

2 August 2021

### Chairman's Letter

The Group has recorded an after tax result of \$6.455 million which is 44.18% greater than FY20.

The final declared fully franked dividend for FY21 is 13 cents. In line with its new dividend payment plan, the final dividend will be paid 6 September 2021.

#### Effects of Government Grant and Shortage of Building Supplies Caused by COVID-19

As anticipated in my Chairman's Letter from last year's Annual Report, there has been a substantial impact on the building industry, as a result of the introduction of the Government Grant into an already buoyant housing market. It is difficult to blame Government for this but the industry bodies that clamoured for the introduction of the grant must take the blame. Along with this the significant shortages of building materials and labour due to COVID-19 impact, and other global issues has negatively impacted us due to delays in construction particularly in the last quarter of the financial year. Extremely high volumes of applications for bank loans have caused significantly slow approvals. Although we have had a very good result, all of these issues along with an extremely wet final quarter has meant the result is not quite as good as it might have been.

#### Future Outlook

The business is well placed to reduce the negative impact of the construction delays over the next 12 months and anticipates a strong FY22 on the back of current sales in the system and current work in progress.

I would like to commend the management team for their foresight in forecasting the outcomes from what I have outlined above and putting measures in place to ensure that we have the ability to continue to deliver homes to our clients in an average 28 week time frame, as we are now ensuring future profitability of the company through margin control.

The Board cannot predict beyond the next 12 months with uncertain migration levels continual COVID-19 lockdowns inflationary pressure on household levels and possible interest rate rises. Notwithstanding all of the above, we remain in a very strong position with no debt and a very strong balance sheet.

We plan to expand into further regional markets focusing on Queensland and northern and regional N.S.W. if and when opportunities present themselves.



Mr Robert Lynch  
Non-Executive Chairman