

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

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

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No

Announcement Details

Announcement Title

General Announcement

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Announcement Sub Title

Announcement by Subsidiary Company, CDL Investments New Zealand Limited

Announcement Reference

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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 28 May 2019 relating to (i) Remarks by the Chairman to Annual Meeting of Shareholders; and (ii) Presentation slides at the Annual Meeting of Shareholders.

Attachments

[28052019_CDLNZ_2019%20AGM%20Chairman%20Remarks%20and%20Presentation%20slides.pdf](#)

Total size =3552K MB



CDL INVESTMENTS
NEW ZEALAND LIMITED

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STOCK EXCHANGE ANNOUNCEMENT

Date 28 May 2019

Subject **REMARKS BY CHAIR COLIN SIM TO
ANNUAL MEETING OF SHAREHOLDERS**

On behalf of the Directors, I present the Annual Report and the Statement of Financial Accounts to 31 December 2018.

In summary, 2018 saw the Company report its ninth consecutive growth in profit; with a profit after tax of \$33.6 million. We are pleased that we were able to achieve this result

The annual report showed increases in the Company's property sales & other income, total assets, and net tangible asset per share. All of these metrics show a company in good health and performing well.

In 2018, we acquired 86.4 hectares of land in Hamilton and Christchurch for future development. As I said in the annual report, we are confident that the future of the company and our core business is secure.

As you know, the Board maintained the dividend at 3.5 cents per share for 2018. We chose to maintain the dividend at this level as the increase in profit was relatively small and because we wanted to ensure that CDI retained enough cash for development costs and to purchase land.

This year, it is impossible to ignore that property markets are slowing and we are making adjustments to our operations to take account of slowing demand. Not all areas are slowing down and we are looking to increase sales and complete development at developments where we know demand continues to be positive.

A slowing market may also present CDI with opportunities to acquire additional land and we will continue to look out for suitable opportunities.

And as noted, since our last meeting we lost two long-serving members of the CDL Investments family in Rob Challinor and John Lindsay and I'm sure that shareholders would want the Board to publicly acknowledge their contributions to the company over many years.

-ENDS-



CDL INVESTMENTS
NEW ZEALAND LIMITED

35th Annual Meeting of Shareholders
Tuesday 28th May 2019

WELCOME

- **Quorum**
- **Board of Directors**
Colin Sim | Chairman
BK Chiu | Managing Director
Vincent Yeo | Non-Executive Director
Roy Austin | Independent Director
John Henderson | Independent Director

- Apologies
- Proxies
- Minutes of the 34th Annual Meeting of Shareholders
- Notice of Meeting

ANNUAL REPORT & FINANCIAL STATEMENTS

- Operating Profit After Tax - \$33.6m
- Property Sales & Other Income - \$85.0m
- Total Assets - \$217.6m
- Net Tangible Asset – 75.7 cents per share
- Dividend Declared – 3.5 cents per share

CDL INVESTMENTS
NEW ZEALAND LIMITED

Financial Summary

	2014	2015	2016	2017	2018
Revenue (\$m)	44.2	47.6	74.5	78.7	85.0
Profit before tax (\$m)	20.5	24.2	37.5	44.7	46.7
Earnings per share (cents)	5.35	6.33	9.77	11.60	12.10
Dividends per share (cents)	2.2	2.2	3.0	3.5	3.5
Total Assets (\$m)	130.5	142.7	168.3	191.7	217.6
Group Equity	128.5	140.3	161.8	186.1	210.6

4. PERSONNEL EXPENSES

The following items of expenditure are included in administrative and other expenses:

In thousands of dollars	GROUP	
	2018	2017
Wages and salaries	494	396
Employee related expenses and benefits	55	29
Increase in liability for long-service leave	1	1
	550	426

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.

Source: CDL Investments NZ Ltd Annual Report



2018 Sales

- Sales from:
 - Greville Road, Auckland
 - Magellan, Hamilton
 - Prestons Park, Christchurch



MARCH 2019 YTD TRADING

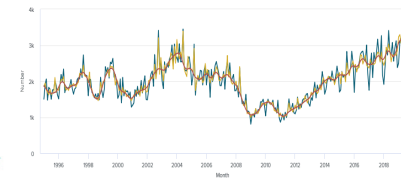
- Sales \$14.1m (\$18.2m in 2018)
- Sales settled from:
 - Greville Road, Auckland
 - Magellan Heights, Hamilton
 - Prestons Park, Christchurch
- Property market continues to soften. Risk off approach by buyers and banks.
- Underlying demand factors of home ownership are positive.



New Homes Consented

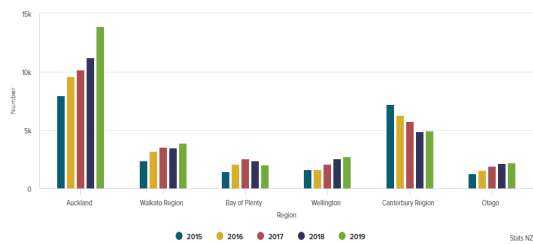
January 1995 to March 2019 (Monthly)

- New dwelling consents up 10% (34,516) for March 2019 YTD
 - 40% of consents in Auckland
 - 14% in Canterbury
 - 11% in Waikato



New Homes Consented (selected regions)

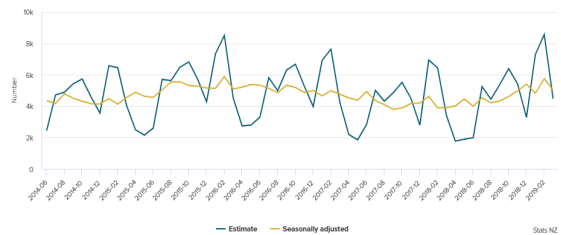
Year ended March 2015 to 2019



Net Migration (Mean Estimate)

June 2014 to March 2019

- Annual net migration gain: 56,100 from 50,600



WORK IN PROGRESS

Greville Road, Auckland	All stages titled and sold.
Kewa Road, Auckland	Earthworks complete. Road upgrade complete. Stage 1 infrastructure underway. Titles expected November 2019.
Dominion Road, Papakura	Earthworks, infrastructure underway. Titles expected December 2019.
Crestview, Auckland	Complete, titles in March 2019. Sold.
Roscommon Road, Auckland	Earthworks, stormwater work near completion. Titles in September 2019.
Christian Road, Swanson	Resource consent granted. Construction can start October 2019.



WORK IN PROGRESS

Magellan Heights, Hamilton	Titles for stages 1 – 3 issued. Stage 4 earthworks & infrastructure complete. Retaining walls underway.
Northwood, Hastings	Stage 8B – Complete, titled May 2019. Stage 8C – Titles October 2019.
Prestons Park, Christchurch	Earthworks close to completion. Remaining stages for infrastructure underway. Prestons Park Urban Village resource consent being processed. Scheme plans for recently acquired land underway.
Stonebrook, Rolleston	Construction of last 34 lots completed, on sale now. Resource and Building consent Commercial Centre being processed.



Prestons Park Commercial Village

Site area 6506 sqm
Building area 2608 sqm
No. of units 15
Tenancy from Q3 (2020)

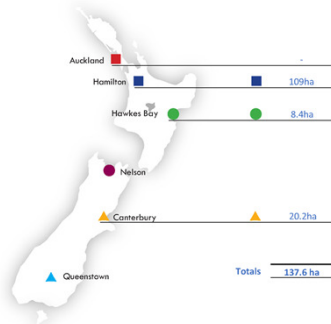


Stonebrook Commercial Area

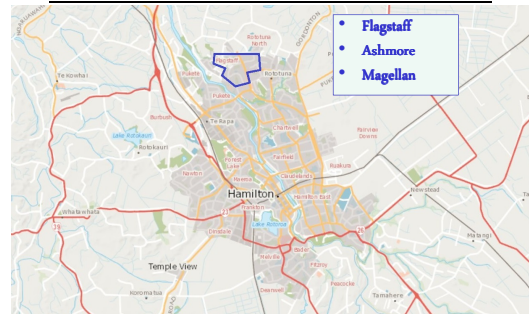
Site area 1802 sqm
Building area 713 sqm
No. of units 5
Tenancy from Q3 (2020)



Land acquisitions



CDL Land Historic Hamilton Subdivision





Overseas Investment Act

- Recent reform of the Overseas Investment Act **does not** affect CDI's current business model but does add layers of complexity
- OIO consent remains time-consuming and costly process
- CDI has made a submission on the Treasury Consultation Paper (May 2019)
- Any changes to the OIA must balance improving efficiency of the application process and decreasing the administrative burden CDI against the policy reasons for restricting overseas investment
- We also think that there should be an exemption available for NZ listed companies if they can demonstrate a strong and long-established connection to NZ, independent directors, and a track record of business in NZ.



SUMMARY

- Residential sections market easing
- Areas of demand remain
- Commercial Centre development for tenancy in 2020
- Ongoing subdivision in Auckland, Hamilton, Hawkes Bay and Christchurch. Time development commitments.
- Land acquisition opportunities in Hamilton, Hawkes Bay and Auckland



CDL Director John Lindsay



ELECTION OF DIRECTORS

- Re-election of **Mr John Henderson** as a Director
- Re-election of **Mr Kian Seng Tan** as a Director



RE-ELECTION OF DIRECTOR

- To re-elect **Mr John Henderson**



RE-ELECTION OF DIRECTORS

- To re-elect **Mr Kian Seng Tan**



Constitution

That the existing constitution be revoked and the company adopt a new constitution in the form tabled at the meeting and signed by the Chairman for the purpose of identification.



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 2019



GENERAL BUSINESS



CLOSE OF MEETING

Thank you for attending

