

# Sunland Group

ESTABLISHED

1983

6 July 2020

The Manager  
Company Announcements  
Australian Securities Exchange

## SALE OF MARINERS COVE MARINA, MAIN BEACH

Sunland Group Limited (**ASX:SDG**) (**Sunland**) is pleased to announce that it has entered into a contract for the sale of its property known as “Mariners Cove Marina”, the retail and marina precinct located at 60-70 Seaworld Drive, Main Beach, Queensland (**Property**).

Under that contract, the purchaser, Ridong (Australia) International Pty Ltd (ACN 095 793 810) (**Ridong**) has agreed to pay a purchase price of \$28 million to Sunland. The purchaser has now paid to Sunland a deposit of \$2.8 million which has been released to Sunland subject to the terms of the contract.

Because the Property is Crown leasehold, the sale is conditional upon the consent of the Queensland Minister for Natural Resources, Mines and Energy. Sunland will proceed to seek Minister’s Consent for the transfer of the Term Lease of the Property to complete the transaction.

Once the Minister’s Consent is obtained and provided the contract for sale proceeds in accordance with the terms and conditions of the contract, settlement is due 14 days after the consent is obtained but no earlier than 1 September 2020.

The \$28 million sale price for the Property under the contract for sale represents a profit of \$7 million which will be realised in FY21.

Commenting on the sale, Managing Director Mr. Sahba Abedian said the sale was consistent with Sunland’s strategy to crystallise the current market value of non-core assets and inventory which does not form part of the Group’s immediate, short term, portfolio requirements. This follows, and is consistent with, the recent strategic sale of other non-core assets undertaken by the Group, including as in its FY20 Half Year Results of 27 February 2020.

SUNLANDGROUP.COM.AU

SUNLAND GROUP LIMITED ABN 65 063 429 352

ROYAL PINES MARINA PRECINCT, ROSS STREET, BENOWA, QUEENSLAND 4217

# Sunland Group

ESTABLISHED

1983

In respect to the current environment and the implications of the COVID pandemic on the property market, the Board considers Sunland is unlikely to be immune from market volatility which may eventuate in the short to medium term. In the circumstances, Sunland is reviewing costs previously capitalised on various projects, to assess if such costs may be “scrapped” having regard to applicable accounting policies of the Group. This may apply, for example, where development plans no longer meet the everchanging market demand, and a new development plan that meets market demand is required to be completed and approved by the local authority. Furthermore, Sunland notes completed inventory may prove more challenging to sell in the short to medium term having regard to the current market conditions. Consequently, Sunland may review the carrying value of certain inventory with a view to making any adjustments to net realisation value in accordance with accounting standards and policies applicable to the Group.

Despite the risks inherent in, and associated with, the current market conditions and the implications of them for potential adjustments to balance sheet values, directors consider the Group has generated sufficient cash flow for its ongoing requirements and proceeds have directly resulted in a reduction of the Group’s working capital debt position during the corresponding period.

The Group maintains in a strong financial position to weather the current uncertain and volatile environment, and the directors may revisit and review the capital management options available to Sunland with a view to enhancing shareholder value.

The Group’s audited results for financial year 2020 are currently scheduled to be announced on or about 26 August 2020.

This announcement has been authorised by the Board of Directors.

Yours faithfully,



**Grant Harrison**  
**Company Secretary**