

## AL-`AQAR HEALTHCARE REIT (“AL-`AQAR”)

### PROPOSED DISPOSALS

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#### 1. INTRODUCTION

##### Execution of the Land Sale Contract

On behalf of the Board of Directors (“**Board**”) of Damansara REIT Managers Sdn Berhad, (“**DRMSB**”), the manager of Al-`Aqar, KAF Investment Bank Berhad (“**KAF IB**”) wishes to announce that Al Aqar Australia Pty Ltd (“**Al Aqar Australia**” or “**Seller**”), a wholly-owned subsidiary of Al-`Aqar (represented by AmanahRaya Trustees Berhad (acting solely in its capacity as a trustee for and on behalf of Al-`Aqar)), had on 12 December 2023 entered into a land sale contract with Principal Healthcare Finance Pty Ltd (“**Principal Healthcare**”), as trustee for the Principal Healthcare Finance Trust (“**Land Buyer**”) and DPG Services Pty Ltd (“**Business Buyer**”) to dispose of the lands and buildings of Jeta Gardens Aged Care Facility (“**Properties**”) (“**Land Sale Contract**”) for a cash consideration of AUD24.4 million (equivalent to approximately RM74.9 million) (“**Disposal Consideration**”) (“**Proposed Disposal**”).

On 29 November 2022, JLand Australia Pty Ltd (“**JAPL**”) has expressed its intention to acquire part of the vacant land on Lot 4 on SP240417 measuring approximately 1.75 acres (“**Lot 4 Development Land**”) from Al Aqar Australia. On 16 March 2023, Al Aqar Australia has issued an offer letter to sell the Lot 4 Development Land to JAPL. Subsequently, JAPL had, on 31 May 2023, accepted the said offer which will be subjected to a land sale agreement to be entered between the parties at a later date.

The Properties are currently situated on Lot 2 on SP240417, Lot 3 on SP240417 and Lot 4 on SP240417 (the same title where the Lot 4 Development Land is situated). Therefore, the Proposed Disposal would require a land reconfiguration exercise to create a separate lot for the Properties. As provided in the Land Sale Contract, the Seller will need to submit an application for the proposed land reconfiguration (“**Land Reconfiguration Exercise**”).

In the event the Land Reconfiguration Exercise cannot be completed within 2 years from the date of the Land Sale Contract, the Land Buyer will acquire the Properties together with the Lot 4 Development Land and the Disposal Consideration will be adjusted accordingly. Further details are set out in **Appendix I** of this Announcement.

##### Execution of the Business Sale Agreement and Ancillary Contracts

Simultaneously with the Land Sale Contract, KPJ Healthcare Berhad (“**KPJ**”), (through its subsidiaries, namely Jeta Gardens (QLD) Pty Ltd (“**Jeta Gardens**”), and its wholly owned subsidiary, Jeta Gardens Aged Care (QLD) Pty Ltd (“**Jeta Gardens Aged Care**”) (collectively, referred to as “**BSA Sellers**”), had entered into a business sale and purchase agreement with the Business Buyer for the disposal of the business carried out by the BSA Sellers involving certain assets and liabilities related to the operation of residential aged care services at the Properties (“**BSA**”).

Jeta Gardens currently has an existing lease consisting of the Properties with Al Aqar Australia expiring on 1 November 2110 (“**Headlease Agreement**”). If the completion of the Land Sale Contract does not occur simultaneously with the completion of the BSA, Jeta Gardens will enter into a sublease agreement in respect of the Properties with the Business Buyer for a period commencing from the completion of the BSA until the completion of the Land Sale Contract in order for Al Aqar Australia to procure the land completion of the Land Reconfiguration Exercise and transfer of the Properties to the Land Buyer (“**Sublease Agreement**”). The rates to be charged in the Sublease Agreement will reflect the same rates in the Headlease Agreement. The Sublease Agreement is to allow the Business Buyer to take over the operation of the aged care business upon the completion of the BSA pending completion of the Land Reconfiguration Exercise.

In the event the Headlease Agreement is terminated prior to the completion of the Land Sale Contract, Al Aqar Australia will enter into a direct lease with the Business Buyer at the same terms and conditions of the Sublease Agreement. On completion of the Land Sale Contract, the Sublease Agreement or the direct lease (as the case may be) will be terminated.

As part of the Land Sale Contract and the BSA, the following ancillary contracts are entered or to be entered into:

- (i) escrow deed between the parties to the Land Sale Contract and the BSA and the appointed escrow agent in relation to the dealings of an escrow amount paid into an escrow account as provided under the Land Sale Contract and the BSA ("**Escrow Deed**");
- (ii) duty escrow deed between Al Aqar Australia the Land Buyer, the Business Buyer and the appointed escrow agent in relation to the obligation of Al Aqar Australia to pay in escrow the potential stamp or transaction duty payable in connection with the grant of the Sublease Agreement ("**Duty Escrow Deed**"); and
- (iii) deed poll of guarantee and indemnity dated 12 December 2023 issued by the trustee of Al-'Aqar in favour of the Land Buyer to guarantee Al-'Aqar Australia's obligations under the Land Sale Contract, Escrow Deed and Duty Escrow Deed ("**Guarantee**").

The Land Sale Contract and the BSA are interdependent with one another, and as such, the Proposed Disposal is deemed a related party transaction under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**") ("**Bursa Securities**").

## 2. DETAILS OF THE PROPOSED DISPOSAL

### 2.1 Information on the Properties

The Properties are located in the suburb of Bethania, an outer southern suburb of the Brisbane region. It is situated at the western end of Clarendon Avenue, approximately 27 kilometres south of Brisbane city.

The surrounding of the Properties comprise predominantly detached residential dwellings to the east with rural land to the west, parkland and the Logan River to the north, and a manufactured home park or over 50s lifestyle resort known as 'Palm Lake Resort' to the south.

The location of the Properties and the Lot 4 Development Land are highlighted in the map below.



The details of the Properties are as follows:

Title reference no.	50855908	50855909	50855910
Lot no.	Lot 2 on SP240417	Lot 3 on SP240417	Lot 4 on SP240417
Address	27 Clarendon Avenue		
Existing use	Aged Care Facility A : Opal Aged Care Facility B : Jade Aged Care Facility <sup>(1)</sup> C : Clubhouse		
Tenure	Freehold		
Land area	48,040 square meter	54,390 square meter	3,650 square meter
Net book value @ 31 December 2022	AUD23.44 million (RM70.13 million) <sup>(2)</sup>		
Date of investment	2 November 2011		
Original cost of investment	AUD37.36 million (RM108.30 million) <sup>(3)</sup>		
Encumbrances	Free from any mortgage but subject to subleases and easements		

**Notes:**

- (1) Buildings owned by Jeta Gardens
- (2) Excluding Jade Aged Care Facility, buildings owned by Jeta Gardens and based on the rate as per the Annual Report of Al-Aqar based on the financial year ended ("FYE") 31 December 2022 of AUD1.00 to RM 2.9918
- (3) Excluding Jade Aged Care Facility, buildings owned by Jeta Gardens and based on the exchange rate of AUD1.00 to RM2.8991, being the 5-day average exchange rate up to 17 September 2010, the date of the offer letter to acquire the Properties

## 2.2 Basis and justification of arriving at the Disposal Consideration

Al Aqar Australia had engaged a property and real estate agent to undertake the sale and marketing of the Properties. After undertaking a request for proposal exercise, the Land and Business Buyer's offer was shortlisted for negotiation and subsequently accepted by Al Aqar Australia on the basis that it was the highest offer.

The disposal consideration was arrived at on a "willing buyer-willing seller" basis, after taking into consideration the market value of the Properties of AUD27.3 million based on the valuation carried out on 1 December 2023 by CBRE Valuations Pty Limited.

	Disposal Consideration		Market Value		Valuation method
	(AUD'000)	(RM'000)*	(AUD'000)	(RM'000)*	
Properties	24,400	74,920	27,255	83,686	Income approach

**Note:**

- \* Based on the rate translated of AUD1.00 to RM3.0705 (based on the middle rate prevailing as at 5:00 p.m. on 6 December 2023, being the last practicable date ("LPD"), as published by Bank Negara Malaysia) ("**Exchange Rate**")

The Disposal Consideration also takes into consideration the rationale for the Proposed Disposal which is set out in Section 3 of this Announcement.

The Disposal Consideration will be settled in the following manner:

- (i) the deposit in the sum of AUD1.22 million (“**Deposit**”) in accordance with the terms of the Land Sale Contract;
- (ii) by way of a credit applied by the Seller at the completion of the Land Sale Contract for any rent paid under the Sublease Agreement prior to the completion of the Land Sale Contract in accordance with the terms of the Land Sale Contract;
- (iii) if completion of the Land Sale Contract occurs within the period commencing on completion of the BSA and expiring on the date that is 18 months after the date of completion of the BSA, by way of payment by the Land Buyer of the amount to be paid to the escrow agent in accordance with the Escrow Deed; and
- (iv) the balance of the Disposal Consideration as adjusted in accordance with the Land Sale Contract, less the amounts as stated in the Land Sale Contract, at the completion of the Land Sale Contract in the manner as directed by the Seller.

## 2.3 Information on the Land Buyer and the Business Buyer

### 2.3.1 Land Buyer

Based on the report issued by the Australian Securities and Investments Commission (“**ASIC**”) on 8 December 2023, the Land Buyer was incorporated in Australia on 11 July 1995 as a proprietary company. The issued share capital of the Land Buyer is AUD2 comprising 100 ordinary shares and the Directors of the Land Buyer are Thomas Teo Liang Huat, Peter Roger Shergold, Boon Nee Poh, Victoria Paige Constance Atkinson, Simon Ellis and John Edward Lucey.

The substantial shareholders of the Land Buyer are as follows:

<b>Name</b>	<b>Direct</b>	
	<b>No. of Units</b>	<b>(%)</b>
Allium Holdings Pty Ltd	50	50.0
The Trust Company (Nominees) Limited	25	25.0

### 2.3.2 Business Buyer

Based on the report issued by the ASIC on 8 December 2023, the Business Buyer was incorporated in Australia on 18 October 1999 as a proprietary company. The issued share capital of the Business Buyer is AUD29,298,852 comprising 29,298,852 ordinary shares and the Directors of DPG Services are Peter Roger Shergold and Victoria Paige Constance Atkinson.

The Business Buyer is a wholly-owned subsidiary of DAC Finance Pty Limited.

## 2.4 Salient terms of the Land Sale Contract

The salient terms of the Land Sale Contract are set out in **Appendix I** of this Announcement.

## 2.5 Liabilities to be assumed

Save for Al Aqar Australia’s obligations under:

- (i) the Land Sale Contract and Escrow Deed for the period up to 18 months from completion of the Land Sale Contract; and
- (ii) the Duty Escrow Deed for the period up to 6 years from the completion of the BSA or written confirmation from the Queensland Revenue Office that no duty is payable on the Sublease Agreement or that such duty has been paid, whichever the earlier,

there is no liability, including any contingent liability, in relation to the Properties which will remain with Al`Aqar after the Proposed Disposal.

Pursuant to the Guarantee, ART as trustee for Al-`Aqar will guarantee Al Aqar Australia's obligations under the Land Sale Contract and the Escrow Deed for the period up to 18 months from the completion of the Land Sale Contract and the Duty Escrow Deed for the period up to 6 years from the completion of the BSA or written confirmation from the Queensland Revenue Office that no duty is payable on the Sublease Agreement or that such duty has been paid, whichever the earlier.

Upon completion, the Proposed Disposal is not expected to result in Al-`Aqar becoming a cash company under Paragraph 8.03 and Practice Note 16 of the Listing Requirements or a criteria prescribed under Practice Note 17 of the Listing Requirements.

## 2.6 Utilisation of proceeds

The Disposal Consideration of AUD24.4 million (equivalent to approximately RM74.9 million) is proposed to be utilised in the following manner:

No.	Details of utilisation	Expected timeframe for utilisation	Amount *		
			(AUD'000)	(RM'000)	(%)
(i)	Apportionment of proceeds to Jeta Gardens <sup>(1)</sup>	Immediate	3,912	12,012	16.0
(ii)	Capital recycling and/or redemption of Al-`Aqar financing facilities <sup>(2)</sup>	Within 12 months	18,831	57,820	77.2
(iii)	Expenses relating to the Proposed Disposal <sup>(3)</sup>	Immediate	1,657	5,088	6.8
<b>Total</b>			<b>24,400</b>	<b>74,920</b>	<b>100.0</b>

### Notes:

\* Based on the rate translated at the Exchange Rate

<sup>(1)</sup> Apportionment for the Jade Aged Care Facility, building(s) owned by Jeta Gardens. The actual amount will be determined at a later date. Any variation to the apportionment amount will be adjusted accordingly against the allocation from item (i).

<sup>(2)</sup> Capital recycling for potential investment opportunities and/or redemption of Al-`Aqar financing facilities. Any surplus or deficit in the allocation for each of the said categories will be adjusted accordingly as the Manager deems appropriate.

<sup>(3)</sup> The estimated expenses for the Proposed Disposal which include, among others, professional fees (i.e., adviser, solicitors, valuer, etc) and other incidental expenses in relation to the Proposed Disposal.

## 2.7 Expected proforma gain or loss from the Proposed Disposal

Based on the audited financial statements of Al-`Aqar for the FYE 31 December 2022, the Proposed Disposal is expected to result in a proforma loss of approximately RM3.4 million to Al-`Aqar, after taking into consideration the net Disposal Consideration of AUD20.5 million or RM62.9 million for the Proposed Disposal (excluding the Jade Aged Care Facility as stated in item (i) in 2.6 above). The actual loss from the Proposed Disposal can only be ascertained upon the completion of the Proposed Disposal.

### 3. RATIONALE FOR THE PROPOSED DISPOSAL

Notwithstanding the proforma loss as stated in Section 2.7 above, the Proposed Disposal represents an opportunity for Al-`Aqar as follows:

#### (i) To eliminate risk exposure to the changes in the aged care industry in Australia

The outcome of the Royal Commission into Aged Care Quality and Safety Report in 2019 had resulted in the following:

- (a) Shifting from residential aged care to home care. The home care market has experienced significant growth mainly from an increase in government expenditure, with AUD4.2 billion in the year 2021, an increase of 25% from the previous year. This growth is aligned with government policy and consumer preference to remain at home for as long as possible. As such, the demand for residential aged care continued to decline and has resulted in a continuing drop in occupancy level.
- (b) This has significantly impacted the market value of the Properties. The market value of the Properties has reduced from AUD42.7 million to AUD28.5 million in FYE 31 December 2022.
- (c) Demand for aged care assets has reduced significantly. In early 2023, both the Manager and KPJ/Jeta Gardens have executed again the request for proposals exercise for the disposal of the whole Jeta Gardens Aged Care and Retirement Village to 49 aged care operators (with an Aged Care Approved Provider license to run the Properties). However, only the Land Buyer and the Business Buyer have submitted their interest in acquiring the Properties, aligned with the principal activities of the Land Buyer and the Business Buyer.
- (d) Concurrently, both the Manager and KPJ/Jeta Gardens will execute the disposal of the retirement village of Jeta Gardens via another request for proposal exercise. The Manager opines that the target audience for the disposal of the retirement village of Jeta Gardens is likely to be broader as no special business license is required to operate the retirement village business. Furthermore, the additional vacant land on the retirement village land is expected to increase the interest in the retirement village of Jeta Gardens.
- (e) Furthermore, the Proposed Disposal is in line with KPJ and Al-`Aqar's exit strategy, which is to divest its assets and operations in the aged care business in Australia.

#### (ii) The offer received from the Land Buyer and the Business Buyer is within the market range

The Land Buyer and the Business Buyer, being the only interested party pursuant to the request for proposal exercise, had made an offer for the Properties which is within the market transactions.

#### (iii) The Land Buyer and the Business Buyer's reputation in the aged care industry

The Land Buyer and the Business Buyer are reputable players in the aged care industry with active business expansion via acquisition of small-scale aged care facilities.

#### (iv) Capital recycling in high potential assets

As part of Al-`Aqar's strategy to achieve RM3 billion portfolio size by the year 2028\*, the Proposed Disposal will provide Al-`Aqar with immediate cash flow which can be channelled towards future investments in higher potential assets, which is expected to contribute to a rising trend of distribution to unitholders.

*(Source: Annual Report of Al-`Aqar for the FYE 31 December 2022)*

#### 4. EFFECTS OF THE PROPOSED DISPOSAL

##### 4.1 Unitholders' Capital and Substantial Unitholders' Unitholding

The Proposed Disposal will not have any effect on the total units of Al-`Aqar and substantial unitholders' unitholding in Al-`Aqar, as the Disposal Consideration will be satisfied entirely in cash.

##### 4.2 Net Asset Value ("NAV") and gearing

The Proposed Disposal is not expected to have any material effect on the NAV, NAV per unit and gearing of Al-`Aqar.

##### 4.3 Earnings per unit ("EPU")

The Proposed Disposal is expected to result in a pro forma loss on disposal of approximately RM3.4 million. Notwithstanding the loss on disposal, the proposed utilisation of proceeds raised from the Proposed Disposal is expected to contribute positively to the earnings of Al-`Aqar in the future via capital recycling in higher potential assets, and thus contribute to a rising trend of distribution to unitholders.

For illustrative purposes only, assuming that the Proposed Disposal had been completed on 1 January 2022, being the beginning of the FYE 31 December 2022, the pro forma effects of the Proposed Disposal on the earnings and EPU of Al-`Aqar are as follows:

	<b>Audited for the FYE 31 December 2022</b>	<b>After the Proposed Disposal</b>
	<b>(RM)</b>	<b>(RM)</b>
Profit after-tax ("PAT") (realised)	67,765,765	67,765,765
Less: Impact of the Proposed Disposal <sup>(1)</sup>		(13,181,319)
Add: Redemption of borrowing <sup>(2)</sup>		2,833,180
<b>Pro forma PAT</b>	<b>67,765,765</b>	<b>57,417,626</b>
Weighted average number of Units	736,265,919	736,265,919
Proforma EPU (realised) (sen)	<sup>(3)</sup> 9.20	7.80

**Notes:**

<sup>(1)</sup> Based on the rate translated at the Exchange Rate. The computation in arriving at the pro forma effects on the Proposed Disposal is as follows:

	<b>(RM)</b>
Loss on disposal	(3,415,167)
Estimated expenses	(5,087,938)
Reduction in rental income	(4,678,214)
<b>Total</b>	<b>(13,181,319)</b>

<sup>(2)</sup> Assuming proceeds stated in item (ii) Section 2.6 above is fully utilised for the redemption of Al-`Aqar financing facilities

<sup>(3)</sup> Including cost savings from refinancing of Al-`Aqar's financing

## 5. APPROVALS REQUIRED

The Proposed Disposal is not subject to the approval of the unitholders of Al-`Aqar.

## 6. INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS OF THE MANAGER AND/OR MAJOR UNITHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the directors and/or major shareholders of DRMSB, major Unitholders of Al-`Aqar as well as persons connected with them have any interests, direct or indirect, in the Proposed Disposal.

### 6.1 Interested Directors' Interest

Dato' Haji Mohd Redza Shah Bin Abdul Wahid ("**Dato' Redza**") is deemed interested in the Proposed Disposal by virtue of him being a Director of the Manager and also a Director of KPJ.

Dato' Salehuddin Bin Hassan ("**Dato' Salehuddin**") is deemed interested in the Proposed Disposal by virtue of him being a Director of the Manager and also the Director of Johor Corporation ("**JCorp**"). Shamsul Anuar Bin Abdul Majid ("**Encik Shamsul Anuar**"), Datuk Sr. Akmal Bin Ahmad ("**Datuk Sr Akmal**") and Ng Yan Chuan ("**Mr Ng**") are deemed interested in the Proposed Disposal by virtue of them being the Directors of the Manager nominated by JCorp and persons being part of the senior management of JCorp Group.

(Dato' Redza, Dato' Salehuddin, Encik Shamsul Anuar, Datuk Sr Akmal and Mr Ng are collectively referred to as "**Interested Directors**").

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating pertaining to the Proposed Disposal at the relevant Board meetings of DRMSB.

The Interested Directors do not hold any Units as at the LPD.

### 6.2 Interested Major Unitholders' Interest

The direct and indirect unitholdings of the Major Unitholders in Al-`Aqar as at the LPD are as follows:

Name	Direct		Indirect	
	No. of Units '000	(%) <sup>(1)</sup>	No. of Units '000	(%) <sup>(1)</sup>
JCorp	-	-	<sup>(2)</sup> 323,001	38.47
KPJ	20,501	2.44	<sup>(3)</sup> 269,075	32.05

#### Notes:

<sup>(1)</sup> Based on the total number of issued units of Al-`Aqar

<sup>(2)</sup> Deemed interested by virtue of its interest in companies related to JCorp under Section 8 of the Companies Act 2016

<sup>(3)</sup> Deemed interested by virtue of its interest in several companies which are part of the KPJ Group

The Manager is a wholly-owned subsidiary of Damansara Assets Sdn Bhd, which in turn is a wholly-owned subsidiary of JCorp.

As such, JCorp and KPJ are deemed interested in the Proposed Disposal ("**Interested Major Unitholders**").

(The Interested Directors and Interested Major Unitholder are collectively referred to as "**Interested Parties**").



## 7. INTER-CONDITIONALITY

The Land Sale Contract and the BSA are interdependent with one another.

The Proposed Disposal is not conditional upon any other corporate proposals undertaken or to be undertaken by Al-`Aqar.

## 8. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements based on audited financial statements FYE 31 December 2022 is 4.01%, based on the total consideration attributable to Al-`Aqar compared with the total asset value of Al-`Aqar.

## 9. RELATED-PARTY TRANSACTION

Save as disclosed in the audited financial statements of Al-`Aqar for the FYE 31 December 2022 and as disclosed in the table below, there were no transactions entered into between:

- (i) Al-`Aqar and the Interested Directors and Interested Major Unitholders of DRMSB and/or persons connected with them; and
- (ii) Al-`Aqar and the Interested Major Unitholders of Al-`Aqar and/or persons connected with them, for the preceding 12 months up to the LPD.

<b>No.</b>	<b>Proposal</b>
(a)	Renewal of lease of the properties between the subsidiaries and associated company of KPJ with AmanahRaya Trustees Berhad and Damansara Reit Managers Sdn Berhad for and on behalf of Al-`Aqar (" <b>Lease Renewal</b> ").  The Lease Renewal was approved by both Al-`Aqar's unitholders and KPJ's shareholders at their extraordinary general meetings' (" <b>EGM</b> ") held on 25 August 2023 and 22 August 2023 respectively.
(b)	Renewal of unitholders' mandate for recurrent related party transactions of a revenue or trading nature (" <b>RRPT</b> ").  The RRPT was approved by Al-`Aqar's unitholders in its annual general meeting held on 18 April 2023.

## 10. STATEMENT BY THE BOARD OF DIRECTORS

The Board, having considered all aspects of the Proposed Disposal, including the rationale of the Proposed Disposal and the valuation of the Properties as ascribed by the Valuer, is of the opinion that the Proposed Disposal is in the best interest of Al-`Aqar.

## 11. RECOMMENDATION BY THE MANAGER'S AUDIT COMMITTEE

The Audit Committee after having considered all aspects of the Proposed Disposal, including the rationale and financial effects of the Proposed Disposal, and the valuation of the Properties as ascribed by the Valuer for the Proposed Disposal, is of the opinion that the Proposed Disposal is fair, reasonable and on normal commercial terms and are in the best interests of Al-`Aqar and not detrimental to the interest of the minority unitholders.

## **12. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and notwithstanding the longer timeframe permitted under the Land Sale Contract for the completion of the Land Reconfiguration Exercise, the Proposed Disposal is expected to be completed in the second half of 2024.

## **13. DOCUMENTS FOR INSPECTION**

The following documents are available for inspection at the registered office of DRMSB at Level 14, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor, during normal working hours from Sunday to Thursday (except Public Holidays) for a period of three (3) months from the date of this Announcement:

- (i) Land Sale Contract;
- (ii) Guarantee; and
- (iii) Valuation report of the Properties appraised by CBRE Valuations Pty Limited dated 1 December 2023.

**This announcement is dated 13 December 2023.**

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## **SALIENT TERMS OF THE LAND SALE CONTRACT**

The salient terms of the Land Sale Contract are as follows:

### **I. RECONFIGURATION**

#### **1. Plan A – Reconfiguration of the land described as Lots 2, 3 and 4 on SP240417 (“Properties”) and the land owned by JLand Australia Pty Ltd ACN 657 536 779 (“JAPL”) and more particularly described as Lot 1 on SP240417, Title Reference 50855907 (“Adjoining Land”) in accordance with the Plan A Proposal Plan (as contained in Schedule 2 of the Land Sale Contract) (“Plan A Reconfiguration”)**

##### **1.1 Plan A Reconfiguration**

- (a) The Seller and the Land Buyer intend that:
  - (i) the Seller will reconfigure the Properties (and if Plan A applies, part of the Adjoining Land) in order to create the proposed lot identified as the 'Proposed Lot 4' on the Plan A Proposal Plan;
  - (ii) the Seller will during the the period commencing on the date of the Land Sale Contract and expiring at 5.00pm on the Plan A Sunset Date for Registration (as defined in Item 1.1(iii) below (“**Plan A Period**”) pursue Plan A Reconfiguration and the registration of the easement dealings;
  - (iii) if the Seller is unable, for whatever reason, to achieve Plan A Registration (as defined in Item 1.2(i) below) within 2 years from the date of the Land Sale Contract, or any other earlier or extended date as may be determined in accordance with the Land Sale Contract (“**Plan A Sunset Date for Registration**”), or such earlier date should Item 1.2(d)(i) apply, the Seller will during the period commencing on the expiry or earlier ending of the Plan A Period and ending at 5.00pm on the Plan B Sunset Date for Registration (“**Plan B Period**”) pursue Plan B Reconfiguration (as defined at Item 2 below); and
  - (iv) if the Seller is unable, for whatever reason, to achieve Plan B Registration (as defined in Item 2.2(ii) below) within 4 years from the date of the Land Sale Contract and as may be extended in accordance with the Land Sale Contract (“**Plan B Sunset Date for Registration**”), having not achieved Plan A Registration, the Seller may during the period commencing on the expiry of the Plan B Period and ending at 5.00pm on the Plan C Sunset Date for Registration (“**Plan C Period**”) pursue Plan C Reconfiguration (as defined at Item 3 below).
- (b) During the Plan A Period the Seller may undertake work in respect of Plan B.
- (c) During the Plan B Period the Seller may undertake work in respect of Plan C.

##### **1.2 Reconfiguration Condition**

- (a) Completion is conditional on the earliest to occur of:
    - (i) Plan A Registration – registration of Plan A survey plan and easement dealings;
    - (ii) Plan B Registration – registration of Plan B survey plan and easement dealings;
    - or
    - (iii) Plan C Registration – registration of Plan C survey plan and easement dealings,
- (“Registration Condition”).**

- (b) The Registration Condition is for the benefit of both the Land Buyer and the Seller and cannot be waived by either party.
- (c) If prior to the Plan A Sunset Date for Registration, Plan A Registration or the obtaining of any approvals for Plan A or any of the easement dealings is delayed for any reason beyond the Seller's reasonable control, the Seller may, at any time prior to the expiry or earlier ending of the Plan A Period, by written notice to the Land Buyer, substitute for the Plan A Sunset Date for Registration another date or dates that reflect the period of the delay. The Seller must notify the Land Buyer promptly of the substitute date and provide evidence of the cause and duration of the delay. Any extension of the Plan A Sunset Date for Registration gives rise to a corresponding extension of the Plan A Period, the Plan B Sunset Date for Registration and the Plan B Period.
- (d) If at any time during the Plan A Period the Seller, on reasonable grounds, forms the opinion that Plan A Registration, on terms and conditions acceptable in all respects to the Seller, cannot be achieved by the Plan A Sunset Date for Registration, then:
  - (i) the Seller must give reasonable prior written notice to the Land Buyer that it has formed this opinion, including reasons why ("**Plan A Expiry Notice**");
  - (ii) the Plan A Period will be at an end on the date of the Plan A Expiry Notice;
  - (iii) the Plan B Period will commence; and
  - (iv) Item 1.1(a)(iii) will then apply.
- (e) The Seller must provide a copy of the Plan A Expiry Notice to the BSA Sellers and DPG Services Pty Ltd ("**Business Buyer**").
- (f) If Item 1.1(a)(iii) above applies and prior to the Plan B Sunset Date for Registration, Plan B Registration or the obtaining of any approvals for Plan B is delayed for any reason beyond the Seller's reasonable control, the Seller may, at any time prior to the expiry of the Plan B Period, by written notice to the Buyer, substitute for the Plan B Sunset Date for Registration another date or dates that reflect the period of the delay. The Seller must notify the Land Buyer promptly of the Substitute date and provide evidence of the cause and duration of the delay.
- (g) If the Registration Condition has not been satisfied by 5:00pm on the Plan C Sunset Date for Registration, the Land Sale Contract shall automatically terminate on that date and:
  - (i) all amounts paid on account of the Deposit will be refunded to the Land Buyer, including all interest accrued; and
  - (ii) neither party shall have any claim against the other (except for antecedent breaches).

### 1.3 Seller's Obligations – Plan A

- (a) During the Plan A Period, the Seller must at its cost use best endeavours to:
  - (i) obtain, or procure the obtaining of, the approvals for the Plan A Reconfiguration;
  - (ii) satisfy, or procure the satisfaction of, all conditions of those approvals; and
  - (iii) effect sealing of the Plan A survey plan and Plan A Registration,as soon as reasonably practicable after the date of the Land Sale Contract.

- (b) The Seller must:
- (i) keep the Land Buyer, the BSA Sellers and the Business Buyer advised in relation to the status of the performance by the Seller of its obligations under this Item at all reasonable times; and
  - (ii) notify the Land Buyer, the BSA Sellers and the Business Buyer in writing as soon as reasonably practicable after Plan A Registration has been effected ("**Plan A Registration Notice**").
- (c) If by the Plan A Sunset Date for Registration, Plan A Registration has not occurred or the Seller gives a Plan A Expiry Notice under Item 1.2(d)(i) above, the Seller's obligations under Items 1.3(c) and 1.4 shall cease to apply and the Seller must comply with its obligations under Items 1.1 and 1.2.
- (d) The Seller must procure the JAPL, where required to enable Plan A Registration, to execute or consent to the Plan A survey plan and the easement dealings.

#### 1.4 Preparation of Survey Plan – Plan A

- (a) As soon as reasonably practicable after the date of the Land Sale Contract, the Seller must cause the Plan A survey plan to be prepared substantially in accordance with the Plan A Proposal Plan and provide a copy of the Plan A survey plan to the Land Buyer.
- (b) The Seller must ensure that, unless required by an authority or as a result of any approval, that any variation to the final surveyed area of the Plan A Proposed Lot (shown on the Plan A survey plan, as compared to the Plan A Proposal Plan) is not more than 5% less.
- (c) If the final surveyed area of the Plan A Proposed Lot (shown on the Plan A survey plan, as compared to the Plan A Proposal Plan) is more than 5% less, then the parties agree that the Purchase Price will be varied as follows:

$$\text{Adjusted Purchase Price} = \text{PP} - [\text{PP} \times (\text{AAD}-5\%)]$$

Where:

PP = Purchase Price  
AAD = the actual area difference between the final survey area of the Plan A Proposed Lot shown on the Plan A Survey Plan as compared to the Plan A Proposal Plan, expressed as a percentage

If this applies, the Land Buyer must pay the Adjusted Purchase Price on completion of the Land Sale Contract in lieu of the Purchase Price.

## 2. **Plan B – Reconfiguration of the Properties in accordance with Plan B Proposal Plan (as contained in Schedule 3 of the Land Sale Contract) ("**Plan B Reconfiguration**")**

### 2.1 Seller's Obligations – Plan B

- (a) During the Plan B Period, the Seller must at its cost use best endeavours to:
- (i) obtain, or procure the obtaining of, the approvals for the Plan B Reconfiguration;
  - (ii) satisfy, or procure the satisfaction of, all conditions of those approvals; and
  - (iii) effect sealing of the Plan B survey plan and Plan B Registration,
- as soon as reasonably practicable after the commencement of the Plan B Period.

- (b) The Seller must:
- (i) keep the Land Buyer, the BSA Sellers and the Business Buyer advised in relation to the status of the performance by the Seller of its obligations under this Item at all reasonable times; and
  - (ii) notify the Land Buyer, the BSA Sellers and the Business Buyer in writing as soon as reasonably practicable after Plan B Registration has been effected ("**Plan B Registration Notice**").
- (c) If by the Plan B Sunset Date for Registration, Plan B Registration has not occurred the Seller's obligations under Items 2.1(c) and 2.2 shall cease to apply and the Seller must comply with its obligations under Items 3.1 and 3.2 below.
- (d) The Seller must procure the JAPL, where required to enable Plan B Registration, to execute or consent to the Plan B survey plan and the easement dealings.

## 2.2 Preparation of Survey Plan – Plan B

- (a) As soon as reasonably practicable after the Plan B Period commences (if it has not already done so), the Seller must cause the Plan B survey plan to be prepared substantially in accordance with the Plan B Proposal Plan and provide a copy of the Plan B survey plan to the Land Buyer.
- (b) If Plan B Registration occurs, the Purchase Price shall be increased by AUD100,000.00 ("**Additional Sum**") plus relevant tax (to account for the value attributed to that part of Lot 4 on SP240417, title references 50855910 shown on Schedule 16 of the Land Sale Contract ("**Western Portion**")), if applicable. If the final surveyed area of the Western Portion (shown on the Plan B Survey Plan as compared to the Plan B Proposal Plan) is more than 5% less, then the parties agree that the Additional Sum will be reduced as follows:

$$\text{Adjusted Additional Sum} = \text{AS} - [\text{AS} \times (\text{AAD} - 5\%)]$$

Where:

AS = the Additional Sum, being AUD100,000

AAD = The actual area difference between the final survey area of the Western Portion shown on the Plan B Survey Plan as compared to the Plan B Proposal Plan, expressed as a percentage

- (c) The Seller must ensure that, unless required by an authority or as a result of any approval, that any variation to the final surveyed area of the proposed lot identified as the 'Proposed Lot 4' on the Plan B Proposal Plan ("**Plan B Proposed Lot**") (shown on the Plan B survey plan, as compared to the Plan B Proposal Plan) is not more than 5% less.

If the final surveyed area of the Plan B Proposed Lot (shown on the Plan B survey plan, as compared to the Plan B Proposal Plan) is more than 5% less, then the parties agree that the Purchase Price will be varied as follows:

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Adjusted Purchase Price =  $PP - [PP \times (AAD-5\%)]$

Where:

PP = Purchase Price as adjusted under Item 2.2(b)  
AAD = The actual area difference between the final survey area of the Plan B Proposed Lot shown on the Plan B Survey Plan as compared to the Plan B Proposal Plan, expressed as a percentage, and disregarding any land located in the Western Portion

If this applies, the Land Buyer must pay the Adjusted Purchase Price on completion of the Land Sale Contract in lieu of the Purchase Price.

**3. Plan C – Reconfiguration of the Properties in order to create a proposed lot that:**

- (a) incorporates the buildings and curtilage shown on the Built Form Plan attached in Schedule 18 of the Land Sale Contract but does not include the car park as shown on the Car Park Plan as attached in Schedule 19 (“Car Park”) (“Built Form”);**
- (b) has legal access to the Built Form and the Car Park, such access to be substantially similar to that authorised by the Existing Easements as referred to in Schedule 11 of the Land Sale Contract (as amended by the easement dealings, if applicable), but may allow access to the Built Form basement car park via the Western Portion; and**
- (c) is adequately serviced by utilities and related service infrastructure which is protected by easement where required, and which may or may not include the Car Park.**

**(“Plan C Proposed Lot”)**

**(“Plan C Reconfiguration”)**

**3.1 Seller's Obligations – Plan C**

- (a) During the Plan C Period, the Seller may, at any time prior to 5.00pm on the Plan C Registration Sunset Date:**
  - (i) obtain, or procure the obtaining of, the approvals for the Plan C Reconfiguration;**
  - (ii) satisfy, or procure the satisfaction of, all conditions of those approvals; and**
  - (iii) effect sealing of the Plan C survey plan and Plan C Registration.**
- (b) The Seller must:**
  - (i) keep the Land Buyer, the BSA Sellers and the Business Buyer advised in relation to the status of the performance by the Seller of its obligations under Item 3.1 at all reasonable times; and**
  - (ii) notify the Land Buyer, the BSA Sellers and the Business Buyer in writing as soon as reasonably practicable after Plan C Registration has been effected (“Plan C Registration Notice”).**
- (c) The Seller must, if required, procure the JAPL, where required to enable Plan C Registration, to execute or consent to the Plan C survey plan and the easement dealings.**

### 3.2 Preparation of Survey Plan – Plan C

- (a) When giving effect to Plan C, the Seller must cause the Plan C survey plan to be prepared and provide a copy of the Plan C survey plan to the Land Buyer.
- (b) If Plan C Registration occurs, and the Properties include the Western Portion, the Purchase Price shall be increased by AUD100,000.00 (“**Additional Sum**”) plus relevant tax, if applicable. If the final surveyed area of the Western Portion (shown on the Plan B Survey Plan as compared to the Plan B Proposal Plan) is more than 5% less, then the parties agree that the Additional Sum will be reduced as follows:

$$\text{Adjusted Additional Sum} = \text{AS} - [\text{AS} \times (\text{AAD}-5\%)]$$

Where:

AS = the Additional Sum, being AUD100,000.00

AAD = The actual area difference between the final survey area of the Western Portion shown on the Plan B Survey Plan as compared to the Plan B Proposal Plan, expressed as a percentage

- (c) If the final surveyed area of the Plan C Proposed Lot shown on the Plan C survey plan, differs from that shown on the Plan A Proposal Plan, disregarding any land located in the Western Portion, then the parties agree that the Purchase Price will be varied as follows:

$$\text{Adjusted Purchase Price} = \text{PP} \times [\text{APC}/\text{APA}]$$

Where:

PP = Purchase Price as adjusted under Item 3.2(b)

APA = The area shown on the Plan A Proposal Plan

APC = The area shown on the Plan C survey plan, and disregarding any part of the Western Portion

If this applies, the Land Buyer must pay the Adjusted Purchase Price on completion of the Land Sale Contract in lieu of the Purchase Price provided that the Adjusted Price must not exceed the Purchase Price as adjusted under Item 3.2(b) above.

## II. LEASING

### 4. **Leasing – Simultaneous Completion with the BSA**

- 4.1 If completion of the Land Sale Contract occurs simultaneously with the completion of the BSA, the Seller must, and the Land Buyer must:

- (a) procure that on or before completion of the Land Sale Contract:
  - (i) Jeta Gardens (Qld) Pty Ltd ACN 102 975 182 (“**Existing Lease Tenant**”) partially surrenders the lease registered dealing 714141638 between the Seller as lessor and the Existing Lease Tenant as lessee in respect of the Properties (“**Existing Lease**”);
  - (ii) the BSA Sellers surrenders the sublease between the Existing Lease Tenant as sublessor and the BSA Sellers as sublessee in respect of the residential aged care facility on the Properties (“**Existing Sublease**”); and
  - (iii) but at least 1 business day prior to the Settlement Date, the BSA Sellers, enters into an operating lease with the Seller in respect of the Properties on terms which are acceptable to the Land Buyer.



Settlement Date means:

- (A) if a Plan A Registration Notice has been given to the Land Buyer by the Seller at least 7 business days prior to the completion date of the BSA, the completion date of the BSA; or
- (B) if paragraph (A) does not apply, the date that is 30 days after the earlier of the date on which the Seller gives to the Land Buyer a:
  - (aa) Plan A Registration Notice;
  - (bb) Plan B Registration Notice; or
  - (cc) Plan C Registration Notice.
- (b) procure that after completion of the Land Sale Contract, the Existing Lease Tenant, the Business Buyer and the BSA Sellers answer any requisitions that may issue from the Titles Office in respect of any of the documents referred to in Items 5.1(a)(i), 5.1(a)(ii) and 5.1(a)(iii) to which they are a party; and
- (c) each, acting reasonably, after completion of the Land Sale Contract answer any requisitions that may issue from the Titles Office in respect of any of the documents referred to in Items 5.1(a)(i), 5.1(a)(ii) and 5.1(a)(iii) to which they are a party.

## **5. Leasing/Licensing – No Simultaneous Completion with the BSA**

5.1 If the completion of the Land Sale Contract does not occur simultaneously with completion of the BSA, the Seller must, and the Land Buyer must:

- (a) procure that on or before completion of the Land Sale Contract:
  - (i) the Existing Lease Tenant partially surrenders the Existing Lease (to the extent it is still on foot) in so far as it relates to the Properties;
  - (ii) if required by the Seller in order to partially surrender the Existing Lease, the Business Buyer surrenders the Business Sublease contained in Schedule 7 of the Land Sale Contract; and
  - (iii) if the Seller has required the surrender of the Business Sublease, the Business Buyer enters into an operating lease with the Seller in respect of the Properties on terms which are acceptable to the Land Buyer;
  - (iv) if Plan C applies and Proposed Lot C does not include the Car Park, procure that on completion of the Land Sale Contract the Business Buyer enters into a licence with the Seller in respect of the Car Park on terms which are the same as those in the Business Sublease to the extent that they relate to that area and for a term equal to the remaining term (had it not been surrendered) of the Business Sublease;
- (b) procure that after completion of the Land Sale Contract, the Existing Lease Tenant and the Business Buyer answer any requisitions that may issue from the Titles Office in respect of any of the documents referred to in Items 5.1(a)(i) to 5.1(a)(iii) to which they are a party; and
- (c) each, acting reasonably, after completion of the Land Sale Contract answer any requisitions that may issue from the Titles Office in respect of any of the documents referred to in Items 5.1(i)(a) to 5.1(i)(c) to which they are a party.

**III. BUSINESS SALE AGREEMENT**

**6. Business Sale Agreement**

- 6.1 The Land Sale Contract shall be properly executed by the parties to it and exchanged contemporaneously with execution and exchange of the BSA.

**IV. TERMINATION**

**7. Termination**

- 7.1 If the BSA is lawfully terminated or rescinded other than due to the default of the Land Buyer, either party to the Land Sale Contract may terminate the Land Sale Contract by serving a notice of termination on the other, and the Deposit and other moneys paid under the Land Sale Contract shall be refunded to the Land Buyer by the Seller or the Deposit Holder as the case may be and neither party shall have any further claims against the other.
- 7.2 If the BSA is lawfully terminated due to the default of the Business Buyer, such termination shall be deemed to be a breach of an essential term of the Land Sale Contract and the Seller may exercise its rights under clause 9 of the terms of contract dated 12 December 2023 ("**Terms of Contract**").

**V. SELLER GUARANTEE**

**8. Seller Guarantee**

- (a) The Seller must:
- (i) procure the execution of the guarantee and indemnity in the form set out in Schedule 19 of the Land Sale Contract ("**Guarantee**") by AmanahRaya Trustees Berhad as trustee for Al-Aqar Healthcare REIT ("**Guarantor**"); and
  - (ii) deliver the Guarantee, duly executed by the Guarantor, to the Land Buyer,
- on or before the Seller signs and delivers the Land Sale Contract to the Land Buyer.