

Sunland Group

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4 October 2019

SUNLAND ANNOUNCES A\$50 MILLION, FIVE YEAR UNSECURED NOTE EXCHANGE OFFER

Sunland Group (ASX code: SDG) is pleased to announce it has today launched an invitation to eligible holders of its A\$50 million 7.55% Fixed Rate Notes due 25 November 2020 (the **Existing Notes**).

The Existing Notes will be subject to a note exchange offer under which the issuer, Sunland Capital Pty Limited (ACN 102 420 691) (the **Issuer**), proposes an early redemption of the Existing Notes at 101.5% of the outstanding balance of the Existing Notes plus accrued interest up to the date of redemption. Such redemption will be funded by the issue of New Notes (defined below). The Exchange Offer will be made on the terms set out in the exchange offer memorandum dated 3 October 2019 (the **Offer Memorandum**).

In accordance with the requirements of the *Corporations Act 2001* (Cth), the offering will only be open to eligible professional and sophisticated investors. No prospectus or other disclosure document in relation to the New Notes (defined below) will be lodged with the Australian Securities and Investment Commission or any other regulatory body. The lead arranger for the transaction is FIIG Securities Limited (ACN 085 661 632) (**Lead Arranger**).

Overview of the Exchange Offer

Full terms and conditions will be available in the Information Memorandum, which is available from the Lead Arranger upon request. The Information Memorandum will not be a prospectus or other disclosure document for the purposes of the *Corporations Act 2001* (Cth) and, as noted above, the offering will only be open to eligible professional and sophisticated investors.

A summary of the proposed key terms are set out below:

Issuer	Sunland Capital Pty Limited (ACN 102 420 691), a wholly owned subsidiary of Sunland Group Limited (Issuer)
Issue Size	\$50 million
Eligible Investors	The offering will only be available to holders of Existing Notes, who are investors and qualify as professional and sophisticated investors as prescribed in and in accordance with Part 6D.2 of the <i>Corporations Act 2001</i> (Cth). As detailed above, no prospectus or other disclosure document has been lodged with ASIC or any other regulatory body.
Type	Fixed Rate Medium Term Notes ("the New Notes ")
Status and Ranking	The New Notes will be direct, senior unsecured obligations of the Issuer, guaranteed by Sunland Group Limited (ACN 063 429 532) and certain of its wholly owned subsidiaries
Denominations	The New Notes will be issued with a denomination of A\$1,000 subject to a minimum initial subscription parcel of A\$50,000
Maturity	5 years from the date of issue
Interest Rate	6.20% pa
Unlisted	The New Notes will be unlisted securities
Rating	The New Notes will not be rated by any rating agency

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Negative pledge and financial undertakings	The terms of the New Notes also include a negative pledge and various other financial undertakings
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Sunland Group Managing Director, Sahba Abedian, said the note exchange represents a continuation of the strong and diverse capital management initiatives of Sunland, and provides the Group with continued access to debt capital markets.

“Sunland’s premium development portfolio is the culmination of years of strategic efforts and successful capital management initiatives,” Mr Abedian said.

“The new note issue, together with Sunland’s existing financing arrangements, will assist in providing funding for the Group’s projects and developments, and provide continued working capital for other opportunities Sunland may pursue in the future.”

Yours faithfully,



Grant Harrison
Company Secretary

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