

Central Park Property Investment Limited

Product Disclosure Statement



Offer of up to 600 parcels of B Shares in Central Park Property Investment Limited

Dated 5 February 2019

Important Information

This PDS gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this Offer on www.companiesoffice.govt.nz/disclose (Offer ref: OFR12544). Central Park Property Investment Limited has prepared this PDS in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you make an investment decision.

1 KEY INFORMATION SUMMARY

What is this?

This is an Offer of B Shares ("Shares") that give you a share in the ownership of Central Park Property Investment Limited ("Central Park" or the "Issuer"). You may receive a return if dividends are paid or Central Park increases in value and you are able to sell your Shares at a higher price than you paid for them.

If Central Park runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

About Central Park Property Investment Limited

Central Park will invest all of its capital into a joint venture company, Everest Central Investment Limited ("Everest"), for an 80% share. Magsons Investments Limited ("Magsons") will be the other shareholder in the joint venture company, with a 20% share, as detailed below:

Central Park Property Investment Limited	\$30,000,000	(80%) in A shares in Everest
Magsons Investments Limited	<u>\$ 7,500,000</u>	<u>(20%) in B shares in Everest</u>
	<u>\$37,500,000</u>	<u>(100.00%) A and B shares in Everest</u>

The respective rights of shareholders in the joint venture company include:

- The shares held by Central Park carry all voting rights and rights to appoint directors in Everest
- The shares held by Magsons have no voting rights or rights to appoint directors in Everest.

Further characteristics of the A shares in Everest and the B shares in Everest are set out in Section 6 "*Key Features of the Shares*".

The objectives of Everest, as the joint venture company are:

- To acquire the land at 156-160 Central Park Drive, Waitakere City, which comprises an area of 31,373m² ("Property").
- To construct a 27,682 m² purpose-built home products store on the Property, and an associated car parking building (the "Development"). The main building will be spread over 2 levels. The car parking building will include 625 car parks over 2 levels.
- Following construction, to lease the Property and the building to Magsons Hardware Limited (the "Tenant"), which will operate a retail home store, named **Nido** (Spanish for "Nest"). The Nido retail store will be unique in the New Zealand market.

Purpose of this Offer

The purpose of this Offer is to raise capital to enable Central Park to invest in Everest, so that Everest can achieve its objectives as outlined above.

Central Park is seeking up to \$30,000,000 of new capital to be used for the purposes outlined above. The forecast total cost for Everest to acquire the Property and complete the Development is \$62,575,000, including:

Purchase Price - Property	\$21,200,000
Construction Costs	<u>\$37,800,000</u>
	<u>\$59,000,000</u>
Issue Costs (including the initial fees paid to the Manager and pre-completion returns)	<u>\$ 3,575,000*</u>
	<u>\$62,575,000</u>
Funded by:	
Capital	
Central Park Property Investment Limited	\$30,000,000
Magsons Investments Limited	<u>\$ 7,500,000</u>
	<u>\$37,500,000</u>
Debt Finance: Pearlfisher Capital Limited	<u>\$25,075,000</u>
	<u>\$62,575,000</u>

*Includes \$227,250 of GST refunded from the Issue Costs, which is held as part of the cash reserves of Central Park.

Once the Nido store is trading, management fees (described in "Key terms of the offer" below) will be paid by Everest to the Manager.

The projected return for Investors in the Shares in Central Park is 8.5% per annum for the 12-month construction period (paid from the capital raised and included above in Issue Costs). The projected return for Investors in the Shares in Central Park until 31 March 2021 (based on the anticipated completion date of 30 November 2019), will also be 8.5% per annum. See Section 6 "*Key Features of the Shares*" and Section 7 "*The Issuer's Financial Information*".

The purpose of the Offer is further described in Section 3 "*Purpose of the Offer*".

Central Park has entered into:

- a Shareholders Agreement with Magsons, regulating certain matters in connection with those parties' respective shareholdings in Everest; and
- an Underwrite Agreement with Magsons, whereby Magsons agrees to underwrite the subscription of up to 4,000,000 Shares pursuant to this Offer.

Everest has entered into:

- a Development Agreement with Magsons and Vijay Holdings Limited ("Vijay Holdings"), which deals with the sale of the Property from Magsons to Everest, the commitments by Magsons to meet funding costs during the development stage, and the commitment by Vijay Holdings to design and build the Development;

- the Agreement to Lease with the Tenant;
- a General Security Agreement with the Tenant, whereby Everest has taken security over all present and after acquired property of the Tenant, as security for performance by the Tenant of its obligations under the Agreement to Lease and the Lease; and
- an indicative loan offer with Pearlfisher Capital Limited, more particularly described in Section 2 "*The Issuer and what it does*".

Further detail relating to the above is set out in Section 2 "*The Issuer and what it does*" under the heading "Key contracts entered into by the Issuer".

The Offer is not a 'managed investment scheme' offer for the purposes of the Financial Markets Conduct Act 2013 ("FMC Act"). This Offer is an equity investment in Central Park under the FMC Act, whereby:

- the holders of the Shares will have the right to appoint and remove Directors
- Central Park will not be bound by a Management Agreement which provides for remuneration for the Manager beyond the date Central Park terminates the contract
- there is no FMA licensed manager or FMA licensed independent supervisor to govern Central Park's investment activities

Key terms of the Offer

Description of securities	Offer of ordinary Shares in Central Park (being B Shares offered in accordance with Issuer's Constitution).
Date of lodgement of PDS	5 February 2019
Offer Opening Date	14 February 2019
Offer Closing Date	8 March 2019. Central Park reserves the right to alter or extend this date by no more than 2 months. Central Park may also withdraw the Offer at any time before the allocation of Shares or accept late applications (either generally or in individual cases).
Price of Shares	\$1.00 per Share
Minimum number of Shares per Investor	50,000 (and thereafter in multiples of 50,000)
Maximum number of Shares per Investor	6,000,000
Number of Shares being offered	The maximum number of Shares to be issued is 30,000,000
Percentage which initial subscription is to all Shares issued	100%

There are two Management Agreements; the Central Park Management Agreement between Central Park and Maat and the Everest Management Agreement between Everest and Maat. Only the Everest Management Agreement has fees payable to Maat. These are described in Section 6 : "*Key Features of the Shares*"

You can find more information about the use of proceeds from the Offer in Section 3 "*Purpose of the Offer*" and more information about the terms of the Offer in Section 5 "*Terms of the Offer*".

How you can get your money out

Central Park does not intend to quote these Shares on a market licensed in New Zealand and there is no established market for trading them. This means you may not be able to sell your Shares.

Key drivers of returns

Current and future aspects of Central Park's business that have or may have the most impact on the financial performance of Central Park and the key strategies and plans for the business are set out below. Central Park's sole asset will be an investment in A Shares in the joint venture company, Everest. Everest's sole asset will be the Property, and so all of these factors relate to either the Development of the Property (the "Development Phase") or the period after the Development is completed (the "Investment Phase").

Completion of the Development: Initially, the financial performance of Central Park will be dependent on the completion of the Development to the standard required by the Development Agreement, within the timeframe required and without additional cost being incurred. The Development Agreement includes various measures to mitigate these risks.

Returns during Development Phase: There will be no income earned from the Property until completion of the Development and payment of rent by the Tenant. Distributions to Investors during the Development Phase will be paid from capital raised and included in the Issue Costs. If the Development is delayed, Magsons is required to provide funds to ensure the continuity of distributions to Investors.

Property value: The initial value of the Property will depend upon the extent to which the Development has progressed. On completion of the Development, the value of the Property will depend upon the quality of the Building constructed and the success of the Tenant and its ability to pay rent. The Property may gain or lose value over time depending on a number of factors, which will in turn affect the value of the A shares held by Central Park in Everest. The Property has been valued on an "As if Complete and Fully Leased" basis at \$59,000,000. Further information relating to this is set out in Section 2 "*The Issuer and what it does*" and section 8 "*Risks to Issuer's business and plans*". A copy of the Valuation report can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information".

Rent returns: Everest's ability to generate income, and to pay dividends to Central Park, is dependent on rent payments from the Tenant. Investors' returns will therefore be impacted on by the success of the Tenant's business and its ability to pay rent.

The sole Tenant of the Property upon completion of the construction phase will be Magsons Hardware Limited. It has entered into a 15-year lease term with Everest. The total net rental income under the Lease will be \$4,484,000 plus GST per annum commencing on completion of the Development. The Lease includes fixed rental increases of 2% per annum. Further details of the Lease are set out in Section 2 *"The Issuer and what it does"*.

Refinancing / Interest rates: Everest's financial position, and so the return to Investors in Central Park, will be impacted on by the ability to refinance the initial development funding obtained, after a period of initial trading by the Tenant. The return to Investors will also be affected by the interest rate achieved at the time of refinancing, and future interest rate variations. It is intended that the initial loan funding (from Pearlfisher if formal loan terms are offered) will be repaid upon bank finance being obtained. Future interest rate movements cannot be accurately forecast. The future borrowing therefore introduces an interest rate risk and a leverage risk.

Property owning expenses: Costs associated with owning the Property will have an impact on the financial performance of Everest. Everest will be liable to pay expenses and costs involved with owning and managing the Property, although most operating expenses (including management fees payable to Maat under the Everest Management Agreement) will be recoverable from the Tenant under the Lease.

Key strategies:

The key strategies and plans that Everest has in connection with maximising returns on the Property include managing the Development phase to ensure that a quality building is constructed in accordance with the requirements of the Development Agreement, carrying out regular maintenance on the Property, maintaining control of expenditure in accordance with a budget approved by shareholders of both Everest and Central Park and, on sale of the Property, engaging an experienced sales agent.

Key risks affecting this investment

Investments in shares are risky. You should consider whether the degree of uncertainty about the Issuer's performance and returns is suitable for you. The price of these Shares should reflect the potential returns and the particular risks of these Shares. The Issuer considers that the most significant risk factors that would affect the value of the Shares are as set out below.

Risks arising during the Development Phase:

This investment is different from previous investments promoted by Maat, in that it is a joint venture, and involves the development of new buildings on the currently bare land. The valuation of the Property has been prepared on an "As if Completed" basis, so achieving that value is dependent on the successful completion of the Development.

- **Insolvency/credit risk of Vijay Holdings / Development risk**

Under the Development Agreement, Everest must pay a total fixed price of \$37,800,000 plus GST for the Building, which is progressively paid to Vijay Holdings as the Building is constructed. While Vijay Holdings remains solvent and able to perform its obligations under the Development Agreement, Everest is largely protected from development risk. However, if Vijay Holdings does not perform its obligations or becomes insolvent, there may be insufficient funds available to appoint a replacement contractor to complete the Development (there is no retentions regime or requirement for a performance bond from Vijay Holdings to provide additional funds in this situation). This may result in a forced sale of the partially developed Property, and Investors could suffer a significant loss.

- **Insolvency/credit risk of Magsons**

Under the Development Agreement, Magsons must reimburse Everest for most of the interest and associated fees payable by Everest to Pearlfisher until bank finance is arranged. If the Development is completed later than the target completion date of 30 November 2019, Magsons must also pay Everest (which will in turn pay Central Park) monthly amounts necessary to ensure the continuity of monthly distributions to Investors until the completion of the Development.

If Magsons is unable to pay these amounts and becomes insolvent, Everest will be directly liable to Pearlfisher for the interest costs and associated fees, which are detailed further in Section 2 *"The Issuer and what it does"*. There will also be no money available to pay Investor distributions if completion of the Development is delayed beyond 30 November 2019.

If Magsons is insolvent, this may also mean that the Tenant (a related company of Magsons) is insolvent, which will result in significant losses to Investors.

Risks arising during the Investment Phase (after the Development is complete):

- **Tenant default**

The value of the Property and so the value of your Shares is dependent upon the financial performance of the new "Nido" business operated by the Tenant, and the ability of the Tenant to continue to pay rent.

Competitors to the Tenant (as per the Property Economics market assessment report) will include existing furniture and homeware stores such as Freedom Furniture, Harvey Norman and Briscoes. Ikea has recently announced that it will establish a store in the Auckland region in the near future, and will be a competitor to the Tenant if and when that store is established.

Should the Tenant default on its lease payments, the reduction in income will reduce the funds available for distribution to Investors. The \$2,000,000 bank guarantee to be arranged by the Tenant (equivalent to 5.3 months' rent, excluding outgoings) will provide funds to maintain rental income for a short period of time.

If the Tenant becomes insolvent, or the Lease is terminated due to default by the Tenant, significant works will be required to reconfigure the Building, given its size and specialist nature, so that replacement tenants can be found. There would be lost rental income during the period of those works, and it may be necessary to pay incentives to incoming tenants (as well as letting fees). The rent payable by incoming tenants may also be lower than payable by the Tenant. These factors would result in significant losses being incurred by Investors. The Valuer has assessed the value of the Property on an "As If Complete" with Vacant Possession basis (i.e. the Development is completed, but there are no tenants) at \$38,900,000. Further information is contained in the Valuation report, which can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information".

- **Risks relating to Term Loan funding**

The proposed Pearlfisher debt funding of \$25,075,000 includes a construction loan for a period of 10 months, followed by an investment loan period of up to 6 months of business trading by the Tenant. During this 6 month period, Everest is expecting to repay the loan to Pearlfisher by refinancing with a trading bank. If it cannot refinance, the fees and penalties payable to Pearlfisher are significant. These are detailed further in Section 2 *"The Issuer and what it does"*.

Failure of Everest to obtain bank financing from a trading bank at the expiry of the 6 month investment loan term may lead to a forced sale. A forced sale could also occur if Everest is in breach of its future financial covenants in favour of the bank.

Any forced sale is likely to result in Investors suffering significant losses.

The return to Investors in Central Park, will also be impacted on by future interest rate variations under the bank loan. Interest will be the largest expense paid by Everest, and an increase in interest rates may reduce the returns to Investors. Detail of the interest rates forecast are included in Section 7, *"The Issuer's Financial Information"*.

This summary does not cover all of the risks of investing in Central Park. You should also read Section 2 *"The Issuer and what it does"* and Section 8 *"Risks to the Issuer's business and plans"*.

Mitigation strategies

Various strategies have been developed to mitigate the above risks. Some of those key strategies include:

- The fixed price structure under the Development Agreement, meaning that Vijay Holdings bears the risk associated with any cost overruns.
- Controls during the development process, both in the payments regime and through attendance by Everest and its appointed consultant (Barnes Beagley Doherr) at monthly Project Control Group (PCG) meetings.
- The subordination of Magsons' shareholding in Everest to the shareholding of Central Park in the event of the winding up of Everest, meaning that Investors (whose Shares will total \$30,000,000) will have the first right to receive the net wind up proceeds in Everest (after the payment of other creditors) ahead of any distribution of those proceeds to Magsons (in respect of its \$7,500,000 shareholding).
- The General Security Agreement to be held by Everest over all present and after acquired property of the Tenant. The General Security Agreement will be second-ranking to the Tenant's bank, which will have the first ranking security.

These and other mitigation strategies are explained in more detail in Section 8 *"Risks to the Issuer's business and plans"*.

Where you can find the Issuer's Financial Information

The financial position and performance of Central Park are essential to an assessment of this offer. You should also read Section 7, *The Issuer's Financial Information*.

Central Park has been established to invest in Everest and therefore has no historical financial information. However, selected prospective financial information (including a summary of principal assumptions) has been provided.



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2 THE ISSUER AND WHAT IT DOES

Overview

Intended business of the Issuer

Central Park has been established solely to hold 80% of the equity in Everest which will own the Property and operate as a commercial property owner and landlord after completion of the Development. Central Park's business operations will be limited to its investment in Everest. After completion of the Development, Everest's revenue will be solely generated from rent returns from the Tenant in the Property. Central Park does not intend to purchase any other business, property or assets.

Central Park has been incorporated by Maat, which is the sole holder of all of the A Shares in Central Park.

The characteristics of the Shares offered in this PDS and the characteristics of the A Shares are further described in Section 6 "*Key features of the Shares*".

There is no intention for Central Park to require Everest to sell the Property after any particular timeframe. Any sale would be a major transaction of Everest, requiring the approval of Central Park (but not Magsons).

Central Park is seeking \$30,000,000 of new capital to complete its investment in Everest. Magsons will separately invest \$7,500,000 in Everest. The balance payable for the Property and for the Development, and to cover the issue expenses (including the initial fees to Maat and pre-development distributions) will be funded from a term loan from Pearlfisher.

It is not intended that Central Park will have any employees. Maat will assume the responsibility for providing secretarial services to Central Park and managing the business of Everest in accordance with the terms of the Management Agreements with those companies. Maat will receive fees from Everest for undertaking its management duties for that company.

Industry sector

Central Park will invest in Everest which will initially develop the Property (pursuant to the Development Agreement described below) and then operate as a commercial property owner and landlord of the Property. The commercial property sector is impacted upon by demand for rental properties and the availability of supply. General economic conditions impact upon rental demand. Important factors in assessing a property's value and the potential return are the location of the land, the age and quality of the buildings, the level of rental return, the financial strength of the tenants, the duration of leases and the level of current and expected vacancies. A detailed overview of the general economic and specific market factors affecting commercial property is provided in the Valuation.

Key contracts entered into by Central Park

Shareholders' Agreement

Central Park has entered into a Shareholders Agreement with Magsons, regulating certain matters in connection with those parties' respective shareholdings in Everest. Under the Shareholders' Agreement:

- The initial directors of Everest are Neil Tuffin, Bruce Ellis, Mark Hughson (all of whom are directors of Maat) and Vinod Kumar (the sole director of Magsons);
- Central Park's shares in Everest have sole voting rights, to the exclusion of Magsons, at shareholders meetings (although Magsons' consent must be obtained in respect of certain limited actions of Everest, such as conducting a different business or giving a guarantee – Magsons cannot however prevent a sale of the Property);
- Central Park's shares in Everest have the sole right to appoint and remove directors, to the exclusion of Magsons, giving Central Park the right to remove Vinod Kumar as a director at any time;
- Central Park has the right to receive dividends as declared by the board of Everest from time to time. Magsons may only receive dividends after the Tenant has made the first rent payment under the Lease (after the completion of the Development);
- Magsons' right to receive dividends is suspended if it or any related company (including Vijay Holdings and the Tenant) is in default under the Development Agreement, the Lease or the Pearlfisher Loan Facility;
- On a winding up of Everest, Central Park has the first right to be repaid the full initial share subscription price in Everest (\$30,000,000) before any payment is made to Magsons in respect of its initial share subscription;
- If Magsons or any related company (including Vijay Holdings and the Tenant) is in default under the Development Agreement or the Lease, then Everest may repurchase Magsons' shares in Everest (at \$1.00 per share or at the lesser price as the board of Everest reasonably determines to be their value per share) and may apply the purchase price for those shares towards rectifying the breach. The effect of this arrangement is to effectively cancel Magsons' shareholding to the extent of the breach in question, thereby increasing the proportionate shareholding held by Central Park. This remedy does not result in the receipt of cash funds by Everest to cure the breach.
- If Magsons fails to pay the fees and interest under the Pearlfisher Loan Facility or the additional amounts to allow Central Park to continue to pay dividends to Investors (as required of Magsons under the Development Agreement), or if Magsons or the Tenant fail to make any payments required of them under the Lease, or Magsons or Vijay Holdings fail to otherwise comply with the Development Agreement, Magsons will be deemed to have given a transfer notice to Central Park in respect of Magson's shares in Everest. The effect of the transfer notice will be to allow Central Park

to acquire Magsons' shares in Everest for \$1.00. However, this will only generate an income return if Central Park is able to find a cash buyer for those shares.

A copy of the Shareholders Agreement can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information".

Underwrite Agreement

Pursuant to the Underwrite Agreement, Magsons has agreed to subscribe for up to \$4,000,000 Shares. If by the Offer Closing Date applications for \$26,000,000 or more Shares are received, Magsons will subscribe and pay for up to \$4,000,000 Shares, to make up the total Share issue of \$30,000,000. Magsons will pay for these Shares using funds otherwise payable to it on the sale of the Property.

Central Park agrees to use commercially reasonable efforts to secure a purchaser for the Shares held by Magsons.

A copy of the Underwrite Agreement can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information".

Management Agreement

The Central Park Management Agreement entered into by Central Park with Maat is described further below in the Section 6 "Key Features of the Shares".

Key contracts entered into by Everest

Development Agreement

Everest has entered into a Development Agreement with Magsons and Vijay Holdings. The key terms of the Development Agreement are as follows:

- The Development Agreement deals with:
 - The sale of the Property by Magsons to Everest;
 - Magsons' obligations to meet various costs as outlined below; and
 - Vijay Holdings' obligations as contractor to complete the Development.
- The Development Agreement is conditional upon Everest being satisfied with its due diligence investigations in respect of the Development (by 22 February 2019), and the capital raise being successfully completed and the Pearlfisher Loan Facility being confirmed with all conditions precedent satisfied, by 8 March 2019.
- Magsons agrees to sell the Property to Everest for \$21,200,000. that the agreed settlement date for the purchase is on 13 March 2019, although Everest is aiming to settle one day earlier, on 12 March 2019. On settlement, Everest will issue \$7,500,000 of B Shares to Magsons, and will pay the balance of the purchase price, \$13,700,000, to Magsons in cleared funds.
- Magsons agrees to pay Everest all interest and fees payable under the Pearlfisher Loan Facility when that is due, except that during the investment term of that facility (after completion of the 10 month construction term) Everest must pay 4.45% per annum towards the interest payable. If Magsons defaults on this obligation, Everest has a direct obligation to Pearlfisher to pay all interest and fees. Everest can, however, deduct any such payments required to be made to Pearlfisher from the amount it is required to pay to Vijay Holdings for the Development.
- Magsons agrees to pay Everest an amount to cover the dividends payable to Investors in Central Park (which Everest will then pay to Central Park for that purpose) if the Lease has not commenced by the target date for completion of the Development, being 30 November 2019.
- Everest pays Vijay Holdings a fixed price of \$37,800,000 in respect of the Development works to be undertaken by Vijay Holdings. Those payments are made on a monthly basis as the Development is carried out. There are various controls on the payment process within the Development Agreement, including that the cost to complete the Development (as assessed by Barnes Beagley Doherr, an independent consultant appointed by both Everest and Pearlfisher) at the time of payment must not exceed the balance left to pay by Everest. Any cost overruns must be met by Vijay Holdings.
- The Development Agreement includes requirements for Vijay Holdings to carry out the Development in a proper and workmanlike manner, in accordance with the agreed plans and to obtain warranties from subcontractors. The Development Agreement also requires Vijay Holdings to procure continuity guarantees from certain key subcontractors, whereby they agree directly with Everest to complete the subcontract if the Development Agreement is terminated.

- If the Development Agreement is terminated, Vijay Holdings is not entitled to receive any payments for amounts owing at the time of termination until after there is a return to Central Park of an amount equal to the initial subscription of shares by Central Park in Everest, and after Magsons has met its payment obligations to Everest under the Development Agreement. This does not however guarantee a return to Investors as termination may still result in a forced sale of the Property on an "as is, where is" basis, and the net proceeds of sale after the payment of all creditors (including Pearlfisher) may be insufficient to result in a full return to Investors.

The Development Agreement does not include a retentions regime - no money is progressively withheld from progress payments to Vijay Holdings to provide a financial buffer in the event Vijay Holdings is in default or becomes insolvent. The Development Agreement also does not require Vijay Holdings to provide a performance bond from a bank as security against a default by Vijay Holdings. The risks associated with having no retentions or a performance bond, and the development risks generally, are explained further in Section 8 *"Risks to the Issuer's Business and Plans"*.

A copy of the Development Agreement can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information".

Agreement to Lease

Everest (as landlord) has entered into an Agreement to Lease with the Tenant and with Magsons (as guarantor). The Agreement to Lease obliges the Tenant to enter into an agreed form of Deed of Lease, which is attached to the Agreement to Lease, on completion of the Development, and includes various controls on the Tenant's fitout during the Development phase. The terms of the Deed of Lease to be entered into on completion of the Development are summarised in the table below.

A copy of the Agreement to Lease can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information".

General Security Agreement

Everest has entered into a General Security Agreement with the Tenant, whereby the Tenant has granted Everest a security interest over all of the Tenant's present and after acquired property. The General Security Agreement will provide additional security to Everest for performance by the Tenant of its obligations under the Agreement to Lease and Deed of Lease. Everest has agreed with the Tenant that it will grant priority to the Tenant's primary banker when it takes a general security agreement over the Tenant, meaning that Everest will have a second ranking security behind the Tenant's bank.

Everest's security under the General Security Agreement will also rank behind suppliers of goods to the Tenant that have not been fully paid for, if those suppliers have a retention of title in the goods supplied and have protected that interest through registration on the Personal Property Securities Register.

Pearlfisher Loan Facility

Everest (as borrower) has signed a letter from Pearlfisher Capital Limited dated 17 December 2018 which includes indicative loan terms. The key terms of the Pearlfisher Loan Facility are as follows:

- At the date of this PDS the Pearlfisher Loan Facility is an indicative offer only, and is subject to Pearlfisher completing its due diligence and obtaining formal credit approval. At the date of this PDS there is no assurance that the indicative offer will be converted into a binding loan offer, and this will only become certain closer to the proposed time of initial drawdown (in April 2019).
- The proposed funding terms comprise of:
 - a construction loan of \$25,075,000, for a period of 10 months at an interest rate of 12.5% per annum;
 - converting to an investment loan, for a period of 6 months at an interest rate of 8% per annum.
- \$10,000,000 is to be drawn down before 30 April 2019, and the remaining \$15,075,000 is to be drawn down on a "cost to complete" basis as the Development proceeds.
- Interest is capitalised on the loans (i.e. added to the principal owing) and is only repayable upon expiry of the facilities.
- The fees payable by Everest to Pearlfisher include the following:
 - A financial arrangement fee of \$260,000, payable upon Pearlfisher issuing a formal loan offer (and which will be deducted from the initial drawdown of the Pearlfisher loan). If the Pearlfisher loan is not drawn down by 30 April 2019, this fee is payable upon demand by Pearlfisher.

- An establishment fee of \$500,000 payable upon acceptance by Everest of the formal loan offer. This is capitalised to the loan on the date of the initial advance.
- Further establishment fees of \$500,000 in respect of the initial 3 months of the investment loan term, and an additional \$500,000 payable in respect of the last 3 months of the investment loan term. These fees are payable on acceptance by Everest of the formal loan offer and are capitalised to the loan.
- A late repayment fee if the loan is not repaid on the final repayment date (16 months after the initial drawdown under the facility), calculated at 0.5% per month of the loan balance from the final repayment date until the loan is actually repaid. This fee is payable in addition to default interest.
- A holding fee of 1% of the total loan amount is payable per month (\$250,750 per month) if the loan is not drawn down by 30 April 2019.
- If the loan is repaid during the construction term of the loan, Everest must pay all fees payable in respect of the loan, and all interest that would have accrued for the full 10 month period of that loan term (as if the full \$25,075,000 was drawn down from the outset of that loan).
- Default interest is payable on any late repayment at 7.50% above the applicable interest rate.
- The loan will be secured by a mortgage over the Property and a General Security Agreement over all assets of Everest. Pearlfisher will also take specific security interests in Everest's interests under the Development Agreement and the Agreement to Lease.
- The loan is guaranteed by Magsons, and by Vinod Kumar (the sole director of Magsons). The loan is not guaranteed by Central Park.

The fees payable under the Pearlfisher Loan Facility are high and the penalties for late payment are similarly high. In the situation of late repayment at the end of the investment term, the interest rate payable would be 15.5% per annum, which coupled with the late repayment fee (0.5% per month, or 6% per annum) would mean an effective penalty rate of 21.5% per annum. In that situation there would be a significant shortfall between the rental income received under the Lease, and the interest and fees payable to Pearlfisher.

Magsons has agreed, under the Development Agreement, to pay the interest and fees payable under the Pearlfisher Loan Facility, as described above (other than a notional interest rate of 4.45% per annum during the 6 months investment loan term). If Magsons doesn't pay the interest and fees, Everest is entitled to deduct any such amounts it pays to Pearlfisher from the amounts it would otherwise be required to pay to Vijay Holdings for the Development works.

It is Everest's intention to seek bank refinancing of the Pearlfisher Loan Facility as soon as possible after expiry of the construction loan term.

A copy of the Pearlfisher Loan Facility can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information".

Factors impacting on the Issuer's business

The current and future aspects that have or may have the most impact on the financial performance of Central Park's business are (a) the Property value; (b) the rent returns from the Property; and (c) the Property-owning expenses.

(a) Property value

As Central Park's sole asset will be the equity investment in Everest, and as Everest's sole asset will be the Property, factors affecting the value of the Property will have a direct impact on the value of Investors' Shares in Central Park. Return on capital invested will come to Investors from either the sale of the Property in total (and the subsequent return of capital to Central Park), or the sale of Shares by individual investors from time to time. Accordingly, the Investors' return is impacted by the resale value of the Property. The Property value is linked not only to the quality of the Tenant and the success of its business, the length of tenure of the lease (and the weighted average lease term or WALT) but also to the location, quality and standard of maintenance of the Building.

The Valuer has valued the Property at \$59,000,000 on an "As if Complete" and Fully Leased basis (on the basis of the rent payable and other terms of the Lease to the Tenant).

The Valuer has separately valued the Property on an "As If Complete" with Vacant Possession basis at \$38,900,000, which highlights the loss of value should the Lease be terminated (or not commence) due to the default or insolvency of the Tenant. In that situation, significant works will be required to reconfigure the

Building, given its size and specialist nature, so that replacement tenants can be found. The Valuer has assessed that the cost of those works could be approximately \$6,500,000. In addition, \$5,500,000 has been allowed to cover loss of rental income, incentives required for incoming tenants and letting fees. The Valuer has assessed that the net rental income would also decrease (after new tenants are found) to approximately \$3,690,000 plus GST per annum. Further information is contained in the Valuation report, which can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information".

As Manager of the Property, Maat has the responsibility to implement a strategy for growing the value of the Property for the long term. This strategy will include:

- To identify any construction defects (in conjunction with the Tenant) and claim either under the respective warranties given by subcontractors or directly against Vijay Holdings under the warranties given under the Development Agreement
- The development of a rolling 5-year maintenance and capital expenditure forecast
- Maintaining the rent payable under the Lease in accordance with the lease review terms

Set out below is a general description of the Property.

General description of the Property

○ Location

The Property is located at 156-160 Central Park Drive, Waitakere City, Auckland. The Auckland CBD is approximately 15 kilometres east of the Property when accessed by the North Western motorway interchange, which lies approximately 500 metres from the Property.

Surrounding development includes a mixture of retail and commercial premises including a Pak 'n Save supermarket; a Mega Mitre 10 business; a number of retail convenience stores; an Action Indoor Sports facility. The nearby Trust Stadium, Waitakere Hospital, plus the Westfield West City shopping centre are located to the south-east in Henderson.

Major shopping centres and retail complexes providing competition to the business operated by the Tenant include the Westgate Town Centre, the Northwest shopping centre and Westgate Lifestyle comprising a bulk retail complex anchored by Harvey Norman.

○ Building

The Building will comprise a bulk retail complex, spread over two levels providing main retail areas on the ground and first levels, a café, office and amenities, storeroom areas and a large loading area. A separate two-level car park will be built on site to provide 625 car parks. The Building will be constructed to a standard comparable with modern department stores, including a combination of tiled and concrete flooring, some suspended ceiling areas, concrete panel construction, with escalators and lifts providing access to the first floor.

The ground floor will comprise 9,690 m² of retail space, stairs, lift and circulation area of 620 m², office and amenities area of 183 m², a 3,523 m² warehouse with an adjacent 1,295 m² loading area. Level 2 provides 9,886 m² of retail space, stairs, lift and circulation area of 246 m², 1,397 m² of office and amenities area and a 193 m² kitchen/café with 480 m² of seating around it.

Access to the site is provided via an extension to Soljan Avenue that runs down the eastern side of the site, linking Central Park Drive with Paramount Drive.

○ Title

The Property is contained in one fee simple title, identifier 618171, legally described as Lot 2 Deposited Plan 464917 (31,373 m²).

Title interests

There are easements registered against the title to the Property, including a stormwater drainage easement in favour of Auckland Council over a large area on the northern boundary of the Property including a stormwater retention basin. All of the registered easements are consistent with the proposed Development of the Property.

There are consent notices registered against the title to the Property which note potential development restrictions relating to flood sensitivity, and also require that the owner of the Property maintain the stormwater retention basin on the northern boundary. The registered consent notices are consistent with the proposed Development of the Property.

There are land covenants registered against the title to the Property which protect the rights of the neighbouring land to the west of the Property under an agreement to grant a right of way easement. The proposed right of way easement will run over the Property, through the most practical route from the property

to the west to the new road to the east. The registered covenants are consistent with the proposed development of the Property.

There are two encumbrances registered against the title to the Property.

The first encumbrance requires that the owner of the Property maintain a stormwater pipe built within the Property and arrange for vesting of ownership of that pipe with Auckland Council by 30 October 2020.

The second encumbrance requires that the Property may not be used as the location of a wholesale and/or retail outlet for the sale of home improvement or building supplies or hardware without the prior written consent of Mitre 10 (New Zealand) Limited. The Tenant has advised the Issuer that the only items to be sold from the Nido store which Mitre 10 could contend are in breach of this encumbrance are lighting and kitchens, which make up 6 percent of anticipated sales from the store. The Lease with the Tenant requires the sale of any items which breach this encumbrance to cease immediately, should Mitre 10 take or threaten enforcement action. The Lease further provides that the Tenant must indemnify the landlord (Everest) if any claims are made by Mitre 10 against it for a breach of this encumbrance.

Land Information Memorandum ("LIM")

A LIM report has been obtained for the Property from the Auckland Council. A copy of the LIM can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information". The following information from within the LIM is of relevance:

- Zoning

The Property is zoned Business – Light Industry. There is a resource consent granted in respect of the Development, and the Development Agreement requires Vijay Holdings to carry out the Development in accordance with all required consents (including both resource consents and building consents).

- Remediation of contamination

The Property has had previous orchard and vineyard uses and is likely to contain high levels of DDT, copper, arsenic and zinc. A contamination report and land remediation will be required as part of any future development of the Property and is included as a requirement of the most recent resource consent. The Property has been remediated during October and November 2018, by transporting the contaminated soil to a South Auckland quarry. Base course metal has been back-loaded from the quarry for stockpiling on site in preparation for future use.

- Flooding sensitivity

The LIM notes that the Property is within a flood prone area and any development may require a risk assessment. Stormwater management works are required by the resource consent for the proposed Development, including use of the stormwater retention pond.

(b) Rent returns from the Property

The second factor by which Central Park's business (and consequently the returns payable to Investors) will be impacted upon is the income stream from rental from the Property once the Tenant commences trading (and, hence, dividends paid by Everest to the Issuer, for passing to Investors).

The main factors impacting on the rental return would be if the Tenant were to default resulting in termination of the Lease, the length of time to find a replacement tenant(s), and costs required to reconfigure the Property, the quality of any replacement tenant(s) and their ability to pay rent, and whether Property could be relet at the same rent payable initially by the Tenant. As mentioned above under the heading "Property Value", the loss of the Tenant would have a significant impact on all of these factors.



Agreements signed by Maat and Magsons

Set out below is a table giving a summary of the principal Lease provisions.

Lease to Magsons Hardware Limited	
Guarantor	Magsons Investments Limited
Floor Area / carparks	27,682 m ² / 625 carparks
Term	15 years commencing on completion of the Development (expected to be 30 November 2019)
Rights of Renewal	2 rights of renewal of 10 years each
Final Lease Expiry	30 November 2054
Commencement Annual Rent	\$4,484,000 plus GST
Rent Reviews	Annually during initial term (fixed increases of 2%). The next review date is 1 December 2020.
Operating Expenses	All usual outgoings listed in the ADLS Deed of Lease are recoverable from the Tenant. Management fees recoverable from the Tenant are limited to \$52,000 plus GST per annum (this limit is increased annually in line with CPI increases).
Trade restraint	The Tenant is restricted from opening another Nido store within the Auckland region until such time as the turnover from the store on the Property exceeds \$100 million per annum. At that point the Tenant may open another Nido store in the Auckland region, as long as the location of the store is approved by the Landlord, acting reasonably.
Bank guarantee	The Tenant must provide a bank guarantee equivalent to \$2,000,000 (approximately 5.3 months' rent, excluding outgoings) as security for the performance of the Tenant's obligations under the Lease. The bank guarantee must be provided to Everest no later than 2 months prior to the expected commencement date of the Lease.
Release of bank guarantee	The bank guarantee will be released once the annual earnings before interest and tax (EBIT) of the Tenant (after the deduction of all other expenses including rent and interest) exceeds the annual rent and outgoings payable under the lease for two consecutive financial years. In any event there is to be no release in the first three years of the lease.
<p>Tenant Profile</p> <p>Magsons Hardware Limited, as the tenant of the new retail business, is part of the Magsons group of companies which has been involved in retail marketing and sales of products for NZ homes since 1987.</p> <p>The sole director of the Tenant (and of Magsons Investments Limited) is Vinod Kumar.</p> <p>The Tenant has sold its Mega Mitre 10 retail businesses in Lincoln Road (Waitakere, Auckland) – owned since 2003; and Botany (East Auckland) – owned since 2006. It previously sold its frame and truss business, based in Henderson, Auckland, which it had owned since 2008. This completed a long association with the Mitre 10 organisation, growing from a small 500 m² store to a business that operated multiple, large stores in several locations. Over its period of expansion, the Tenant increased its staff numbers from 5 in 1989, to 280 before its sell-off of these businesses.</p> <p>During its long association with Mitre 10, Central Park understands that the Tenant implemented many innovations and operating processes in its stores which later became standard in all Mitre 10 stores nationwide, including:</p> <ul style="list-style-type: none"> the introduction of flooring and kitchens; and the 'Customer Loyalty Card'. <p>Through its experience and history, Central Park considers that the Tenant has the business and operational expertise needed to operate a large retail organisation. The Magsons group has won several West Auckland business awards over the years, as well as recognition by the Indian Business community.</p> <p>Central Park understands that Vinod Kumar, the sole director of the Tenant, continues to be active in his</p>	

philanthropic financial support for organisations, including:

- Being a founding trustee of Friends of Fiji Heart Foundation which, for the past 13 years has been taking around 70 medical personnel to carry out open heart surgery to the value of \$2.5m annually
- Being a Trustee of the Chinmaya Mission
- Donating to many other charities through his previous Mitre10 business, including the Westpac Helicopter Trust and Starship Children's Hospital.

Central Park understands that the objective of Nido is to provide good quality products at an affordable price to target the low to middle portion of its target market. In addition, customers will have access to three specialty departments within the larger Nido store to purchase:

- Higher quality and fashionable goods targeting mid-level consumers
- Office Furniture
- Apartment furniture

Nido will be the largest single tenant retail store in New Zealand, covering 27,681m² of floor space (including 4,818m² of warehouse and loading area).

The Nido model under which the Tenant will operate has been based on the economic forecasts developed in a report by Property Economics in 2015 and updated in November 2018. This report included research into:

- the economic and social demographics
- the market expenditure and population; and
- the household growth for the catchment area

The Primary Customer Catchment Area is forecast to be West Auckland, where the forecast population grows from 237,000 in 2018 to 331,000 in 2038 an increase of 94,000 (39.66%). The number of households is expected to grow from 79,000 to 114,000 over the 20 year period, an increase of 35,000 (44.3%)

The report identified that the Tenant's customers will be derived from:

West Auckland	50%
Central and East Auckland	20%
North Shore	10%
South Auckland	8%
Rodney District	4%
Franklin District	3%
Outside of Auckland	5%

The sales estimate for the store adopted by Property Economics is \$60m-\$70m per annum. The forecast sales used for financial performance forecast is \$50m.

A copy of the Property Economics report can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information".

(c) Property owning expenses

The third factor by which Central Park's business (and consequently the returns payable to Investors) will be impacted upon is the expenses relating to the Property and the extent to which they are recoverable from the Tenant.

The lease allows full recoverability of usual operating expenses from the Tenant. There is a cap on recoverable management expenses at \$52,000 plus GST per annum (which will increase in line with CPI increases).




It is not expected that there will be any material capital expenditure required on the Property in the short term, as it will be newly built.



Piling commenced on site November 2018

Directors, Senior Management and individual relevant parties

The Directors of Central Park (who are also directors of Maat) as at the date of this PDS are:

 <p>Neil Tuffin, Accountant, GDipBS. AFA Managing Director</p> <p>181 No 3 Line Wanganui 4500 New Zealand</p> <p>Neil Tuffin is an Accountant and Authorised Financial Advisor (under the Financial Advisers Act 2008.) He has been the managing director and shareholder of the Maat Group since its formation and is a director of the 13 property owning companies managed by Maat. He also holds the positions of Chairman of the Boards of Remediation (NZ) Ltd and Central Landscape Systems Ltd, and Deputy Chairman of the Business North Harbour Association.</p> <p>Neil has 40 years' experience in accountancy, retail businesses, management consulting and investment portfolio construction and management.</p>	 <p>Bruce Ellis, JP, CA, BCA Financial Director</p> <p>23c Wallath Road Westown New Plymouth 4310 New Zealand</p> <p>Bruce is an Accountant operating his own accounting practice in New Plymouth. As a qualified accountant for the past 45 years, Bruce has utilised his professional skills in investment research and management, financial management in the not for profit and schools' sectors, before entering into public practice in 2001, first in Stratford and now in New Plymouth. He became a founding Director of Maat Consulting Limited in 2010 and continues as a director and shareholder of the Maat Group and the 13 property owning companies managed by Maat. Bruce is a trustee of the Stratford Community House and the Percy Thomson Trusts.</p>	 <p>Mark Hughson, CA BBS Dip BS Compliance Director</p> <p>65 Collins Street Hawera 4610 New Zealand</p> <p>Mark is a Chartered Accountant operating as the sole practitioner in his Hawera (Taranaki) practice. Mark provides strategic advice for a client base which extends across New Zealand. He also makes a significant contribution to the South Taranaki community. He is a director and shareholder of the Maat Group and the 13 property owning companies managed by Maat.</p>
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Maat Administration Staff

The Directors of Everest include the Maat Directors as above plus Vinod Kumar, the Managing Director of Magsons Investments Limited, whose profile is summarised on page 12 & 13, in the tenancy summary.

Management role of Maat

Maat is the manager of 13 property owning companies. Formed in early 2010, Maat has arranged investments in these property-owning companies during the last 8 years with a combined purchase price of \$280,000,000, ranging from \$4,000,000 to \$60,000,000. The market value of these properties is now in excess of \$300,000,000. Approximately 47.5% of the purchase price of these properties has been funded by bank loans and the balance has been funded by investor subscriptions.

Maat will provide administrative and secretarial services to Central Park under the Central Park Management Agreement. That Agreement provides that Maat will be responsible for (amongst other things):

- payment of distributions to Investors (which are intended to be paid monthly);
- maintaining proper accounting records for Central Park; and
- preparing reports for Investors.

Maat will provide management services to Everest under the Everest Management Agreement. The terms of the Everest Management Agreement are more particularly described in Section 6 "*Key features of the Shares*".

Further detail of the two Management Agreements is set out in Section 6 "*Key features of the Shares*".

Under its delegated function allowed in the Everest Management Agreement, Maat will appoint Maat Property Management to manage the Property on a day-to-day basis, with its role extending to (amongst other things):

- liaising with the Tenant and service providers on day-to-day building, property and management issues;
- administering the Property's day-to-day building operations; and
- ensuring all relevant statutory and regulatory requirements in respect of the Property are complied with.

Maat will remain responsible for the acts and omissions of Maat Property Management in managing the Property.

The delegation to Maat Property Management will not involve any additional fees payable by Everest. The Directors are also directors of Maat Property Management.

Maat will align itself with the strategies of Everest including (but not limited to):

Short-term (2 years)

- to develop a strong relationship with the Tenant and key service contractors
- to develop a maintenance programme for a rolling 5 year period
- to create a cash reserve fund from non-distributable operating surpluses (cash balance after distributing the dividend payment to Investors) to be used for the costs of letting to new tenants if required; the provision for property maintenance not covered by recovery of operating expenditure from the Tenant; and to fund capital expenditure as required

Medium term (3-5 years)

- to build cash reserves for purposes as aforementioned, and to have the option to repay bank debt if considered to be an appropriate strategy at the time

Long term (5-10 years)

- to maintain the external appearance of the building in the Property to a high level
- to undertake refurbishment as necessary

Table of substantial shareholders and of relevant interests

Party	Relevant Interest	Number of A Shares in Central Park before PDS	Number of A Shares in Central Park after allotment of Shares in Central Park
Maat	Ordinary A Shares in Central Park	100 (100%)	100 (100%)

Relevant Party	Relevant Interest	Number of shares in Maat before PDS	Number of shares in Maat after allotment of Shares in Issuer
Mark Geoffrey Hughson	Director of Central Park and director and shareholder in Maat Consulting Limited	333 shares (33.3%)	333 shares (33.3%)
Neil James Tuffin	Director of Central Park and director and shareholder in Maat Consulting Limited	333 shares (33.3%)	333 shares (33.3%)
Bruce Charles Ellis	Director of Central Park and director and shareholder in Maat Consulting Limited	167 shares (16.70%)	167 shares (16.70%)
Neil Tuffin, Mark Hughson and Bruce Ellis (jointly)	Directors of Central Park and directors and shareholders in Maat Consulting Limited	167 shares (16.70%)	167 shares (16.70%)

Interests of directors

Central Park does not have any employees and it does not intend to employ any persons.

The directors of Central Park are also directors and shareholders of Maat. Under the Everest Management Agreement, Maat will receive fees from Everest. There are no management fees payable by Central Park under the Central Park Management Agreement. The Everest Management Agreement fees are set out in Section 5 "*Terms of the Offer*". As Central Park is a new company no directors' fees have been paid. The directors of Central Park will not receive any directors' fees from Central Park, and the directors of Everest will also not receive any directors' fees from Everest. The directors of Maat may receive directors' fees from Maat.

Other material governance disclosures

See the description of the Shares and the rights attaching to the Shares in Section 6 "*Key features of the Shares*".

3 PURPOSE OF THE OFFER

Under the terms of the Shareholders' Agreement, Central Park will invest all of its capital into Everest, for an 80% share in Everest.

Under the Development Agreement, Everest has agreed to purchase the Property from Magsons for \$21,200,000 and to pay Vijay Holdings the fixed price of \$37,800,000 plus GST for the construction of the Building. The price payable by Everest for the Property and the Building of \$59,000,000 plus GST is supported by an "As Complete" and Fully Leased valuation prepared by the Valuer, dated 5 February 2019.

One of the conditions in the Development Agreement is for Central Park to complete a successful raising of the capital under this Offer. The purpose of this Offer, therefore, is to raise capital to enable Central Park to invest in shares in Everest.

Central Park is seeking \$30,000,000 of new capital for this purpose. The balance of the Development Price and issue expenses will be provided by Magsons investing \$7,500,000 of capital in Everest (for a 20% share) and by the debt funding provided by Pearlfisher to Everest.

The Offer is underwritten by Magsons (in respect of up to 4,000,000 Shares in Central Park). Details of the Underwrite Agreement for this purpose are included in Section 2 "*The Issuer and what it does.*"



Construction continues December 2018

Details of amounts to be raised and the expected use of those funds are as follows:

Everest Central Investment Limited	
Land Purchase Price	21,200,000
Construction Costs	37,800,000
Issue Costs including pre-completion distributions (Incl. GST)	3,575,000
Total	\$ 62,575,000
To be Funded By:	
Maat Subscribers (600 parcels of 50,000 'A' Shares at \$1.00 per share)	30,000,000
Magsons Investments Limited (150 parcels of \$50,000 'B' Shares at \$1.00 per share)	7,500,000
Pearlfisher Capital Limited	25,075,000
	\$ 62,575,000

Acquisition Share Issue Costs and Pre-completion Distributions	
Payable by the Company include:	
Pre-completion distributions	1,832,740
Accounting Review Fees	27,500
Legal Fees	250,000
Marketing	195,400
Statutory Fees	10,610
Valuation Fees	21,500
Brokerage Fees	160,000
Offerors' Fee	850,000
GST on Set-up Costs (claimed back from IRD)	227,250
Total Establishment Costs	\$ 3,575,000

Any of the estimated costs above unspent may be applied towards any fee that exceeds the amounts as set out above, with any savings retained by Everest as working capital.

4 KEY DATES AND OFFER PROCESS

Key dates	
PDS lodged on the Disclose Register	5 February 2019
Opening Date for Applications	14 February 2019
Offer Closing Date	8 March 2019.
Settlement date of Property purchase and issue of Shares	Settlement of the Property purchase is anticipated to be on 12 March 2019, being 2 working days after the Offer Closing date. On this date the initial Share allocation will be made.
Intended date of first dividend payment	31 March 2019

The above dates are indicative only and may change. Central Park reserves the right to alter or extend these dates, but by no longer than 2 months from the dates mentioned above. Central Park may also withdraw the Offer at any time before the allocation of Shares or accept late Applications (either generally or in individual cases). See the "Key terms of the Offer" within the Key Information Summary (in Section 1) for further information about these dates.

5 TERMS OF THE OFFER

What is the Offer	The Offer is for Shares in Central Park. See Section 5 " <i>Key terms of the Offer</i> " in the Key Information Summary for an overview of what the Offer involves and Section 6 " <i>Key Features of the Issuer's Shares</i> " for an outline of the key features of the Shares. No person guarantees the value or liquidity of the Shares offered under this Offer. No person guarantees the future performance of Central Park or any return on the Shares.
Key dates	See Section 4 " <i>Key dates and Offer process</i> " for information about the key dates for the Offer.
Fixed Price	\$1.00 per Share, minimum Application 50,000 Shares. The price per share is linked to the amount that must be raised to meet Central Park's required investment in Everest, to enable Everest to purchase the Property and pay for the costs of the Development. No other independent or objective mechanism has been used to set the price for the Shares.
Structure of the Offer	The number of Shares to be issued is 30,000,000. The minimum number of Share Parcels for an Investor is one. The maximum number of Share Parcels per Investor is 120 (being 6,000,000 in total).
Refunds	The Offer may be withdrawn by Central Park at any time before the allocation of the Shares, at Central Park's sole discretion. If the Offer is withdrawn, then the non-allotted subscription monies will be refunded. Central Park may decline any Application, in its discretion. Money received in respect of Applications which are declined will be refunded. Refunds will be paid to unsuccessful Applicants within 10 business days of the allocation of Shares or after the Applicant has been declined (as applicable). Refunds will be paid in the manner selected by the Applicant for future dividend payments in the Application Form.
Applications	An Application is an offer to subscribe for Shares at the value specified in the Application Form, on the terms and conditions set out in this PDS (including any replacement of it), and which may be found on the Disclose Register (at https://disclose-register.companiesoffice.govt.nz/ (Offer ref: OFR12544) and the Application Form. By submitting an Application Form an Applicant irrevocably agrees to subscribe for Shares on those terms, notwithstanding any variations to the Development Agreement, the Shareholders' Agreement or extensions to the settlement date for the purchase of the Property. Until the allotment of the Shares, subscription monies received will be held in the trust account of Anthony Harper, Solicitors, Auckland on escrow. The banking of subscription monies does not constitute confirmation of allotment of any Shares or the acceptance of an Application. This PDS is intended for use only in connection with the Offer of the Shares in New Zealand and does not constitute an offer or invitation in any place in which, or to any person whom, it would not be lawful to make such an offer or invitation. No action has been, or will be, taken to register this PDS in any jurisdiction other than New Zealand or otherwise permit the offering of the Shares outside of New Zealand. This PDS is not to be sent or given to any person outside New Zealand in circumstances in which the Offer or distribution of this PDS would be unlawful. Central Park, Maat and the directors of Central Park disclaim all liability to any person who is sent or receives this PDS outside New Zealand.

Allocation and Allotment	The allotment of Shares to successful Applicants is scheduled to take place on the Property settlement date under the The allotment will be recorded on Central Park's share registry.
Constitution	<p>The Constitution of Central Park prescribes the rights attached to the Shares. These are more particularly described in Section 6 "<i>Key features of the Shares</i>".</p> <p>A copy of the Constitution can be found at https://disclose-register.companiesoffice.govt.nz/ (Offer ref: OFR12544) under "Other material information".</p>
Management Fees	<p>There are no management fees under the Central Park Management Agreement. Under the Everest Management Agreement, the following fees are payable by Everest to Maat, for so long as it is the Manager under that Management Agreement:</p> <ul style="list-style-type: none"> • A management fee of 1.5% p.a. of the net rental income collected from tenants of the Property, plus GST; • An annual accounting fee of \$12,000 p.a. plus GST (payable monthly in arrears) adjusted annually by the annual movement in the Consumer Price (All Groups) Index. • An additional Accounting Fee of \$2,500 plus GST, payable annually following the preparation of the financial statements and completion of the audit process, adjusted annually by the annual movement in the Consumer Price (All Groups) Index; • An initial offeror's fee of \$850,000 on Everest's acquisition of the Property; • On sale of the Property, a lump sum payment of 2% of any sale profit. Sale profit is the difference between the net sale price of the Property (being the sale price less expenses) and the acquisition cost of the Property (being the Purchase Price of \$59,000,000 plus the Share issue costs of \$3,575,000 (excl. GST)).

See Section 11 "*How to apply*" for further information about Applications and how to apply for Shares.

6 KEY FEATURES OF THE SHARES

Under the Constitution, each Share and each A share gives the holder the right:

- To vote by special resolution to:
 - Adopt, revoke or alter the Constitution;
 - Approve a "major transaction" (as defined in the Companies Act) of Central Park;
 - Approve any amalgamation of Central Park under the Companies Act;
 - Place Central Park into liquidation.

A special resolution is a resolution of shareholders approved by a majority of 75% of those shareholders entitled to vote and voting on the question.

- In the case of the Shares only to:
 - Vote by ordinary resolution, to appoint and remove Directors;
 - Receive an equal share in any cash distributions or other distributions paid or made on the Shares;
 - Receive an equal share in the distributions of surplus assets in a liquidation of Central Park.

The A Shares (held by Maat) do not give any right to receive dividends or other distributions or to share in the distributions of surplus assets in a liquidation of Central Park.

Dividend policy

It is intended that the dividend policy be based on net operating cash flow from operating activities (although, due to the payment of initial costs, the payment of dividends in the development period will be from capital

contributed). It is intended that the projected gross dividend yield of 8.5% per annum (for the first 3 years) will be paid (less tax) by monthly instalments on the last working day of each month. Investors should see the dividend information in Section 7 "*The Issuer's Financial Information*". The taxation of these dividends is set out in Section 9 "*Tax*". Following construction, monthly dividends are reliant on Everest receiving full rental payments under the Lease, and declaring monthly dividends to Central Park. The Board will review this dividend policy annually.

It is anticipated that the first monthly dividend will be for the period from settlement by Everest of the purchase of the Property until 31 March 2019 and will be paid on or about 31 March 2019.

Dividend statements will be sent to all shareholders after completion of Central Park's annual financial statements.

Neither Central Park, its directors, Maat nor any other person gives any assurances as to the level or frequency of any dividend (or other distribution, if any) payable. Payment of dividends (if any) is at the discretion of the Board and dividends (if any) will only be declared after meeting appropriate solvency requirements. Should Central Park pay dividends, it will expect to pay them on a fully imputed dividend basis. See Section 7 "*The Issuer's financial information*" for more information on dividends.

Management Agreements

The following is a summary of the two Management Agreements. The full Management Agreements can be found on the Disclose Register <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information".

Everest Management Agreement

Role of Maat

- Maat will manage the Property for the term of the Everest Management Agreement (which will be for the duration of Everest's ownership of the Property, unless terminated).
- Maat may resign on not less than 6 months' notice. Under the Central Park Management Agreement, Maat agrees that it will resign as manager under the Everest Management Agreement if it is directed to do so by ordinary resolution of Central Park's B Shareholders.
- Maat may be removed by Everest or by ordinary resolution of the Everest shareholders, on not less than 6 months' notice (and subject to the appointment of a replacement manager on such terms as Everest or its shareholders by ordinary resolution determine).
- Maat will be paid the fees in respect of management of the Property described in Section 5 "*Terms of the Offer*".
- Maat is appointed as the sole and exclusive manager of the Property (subject to Maat's right to appoint and engage any agent or sub-manager) with the power to (in Everest's name) arrange bank borrowings, grant a mortgage over the Property, recover the rent and outgoings and negotiate all contracts relating to the Property.

Duties and powers of Maat under the Everest Management Agreement

- Maat must, in the name of Everest, arrange insurance (including material damage insurance, loss of rents insurance, business interruption and public liability insurance) in respect of the Property on usual terms appropriate for the Property.
- Maat has the ability to undertake expenditure relating to repairs, maintenance, decoration and improvements to the Property at its sole discretion if the expense does not exceed \$50,000 exclusive of GST per set of improvements. Any expense exceeding \$50,000 exclusive of GST per set of improvements can only be undertaken with the approval of an ordinary resolution of the Everest shareholders. Maat however may undertake maintenance and improvements (of any value) where the Tenant is liable for such costs under the Lease, or in order to comply with any obligations to the Tenant under the Lease.
- The Everest Management Agreement may be amended by Everest and Maat, but under the Central Park Management Agreement, Maat covenants not to amend the Everest Management Agreement without the approval of a special resolution of B Shareholders in Central Park.

Role of Everest

- Everest will acquire and hold the Property.
- Everest intends to distribute profits at monthly intervals of such amounts as the directors of Everest deem to be appropriate. Everest is authorised to retain monies for any future expenditure the directors

of Everest think necessary to comply with the terms of the Management Agreement or to maximise the value of the Property.

Central Park Management Agreement

Role of Maat

- Maat will provide certain administrative and secretarial services to Central Park.
- Maat may be removed by Central Park or by ordinary resolution of B Shareholders, on not less than 6 months' notice (and subject to the appointment of a replacement manager on such terms as Central Park or the B Shareholders by ordinary resolution determine).
- Maat may resign on 6 months' notice or may be removed on 6 months' notice by an ordinary resolution of the holders of the B Shares.

Obligations of Maat

- If the B Shareholders by ordinary resolution, vote that Maat should no longer continue to be the manager of Everest, Maat shall tender its resignation under the Everest Management Agreement.
- Maat covenants not to amend the Everest Management Agreement without the authorisation of a special resolution of B Shareholders.

If the B Shareholders, by special resolution, vote that they wish to direct Central Park to require Everest to sell the Property, then the Manager will take all steps available to it to arrange for the Property to be sold on the open market.



Base metal distributed on site November 2018

7 THE ISSUER'S FINANCIAL INFORMATION

Selected Prospective Financial Information

These tables provide key prospective financial information about Central Park and its subsidiary, Everest. Full prospective financial statements are available on the Disclose Register at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544). If you do not understand this financial information, you can seek advice from a financial adviser or an accountant.

Going forward, the Board will be responsible for the preparation and fair presentation of consolidated financial statements for Central Park that comply with generally accepted accounting practice in New Zealand.

The prospective financial information included in the table below has been extracted from prospective financial statements prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42), which are available on the Disclose Register.

The structure of the Financial Information covers the consolidated Financial Performance and Position of both Central Park and Everest.

The prospective financial statements have been subject to a limited assurance engagement and an unmodified opinion has been issued by BDO Auckland, a copy of which is also included on the Disclose Register.

Central Park Property Investment Limited Consolidated	Prospective (19 Days) 31/03/2019 (Note 1: Trading for 19 Days)	Prospective (12 Months) 31/03/2020	Prospective (12 Months) 31/03/2021
Revenue			
Lease Income	-	1,723,193	5,169,579
Management Fees Recovered	-	17,333	52,433
	-	1,740,527	5,222,012
Less Expenses			
Impairment of	1,181,500	-	-
Acquisition Costs			
Audit and	-	21,080	29,612
Accountancy Fees			
Property Management Fees	-	22,420	67,708
Legal and Valuation Fees	-	9,000	9,180
	1,181,500	52,500	106,500
EBITDA (Earnings before interest, taxation, depreciation and amortisation)	(1,181,500)	1,688,027	5,115,512
Less Interest on Loan	-	369,908	1,149,088
Less Income Tax Expense	-	369,773	1,111,299
Net Profit	(1,181,500)	948,345	2,855,126
Interest Rate Cover - Footnote 1	-	4.56	4.45
Distributions	(132,740)	(2,465,000)	(2,295,000)
Total Assets	35,852,250	59,611,994	60,358,416
Cash and Cash Equivalents	2,729,981	383,468	474,204
Total Liabilities	-	(25,276,398)	(25,462,695)
Total Debt	-	25,075,000	25,075,000
Gearing Ratio - Footnote 1	-	73.03%	71.86%
Total Equity	35,852,250	34,335,596	34,895,721
Net Cash Flow from Operating Activities	(797,299)	1,718,517	2,385,737

¹ The Interest Rate Cover and Gearing Ratio are not GAAP information. Please refer to the Prospective Financial Statements in the Disclose Register for further information and a reconciliation to GAAP information.

Notes and Assumptions for the years ending 31 March 2019, 2020 and 2021

The prospective financial information in this section is based on various best estimate assumptions. Further information about this prospective financial information is contained in the prospective financial information on the Disclose Register <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information." The principal assumptions are summarised below and should be read in conjunction with the sensitivity analysis included with the prospective financial information statements available on the Disclose Register, the risk factors set out under the heading "*What are my risks?*" and the statement of Accounting Policies, also included in the prospective financial information available on the Disclose Register.

1 Settlement

Everest will settle the purchase of the Property not later 12 March 2019 (which is one day before the contracted settlement date of 13 March 2019). The prospective consolidated financial statements have been prepared for the periods ended 31 March 2019, 2020 and 2021. As Central Park was incorporated on 12 October 2018, the first accounting period recorded is for a 5 month and 20 day period but will represent only 19 days of trading from (and including) 13 March 2019, although there is no rental income earned in this period.

2 Property Valuation

The valuation of the Property, as at 5 February 2019 was \$59,000,000 (as if complete) and this represents the valuation of the land, plus construction costs. The valuation figure of \$59,000,000 is assumed to be the fair value on completion of the Development and at 31 March 2020 and 2021 meaning that the acquisition costs are written off to the profit or loss and there is no gain/loss from the revaluation of the Property over the forecast period. The valuation received is for potential acquisition and mortgage security purposes.

3 Rental Receipts

Rent receipts will be in accordance with the Lease including rent reviews. No provision for bad debts has been made. The forecast assumes that construction of the Building is completed on 30 November 2019 and rent will commence from 1 December 2019. The Lease provides for fixed rent increases over the term of the lease and as required by accounting standards these increases are accounted for evenly over the life of the lease (this results in lease incentives in the initial years).

4 Shareholder Distributions

Distributions to shareholders and Inland Revenue are based on an 8.5% annual return on initial funds invested in line with the PDS. Due to the initial costs in the period to 31 March 2019 and the construction period during which no rent will be received, Central Park forecasts a loss of \$1,181,500. Distributions for this period will be paid from capital contributed. Cumulative cash will be retained for each of the 3 years, being \$2,729,981, \$383,468 and \$474,204 respectively. Part of this cash includes \$227,250, being a forecast refund of GST from the payment of Acquisition and Share Issue Costs.

5 Acquisition and Share Issue Costs

That the Investors' funds will be used to pay for the Acquisition and Share Issue Costs, as detailed in Section 3 above.

6 Tax

Central Park plans to register as a PIE and therefore will not be subject to tax. Instead, Central Park will attribute income to the investor and, where applicable, deduct tax at the individual investor's prescribed investor rate ("PIR") before it is paid to the investor. The tax deducted will be paid to the Inland Revenue.

Everest will be subject to income tax and is expected to pay fully imputed dividends to Central Park and Magsons. The imputation credit attached will be creditable in calculating the tax payable under the PIE regime.

7 Cash at bank

The cash at bank will be retained as a contingency for future:

- Rises in interest rates
- Building maintenance
- Capital expenditure (as outlined in Note 14)
- Tenancy considerations
- Operational expenses

8 Interest

No interest will be paid by Everest during the construction phase (assumed to be 12 months, to 30 November 2019). Magsons will be liable for all interest and loan fees payable during this period from the drawdown date of April 2019. Pearlfisher will provide the required debt funding to complete the construction phase.

Following the completion of construction, Pearlfisher will provide for a further loan term for the first 6 months (until 31 May 2020) of trading of the new business. During this time, it is intended that normal bank funding will be secured to replace the Pearlfisher Loan Facility. As the Pearlfisher interest rate will be higher than standard bank interest rates, it is agreed that Magsons will have the responsibility for funding any additional loan fees incurred for this additional 6 months, plus the difference in the loan interest rate between standard bank rates (at an agreed notional rate of 4.45% per annum) and the rate to be charged by Pearlfisher.

The interest rate on the bank borrowings has been assumed to be at a floating rate, based on the 90 day bill rate (BKBM) and a fixed margin. The 90 day bill rate at 4 February 2019 is 1.95% The average BKBM rate used as follows during each financial year is noted in the following table, together with the fixed margin from the bank funder:

Financial Year	BKBM	Margin	Total
2019	NA	NA	NA
2020	2.10%	2.35%	4.45%
2021	2.50%	2.35%	4.85%

The interest expense and cash flow are based on

- no principal repayments during the term of the loan
- no recourse to Investors.

These rates are based on the information available on the NZ Reserve Bank's Wholesale interest rate schedule, plus current market rates for bank margins. These rates will be subject to variation at the time of the loan being drawn and assumes the conditions precedent in the offer are fulfilled.

As the interest rate is floating, there is a significant chance that it may be higher than forecast.

9 Loan Funds

The level of bank borrowings will be \$25,075,000 being 42.5% of the cost of the Property of \$59,000,000. The loan funder to replace the Pearlfisher funding (assumed to be no later than 31 May 2020) will not be determined until the first 6 months of trading of the business. The loan is assumed to be secured by a registered first mortgage over the Property, a first registered general security interest over the assets of Everest and an assignment of the Lease for the Property.

Interest Rate Cover and Gearing (Loan to Value) Ratio are non-GAAP information which the Directors have included as they consider they are useful to investors. Interest Rate Cover measures the adequacy of the groups profits relative to interest payments on its loan and Gearing Ratio is a measure of the extent to which the Property is funded by lenders versus shareholders. A reconciliation of this information to the GAAP information is noted below:

	31/3/2020	31/3/2021
Interest Rate Cover (being profit before interest and tax/interest)	4.56 (\$1,688,027 / \$369,908)	4.45 (\$5,115,512 / \$1,149,088)
Gearing Ratio (being total interest- bearing liabilities/total equity)	73.03% (\$25,075,000 / \$34,335,596)	71.86% (\$25,075,000 / \$34,895,721)

10 Related Parties

The management fees payable to the Manager will be \$67,708 plus GST for the first full year of the Tenant's trading (2021), which is based on an annual management fee charge of 1.5% per annum on the rental (excluding outgoings) received from the Tenant. In addition, the Manager will be paid an annual accountancy fee of \$12,000, payable monthly in arrears and an annual fee of \$2,500 (both plus GST) in relation to the end of financial year audit preparation, with both fees being adjusted by the CPI movement each year. On settlement the Manager will be paid \$850,000 plus GST as an arranger's fee. The Manager is also entitled to receive the brokerage fees of \$160,000, which may be distributed to any other agent, company, organisation or individual on a basis to be negotiated depending on their introduction of Investors who subscribe for Shares.

11 Contingent Liabilities

There will be no contingent liabilities as at 31 March 2019, 2020 or 2021.

12 Operating Environment and Taxation

There will be no material changes in the economic environment, legal requirements or the current tax regulations and the Company qualifies as a Portfolio Investment Entity ("PIE").

13 Issue of Shares and Non-Controlling Interest Contributions

All 600 share parcels of 50,000 Shares are issued for \$30,000,000. The Investors as holders of Shares will be entitled to receive distributions as declared from time to time and are entitled to one vote per share at meetings of Central Park and rank equally with regard to the Company's residual assets. Central Park will subscribe for \$30,000,000 A shares in Everest and will control Everest.

Magsons will subscribe for \$7,500,000 B shares in Everest (the subsidiary). This will be settled by way of a reduction in the cash price paid for the Property. Magsons will be entitled to receive distributions as declared from time to time, but only once the business is operational. The Magsons' shares in Everest will have no voting rights.

14 Capital Expenditure

No allowance has been provided for capital expenditure on the basis that the building is new and that no tenancy upgrades will be required during the forecast period.

8 RISKS TO THE ISSUER'S BUSINESS AND PLANS

If the risks described below occur, you may not be able to recoup all or any of your investment or you may not receive the returns you expect to receive from holding the Shares. This could happen for a number of reasons.

RISKS ARISING DURING THE DEVELOPMENT PHASE

Risk 1: *Development risk and insolvency/credit risk of Vijay Holdings*

Assessment of Nature and Magnitude:

Under the Development Agreement, Everest must pay a fixed price of \$37,800,000 plus GST progressively to Vijay Holdings for the Building. While Vijay Holdings remains solvent and is able to perform its obligations under the Development Agreement, Everest is largely protected from development risk.

However, if Vijay Holdings does not perform its obligations or becomes insolvent, then Everest would need to engage another contractor to complete the Development.

Finding a replacement contractor is likely to require a higher price to be paid for the building, resulting in holding costs being incurred during that time. Everest may not have the funds available to meet such additional costs.

The Development Agreement does not include a retentions regime whereby a set percentage (usually 5%) of payments to Vijay Holdings are withheld until the completion of the Development and the remedying of defects. Nor does it include a requirement for Vijay Holdings to procure a performance bond from a bank of a similar amount.

If Vijay Holdings becomes insolvent, this may also mean that Magsons and/or the Tenant (as related companies) are insolvent. Without a tenant for the Property, the only option may be to sell the Property on an "as is where is" basis, as it will be partially complete. In this situation Pearlfisher could force a mortgagee sale or appoint a receiver to Everest.

The projected returns for Investors during the development phase will only be able to occur if Everest is able to continue to declare dividends to Central Park. Everest will not be able to declare any such dividends if it cannot meet the solvency test under the Companies Act 1993.

Mitigation strategies

- a) Required payments to Vijay Holdings under the Development Agreement are on a "cost to complete" basis, and conditional on Everest's appointed consultant (Barnes Beagley Doherr) confirming that the remaining price to be paid will be sufficient to complete the Development.
- b) It is intended that key subcontracts will be let by Vijay Holdings on a fixed price basis, in accordance with the construction budget approved by Everest, which will reduce the risk of cost

overruns affecting the cashflow position or solvency of Vijay Holdings.

- c) Key subcontractors are required to enter into continuity guarantees in favour of Everest, under which it can take over those subcontracts in the event the Development Agreement is terminated, enabling Everest to arrange completion of the Development.
- d) All obligations of Vijay Holdings under the Development Agreement are guaranteed by Magsons.
- e) A default by Vijay Holdings in complying with its obligations under the Development Agreement triggers a right for Central Park to acquire all of Magsons' shares in Everest for \$1.00. However, unless Central Park is then able to sell Magsons' shares, this will not result in the receipt of cash by Central Park.
- f) If Vijay Holdings was to become insolvent, with the result that the Property is sold, the Shareholders' Agreement in this situation requires the net wind up proceeds in Everest to be paid to Central Park in the first instance, so that Investors are repaid the full value of their initial subscriptions before any net proceeds are paid to Magsons. This mitigating factor will only apply however if the wind-up proceeds (after the payment of creditors) are sufficient to enable a payment to Central Park.

Assessment of likelihood of circumstance arising:

Low. Despite Everest's Quantity Surveyor consultant calculating the quantum of work done and payments to be made, there may be an over-run of costs if tight financial control of the project is not maintained.

Assessment of impact, if the circumstance were to arise:

Moderate to significant.

Risk 2: *Insolvency/credit risk of Magsons*

Assessment of Nature and Magnitude:

Under the Development Agreement, Magsons must reimburse Everest for most of the interest and associated fees payable by Everest to Pearlfisher until bank finance is arranged. If the Development is completed later than the target completion date of 30 November 2019, Magsons must also pay Everest (which will in turn pay Central Park) monthly amounts necessary to ensure the continuity of monthly distributions to Investors until the completion of the Development.

If Magsons is unable to pay these amounts and becomes insolvent, Everest will be directly liable to Pearlfisher for the interest costs and fees under that facility, which are significant. Those fees are detailed further in Section 2 *"The Issuer and what it does"*.

If Magsons is insolvent, this may also mean that Vijay Holdings and/or the Tenant (as related companies) are insolvent, which is likely to result in a mortgagee sale on an "as is, where is" basis if the Development has not been completed

Mitigation strategies

- a) If Magsons doesn't directly pay the required interest and fees to Pearlfisher, Everest may pay those amounts to Pearlfisher and deduct those payments from the amounts it would otherwise be required to pay to Vijay Holdings for the Development.
- b) A default by Magsons in complying with its obligations under the Development Agreement triggers a right for Central Park to acquire all of Magsons' shares in Everest for \$1.00. However, unless Central Park is then able to sell Magsons' shares, this will not result in the receipt of cash by Central Park.
- c) On a sale of the Property, once Everest is wound up the net proceeds on a wind up are paid to Central Park in priority to Magsons, so that Investors are repaid the full value of their initial subscriptions before any net proceeds are paid to Magsons. This mitigating factor will only apply however if the wind-up proceeds (after the payment of creditors) are sufficient to enable a payment to Central Park.

Assessment of likelihood of circumstance arising:

Low. Magsons has included the payment of interest and fees payable to Pearlfisher in its Development Phase cashflow forecasts prepared which have been reviewed by both Maat and Pearlfisher.

Assessment of impact, if the circumstance were to arise:

Significant.

RISKS ARISING DURING THE INVESTMENT PHASE

Risk 1: *Tenancy default or insolvency*

Assessment of Nature and Magnitude:

Magsons Hardware Limited is the sole Tenant of the Property. The value of the Property and so the value of Central Park's shares in Everest and your Shares in Central Park is dependent upon the financial performance of the new "Nido" business operated by the Tenant, and the ability of the Tenant to continue to pay rent.

If the Tenant becomes insolvent, or the Lease is terminated due to default by the Tenant, significant works will be required to reconfigure the Building, given its size and specialist nature, so that replacement tenants can be found. The Valuer has assessed that the cost of those works could be approximately \$6,500,000. In addition the Valuer has allowed \$5,500,000 to cover loss of rental income, incentives required for incoming tenants and leasing fees. The Valuer has assessed that the net rental income would also reduce (after new tenants are found) to approximately \$3,690,000 per annum.

The immediate impact of the loss of the Tenant, as assessed by the Valuer, would be a reduction of value of the Property to \$38,900,000, as assessed in the "As if Complete" with Vacant Possession section of the Valuation report. Further information is contained in the Valuation report, which can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information".

A loss of the Tenant would likely result in Everest being in breach of the financial covenants with its financing bank at the relevant time, resulting in a forced sale of the Property. If the Property is sold without replacement tenant(s) having been found this will result in a significant loss of value and Investors will suffer significant losses.

In addition, the projected returns for Investors during the investment phase will only be able to occur if Everest is able to continue to declare dividends to Central Park. Everest will not be able to declare any such dividends if it cannot meet the solvency test under the Companies Act. This could occur on a tenancy default.

Mitigation Strategies

- a) The directors of Central Park have reviewed the economic forecasting information provided to them by Magsons and the Tenant. A report from Property Economics was commissioned by Magsons in 2015 which was updated in November 2018 for the purpose of Central Park's analysis of the business model. In commenting on the indicative economic market, the report commented that "with any novel large retail concept, there is a 'honeymoon period' of strong interest due to the intrigue factor. After a period the market settles down and adjusts, but its unique and comprehensive offer and environment will ensure it maintains an ability to attract customers from an extensive area for a sustained period. This has been seen by other large retail developments such as The Base and Sylvia Park, which still attract significant custom from outside their respective cities".

A summary of the key conclusions included in the Property Economics report is detailed in the table below:

Key Measurement	Population Growth		Increase		Households Growth		Increase	
	2018	2038	No.	%	2018	2038	No.	%
Population & Households Primary Catchment Area West Auckland (50%) Secondary	237,050	331,470	94,420	39.83	79,150	114,460	35,310	44.61

Catchment Area of Rest of Auckland (45%)	1.463m	1.891m	428,000	29.26	499,300	673,400	174,100	34.87
Estimated sales per square metre of retail space (20,000 m ²)	\$3000 -\$3500							
Estimated annual Sales	\$60m-\$70m							

Further information can be found in the Property Economics report, which can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544) under "Other material information"

Having assessed the information in the report, the Tenant has based its financial modelling on an annual sales base of \$50m, with a reduction of 30% from that turnover estimate figure for a break-even turnover figure.

- b) Magsons guarantees the obligations of the Tenant under the Lease.
- c) The Tenant is required to put in place a bank guarantee equivalent to \$2,000,000 (approximately 5.3 months' rent, excluding outgoings) as security for the performance of the Tenant's obligations under the Lease. If the Tenant has not provided that bank guarantee at least 2 months prior to the commencement of the Lease, Everest is entitled under the Development Agreement to direct funds (which it would otherwise need to pay to Vijay Holdings) to a security deposit account for the same amount. This bank guarantee would assist in meeting any shortfall in rent if the Tenant were to default on its payments for a short period. It would not, however, be sufficient security to cover the costs of reconfiguring the Property for replacement tenants and the costs associated with reletting.

The bank guarantee is subject to being released once the Tenant's earnings reach a certain level (but not within the first 3 years of the lease).
- d) The Tenant has entered into a General Security Agreement with Everest, whereby Everest is granted a security interest in all of the present and after acquired property of the Tenant, as security for performance of the Tenant's obligations under the Lease. Everest has agreed with the Tenant that it will grant priority to the Tenant's primary banker when it takes a general security agreement over the Tenant, meaning that the Tenant's bank will have the first right to sell the Tenant's assets if the Tenant becomes insolvent. The General Security Agreement granted to Everest will also rank behind any unpaid suppliers of goods to the Tenant who have protected themselves by registration on the Personal Property Securities Register.

Assessment of likelihood of circumstance arising:

Unable to be accurately predict at this stage given that the Tenant is a new business. The success of the Tenant's business will depend on various factors, including its ability to compete with other businesses selling furniture and homewares. Those competitors will include existing furniture and homeware stores such as Freedom Furniture, Harvey Norman and Briscoes. Ikea, an international retailer of "flat-pack" furniture and homewares, has recently announced plans to establish a store in Auckland in the near future. There are a number of similarities between the Tenant's business and Ikea, in terms of the scale of Ikea stores, the categories of products sold and the "flat-pack" model. The Tenant has advised Central Park that the key differences between the Tenant's business and Ikea are:

- 1) The wider range of products proposed to be sold by Nido
- 2) The sourcing of a significant number of products from Europe by Nido
- 3) The sale of customised furniture by Nido

- 4) The offering of 3 specialist departments within the Nido store.

The extent of competition from Ikea, if and when it establishes a store in the Auckland region, will depend to a large degree on the location and style of the store it establishes.

Assessment of impact, if the circumstance were to arise:

Significant, given the potential difficulties in finding new tenant(s) given the size and specialist nature of the Building.

Risk 2: *Risks relating to Term Loan funding and interest rate risks*

Assessment of Nature and Magnitude:

Everest has received an indicative offer from Pearlfisher of debt funding of \$25,075,000 for a period of 10 months for the construction period followed by an investment loan period of 6 months once the Tenant commences trading. During this 6 month trading period, Everest is expecting to repay the loan to Pearlfisher by refinancing with a trading bank.

Failure of Everest to obtain bank financing from a trading bank at the expiry of the 6-month investment loan term from Pearlfisher, and Everest being unable to sell the Property at that time (or raise alternative funding), may lead to a forced sale. A forced sale could also occur at any time if Everest is in breach of its future financial covenants in favour of the bank.

Everest's financial position, and so the return to Investors in the Issuer, will also be impacted on by future interest rate variations under the bank loan. Interest will be the largest expense paid by Everest, and an increase in interest rates may reduce the returns to the Issuer and so to Investors.

Mitigation strategies

- a) If further non-bank debt funding is required after the expiry of the 6-month investment loan from Pearlfisher, Magsons will be required to continue funding the loan interest costs and additional fees in excess of the pre-agreed interest amount to be paid by Everest (at 4.45% per annum). This protection will only apply however while Magsons remains solvent and able to pay such interest costs and fees.
- b) The Everest financial forecasts include provision for an interest rate of 4.45% for the first 4-months of the Pearlfisher Investment Loan period, rising to 4.6% for the final 2 months of the loan period. Interest rate projections have been calculated using the likely base rate of 4.25% at the time of preparation of this Product Disclosure Statement

Assessment of likelihood of circumstance arising:

Low to Medium

Indications from the NZ Reserve Bank are that the Official Cash Rate (OCR) level will be on hold until (at least) August 2020. The interest rate projections by Everest have been made after considering the expected stability of the OCR rate.

The likelihood of Everest being unable to arrange bank funding is uncertain. The willingness of a trading bank taking over the debt finance will depend on:

- a) The trading performance of the Tenant;
- b) The bank's financing criteria at the time;
- c) The economic outlook at the time; and
- d) The future financial forecasts of Everest, and full disclosure by the Tenant of its own financial forecasts.

Assessment of impact, if the circumstance were to arise:

Significant

An inability to obtain bank refinancing within a 6 month period following the commencement of trading by the Tenant, would mean that an extension of the Pearlfisher Loan Facility would need to be sought. It is uncertain whether Pearlfisher would agree to grant an extension. If continuing funding cannot be procured the result would ultimately be a forced sale of the Property, in which case Investors may face substantial losses. A 1% increase in the interest rate will add \$250,000 to the interest expense, thus reducing the accumulation of cash reserves.

Risk 3: *Risks relating to market for Shares***Assessment of Nature and Magnitude:**

There is no established market for selling your Shares.

The only way you are guaranteed to be able to realise your Shares is on the sale of the Property and following the distribution of the net sale proceeds by Everest to Magsons and Central Park (in accordance with their respective shareholdings). The Property may be an illiquid asset and no promise or guarantee is made regarding the ability of Everest to sell the Property for fair value, nor the timeframe within which the Property may be sold.

If you are able to sell your Shares, the price obtained may be lower than the amount you paid to subscribe for the Shares, where market prices for commercial properties have fallen generally or particular factors affect the value of the Property.

Central Park has no obligation to repurchase the Shares. You will only realise your investment in the Shares by selling the Shares or on the distribution of surplus assets on the liquidation of Central Park. No assurance is given that any assets will be available for distribution on the liquidation of Everest or Central Park.

In the Underwrite Agreement Central Park agrees to use reasonable endeavours to find purchasers for the Shares held by Magsons. This means that purchasers would, in the first instance, be directed towards the purchase of Magsons Shares, rather than Shares which other Investors wished to sell.

Mitigating strategies

Subject to its obligations under the Underwrite Agreement (as referred to above), Maat operates a pre-emptive rights system where any sale of Shares in Central Park is firstly offered to the other shareholders in Central Park. If they are not purchased via this first option, Maat will offer them on the seller's behalf to the wider investment database which Maat holds.

Assessment of likelihood of circumstance arising:

Low

Assessment of impact, if the circumstance were to arise:

This will depend on the individual circumstances of the Investor looking to sell. If a sale of Shares was not able to be made within a preferred time-frame, the seller would retain those Shares until they were eventually sold.

9 TAX

NEW ZEALAND TAXATION

Tax can have significant consequences for investments. If an Investor has queries in relation to tax consequences, the Investor should obtain professional advice on these consequences.

Central Park plans to register as a PIE and therefore, Central Park itself will not be subject to tax. Instead, Central Park will attribute income to the Investor and, where applicable, deduct tax at the individual Investor's prescribed investor rate ("PIR") before it is paid to the Investor. Central Park will pay the tax deducted to Inland Revenue. For further information about:

- What you need to tell us about your PIR and IRD number;
- How Central Park will account for tax on your investment;
- The potential taxation treatment outside the PIE regime; and
- The taxation of distributions

is contained on the Disclose Register www.companiesoffice.govt.nz/disclose (Offer ref. OFR12544) in the document entitled "**Taxation: What you Need to Know.**" In order to have Shares allotted to you, you must supply your IRD number.

10 WHERE YOU CAN FIND MORE INFORMATION

Further information relating to Central Park, Everest, the Property and the Shares is available on the Disclose Register (for example the Valuation, the Shareholders' Agreement, the Development Agreement, the Agreement to Lease, the Constitutions of Central Park and Everest and, once these are issued, financial statements). A copy of information on the Disclose Register is available on request to the Registrar. The Disclose Register can be accessed free of charge at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544). Information about Central Park can also be found on the Companies Office website www.companiesoffice.govt.nz/

The information and documents provided on the Disclose Register, <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12544), includes material provided by third parties. Investors should read information and documents provided by third parties such as the Valuer and make their own assessment as to its validity and reliability.

Copies of information on the Disclose Register are available on request from Central Park at B3, 17 Corinthian Drive, Albany, Auckland 0632.

11 HOW TO APPLY

You may subscribe for Shares by completing the Application Form attached to this PDS. The minimum investment is one parcel of 50,000 Shares.

No Applications for this investment will be accepted unless you have completed the Application Form attached to this PDS.

All completed and signed Application Forms and cheques for the full subscription amount accompanied by all information as is set out on the Application Form, must be forwarded to the offices of Maat Property Group, PO Box 301848, Albany, Auckland 0752.

Alternatively, you may transfer the full subscription amount electronically to the Trust Account of Anthony Harper, Solicitors (banking details are provided in the Application Form). If paying by this method, the Application Form, together with all supporting identity verification must be scanned and emailed to info@maat.co.nz. The original Application Form must then be sent to Maat at the address shown above.

All funds received from subscriptions for Shares in Central Park (including interest earned on those funds) are to be held on escrow in the trust account of Anthony Harper, Solicitors, Auckland. Funds will be held in the Anthony Harper trust account until all conditions relating to the receipt of subscriptions are satisfied and all of the Shares are allotted. You will not be paid interest on your Application money from Anthony Harper. Once Anthony Harper receives all information required from you your application, proceeds will be placed on escrow in an interest bearing account until they are withdrawn to enable settlement of the purchase of the Property.

Net interest earned (less RWT and commission) on the investment amounts received will be paid in one lump sum from Anthony Harper to Central Park, which then intends to apportion the net interest amongst Investors according to the respective amounts and dates of investment. If the purchase of the Property does not proceed then your Application amount will be returned and any net interest (less Commission) will be paid to Central Park in one lump sum which, once again, Central Park intends to apportion amongst Investors according to the respective amounts and dates of investment. You can advise us of your IRD number in the Application Form.

In the event that the Property is not acquired by 30 April 2019 then, unless you agree otherwise in writing, your Application money will be promptly returned in full.

Cheques must be made payable to "Anthony Harper Trust Account" and cannot be post-dated.

12 CONTACT INFORMATION

Issuer

Central Park Property Investment Limited
B3, 17 Corinthian Drive,
Albany, Auckland 0632
P O Box 301848
Albany
Auckland 0752
New Zealand
Telephone: (09) 414 6078
Email: info@maat.co.nz; ntuffin@maat.co.nz

Legal Advisors to the Offer

Anthony Harper, Lawyers
Level 6, Chorus House
66 Wyndham Street
P O Box 2646
Auckland 1140
Telephone: (09) 920 6400
Facsimile: (09) 920 9599

Auditor

BDO Auckland
Level 4, BDO Centre
4 Graham Street, Auckland
P O Box 2219,
Auckland 1140
Telephone: (09) 379 2950
Facsimile: (09) 303 2220
Email: www.bdo.co.nz

Valuer

Jones Lang LaSalle IP, Inc (Auckland)
Level 16, 188 Quay Street,
Auckland 1140
PO Box 165, Auckland 1140
Telephone: (09) 366 1666
Email: www.ap.jll.com

Securities Register

Maat Consulting Limited
B3, 17 Corinthian Drive,
Albany, Auckland 0632
P O Box 301848
Albany
Auckland 0752
New Zealand
Telephone: (09) 414 6078
Email: info@maat.co.nz; ntuffin@maat.co.nz

GLOSSARY

"Agreement to Lease" means the Agreement to Lease between Everest (as the Landlord), the Tenant and Magsons (as guarantor) dated 30 November 2018.

"Applicant" means a person or other entity who makes an Application.

"Application" means an application for Shares on the form provided in this PDS.

"Application Form" means the form to apply for Shares attached to this PDS.

"Attributed PIE Income" means the amount of income attributed to you by all PIEs (including Central Park) in an income year.

"Bank" means the bank which refinances the Pearlfisher Loan Facility in due course, if that is refinanced.

"Board" means Central Park's board of directors.

"Building" means the buildings to be constructed on the Property as part of the Development.

"Business Day" means a day on which all registered banks are open for business generally in Auckland and Wellington.

"Central Park" and **"Issuer"** means Central Park Property Investment Limited.

"Central Park Management Agreement" means the management agreement between Central Park and Maat dated on or about the date of this Product Disclosure Statement.

"Commission" means 5% of the gross interest earned on any investment funds held in escrow by Anthony Harper for the period between investment monies being deposited in cleared funds and monies are required to be withdrawn from deposit to enable settlement of the purchase of the Property under the Development Agreement or the return of Application funds to an Investor.

"Companies Act" means the Companies Act 1993.

"Constitution" means the constitution of Central Park.

"Development" means the construction of the Building on the Property, and all associated works to be carried out pursuant to the Development Agreement.

"Development Agreement" means the development agreement entered into between Everest, Magsons and Vijay Holdings and dated 31 January 2019.

"Directors" means the directors of Central Park.

"Disclose Register" means the online register for offers of financial products under the FMC Act.

"Everest" means Everest Central Investment Limited (the company in which Central Park holds A Shares and Magsons holds B Shares, and which will acquire the Property pursuant to the Development Agreement).

"Everest Management Agreement" means the management agreement between Everest and Maat dated on or about the date of this product Disclosure Statement.

"FMA" means Financial Markets Authority.

"FMC Act" means the Financial Markets Conduct Act 2013.

"FMC Regulations" means the Financial Markets Conduct Regulations 2014.

"General Security Agreement" means the general security agreement between the Tenant (as the debtor) and Everest (as the secured party) dated 5 February 2019.

"Investor" means the holder, from time to time, of Shares in Central Park and in the description of the Shares also referred to as the "Shareholder".

"Lease" means the lease of the Property to the Tenant, to be entered into pursuant to the Agreement to Lease.

"Maat" means Maat Consulting Limited

"Maat Property Management" means Maat Commercial Property Management Limited.

"Magsons" means Magsons Investments Limited (the Vendor under the Development Agreement, and the holder of B Shares in Everest).

"Manager" means Maat.

"Management Agreements" means each (or either as the context may require) of the Central Park Management Agreement and the Everest Management Agreement.

"NZ GAAP" means generally accepted accounting practice in New Zealand.

"NZ IFRS" means New Zealand Equivalent to International Financial Reporting Standards.

"Offer" means the offer of Shares under this PDS.

"Pearlfisher" means Pearlfisher Capital Limited.

"Pearlfisher Loan Facility" means the indicative letter of offer dated 17 December 2018 given by Pearlfisher in favour of Everest (as the borrower).

"PDS" means this product disclosure statement issued under the FMC Act and the FMC Regulations.

"PIE" means a portfolio investment entity, as that term is defined in the Income Tax Act 2007.

"PIR" means the prescribed investor rate, which is the tax rate applicable to attributed PIE income, and is the rate that Central Park will use to calculate and pay tax on a shareholder's proportion of Central Park's taxable income.

"Property" means the property situated at 156-160 Central Park Drive, Waitakere as is more particularly described and comprised in identifier 61871 (North Auckland Registry).

"Security" means the first registered mortgage over the Property and first registered General Security Agreement to be granted by Everest to Pearlfisher and any other securities required by Pearlfisher.

"Share Parcel" means each parcel of 50,000 Shares.

"Shares" means the B Shares in Central Park offered for subscription under this PDS.

"shareholders" means the holders of A Shares and B Shares in Central Park.

"Shareholders' Agreement" means the shareholders' agreement between Everest, Magsons and Central Park dated 5 February 2019.

"Tenant" means Magsons Hardware Limited.

"Underwrite Agreement" means the deed of underwriting between Magsons and Central Park dated 5 February 2019.

"Valuation" means the valuation for the Property prepared by the Valuer dated 5 February 2019.

"Valuer" means Jones Lang LaSalle

"Vijay Holdings" means Vijay Holdings Limited (the Contractor under the Development Agreement).

Central Park Property Investment Limited

Application Form — Individuals and Joint Investors

1 Investor Information	
Investor 1 (principal account holder)	Investor 2 (if applicable)
Title: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Miss <input type="checkbox"/> ____ (other)	Title: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Miss <input type="checkbox"/> ____ (other)
First name(s):	First name(s):
Surname:	Surname:
Occupation:	Occupation:
Date of birth: / /	Date of birth: / /
Home address:	Home address:
Postcode:	Postcode:
Postal address (if different from your home address):	Postal address (if different from your home address):
Postcode:	Postcode:
Home phone:	Home phone:
Mobile phone:	Mobile phone:
Email:	Email:
Country of birth:	Country of birth:
Citizenship:	Citizenship:
IRD number:	IRD number:

2 Your Investment	
Amount you are investing (minimum \$50,000): \$	
What is the purpose of your investment? <input type="checkbox"/> Accumulation of Wealth <input type="checkbox"/> Retirement <input type="checkbox"/> Other — please specify:	What is the source of funds? <input type="checkbox"/> Salary <input type="checkbox"/> Other — please specify:

3 Tax Information	
<i>The taxpayer for joint Investors is the Investor with the highest prescribed investor rate.</i>	
Is the taxpayer a New Zealand resident for tax purposes? <input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If no, state the taxpayer's country of residence for tax purposes.</i>
Taxpayer's prescribed investor rate: <input type="checkbox"/> 10.5% <input type="checkbox"/> 17.5% <input type="checkbox"/> 28%	<i>If a prescribed investor rate is not selected, or no IRD number is provided in the 'Investor Information' section, 28% will apply.</i>
Taxpayer's withholding tax rate: ____%	<i>Please supply any relevant withholding tax exemption certificate.</i>

4 Distribution Instructions (please tick)

<div style="border: 1px solid black; width: 50px; height: 50px; margin: 0 auto;"></div> Option 1 — By Cheque	<div style="border: 1px solid black; width: 50px; height: 50px; margin: 0 auto;"></div> Option 2 — By Direct Credit to NZ Bank Account																		
Made out to:	Bank account number:																		
<i>Note: cheques will be sent to the address you have supplied in the Investor Information section above.</i>	<table border="1" style="width: 100%;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																		
	Name of account:																		
Branch:																			

5 Confirming Your Identity and Address

To comply with anti-money laundering laws, we need to verify your identity and your address. Please tick to identify the certified documents you will provide to fulfil the requirements of *either* Identification Option 1 *or* Identification Option 2 *or* Identification Option 3 **and** in each case the Address Verification Requirement.

Please note certification of documents must be by a “trusted referee”. See the description of who is a trusted referee below.

Identification Option 1	Identification Option 2	Identification Option 3
<p style="text-align: center;">One of:</p> <ul style="list-style-type: none"><input type="checkbox"/> NZ passport<input type="checkbox"/> NZ certificate of identity<input type="checkbox"/> NZ firearms licence<input type="checkbox"/> emergency travel document<input type="checkbox"/> overseas passport<input type="checkbox"/> foreign-issued national identity document<input type="checkbox"/> NZ refugee travel document	<ul style="list-style-type: none"><input type="checkbox"/> your NZ driver licence <p style="text-align: center;">and one of:</p> <ul style="list-style-type: none"><input type="checkbox"/> a credit card, debit or EFTPOS card issued by a registered NZ bank (name and signature must be on the card)<input type="checkbox"/> a bank account statement issued by a registered NZ bank addressed to you from the last 12 months<input type="checkbox"/> a document issued by a NZ government agency containing your name and signature (e.g. a Super Gold card)<input type="checkbox"/> an IRD statement or other NZ government agency statement addressed to you from the last 12 months	<p style="text-align: center;">One of the following forms of photo ID:</p> <ul style="list-style-type: none"><input type="checkbox"/> NZ driver licence<input type="checkbox"/> 18+ card (Hospitality Association)<input type="checkbox"/> a valid international driving permit <p style="text-align: center;">and one of:</p> <ul style="list-style-type: none"><input type="checkbox"/> NZ full birth certificate<input type="checkbox"/> certificate of NZ citizenship<input type="checkbox"/> citizenship certificate issued by a foreign government<input type="checkbox"/> birth certificate issued by a foreign government

Address Verification Requirement

In addition to the above, you must supply a copy of **one** form of address verification documentation from the following list which cannot be more than 3 months old:

- ☐ utility bill
- ☐ IRD tax assessment notice (New Zealand)
- ☐ credit card/bank statements from an active account
- ☐ government valuation of Property (evidencing ownership)
- ☐ letter from a New Zealand employer on the employer's letterhead (subject to separate verification process)
- ☐ tenancy Agreement for a New Zealand address

Who is a Trusted Referee?

When supplying certified identification documents, the trusted referee must be at least 16 years of age and one of the following:

- Commonwealth Representative (as defined in the Oaths and Declarations Act 1957)
- an employee of the Police who holds the office of constable
- a justice of the peace
- a registered medical doctor
- Kaumātua
- a registered teacher
- a minister of religion
- a lawyer
- a notary public
- New Zealand Honorary Consul
- a Member of Parliament
- a Chartered Accountant

In addition, the trusted referee must not be:

- related to the Investor; for example, a trusted referee cannot be a parent, child, brother, sister, aunt, uncle or cousin of the Investor
- the spouse or partner of the Investor
- a person who lives at the same address as the Investor

The trusted referee must sight the original identification documentation, and make a statement on the copy to the effect that the documents provided are a true copy and correctly represent the identity of the Investor.

The certification by the trusted referee must include the name, occupation and signature of the trusted referee and the date of certification. Certification must have been carried out in the three months preceding the presentation of the copied document.

6 Your Acknowledgements and Agreements

Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT)

You must not knowingly do anything to put Central Park or Maat Consulting Limited ('Maat') (collectively 'us') in breach of the AML/CFT.

You agree to provide all additional information and assistance requested by us and to comply with all reasonable requests from us to facilitate our compliance with the AML/CFT.

You represent and warrant that you are not aware and have no reason to suspect that:

- the money used to fund any investment by you is derived from or related to any criminal or other illegal activities, money laundering, terrorism financing or similar activities (Illegal Activities); or
- the proceeds of any investment will fund any Illegal Activities.

You agree that neither Central Park nor Maat is liable for any losses incurred as a result of any action we take which either delays your investment or results in an application being declined, when these actions are necessary for us to comply with our obligations under the AML/CFT.

Privacy Act 1993

This statement relates to personal information that you are providing to us by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by us (and our related entities) for the purposes of enabling us to arrange and manage your investment, and to contact you in relation to your investment and other potential investments.

You authorise us to disclose your personal information to any third parties as needed to perform services on your behalf; to regulatory bodies or law enforcement agencies as required by law; to meet our legal or regulatory obligations; and to any party proposing to acquire an interest in us. We will provide you (on request) with the name and address of any entity to which information has been disclosed.

You have the right to access all personal information held about you by us. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide this personal information. You agree that your name and address may be used by us to provide you with newsletters and other information about Issuer and other products and services.

Power of Attorney

If you are signing for the Investor under a Power of Attorney, you have also attached:

- a certified copy of the power of attorney together with a certificate of non-revocation; and
- identification of the attorney as described above.

Email Use

You consent to receiving financial statements, and other documents which we are required to send to you, electronically at the email address on this form, or another email address advised to us.

7 Disclosures

Are you a, or are you immediately related to any, senior member of NZ or foreign government, the judiciary, the military or an ambassador?

☐ Yes

☐ No

Are you a citizen or permanent resident of the United States?

☐ Yes

☐ No

Are you a tax resident in a country other than New Zealand

☐ Yes

☐ No

8 Declaration

I have read and retained a copy of the attached Product Disclosure Statement and agree to be bound by the terms and conditions of the Constitution. I agree to the terms outlined above in relation to the Privacy Act, the supply of personal information, email use and the AML/CFT. I understand that Central Park is primarily intended as a vehicle for long-term investment and the value of my investment is liable to fluctuations and may rise and fall from time to time. I understand the manner in which fees will be deducted from my investment.

I understand that investment in Central Park is subject to investment risk, including possible delays in repayment and loss of income or principal invested. I understand that neither Central Park, Maat, nor any other person, guarantees the performance of Issuer or the repayment of capital by Central Park or any particular rate of return.

Signature of Investor 1 (principal account holder):

Signature of Investor 2 (if applicable):

Date: / /

Date: / /

Payment Methods (please tick)

☐

Option 1 — By Cheque

Please send the original Application Form together with certified proof of identity to Maat Group shown below.

Please make your cheque payable to 'Anthony Harper Trust Account', cross it 'Not Transferable' and send to:

**Maat Group
PO Box 301848
Albany
Auckland 0752**

☐

Option 2 – By Direct Credit

Application money may be deposited into:

Name of account: Anthony Harper Trust Account
Name of bank: Westpac New Zealand Limited
Address: 93 Armagh Street, Christchurch
Bank account number: 03 0826 0103700 02
Client reference: 285822-32

If paying by this method the Application Form must be scanned and emailed to:

info@maat.co.nz

The original Application Form together with certified proof of identity must then be sent to:

**Maat Group
PO Box 301848
Albany
Auckland 0752**

Central Park Property Investment Limited
Application Form — Companies, Trusts, Partnerships and Estates

1. Investor Information
Company, Trust, Partnership or Estate name:
Company registration number:
Registered address:
Postal address (if different from registered address):
Contact phone:
Email:

2. Tax Information
Investor's IRD number:
Is the Investor a New Zealand resident for tax purposes? <input type="checkbox"/> Yes <input type="checkbox"/> No
<i>If no, state the Investor's country of residence for tax purposes.</i>
Prescribed investor rate: <input type="checkbox"/> 0% <input type="checkbox"/> 10.5% <input type="checkbox"/> 17.5% <input type="checkbox"/> 28%
<i>If a prescribed investor rate is not selected, or no IRD number is provided, 33% will apply.</i>
Resident withholding tax rate: ____%
A trustee can elect a resident withholding tax rate (see the description in the PDS). A company can elect a resident withholding rate (see the description in the PDS). Regardless of the rate selected, if you have not provided your IRD number in the "Investor Details" section of this Application Form, resident withholding tax will be deducted at 33% from interest payable to you in relation to your application money.

3. Investment Details
Amount you are investing (minimum \$50,000): \$

4. Confirming the Identity and Address of Relevant Persons
<p>To comply with anti-money laundering rules, we need to verify the identity of various people associated with the Investor. In the case of companies, we must verify the identity of people owning more than 25% of the shares and people acting on behalf of the company (usually the directors). In the case of partnerships, we must verify the identity of the partners and anyone authorised to act on behalf of the partnership. In the case of trusts, we must identify persons acting on behalf of the trust (usually the trustees) and also any settled beneficiaries. Each of these people described above is a "Relevant Person". If a trust has a range of beneficiaries, it is necessary to describe that range (for example "relatives of the settlor").</p> <p>Each Relevant Person must complete the information below and provide certified copies of documents to fulfil the requirements of <i>either</i> Identification Option 1 <i>or</i> Identification Option 2 <i>or</i> Identification Option 3 and in each case the Address Verification Requirement. Please note certification of documents must be by a "trusted referee". See the description of who is a trusted referee below.</p>

If necessary, please attach additional copies of this page to describe all Relevant Persons.

Relevant Person 1	Relevant Person 2
Title: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Miss <input type="checkbox"/> ____ (other)	Title: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Miss <input type="checkbox"/> ____ (other)
First name(s):	First name(s):
Surname:	Surname:
Occupation:	Occupation:
Date of birth: / /	Date of birth: / /
Home address:	Home address:
Postcode:	Postcode:
Postal address (if different from your home address):	Postal address (if different from your home address):
Postcode:	Postcode:
Home phone:	Home phone:
Mobile phone:	Mobile phone:
Email:	Email:
Country of birth:	Country of birth:
Citizenship:	Citizenship:
IRD Number	IRD Number
Relationship to Investor:	Relationship to Investor:
Relevant Person 3	Relevant Person 4
Title: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Miss <input type="checkbox"/> ____ (other)	Title: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Miss <input type="checkbox"/> ____ (other)
First name(s):	First name(s):
Surname:	Surname:
Occupation:	Occupation:
Date of birth: / /	Date of birth: / /
Home address:	Home address:
Postcode:	Postcode:
Postal address (if different from your home address):	Postal address (if different from your home address):
Postcode:	Postcode:
Home phone:	Home phone:
Mobile phone:	Mobile phone:
Email:	Email:
Country of birth:	Country of birth:
Citizenship:	Citizenship:

IRD Number	IRD Number
Relationship to Investor:	Relationship to Investor:

Description of range of beneficiaries for trusts (if applicable):

Identification Option 1	Identification Option 2	Identification Option 3
<p>One of:</p> <ul style="list-style-type: none"> NZ passport NZ certificate of identity NZ firearms licence emergency travel document overseas passport foreign-issued national identity document NZ refugee travel document 	<ul style="list-style-type: none"> a NZ driver licence <p>and one of:</p> <ul style="list-style-type: none"> a credit card, debit or EFTPOS card issued by a registered NZ bank (name and signature must be on the card) a bank account statement issued by a registered NZ bank addressed to the Relevant Person from the last 12 months a document issued by a NZ government agency containing the Relevant Person's name and signature (e.g. a SuperGold card) an IRD statement or other NZ government agency statement addressed to the Relevant Person from the last 12 months 	<p>One of the following forms of photo ID:</p> <ul style="list-style-type: none"> NZ driver licence 18+ card (Hospitality Association) a valid international driving permit <p>and one of:</p> <ul style="list-style-type: none"> NZ full birth certificate certificate of NZ citizenship citizenship certificate issued by a foreign government birth certificate issued by a foreign government

Address Verification Requirement

In addition to the above, each Relevant Person must supply a copy of **one** form of address verification documentation from the following list which cannot be more than 3 months old:

- utility bill
- IRD tax assessment notice (New Zealand)
- credit card/bank statements from an active account
- government valuation of Property (evidencing ownership)
- letter from a New Zealand employer on the employer's letterhead (subject to separate verification process)
- tenancy Agreement for a New Zealand address

Who is a Trusted Referee?

When supplying certified identification documents, the trusted referee must be at least 16 years of age and one of the following:

- Commonwealth Representative (as defined in the Oaths and Declarations Act 1957)
- an employee of the Police who holds the office of constable
- a justice of the peace
- a registered medical doctor
- Kaumātua
- a registered teacher
- a minister of religion
- a lawyer
- a notary public
- New Zealand Honorary Consul
- a Member of Parliament
- a Chartered Accountant

In addition, the trusted referee must not be:

- related to the Relevant Person; for example, a trusted referee cannot be a parent, child, brother, sister, aunt, uncle or cousin of the Relevant Person
- the spouse or partner of the Relevant Person
- a person who lives at the same address as the Relevant Person

The trusted referee must sight the original identification documentation, and make a statement on the copy to the effect that the documents provided are a true copy and correctly represent the identity of the relevant person.

The certification by the trusted referee must include the name, occupation and signature of the trusted referee and the date of certification. Certification must have been carried out in the three months preceding the presentation of the copied document.

5. Distribution Instructions (please tick)

☐

Option 1 — By Cheque

Made out to:

☐

Option 2 — By Direct Credit to NZ Bank Account

Bank account number:

Note: cheques will be sent to the address you have supplied in the Investor Information section above.

Name of account:

Branch:

6. Trusts Only

Briefly describe below the source of funds (e.g. sale of a property or available cash in trust fund) and normal source of trust income:

Please provide a certified copy of the trust deed **including any amendments and trustee appointment documentation.**

7. Estates Only

Please provide a certified copy of the last will and a copy of probate.

8. Partnerships Only

Please provide a certified copy of the partnership agreement.

9. Companies Only

Please provide a certified copy of the certificate of incorporation.

10. Your Acknowledgements and Agreements

Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT)

You must not knowingly do anything to put Central Park or Maat Consulting Limited ('Maat') (collectively 'us') in breach of the AML/CFT.

You agree to provide all additional information and assistance requested by us and to comply with all reasonable requests from us to facilitate our compliance with the AML/CFT.

You represent and warrant that you are not aware and have no reason to suspect that:

- the money used to fund any investment by you is derived from or related to any criminal or other illegal activities, money laundering, terrorism financing or similar activities (Illegal Activities); or
- the proceeds of any investment will fund any Illegal Activities.

You agree that neither Issuer nor Maat is liable for any losses incurred as a result of any action we take which either delays your investment or results in an application being declined, when these actions are necessary for us to comply with our obligations under the AML/CFT.

Privacy Act 1993

This statement relates to personal information that you are providing to us by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by us (and our related entities) for the purposes of enabling us to arrange and manage your investment, and to contact you in relation to your investment and for other investment opportunities.

You authorise us to disclose your personal information to any third parties as needed to perform services on your behalf; to regulatory bodies or law enforcement agencies as required by law; to meet our legal or regulatory obligations; and to any party proposing to acquire an interest in us. We will provide you (on request) with the name and address of any entity to which information has been disclosed.

You have the right to access all personal information held about you by us. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide this personal information. You agree that your name and address may be used by us to provide you with newsletters and other information about Issuer and other products and services.

Email Use

You consent to receiving financial statements, and other documents which we are required to send to you, electronically at the email address on this form, or another email address advised to us.

11. Disclosures

- | | | |
|--|------------------------------|-----------------------------|
| Are you a company incorporated in the United States? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you an unincorporated association with a substantial number of members who are United States citizens or residents? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you or any of the Relevant Persons senior members of NZ or foreign government, the judiciary, the military or an ambassador? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you a tax resident in a country other than New Zealand | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

12. Declaration

I have read and retained a copy of the attached Product Disclosure Statement for Central Park and agree to be bound by the terms and conditions of the Constitution. I agree to the terms outlined above in relation to the Privacy Act, the supply of personal information, email use and the AML/CFT. I understand that Central Park is primarily intended as a vehicle for long-term investment and the value of my investment is liable to fluctuations and may rise and fall from time to time. I understand the manner in which fees will be deducted from my investment.

In addition, by signing this Application Form, companies, trusts and partnerships certify that:

- the trust/partnership/company has been duly established and is validly existing under the laws of New Zealand;
- the trust/partnership/company has not been terminated or liquidated and no event requiring the vesting of the trust's/partnership's/company's assets has occurred;
- the Relevant Persons are as shown on this Application Form; and
- this proposed investment will not cause any limitation on the powers of the trustees/partners/directors to be exceeded.

I understand that investment in Central Park is subject to investment risk, including possible delays in repayment and loss of income or principal invested. I understand that neither Central Park, Maat nor any other person guarantees the performance of Central Park or the repayment of capital by Central Park or any particular rate of return.

Signed for Investor (attach additional pages if more signatures are required):

Signature

Full Name

Date

Signature

Full Name

Signature

Full Name

Date

Signature

Full Name

Date

Date

Payment Methods (please tick)

☐

Option 1 — By Cheque

Please send the original Application Form together with certified proof of identity to Maat Group at the address shown below.

Please make your cheque payable to 'Anthony Harper Trust Account', cross it 'Not Transferable' and send to:

**Maat Group
PO Box 301848
Albany
Auckland 0752**

☐

Option 2 – By Direct Credit

Application money may be deposited into:

Name of account: Anthony Harper Trust Account
Name of bank: Westpac New Zealand Limited
Address: 93 Armagh Street, Christchurch
Bank account number: 03 0826 0103700 02
Client reference: 285822-32

If paying by this method the Application Form must be scanned and emailed to:
info@maat.co.nz

The original Application Form together with certified proof of identity must then be sent to:

**Maat Group
PO Box 301848
Albany
Auckland 0752**