

Sunland Group

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Sunland Group Limited ACN 063 429 532

Second Supplementary Target's Statement

1. Important notices

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the second supplementary target's statement (**Second Supplementary Target's Statement**) issued by Sunland Group Limited (ACN 063 429 532) (**Sunland**) in relation to the off-market takeover offer by Homecorp Property Group Pty Ltd's (ACN 162 293 763) (**Homecorp**) associate, Sun Holdings GC Pty Ltd (ACN 677 077 771) (**Bidder**) to acquire all of the shares in Sunland for \$0.045 cash per Sunland Share (**Offer**) in accordance with the bid implementation agreement entered between Homecorp and Sunland on 2 July 2024 (**Bid Implementation Agreement**).

This Second Supplementary Target's Statement supplements, and is to be read together with, Sunland's target's statement dated 25 July 2024 and lodged with the Australian Securities and Investments Commission (**ASIC**) on 19 July 2024 (**Original Target's Statement**) and the first supplementary target's statement dated 30 July 2024 (**First Supplementary Target's Statement**). The Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Original Target's Statement and the First Supplementary Target's Statement.

Unless the context requires otherwise, capitalised terms in this Second Supplementary Target's Statement have the same meaning given to them in the Original Target's Statement.

A copy of this Second Supplementary Target's Statement was lodged with ASIC on 20 August 2024. Neither ASIC, nor any of its respective officers, takes any responsibility for the content of this Second Supplementary Target's Statement.

2. Binding proposal from Harvest Lane

Following lodgement of the First Supplementary Target's Statement with ASIC on 30 July 2024, Sunland received a binding proposal (subject to conditions) from Harvest Lane Asset Management Pty Limited (ACN 158 314 697) (**Harvest Lane**) under which it is proposed that Harvest Lane or its nominee will acquire all of the Sunland Shares that Harvest Lane does not already own, by way of a scheme of arrangement for \$0.05 cash per Sunland Share (**Proposal**).¹

The Proposal is subject to:

- (a) the execution of a scheme implementation deed by Sunland and Harvest Lane (or its nominee), which will be subject to customary conditions for transactions of that nature, including the granting of exclusivity restrictions, "no shop" and "no talk" provisions, and a matching right in favour of Harvest Lane. The scheme implementation deed would be on no less favourable conditions than those currently contemplated under the Bid Implementation Agreement;
- (b) the termination of the Bid Implementation Agreement; and
- (c) a unanimous recommendation from the Sunland Board that Sunland shareholders vote in favour of the Proposal (in the absence of a superior proposal and subject to an independent expert's report concluding that the Proposal is in the best interests of Sunland shareholders).

Harvest Lane proposes to fund the Proposal using liquid assets from investors that are account managed by Harvest Lane under an existing investment management agreement.

Harvest Lane is willing to provide a corporate guarantee to the corporate vehicle used to implement the Proposal. Harvest Lane reserves the right to amend the source of funds.

The directors of Sunland have considered all aspects of the Proposal (including with Holding Redlich, Sunland's legal and Morgans Corporate Limited (AFSL 235407), Sunland's financial adviser) and have formed the view that the Proposal represents a Superior Proposal.

In accordance with the terms of the Bid Implementation Agreement, Sunland has notified the Bidder of the Proposal and the Bidder will now have the opportunity to provide an irrevocable offer of matching or superior proposal to the Proposal on terms which it considers in good faith to be no less favourable to the terms of the Proposal alone (**Bidder Counter Proposal**). The Bidder will have the opportunity to provide a Bidder Counter Proposal until **5pm on Monday, 26 August 2024**.

Sunland will continue to keep Sunland shareholders informed of any material developments in relation to the Proposal, including through Sunland's website.

3. Impact on the Original Target's Statement

Sunland shareholders should be aware that the following statements that are included in the Original Target's Statement are impacted by the emergence of the Proposal:

- (a) section 1.3: *"As at the date of this Target's Statement, no alternative proposals to the Offer have been put to Sunland or are currently under consideration by Sunland, and the Directors are not aware of any other proposal that might be an alternative to the Offer."*

¹ The Offer Price will be reduced by the value of any dividends or distributions declared or paid by Sunland prior to implementation of the Proposal. For the avoidance of doubt, the July dividend of \$0.005 per Share announced on 3 July 2024 paid on 26 July 2024 will not reduce the Offer Price contemplated under the Proposal.

- (b) section 2.5: *"You should note that, as at the date of this Target's Statement, no superior proposal to the Offer have been put to Sunland or are currently under consideration by Sunland and the Directors are not aware of any other proposal by anyone to make a superior proposal."*
- (c) Section 3: *"However, as at the date of this Target's Statement no superior proposals to the Offer have been put to Sunland or are currently under consideration by Sunland and the Directors are not aware of any other proposal by anyone to make a superior proposal."*
- (d) Section 6.2: *"As at the date of this Target's Statement, no superior proposal to the Offer has been put to Sunland or is currently under consideration by Sunland and the Directors are not aware of a proposal by anyone to make a superior proposal."*

4. Consent

Each person named in this Second Supplementary Target's Statement as having given its consent to being named in, or to the inclusion of a statement in, this Second Supplementary Target's Statement:

- (a) has not authorised or caused the issue of this Second Supplementary Target's Statement;
- (b) does not make, or purport to make, any statement in this Second Supplementary Target's Statement or any statement on which a statement in this Second Supplementary Target's Statement is based, other than those statements which have been included in this Second Supplementary Target's Statement with the consent of that person; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Second Supplementary Target's Statement, other than a reference to their name and any statements or reports which have been included in this Second Supplementary Target's Statement with the consent of that person.

Morgans has given, and has not withdrawn before lodgement of this Second Supplementary Target's Statement with ASIC, its written consent to be named in this Second Supplementary Target's Statement as Sunland's Australian financial adviser for the purpose of considering the Proposal, in the form and context in which it is named.

Holding Redlich has given and has not withdrawn before lodgement of this Second Supplementary Target's Statement with ASIC, its written consent to be named in this Second Supplementary Target's Statement as Sunland's Australian legal adviser for the purpose of considering the Proposal, in the form and context in which it is named.

Harvest Lane has given, and has not withdrawn before lodgement of this Second Supplementary Target's Statement with ASIC, its written consent to be named in this Second Supplementary Target's Statement in the form and context in which it is named.

5. Authorisation

This Second Supplementary Target's Statement is dated 20 August 2024 (being the date on which this Second Supplementary Target's Statement was lodged with ASIC) and has been approved by a unanimous resolution of the Sunland Board.

Signed for and on behalf of Sunland:

DocuSigned by:

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Grant Harrison
Director
Sunland Group Limited