

ANNUAL
GENERAL MEETING

OF SHAREHOLDERS 2021

Sunland Group

FY21 KEY RESULTS

COMPLETION OF VARIOUS PROJECTS GENERATED A HIGH LEVEL OF SETTLEMENTS

- Statutory Net Profit After Tax of \$24.9 million (2020: \$2.4 million).
- Earnings per share 19 cents¹ (2020: 2 cents).
- Total value of fully franked dividends 50cps (2020: 10 cents) comprising:
 - › Interim dividend 30cps paid 18 March 2021 (22cps special)
 - › Final dividend 20cps paid 30 September 2021 (16cps special)
- 596 sales and 458 settlements
(2020: 357 sales and 236 settlements)
- Group consolidated Net Tangible Assets per share of \$2.34 (2020: \$2.56)¹.

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

ORDINARY BUSINESS

MINUTES OF PREVIOUS ANNUAL GENERAL MEETING

FINANCIAL STATEMENTS

ELECTION OF DIRECTORS

REMUNERATION REPORT

OTHER BUSINESS

SUNLAND GROUP STRATEGIC PLAN

PROGRAM FOR REALISING NET ASSET VALUE

FINANCIAL PERIOD SEES THE CONTINUING IMPLEMENTATION OF THE STRATEGIC PLAN

The Strategy* implemented is to:

- Sell certain inventory not under development.
- Complete development of certain other projects.
- Convert assets to cash to repay all liabilities.
- Return net asset value to Shareholders by way of dividends and capital distributions.

SUBJECT TO MARKET CONDITIONS, SATISFACTION OF FINANCIERS, REGULATORY AND LEGISLATIVE REQUIREMENTS.
* GROUP STRATEGIC PLAN

DEVELOPMENT ACTIVITIES FOR YEAR ENDED FY21

- Current and new development activities represent 73% of the Group's inventory value.
- These projects include housing and medium-rise developments which typically target the owner-occupier market, with a particular focus on downsizers.
- Projects completed include The Heights, Arbour Residences, The Hills, Kirkdale Residences, Magnoli Apartments and Maraylya.
- Completed projects contributed a return on cost of 24% which is above the Group's 20% target.
- The Lanes - West Village has commenced construction with strong pre-sales.

GROUP ACTIVITIES FY 22

- The delivery of active projects will continue with
 - › 272 Hedges Ave (QLD) expected completion April 2022
 - › Mt Annan (NSW) having construction staged through to October 2022
 - › Lanes Residences – West Village (QLD) expected completion April 2023
- Unconditional Contracts for the sale of undeveloped land are awaiting settlement:

PROJECT	CONTRACT VALUE	ANTICIPATED SETTLEMENT	ASX ANNOUNCEMENT
CARRUM DOWNS	\$17.0M	DECEMBER 2021	18TH DECEMBER 2020
GREENMOUNT HOTEL	\$42.3M	APRIL 2022	28TH JANUARY 2021
INGLESIDE	\$35.3M	DECEMBER 2021	23RD JULY 2021
LANES LOT 917 ¹	\$16.0M	OCTOBER 2022	31ST AUGUST 2021
LANES RETAIL ¹	\$45.8M	JUNE 2022	28TH OCTOBER 2021

- Conditional contracts include Lanes Lot 909 and Lot 916 for \$32.75m announced 25th August 2021. Subject to EGM recently announced.

¹ CONTRACT IS CONDITIONAL UPON THE VENDOR SUBDIVIDING THE MASTER LOT.

OUTLOOK

- The property market continues to perform well and is supporting the Group Strategy.
- Capital will continue to be allocated to repayment of debt and delivery of active projects.
- The Board and Management are focused on the delivery of the portfolio and the settlement of key assets sold.

QUESTIONS AND ANSWERS

Sunland has received various questions regarding the timing of the strategy and the final process requirements to complete the strategy. Some specific questions include:

“Mr Chairman Could you please confirm the timetable the Sunland Board believes is feasible for realisation of group assets? Has this timetable changed over the course of FY 21, and do you envisage any impediments in the foreseeable future.”

“What is the expected timing for the payment of dividends foreshadowed in the strategy”

In answer to these questions the Chairman advises:

The Company originally estimated a period of three years to complete the strategy. Progress to date has been quicker than directors’ original expectations however the timetable to complete the strategy remains dependant on regulatory requirements, continued market conditions, delivery of certain projects and settlement of those assets that have been contracted for sale. Directors will continue to update progress as it evolves. Dividends will be declared in the ordinary course of operations at the half and full year results or otherwise at the discretion of directors in accordance with its legal and financial obligations.

ANNEXURES TO PRESENTATION

PORTFOLIO UNDER CONSTRUCTION

AS AT 31 OCTOBER 2021

	YIELD		SETTLED LOTS		UNSETTLED LOTS		CONTRACTED LOTS ¹		UNSOLD LOTS	
	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)
MULTI-STOREY										
THE LANES RESIDENCES EAST, QLD	150	125	150	125	-	-	-	-	-	-
THE LANES RESIDENCES WEST, QLD	157	130	-	-	157	130	128	105	29	25
272 HEDGES AVENUE, QLD	98	256	-	-	98	256	98	256	-	-
SUB-TOTAL	405	511	150	125	255	386	226	361	29	25
HOUSING										
MONTAINE RESIDENCES, NSW	139	93	35	23	104	70	103	69	1	1
SUB-TOTAL	139	93	35	23	104	70	103	69	1	1
TOTAL PROJECTS UNDER CONSTRUCTION	544	604	185	148	359	456	329	430	30	26

* CONTRACTED LOTS INCLUDES BOTH CONDITIONAL AND UNCONDITIONAL CONTRACTS

PROJECT SETTLEMENT TIMELINE

PORTFOLIO UNDER CONSTRUCTION

FY22

FY23

RESIDENTIAL APARTMENTS

272 HEDGES AVENUE, QLD

THE LANES RESIDENCES EAST, QLD

THE LANES RESIDENCES WEST, QLD

RESIDENTIAL HOUSING

MONTAINE RESIDENCES, NSW

NB: ANTICIPATED TIMING OF SETTLEMENTS SUBJECT TO DELIVERY PROGRAMS AND APPROPRIATE APPROVALS

Sunland Group