

STRATEGIC INVESTMENT
BY **AQUALAND** IN **McGRATH**

A COMPELLING STRATEGIC EQUITY INVESTMENT FOR McGRATH

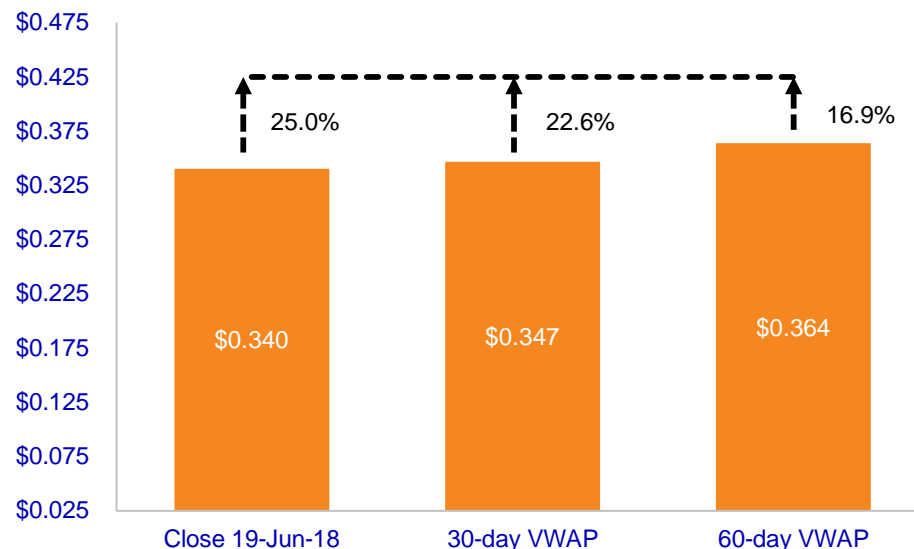
INVESTMENT BY AQUALAND, ONE OF AUSTRALIA'S PREMIER RESIDENTIAL PROPERTY DEVELOPMENT AND INVESTMENT GROUPS

- Strategic relationship formed between McGrath, one of Australia's leading property agencies, and Aqualand, one of Australia's premier residential property development and investment groups
- Aqualand has advised that it has a portfolio of 18 sites, with a collective gross development value of approximately \$5 billion
- McGrath granted first right to discuss appointment on new Aqualand developments expected to come to market in future years:
 - as an agent to market new developments
 - to provide property management services for leased apartments within new developments
 - Aqualand reserves right as to whether McGrath is appointed (refer ASX announcement released by MEA 20th June 2018 for further details)
- Opportunity for McGrath to increase the scale of its Project Marketing operations and support its Property Management and property resale growth

STRATEGIC PLACEMENT UNDERTAKEN AT A PREMIUM

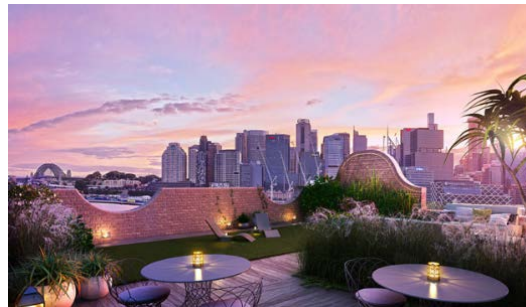
STRATEGIC PLACEMENT OVERVIEW

- Raising \$10.7m (before costs) from the issue of 25,189,880 shares at \$0.425 per share
 - a 25.0% premium to last close (19 June 2018)
 - a 16.9% premium to 60 day VWAP (19 June 2018)
- Placement to occur via two tranches:
 - Tranche 1: 13,621,838 shares @\$0.425 raising \$5,789,281 – completed 19 June 2018
 - Tranche 2: 11,568,042 shares @\$0.425 to raise \$4,916,418 – subject to shareholder approval at EGM
- On completion of Tranche 2, Aqualand will have a 15% shareholding
- Aqualand entitled to appoint a Director to the McGrath Board, subject to maintaining a minimum shareholding. Wayne Mo, Chief Executive Officer of AL Capital (investment arm of Aqualand Group) is the nominee
- Subject to receipt of a waiver from the ASX to ASX Listing Rule 6.18 and certain other conditions being met, Aqualand will have a right to participate in any future issue of shares in McGrath to maintain its shareholding



AQUALAND OVERVIEW

- Aqualand's parent company is Shenglong Group, founded in 1999 in the Fujian Province
- This global group of companies now controls over \$20 billion of assets across Asia Pacific, America and Europe
- Entered the Australian market as Aqualand in 2014 and has built a portfolio of 18 high quality sites across Sydney with a collective gross development value of circa \$5 billion AUD
- This success has allowed Aqualand to operate independently and as a proud Australian company
- Australian operations via two main businesses:
 - Aqualand Property, which develops mixed-use, sustainable communities and has a reputation for being dynamic and innovative
 - AL Capital, which supports the core development business by acquiring assets to increase development capability, take advantage of new technologies and increase efficiencies



Aqualand Global Vision:

“To be a globally recognised and respected Australian property development and investment company that demonstrates integrity, provides unique customer experiences and delivers consistent quality of product. With these goals we believe we will attract the best projects, the best people and the best partners.”

AQUALAND CURRENTLY HAS 18 SITES - CIRCA \$5 BILLION DEVELOPMENT VALUE

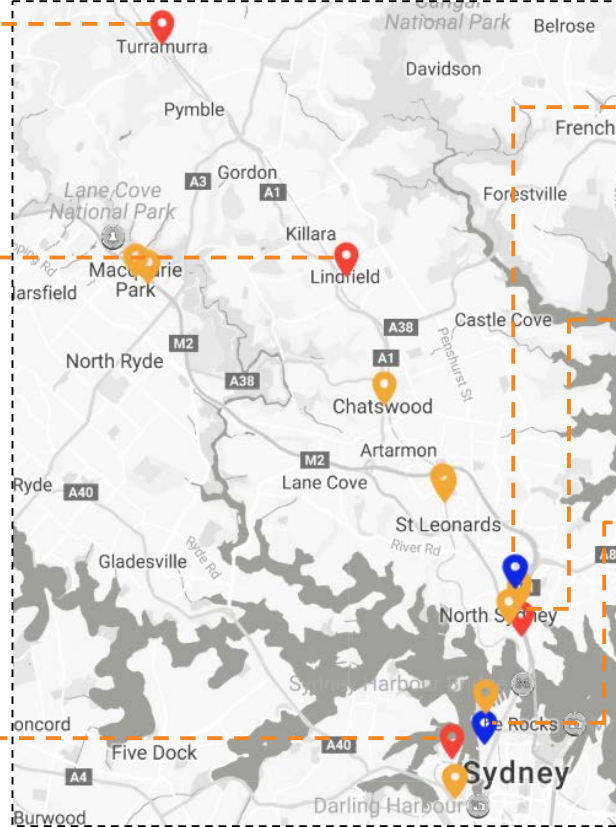
Project: The Heysen
 Location: Turrumurra
 Development Value (gross): \$57m
 41 residences (1, 2 & 3 BR)

Project: Lindfield Village
 Location: Lindfield
 Development Value (gross): \$163m
 140 residences (1, 2 & 3 BR)

Project: Bellevue Residences
 Location: Baulkham Hills
 Development Value (gross): \$480m

Project: The REVY
 Location: Pyrmont
 Development Value (gross): \$173m
 41 residences (2, 3 & 4 BR & penthouse)

* Not depicted in map (Pipeline)



Project: 168 Walker
 Location: North Sydney
 Development Value (gross): \$850m
 440 residences

Project: Blue at Lavender Bay
 Location: Milsons Point
 Development Value (gross): \$418m
 129 residences

Project: Central Barangaroo
 Location: Barangaroo
 Development Value (gross): \$2.6b

- Key:
- Pipeline
 - Active Development (Agent Appointed)
 - Currently Tenanted / Pending DA

AQUALAND WILL HOLD 15% OF McGRATH POST-COMPLETION

CHANGE IN SHAREHOLDING

Shareholder	Shares held		% interest	
	Post Tranche 1	Post Tranche 2	Post Tranche 1	Post Tranche 2
John D McGrath	37,127,378	37,127,378	23.7%	22.1%
Aqualand*	13,623,838	25,191,880	8.7%	15.0%
Total issued capital	156,364,491	167,932,532	100.0%	100.0%

* Includes 2,000 shares acquired by Aqualand pre Tranche 1

- On completion of Tranche 2 Aqualand will become the second largest shareholder and will have a 15% relevant interest
- The proposed issue of shares under Tranche 2 is in excess of McGrath's current available placement capacity under the ASX Listing Rules and is conditional on the approval of McGrath shareholders
- At this time the Board do not intend to propose a resolution at the EGM to fully 'refresh' capacity under ASX Listing Rule 7.1, with the resolution solely to approve the issue of Tranche 2

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