

Sunland Group

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28th October 2021

The Manager
Company Announcements
Australian Securities Exchange

Sale of The Lanes Retail for \$45.8 million

Sunland Group Limited (ASX: SDG) (**Sunland Group**) is pleased to announce it has entered into a contract (by its subsidiary Sunland Developments No. 22 Pty Limited – **The Seller**) for the sale of its retail development precinct known as “The Lanes” located at Mermaid Waters for \$45.8 million. The land being purchased includes the central lake. The sale was negotiated off market following an introduction of the Buyer by Kollosche Commercial, Broadbeach.

The land is being purchased by the Panthera Group (**The Buyer**), an established future-focused retail investment, technology, development and management company based in New South Wales.

Panthera Group is strongly aligned and an ideal property partner to execute the vision of The Lanes Retail precinct with strong capabilities to create community enriched experiences. Panthera Group’s business focus is to create solid connections with stakeholders by enhancing the connectivity between retail and the local community by implementing a digital enabled lifestyle hub.

Terms of the Transaction

Under the terms of the contract the Buyer is required to develop the land in accordance with the approved development plans for the retail precinct known as The Lanes. The Seller has undertaken to deliver certain parameters associated with the development approval such as the area available to be leased, car parking and residential bedrooms available under the development approval. The Buyer will be assigned the benefit of any existing leasing arrangements completed to date by the Seller and any further leasing arrangements completed by the Seller and the Buyer up until settlement.

Sunland Group will continue with the Lanes Retail development in accordance with the development approvals through to settlement for the sale of the lot, including subdividing the overall area to create the lots being purchased which is a condition precedent to settlement. Settlement is to be 90 days after the later of the Seller providing title to the land and 20 March 2022, although the Buyer has the ability to bring forward settlement.

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Other key contract terms are:

Deposit: The Buyer will pay the Seller a deposit of \$4.58M (10% of the purchase price).

- **Continuing development:** The Buyer and the Seller will work together through to settlement to continue with the development in accordance with the approved development plans, project design, consultants, leasing of the retail premises and appointment of the builder for construction
- **Agreed budget:** The Buyer and the Seller have agreed a budget for the Seller to fund the development costs through to settlement. Development costs of the retail development funded by the Seller will be an adjustment to the contract price

Sunland's continuing strategy and use of funds

The Proposed Transaction is consistent with the continuing strategy of Sunland, which is continuing ahead of timing expectations and involves:

- sale of certain inventory which is not currently under development; and
- completion of development of certain other projects.

All of Sunland's undeveloped sites are now under contract, although some carry conditions such as development approval, titling requirements and access arrangements. Management continues to work with respective buyers to fulfil the respective contractual conditions.

Subject to settlement of the sale, Sunland Group will generate a profit of approximately \$26.3 million after tax.

Consistent with its current strategy, funds realised by Sunland Group pursuant to the sale may be used by Sunland Group for working capital, to repay liabilities, and returning net asset value to shareholders or a combination of these.

Any application of funds raised pursuant to the sale will be subject to Board approval, necessary approvals from financiers, and compliance with any regulatory and legislative requirements.

This announcement has been authorised by the Board.

Yours faithfully,



Grant Harrison
Company Secretary