MONTHLY HIGHLIGHTS

DATA · DEVELOPMENT · DESIGN · INSIGHT

Foreword

July marked the first month of the new financial year. DDDI Group continued to advance key operational areas, including project settlements, planning approvals, construction delivery, sales, and operations, with several projects achieving significant milestones.

During the month, Elizabeth South and Tranmere successfully completed settlement and smoothly transitioned into subsequent phases. Warradale, Payneham, and Morphett Vale achieved key approval milestones, whilst Christies Beach and Salisbury formally submitted Planning Approval applications. Multiple design and construction projects also progressed concurrently, with the overall development schedule maintaining a steady pace.

Alongside the continued advancement of project activities, the Group hosted its annual financial year dinner, bringing together all partners to reflect on the growth and achievements of the past year. The dinner served not only as an appreciation of the contributions made by all team members, but also highlighted the strengthening collaboration and cohesion between the technology, data analysis, project management and construction teams, providing continued momentum for the new financial year.

At the policy and market level, this issue focuses on clean manufacturing opportunities arising from the Future Made in Australia Innovation Fund, as well as the ongoing impact of the high interest rate environment on housing demand and project feasibility.

Additionally, the sharing session "Budget Implementation: Who Benefits?" held this month provided South Australian SMEs with practical guidance and policy updates from three perspectives: taxation, R&D, and AI management.

Highlights of This Issue:

- Project Progress: Settlements, approvals and construction advancing concurrently
- Financial Year Dinner: Reflecting on growth and embarking on a new chapter together
- Policy Insights: A$1.5 billion clean manufacturing opportunity
- Market Insights: High interest rates reshaping housing demand
- Event Recap: Taxation, R&D and AI management

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Project Progress Update

July marked the first month of the new financial year, with the team's work progressing rapidly across various areas and several projects achieving key milestones.

- **One project completed settlement and promptly commenced planning the approval process**

The Elizabeth South project successfully completed settlement and commenced planning approval work shortly after settlement, with the Planning Approval (PA) application now formally submitted. The transition from acquisition and settlement through to planning approval has progressed smoothly, allowing more time for subsequent development activities.

- **Four projects continued to progress through planning and design, with some nearing completion**

The planning and design work for the Woodville West, Marden, Modbury and Hillcrest projects progressed in an orderly manner, with each project currently at the stages of design development, optimisation and final refinement. Some projects are approaching design completion and will soon be ready for formal submission of PA applications.

- **Two projects completed planning documentation preparation and formally submitted applications**

The planning proposals and application documentation for the Christies Beach and Salisbury projects have been completed and PA applications were formally submitted this month. Both projects have now entered the assessment process. The team will continue to monitor Council review progress and respond promptly to any requests for additional information or design adjustments.

- **Three projects achieved key approval outcomes, with subsequent work commencing in an orderly manner**

Warradale and Payneham successfully obtained Planning Approval this month and will continue progressing design refinement and building approvals. Morphett Vale successfully obtained Development Approval and has entered the preparation stage for construction arrangements and project implementation.

- **Five construction projects progressed through different stages, with overall progress in line with expectations**

Clearview, Gepps Cross and Vista have all completed foundation pours and are progressively moving into the main frame installation stage. Ingle Farm and Pooraka have entered the final stages of construction. All five projects are progressing according to the established schedule, with overall construction progress in line with expectations.

- **One project completed market launch preparation and formally entered the marketing stage**

The Paralowie project completed all pre-launch preparation work and formally released its sales advertising. The project has now entered the market promotion and customer feedback stage. The team will continue monitoring market response and potential customer enquiries to support subsequent sales activities.

- **One project completed settlement and quickly commenced operations**

The Tranmere project successfully completed settlement and, within one week, completed short-stay accommodation furnishing, property preparation and launch arrangements. The project has now officially commenced operations. The rapid transition from settlement to operation demonstrates the team's execution efficiency in coordination, delivery and operational management.

Overall, multiple projects achieved key milestones across settlement, design, submission, approval, construction, sales and operations during the month. Each stage progressed smoothly, with the overall progress remaining steady. Going forward, the team will focus on monitoring the approval progress of submitted projects, accelerating building approvals and construction preparation for approved projects, and continuing to progress planning and design, sales activities, project operations and construction management to ensure all work is delivered in accordance with the established plan.

FINANCIAL YEAR DINNER RECAP | REFLECTING ON GROWTH AND LOOKING AHEAD TOGETHER

With the new financial year officially commencing, DDDI Group hosted its annual financial year dinner, bringing everyone together to reflect on the growth of the past year and mark the beginning of a new chapter. Colleagues took a moment away from their busy schedules to connect, share and celebrate in a relaxed and enjoyable atmosphere. For those who were unable to attend due to work commitments or other reasons, the team remains connected and continues to move forward together, embracing new challenges and opportunities.

During the dinner, William, Jax and Louis reflected on the achievements and development progress made over the past financial year. The number of projects managed by Cyberate Project Management grew from approximately two initially to 34, while Cyberidge Construction continued to expand its project scale and delivery capabilities, with more projects progressing through approval, foundation works, structural construction and completion stages. At the same time, the Group's investment management scale continued to expand, and collaboration between the technology, data analysis, project management and construction teams became increasingly integrated.The management team noted that these achievements were not the result of any single department or individual, but reflected the collective efforts of every team member in their respective roles, as well as the trust and collaboration built across the team over time.

Beyond reflecting on achievements, the dinner also provided an opportunity for everyone to connect in a more relaxed setting. Through conversations and shared moments, colleagues gained a deeper understanding of each other and further strengthened team connection. For DDDI Group, team culture is reflected not only through professional collaboration in daily work, but also through the ongoing support and shared growth built through every interaction. This cohesion will continue to be an important driver of the Group's ongoing development.

Looking ahead to the new financial year, DDDI Group will continue to support decision-making through research and data, drive development through professional project management, deliver projects through high construction standards, and continue exploring the application of digitalisation, artificial intelligence and innovative technologies across the business. Through these efforts, the Group aims to create greater value for clients while providing more opportunities for every team member who is committed to growing alongside the company.Thank you to all colleagues for their contributions over the past year, and to their families for their continued understanding and support. The new financial year has commenced, and we look forward to continuing this journey together and creating more achievements worth celebrating.

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POLICY INSIGHTS | UP TO A$1.5 BILLION INNOVATION FUND: WHICH BUSINESSES SHOULD PAY ATTENTION?

Managed by the Australian Renewable Energy Agency (ARENA), the Future Made in Australia Innovation Fund plans to provide up to A$1.5 billion in funding to support pre-commercial innovation, demonstration and deployment of renewable energy and low-emissions technologies. For businesses involved in green building materials, low-carbon products, green metals, renewable energy equipment and clean manufacturing, this represents a long-term policy opportunity worth continued attention.

The Fund focuses on three key areas

The Fund currently focuses on three priority areas: green metals, renewable energy technology manufacturing and low-carbon liquid fuels. Among these, up to A$750 million is allocated to green metals, with a focus on low-carbon technologies for high-emission industries including steel, iron, alumina and aluminium. Renewable energy technology manufacturing will receive an initial allocation of up to A$200 million, supporting the manufacturing and commercialisation of relevant technologies, equipment and critical components in Australia. The low-carbon liquid fuels stream will receive up to A$250 million. For businesses across the construction and manufacturing supply chains, potential opportunities may include low-carbon aluminium, green steel and other low-emission building materials, as well as areas such as energy storage components, energy management equipment, clean production processes and related manufacturing technologies. Whether a business operates within the traditional energy sector is not the sole determining factor; the key is whether the project can establish a clear connection with current technology priorities and emissions reduction objectives.

Project maturity is critical for applications

The Fund is not intended for general equipment purchases, routine upgrades to existing production lines or standard business expansion activities. Businesses need to demonstrate clear technological innovation, credible and measurable emissions reduction outcomes, and a practical pathway from research and development through to demonstration, validation and commercial deployment. The application process generally requires early engagement with ARENA, along with preparation of detailed technical proposals, project budgets, risk assessments, partnership structures, commercialisation plans and expected environmental benefits. Therefore, projects that have completed early-stage R&D, generated initial testing data and are preparing to enter pilot-scale testing, demonstration or expanded deployment stages are generally more suitable for further assessment. If a project remains at the initial concept stage, businesses should first validate technical feasibility, market demand and funding structures before deciding whether to allocate resources towards a formal application.

Key areas for businesses to consider

Businesses can begin by assessing four key areas: whether the project aligns with current priority technology areas, whether testing data is available to demonstrate technical performance and emissions reduction outcomes, whether the project has the capability for demonstration or large-scale deployment, and whether suitable partners and supporting funding are available. Where these foundations are not yet clear, businesses should prioritise feasibility and alignment assessments before deciding whether to engage with ARENA or prepare a formal application. Completing these assessments early can help businesses reduce unnecessary investment and focus limited time and resources on projects with greater maturity and stronger policy alignment.

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MARKET INSIGHTS | RBA HOLDS RATES STEADY, WITH HIGH BORROWING COSTS CONTINUING TO SHAPE HOUSING DEMAND

The Reserve Bank of Australia (RBA) decided to maintain the official cash rate at 4.35% during its June monetary policy meeting. Prior to this, the cash rate had increased by a cumulative 75 basis points since the beginning of the year. The decision to hold rates steady provides short-term relief for households facing higher mortgage repayment pressures, but does not indicate that the current interest rate cycle has come to an end. The RBA noted that holding rates steady would allow further assessment of the impact of previous tightening measures on inflation, consumption and overall economic activity.

High borrowing costs continue to constrain borrowing capacity

According to Cotality analysis, based on an average owner-occupier housing loan balance of approximately A$735,000 in the fourth quarter of 2025, monthly repayments for affected borrowers have increased by around A$350 since the current rate increase cycle began in February. Rising repayment pressures have not only increased households' monthly cash flow burdens but have also reduced borrowing capacity, requiring some households that previously had the ability to purchase a home to reassess their budgets. As a result, buyers are paying closer attention to total project prices, deposit requirements, holding costs, and price differences across different locations and property types. Decision-making periods may also continue to lengthen. For higher-priced metropolitan markets, the impact of reduced borrowing capacity is generally more pronounced, with demand potentially shifting towards more affordable price segments.

Inflation pressures limit short-term rate cut expectations

Estimated residential sales volumes across major capital cities declined by 5.4% over the past three months compared with the same period last year. Listing volumes in Sydney and Melbourne increased, while auction clearance rates remained below 55%, indicating more cautious buyer sentiment. Lower-priced housing segments have demonstrated relatively stronger resilience. In Sydney, for example, lower-priced detached houses have increased by 2.9% year-to-date, while the highest-priced segment declined by 3.3%. Meanwhile, during the first four months of 2026, combined regional Australian housing values increased by 4.2%, exceeding the 1.8% growth recorded across combined capital cities.

Considerations in the current market environment

When assessing budgets, buyers should calculate repayments based on current interest rates and maintain a buffer for potential further rate increases or rising living costs, rather than using the maximum borrowing amount provided by lenders as the upper limit of their purchasing capacity. For developers and investors, it is increasingly important to reassess project pricing, target customers' financing capacity, expected sales periods and holding costs. A scenario where interest rates remain elevated for an extended period should be incorporated into project feasibility assessments, rather than relying on short-term rate cuts as a primary assumption for project viability.

JULY RECAP｜
BUDGET IMPLEMENTATION, WHO CAPTURES THE BENEFITS?

JULY 14, 2026 (TUESDAY) 6:00 PM – 9:00 PM

This month, DDDI Group, together with DW Johns & Co and Ignition Research, hosted the "Budget Implementation, Who Captures the Benefits?" seminar. The event focused on three key areas of interest for businesses: how tax changes introduced in the Federal Budget may affect business cash flow and investment structures, how R&DTI reform directions may reshape R&D management, and how businesses can transform their brands, processes and experience into sustainable growth capabilities in the AI era.

Three speakers shared insights from the perspectives of taxation, R&D and digital management. The session went beyond explaining policy provisions or introducing technology tools, helping business owners further understand that policy opportunities can only be transformed into business outcomes when they are aligned with a company's own business structure, innovation projects and execution capabilities.

Key Highlights:

Topic 1: Assessing tax and asset structure changes in advance based on implementation timelines

Rex Li, Partner at DW Johns & Co, provided a systematic overview of proposed tax changes scheduled for phased implementation between 2026 and 2028. The discussion covered areas including business loss carry-back provisions, start-up company incentives, instant asset write-offs, PAYG instalment tax payments, R&D tax incentives and electric vehicle FBT arrangements. He highlighted that the proposed commencement dates for different measures vary, and businesses should align their planning with their operational strategies by preparing in advance for asset purchases, loss utilisation and cash flow management.

Rex noted that businesses should not focus solely on individual tax rates or incentive amounts, but should also assess the broader impacts of policy changes on loss utilisation, asset purchases, tax instalments, company vehicles and overall cash flow. In relation to investment properties and asset structures, he further discussed topics including negative gearing, capital gains tax, discretionary trust distributions and SMSF limited recourse borrowing arrangements. He emphasised that the timing of asset acquisition, transitional arrangements, ownership structures and future exit plans may all affect the final outcome. For assets already held or arrangements entered into before key dates, relevant transitional rules may determine whether existing tax treatment can continue. Therefore, transaction timing and document retention are also important considerations.

As some aspects remain proposed reforms outlined in the Budget, Rex reminded businesses to distinguish between policy announcements and formal legislation. Before undertaking significant asset transactions or structural changes, businesses should conduct independent assessments based on final legislation, official guidance and their own circumstances.

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Topic 2: The focus of R&DTI is shifting from "how much activity was undertaken" to "whether a demonstrable research process has been established"

Joy Fang, Director at Ignition Research, introduced the fundamental logic of Australia's R&D Tax Incentive (R&DTI) from the perspective of businesses' practical participation pathways. She emphasised that the programme is not a grant where businesses receive funding first and then undertake projects, but rather a support mechanism where businesses conduct genuine R&D activities first and then obtain relevant support through activity registration and tax offsets.

When assessing whether an activity may qualify as R&D, the key consideration is not whether a business has adopted AI, new software or new equipment, but whether the project involves a technical problem that cannot be determined in advance, and whether the business has established a systematic research process through hypotheses, experiments, observations, evaluations and conclusions. Regarding the proposed reforms that are intended to apply to income years commencing on or after 1 July 2028, Joy noted that future support may become more focused on demonstrable core experimental R&D activities. The boundaries for supporting activities may also become more stringent, while the minimum R&D expenditure threshold is proposed to increase from A$20,000 to A$50,000.

Using examples from the construction industry, including planning approval pre-assessment platforms, construction site dust and noise monitoring, drawing analysis and engineering estimation systems, Joy explained that recurring problems that cannot be directly resolved through existing experience may become starting points for R&D. However, businesses need to distinguish between core experiments, general development and commercial implementation from the beginning of a project, while maintaining contemporaneous records throughout the research process.

In the AI era, businesses need to enhance management capabilities

DDDI Group Marketing Manager Lin Yuan opened with an experience of using AI to search for a car windscreen wiper size, which ultimately led to a recommendation directing the customer to a local website to complete the purchase. This demonstrated how AI is changing the way customers access information and make purchasing decisions.

Under this shift, the role of branding is not only to help businesses become visible, but also to reduce customer comprehension and decision-making barriers. Businesses need to clearly communicate their target customers, the problems they solve, their differentiated advantages and supporting evidence, while maintaining consistency across websites, case studies, customer reviews and sales materials. This content is not only read by customers, but also recognised, interpreted and organised by AI systems.

In terms of internal management, Lin noted that inefficiencies in many businesses are not due to a lack of effort from teams, but because information remains fragmented across Excel files, chat records, PDF documents and individual employees' knowledge and experience. Using DDDI's internal expense system and ticketing workflow as examples, he demonstrated how AI can be used to identify invoices and business data, and transform information into structured data that can be approved, tracked, analysed and reused. This helps reduce repetitive data entry, repeated confirmations and manual follow-ups, while making systems better aligned with actual business processes.

The three presentations collectively highlighted a common theme: policy changes create external opportunities for businesses, R&D capabilities help businesses develop new products, technologies and approaches, while digital management determines whether these opportunities can be transformed into stable and repeatable operational capabilities.

For SMEs, the key is not simply waiting for policy benefits to arrive automatically, but proactively reviewing their own structures, identifying worthwhile research questions, and beginning to build long-term capabilities from specific, recurring business processes.

Published by： DDDI Group
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