before income tax

Income tax using the company tax rate of 28% (2013: 28%)

Adjusted for:

Tax exempt revenues

Under/(over) provided in prior years

Effective tax rate

Group		Parent	
2014	2013	2014	2013
20,537	18,550	1,053	25,242
5,744	5,194	295	7,068
-	-	-	(7,000)
83	(48)	74	(7)
5,827	5,146	369	61
28%	28%	35%	0%

7. CURRENT TAX ASSETS AND LIABILITIES

In thousands of dollars

Income tax receivable

Income tax payable

Group		Parent	
2014	2013	2014	2013
-	-	-	100
1,691	1,120	37	-

The current tax liability (2013: tax liability) for the Group represents the amount of income taxes payable.

8. IMPUTATION CREDITS

In thousands of dollars

Imputation credits available for use in subsequent reporting periods

Group	
2014	2013
29,571	27,609

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

9. PLANT AND EQUIPMENT

In thousands of dollars

Cost

Balance at 1 January 2013

Disposals

Balance at 31 December 2013

Balance at 1 January 2014

Acquisitions

Disposals

Balance at 31 December 2014

Depreciation

Balance at 1 January 2013

Depreciation charge for the year

Disposals

Balance at 31 December 2013

Balance at 1 January 2014

Depreciation charge for the year

Disposals

Balance at 31 December 2014

Carrying amounts

At 1 January 2013

At 31 December 2013

At 1 January 2014

At 31 December 2014

Group	Parent
58	18
(34)	-
24	18
24	18
3	3
(22)	(16)
5	5
(52)	(15)
(2)	(1)
34	-
(20)	(16)
(20)	(16)
(1)	(1)
20	16
(1)	(1)
6	3
4	2
4	2
4	4

10. DEVELOPMENT PROPERTY

In thousands of dollars

Development property

Less expected to settle within one year

Group		Parent	
2014	2013	2014	2013
96,965	86,633	-	-
24,652	33,178	-	-
72,313	53,455	-	-

Development property is carried at the lower of cost and net realisable value. No interest (2013: \$nil) has been capitalised during the year. The value of development property held at 31 December 2014 was determined, on an open market existing use basis, by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited as \$206.0 million (2013: \$177.5 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).

11. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

In thousands of dollars

Development property

Employee benefits

Trade and other payables

Net tax assets/(liabilities)

Group					
Assets		Liabilities		Net	
2014	2013	2014	2013	2014	2013
-	-	(94)	(164)	(94)	(164)
42	29	-	-	42	29
3	3	-	-	3	3
45	32	(94)	(164)	(49)	(132)

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

11. DEFERRED TAX ASSETS AND LIABILITIES - continued

Movement in deferred tax balances during the year

In thousands of dollars

	Group		
	Balance 1 Jan 2013	Recognised in profit or loss	Balance 31 Dec 2013
Plant and equipment	(1)	1	-
Development property	(249)	85	(164)
Employee benefits	30	(1)	29
Trade and other payables	-	3	3
	(220)	88	(132)

In thousands of dollars

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

12. TRADE AND OTHER RECEIVABLES

In thousands of dollars

	Group		Parent	
	2014	2013	2014	2013
Trade receivables	324	16	-	-
Other receivables and prepayments	1,142	521	405	247
Trade and other receivables	1,466	537	405	247

None of the trade and other receivables are impaired.

13. CASH AND CASH EQUIVALENTS

In thousands of dollars

	Group		Parent	
	2014	2013	2014	2013
Bank balances	32	159	6	96
Call deposits	2,500	33,000	2,500	17,000
Cash and cash equivalents	2,532	33,159	2,506	17,096

14. CAPITAL AND RESERVES

Share capital

	Group and Parent			
	2014	2014	2013	2013
	Shares '000s	\$'000's	Shares '000s	\$'000's
Shares issued 1 January	274,675	52,499	268,596	48,941
Issued under dividend reinvestment plan	793	408	6,079	3,558
Total shares issued and outstanding	275,468	52,907	274,675	52,499

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 2014, the authorised share capital consisted of 275,468,365 fully paid ordinary shares (2013: 274,675,044).

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 793,321 additional shares under the Dividend Reinvestment Plan on 16 May 2014 (2013: 6,078,721) at a strike price of \$0.5145 per share issued (2013: \$0.5854).

Dividends

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

In thousands of dollars

	Group		Parent	
	2014	2013	2014	2013
2.0 cents per qualifying ordinary share (2013: 1.7 cents)	5,494	4,565	5,494	4,565
	5,494	4,565	5,494	4,565

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

14. CAPITAL AND RESERVES - Dividends - continued

After 31 December 2014 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

2.2 cents ordinary dividend per qualifying ordinary share
2.2 cents total dividend per qualifying ordinary share

Parent
6,060
6,060

15. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2014 was based on the profit attributable to ordinary shareholders of \$14,710,000 (2013: \$13,404,000); and weighted average number of ordinary shares outstanding during the year ended 31 December 2014 of 275,204,000 (2013: 272,649,000), calculated as follows:

Profit attributable to ordinary shareholders (basic & diluted)

In thousands of dollars

Profit for the period
Profit attributable to ordinary shareholders

Group	
2014	2013
14,710	13,404
14,710	13,404

Weighted average number of ordinary shares

Issued ordinary shares at 1 January
Effect of 793,321 shares issued in May 2014
Effect of 6,078,721 shares issued in May 2013
Weighted average number of ordinary shares at 31 December

Group	
2014	2013
Shares '000s	Shares '000s
274,675	268,596
529	-
-	4,053
275,204	272,649

16. TRADE AND OTHER PAYABLES

In thousands of dollars

Non-trade payables and accrued expenses
Trade and other payables

Group		Parent	
2014	2013	2014	2013
214	204	60	76
214	204	60	76

17. INVESTMENT IN ASSOCIATE

The Group's subsidiary, CDL Land New Zealand Limited, has a 33.33% investment in Prestons Road Limited. The principal activities of Prestons Road Limited are as a service provider and in this regard, it is charged with engaging suitably qualified consultants in fields such as geotechnical engineering, resource management compliance, subdivision of land, legal and regulatory compliance and related issues.

The associate has no revenue or expenses, therefore the Group's share of profit in its associate for the year was nil (2013: nil).

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

Prestons Road Limited

In thousands of dollars

Current assets
Current liabilities
Net assets (100%)
Group interests
Group's interest of net assets
Carrying amount in associates

Group	
2014	2013
1,818	207
(1,812)	(201)
6	6
33.33%	33.33%
2	2
2	2

Movements in the carrying value of the associate:

In thousands of dollars

Balance at 1 January
Purchase of investment
Balance at 31 December

Group	
2014	2013
2	2
-	-
2	2

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

18. FINANCIAL INSTRUMENTS

The Group only holds non-derivative financial instruments which comprise trade and other receivables, cash and cash equivalents, short term deposits, and trade and other payables. Exposure to credit and interest rate risks arises in the normal course of the Group's business. All financial assets are classified as loans and receivables. All financial liabilities are classified as payables.

In thousands of dollars

	Note	Group		Parent	
		2014	2013	2014	2013
Financial Assets					
Cash and cash equivalents	13	2,532	33,159	2,506	17,096
Short term deposits		29,500	-	29,500	-
Trade and other receivables	12	1,466	537	405	247
Financial Liabilities					
Trade and other payables	16	214	204	60	76

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, in the statement of financial position as shown below:

In thousands of dollars

	Note	Group		Parent	
		2014	2013	2014	2013
Cash and cash equivalents	13	2,532	33,159	2,506	17,096
Short term deposits		29,500	-	29,500	-
Trade and other receivables	12	1,466	537	405	247
		33,498	33,696	32,411	17,343

Interest rate risk

The Group has no exposure to interest rate risk as there are no funding facilities (2013: 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	2014					2013			
<i>In thousands of dollars</i>	Note	Effective interest rate	Total	6 months or less	6 - 12 months	Effective interest rate	Total	6 months or less	6 - 12 months
Cash and cash equivalents	13	0.00% to 4.25%	2,532	2,532	-	2.50% to 4.27%	33,159	30,659	2,500
Short term deposits		4.40% to 4.82%	29,500	27,000	2,500	-	-	-	-
			32,032	29,532	2,500		33,159	30,659	2,500

Parent	2014					2013			
<i>In thousands of dollars</i>	Note	Effective interest rate	Total	6 months or less	6 - 12 months	Effective interest rate	Total	6 months or less	6 - 12 months
Cash and cash equivalents	13	0.00% to 4.25%	2,506	2,506	-	2.50% to 4.27%	17,096	17,096	-
Short term deposits		4.40% to 4.82%	29,500	27,000	2,500	-	-	-	-
			32,006	29,006	2,500		17,096	17,096	-

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

18. FINANCIAL INSTRUMENTS - continued

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 \$291,000 (2013: \$265,000) 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>	Note	2014		2013	
		Balance Sheet	6 months or less	Balance Sheet	6 months or less
Trade and other payables	16	214	214	204	204
		214	214	204	204

Parent <i>In thousands of dollars</i>	Note	2014		2013	
		Balance Sheet	6 months or less	Balance Sheet	6 months or less
Trade and other payables	16	60	60	76	76
		60	60	76	76

Estimation of fair values

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

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

Capital management

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

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

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

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

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

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

19. OPERATING LEASES

Leases as Lessee

Non-cancellable operating lease rentals are payable as follows:

In thousands of dollars

	Group		Parent	
	2014	2013	2014	2013
Less than one year	11	11	-	-
Between one and five years	15	26	-	-
	26	37	-	-

During the year ended 31 December 2014, \$11,000 was recognised as an expense in profit or loss in respect of operating leases (2013: \$10,000) and \$59,000 (2013: \$54,000) was recognised as income in profit or loss in respect of leases.

20. CAPITAL COMMITMENTS

As at 31 December 2014, the Group has entered into contracts for construction on development properties of \$20,073,000 (2013: \$17,501,000).

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

21. RELATED PARTIES

Identity of related parties

The Group has a related party relationship with its subsidiary as well as a fellow subsidiary of its parent (see Note 22), and with its Directors and executive officers.

Transactions with key management personnel

None of the Directors of the Company and their immediate relatives have control of the voting shares of the Company. Key management personnel include the Board comprising non-executive directors and executive directors.

The total remuneration and value of other benefits earned by each of the Directors of the Company for the year ending 31 December 2014 was:

In thousands of dollars

	Group		Parent	
	2014	2013	2014	2013
HR Wong	-	-	-	-
VWE Yeo	30	30	30	30
RL Challinor	35	35	35	35
J Henderson	30	30	30	30
Total for non-executive directors	95	95	95	95
BK Chiu	-	-	-	-
Total for executive directors	-	-	-	-
	95	95	95	95

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).

22. GROUP ENTITIES

Control of the Group

CDL Investments New Zealand Limited is a subsidiary of Millennium & Copthorne Hotels New Zealand Limited by virtue of Millennium & Copthorne Hotels New Zealand Limited owning 67.06% (2013: 67.25%) of the Company and having three out of five of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 70.22% owned by CDL Hotels Holdings New Zealand Limited, which is a wholly owned subsidiary of Millennium & Copthorne Hotels plc in the United Kingdom. The ultimate holding company is Hong Leong Investment Holdings Pte Ltd in Singapore.

During the year CDL Investments New Zealand Limited has reimbursed its parent, Millennium & Copthorne Hotels New Zealand Limited, \$204,000 (2013: \$202,000) for expenses incurred by the parent on behalf of the Group.

During 2014, CDL Investments New Zealand Limited issued no additional shares (2013: 5,213,206) to its parent, Millennium & Copthorne Hotels New Zealand Limited, under the Dividend Reinvestment Plan (see Note 14). The total shares on issue to Millennium & Copthorne Hotels New Zealand Limited is 184,724,438 (2013: 184,724,438).

Parent

At balance date, there were interest bearing advances owing from its subsidiary of \$5,609,000 (2013: \$24,960,000). There are no set repayment terms and interest is charged at the Official Cash Rate during the year which ranged from 2.50% to 3.50% (2013: 2.50%). No related party debts have been written off or forgiven during the year.

During the year CDL Investments New Zealand Limited entered into the following transactions with its subsidiary:

- \$357,000 interest was received from CDL Land New Zealand Limited (2013: \$101,000).
- No dividend was received from CDL Land New Zealand Limited (2013: \$25,000,000).

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

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Financial Statements

For the year ended 31 December 2014

23. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Key sources of estimation uncertainty

In Note 18 detailed analysis is given of the interest rate and credit risk exposure of the Group and risks in relation thereto. The Group is also exposed to market fluctuations in the value of development properties. In Note 10 the carrying value of development properties is \$96,965,000 (2013: \$86,633,000) while the market value determined by an independent registered valuer is \$205,970,000 (2013: \$177,505,000).



Independent auditor's report

To the shareholders of CDL Investments New Zealand Limited

Report on the company and group financial statements

We have audited the accompanying financial statements of CDL Investments New Zealand Limited ("the company") and the group, comprising the company and its subsidiaries, on pages 1 to 19. The financial statements comprise the statements of financial position as at 31 December 2014, the income statements and statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, for both the company and the group.

Directors' responsibility for the company and group financial statements

The directors are responsible for the preparation of company and group financial statements in accordance with generally accepted accounting practice in New Zealand that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of company and group financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

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

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

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

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



Opinion

In our opinion the financial statements on pages 1 to 19:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of the company and the group as at 31 December 2014 and of the financial performance and cash flows of the company and the group for the year then ended.

Report on other legal and regulatory requirements

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

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

A handwritten signature in blue ink that reads 'KPMG'.

10 February 2015

Auckland

DIRECTORS' REVIEW

Financial Performance

CDL Investments New Zealand Limited ("CDLI") is pleased to report a profit after tax of \$14.7 million for the year ended 31 December 2014, an increase of 9.7% from the previous year (2013: \$13.4 million). In 2014, CDLI sold 248 sections (2013: 202).

CDLI's profit before tax was \$20.5 million (2013: \$18.6 million). Property sales & other income was \$44.2 million (2013: \$38.4 million). CDLI's shareholders' funds as at 31 December 2014 were \$128.5 million (2013: \$118.9 million) and the Company's total assets stood at \$130.5 million (2013: \$120.3 million). The net tangible asset per share (at book value) was 46.6 cents (2013: 43.3 cents).

Dividend Announcement

Reflecting the continued level of profitability, the Company has resolved to pay an increased fully imputed ordinary dividend of 2.2 cents per share payable on 15 May 2015 (2013: 2.0 cents per share). The record date will be 1 May 2015. The Dividend Reinvestment Plan will apply to this dividend.

Land portfolio

At 31 December 2014, the independent value of CDLI's land holdings was \$206.0 million (2013: \$177.5 million).

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

Summary and Outlook

The investment in planning and development of sections in the past two years continue to benefit the company as the type and location of CDLI's sections meet the demand from buoyant market conditions in Auckland, Hamilton, and Canterbury. The real estate cycle will see its way through as price expectations of land being transacted reach record levels. While the company is conscious of the need to acquire new land holdings, it will not speculate but keep its feet grounded to sound project analysis and economics. The company's focus on developing its land portfolio in Auckland, Christchurch and Hamilton is planned to achieve sustainable growth over the next few years.

Management and staff

On behalf of the Board, I thank the Company's management and staff for their hard work during 2014 which has contributed to another very good result.



Wong Hong Ren
Chairman
10 February 2015

CDL INVESTMENTS NEW ZEALAND INCREASES PROFIT AND DIVIDEND IN 2014

Property development company CDL Investments New Zealand Limited (**NZX: CDI**) today reported its results for the year ended 31 December 2014.

CDI increased its profit after tax by 9.7% to \$14.7 million (2013: \$13.4 million) with property sales & other income increasing by 15.1% to \$44.2 million (2013: \$38.4 million) over the previous year.

"This profit result is our best result in the past 7 years. It is pleasing to once again lift our profitability from the previous year which reflects the continued level of positive market activity within the key areas of our land portfolio", said Managing Director Mr. B K Chiu.

CDI's land portfolio was independently valued at \$206.0 million at 31 December 2014, which was an increase of 16.0% over the previous year. CDI acquired a further 4.1 hectares of land in Auckland during the year.

CDI's Board had resolved to increase its dividend to 2.2 cents per share fully imputed (2013: 2.0 cents per share fully imputed) and payable on 15 May 2015. The Record date would be 1 May 2015. The Dividend Reinvestment Plan would apply to this dividend.

On the year ahead, Mr Chiu said, "We are aiming to grow the level of sales seen over the past three years but we are conscious that we need to acquire land and diversify our activities in order to ensure that the Company remains active and profitable. We are therefore implementing ways of adding value to our land portfolio", he said.

Summary of results:

• Profit after tax	\$14.7 million (2013: \$13.4 million)
• Profit before tax	\$20.5 million (2013: \$18.6 million)
• Total revenue & other income	\$44.2 million (2013: \$38.4 million)
• Shareholders' funds	\$128.5 million (2013: \$118.9 million)
• Total assets	\$130.5 million (2013: \$120.3 million)
• Net tangible asset value (at book value)	46.6 cents per share (2013:43.3cps)
• Earnings per share	5.35 cents per share (2013:4.92cps)

ENDS

Issued by CDL Investments New Zealand Limited

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