

# 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