

**Sunland Group Limited**

**ACN 063 429 532**

**Notice of Annual General Meeting**

**to be held**

**Date: Friday 29 September 2023**

**Time: 10am (Brisbane time)**

**Place: Cypress Room, RACV Royal Pines Resort Hotel, Ross Street, Benowa, QLD 4217**

**Important:**

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Sunland Group Limited (the **Company** or **Sunland**) will be held at Cypress Room, RACV Royal Pines Resort Hotel, Ross Street, Benowa, QLD 4217 at 10am (**Brisbane time**) on **Friday 29 September 2023**.

Capitalised words in this Notice have the meaning given to them in the Glossary and Interpretation section 8 of the Explanatory Statement that accompanies and forms part of this Notice.

The Explanatory Statement describes in more detail the matters to be considered.

### 1. Items of Business

#### Item 1 Financial Statements and Reports

To receive and consider the Company's (including its controlled entities) Annual Report for the year ended 30 June 2023 comprising the Financial Reports, Directors' Report and the Auditor's Report.

#### Item 2 Resolution 1: Remuneration Report

To consider, and if thought fit, to pass the following advisory resolution:

*"That the Remuneration Report of the Company for the financial year ended 30 June 2023 (as set out in the Directors' Report) be adopted."*

Notes:

- (i) This resolution is advisory only and does not bind the Company or the Directors.
- (ii) If 25% or more of the votes cast are voted against the Remuneration Report at two consecutive AGM's, shareholders will be required to vote at the second of those AGM's on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.
- (iii) Voting exclusion: the Company will disregard any votes on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting Restrictions' section of the 'Information for shareholders' section of this Notice.

#### Item 3 Resolution 2: Re-election of Mr Soheil Abedian as a Director

To consider and, if thought fit, pass the following ordinary resolution:

*"That Mr Soheil Abedian, who retires as a Director of the Company at this Annual General Meeting in accordance with ASX Listing Rules 14.4 and 14.5 and article 6.1(e) of the Company's constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

#### Item 4 Resolution 3: Re-election of Mr Chris Freeman as a Director

To consider and, if thought fit, pass the following ordinary resolution:

*"That Mr Chris Freeman, who retires as a Director of the Company at this Annual General Meeting in accordance with ASX Listing Rules 14.4 and 14.5 and article 6.1(e) the Company's constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

#### Item 5 Resolution 4: Capital reduction

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That, for the purposes of section 256C (Part 2J.1) of the Corporations Act and for all other purposes, approval is given for the share capital of the Company to be reduced by approximately \$123.2 million, to be effected by the Company distributing to each Shareholder the amount of \$0.90 (90 cents) per Share held as at 7:00pm (AEST) on 25 October 2023 on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**Item 6      Resolution 5: Delisting**

To consider and, if in favour, to pass the following resolution as a special resolution:

*“That, for the purposes of ASX Listing Rule 17.11 and for all other purposes, approval is given for the Company to be removed from the Official List of ASX (**Delist**) on 30 October 2023 or such other date decided by the Company and the ASX, on the terms and conditions set out in the Explanatory Memorandum, and that the Directors of the Company be authorised to do all things reasonably required to give effect to the Delisting of the Company.”*

**Item 7      General Business**

To consider any other business which may be brought forward in accordance with the Constitution of the Company.

**2.      Voting Restrictions**

The Corporations Act and the ASX Listing Rules require that certain persons must not vote in particular ways, and the Company must disregard particular votes cast by or on behalf of certain persons, on certain resolutions to be considered at the AGM. These voting restrictions are described below.

**2.1      Resolution 1: Remuneration Report**

**(a)      ASX voting exclusion**

In accordance with the Corporations Act, the Company will disregard any votes cast on the Remuneration Report resolution by:

- (i)      or on behalf of any Key Management Personnel member whose remuneration details are included in the Remuneration Report, or any of their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- (ii)      any person who is a Key Management Personnel member as at the time the resolution is voted on at the AGM, or any of their Closely Related Parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on the resolution:

- (iii)      in accordance with a direction in the proxy appointment; or
- (iv)      by the Chair of the AGM in accordance with an express authorisation in the proxy appointment to cast the votes even if the resolution is connected directly or indirectly with the remuneration of a Key Management Personnel member.

The Company will also apply these voting exclusions to persons appointed as attorney by a shareholder to attend and vote at the meeting under a power of attorney, as if they were appointed as a proxy.

### **3. Chair of the meeting**

Soheil Abedian, or his appointee, will act as Chair of the meeting.

#### **4. Voting intentions of the Chairman**

The Chair intends to vote all Undirected Proxies in favour of each resolution.

**By order of the Board**

A handwritten signature in black ink, appearing to read 'Grant Harrison', followed by a period.

**Grant Harrison**

**Company Secretary**

**25 August 2023**

## Notes

1. A copy of the Company's Constitution is available for inspection at the registered office of the Company or on the Company's website at [www.sunlandgroup.com.au](http://www.sunlandgroup.com.au).
2. The Company's Annual Report 2023 is available for inspection at the registered office of the Company or on the Company's website [www.sunlandgroup.com.au](http://www.sunlandgroup.com.au).
3. Under regulation 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) and in accordance with rule 5.6.1 of the ASX Settlement Operating Rules, the Board have determined that the shareholding of each Shareholder for the purposes of ascertaining their Voting Power at the AGM will be as it appears in the Share register at 7.00pm (Sydney time) Wednesday 27 September 2023 (**Record Date**). Accordingly, and subject to any Voting Restriction, those persons are entitled to attend and vote at the meeting.
4. A Shareholder entitled to attend and vote at this AGM of the Company may appoint a proxy or attorney to vote on their behalf. A Shareholder who is a body corporate may appoint a representative to attend and vote on its behalf.
5. A Shareholder who is entitled to cast two or more votes at the AGM may appoint two proxies or attorneys and must specify the proportion each proxy or attorney is entitled to exercise. If two proxies or attorneys are appointed and the appointment does not specify the proportion or number of the Shareholder's votes, then the appointment is of no effect and neither of them may vote. A proxy or attorney need not be a Shareholder.
6. The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by a corporation must be executed in accordance with the *Corporations Act* and the constitution of that corporation.
7. To be effective, the instrument appointing a proxy (and the original power of attorney, if any, under which it is signed or a certified copy) must be received no later than 10.00am (Brisbane time) on Wednesday 27 September 2023 (48 hours before the time of the meeting). Documents may be lodged electronically, in person, by mail or by fax as follows:
  - (a) electronically: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link's website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, Shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).
  - (b) in person: Share Registry — Link Market Services Limited, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150 (during business hours Monday to Friday, 9:00am – 5:00pm).
  - (c) by mail: Share Registry — Sunland Group Limited C/- Link Market Services Limited, Locked Bag A 14, Sydney South NSW 1235, Australia.
  - (d) by fax: +61 2 9287 0309.
8. Any proxy form received after this deadline including at the meeting will be treated as invalid.
9. If you appoint a proxy, you may still attend at the meeting. However, your proxy's rights to speak and vote at the meeting are suspended while you are present and, therefore, you will be asked to revoke your proxy upon registering your presence at the meeting.

**Important information**

1. This Notice is dated 25 August 2023.
2. A copy of this Notice has been lodged with ASX in accordance with Listing Rule 15.1 and ASIC in accordance with section 218 of the Corporations Act. Neither ASX nor ASIC take any responsibility for the contents of this Notice.
3. This Notice does not take into account the individual investment objectives, financial situation or particular needs of any person. Shareholders should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether or not to approve the resolutions set out in this Notice.
4. This Notice is governed by the law in force in Queensland, Australia.

**Enquiries**

If you have any queries about the matters set out in this Notice or the Explanatory Statement, please contact Grant Harrison, Company Secretary, on +61 7 3456 5700 during business hours (Brisbane time) or by email [gharrison@sunlandgroup.com.au](mailto:gharrison@sunlandgroup.com.au).

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to assist the Company's Shareholders with their consideration of the resolutions to be put to the Annual General Meeting to be held on Friday 29 September 2023.

The purpose of this statement is to provide Shareholders with all information known to the Company that is material to a decision on how to vote on the resolution in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the notice of meeting, both of which should be read in its entirety.

Capitalised terms used in this Explanatory Statement, unless the context otherwise requires, have the meaning given to them in Part 11 of the Notice.

### 5. Financial Statements and Reports

The Company's financial report, Directors' report and auditor's report will be put before the meeting.

The Directors will take questions on the management of the Company and the Company's auditor will be available to take questions and receive comments on the content of the auditor's report and the conduct of the audit. The report can be viewed at [www.sunlandgroup.com.au](http://www.sunlandgroup.com.au).

### 6. Resolution 1: Remuneration Report

The Company's remuneration report for the financial year ended 30 June 2023 is set out on pages 9 through 13 of the financial statements for the Company (**Remuneration Report**). This Remuneration Report sets out the arrangements for the remuneration of the Company's Directors and Key Management Personnel.

The Corporations Act requires that the members be asked to vote on the Remuneration Report. This vote, however, is of an advisory nature only and does not bind the Company or its Directors. The report can be viewed via the annual report at [www.sunlandgroup.com.au](http://www.sunlandgroup.com.au).

Under the Corporations Act, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Sunland's shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

### 7. Resolution 2: Re-election of Mr Soheil Abedian as a Director

ASX Listing Rule 14.4 and article 6.1(e) of the Company's constitution sets out the requirements for the retiring of directors and a director's rights for re-election. In accordance with those rules, Mr Abedian retires at this AGM of the Company and, being eligible for re-election as a director of the Company, offers himself for re-election.

Following is a summary of the qualifications and experience of Mr Abedian:

- **Mr Soheil Abedian AM** Executive Director. Master's Degree in Architecture - University of Graz, Austria; Honorary Doctorate & Adjunct Professor Bond University, Queensland; Honorary Doctorate & Adjunct Professor Griffith University (Business School), Queensland

- Mr Soheil Abedian was educated in Graz, Austria and moved to Queensland's Gold Coast in 1983 where he co-founded Sunland Group to develop luxury housing projects. He has some 40 years' experience in architectural design, construction, and project management across a wide range of developments

The Board (other than Mr Abedian who is the subject of this resolution) recommend that Shareholders vote in favour of this resolution.

## 8. Resolution 3: Re-election of Mr Chris Freeman as a Director

ASX Listing Rule 14.4 and article 6.1(e) of the Company's constitution sets out the requirements for the retiring of directors and a director's rights for re-election. In accordance with those rules, Mr Freeman retires at this AGM of the Company and, being eligible for re-election as a director of the Company, offers himself for re-election.

Following is a summary of the qualifications and experience of Mr Freeman:

- **Mr Chris Freeman** AM Non-Executive Director. Bachelor of Commerce (University of Queensland)
- Mr Freeman has significant company directorship experience in Australia and abroad in the property and finance sectors. His former Board roles include Director and Chair of Watpac Limited, Director of Translink Ltd, Chair of Tennis Australia Ltd and Chair of QPAT.
- Mr Freeman previously held the positions of Executive Chair United Arab Emirates and United Kingdom and Chief Executive Queensland for the Mirvac Group Limited. He has held executive roles in the finance sector, particularly in the property, corporate and agribusiness markets. He is a Director of Brisbane Airport Corporation Limited. Mr Freeman is a member of Sunland's Audit and Risk Committee.

The Board (other than Mr Freeman who is the subject of this resolution) recommend that Shareholders vote in favour of this resolution.

## 9. Resolution 4: Capital Reduction

### 9.1 Background

- (a) Resolution 4 seeks, for the purposes of section 256C of the Corporations Act and for all other purposes, the approval of Shareholders for the Company to conduct a capital return by way of an equal reduction in the share capital of the Company (**Capital Reduction**).
- (b) The object of the Capital Reduction will be to return net assets to Shareholders in accordance with the Strategy whilst at the same time Sunland will retain sufficient funds to meet its ongoing Operating and Strategy Costs.

### 9.2 Corporations Act

- (a) In accordance with sections 256B of the Corporations Act, a company may make a reduction of capital if (among other things) it is approved by an ordinary resolution of shareholders passed at a general meeting of the company in accordance with section 256C(1).
- (b) The Corporations Act provides that the rules relating to a reduction of share capital are designed to protect the interests of shareholders and creditors by:
  - (i) addressing the risk of the transaction leading to the company's solvency;
  - (ii) seeking to ensure fairness between the shareholders of the company; and

- (iii) requiring the company to disclose all material information.
- (c) In particular, section 256B of the Corporations Act requires that a company may only reduce its capital if:
  - (i) it is fair and reasonable to the shareholders as a whole;
  - (ii) it does not materially prejudice the company's ability to pay its creditors; and
  - (iii) it is approved by shareholders in accordance with section 256C of the Corporations Act.
- (d) Section 256C(4) of the Corporations Act requires that the Company must include with the Notice a statement setting out all information known to the Company that is material to the decision on how to vote on the resolution. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to shareholders.

### 9.3 Terms of the Capital Reduction

- (a) The Capital Reduction will be carried out by way of an equal reduction in the share capital of the Company by an amount of \$0.90 per Share. The aggregate amount of the Capital Reduction will be \$123.2 million.
- (b) The amount of the capital return per Share has been calculated on the basis of the total Shares on issue as at the date of this Notice.
- (c) The aggregate amount to be paid to Shareholders under the Capital Reduction has been determined by reference to the net assets of the Company as disclosed in Sunland Group's audited financials as at 30 June 2023, less an adjustment for anticipated costs of the Capital Reduction, Delisting, and Operating and Strategy Costs.
- (d) The Capital Reduction constitutes an **equal reduction** of the Company's share capital for the purposes of the Corporations Act. This is because the Capital Reduction relates only to the Company's ordinary shares, applies to each Shareholder in proportion to the number of Shares they hold and the terms of the Capital Reduction are the same for each Shareholder.
- (e) The Record Date for Capital Reduction, for the determination of the entitlements of Shareholders to receive the return of capital is 7:00 pm (AEST) on **Wednesday 25 October 2023**.
- (f) If approved, payment to Shareholders under the Capital Reduction will occur on or about **1 November 2023 (Payment Date)**.

### 9.4 Requirements for the Capital Reduction

Section 256B of the Corporations Act provides that the Company may only reduce its capital if the following requirements are satisfied:

(a) **Fair and reasonable**

Section 256B(1)(a) of the Corporations Act requires that a reduction in share capital must be fair and reasonable to a company's shareholders as a whole.

The Directors are of the opinion that the Capital Reduction is fair and reasonable to all Shareholders, as it will apply to all Shareholders on the Record Date for Capital Reduction equally, in proportion to the number of Shares they hold as at that same date.

(b) **No material prejudice to the Company's ability to pay creditors**

Section 256B(1)(b) of the Corporations Act provides that a reduction in share capital must not materially prejudice a company's ability to pay its creditors.

The amount of capital proposed to be returned to Shareholders has been calculated by reference to the Company's audited accounts for the financial year ended 30 June 2023. The Directors are of the opinion that the Capital Reduction will not materially prejudice the Company's ability to pay its creditors, after having reviewed and considered the financial position of the Company, including the Company's assets, liabilities, cash flow and ongoing capital requirements. The Directors have also satisfied themselves as to the solvency of the Company following the Capital Reduction.

**9.5 Shareholder approval**

- (a) Sections 256B(1)(c) and 256C(1) of the Corporations Act require that a reduction in share capital which constitutes an equal reduction must be approved by a company's shareholders by an ordinary resolution.
- (b) Resolution 4 will be passed as an ordinary resolution for the purposes of section 256C(1) of the Corporations Act if greater than 50% of the votes cast by Shareholders present and eligible to vote at the AGM (whether in person, by proxy, attorney or, in the case of a corporate Shareholder, by a corporate representative) are in favour of it.

**9.6 Reasons for the Capital Reduction**

The Board has been focused on delivering stable, consistent performance during periods of continued adjustment and consolidation in market cycles. Over these past periods, in order to achieve this focus, Sunland implemented various initiatives such as (without limitation):

- (a) share buy-back programs;
- (b) dividend programs to deliver consistent fully franked ordinary dividends and where appropriate, special dividends;
- (c) counter-cyclical acquisition and sale of inventory;
- (d) outsourcing of multi-storey construction to third party builders to reduce delivery and funding risks;
- (e) reduction of funding and capital requirements by developing smaller mid-rise projects and the general delivery of the Sunland Group's development portfolio.

The consolidated net asset value of the Sunland Group over approximately a 10 year period leading up to the initial announcement of the Strategy increased from \$1.20 to \$2.56. Despite these initiatives, the Board considered the inherent value of the business had not been recognised by the market in the underlying share price, which consistently traded at a significant discount to the net asset value of the Shares.

Directors therefore sought external advice on alternatives to return fair value to Shareholders and the implementation of the Strategy was considered an appropriate method of returning value not being recognised by the market.

When the Strategy was first announced, the Company's share price was trading around \$1.33 per share with a net asset value of approximately \$2.56 per share.

The Capital Reduction of \$0.90 per Share is the final step to return the net assets of the Company, in accordance with the objectives of the Strategy. The Capital Reduction will complement the fully franked dividends totalling \$2.48 paid as part of the Strategy. Approval of the Capital Reduction will see net assets of \$3.38 per Share be distributed to Shareholders

representing a significant premium to the Company's Share price and net asset value when the Strategy was first announced.

The Company intends to implement the Capital Reduction to enable Shareholders to realise substantially all of their economic interest in the Company prior to the Delisting of the Company.

Capital has been retained by the Company to meet its obligations in relation to future Operating and Strategy Costs. This retained capital will be utilised as required until the unexpired defect liability periods lapse, which is not expected to occur until December 2029. The actual Operating and Strategy Costs that will be incurred are difficult to forecast and will not be known until Sunland has decided on how to implement the finalisation of the Strategy and once all obligations are fulfilled.

At this stage, the Directors expect the Strategy will continue to run its course and be finalised around December 2029. However, Directors will consider any alternative arrangements or proposals which may present and are in the best interests of the Company.

In the absence of alternative arrangements that will continue to be considered by Directors, the Strategy will continue to run its natural course until approximately December 2029 as mentioned above.

If an alternative arrangement or proposal that reduces the time frame to finalisation of the Strategy is pursued; or if there is surplus capital from the funds set aside to meet Operating and Strategy Costs during the period to completion of the Strategy, it is possible the funds set aside to meet these obligations are not fully utilised. This might result in an additional dividend or capital return or both to Shareholders. However Shareholders should be aware that, based on the information available to the Directors at this time, this is a possibility only, and should be aware that they might receive no further dividend or capital return. Sunland Group will continue to keep Shareholders informed in accordance with its continuous disclosure obligations – refer to section 10.6(b).

## 9.7 Interests of directors

No Director will receive a payment or benefit of any kind as a result of the Capital Reduction, other than in their capacity as a Shareholder of the Company.

The number of Shares in which each Director (and their associates) have an interest as at the date of this Notice, and the approximate amount that they are likely to receive if resolution 4 is passed and the Capital Reduction is implemented, is set out in the table below:

Director	Number of Shares	Percentage of total issued capital	Approximate amount received if Capital Return is implemented
Soheil Abedian	51,103,000	37.33%	\$45,992,700
Sahba Abedian	9,415,000	6.88%	\$8,473,500
Ron Eames	30,000	0.02%	\$27,000
Chris Freeman	50,000	0.04%	\$45,000

## 9.8 Financial effect of the Capital Reduction on the Company

### *Effect on financial position*

- (a) The cash reserves of the Company are sufficient to fully fund the Capital Reduction.
- (b) The potential financial impact of the Capital Reduction on the Company's balance sheet is shown in the two tables set out below.
- (c) Table 1 below is based on the audited financial position of the Company as at 30 June 2023 (**Audit Date**), and shows the impact of the Capital Reduction as if it occurred on the Audit Date.

**Table 1 – Financial impact of the Capital Reduction as at the Audit Date**

(\$ millions)	30 June 2023 (audited financials)	Adjustment for impact of the Capital Reduction	Pro forma post- Capital Reduction
<b>ASSETS</b>			
Cash & cash equivalents	\$196.9	(\$123.2)	\$73.7
Inventories	\$3.7	Nil.	3.7
Receivables, Deferred Tax and Other Assets	\$4.4	Nil.	\$4.4
<b>TOTAL ASSETS</b>	\$205.0	(\$123.2)	\$81.8
<b>LIABILITIES</b>			
Trade, tax and Other Payables	\$42.0	Nil.	\$42
<b>TOTAL LIABILITIES</b>	\$42.0	Nil.	\$42
<b>NET ASSETS</b>	\$163.0	(\$123.2)	39.8
<b>TOTAL EQUITY</b>	\$163.0	(\$123.2)	\$39.8

- (d) Table 2 below shows the Company's estimate of the impact of the Capital Reduction on the Company based on the audited financial position of the Company as at the Audit Date, but also taking into account the Company's estimate of material adjustments that have or may occur after the Audit Date and before the proposed Capital Reduction Effective Date. Details of the relevant assumptions are set out in paragraph 9.8(e) below.

**Table 2 - Financial impact of the Capital Reduction - adjusted based on certain assumptions**

(\$ millions)	30 June 2023 (audited financials)	Adjustments for assumptions detailed at 4.7(b)	Adjustment for impact of Capital Reduction	Pro forma post- Capital Reduction
<b>ASSETS</b>				
Cash & cash equivalents	\$196.9	(\$38.9)	(\$123.2)	\$34.8
Inventories	\$3.7	(\$3.1)		\$0.6
Receivables, Deferred Tax and Other Assets	\$4.4	(\$2.6)		\$1.8
<b>TOTAL ASSETS</b>	\$205.0	(\$44.6)	(\$123.2)	\$37.2

<b>LIABILITIES</b>				
Trade, tax and Other Payables	\$42.0	\$29.7)		\$12.3
<b>TOTAL LIABILITIES</b>	\$42.0	(\$29.7)		\$12.3
<b>NET ASSETS</b>	\$163.0	(\$14.9)	(\$123.2)	24.9
<b>TOTAL EQUITY</b>	\$163.0	(\$14.9)	(\$123.2)	\$24.9

- (e) The pro forma balance sheet set out in Table 2 has been prepared on the following basis:
- (i) any material transactions which have occurred between the Audit Date and the date of this Notice are included in column 3, such as revenue received from settlements and other income, Operating and Strategy Costs;
  - (ii) any material transactions forecast to occur between the Audit Date and the Capital Reduction Effective Date associated with Operating and Strategy Costs, and the payment of the FY23 final dividend is also included in column 3; and
  - (iii) the impact of the Capital Reduction, as described in paragraph 9.8(d) above, is set out in column 4.

***Effect on capital structure***

- (f) For the purposes of Listing Rule 7.20, the Company provides the following information to Shareholders regarding the effect of the Capital Reduction on its capital structure:
- (i) the Company has 136,909,515 Shares on issue as at the date of this Notice of Meeting, which will remain unchanged following completion of the Capital Return;
  - (ii) no Shares will be cancelled in connection with the Capital Reduction and no fractional entitlements will arise. Therefore, the Capital Reduction will not impact the number of Shares held by each Shareholder, nor will it affect the control of the Company;

***Effect on Share price***

- (g) Following completion of the Capital Reduction, the Company's share capital will be reduced by \$0.90 per Share, resulting in the Company's share capital decreasing by a total of \$123.2 million.
- (h) It is expected that the trading price of the Company's Shares on the ASX will be lower than the trading price immediately prior to the Ex-Entitlement Date for the Capital Reduction by the amount of the Capital Reduction per Share.
- (i) As the trading price of the Company's Shares on the ASX is expected to decrease to below 20 cents following the implementation of the Capital Reduction, the Company has applied to ASX for a standard waiver from ASX in respect to Listing Rule 7.25 to the extent necessary to permit the Company to undertake the Capital Reduction, and has no reason to believe such waiver will not be granted by ASX.

***Tax implications for the Company***

No adverse tax consequences are expected to arise for the Company from implementing the Capital Reduction.

## **9.9 Advantages of the Capital Reduction**

- (a) The proportionate ownership of the Shareholders will remain the same both before and after the Capital Reduction (although this may change in due course), and the Capital Reduction is considered by the directors to be fair and reasonable to Shareholders as a whole.
- (b) The Capital Reduction will not materially diminish the Company's capacity to pay its ongoing Operating and Strategy Costs as funds estimated to be required have been allocated and retained, and will not prejudice the ability of the Company to pay its creditors.
- (c) Shareholders will benefit in the short term from realising substantially all of the value of their Shareholding in the Company as a result of the payment to them via the Capital Reduction.
- (d) The Capital Reduction is necessary to, and will facilitate Sunland delivering the return of net assets in accordance with the objectives of the Strategy.
- (e) Together with the dividends of \$2.48 which have been paid since the Strategy was first implemented, payment of the Capital Reduction will amount to a total distribution of \$3.38 being paid under the Strategy, excluding the value of franking credits.

## **9.10 Disadvantages of the Capital Reduction**

- (a) The payment of the Capital Reduction will reduce the Company's cash balance.
- (b) Participation in the Capital Reduction may have an adverse tax implications for some shareholders. These are further described at paragraph 9.12 below.

## **9.11 What if the Capital Reduction does not proceed?**

- (a) If the Capital Reduction does not proceed, the issued capital of the Company will not change. If the Delisting is approved and proceeds, there may not be a liquid market for the sale of Sunland Shares, and Shareholders may not be able to realise the value of their Shares.
- (b) Shareholders will otherwise be able to seek to sell their shares on the ASX prior to the suspension and removal of Sunland from the Official List. In accordance with the conditions to de-listing detailed in the ASX Decision, Sunland will not be removed from the Official List until one month after shareholder approval to be delisted has been obtained. However Sunland will be suspended from trading for at least 2 business days prior to Delisting. On that basis, Shareholders will be able to sell their shares on the ASX until Sunland is suspended from trading prior to the Delisting.
- (c) If and when Sunland is Delisted, the 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.

## **9.12 What are the tax implications for Shareholders?**

- (a) The following is a summary of the key Australian income tax consequences of the Capital Reduction for shareholders who:
  - (i) are residents of Australia for income tax purposes;
  - (ii) hold their shares on capital account; and
  - (iii) are not subject to the taxation of financial arrangements rules as contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) in respect of their shares.

- (b) The summary is based upon the law in effect at the date of this Explanatory Statement.
- (c) This summary does not purport to be a complete analysis of Australian taxation laws which may apply in relation to the Capital Reduction, nor to identify all potential tax consequences nor is it intended to replace the need for specialist tax advice. In particular, special tax rules may apply to certain shareholders such as persons not resident of Australia for income tax purposes, tax exempt organisations, listed investment companies or shareholders who hold their shares on revenue account.
- (d) Shareholders should seek their own professional advice in relation to their tax position.
- (e) The Company has applied to the Australian Taxation Office (**ATO**) for a class ruling for Australian resident Shareholders who hold their Shares on capital account seeking to confirm that no part of the proposed Capital Reduction will be treated as an unfranked dividend for tax purposes (**Class Ruling**). If the Capital Reduction is approved by Shareholders, the Class Ruling will be issued following payment.
- (f) The Company will display the final version of the Class Ruling on its website as soon as it becomes available.
- (g) Where the ATO determines that no part of the proposed Capital Reduction will be treated as an unfranked dividend, then the implications for Australian resident shareholders holding shares on capital account are as follows:

*(i) Shares held at both the Record Date for Capital Reduction and the payment date*

If the Capital Reduction is equal to or less than the cost base of the Shareholder's shares in the Company at the time of payment, then the cost base of each Share will be reduced by \$0.90.

If a Shareholder's cost base of their Shares is less than \$0.90, the difference between the Capital Reduction and the cost base will result in a capital gain in accordance with the Capital Gains Tax (**CGT**) rules contained in the ITAA 1997.

The CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation fund or trustee, the Shares have been held for at least 12 months and certain requirements have been met. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by 50% after offsetting current year or prior year capital losses. Where the Shareholder is a complying superannuation fund, any capital gain arising may be reduced by 33 ⅓% after offsetting current year or prior year capital losses.

*(ii) Shares held at the Record Date for Capital Reduction but not at the corresponding payment date*

If a Shareholder ceases to own shares in the Company after the Record Date for Capital Reduction but before the payment date, the right to receive the proposed Capital Reduction in respect of those shares (**Distribution Right**) will be considered a separate CGT asset.

A shareholder will make a capital gain if the capital proceeds (i.e. the amount of the Capital Reduction) from the end of the Distribution Right are more than the cost base of the Distribution Right. The Distribution Right ends when the Capital Reduction is paid.

The cost base of the Distribution Right does not include the cost base or reduced cost base of the share previously owned by the shareholder, so in most cases is likely to be \$nil.

If the Capital Reduction is greater than the cost base of the Distribution Right, a capital gain will arise.

As outlined above, the CGT discount may apply where the underlying share was acquired at least 12 months before the Capital Reduction and the other relevant conditions are met.

(h) Where the ATO determines that all or part of the proposed Capital Reduction will be treated as an unfranked dividend, then the implications for Australian resident shareholders holding shares on capital account are as follows:

(i) *Any part determined to be an unfranked dividend*

The deemed unfranked dividend should be included in the assessable income of Shareholders.

(ii) *Any part which is determined to retain its character as a Capital Reduction*

The implications are as set out above under part (g) to the extent of the any part which is determined to retain its character as a Capital Reduction.

### **9.13 Prior notice to ASIC**

As required by section 256C(5) of the Corporations Act, a copy of this Notice (including the Explanatory Statement), as sent to Shareholders, were lodged with ASIC before being sent to Shareholders.

### **9.14 Other material information**

The Company is not aware of any other information that is material to the making of a decision by a Shareholder whether or not to approve the resolution, being information that is known to any of the directors and that has not been previously disclosed to Shareholders, other than as disclosed in this Explanatory Statement.

### **9.15 Timetable for the Capital Reduction**

An indicative timetable for the Capital Reduction is provided at paragraph 10.8 of this Explanatory Memorandum (assuming shareholder approval is obtained). These indicative dates are subject to change at the Board's discretion (subject to the applicable law).

### **9.16 Directors' recommendation**

- (a) Each of the Directors intends to vote all of their Shares in favour of resolution 4.
- (b) The Directors unanimously recommend that Shareholders vote in favour of resolution 4 for the reasons set out in this Explanatory Memorandum.

## **10. Resolution 5: Delisting**

### **10.1 Overview**

The Company seeks approval from Shareholders to remove the Company from the official list of the ASX (**Official List**) (the **Delisting**).

On 22 August 2023, the Company formally applied to ASX requesting that ASX remove Sunland from the Official List pursuant to Listing Rule 17.11.

As is its usual practice, ASX has imposed a requirement under Listing Rule 17.11 and Guidance Note 33 *Removal of Entities from the ASX Official List*, that the Company's removal from the Official List of ASX be approved by special resolution of Shareholders.

Resolution 5 seeks the required Shareholder approval of the Delisting under and for the purposes of the Listing Rules and for all other purposes.

As resolution 5 is a special resolution, it will only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on resolution 5 are voted in favour of the resolution at the AGM.

If resolution 5 are passed, the Company will be able to proceed with the Delisting, in which case it is expected that the Company will be removed from the Official List (Delisted) on or about Monday 30 October 2023.

If Resolution 5 is not passed, the Company will not be able to proceed with the Delisting and will remain listed on the Official List for the time being. In such circumstances, the Board will proceed with the Strategy and this may result in ASX unilaterally deciding to de-list the Company if the Company no longer has a structure or operations that are appropriate for a listed entity.

## 10.2 Conditional approval from ASX for the Delisting

The Company 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:

- (a) The request for removal of the Company from the Official List is approved by a special resolution of security holders of the Company.
- (b) 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:
  - (i) 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;
  - (ii) 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
  - (iii) to ASX's satisfaction, the information prescribed in section 2.11 of ASX Guidance Note 33.
- (c) 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.
- (d) The Company must apply for its securities to be suspended from quotation at least two (2) business days before its proposed removal date.
- (e) 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,

(together the **Delisting Conditions**).

In accordance with the Delisting Conditions:

- (a) resolution 5 seeks Shareholder approval via a special resolution for the Delisting;

- (b) this Explanatory Memorandum includes all the information required by the conditions; and
- (c) the Company released the full terms of ASX's Decision to the market following the Company's formal application to ASX to remove the Company from the Official List, in the Company's announcement dated 24 August 2023.

The proposed Delisting is considered by the Directors to be in the best interests of the Company for the reasons set out in section 10.3 below.

The Delisting may be perceived to have some disadvantages for Shareholders. These possible disadvantages are set out in section 10.4 below.

The Board recommends that Shareholders seek legal, financial and tax advice about the potential impact of resolution 5, including the potential advantages and disadvantages of holding shares in a company that is not listed on ASX.

### **10.3 Key reasons for Delisting**

The Board's reasons for seeking to be Delisted, are as follows:

- (a) 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.
- (b) The Strategy is now nearing completion and is in its final phases with the Sunland Group no longer having any active projects or developments or material business assets;
- (c) Distributions have been made to shareholders in the form of fully franked dividends as the Strategy has evolved since its announcement.
- (d) Sunland is also seeking Shareholder approval to return capital to shareholders, whilst retaining sufficient funds to meet ongoing Operating and Strategy Costs (including contingent liabilities). Refer to resolution 4.
- (e) Once forecast net asset value has been returned to shareholders:
  - (i) Sunland will cease to have a sufficient level of operations to warrant its continued listing;
  - (ii) 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
  - (iii) the costs of ASX listing and compliance with ASX listing rules, are no longer justified or in the best interests of Sunland's shareholders.
- (f) If the Company is removed from the Official List, the Board expects that the Company will save at least approximately \$150,000 per annum as a result of no longer paying, or a reduction in, ASX listing fees, other ASX compliance and registry costs and audit and insurance costs. The above costs do not include any allocation of the cost of management's time taken up by matters associated with being listed on ASX.
- (g) The Board considers that the Delisting will maximise the return to Shareholders received as a result of the Strategy and minimise the ongoing operating costs of the Company prior to the Strategy being fully completed and finalised.

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

#### 10.4 Key disadvantages of Delisting

The Board acknowledges that the Delisting may present the following key disadvantages to the Shareholders:

- (a) ***Shareholders' ability to sell Shares may be diminished***
  - (i) Following the Delisting, Shares will no longer be traded on ASX and will instead only be capable of sale by way of private transaction, meaning Shareholders will be responsible for sourcing potential purchasers of their Shares. Consequently, the liquidity of Shares will be directly affected, and is likely to be diminished.
  - (ii) However, Sunland will not be Delisted until at least one month following Shareholder approval. Further, in order to enable Shareholders to realise substantially all of their economic interest in the Company prior to the Delisting, the Company intends to implement the Capital Reduction which is the subject of the Shareholder approval sought under resolution 4 of this Notice. Therefore, in the event that resolution 4 is approved by Shareholders, Shareholders will have the opportunity to participate in the Capital Reduction (refer to paragraphs 9.1 to 9.15 above for further details).
- (b) ***More limited means by which the Company may raise capital***
  - (i) If the Delisting is implemented, the Company 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 the Company (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 a placement of securities to sophisticated and professional investors and other investors who do not require a prospectus.
  - (ii) However, the Company does not intend to conduct any fundraising activity as the Strategy is in its final stages and Sunland Group no longer has any active projects or developments or material business assets.
- (c) ***Listing Rules will no longer apply to the Company***
  - (i) Following the Delisting, the Company will be relieved from some reporting and disclosure requirements, removal of some restrictions on the issue of Shares by the Company, requirements concerning significant changes to the Company's activities and relief from the requirements to address ASX Corporate Governance Principles and Recommendations. The absence of continued restrictions in these areas may be perceived to be a disadvantage to some Shareholders.

#### 10.5 Approvals required for the Delisting

- (a) The Delisting is conditional on the Company satisfying the Delisting Conditions imposed by ASX. Details of the ASX Decision, and the Delisting Conditions, are described in section 10.2 above. The Delisting Conditions include that the Delisting must be approved by a special resolution of Shareholders.
- (b) Accordingly, resolution 5 is being put to Shareholders as a special resolution. The resolution will only be passed if at least 75% of the votes cast in person or by proxy by Shareholders at the AGM who are entitled to vote on resolution 5 are cast in favour of same.

#### 10.6 The effect of the Delisting

- (a) If Shareholders approve resolution 5 the Company will be removed from the Official List on or about 30 October 2023 or such other date to be decided by ASX (**Delisting**

**Date).** The Delisting Date will be no earlier than one month after the date such Shareholder approval is obtained.

- (b) The consequences for Sunland and the Shareholders if it is removed from the Official List, include that:
- (i) If Sunland is de-listed, it will be an “unlisted disclosing entity” under section 111AL of the 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.
  - (ii) 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.
  - (iii) 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.
  - (iv) 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.
  - (v) 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.
  - (vi) Sunland will no longer have to comply with the ASX Listing Rules nor adopt the ASX Corporate Governance Principles and Recommendations.
  - (vii) Sunland’s constitution will remain unchanged immediately following Delisting, such that its shareholders will continue to have the right to:
    - (A) exercise their voting rights attached to shares;
    - (B) receive notices of meetings and other notices issued by Sunland;
    - (C) receive dividends (if any) declared and payable by Sunland from time to time; and
    - (D) receive capital distributions (if any) declared and paid by Sunland from time to time in accordance with the Corporations Act.
  - (viii) If Sunland is de-listed, Shareholders will no longer be able to trade their shares on the ASX.
  - (ix) 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.

## 10.7 Remedies available to Shareholders

- (a) 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).
- (b) 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:
  - (i) contrary to the interests of shareholders as a whole; or
  - (ii) oppressive to, unfairly discriminatory against, any shareholders of the company.
- (c) The relief which may be granted by the Court if such conduct is established is set out in section 233 of the Corporations Act.
- (d) If a shareholder of Sunland considers that the Delisting 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).
- (e) 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.

## 10.8 Indicative timetable

- (a) The proposed timetable for the Capital Reduction and the Delisting (assuming both resolution 4 and 5 are passed) is set out below. The timetable also includes indicative dates for the distribution of the notice of meeting, and holding of the AGM (where shareholder approval for the Capital Reduction and Delisting will be sought) in respect of the winding up of the Company. The timetable is indicative only and subject to change by the Company or ASX.

Event	Date
Despatch of this Notice of Meeting to Shareholders	Wednesday, 30 August 2023
Holding of the AGM (Shareholder approval for Capital Reduction and Delisting)	Friday, 29 September 2023
Capital Reduction Effective Date	Friday, 20 October 2023
Ex-Entitlement Date for Capital Reduction	Tuesday, 24 October 2023
Record Date for Capital Reduction	Wednesday, 25 October 2023
Suspension from quotation	Thursday 26 October 2023
Payment Date for Capital Reduction	Wednesday 1 November 2023
Delisting Date	Monday, 30 October 2023

#### **10.9 Directors' intention and recommendation**

- (a) Each of the Directors intends to vote all of their Shares in favour of resolution 5.
- (b) The Directors unanimously recommend that Shareholders vote in favour of resolution 5 for the reasons set out in this Explanatory Memorandum.

## 11. Glossary and Interpretation

### 11.1 Definitions

In this Notice, unless the context requires otherwise, the terms listed below have the adjacent meanings ascribed to them:

<b>Term</b>	<b>Definition</b>
<b>AGM or Annual General Meeting</b>	annual general meeting of Shareholder to be held on Friday 29 September 2023, as described in the Notice.
<b>ASX</b>	the securities exchange operated by ASX Limited ACN 008 624 691 or the financial market which it operates, as applicable.
<b>ASX Decision</b>	means ASX's decision letter dated 4 August 2023 in response to Sunland's request dated 4 July 2023 for in-principle advice in relation to the removal of the Company from the Official List.
<b>ATO</b>	means the Australian Taxation Office.
<b>Board</b>	the board of Directors of Sunland.
<b>Capital Reduction</b>	means the reduction in the share capital of the Company by an amount of \$0.90 per Share, for a total capital return of approximately \$123.2 million, further details of which are set out in section 9.1 of the Explanatory Statement.
<b>Capital Reduction Effective Date</b>	means the date upon which the Capital Reduction becomes effective, being 20 October 2023.
<b>Capital Reduction Payment Date</b>	means the date upon which payment to Shareholders under the Capital Reduction will occur, being 1 November 2023.
<b>CGT</b>	means capital gains tax.
<b>Class Ruling</b>	means the class ruling applied for by the Company for Australian resident Shareholders who hold their Shares on capital account seeking to confirm that no part of the proposed Capital Reduction will be treated as an unfranked dividend for tax purposes.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Distribution Right</b>	means the right to receive the proposed Capital Reduction in respect of Shares which a Shareholder ceased to own after the Record Date for Capital Reduction but prior to the corresponding payment date.
<b>Delisting</b>	means the removal of the Company from the Official List.
<b>Delisting Conditions</b>	means the conditions set out by ASX in the ASX Decision dated 4 August 2023.
<b>Delisting Date</b>	means the date upon which the Company will be removed from the Official List, and is expected to be on or about 30 October 2023 or such other date to be decided by ASX.

<b>Directors</b>	the directors of Sunland as at the date of this Notice.
<b>Directed Proxy Form</b>	a proxy form which specifies how the proxy is to vote.
<b>Ex-Entitlement Date</b>	means the last day on which Shares may be acquired which confer an entitlement to participate in the Capital Reduction, indicatively scheduled to be Tuesday 24 October 2023.  Shares acquired after the Ex-Entitlement Date will not confer any entitlement to participate in the Capital Reduction.
<b>Explanatory Statement</b>	this document accompanying the Notice.
<b>GST</b>	means any form of goods and services tax payable under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<b>ITAA 1997</b>	means the <i>Income Tax Assessment Act 1997</i> (Cth).
<b>Key Management Personnel</b>	are the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2023.
<b>Listing Rules</b>	the listing rules of ASX.
<b>Notice</b>	this notice of AGM dated 25 August 2023 and including the Explanatory Statement.
<b>Operating and Strategy Costs</b>	Means 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.
<b>Record Date</b> (for voting at AGM)	7:00pm (Sydney time), Wednesday 27 September 2023 or such other date as Sunland determines in accordance with the Corporations Act and Listing Rules for determination of entitlement to participate in relation to the AGM.
<b>Record Date for Capital Reduction</b>	means the record date for the determination of the entitlements of Shareholders to receive the return of capital, being 7:00 pm (AEST) on Wednesday 25 October 2023.
<b>Registry</b>	Link Market Services Limited ACN 083 214 537, in its capacity as Sunland's share registrar.
<b>Remuneration Report</b>	has the meaning given in section 2 of the Explanatory Statement.
<b>Share</b>	an issued fully paid ordinary share of the capital of Sunland.
<b>Shareholder</b>	a person registered as a holder of a Share (at the Record Date or Record Date for Capital Reduction, as applicable where the context requires).

<b>Sunland or Company</b>	Sunland Group Limited ACN 063 429 532.
<b>Strategy</b>	means the strategy to return net asset value to shareholders, as announced to the ASX on 20 October 2020 and further updated on 30 September 2022 and 22 June 2023.
<b>Sunland Group</b>	the Company and its controlled entities for the year ended 30 June 2023.
<b>Undirected Proxy</b>	a proxy which does not specify how the proxy is to vote.
<b>Undirected Proxy Form</b>	means a proxy form which does not specify how the proxy is to vote.
<b>Voting Restrictions</b>	means the exclusions and prohibitions referred to in section 2 of the Notice.
<b>Voting Power</b>	voting entitlements of the Shareholders to attend and to vote at the AGM, subject to the Voting Restrictions.

## 11.2 Interpretation

In this Notice, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) words importing one gender include other genders;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Notice have a corresponding meaning;
- (d) terms used in this Notice and defined in the Corporations Act or Listing Rules have the meanings assigned to them in the Corporations Act or Listing Rules (unless expressly provided to the contrary in this Notice);
- (e) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (f) a reference to a section, attachment and schedule is a reference to a section of and an attachment and schedule to this Notice, as relevant;
- (g) a reference to legislation or a legislative provision includes any statutory modification or substitution of that legislation or legislative provision and any subordinate legislation issued under that legislation or legislative provision;
- (h) a reference to a body or authority which ceases to exist is a reference to either a body or authority that the parties agree to substitute for the named body or authority or, failing agreement, to a body or authority having substantially the same objects as the named body or authority;
- (i) headings and bold type are for convenience only and do not affect the interpretation of this Notice;
- (j) monetary amounts are expressed in Australian dollars;
- (k) a reference to time is to Sydney time, unless otherwise noted; and
- (l) a reference to writing includes all modes of representing or reproducing words in a legible, permanent and visible form.

This Notice is governed by the laws of Queensland.