

Sunland Group

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16 February 2023

The Manager
Company Announcements
Australian Securities Exchange

FY23 Half Year Results

Sunland Group Limited (ASX: SDG) (**Sunland**) today announced a net profit after tax of \$20.6 million (1H22: \$35.9 million). Operating and financial highlights for the period are detailed below:

- Net profit after tax of \$20.6 (1H22: \$35.9 million);
- Earnings per share 15 cents (1H22: 26 cents);
- Net tangible assets per share (based on consolidated issued shares) of \$1.69 (FY22: \$2.60)
- Sunland directors have declared fully franked dividends totalling 40 cents per share comprising an interim and special dividend of 20 cents each. The dividends will be payable on 16 March 2023;
- Sunland Group achieved a 32% development margin, exceeding the targeted 20% return on costs;
- The Group's external debt is fully repaid in accordance with the Sunland Group strategy¹ (**Strategy**)

The period sees the continued delivery of Sunland Group's Strategy. The half year result is primarily attributable to the performance of Sunland's multi-storey segment which contributed to the result through settlements at 272 Hedges Avenue on the Gold Coast, as well as settlements in the Group's medium density housing development, Montaine Residences in Sydney. Additionally, the settlement of inventory which is not under development in accordance with the Strategy also contributed to the half year result, which included the settlement of the Group's Marina Concourse commercial holding at the Gold Coast.

The cash generated by the Group has been utilised to satisfy the debt notes managed by FIIG Securities Limited by way of redemption. This occurred on the first option redemption date, being 31 October 2022. Sunland has also paid fully franked dividends attributable to this financial year totalling 105 cents per share comprising:

- 30 cents in July 2022
- 15 cents in September 2022; and
- 60 cents in December 2022.

Additionally, the Directors have now declared fully franked dividends totalling 40 cents, being an interim and special dividends of 20 cents each, payable on 16 March 2023.

Capital Management and Strategy Update

Sunland directors will manage capital requirements to satisfy remaining obligations of the Group, including the final delivery of the active projects, as well as operating obligations such as staff salaries, employee entitlements, necessary operating expenses, maintenance of completed projects, ongoing defect rectification as required and in accordance with legislation, contingent liabilities that may crystallise and costs that may be incurred in ultimately finalising the strategy (**Operating and Strategy Costs**).

¹ initially announced to the ASX on 20 October 2020 and updated on 30 September 2022

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Operating and Strategy Costs are difficult to forecast until Sunland has decided on how to implement the finalisation of the Strategy, and in due course, until all obligations are fulfilled, and the actual timing of those matters are known.

In accordance with the current project timetables, Sunland expects that after April 2023 and by 30 June 2023, Sunland will have no further or active projects or material business assets remaining. On or about that time, Sunland may take steps to cease operating and in that case de-listing is a likely option, subject to and in accordance with legal and financial advice, regulatory requirements and market conditions (however no decision has been made by Sunland at this time). Sunland intends to maintain its listing on the ASX whilst the directors continue to assess the most appropriate way to finalise the Strategy. At this stage Sunland has not made any decision about this and Sunland will consult with its advisors and ASX with respect to the most appropriate way to deliver the optimum outcome for its shareholders.

In the meantime, the Sunland directors will continue to consider, and where possible, make distributions quarterly, either by way of dividends (fully franked, partially franked or unfranked) or capital returns, as appropriate and depending on the source of funds and franking credits available in the circumstances. The frequency and value of dividends (or capital return) may vary from time to time as the amount that can be distributed will be subject to finalising the delivery of active projects, the orderly sale of projects and inventory, the Group fulfilling its obligations over the course of finalising the Strategy (which will continue past the 2023 financial year), the actual Operating and Strategy Costs, and complying with applicable laws (including ASX Listing Rules, Corporations Act and rules regarding dividends and capital returns).

This announcement has been authorised by the Board of Directors.

Yours faithfully,



Grant Harrison
Company Secretary

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.