

CHAIRMAN'S REVIEW

Financial Performance:

The Directors of CDL Investments New Zealand Limited ("CDLI") advise that the Company has made an unaudited operating profit after tax of \$15.95 million for the six month period ending 30 June 2016 (2015: \$8.51 million). Operating profit before tax was \$22.16 million (2015: \$11.70 million).

Property sales and other income for the period was \$42.78 million (2015: \$23.89 million). Net Asset Backing (at cost) for the period under review was 54.4 cents per share (2015: 47.6 cents per share).

Portfolio update:

The Company sold a total of 171 sections in the year to date (2015: 128). Demand was strongest in Auckland and Canterbury with additional sales from the company's Hamilton subdivisions also recorded. The company has completed the last stage of its Rolleston subdivision (Stonebrook) and expects to complete final sales by the end of 2016.

CDLI continues to develop further stages to meet demand. In the year to date, work was being undertaken and completed at Greville Road (Auckland), Magellan Heights (Hamilton), and Prestons Road (Christchurch) to allow for additional sales later in 2016 and into 2017.

Commentary and Outlook:

Sales activity in the year to date remains strong and this reflects continued demand in the major centres in which CDLI operates. The current level of sales activity should continue through into the second half of 2016 and will therefore be reflected in the company's results. We expect to better our 2015 results this year.



Wong Hong Ren
Chairman
3 August 2016