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STOCK EXCHANGE ANNOUNCEMENT

Date 23 May 2023

Subject **REMARKS BY CDI CHAIRMAN TO 2023 ANNUAL MEETING OF SHAREHOLDERS**

On behalf of the Directors, I present the Annual Report and the Statement of Financial Accounts to 31 December 2022. I would like to make a few brief comments about the past year.

The Board was pleased with the results that we were able to achieve in 2022, especially given the rapidly changing market circumstances in the latter part of the year. Jason will speak to some of those challenges in his presentation.

As we said in our 2022 interim report, we set Management a target of matching their 2021 profit results and they achieved this which reflects both the significant effort put in by the Management teams and the sales agents particularly in the last quarter of the year.

I would like to extend our thanks to the Management team for their work once again. It was not easy.

We are particularly pleased with the success of our commercial warehouses in Auckland which were completed on time and on budget and are now fully tenanted.

We now want to build on the success of that development where we can and the Board has asked the Management plan to look at where such opportunities are best suited for us. The market for commercial land remains competitive and demand for commercial projects remains solid so this is an area we are looking at closely.

Looking to the future, we will continue to look for acquisition opportunities over the course of this year and in to the future.

We will also look at how we can optimise the use of our land holdings

None of this should come as something new or surprising. As we develop our land holdings and sell down completed sections, we need to be on the lookout for opportunities to replenish our land portfolio and the Management team has spent considerable time looking at various opportunities in recent months.

As long-term shareholders know, we are highly selective in the opportunities we seek and a lot of assessment work is done before we lock in suitable purchases.

We will continue to maintain our high standards as we always have to ensure that we have a portfolio that is not only geographical diverse but which will provide the right level of future returns when developed.

That said, we want to signal to you that 2023 will be particularly challenging for us as higher interest rates and the cost of living crisis affects us all. Put simply, based on the current market circumstances, maintaining a level of profit in 2023 that is consistent with the last two years will be difficult.

The effects of the rapid downward change in the market since late last year is reflected in the low number of sales we have been able to achieve over the last few months. Jason will outline the year to date sales revenue in his presentation.

The current volatility in the property markets makes forecasting at this time very tricky and the reality is that most factors which affect the property markets are outside our control. We will have a clearer picture at half year as to what levels of profit we should be able to generate in 2023 and we will look to provide some more concrete guidance when we release our half year results.

We can, however, look closely at those factors we can influence and we will be maintaining a very sharp focus on generating sales and developing our future pipeline so that we are ready when markets begin to pick up as they surely will. We will prioritise sales which we can settle this year in particular and we will look to ensure that we have a sufficient number of sales which we can carry over into 2024 to give us a head start on our sales revenue. .

While we need to be realistic in light of the current trading environment there are still reasons for shareholders to be optimistic. The underlying potential that we have carefully built up over the last few years with strategic acquisitions such as the Iona Block in Havelock North will yield profitable results as we gradually develop these areas. There is a lot we can and we will do and there are many profitable years ahead.

We look forward to sharing our journey with you and we trust that you, our shareholders, will continue to support us along the way.