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CITY DEVELOPMENTS LIMITED

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GENERAL ANNOUNCEMENT::ANNOUNCEMENT BY SUBSIDIARY COMPANY, CDL INVESTMENTS NEW ZEALAND LIMITED

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

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New

Announcement Sub Title

Announcement by Subsidiary Company, CDL Investments New Zealand Limited

Announcement Reference

SG210525OTHRTQUM

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 25 May 2021 relating to (i) Remarks by Chairman of the Meeting to Annual Meeting of Shareholders; and (ii) Presentation slides at the Annual Meeting of Shareholders.

Attachments

[CDLINZ-2021 AGM Chairman Remarks and Presentation slides.pdf](#)

Total size =2886K MB



CDL INVESTMENTS
NEW ZEALAND LIMITED

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STOCK EXCHANGE ANNOUNCEMENT

Date 25 May 2021

Subject **REMARKS BY MEETING CHAIR JOHN HENDERSON TO ANNUAL MEETING OF SHAREHOLDERS**

Retirement of Roy Austin

Before I turn to the main business of the meeting, I would like to mention that this will be Roy Austin's last annual meeting as a director of CDI.

Roy was appointed to the Board in 2015 and has served as the Chair of the Audit Committee as well as more recently Chair of our Nominations Committee.

As shareholders know, Roy has brought his extensive knowledge of finance and business as well as his governance experience as the Chair of CureKids for many years and was recognised with a CNZM award for that work in 2017.

As someone who has served with Roy on the Audit Committee, I can certainly say that the company has benefitted greatly from having someone who is not only highly regarded in the business and governance community but also someone who has been very open, generous with his time and knowledge and who has been extremely supportive of the company and what it has achieved over the past few years. Roy, you will be missed and we wish you well for the future.

Annual Report and Financial Statements

On behalf of the Directors, I present the Annual Report and the Statement of Financial Accounts to 31 December 2020. On behalf of the Board, I would like to make a few brief comments about the past year.

In our 2020 Annual Report, we noted that the previous year has been "extraordinary". Given the results we achieved in the circumstances, it is fair to say that this was an understatement.

The level of sales achieved, especially during and after lockdown in March was remarkable and that momentum has carried through to 2021.

Our core business remains strong. We recorded sales across our developments in Auckland, Hamilton, Hawkes Bay and Christchurch and that demand has seen us develop additional stages at Prestons Park and Kewa Road which we expect to sell before the end of this year for settlement in 2022.

Our initial diversification into small-scale commercial tenancies also continued with the first of our commercial centres at Stonebrook tenanted before the end of 2020. This is now fully operational and providing income. These commercial centres provide additional amenity to the communities created through our subdivision and development projects. Our Prestons Park Commercial Centre is on track for completion and operation before the end of this year as well.

In 2020, we also took a harder look at how to optimise our land holdings and other resources. This was part of our response to what we expected to be very difficult and challenging circumstances. That "harder look" has resulted in the Design Build and Lease Development at one of our sites in Wiri, Auckland as well as the sale of land nearby which we announced in April. Both projects were carefully scoped and were the best outcome for those parcels of land.

The Board is therefore pleased with where the company stands at the moment. We have good land holdings and enough funds to acquire additional land and complete all of the development work we have planned for this year and then some. But we are not complacent and we remain on the look out for additional opportunities to acquire and develop land across New Zealand. We feel that there may be some interesting opportunities which may arise in the near future and we will be keen to pursue them if they eventuate. Our medium term view remains cautious but optimistic in a post-pandemic environment in New Zealand.



**CDL INVESTMENTS
NEW ZEALAND LIMITED**

37th Annual Meeting of Shareholders
Tuesday 25th May 2021

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WELCOME

- Welcome to this Virtual Meeting
- The Meeting Chair is John Henderson
- Board of Directors are attending remotely:
 - Colin Sim | Chairman
 - BK Chiu | Managing Director
 - Roy Austin | Independent Director
 - Desleigh Jameson | Independent Director
 - Eik Sheng Kwek | Non-Executive Director
 - Vincent Yeo | Non-Executive Director



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- Quorum
- Apologies will be recorded in the minutes
- Proxies
- Minutes of the 36th Annual Meeting of Shareholders
- Notice of Meeting taken as read



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Roy Austin retiring from the Board



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ANNUAL REPORT & FINANCIAL STATEMENTS

- 2020 has been “extraordinary”
- Sales momentum has carried through to 2021
- Recorded sales across our developments in Auckland, Hamilton, Hawkes Bay and Christchurch
- Diversification into small-scale commercial tenancies also continued
- Commercial centres at Stonebrook fully operational and providing income
- Design Build and Lease Development at one of our sites in Wiri, Auckland
- We remain on the look out for additional opportunities to acquire and develop land
- Medium term view remains cautious but optimistic



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**CDL INVESTMENTS
NEW ZEALAND LIMITED**



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CDL Investments 2020 Sales

Increased demand for residential sections saw more sales in Christchurch.

	2020	2019	2018
Sales (\$m)	88.8	91.8	85.0
Profit before tax (\$m)	41.8	47.3	46.7

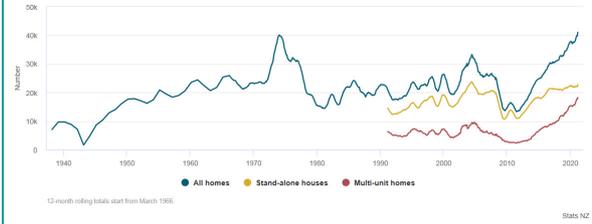
Section sales were from:

- Prestons Park, Christchurch
- Magellan Heights, Hamilton
- Kewa Road & Dominion Road, Auckland



Annual number of new homes consented March 1938 - 2021

Highest new homes consented



Annual number of new homes consented (March 1938 – 2021)

- 41,028 new homes consented.
- Trend towards higher density development e.g. town houses while stand-alone homes relatively flat.
- Auckland accounted for 43% of new homes consented.
- Only eight new homes consented per 1000 residents versus 13.4 in 1973.



April 2021 YTD Sales

CDI sections developed in late 2020 enabled a large lift in sales in first four months of 2021.

- Sales \$35.7m (\$18.8m in 2020)
- Sales were from:
 - Prestons Park, Christchurch
 - Dominion Road, Papakura
 - Kewa Road, Auckland
- Last section sold at Magellan Heights, Hamilton.



- Cash & term deposits: \$122m
(as at 30 April 2021)
- Quick ratio* 10.7
- No bank borrowings

* $\frac{\text{Total current assets less Inventory}}{\text{Total current liabilities}}$



WORK IN PROGRESS

- Christian/Tram Valley Road, Swanson, Auckland
 - Earthworks drainage & utility services completed.
 - Subdivision roads being constructed
 - Titles to issue in Q1, 2022

- Stage 4:
 - C1-C2, construction completed. Titles in July 2021. All sold pre-title.
 - D1-D3, construction underway. Titles in September 2021.

- Stage 5: Earthworks underway.

- Prestons Commercial (15 units, F&B + Retail)
 - Construction progressing.
 - Completion Q4, 2021

- Stonebrook, Rolleston, Selwyn
 - Last stage 27 all sold bar 1

- Stonebrook Commercial (5 units F&B)
 - Construction completed.
 - 3 units leased

- Roscommon Road, Wiri
 - Lot 1: Warehouse under construction. Leased.
 - Lot 2: Sold.
 - Lot 3: Sold.



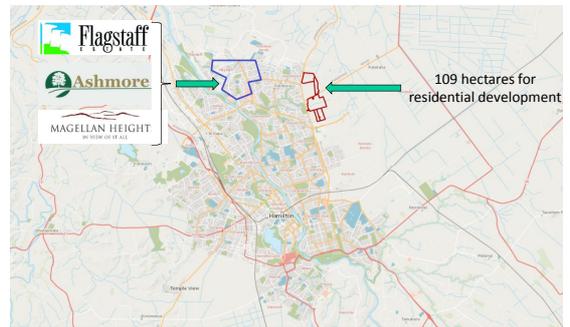
COMPLETED SUBDIVISIONS

- Dominion Road, Papakura, South Auckland** • All 91 titles issued and sold
- Magellan Heights, Flagstaff, Hamilton** • All sections titled and sold.
- Northwood, Mahora, Hastings, Hawkes Bay** • All sections titled and sold.



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CDL Hamilton Subdivisions



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- Gordonton Road, Hamilton** • Awaiting Hamilton Council decisions.
- Hobsonville Road, Auckland** • Awaiting Whenuapai plan change by Auckland Council.
- Arataki Road, Havelock North** • Final decision from Hastings Council forthcoming.



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- Strong financial position.
- Low mortgage rates and availability have increased demand for property including sections.
- New housing policies, border closure and migration policies will temper housing demand going forward.
- CDI pipeline supply development will continue with works in progress for 2022 sales.
- Progress at Auckland, Hamilton and Havelock North development dependent on speed of local council consents.
- Continue to increase land portfolio for development.
- CDI to deliver a profitable 2021.



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ELECTION OF DIRECTORS

- Election of **Desleigh Jameson** as a Director
- Re-election of **BK Chiu** as a Director
- Re-election of **Colin Sim** as a Director
- Re-election of **Vincent Yeo** as a Director



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ELECTION OF DIRECTORS

To elect **Desleigh Jameson**

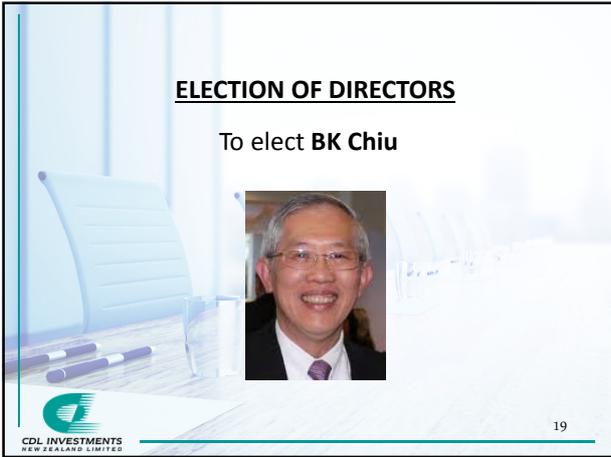


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ELECTION OF DIRECTORS

To elect **BK Chiu**



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ELECTION OF DIRECTORS

To elect **Colin Sim**



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ELECTION OF DIRECTORS

To elect **Vincent Yeo**



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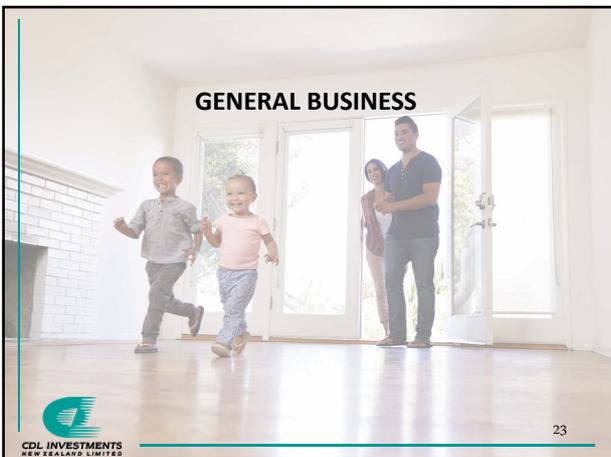
AUDITORS APPOINTMENT & REMUNERATION

- No other nomination received - KPMG are reappointed as the Company's auditors.
- Resolution that the Directors be empowered to fix the remuneration of the Auditors for the year ending 31 December 2021.



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GENERAL BUSINESS



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CLOSE OF MEETING

Thank you for attending



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