

G. K. GOH HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 199000184D

THE PROPOSED ACQUISITION OF INTERESTS IN THE DOMAIN PRINCIPAL GROUP RESIDENTIAL AGED CARE BUSINESS IN AUSTRALIA

1. INTRODUCTION

1.1 Proposed Transaction. The Board of Directors (the “**Board**”) of G. K. Goh Holdings Limited (“**G. K. Goh**” or the “**Company**”) is pleased to announce the proposed acquisition of the following shares and units (the “**Relevant DPG Securities**”) by Allium Holdings Pty Ltd (“**Allium**”), an indirect wholly-owned subsidiary of the Company (the “**Proposed Transaction**”):

- (a) 9,608,900 ordinary shares in the issued capital of ACIT Finance Pty Limited (“**ACIT Finance**”), representing 50.00 per cent. of the issued ordinary share capital of ACIT Finance immediately following the completion of the Proposed Transaction (“**Completion**”);
- (b) 120,397,654 ordinary shares in the issued capital of DAC Finance Pty Limited (“**DAC Finance**”), representing approximately 47.62 per cent. of the issued ordinary share capital of DAC Finance immediately following Completion;
- (c) 2,500,000 ordinary units in the issued capital of Principal Healthcare Finance Trust (“**PHF Trust**”), representing approximately 47.62 per cent. of the issued ordinary unit capital of PHF Trust immediately following Completion; and
- (d) 2,000,000 ordinary units in the issued capital of Principal Healthcare Finance Trust No. 2 (“**PHF Trust No. 2**”), representing 50.00 per cent. of the issued ordinary unit capital of PHF Trust No. 2 immediately following Completion,

(collectively, ACIT Finance, DAC Finance, PHF Trust and PHF Trust No. 2 shall be referred to as “**DPG**” or the “**Investment Entities**”).

1.2 Acquisition. In respect of the Proposed Transaction, the Company and Allium have today entered into a conditional securities sale agreement (the “**Sale Agreement**”) with Aged Care Investment Services No. 1 Pty Limited (as trustee of Aged Care Investment Trust No. 1 (“**ACIT 1**”)) and Aged Care Investment Services No. 2 Pty Limited (as trustee of Aged Care Investment Trust No. 2 (“**ACIT 2**”)) (collectively, the “**Sellers**”)¹, pursuant to which the Sellers have agreed to sell, and Allium has agreed to purchase, the Relevant DPG Securities.

DPG is a leading provider of residential aged care services in Australia and is currently owned by ACIT 1 and ACIT 2. Further information on DPG is set out in **paragraph 2** of this Announcement.

ACIT 1 and ACIT 2 are trusts managed by AMP Capital Investors Limited (“**AMP Capital**”) and through which AMP Life Limited (“**AMP Life**”) currently holds a 42.5 per cent. interest in DPG. In conjunction with the Proposed Transaction, AMP Life will increase its interest in DAC Finance and PHF Trust to approximately 47.62 per cent.. AMP Life is a wholly-owned subsidiary of AMP Limited, which is Australia and New Zealand’s leading independent wealth

¹ All references to the Sellers in this Announcement shall, unless otherwise stated to the contrary, be in respect of their capacity as trustees of ACIT 1 and ACIT 2 respectively.

management company, with a retail business in Australia and a growing international investment management business. AMP Capital is one of Australia's leading real estate and infrastructure managers and is a subsidiary of AMP Limited, which has an 85 per cent. interest in AMP Capital.

Upon Completion and assuming AMP Life increases its interest in DAC Finance and PHF Trust to approximately 47.62 per cent. as disclosed above, G. K. Goh and AMP Life (through ACIT 1 and ACIT 2) will have equal holdings of shares and units (as the case may be) in each of the Investment Entities. The management of DPG will hold the remaining 4.76 per cent. interest in each of DAC Finance and PHF Trust. AMP Capital will continue to manage the investment on behalf of the shareholders and unitholders (as the case may be) of the Investment Entities.

In conjunction with the Proposed Transaction, Allium, ACIT 1, ACIT 2 and the Investment Entities (PHF Trustee (as defined below) in the case of PHF Trust and PHF Trustee No. 2 (as defined below) in the case of PHF Trust No. 2) will, on or before Completion, enter into various ancillary agreements that are effective on and from Completion, including a formal investors agreement which will take the form of a deed (the "**Investors Deed**"). Further information on the Sale Agreement and the Investors Deed are set out in **paragraphs 3 and 4** respectively of this Announcement.

AMP Limited, AMP Life, AMP Capital, ACIT 1, ACIT 2 and the Sellers are not related to any of the Company's controlling shareholders, the directors of the Company ("**Directors**") or their associates.

1.3 Shareholder Approval. The Proposed Transaction constitutes a major transaction as defined in Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**") (details of which are set out in **paragraph 8** of this Announcement). Accordingly, the Proposed Transaction is subject to the approval of the shareholders of the Company ("**Shareholders**").

1.4 Voting Undertaking. As at the date of this Announcement, GKG Investment Holdings Pte Ltd ("**GKGIH**") holds 181,611,460 ordinary shares in the capital of the Company ("**Shares**"), representing approximately 57.46 per cent. of the Shares in issue. In conjunction with the entry by the Company and Allium into the Sale Agreement, GKGIH has today provided an irrevocable undertaking to the Company, pursuant to which GKGIH will vote all Shares it owns or holds in favour of the ordinary resolution relating to the Proposed Transaction at the extraordinary general meeting of the Company to be convened (the "**EGM**").

2. INFORMATION ON ALLIUM, DPG AND THE INVESTMENT ENTITIES

2.1 Allium. Allium was incorporated in Victoria, Australia on 9 August 2013 as an investment holding company with an issued and paid-up share capital of A\$2.00 comprising two ordinary shares. Allium is a wholly-owned subsidiary of Allium Investments Pte. Ltd., which was incorporated in Singapore on 7 August 2013 as an investment holding company with an issued and paid-up share capital of S\$2.00 comprising two ordinary shares. Allium Investments Pte. Ltd. is in turn a wholly-owned subsidiary of Canistel Pte. Ltd., which is a wholly-owned subsidiary of the Company.

2.2 DPG. DPG is one of Australia's largest privately owned residential aged care providers, offering all levels of residential aged care services. As at 30 June 2013, DPG employs more than 5,000 employees who provide residential aged care services to more than 4,300 elderly Australians at 55 aged care facilities and over 4,500 beds in New South Wales, Victoria,

Queensland and Western Australia. DPG offers all levels of residential aged care services including:

- (a) high care, where 24-hour nursing care is required by residents;
- (b) dementia care, where round-the-clock nursing care is provided to residents (often set in a secure or separate wing);
- (c) low care, where assistance is provided to residents with day-to-day tasks and personal care; and
- (d) respite care, where short-term care which may be planned or required on an emergency basis is offered.

Based on the unaudited pro forma amalgamated financial statements of DPG for the financial year ended 30 June 2013, DPG recorded (i) revenue of approximately A\$395.9 million (approximately S\$461.2 million)², (ii) earnings before interest, taxes, depreciation and amortisation and excluding extraordinary items (“**EBITDA**”) of approximately A\$61.5 million (approximately S\$71.6 million) and (iii) net profit after tax (“**NPAT**”), excluding extraordinary items, of approximately A\$12.8 million (approximately S\$14.9 million). As at 30 June 2013, DPG’s amalgamated net asset value (“**NAV**”) amounted to approximately A\$264.0 million (approximately S\$307.5 million).

2.3 ACIT Finance. ACIT Finance is a private company incorporated in Victoria, Australia and wholly-owned by the Sellers. ACIT Finance is a special purpose finance vehicle.

2.4 DAC Finance. DAC Finance is a private company incorporated in Victoria, Australia and is the holding vehicle of the DPG aged care business operated by DAC Finance and its controlled entities.

2.5 PHF Trust. PHF Trust is a trust constituted in New South Wales, Australia by a trust deed dated 11 August 1995 and is a land holding vehicle in respect of a number of aged care facilities operated by DAC Finance and its controlled entities. Principal Healthcare Finance Pty Limited (“**PHF Trustee**”) is the trustee of PHF Trust.

2.6 PHF Trust No. 2. PHF Trust No. 2 is a trust constituted in New South Wales, Australia by a trust deed dated 21 October 1999 and is a land holding vehicle for an aged care facility in Western Australia that is leased to a third party operator. Principal Healthcare Finance No. 2 Pty Limited (“**PHF Trustee No. 2**”) is the trustee of PHF Trust No. 2.

3. PRINCIPAL TERMS OF THE SALE AGREEMENT

3.1 Relevant DPG Securities. Pursuant to the terms of the Sale Agreement, the Sellers shall sell, and Allium shall purchase, the Relevant DPG Securities, with all rights, including dividend and voting rights, attached or accrued to them on or after the date of the Sale Agreement and free from all encumbrances (as defined in the Sale Agreement).

3.2 Purchase Price. The aggregate sum of the purchase price payable by Allium to the Sellers in respect of the Relevant DPG Securities is approximately A\$136.7 million (approximately S\$159.3 million), excluding taxes and transaction costs (the “**Purchase Price**”). The Purchase Price was arrived at on a negotiated, willing-buyer willing-seller basis and after taking into account (a) DPG’s financial performance, measured by revenue, EBITDA and

² Unless otherwise stated, the approximate Singapore Dollar (“**S\$**”) equivalent of Australian Dollar (“**A\$**”) amounts in this Announcement are based on an exchange rate of A\$1.00 : S\$1.165.

NPAT excluding extraordinary items, (b) DPG's financial position, measured by NAV and net gearing and (c) the strategy and rationale for the Proposed Transaction.

3.3 Adjustments to the Purchase Price. Under the terms of the Sale Agreement, the Purchase Price will be:

- (a) decreased by the amount of any specified payments or transfers of assets, rights and benefits ("**Leakage**"), such as any dividend or other distribution declared, paid or made by any of the Investment Entities and their Subsidiary Entities (as defined below) (together with the Investment Entities, the "**Investment Group Entities**"), received by a Seller, its Affiliates (as defined below) or any AMP Party (as defined below) or made for the benefit of a Seller, its Affiliates or any AMP Party or any nominee or agent or any person receiving any Leakage on behalf of them during the period commencing on and from 30 June 2013 and up to and including the date of Completion (the "**Completion Date**") which are notified to Allium prior to Completion (the "**Pre-Completion Leakage Adjustment**"); and
- (b) increased by an amount determined by the formula below (the "**Adjustment Payment**"), if and only if the Shareholder Approval Condition (as defined below) is the sole and final Condition (as defined below) to be fulfilled and the date of fulfilment of the Shareholder Approval Condition is on or after 30 September 2013:

$$A \times \left(\frac{B}{100} \times \frac{\$1,000,000 \times 12}{365} \right)$$

where:

A is the number of days from 1 October 2013 to (and including) the Completion Date; and

B is 47.62.

Assuming that Completion takes place on 31 December 2013, the Adjustment Payment payable by Allium to the Sellers is A\$1.4 million (approximately S\$1.7 million).

For the purposes of this Announcement:

- (i) "**Affiliates**" means, in relation to an entity, (A) a Related Entity of the entity or a company in which the entity beneficially owns not less than 50 per cent. of the shares, (B) a unit trust, discretionary trust or other investment vehicle (I) of which the entity or a Related Entity is a trustee or responsible entity or (II) which is managed by the entity or a Related Entity of the entity, (C) unitholders in any unit trust (I) of which the entity or a Related Entity is a trustee or responsible entity or (II) which is managed by the entity or a Related Entity of the entity, (D) any associate of that entity under sections 10 to 17 of the Corporations Act 2001 (Cth) (the "**Australian Corporations Act**") or (E) any custodian of all or any of the assets of that entity;
- (ii) "**AMP Party**" means each of AMP Life, AMP Capital and AMP Limited, together with their Affiliates;
- (iii) "**Related Entity**" means (A) in relation to a corporation, a related body corporate of that corporation within the meaning of Division 6 of Part 1.2 of the Australian Corporations Act (including a company incorporated outside of Australia in either its personal capacity or as trustee of a trust), (B) in relation to a trust, a trust or company

that would be a related body corporate of that trust within the meaning of Division 6 of Part 1.2 of the Australian Corporations Act if it were a company and if “subsidiary” meant a Subsidiary Entity for the purposes of that meaning and (C) a unit trust in relation to which that corporation or trust directly or indirectly (I) controls the right to appoint the trustee, (II) is in a position to control the casting of more than one half of the maximum number of votes that might be cast at a meeting of holders of units in the unit trust or (III) holds or is in a position to control the disposal of more than one half of the issued units of the unit trust; and

- (iv) “**Subsidiary Entity**” means (A) in relation to a body corporate, a subsidiary within the meaning of Division 6 of Part 1.2 of the Australian Corporations Act and (B) in relation to a trust, a trust or company that would be a subsidiary within the meaning of Division 6 of Part 1.2 of the Australian Corporations Act if it were a company, equating for this purpose (I) shares with the beneficial interests or units held in the trust, (II) the board of directors with the trustee and (III) a body corporate or subtrust owned or held as an asset of a trust, with a subsidiary within any previous meaning which would be applicable if the trust were a body corporate.

- 3.4 Consideration.** On the Completion Date, Allium shall pay in cash to the Sellers or as they may respectively direct in writing, an amount equivalent to the Purchase Price decreased by the Pre-Completion Leakage Adjustment and/or increased by the Adjustment Payment (if applicable) (the “**Consideration**”).

The Consideration payable by Allium will be funded by the Company through a combination of its existing liquid assets, cash and bank borrowings.

- 3.5 Conditions Precedent.** The operative provisions in the Sale Agreement relating to the sale and purchase of the Relevant DPG Securities do not become binding and Completion cannot take place unless the Treasurer of the Commonwealth of Australia has either:

- (a) provided written notice which is unconditional or subject only to conditions reasonably acceptable to Allium that there is no objection under the Foreign Acquisitions and Takeovers Act 1975 (Cth) to the Proposed Transaction; or
- (b) become precluded from exercising any power to make an order under the Foreign Acquisitions and Takeovers Act 1975 (Cth) in relation to the Proposed Transaction,
- (the “**FIRB Approval**”).

In addition, Completion is subject to and conditional upon the satisfaction, fulfilment or waiver (as the case may be) of the following conditions set out below:

- (i) in respect of the draft circular to Shareholders (the “**Circular**”) to be submitted to the SGX-ST for clearance, G. K. Goh has received written clearance from the SGX-ST and/or written confirmation from the SGX-ST that the SGX-ST has no comments in relation to the draft Circular;
- (ii) a resolution of the Shareholders has been passed at a duly convened general meeting of Shareholders to approve the transactions contemplated by the Sale Agreement for the purposes of, and in accordance with, the requirements of Chapter 10 of the Listing Manual (the “**Shareholder Approval Condition**”);
- (iii) on or before 31 October 2013, the Sellers and the relevant Investment Group Entities have obtained all consents and waivers required from Australian and New Zealand Banking Group Limited and ANZ Fiduciary Services Pty Ltd (together, the “**ANZ**”

Parties") to effect the transactions contemplated by the documents entered into in relation to the Proposed Transaction;

- (iv) on or before 31 October 2013, all or some of the Investment Group Entities and the ANZ Parties have entered into an amended and restated long form facility agreement on terms acceptable to the Sellers and Allium, acting reasonably in the context of the transactions contemplated by the Sale Agreement;
- (v) on or before 30 September 2013, the intra-group restructuring in relation to the accounts payable and accounts receivables between the Sellers and the Investment Entities has been implemented and completed in accordance with its terms;
- (vi) on or before 30 September 2013, the Sellers have procured that (A) Aged Care Investment Services No. 3 Pty Ltd ("**ACIT 3 Trustee**") has undertaken all actions to distribute the assets of Aged Care Investment Trust No. 3 ("**ACIT 3**") to DAC Finance and has wound up ACIT 3 or (B) ACIT 3 Trustee has been removed as trustee of ACIT 3 and a Subsidiary Entity of DAC Finance has been appointed as the replacement trustee; and
- (vii) no criminal proceedings under the Workplace and Health and Safety Act 2011 (Qld) nor any civil proceedings have commenced prior to Completion against Domain Aged Care (Ashmore) Pty Ltd or any other Investment Group Entity in connection with the incident that occurred at Domain Ashmore on 10 September 2010,

(together with the FIRB Approval, referred to as the "**Conditions**").

3.6 Long Form Ancillary Documents. On or before Completion:

- (a) the Sellers and Allium must enter into the Investors Deed, that is effective on and from Completion, on terms which reflect the investors deed term sheet attached to the Sale Agreement (the "**Investors Deed Term Sheet**"), failing which the Sellers and Allium will procure that the Investors Deed Term Sheet is executed by the parties thereto and the Investors Deed Term Sheet will become binding on those parties until they agree and execute the Investors Deed; and
- (b) the Sellers must procure that ACIT Finance and AMP Capital enter into a long form asset management agreement, that is effective on and from Completion, in relation to services to be provided to the Investment Group Entities on terms that reflect the asset management agreement term sheet attached to the Sale Agreement (the "**Asset Management Agreement Term Sheet**"), which must be approved in writing by Allium (such approval not to be unreasonably withheld or delayed), failing which the Sellers and Allium will procure that the Asset Management Agreement Term Sheet is executed by the parties thereto and the Asset Management Agreement Term Sheet will become binding on those parties until they agree and execute a long form asset management agreement.

3.7 Long-Stop Date. In the event that the Conditions are not satisfied, fulfilled or waived in accordance with the terms of the Sale Agreement and in any event before 31 December 2013 (or any other date agreed in writing between the Sellers and Allium) (the "**Long-Stop Date**"), Allium, the Company or the Sellers may terminate the Sale Agreement by notice to each other party, except where the relevant Condition has become incapable of satisfaction, has not been satisfied, or ceases to be satisfied, as a direct result of a failure by the party seeking to terminate to comply with its obligations relating to the Conditions under the Sale Agreement.

3.8 Completion. Completion will take place on the date which is two Business Days after the last of the Conditions to be satisfied or waived is satisfied or waived in accordance with the terms of the Sale Agreement (or such other date as Allium and the Sellers may agree in writing). On Completion, Allium, its Related Entity or a trust of which Allium is a trustee will acquire the Relevant DPG Securities from the Sellers in accordance with the terms of the Sale Agreement.

For the purposes of this Announcement, “**Business Day**” refers to a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in New South Wales and Singapore.

3.9 Other Material Terms. A summary of other material terms of the Sale Agreement is set out in **Appendix 1** to this Announcement.

4. PRINCIPAL TERMS OF THE INVESTORS DEED TERM SHEET

4.1 Purpose of the Investors Deed. As set out in the Investors Deed Term Sheet, the purpose of the Investors Deed to be entered into between Allium, the Sellers and each of the Investment Entities (PHF Trustee in the case of PHF Trust and PHF Trustee No. 2 in the case of PHF Trust No. 2) is to:

- (a) set out the terms and conditions upon which the parties invest in the Investment Entities³;
- (b) govern the relationship between the parties in relation to the DPG business;
- (c) establish the arrangements for the ownership, management and operation of the Investment Entities; and
- (d) set out a regime governing dealings in the shares and units of the Investment Entities (as the case may be) (the “**Investment Securities**”).

As part of the proposed arrangements under the Investors Deed Term Sheet, with effect from Completion, the Sellers (in aggregate) and Allium will each acquire a 50.00 per cent. interest in the issued ordinary share capital of each of PHF Trustee and PHF Trustee No. 2 for a nominal consideration.

4.2 Further Funding. Pursuant to the terms of the Investors Deed Term Sheet, the Sellers (in aggregate) and G. K. Goh (through Allium) will commit to invest a further A\$25.0 million each (approximately S\$29.1 million) to finance further investment in Australia’s aged care sector and the DPG business, subject to approval of the Investment Strategy and the Investment Plan and Budget for the financial year ending 30 June 2014 by the Investor Committee (each as defined below) (the “**Further Investment**”).

4.3 Investor Committee. Pursuant to the terms of the Investors Deed Term Sheet, Allium and the Sellers (the “**Investors**”) will establish an investor committee (the “**Investor Committee**”) to oversee ownership matters related to the Investment Entities. To the extent permitted by law, the respective boards of directors of the Investment Entities (the respective boards of directors of PHF Trustee in the case of PHF Trust and PHF Trustee No. 2 in the case of PHF Trust No. 2) will delegate to the Investor Committee the powers necessary for the Investor Committee to make decisions with respect to IC Special Majority Matters (as defined below).

³ For the purposes of the Investors Deed Term Sheet and the Investors Deed, “**Investment Entities**” shall include PHF Trustee and PHF Trustee No. 2.

On the Completion Date, the Investor Committee will initially consist of four members, with two members to be appointed by Allium and one member to be appointed by each of the Sellers (the “**Committee Members**”). Each Investor which has an aggregate ownership interest in the Investment Entities (calculated by excluding the 4.76 per cent. interest in each of DAC Finance and PHF Trust held by the management of DPG) (“**Equity Proportion**”) of 20 per cent. or more has the right to appoint:

- (a) two Committee Members if the Investor has an Equity Proportion of more than or equal to 40 per cent.; and
- (b) one Committee Member if the Investor has an Equity Proportion of less than 40 per cent.,

and may remove or replace any Committee Member so appointed by that Investor. For the purposes of appointing, removing and replacing Committee Members, two or more Investors may aggregate their Equity Proportions to meet the relevant 20 per cent. and 40 per cent. thresholds set out in this **paragraph 4.3** and jointly appoint, remove and replace Committee Members, provided that any group of Investors seeking to utilise such aggregation right must not contain as a member of that Investors group any Investor whose Investment Securities are, at that time, in whole or in part, being separately used to appoint one or more members of the Investor Committee pursuant to this **paragraph 4.3**.

The quorum for Investor Committee meetings will be that number of Committee Members in attendance representing 75 per cent. of the aggregate Equity Proportion of the Investors, both at the commencement and at all times during any such meeting. A Committee Member who is present at a meeting of the Investor Committee is entitled to the number of votes on a resolution that is equal to the Equity Proportion of the Investor that appointed the relevant Committee Member. If an Investor has appointed more than one Committee Member, then each such Committee Member appointed by the relevant Investor will be entitled to vote a pro rata share of the relevant Investor’s Equity Proportion.

4.4 Governance of Investment Entities. The respective boards of directors of the Investment Group Entities (the respective boards of directors of PHF Trustee in the case of PHF Trust and PHF Trustee No. 2 in the case of PHF Trust No. 2) will be responsible for the day-to-day direction and control of the relevant Investment Group Entity, subject to:

- (a) the investment strategy for investing in the Investment Entities and the business of the Investment Entities (the “**Investment Strategy**”) being approved by the Investor Committee by the affirmative vote of 75 per cent. or more of the votes cast by all Committee Members present and entitled to vote on that resolution (an “**IC Special Majority**”);
- (b) the investment plan and budget for the Investment Entities and the business of the Investment Entities (the “**Investment Plan and Budget**”) being approved by an IC Special Majority;
- (c) any matters of the Investor Committee which require an IC Special Majority as specified in the Investors Deed (“**IC Special Majority Matters**”) first being approved by the Investor Committee in accordance with the terms of the Investors Deed; and
- (d) any Investor reserved matters specified in the Investors Deed (“**Investor Reserved Matters**”) first being approved by the affirmative vote of 90 per cent. or more of the votes cast by all Investors present and entitled to vote on that resolution (an “**Investor Special Majority**”).

The Investor Committee may, by a resolution passed by an IC Special Majority, amend the composition of the board of directors of any Investment Group Entity. Unless otherwise determined by the Investor Committee, each Investor with an Equity Proportion of 40 per cent. or more will be entitled to appoint one director to the respective boards of directors of ACIT Finance, DAC Finance, PHF Trustee and PHF Trustee No. 2. For the purposes of appointing, removing and replacing a director to the respective boards of directors of ACIT Finance, DAC Finance, PHF Trustee and PHF Trustee No. 2 (as the case may be), two or more Investors may aggregate their Equity Proportions to meet the relevant 40 per cent. threshold set out in this **paragraph 4.4** and jointly appoint, remove and replace the relevant director, provided that any group of Investors seeking to utilise such aggregation right must not contain as a member of that Investors group, any Investor whose Investment Securities are, at that time, in whole or in part, being separately used to appoint one or more members of the relevant board of directors pursuant to this **paragraph 4.4**.

- 4.5 Dealing with Investment Securities.** Pursuant to the terms of the Investors Deed Term Sheet, the Investment Securities held by the Investors are stapled, and as such, an interest in one Investment Entity cannot be issued, transferred, redeemed or bought-back (as applicable), unless the equivalent proportion of securities in the other Investment Entities are also issued, transferred, redeemed or bought-back (as applicable) (the “**Stapled Requirement**”).

An Investor may only dispose of Investment Securities if:

- (a) the disposal of the Investment Securities is a transfer of Investment Securities to certain related entities of the Investor as specified in the Investors Deed in compliance with the specified requirements of the Investors Deed and the Stapled Requirement;
- (b) following the expiry of the period commencing on the Completion Date and ending five years later (the “**Initial Period**”), the disposal of the Investment Securities is a transfer of Investment Securities to any person approved in writing by each other Investor or any person who is of good financial standing and reputation and who acknowledges that he shares the objectives of the Investors Deed and that he has a long-term investment horizon (a “**Qualified Buyer**”) and effected after such Investment Securities are first offered for sale to the other Investors, in compliance with the specified requirements of the Investors Deed and the Stapled Requirement (the “**Transfer Pre-Emption Regime**”);
- (c) following the expiry of the Initial Period, the disposal of the Investment Securities is a transfer of Investment Securities by any one or two Investors who together hold Equity Proportions of more than 75 per cent. to a buyer, and effected after the buyer makes an offer to each other Investor to purchase from the other Investor all of the Investment Securities held by the other Investor at the same time and on the same terms, in compliance with the specified requirements of the Investors Deed and the Stapled Requirement;
- (d) the disposal of the Investment Securities is a transfer of Investment Securities to a Qualified Buyer following the termination of the Deadlock (as defined in **Appendix 2** to this Announcement) resolution process specified in the Investors Deed and in compliance with the specified requirements of the Investors Deed and the Stapled Requirement (a “**Deadlock Sale Right**”);

- (e) the disposal of the Investment Securities is a transfer of Investment Securities that is required to be made in accordance with the event of default provisions under the Investors Deed and complies with the Stapled Requirement; or
- (f) before the expiry of the Initial Period, the disposal of the Investment Securities is a transfer of Investment Securities to a person who has been approved by the Investor Committee with an IC Special Majority (an “**Approved Buyer**”), and effected after the Approved Buyer makes an offer to each other Investor to buy the pro rata amount of Investment Securities held by each other Investor at the same time and on the same terms, in compliance with the specified requirements of the Investors Deed and the Stapled Requirement.

4.6 Termination. It is contemplated under the Investors Deed Term Sheet that the Investors Deed will remain in full force and effect until it is terminated automatically:

- (a) on the date on which all parties agree in writing to terminate the Investors Deed;
- (b) in relation to an Investor, on the date on which the Investor disposes of its entire legal and beneficial interest in the Investment Securities; or
- (c) on the date on which one person becomes the beneficial owner of all of the Investment Securities.

4.7 Other Material Terms. A summary of other material terms to be incorporated into the Investors Deed is set out in **Appendix 2** to this Announcement.

5. RATIONALE FOR THE PROPOSED TRANSACTION

Understanding of Australian aged care sector

Since 2006, the Company has actively evaluated various investment opportunities in the Australian aged care sector. As a consequence of such evaluations, the Company’s investment team has developed a good understanding of the Australian aged care sector. This has facilitated the Company’s understanding and assessment of DPG’s business, operations, financial performance, financial position, potential and risks.

Attractive long-term industry fundamentals

The future demand for residential aged care in Australia is underpinned by strong demographic trends and factors such as an ageing population, longer life expectancy and growing complexity of care requirements. The number of Australians aged 85 and over is projected to more than quadruple (from 0.4 million to 1.8 million) between 2010 and 2050. This is expected to drive a major increase in the demand for aged care services over the next 40 years, requiring substantial capital investment in new homes, and in upgrading of existing facilities⁴.

In contrast, the total number of residential aged care beds currently available is approximately 182,600 beds. Due to a steady growth in demand for residential aged care, occupancy levels at residential aged care facilities across Australia are currently over 90 per cent.⁵ The Australian residential aged care provider market is also fragmented, with the five largest operators having an estimated 15 per cent. share of the total market.

⁴ Source : Australian Government Productivity Commission Inquiry Report 2011

⁵ Source : Aged Care Financing Authority Inaugural Report On The Funding And Financing Of The Aged Care Sector, 30 June 2013

Well defined legal and regulatory framework

Australia has a well-defined framework of laws and regulations in relation to the aged care sector. As a policy objective, the Australian Commonwealth Government aims to ensure that all frail older Australians have timely access to appropriate care and support services. It has re-affirmed its commitment to create a sustainable, comprehensive national system for the future through the Living Longer / Living Better reform package announced in April 2012. This legislative reform package provides improved visibility on industry regulation for the next decade and includes measures designed to attract greater resident contribution to the cost of aged care, incentivize aged care providers to refurbish older facilities and develop new facilities and increase productivity.

Highly reputable investor and manager

Upon Completion and assuming AMP Life increases its interest in DAC Finance and PHF Trust to approximately 47.62 per cent. as disclosed above, G. K. Goh will have an equal ownership interest in DPG alongside one of Australia's most respected financial institutions, AMP Life (through ACIT 1 and ACIT 2), and both G. K. Goh and AMP Life are committing to invest additional capital to accelerate the growth of DPG. AMP Life is Australia and New Zealand's leading independent wealth management company, with a retail business in Australia and a growing international investment management business.

In addition, AMP Capital will continue to manage the investment on behalf of the shareholders and unitholders of the Investment Entities (as the case may be). AMP Capital has a dedicated aged care investment management team which is well regarded and has deep industry knowledge and connections. AMP Capital is a leading investment house managing over A\$131.0 billion (approximately S\$152.6 billion) (as at 30 June 2013) on behalf of clients through a global network of offices in developed and emerging markets and one of the most experienced global infrastructure managers with more than 20 years' experience and over 80 infrastructure (equity and debt) investments globally since 1988.

Sizeable, reputable operator with high calibre management team

DPG is one of Australia's largest privately owned specialist residential aged care providers, offering all levels of residential aged care services. As at 30 June 2013, DPG employs more than 5,000 employees who provide residential aged care services to more than 4,300 elderly Australians at 55 aged care facilities and over 4,500 beds in New South Wales, Victoria, Queensland and Western Australia. Its portfolio of residential aged care facilities is well diversified across Australia and there is potential to further increase operational leverage and financial efficiencies. DPG has a high calibre management team in place to manage and drive the future performance of the businesses.

Growth prospects

To capitalize on the attractive long-term fundamentals of the aged care sector, DPG intends to grow its business through a combination of brownfield redevelopment and refurbishment of existing aged care facilities as well as greenfield construction of new facilities in attractive locations. In addition, due to the fragmented nature of the aged care sector and the large number of small operators which are sub-scale, there is the potential for DPG to consolidate and acquire assets and operators which are complementary to its existing operations should such opportunities arise.

Long-term returns

The Board and management of G. K. Goh believe that investing in the Australian aged care sector through DPG will deliver attractive long-term returns for the capital employed.

6. FINANCIAL INFORMATION

6.1 NAV. Based on the unaudited pro forma amalgamated financial statements of DPG for the financial year ended 30 June 2013, the amalgamated NAV attributable to the Relevant DPG Securities, which constitutes an approximately 47.62 per cent. interest in DPG immediately following Completion, is approximately A\$125.7 million (approximately S\$146.5 million). The amalgamated NAV attributable to the Relevant DPG Securities includes approximately A\$87.9 million (approximately S\$102.4 million) of goodwill and approximately A\$90.3 million (approximately S\$105.2 million) of intangible assets. Goodwill has been recognised as a result of the historic acquisitions of various businesses which today constitute DPG. Intangible assets primarily relate to the value of bed licences granted by the Australian Government Department of Health and Ageing; such value has been determined as part of the purchase price accounting process in connection with the aforementioned historic acquisitions. Goodwill and intangible assets are assessed for impairment on an annual basis.

6.2 Net Profit. Based on the unaudited pro forma amalgamated financial statements of DPG for the financial year ended 30 June 2013, the aggregate net profit (excluding extraordinary items) attributable to the Relevant DPG Securities, which constitutes an approximately 47.62 per cent. interest in DPG immediately following Completion, is approximately A\$6.1 million (approximately S\$7.1 million).

7. FINANCIAL EFFECTS

7.1 Bases and Assumptions. The financial effects have been prepared based on the audited consolidated financial statements of G. K. Goh and its subsidiaries (the “**G. K. Goh Group**”) for the financial year ended 31 December 2012 (“**FY2012**”) and the unaudited pro forma amalgamated financial statements of DPG for the financial year ended 30 June 2013 and are purely **for illustrative purposes only and do not reflect the future actual financial position of the enlarged G. K. Goh Group with the Company owning the Relevant DPG Securities as a result of the Proposed Transaction and the Further Investment.** The financial effects have also been prepared based on, *inter alia*, the following assumptions:

- (a) the Consideration payable by Allium to the Sellers amounts to A\$138.1 million (approximately S\$160.9 million), comprising the aggregate of the Purchase Price and an Adjustment Payment of A\$1.4 million (approximately S\$1.7 million), with no Pre-Completion Leakage Adjustment;
- (b) the estimated taxes and transaction costs to be borne by Allium and/or the Company in relation to the Proposed Transaction amount to A\$6.0 million (approximately S\$7.0 million);
- (c) 50 per cent. of the amounts referred to in **paragraphs 7.1(a) and 7.1(b)** above is funded by the Company through its existing liquid assets and cash, with the remaining 50 per cent. funded through bank borrowings;
- (d) 50 per cent. of the Further Investment is funded by the Company through its existing liquid assets and cash, with the remaining 50 per cent. funded through bank borrowings; and

- (e) the conversions of A\$ into S\$ are based on a fixed exchange rate of A\$1.00 to S\$1.165.

7.2 Net Tangible Assets (“NTA”). Assuming the Proposed Transaction and the Further Investment had been completed on 31 December 2012, being the end of the most recently completed financial year of the G. K. Goh Group, the financial effects on the consolidated NTA of the G. K. Goh Group as at 31 December 2012 are as follows:

	Before the Proposed Transaction and the Further Investment	After the Proposed Transaction	After the Proposed Transaction and the Further Investment
NTA (S\$ million)	362.9	362.9	362.9
No. of issued Shares (million)	316.1	316.1	316.1
NTA per Share (S\$)	1.15	1.15	1.15

7.3 Earnings Per Share (“EPS”). Assuming the Proposed Transaction and the Further Investment had been completed on 1 January 2012, being the beginning of the most recently completed financial year of the G. K. Goh Group, the financial effects on the consolidated earnings of the G. K. Goh Group for FY2012, calculated based on profit after tax, minority interests and extraordinary items of DPG, are as follows:

	Before the Proposed Transaction and the Further Investment	After the Proposed Transaction	After the Proposed Transaction and the Further Investment
Profit before tax and minority interests (S\$ million)	21.1	20.1	19.3
Net profit attributable to ordinary shareholders of the Company (S\$ million)	19.3	18.2	17.5
<u>Basic EPS</u> ⁽¹⁾			
No. of issued Shares (million)	316.6	316.6	316.6
Basic EPS (Singapore cents)	6.09	5.75	5.52

Assuming the Proposed Transaction and the Further Investment had been completed on 1 January 2012, being the beginning of the most recently completed financial year of the G. K. Goh Group, the financial effects on the consolidated earnings of the G. K. Goh Group for FY2012, calculated based on profit after tax, minority interests and excluding extraordinary items of DPG, are as follows:

	Before the Proposed Transaction and the Further Investment	After the Proposed Transaction	After the Proposed Transaction and the Further Investment
Profit before tax and minority interests (S\$ million)	21.1	24.0	23.3
Net profit attributable to ordinary shareholders of the Company (S\$ million)	19.3	22.1	21.4
<u>Basic EPS</u> ⁽¹⁾			
No. of issued Shares (million)	316.6	316.6	316.6
Basic EPS (Singapore cents)	6.09	7.00	6.77

Notes:

- (1) The calculation of basic EPS is based on the net profit attributable to ordinary shareholders of the Company.
- (2) Any incremental benefits arising from the Proposed Transaction and the Further Investment are assumed to be immaterial.

7.4 Gearing. Assuming that the Proposed Transaction and the Further Investment had been completed on 31 December 2012, being the end of the most recently completed financial year of the G. K. Goh Group, the financial effects on the gearing of the G. K. Goh Group as at 31 December 2012 are as follows:

	Before the Proposed Transaction and the Further Investment	After the Proposed Transaction	After the Proposed Transaction and the Further Investment
Bank borrowings (S\$ million)	12.7	96.6	111.2
Shareholders' Equity (S\$ million)	362.9	362.9	362.9
Gearing (%)	3.49	26.62	30.63

Notes:

- (1) "**Shareholders' Equity**" means the aggregate of the issued and paid-up share capital, capital and other reserves of the G. K. Goh Group and minority interests.
- (2) Gearing is computed based on the ratio of bank borrowings to Shareholders' Equity.

7.5 Share Capital. The Proposed Transaction and the Further Investment will not have any impact on the issued and paid-up share capital of the Company.

8. MAJOR TRANSACTION

8.1 **Rule 1006.** The relative figures in relation to the Proposed Transaction computed on the applicable bases set out in Rule 1006 of the Listing Manual ("**Rule 1006**") are as follows:

Rule 1006	Bases	Relative Figures (%)
(b)	Net profits attributable to the Relevant DPG Securities of approximately A\$6.6 million (approximately S\$7.7 million) compared with the G. K. Goh Group's net profits of approximately S\$21.1 million ⁽¹⁾	36.38
(c)	Maximum Consideration of A\$138.1 million (approximately S\$160.9 million) ⁽²⁾ payable to the Sellers compared with the Company's market capitalisation ⁽³⁾	59.64

Notes:

- (1) The relative figures for Rule 1006(b) were computed based on the net profits before tax, minority interests and extraordinary items attributable to the Relevant DPG Securities, based on the unaudited pro forma amalgamated financial statements of the Investment Entities for the financial year ended 30 June 2013, and the net profits before tax, minority interests and extraordinary items of the G. K. Goh Group, based on the consolidated audited financial statements of the G. K. Goh Group for the financial year ended 31 December 2012.
- (2) The maximum Consideration payable to the Sellers comprises the aggregate of the Purchase Price and an Adjustment Payment of A\$1.4 million (approximately S\$1.7 million), with no Pre-Completion Leakage Adjustment.
- (3) The market capitalisation of the Company is based upon 316,070,805 Shares in issue as at 15 August 2013 at a volume weighted average price of S\$0.8538 for each Share.

As the relative figures under Rules 1006(b) and (c) exceed 20 per cent., the Proposed Transaction constitutes a major transaction as defined in Chapter 10 of the Listing Manual. Accordingly, the Proposed Transaction is subject to the approval of Shareholders.

8.2 **Circular.** The Circular setting out information on the Proposed Transaction, together with a notice of EGM to be convened, will be despatched to Shareholders in due course. In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations to be set out in the Circular.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in **paragraph 1.4** of this Announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction.

10. FURTHER INFORMATION

10.1 **Directors' Service Contracts.** No person is proposed to be appointed as a Director in connection with the Proposed Transaction. Accordingly no service contract is proposed to be entered into between the Company and any such person.

10.2 Documents for Inspection. A copy of the Sale Agreement is available for inspection during normal business hours at the registered office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, for a period of three months commencing from the date of this Announcement.

By Order of the Board

Tan Cher Liang
Tan San-Ju
Company Secretaries
Singapore, 16 August 2013

APPENDIX 1

OTHER MATERIAL TERMS OF THE SALE AGREEMENT

1. **Period before Completion.** Pursuant to the terms of the Sale Agreement, the Sellers must use their best endeavours until Completion:
 - (a) except with the prior written consent of Allium, to conduct the business of investing in the portfolio of aged care assets that comprise the Investment Entities, and to procure that the DPG business is conducted, in the ordinary and usual course consistent with their usual business practices and not to make any material change to the nature and scale of any activity comprised in either such business; and
 - (b) except with the prior consent of Allium or where required or contemplated by an agreement entered into in conjunction with the Proposed Transaction, to procure that each Investment Group Entity does not undertake certain restricted activities in relation to, *inter alia*, its share capital, financial assistance, redemption of units, distribution of profits, amendment of its constitution, capital expenditure, borrowings, financial accommodation, disposal of assets, entry into or termination of agreements, significant changes to its accounting practices or policies, remuneration of existing directors or employees, employment matters and encumbrance over assets.
2. **Post-Completion Obligations.** Pursuant to the terms of the Sale Agreement, within 28 days after the Completion Date, the Sellers must use their reasonable endeavours to procure that the relevant DPG entities provide such notices to the Secretary of the Commonwealth Department of Health and Ageing as are required under the Australian Aged Care Act 1997 (Cth).
3. **Warranties and Warranty Claims.** Pursuant to the terms of the Sale Agreement, each of Allium and the Sellers has provided warranties and indemnities. Allium's sole recourse in respect of any claim (a "**Warranty Claim**") arising out of a breach of a representation and warranty of the Sellers as set out in the Sale Agreement (a "**Seller Warranty**") is against the warranty and indemnity insurance policy provided by Pembroke Syndicate 4000 at Lloyd's and Ironshore Europe Limited as well as the excess warranty and indemnity insurance policy provided by AIG Australia Limited in respect of the Seller Warranties (together, the "**W&I Policy**"), provided that if:
 - (a) the Warranty Claim relates to a breach of the Seller Warranties relating to legal capacity and title as specified in the Sale Agreement (a "**Capacity and Title Warranty**"), Allium will have recourse against the Sellers in respect of that Warranty Claim; or
 - (b) a Warranty Claim arises in whole or in part out of:
 - (i) a Seller's fraud or wilful misconduct, or the fraud or wilful misconduct of the officers of a Seller; or
 - (ii) a Seller's dishonesty or any Seller deliberately not making, or omitting to make, a disclosure in such a way as to render any Seller Warranty materially misleading, false or deceptive,

Allium will have recourse against the Sellers in respect of the Warranty Claim, without first having to first seek recourse against the W&I Policy.

4. **Restraint.** Pursuant to the terms of the Sale Agreement, for a period of up to five years following Completion within certain specified geographical regions in Australia, the Sellers will not, and will procure that AMP Life and its Subsidiary Entities will not, unless expressly authorised in writing by Allium or falling within certain specified exceptions:
- (a) engage in, be involved in, or be interested in (either directly or indirectly and whether solely or jointly with any other person and whether as principal, agent, director, executive officer, employee, shareholder, partner, financier, beneficiary, trustee, joint venturer, adviser, consultant to or in any entity or otherwise) a business or an activity that is:
 - (i) the same or similar to the DPG business or any part or parts of the DPG business; or
 - (ii) in competition with the DPG business or any part or parts of the DPG business;
 - (b) either directly or indirectly and whether solely or jointly with any other person and whether as principal, agent, director, executive officer, employee, shareholder, partner, financier, beneficiary, trustee, joint venturer, adviser, consultant to or in any entity or otherwise:
 - (i) solicit, canvass, approach or accept an approach from a person who was at any time during the two years prior to and ending on the Completion Date, (A) certain specified persons receiving care through a DPG aged care facility or a person who occupied an assisted living apartment owned or operated by DAC Finance, PHF Trust or their respective Subsidiary Entities or (B) a person who is included on a waiting list at a DPG aged care facility or made enquiries with a DPG aged care facility about the availability of a place at a DPG aged care facility, with a view to obtaining the custom of that person in a business that is the same or similar to the DPG business or is in competition with the DPG business;
 - (ii) induce or help to induce an employee of any Investment Group Entity to leave their employment; or
 - (iii) prejudice the Australian Government Department of Health and Ageing's relationship with the Investment Group Entities.
5. **Termination.** Pursuant to the terms of the Sale Agreement, the Sale Agreement may be terminated at any time before Completion under the following circumstances:
- (a) in relation to the Conditions, by Allium or the Sellers:
 - (i) if any Condition has become incapable of satisfaction and that Condition has not been waived in accordance with the terms of the Sale Agreement within five Business Days after the occurrence of the fact, matter or circumstance which caused that Condition to become incapable of satisfaction;
 - (ii) if any Condition has not been satisfied or waived in accordance with the terms of the Sale Agreement before the Long-Stop Date; or
 - (iii) if any Condition, having been satisfied on or before the Long-Stop Date ceases to be satisfied before Completion,

except where the relevant Condition has become incapable of satisfaction, has not been satisfied, or ceases to be satisfied, as a direct result of a failure by the party seeking to terminate to comply with its obligations relating to the Conditions;

- (b) in relation to the respective Completion obligations of Allium and the Sellers under the Sale Agreement, if Completion does not occur in accordance with the terms of the Sale Agreement because of the failure of any party (the “**Defaulting Party**”) to satisfy any of its Completion obligations, then the other party (the “**Non-Defaulting Party**”) may give the Defaulting Party a notice requiring the Defaulting Party to satisfy those obligations within a period of five Business Days after the date of the notice, and if the Defaulting Party fails to comply with such notice, then the Non-Defaulting Party may, *inter alia*, immediately terminate the Sale Agreement, in which case the Non-Defaulting Party may seek damages from the Defaulting Party for its breach of the Sale Agreement;
- (c) by Allium in the event of a breach of a Capacity and Title Warranty;
- (d) by the Sellers in the event of a breach of the warranties given by Allium as stated in the Sale Agreement;
- (e) by Allium if (i) the Sellers are in breach of a pre-Completion undertaking given by the Sellers under the Sale Agreement, (ii) a Material Adverse Change (as defined in the Sale Agreement) occurs or (iii) Allium becomes aware of any fact, matter or circumstance which (A) results in a breach of a Seller Warranty or (B) would result in a breach of a Seller Warranty were all of the Seller Warranties repeated on each day from the date of the Sale Agreement until (and including) the Completion Date (but excluding any Seller Warranty that is expressly stated to only be given as at the date of the Sale Agreement or on Completion), where the loss Allium would be likely to suffer or incur as a result of or otherwise in connection with that breach is at least A\$2.5 million in aggregate (approximately S\$2.9 million); and
- (f) by the Sellers, if they become aware of any fact, matter or circumstance which (i) results in a breach of a Seller Warranty or (ii) would result in a breach of a Seller Warranty were all of the Seller Warranties repeated on each day from the date of the Sale Agreement until (and including) the Completion Date (but excluding any Seller Warranty that is expressly stated to only be given as at the date of the Sale Agreement or on Completion), where the loss Allium would be likely to suffer or incur as a result of or otherwise in connection with that breach is at least A\$2.5 million in aggregate (approximately S\$2.9 million).

APPENDIX 2

OTHER MATERIAL TERMS OF THE INVESTORS DEED TERM SHEET

1. **IC Special Majority Matters.** Pursuant to the terms of the Investors Deed Term Sheet, the IC Special Majority Matters to be provided in the Investors Deed include, *inter alia*, any decision:
 - (a) to invest in other aged care assets or to divest of any interest in the Investment Entities;
 - (b) to vary, replace or terminate the facility agreement dated 25 October 2011 between, *inter alia*, the ANZ Parties and ACIT Finance, including any re-financing of that facility;
 - (c) to vary, replace or terminate the long form asset management agreement to be entered into between ACIT Finance and AMP Capital pursuant to the Proposed Transaction or the financial services agreement between ACIT Finance and AMP Capital dated 12 October 2012;
 - (d) to adopt, vary or replace the Investment Strategy;
 - (e) to adopt, vary or replace the Investment Plan and Budget;
 - (f) to adopt, vary or replace the risk management framework for the Investment Entities and the business of the Investment Entities;
 - (g) in relation to certain specified financial matters relating to DAC Finance, PHF Trust and their Subsidiary Entities, such as capital expenditure, borrowings and disposal of assets;
 - (h) in relation to certain specified matters relating to the Investment Entities, such as (i) entering into guarantees, (ii) granting of loans, (iii) appointment or removal of auditors, (iv) entering into, varying or terminating any agreements or arrangements with any director, any relative of any director, or any Investor or any relative or Related Entity of an Investor, (v) establishing, varying or terminating any employee or executive incentive schemes, (vi) material alteration of accounting policies, (vii) change of financial or tax year and (viii) starting, defending or settling any material legal, arbitration or other proceedings;
 - (i) to set the dividend or distribution policy for the Investment Entities or make any change to the dividend or distribution policy for the Investment Entities; and
 - (j) in relation to any other matter which the Investors Deed Term Sheet expressly specifies to be an IC Special Majority Matter.
2. **Investor Reserved Matters.** Pursuant to the terms of the Investors Deed Term Sheet, the Investor Reserved Matters to be provided in the Investors Deed include, *inter alia*, any decision by an Investment Entity to:
 - (a) issue further securities in the capital of the Investment Entities;
 - (b) cease to carry on the business of an Investment Entity or a substantial part of the relevant business, materially alter the nature, scale or direction of the relevant business or commence any business or operational activities other than the relevant business;

- (c) vary the rights attaching to the Investment Securities such as by way of buy-back or a capital reduction (in the case of shares) and redemption of units (in the case of units);
- (d) adopt, vary or repeal the constitution or trust deed of the Investment Entity;
- (e) take any step to dissolve or wind up the Investment Entity;
- (f) take any step to appoint an administrator, receiver, manager or liquidator to the Investment Entity or take advantage of any law providing for relief of debtors in adverse financial circumstances;
- (g) take any other action that requires a special resolution of shareholders under the Australian Corporations Act; and
- (h) declare, make or pay any dividend or distribution in respect of that Investment Entity (provided that such dividends or distributions are in accordance with any dividend or distribution policy for the Investment Entities approved by the Investor Committee by an IC Special Majority).

3. **Deadlock.** Under the terms of the Investors Deed Term Sheet, it is envisaged that the Investors Deed will incorporate the following deadlock resolution process, namely, when any of the following events occur (“**Deadlock**”):

- (a) the same resolution in respect of an IC Special Majority Matter is included in the agenda for at least three meetings of the Investor Committee in any consecutive period of six months and not passed by an IC Special Majority (including by reason of the meeting not being held or being adjourned due to a lack of quorum or otherwise); or
- (b) the same resolution in respect of an Investor Reserved Matter for an Investment Entity is included in the notice of meeting for at least three meetings of the shareholders or the unitholders of the Investment Entity (as the case may be) in any consecutive period of six months and not passed by an Investor Special Majority (including by reason of the meeting not being held or being adjourned due to a lack of quorum or otherwise),

then an Investor may give a notice (a “**Deadlock Notice**”) to the other Investors within 20 Business Days of the Deadlock occurring and in accordance with the provisions of the Investors Deed.

Within 5 Business Days after the Deadlock Notice is given, the Investors must discuss and attempt to resolve the Deadlock. If the Deadlock specified in a Deadlock Notice is not resolved within 30 Business Days after the Deadlock Notice is given, then any Investor may refer the Deadlock to mediation in accordance with the provisions of the Investors Deed. Subsequently, if a Deadlock has not been resolved within 30 Business Days after the date a mediator was appointed in accordance with the provisions of the Investors Deed, an Investor that has complied with the Deadlock provisions of the Investors Deed may terminate the Deadlock resolution process by giving notice (a “**Deadlock Termination Notice**”) to each other Investor. The Investor who gave the Deadlock Notice is thereafter entitled (but is not obliged to) to exercise a Deadlock Sale Right at any time within 120 Business Days after a Deadlock Termination Notice has been given, provided that the Investor first complies with the Transfer Pre-Emption Regime (irrespective of whether the transfer pursuant to the Deadlock Sale Right is to occur before or after the Initial Period).