

Sunland Group

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1983

17 March 2020

The Manager
Company Announcements
Australian Securities Exchange

IMPACT OF CORONAVIRUS ON CAPITAL MANAGEMENT: WITHDRAWAL OF EGM FOR BUY-BACK

Sunland Group Limited (ASX: SDG) (“**Group**”) today provides an update on its capital management program having regard to the potential implications of COVID-19 for the Group.

On 27 February 2020, the Group announced its intention to undertake an off-market buy-back of up to 25% of the issued shares of Sunland, which represented a maximum amount of \$60 million worth of shares.

This proposed buy-back was subject to a number of factors, including:

- receiving appropriate regulatory approvals;
- publication by the Australian Taxation Office of an associated Class Ruling; and
- approval by shareholders at an extraordinary general meeting (“**EGM**”), due to be held in April 2020.

It was intended further details of such buy-back would be included in a notice of meeting to shareholders, to be sent in mid-March 2020.

As recently as the last few days, macroeconomic conditions have rapidly deteriorated and resultant extreme volatility and market uncertainty caused by COVID-19 has made it difficult to reliably predict future activity.

The Group is taking decisive action to proactively manage the business through this period and ensure it remains well positioned for when conditions stabilise.

The Group remains in a strong position, with a long debt maturity profile and sufficient working capital available in cash, undrawn facilities and anticipated cashflows from settlements of committed sales contracts. To help maintain this position in the face of current conditions and uncertainty, the Board has decided to cancel the off-market buyback announced in February 2020, which will preserve up to \$60 million in cash.

Directors believe it is in the best interests of the Company's shareholders, clients and business partners to take a more conservative approach to capital management in deciding to withdraw the intention for an EGM and not undertake the off-market buy-back at this time.

The Group remains vigilant on cost and is maintaining strict cost and cash-flow discipline throughout the business. Capital management will continue to be a focus of the Board and management.

This announcement has been authorised by the Company's Board of Directors.

Yours sincerely



Grant Harrison
Company Secretary