



4 May 2022

ASX Limited  
20 Bridge Street  
Sydney NSW 2000

By: e-lodgement

Attention: Company Announcements Office

## UPDATE ON SIGNIFICANT PROPERTY INVESTMENTS

### Valuation Update

The Board of CVC Limited (**CVC**) wishes to provide an update on the valuations of three substantial investments contained within its property portfolio.

As a result of current market movements and progression made in the advancement of certain planning outcomes on some investments, the Board resolved to have independent valuations undertaken for the Donnybrook, Liverpool and Marsden Park North investments on an 'as is' basis, taking into account current planning status and prevailing market conditions.

The valuation assessments point to a substantial increase in the value of these investments relative to their current carrying value. The impact of the valuations, as well as contracted positions on some of the land in the Donnybrook project, indicate that the three investments have a current estimated value of \$202.6 million to CVC shareholders.

The investments are carried as inventory in accordance with accounting standards, and as such, CVC is not able to increase the value in the financial statements until such time as the investments are realised or accounting standards allow for the increase in value to be recognised.

Notwithstanding the above, utilising the assessed values for the properties, the impact would be an estimated post-tax increase in CVC shareholder value of \$132.8 million, representing \$1.14 per share. Based on the financial statements reported as at 31 December 2021, shareholder's equity would increase from \$1.60 to approximately \$2.73 per share.

For clarity, CVC did not request an opinion on the potential rezoned values of the Marsden Park or Liverpool sites which remain subject to planning processes. The values are instead on the basis of their current approvals and status. This is because to deduce such values requires an understanding of items which impact value and would be contained in the conditions of a successful planning approval, such as, but not limited to, final approved yield outcomes; use rights; and infrastructure contributions which may be applicable through development. However, the Board of CVC believes that in the event that either property achieves rezoning, the value is likely to be considerably higher than has currently been assessed.

The Board and management of CVC remain focused on advancing each of these significant property investments and will provide further information as milestones are achieved.

## **Further Information on Significant Property Investments**

### **Liverpool (NSW):**

CVC holds an interest in an option to acquire approximately 16.7 hectares of land located at 1 Heathcote Road, Liverpool. The property is considered part of the Liverpool CBD and has significant frontage to the Georges River. CVC's interest in the option (66.7% equity ownership) is in partnership with Leamac Property Group (33.3% equity ownership), and was contracted in 2016 with the following salient commercial terms:

- Strike Price - \$160 million
- Exercise date of option – June 2023
- Balance of deposit payable on exercise - \$30 million
- Balance of purchase price – payable no earlier than 2026

The property is currently zoned IN2 Light Industrial and is the subject of a wider precinct rezoning application (**Planning Proposal**) which if achieved, would see the site approved for mixed use development incorporating residential, commercial, retail, education and other associated uses. The application is seeking approval of a Floor Space Ratio of 4.2:1 for the site. On a high-level basis a rezoning outcome may deliver approval for the eventual development of approximately 5,000 apartments and an additional 100,000sqm of non-residential floor-space.

In April 2022 Liverpool City Council endorsed the Planning Proposal to proceed to the Department of Planning and Environment for Gateway Determination. It is anticipated that the Gateway Determination will be issued in mid-2022, allowing the Planning Proposal to proceed to formal consultation with NSW Government agencies and a formal public exhibition process, a key milestone in the finalization of the rezoning.

### **Donnybrook (VIC):**

CVC (49% equity ownership) and Avid Property Group (51% equity ownership) in joint venture (**JV**) own land holdings (**JV Land**) at 960-1030 Donnybrook Road, Donnybrook which were subject to a successful rezoning process. In January 2022, the land was rezoned to allow for 106 hectares of residential development land and 75 hectares of industrial development land.

The JV Land which was rezoned to allow for residential development is subject to contracts of sale totaling in excess of \$90 million to be settled on a staged basis over the next 36 months.

The industrial development land is considered an extremely valuable asset for the JV and the strategy for that land is being progressed with a focus on optimising value for the JV.

### **Marsden Park North (NSW):**

CVC (66% equity ownership) and Leamac Property Group (34% equity ownership) have been pursuing a rezoning of Lot 11 Richards Road, Riverstone. The property is located in the North West Growth Centre (**NWGC**) of Sydney and is currently in a Precinct Acceleration Protocol process which commenced in 2014.

Within NSW Government there remains a sharp focus on the Hawkesbury River Floodplain and the impact of flood events within that catchment area. Specifically, work is being undertaken to



determine how land within the NWGC should be developed. The studies are now underway and anticipated to be completed by the end of June 2022.

Subject to the completion of the studies and their findings, it is anticipated that a rezoning of the property could be achieved in the following 12-18 months, which would facilitate the development of the site in conjunction with Mirvac under the existing Development Management Agreement

### **Divestment of East Bentleigh Investment**

CVC is a 50% equity participant in a rezoning project located at 246 East Boundary Road, East Bentleigh, Victoria. The project comprises a 4.315ha parcel of land which was successfully rezoned from industrial use to a mixed-use development site in 2021.

CVC has now contracted to sell its equity ownership for total consideration of \$17.4 million. The settlement of the transaction is scheduled to occur in June 2022 will conclude what has been a very successful investment first made in 2015.

This update has been approved by the Board of CVC Limited.

- Ends -

Authorised by the Board for release