



CDL INVESTMENTS
NEW ZEALAND LIMITED

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STOCK EXCHANGE ANNOUNCEMENT

Date 24 May 2022

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

Results to 31 December 2021

On behalf of the Directors, I present the Annual Report and the Statement of Financial Accounts to 31 December 2021. I would like to make a few brief comments about the past year.

2021 was another very positive year of sales despite the ongoing pandemic. The result is a credit to the management team and also reflects the continued strong demand we have seen in New Zealand for residential housing and development.

We are particularly pleased that we have been able to deliver relatively consistent results in terms of property sales revenue as well as net profit.

We have also maintained a consistent dividend in some of the most difficult market conditions and you will have received your dividend earlier this month.

We grew our land portfolio last year with the acquisition of 69 hectares in Havelock North which we are rapidly progressing to development. The Iona Block is a very exciting future development which will secure our revenues into the future.

While demand for residential development is still high across New Zealand, the market conditions we see now are certainly different to what we have seen over the last two years.

All of the data we have points to a market that is softening with prices coming off historic highs as mortgage rates increase once again. We expect those conditions and pressures to remain throughout this year.

While we may see some slowing down in sales tempo, we still expect to see strong demand from our developments in Auckland and Canterbury this year. While we do not expect to make major adjustments to our pricing, we will be monitoring the market and our competitors carefully and acting accordingly.

Like everywhere else across the world, supply-chain issues remain and this is something that is affecting all developers and builders in New Zealand.

We believe that we are in a good position with our contractors and sub-contractors to mitigate delays but the global issues in Europe and Asia are being felt in this part of the world too and some delays and cost escalations are to be expected.

Our commercial leasing operations are progressing well with the majority of our units tenanted and operational. The benefits from our commercial tenancies will start to be seen in our results this year.

Overall, the Board expects 2022 to be another positive and profitable year but it is likely to be a year that will be subject to external economic pressures outside our control.

One final matter - with regard to the ongoing judicial review action initiated by the Winton Group to which we are a respondent along with the Crown, there is not much I can say as the matter is to be heard by the Court of Appeal. What I can say is that we were pleased with the High Court judgment and our expectation is that the Court of Appeal will affirm that the High Court was correct.

Managing Director succession:

BK, as this is your last annual meeting, on behalf of the Board and, I am sure on behalf of all shareholders, I would like to thank you for your service to the Company over the past seventeen years. You have led CDL Investments through very interesting and challenging times, not least after the Canterbury Earthquakes. You have provided shareholders with remarkably consistent growth and solid returns over a long period of time and I'm sure that everyone will want me to thank you on their behalf and wish you well for the future.

I am delighted that we have appointed Jason Adams to take your place and this is really a seamless transition as Jason has worked for the company for almost the same length of time you have. Jason, you have big boots to fill but I am sure that with your depth of knowledge of all of our projects, you will be able to carry on our strong and profitable track record into the future.



38th Annual Meeting of Shareholders Tuesday 24th May 2022



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WELCOME

- Welcome to this Hybrid Meeting
- This meeting is being held in person and is being webcast
- The Meeting Chair is John Henderson
- Directors are attending in person
 - BK Chiu | Managing Director
 - Eik Sheng Kwek | Non-Executive Director
 - Vincent Yeo | Non-Executive Director
- Director attending remotely
 - Colin Sim | Chairman



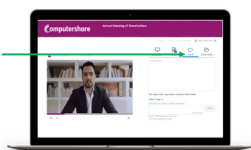
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How to Participate in Virtual/Hybrid Meetings (Q&A)

Shareholder & Proxyholder Q&A Participation

Written Questions: Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

Help: The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.



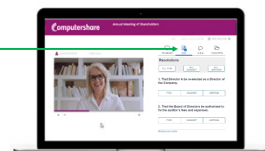
How to Participate in Virtual/Hybrid Meetings (Voting)

Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.



- Quorum
- Apologies from independent director Desleigh Jameson
- Proxies
- Minutes of the 37th Annual Meeting of Shareholders
- Notice of Meeting taken as read

Annual Report & Financial Statements

- 2021 was another very positive year of sales despite the ongoing pandemic.
- Continued strong demand for residential housing and development.
- Relatively consistent results in terms of property sales revenue as well as net profit.
- Grew land portfolio last year – acquisition of 69 hectares in Havelock North.
- Commercial leasing operations are progressing well.

Annual Report & Financial Statements (cont.)

- Current market conditions are certainly different compared to the last two years.
- Market is softening and prices are coming off historic high.
- Supply-chain issues affecting all developers and builders in New Zealand.
- We still expect to see strong demand from our Auckland and Canterbury developments this year.
- We expects 2022 to be another positive and profitable year but will be subject to external economic pressures outside our control.



CDL INVESTMENTS
NEW ZEALAND LIMITED

CDL Investments 2021 Sales

	2021	2020	2019
Sales (\$m)	92.1	88.8	91.8
Profit before tax (\$m)	43.4	41.8	47.3

Section sales were from:

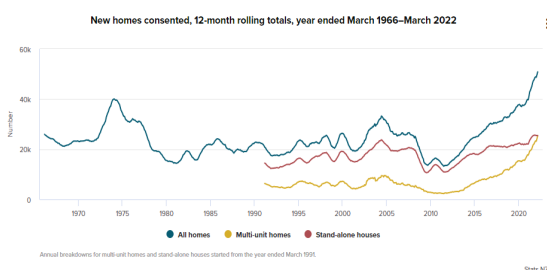
- Prestons Park, Christchurch
- Kewa Road, Auckland
- Dominion Road, Auckland



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Annual Number of Homes Consented

Year-ending March 2022



Annual Number of Homes Consented (cont.)

Year-ending March 2022

- Record 50,858 new homes consented. 24% increase.
- Multi-unit homes up 40%
Stand-alone homes up 12%
- Auckland 21,477 (23% increase)
Canterbury 8,557 (41% increase)



April 2022 YTD Sales

- Sales \$41.4m (\$35.7m in 2021)
- Sales were from:
 - Roscommon Road, Auckland
 - Prestons Park, Christchurch
 - Kewa Road, Auckland
- Housing market easing
- Building material supply & costs increases



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CDI Cash Position

▪ Cash & term deposits:	\$87.5m	(122.4m in 2021)
(as at 30 April 2022)		
▪ Quick ratio*	10.3	(10.7 in 2021)
▪ Bank borrowings	Nil	

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



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Completed Subdivisions and Work in Progress

Christian/Tram Valley Road, Swanson, Auckland	<ul style="list-style-type: none"> Construction completed Titles in Q3, 2022
Kewa Road, North Shore Auckland	<ul style="list-style-type: none"> Construction completed Titles issued 15 lots left for sale
Lot 4, Roscommon Road, South Auckland	<ul style="list-style-type: none"> Completed, Sold and Settled
Prestons Park – Stage 5 Christchurch	<ul style="list-style-type: none"> 90% completed Titles in Q3, 2022 Balance 85 lots – earthworks and civil works under way
Prestons Park – Stage 6 Christchurch	<ul style="list-style-type: none"> Construction of 54 lots completed. Titles to issue in Q2, 2022
Prestons Park – Commercial Christchurch	<ul style="list-style-type: none"> Construction of units completed. 10 units leased



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Completed Subdivisions and Work in Progress (cont.)

Stonebrook, Rolleston Commercial	<ul style="list-style-type: none"> Construction of 5 units completed. All leased out
Lot 1, Warehouse Development Roscommon Road South Auckland	<ul style="list-style-type: none"> Warehouse No. 1, 90% completed Warehouse No. 2, 40% completed Both fully leased
Arataki Road, Havelock North Hawkes Bay	<ul style="list-style-type: none"> Subdivision consent lodged with council
Iona, Havelock North Hawkes Bay	<ul style="list-style-type: none"> Stage 1 subdivision consent lodged

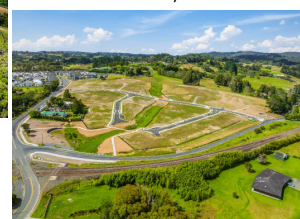


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Kewa and Tram Valley Road



Kewa Road Subdivision



Tram Valley Road Subdivision



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Prestons Park Commercial Centre, and Stonebrook Commercial Centre



Preston Park Commercial Centre

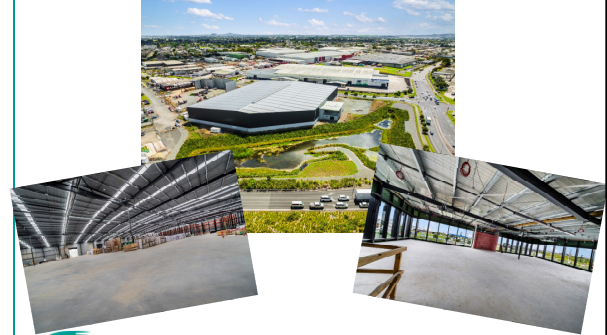


Stonebrook Commercial Centre



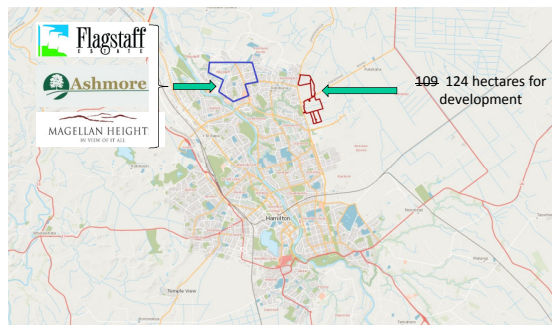
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Roscommon Road Warehouse



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Hamilton Land



Iona Land (69 hectares), Havelock North



* Google Earth Image

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Iona Land



Iona Land (cont.)



Iona Land (cont.)



Iona Land (cont.)



Summary

- Record new home consents in March 2022 YTD
- Signs of housing market easing/turning
- Strong CDI first 4 months sales & margins
- Sections inventory & pipeline development ensure supply to meet selective demand.
- Commercial units at Roscommon Road, Preston Park, Stonebrook mostly leased.
- Two large parcels of development land secured, opportunities for integrated residential, retirement, healthcare facilities.
- CDI in a strong financial position for project development and acquisition. CDI to deliver a profitable 2022.



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ELECTION OF DIRECTORS

- Re-election of **John Henderson** as a Director



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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 2022.



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GENERAL BUSINESS



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CLOSE OF MEETING

Thank you for attending

