

MINUTES OF THE 23rd ANNUAL GENERAL MEETING OF SUNLAND GROUP LIMITED

HELD AT SOFITEL BRISBANE CENTRAL, TURBOT STREET, BRISBANE
WEDNESDAY 22ND NOVEMBER 2017 AT 10.30AM

PRESENT: Mr Soheil Abedian (Chairman)
Mr Sahba Abedian (Executive Director)
Mr Ron Eames (Non-Executive Director)
Mr Chris Freeman (Non-Executive Director)
Mr Craig Carracher (Non-Executive Director)
Mr Grant Harrison (Company Secretary)

IN ATTENDANCE: As per attendance register

CHAIR: **Slide 1**
Mr Soheil Abedian assumed the chair

QUORUM: The Chairman declared a quorum present and the meeting open.

Mr Soheil Abedian then introduced fellow Directors:

- Mr Ron Eames
- Mr Chris Freeman
- Mr Sahba Abedian
- Mr Craig Carracher

And Company Secretary Mr Grant Harrison

The Chairman tabled the Chairman's Report and took it as being read.

COMMENTARY

Slide 3

The Chairman noted the FY17 Key Results and Highlights

- STATUTORY NET PROFIT AFTER TAX OF \$35.3 MILLION
- BASIC EARNINGS PER SHARE INCREASED BY 19% TO 22.4 CENTS
- TOTAL FULLY FRANKED DIVIDEND PAID FOR FY17 WAS 10 CENTS
- SPECIAL DIVIDEND REFLECTS THE CONTRIBUTION FROM THE COMPLETION OF ABIAN, BRISBANE
- THE GROUP ACHIEVED 524 SALES AND 597 SETTLEMENTS
- GROUP NET TANGIBLE ASSETS PER SHARE HAS INCREASED FROM \$2.22 AT 30 JUNE 2016 TO \$2.39 30 JUNE 2017
- PORTFOLIO REPLENISHED WITH \$65.5 MILLION IN NEW SITE ACQUISITIONS
- GEARING LEVELS - 34% DEBT TO ASSETS AND 60% DEBT TO EQUITY
- BALANCE SHEET CAPACITY WITH \$14.6 MILLION CASH AND \$109.8 MILLION IN UNDRAWN CREDIT FACILITIES.

Slides 4 to 5

The Chairman then noted the Group's FY17 capital management and market overview

- THE GROUP'S SHARE BUY BACK PROGRAMS COMMENCED IN 2009. COMBINED, THEY HAVE REDUCED SHARES ON ISSUE BY APPROXIMATELY 50% AT AN AVERAGE PRICE OF 93 CENTS PER SHARE.

- THESE PROGRAMS HAVE MORE THAN DOUBLED EARNINGS PER SHARE PROFILE AND HAVE GREATLY ENHANCED THE GROUP'S NET TANGIBLE ASSET PER SHARE.
- THE GROUP'S SHARES ON ISSUE HAVE BEEN TRADING AT A DISCOUNT TO NTA, WHICH PROVIDED A CONTINUED OPPORTUNITY FOR THE CURRENT BUY BACK PROGRAM.
- CAPITAL WAS DEPLOYED FOR NEW ACQUISITIONS DURING THE YEAR TOTALLING \$65.5 MILLION
- FULLY FRANKED DIVIDENDS FOR FY17 TOTAL 10 CENTS. THESE COMPRISE A PAYMENT OF 4 CENTS PER SHARE PAID MARCH 2017, FINAL DIVIDEND PAYMENT OF 4 CENTS PER SHARE AND A SPECIAL DIVIDEND OF 2 CENTS PER SHARE PAID SEPTEMBER 2017.
- PROJECT FINANCE FOR ABIAN OF \$132 MILLION HAS BEEN REPAID AND AN ADDITIONAL FIVE YEAR TERM FACILITY OF \$50 MILLION SUPPLIMENTS THE BOND ISSUE AND THE DEBT MATURITY PROFILE HAS BEEN EXTENDED TO 40.8 MONTHS.
- CONTINUED SETTLEMENTS HAVE REDUCED WORKING CAPITAL DEBT, AND THIS HAS IMPROVED CAPACITY WITH UNDRAWN LINES AT \$197 MILLION

- DEBT STRUCTURES SUPPORT WORKING CAPITAL REQUIREMENTS AND PROVIDE FUNDING FOR THE LONGER DATED DEVELOPMENT PROJECT PROFILES.
- SOUTH EAST QUEENSLAND CONTINUES TO EXPERIENCE GROWTH AND WE SEE GOOD OPPORTUNITIES IN NICHE SEGMENTS OF THESE RESIDENTIAL MARKETS, PARTICULARLY IN MEDIUM DENSITY HOUSING AND MASTER PLANNED COMMUNITIES.
- SECURING QUALITY DEVELOPMENT SITES IN THE KEY MARKETS OF SYDNEY AND SOUTH-EAST QUEENSLAND REMAINS EXTREMELY COMPETITIVE.
- MIGRATION AND EMPLOYMENT REMAIN THE KEY DRIVERS OF GROWTH IN CAPITAL CITY MARKETS, WITH SYDNEY AND MELBOURNE PERFORMING WELL. WHILE NICHE MARKETS ARE PERFORMING SOUNDLY, WE ARE OBSERVING A PERIOD OF CONSOLIDATION IN THE BROADER HOUSING MARKET.
- PROPERTY VALUES REMAIN INCONSISTENT FROM CITY TO CITY, PARTICULARLY BETWEEN SYDNEY, MELBOURNE AND SOUTH-EAST QUEENSLAND.
- FINANCIAL PRUDENTIAL CONTROLS ARE EXERTING THEIR INFLUENCE ACROSS THE MARKET. THESE CONSTRAINTS HAVE RESULTED IN A SHIFT FROM INVESTORS TO OWNER-OCCUPIERS AS THE DOMINANT MARKET.

**STATUTORY
REGISTERS:**

The Chairman tabled the Member's Minute Book and Register of Members and invited any person to inspect the registers.

PROXIES:

The Chairman provided a summary of proxies received. The Chairman confirmed his voting in favour of resolutions for open proxies.

	For	Against	Open	Abstain
Resolution 2	94,873,882	11,143,333	337,881	50,008
Resolution 3	42,083,759	3,905,612	338,546	695,009

**NOTICE OF
MEETING:**

The Chairman proposed that as the Notice of Meeting was sent to all Shareholders and has been available on the ASX website from 20th October 2017 that the notice of meeting be taken as read.

**MINUTES OF PREVIOUS
ANNUAL GENERAL MEETING:**

The Chairman proposed that as the minutes of the previous Annual General Meeting have been available at the registration desk to review prior to the meeting that the minutes of the previous Annual General Meeting be taken as read.

**FINANCIAL
STATEMENTS:**

The Chairman proposed that as this item does not require a resolution, the Financial Statements of the Company and the consolidated accounts of the Economic Entity for the year ended 30 June 2017 and the Reports by the Directors and Auditors have been tabled and taken as read.

**ELECTION OF
DIRECTOR:****Mr Craig Carracher offered himself for re-election**

Proposed by the Chairman that in accordance with Article 6.1 (e) of the Company's Article of Association, Mr Craig Carracher hereby be re-elected as a Director of the Company. The motion was carried.

**REMUNERATION
REPORT:**

To consider and if thought fit, to pass the following advisory resolution as an ordinary resolution:

“That the remuneration report, as contained on pages 18-22 of the Financial Statements (in the Directors Report) be adopted.”

The motion was carried.

OTHER BUSINESS: No further business was brought forward and the formal part of the AGM concluded.

GENERAL BUSINESS: The Chairman then handed over the balance of the presentation to Managing Director of the Group, Mr Sahba Abedian

Slide presentation as submitted to the ASX 22nd November 2017

**CLOSING
COMMENTS:**

There were no questions taken by Mr Sahba Abedian

CLOSURE:

The meeting was closed at 11.05am

SIGNED AS A TRUE AND CORRECT RECORD



CHAIRMAN