

20 January 2025

Update on Ho Bee Land Proposal – Confidentiality and Exclusivity Arrangements

AVJennings Limited (ASX: AVJ) (**AVJennings** or **AVJ**) refers to its announcement on 15 January 2025 that it had received an unsolicited, conditional and non-binding indicative proposal from Ho Bee Land Limited (**Ho Bee Land**) to acquire all of the shares in AVJennings that it does not already own¹ for cash consideration of \$0.70 per share (less any dividends²) by way of a scheme of arrangement (the **Ho Bee Land Proposal**).

AVJ also refers to its announcement on 17 January 2025 that it intends to provide due diligence access to Ho Bee Land, subject to the parties entering into confidentiality arrangements.

On 19 January 2025, AVJ entered into both a Confidentiality Deed and an Exclusivity Deed with Ho Bee Land to facilitate discussions in relation to the Ho Bee Land Proposal. The Directors have granted Ho Bee Land exclusivity and access to due diligence through to 21 February 2025. The terms of exclusivity with Ho Bee Land include an exception to permit ongoing discussions with AVID, whose exclusivity terms and access to due diligence will continue in place until 31 January 2025. A summary of the exclusivity terms with Ho Bee Land is attached to this announcement. AVJennings shareholders do not need to take any action in relation to the proposals at this time. There is no certainty that either the AVID Proposal or Ho Bee Land Proposal will result in a binding offer or that any transaction will eventuate.

AVJennings will continue to keep the market informed of any material developments in relation to the proposals in accordance with its continuous disclosure obligations.

Barrenjoey is acting as financial adviser and Allens as legal adviser to AVJennings.

End

This announcement has been approved and authorised for release to the ASX by the Company Secretary.

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¹ On 27 December 2024, Queensgate Investments Pty Limited, an associate of Ho Bee Land, lodged an initial substantial holder notice of a relevant interest in 30,078,608 AVJennings shares, being 5.39% of the AVJennings shares on issue.

² Under the Ho Bee Land Proposal, the consideration offered will be reduced by the value of any dividend or other distribution up to \$0.06 per AVJennings share announced or paid on or after 14 January 2025.

Annexure A: Exclusivity Terms

Set out below is a summary of the material exclusivity terms that apply to AVJennings during the Exclusivity Period.

Exclusivity restrictions: During the Exclusivity Period, other than the AVID Proposal, AVJennings must not, and must ensure that each of its Related Persons do not, directly or indirectly:

- (a) **(No shop)** solicit, invite, encourage or initiate any enquiries, expressions of interest, offers, proposals, negotiations or discussions by any Third Party in relation to, or which could reasonably be expected to encourage or lead to the making of, or with a view to obtaining, a Competing Proposal, or communicate to any Third Party an intention to do anything referred to in this clause.
- (b) **(No talk)** subject to a fiduciary exception:
 - (i) facilitate, participate in or continue any negotiations or discussions with any Third Party with respect to any inquiry, expression of interest, offer, proposal or discussion by any Third Party which would reasonably be expected to encourage or lead to the making of, a Competing Proposal, or negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal, even if the relevant Competing Proposal was not directly or indirectly solicited, invited, encouraged, facilitated or initiated by AVJennings, any of its Related Persons or the relevant person has publicly announced the Competing Proposal; or
 - (ii) communicate to any Third Party an intention to do anything referred to in clause (b)(i) above.
- (c) **(No due diligence)** subject to a fiduciary exception, disclose or otherwise make available any non-public information about the business, assets or affairs of the AVJennings Group or provide access to any of AVJennings' officers or employees to a Third Party with a view to obtaining, or which would reasonably be expected to encourage or lead to receipt of, a Competing Proposal whether by that Third Party or another person, or communicate to any Third Party an intention to do anything referred to in this clause
- (d) **(Fiduciary exception):** This permits AVJennings to engage with a bona fide, actual, proposed or potential Competing Proposal if the AVJennings Board, acting in good faith, has determined, after receiving advice that the Competing Proposal could reasonably be expected to become a superior proposal and it would or would reasonably be likely to constitute a breach of an AVJennings' Director's fiduciary or statutory duties not to engage with the proposal or provide access to due diligence.

Notification obligations. In addition, during the Exclusivity Period (other than in relation to the AVID Proposal), AVJennings must, as soon as reasonably practicable (and in any event within 24 hours), notify Ho Bee Land in writing if it or its Related Persons becomes aware of any: (a) negotiations, discussions or other communications, or any other contact or approach, in relation to an actual or potential Competing Proposal, or that may be reasonably expected to lead to a Competing Proposal; (b) approach or proposal made to, or received by, AVJennings or any of its Related Persons, in connection with, or in respect of any exploration or completion of, an actual or potential Competing Proposal, or that may be reasonably expected to lead to a Competing Proposal; (c) request made by a Third Party for any non-public information; or (d) provision by AVJennings or any of its Related Persons of any material non-public information concerning the business or operations of AVJennings or the AVJennings Group to any Third Party (other than a regulatory authority) in connection with an actual or potential Competing Proposal, whether direct or indirect, solicited or unsolicited, and in writing or otherwise. A notice given for this purpose must include all material details of the Competing Proposal (including the price (or if not cash, implied value), funding, form of consideration, proposed deal protection provisions, conditions, timing, break fee provisions and other key terms of any Competing Proposal and the identity of the proponent(s) of any such proposal), in each case to the extent known by the AVJennings or any of its Related Persons.

Definitions: For the purposes of this summary, the following definitions apply:

AVID Proposal means the proposal from Proprium Capital Partners (Australia) Pty Ltd and AVID Property Group acting through PM Nominees C Pty Ltd to acquire all of the outstanding shares in AVJennings by way of scheme of arrangement.

AVJennings Group means AVJennings and each of its related entities.

Competing Proposal means any proposal, offer, expression of interest, agreement, arrangement or transaction which, if entered into or completed substantially in accordance with its terms, would result in a Third Party (either alone or together with any associate) directly or indirectly:

- (a) acquiring or having a right to acquire:
 - (i) a relevant interest in;
 - (ii) a legal, beneficial or economic interest (including by way of an equity swap, contract for difference or other derivative, or similar transaction or arrangement) in; or
 - (iii) control of,
20% or more of the securities in any member of the AVJennings Group;
- (b) acquiring or having a right to acquire control of AVJennings;
- (c) acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of:
 - (i) all or a material part of the business conducted by the AVJennings Group taken as a whole; or
 - (ii) any material assets of the AVJennings Group taken as a whole;
- (d) otherwise directly or indirectly acquiring or merging with AVJennings; or
- (e) requiring AVJennings to abandon, or otherwise fail to proceed with, a transaction to give effect to the Indicative Proposal,

whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement recapitalisation, refinancing or other transaction or arrangement.

For the avoidance of doubt, each successive material modification or variation of a Competing Proposal will constitute a new Competing Proposal.

Exclusivity Period means the period commencing on the date of the Exclusivity Deed and ending at 5.00pm (Sydney time) on 21 February 2025, or such later date as AVJennings and Ho Bee Land agree in writing.

Related Persons means a member of the AVJennings Group or an affiliate or representative of such person.

Third Party means a person other than Ho Bee Land or any of its related entities.