

# ANNUAL GENERAL MEETING

OF SHAREHOLDERS 2022

Sunland Group

# FY22 KEY RESULTS

SETTLEMENTS OF COMPLETED PROJECTS COMBINED WITH THE SALE OF UNDEVELOPED PROJECTS CONTRIBUTED TO RESULTS

- Statutory Net Profit After Tax of \$92.6 million (FY21: \$24.9 million)
- Earnings per share of 70 cents (FY21: 19 cents) <sup>1</sup>
- Total value of fully franked dividends 37cps comprising:
  - > Special dividend 10cps paid 13 January 2022
  - > Interim dividend 12cps paid 17 March 2022
  - > Final dividend 15cps paid 15 September 2022
- Special fully franked dividend of 30cps paid 28 July 2022 is attributable to FY23
- 328 settlements for the value of \$554.2 million
- Group consolidated net tangible assets per share of \$2.60 (FY21: \$2.34)

*1. BASED ON CONSOLIDATED ISSUED SHARES AS AT BALANCE DATE.*

# ORDINARY BUSINESS

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FINANCIAL STATEMENTS

ELECTION OF DIRECTORS

REMUNERATION REPORT

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# SUNLAND GROUP STRATEGIC PLAN

## CURRENT STATUS

- Working to deliver and settle on the Group's active projects and realise its remaining undeveloped inventory and other assets.
- Group will continue with development operations and sale of assets through FY23, and on current timetables, expect that all projects would have been delivered and assets sold between April and June 2023.
- Intention is to maintain the company's listing on the ASX whilst directors continue to assess the most appropriate way to finalise the strategy in consultation with its advisors and regulators.
- The Group will continue returning net assets to shareholders in the most expeditious and appropriate manner subject to legal, financial and regulatory requirements and market conditions.

# FORECAST NET ASSET DISTRIBUTIONS

The stated objective of the Strategy contained in the ASX announcement 20 October 2020 was to return net assets which at the time was \$2.56 per share.

- Directors will manage capital requirements to satisfy remaining obligations such as operational overheads, employee entitlements, maintenance and defect rectification of completed projects, contingent liabilities and other strategy costs.
- These operation and strategy costs are difficult to forecast until Sunland has decided on how to implement the finalisation of the Strategy.
- Since the October 2020 announcement the Group has distributed \$1.17 in fully franked dividends. Directors estimate further dividend and capital distributions of \$2.21 per share through to completion of the Strategy (after allowing for operation and strategy costs) bringing expected total distributions of net assets to \$3.38 per share (excluding franking credits).
- Future distributions of \$2.21 per share are currently expected to comprise a series of:
  - Dividends totalling \$1.31 per share (fully franked where franking credits are available)
  - Capital distributions totalling \$0.90 per share
- Distributions will continue to be made quarterly where it is possible to do so.

# OUTLOOK

## SPECIAL DIVIDEND 60CPS

- Sunland, in consultation with its advisors, continues to consider the most appropriate and efficient mechanism to fully return net assets in line with the Strategy.
- Sunland will liaise with ASX about the Strategy when appropriate and when decisions are made concerning its implementation and progression to completion.
- Material changes to distribution guidance, dividend and capital distribution guidance or other matters will be announced to the market in accordance with the Company's continuous disclosure obligations
- All external debt of the Group is now repaid and accordingly directors have declared a fully franked special dividend of 60 cents per share payable 7 December 2022

# SHAREHOLDER QUESTIONS

The Group has received certain questions regarding the Strategy which have been reproduced and answered here for Shareholders' convenience.

QUESTION: When is it likely that all of the Group's assets have been delivered and sold.

ANSWER: The Group's remaining development projects are 272 Hedges Avenue, The Lanes Residences West Village (QLD) and Montaine Residences (NSW). It is expected these projects will be completed and fully settled by April 2023. All other non development assets are under contract to settle before the end of December 2022.

QUESTION: Have the directors decided on the final implementation and progression to complete the Strategy.

ANSWER: Sunland expects that after April 2023 the Group will have no further active projects or material business assets remaining. Sunland may take steps to cease operating at or around that time and in that case de-listing is a likely option, although no decision has been made. Sunland intends to maintain its listing on the ASX whilst the directors continue to assess the most appropriate way to finalise the Strategy through consultation with its advisors and the ASX.

# PORTFOLIO DETAILS



# ACTIVE PROJECTS TO BE DELIVERED

AS AT 31 OCTOBER 2022

ACTIVE PROJECTS	YIELD		SETTLED LOTS		UNSETTLED LOTS		CONTRACTED LOTS <sup>1</sup>		UNSOLD LOTS	
	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)
<b>MULTI-STOREY</b>										
THE LANES RESIDENCES – WEST VILLAGE, QLD	157	130	-	-	157	130	154	127	3	3
272 HEDGES AVENUE, QLD	98	259	97	253	1	6	1	6	-	-
SUB-TOTAL	255	389	97	253	158	136	155	133	3	3
<b>HOUSING</b>										
MONTAINE RESIDENCES, NSW	139	93	108	72	31	21	30	20	1	1
SUB-TOTAL	139	93	108	72	31	21	30	20	1	1
<b>TOTAL PROJECTS COMPLETED OR UNDER CONSTRUCTION</b>	<b>394</b>	<b>482</b>	<b>205</b>	<b>325</b>	<b>189</b>	<b>157</b>	<b>185</b>	<b>153</b>	<b>4</b>	<b>4</b>

1. CONTRACTED LOTS INCLUDES BOTH CONDITIONAL AND UNCONDITIONAL CONTRACTS

#### **Disclaimer - Future performance and forward looking statements.**

This announcement contains certain forward looking statements with respect to the financial condition, results of operations, projects and business of Sunland and certain plans and objectives of Sunland. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'will', 'predict', 'plan', 'believe', 'forecast', 'estimate', 'target', 'continue', 'objectives', 'outlook', 'guidance' and other similar expressions. The forward looking statements, opinions and estimates contained in this announcement are based on Sunland's intent, belief or current expectations, assumptions and contingencies which are subject to change without notice, as are any statements about market and industry trends, which are based on interpretations of current market conditions. They involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Sunland and its officers, employees, agents and associates, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Any forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Readers are cautioned not to place undue reliance on forward-looking statements. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this announcement in light of those disclosures. Neither Sunland, nor any other person, gives any representation, warranty, assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward looking statement will occur. To the maximum extent permitted by law, Sunland, other persons referred to in this announcement and each of their respective advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility and undertake no obligation for the accuracy or completeness of any forward looking statements whether as a result of new information, future events or results or otherwise. The Company disclaims any responsibility to update or revise any forward looking statements to reflect any change in Sunland's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based except as required by Australian law.

Sunland Group