

# Sunland Group

ESTABLISHED  
1983

24<sup>th</sup> August 2023

The Manager  
Company Announcements  
Australian Securities Exchange

## Voluntary Removal from Official List of ASX

Sunland Group Limited (ASX:SDG) (**Sunland** or **Company**) has submitted a formal application to the Australian Securities Exchange (**ASX**) requesting that Sunland be removed from the official list of the ASX (**Official List**), under ASX Listing Rule 17.11.

The Company has sought and received in-principle advice from ASX that it will agree to the request for removal upon the satisfaction of certain conditions. The Company intends to fully satisfy ASX's conditions.

Separately, but in connection with the proposed removal, Sunland intends to return capital to shareholders (approximately 90 cents per share), subject to shareholder approval in respect of the capital reduction in accordance with the *Corporations Act 2001* (Cth) (**Capital Reduction**). Further information about the Capital Reduction is set out in the Appendix 3A.4 (lodged with ASX today) and will be set out in the notice of meeting for the Company's annual general meeting (AGM) at which shareholder approval for the Capital Reduction and proposed removal from the Official List.

Sunland provides the following information about the proposed removal from the Official List (**De-Listing**), as required by ASX.

### 1. ASX in-principle advice – De-Listing conditions

As noted above, ASX has provided and the Company has received in-principle advice from ASX in relation to the removal of Sunland from the Official List (**ASX Decision**). ASX has confirmed that, based solely on the information provided, on receipt of an application for the removal of the Company from the Official List pursuant to ASX Listing Rule 17.11, ASX would be likely to remove the Company from the Official List, on a date to be determined by ASX in consultation with Sunland, subject to compliance with the following conditions:

- The request for removal of the Company from the Official List is approved by a special resolution of security holders of the Company.

# Sunland Group

ESTABLISHED  
1983

- The notice of meeting seeking security holder approval for the Company's removal from the Official List must include, in form and substance satisfactory to ASX:
  - a timetable of key dates, including the time and date at which the Company will be removed from the Official List if that approval is given;
  - details of the processes that will exist after the Company is removed from the Official List to allow holders to dispose of their holdings and how they can access those processes; and
  - to ASX's satisfaction, the information prescribed in section 2.11 of ASX Guidance Note 33.
- The removal from the Official List must not take place any earlier than one month after security holder approval has been obtained so that security holders have at least that period to sell their securities on ASX should they wish to do so.
- The Company must apply for its securities to be suspended from quotation at least two (2) business days before its proposed removal date.
- The Company releases the full terms of the ASX Decision to the market upon making a formal application to ASX to remove it from the Official List.

The ASX Decision only applies until 3 November 2023 and is subject to any amendments to the ASX Listing Rules or changes in the interpretation or administration of the and policies of ASX. ASX considered ASX Listing Rule 17.11 only and made no statement as to the Company's compliance with other ASX Listing Rules.

# Sunland Group

ESTABLISHED  
1983

An indicative timetable for the De-Listing and Capital Reduction is as follows:

Event	Timeframe
<b>Notice of meeting</b> to be issued to shareholders (which will include the information to shareholders required by ASX)	Wednesday, 30 August 2023
Shareholders Meeting (AGM) to approve Delisting and Capital Reduction	Friday, 29 September 2023
Capital Reduction – Effective Date	Friday 20 October 2023
Capital Reduction – last day for trading on “cum return of capital” basis	Monday 23 October 2023
Capital Reduction – Trading on ex return of capital basis commences	Tuesday 24 October 2023
Capital Reduction – Record Date	Wednesday 25 October 2023
Suspension from quotation	Thursday 26 October 2023
De-listing - Removal of Sunland from list	Monday 30 October 2023
Capital Reduction – Payment Date	Friday 1 November 2023

Any changes to this timetable will be notified by a market announcement to ASX.

## 2. Reasons for seeking removal

The Board considers that it is in the best interests of the Company and its Shareholders for the Company to be removed from the Official List of ASX for the reasons set out herein.

Sunland’s reasons for seeking removal from the Official List, are as follows:

- The directors of Sunland determined to adopt the Strategy<sup>1</sup> of returning net assets to shareholders given that, at the time the Strategy was adopted, the price of Sunland’s shares did not reflect the value of the underlying business.
- The Strategy is now nearing completion and is in its final phases with Sunland Group no longer having any active projects or developments or material business assets.
- Distributions have been made to shareholders in the form of fully franked dividends as **the Strategy has evolved** since its announcement.
- Sunland intends to seek shareholder approval to return capital to shareholders, whilst retaining sufficient funds to meet ongoing Operating and Strategy Costs<sup>2</sup>.

<sup>1</sup> As initially announced to the ASX on 20 October 2020 and further updated 31 September 2022 and 22 June 2023.

<sup>2</sup> Meaning Sunland’s ongoing obligations or remaining expenses or liabilities including staff salaries, employee entitlements, necessary operating expenses, maintenance of completed projects, defects rectification as required by law (including contingent liabilities for building defects, where defects liability periods on its developments have not yet expired) and other operational costs that may arise or crystallise as the Strategy is completed (**Operating and Strategy Costs**).

# Sunland Group

ESTABLISHED  
1983

- Once forecast net asset value has been returned to shareholders:
  - Sunland will cease to have a sufficient level of operations to warrant its continued listing;
  - Sunland is likely to cease to be compliant with ASX ongoing requirements in particular listing rules 12.1 (level of entity's operations) and 12.3 (proportion of assets in cash); and
  - the costs of ASX listing and compliance with ASX listing rules, are no longer justified or in the best interests of Sunland's shareholders.
- 

### 3. Consequences of removal for Sunland and its shareholders

The consequences for Sunland and its shareholders if it is removed from the Official List, include that:

- If Sunland is De-Listed, it will be an "*unlisted disclosing entity*" under section 111AL of the *Corporations Act 2001* (Cth) (**Corporations Act**). As such, following its removal from the Official List and for as long as it has at least 100 members, the company will be subject to the continuous disclosure obligations set out in section 675 of the *Corporations Act*.
- If Sunland is an unlisted disclosing entity, Sunland will still be required to give continuous disclosure of material matters in accordance with the *Corporations Act* by filing notices with ASIC (or displaying them on its website) under section 675 of the *Corporations Act* and Sunland will still be required to lodge annual audited and half-yearly financial statements in accordance with the requirements of the *Corporations Act*. This will mean Sunland will continue to have continuous disclosure obligations, similar to that of a listed entity.
- If Sunland is an unlisted disclosing entity, Sunland intends to comply with its continuous disclosure obligations by disclosing material information on its website in a timely fashion, in accordance with the good practice guidance in ASIC Regulatory Guide 198.
- However if Sunland ceases to be an unlisted disclosing entity, there will be no ongoing requirement for Sunland to give continuous disclosure of material matters under section 675 or lodge half-yearly financial statements reviewed by an auditor but as a public company it will continue to be required to lodge annual audited financial statements.
- As an unlisted company, Sunland will not have the ability to raise capital from the issue of securities by means of limited disclosure fundraising documents, therefore the main means for Sunland (as an unlisted company) to raise equity funds will be by way of an offer of securities pursuant to a full form prospectus or by way of placement to sophisticated, professional and other investors who do not require a prospectus.
- Sunland will no longer have to comply with the ASX Listing Rules nor adopt the *ASX Corporate Governance Principles and Recommendations*.
- Sunland's constitution will remain unchanged immediately following the De-Listing, such that its shareholders will continue to have the right to:
  - exercise their voting rights attached to shares;
  - receive notices of meetings and other notices issued by Sunland; and
  - receive dividends (if any) declared and payable by Sunland from time to time.
- If Sunland is De-Listed, Shareholders will no longer be able to trade their shares on the ASX.

# Sunland Group

ESTABLISHED  
1983

- Shareholders may only be able to trade their shares by off market, private transactions, which will require shareholders to identify and agree terms with potential purchasers of shares, in accordance with Sunland's constitution and the *Corporations Act*. However, Sunland Group will not be providing any platform for shareholders to buy and sell their shares. Consequently shareholders wishing to sell their shares may not be able to do so. Sunland can provide no assurances that a liquid market for Sunland's securities will exist.

#### **4. Arrangements to enable shareholders to sell their securities in the lead up to and after, its removal from the Official List and how these arrangements may be accessed**

Shareholders will be able to seek to sell their shares on the ASX prior to the removal of Sunland from the Official List. Based on the in-principle advice received from ASX, Sunland expects to be removed from the Official List no earlier than one month after shareholder approval to be delisted (and return capital to shareholders) has been obtained. However, in accordance with ASX's decision Sunland expects to be suspended from trading no later than 2 business days prior to the proposed De-Listing date.

If and when Sunland is De-Listed, shareholders may be able to trade shares off market, however Sunland will not be providing any platform or making any special arrangements for shareholders to buy and sell their shares.

#### **5. Explanation of remedies shareholders may pursue**

If any shareholder is aggrieved by the decision to remove Sunland from the Official List, that shareholder might wish to consider pursuing remedies under **Part 2F.1** of the *Corporations Act* (or any equivalent overseas legislation).

Section 232 of the *Corporations Act* provides that a Court may grant certain relief if the conduct of the company's affairs or any actual or proposed act or omission by or on behalf of a company or any resolution or proposed resolution of shareholders of the company is either:

- contrary to the interests of shareholders as a whole; or
- oppressive to, unfairly discriminatory against, any shareholders of the company.

The relief which may be granted by the Court if such conduct is established is set out in section 233 of the *Corporations Act*.

If a shareholder of Sunland considers that the De-Listing involves "unacceptable circumstances", it might wish to consider pursuing remedies under Part 6.10 Division 2 Subdivision B of the *Corporations Act* (or any equivalent overseas legislation).

Any shareholder who is aggrieved by the proposed removal of Sunland from the Official List and wishes to consider pursuing any such remedies that might be available should seek independent legal advice.

# Sunland Group

ESTABLISHED  
1983

## 6. Further Information

Further details about the proposed De-Listing and its consequences will be included in the notice of meeting to be sent to shareholders in order for shareholders to vote on the proposed De-Listing.

This announcement has been authorised by the Board of Directors.



**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.

SUNLANDGROUP.COM.AU

SUNLAND GROUP LIMITED ABN 65 063 429 532

ROYAL PINES MARINA PRECINCT, ROSS STREET, BENOWA, QUEENSLAND 4217