

17 July 2017

Shopping Centre Investments Ltd
C/- Andy Wilkinson
PO Box 1458
Christchurch 8140

By email: andy@wilksconsult.co.nz

To whom it may concern

RE: Consent under Section 60 of the Financial Markets Conduct Act 2013

1. We refer to the Product Disclosure Statement (PDS) for issue of convertible notes by Shopping Centre Investments Limited (**Issuer**) which the Issuer intends to make available to the public and register on the Disclose Register. The PDS may include information and references to the attached executive summary report titled 'Detailed Engineering Evaluation' dated 02 May 2017, and letter titled 'The Hub Hornby Shopping Mall – Seismic Strength Assessment' dated 12 June 2017, describing the work related to seismic assessment and strengthening undertaken and in progress by Structex Harvard Ltd in respect of the Issuer's property known as the Hub Hornby (**Engineering Information**). The Disclose Register may include a copy of the attached Engineering Information.
2. As is required by section 60 of the Financial Markets Conduct Act 2013, we certify that we have given our consent to the inclusion of the Engineering Information in the PDS and on the Disclose Register and will not withdraw such consent before lodgement of the PDS with the Registrar.

Yours faithfully

Signed for and on behalf of Structex Harvard Limited



Geoff Banks

Managing Director



12 June 2017

Shopping Centre Investments Ltd
C/- Andy Wilkinson
PO Box 1458
Christchurch 8140

By email: andy@wilksconsult.co.nz

Dear Andy

RE: The Hub Hornby Shopping Mall – Seismic Strength Assessment

Structex has undertaken the structural design of the recent extensions to the Hub Hornby Shopping Mall, along with ongoing rigorous seismic investigation, assessment and strengthening of other parts of the Mall.

We understand Shopping Centre Investments Limited (SCIL) require confirmation the Hub Hornby Shopping Mall will achieve at least 67% New Building Standard (%NBS) on the basis the complex is considered to be an Importance Level 3 structure (IL3).

We have been asked to provide a comprehensive report that will draw together new design, assessment and strengthening work undertaken over the last 7 years. In particular it will expand on previous initial assessment work of the two areas constructed in 2003 – currently estimated at 70%NBS (IL3). In the event this detailed assessment identifies any elements at less than 67%NBS (IL3), we understand SCIL intends to undertake strengthening work immediately.

This report will summarise that the new extensions are at least 100%NBS (IL3), the banking precinct will achieve at least 80%NBS (IL3), and all other parts of the mall will achieve at least 67%NBS (IL3) once all strengthening works are completed.

Yours faithfully
Structex Harvard Ltd



James Morris
Associate
BE(Hons), MIPENZ, CPEng



Geoff Banks
Managing Director
BE(Hons), MIPENZ, CPEng, IntPE

02 May 2017

Shopping Centre Investments Ltd
C/- Andy Wilkinson
PO Box 1458
Christchurch 8140

By email: andy@wilksconsult.co.nz

Dear Andy

**RE: The Hub Hornby – Detailed Engineering Evaluation - May 2017 Update
Executive Summary**

Background

Structex has been engaged to complete a Detailed Engineering Evaluation (DEE) of The Hub Hornby Shopping Centre at 418 Main South Road Christchurch. The scope of this evaluation is to provide Shopping Centre Investments Ltd (SCIL) with an understanding of the current seismic strength of the Centre relative to the seismic strength a new building would require (expressed in this report as the percentage of New Building Standard - %NBS).

We have also incorporated the building importance level the %NBS relates to, in brackets after the expressed strength. This is further described below.

This evaluation was initiated in 2012, with the first DEE report (revA) issued on 15 October 2012. This was based primarily on using a 'screening' procedure – called the Initial Evaluation Procedure – to estimate the relative strength based on types of construction and how the requirements of the Building Code at the time of design correspond to current requirements.

Subsequent detailed reverse engineering was undertaken on selected areas to refine these estimates. These updates were summarised in revB of the DEE report issued on 15 May 2013.

In parallel to this evaluation, significant expansion works to the Centre have been progressing. This involved partial demolition to various areas of the Centre – affecting the result and sequencing of the evaluation. In addition, alteration works as part of tenancy fitout revealed as-built structure that differed from what was documented and expected, which again altered the evaluated strength.

In addition, national guidelines for the evaluation and reporting of an existing building's seismic strength have undergone numerous updates since 2011, and as a result of the Canterbury Earthquakes. The latest updates are currently in draft form and dated 30 June 2016. Our evaluations have been completed using engineering best practice, based on the most recent version at the time (including using draft guidelines as they are released).

This executive summary outlines the seismic strength of The Hub Hornby in its current state, and areas currently undergoing strengthening design and construction works. On agreement with SCIL, the overall DEE report will be updated accordingly with inclusion of this executive summary.



Building and Loading Description

The Hub Hornby Shopping Centre consists of a number of different structural systems, of various vintages – the oldest remaining being 1976, with newest completed in 2016. Physical separations (seismic breaks) have been gradually incorporated as the Centre has expanded - these provide clear demarcations between systems. Other demarcations are less well defined, and engineering judgement has been used to sufficiently evaluate the seismic strength of these areas and their interaction with one another during an earthquake. Figure 1 below provides a site plan overview of the various areas and associated names which we have used in this evaluation.

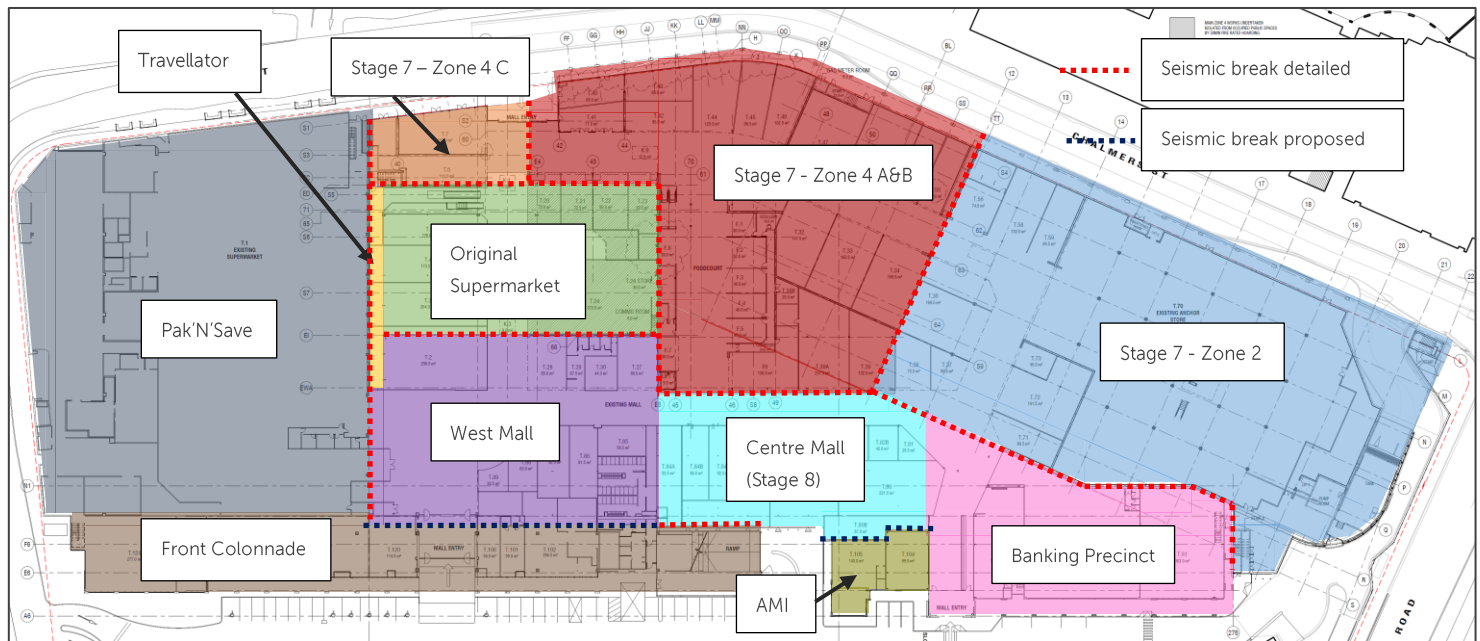


Figure 1: Site plan and definition of building areas

The design seismic load applied in our evaluation is as specified by the New Zealand Loadings Standard (AS/NZS1170:2002). This load is fundamentally based on the level of fatality and economic risk posed to occupants and public by the building – this is a function of the building's importance level, and design life. The baseline design life for this purpose is 50 years, and the importance level of this building is IL3 to account for the potential for the large number of occupants. An excerpt of the relevant building description from the importance level 3 section of Table 3.2, AS/NZS1170:2002 is as follows:

"Multi-occupancy residential, commercial (including shops), industrial, office and retailing buildings designed to accommodate more than 5,000 people and with a gross area greater than 10,000m²".

We note that the seismic loads for importance level 3 buildings are 30% greater than importance level 2 buildings (vast majority of the country's building stock). This effectively 'raises the bar' that the seismic strength must achieve to provide an equivalent level of fatality and economic risk.

Assessed Seismic Rating

Table 1 below summarises the current assessed seismic strength and grade of the respective building areas. The evaluations are predominantly based on 'detailed seismic assessments' which involve reverse engineering the structure in order to quantify the seismic strength of each element of the building, however some parts of the complex remain assessed using the IEP method and are noted as such in the table below. We have not been requested by SCIL to update the assessments in these areas with the Detailed Seismic Assessment (DSA).

Table 1: Summary of Current Seismic Strength

Building Area	Current Seismic Strength	NZSEE Grade	Comments
Original Supermarket	At least 67%NBS (IL3)	B	Strengthening completed in September 2016
West Mall	45%NBS (IL3)	C	Updated with DSA in 2016. Previously evaluated using IEP 'screening' procedure at 64%NBS (IL3). Strengthening developed design to at least 67%NBS (IL3), grade B, issued on 21 April 2017 (consent documents in progress)
Centre Mall	34%NBS (IL3)	C	Re-evaluated in 2016. Strengthening to at least 67%NBS (IL3), grade B, currently in construction as part of 'Stage 8' expansion works
Banking Precinct	35%NBS (IL3)	C	Re-evaluated in September 2016. Majority 80%NBS but two key areas of bracing found to be weaker. Strengthening to at least 80%NBS (IL3), grade A, has been issued for construction
AMI	45% (IL3)	C	Separated from banking precinct scope, and evaluated using DSA procedure in April 2017
Pak'N'Save	70%NBS (IL3)	B	Evaluated using IEP, as described in revB DEE report 15/05/2013
Front Colonnade	70%NBS (IL3)	B	Evaluated using IEP, as described in revB DEE report 15/05/2013.

Travellator	At least 67%NBS (IL3)	B	Strengthened in 2015 and 2016. Strength governed by bracing shared with original supermarket area. Otherwise 77%NBS (IL3)
Stage 7 – Zone 2	At least 100%NBS (IL3)	A+	Consented in 2012, construction completed in 2014
Stage 7 – Zone 4 A&B	At least 100%NBS (IL3)	A+	Consented in 2014, construction completed in 2016
Stage 7 – Zone 4 C	At least 100%NBS (IL3)	A+	Consented in 2014, construction completed in 2016

The New Zealand Society for Earthquake Engineering has developed a grading system as a means of relating the %NBS to the risk of a building's strength being exceeded relative to a new building. A summary of this scheme is provided in table 2 below:

Table 2: NZSEE Grading Scheme Summary

Percentable of New Building Standard (%NBS)	NZSEE Grade	Approximate relative risk of the seismic strength being exceeded
>100%NBS	A+	< 1 time
80-100%NBS	A	1-2 times
67-80%NBS	B	2-5 times
33-67%NBS	C	5-10 times
20-33%NBS	D	10-25 times
<20%NBS	E	>25 times

Conclusions

The results of this seismic evaluation of the Hub Hornby Shopping Centre indicate a significant portion of the building achieves at least 67%NBS (IL3), and the recent Stage 7 works fully comply with the current New Zealand Building Code.

The Centre Mall, Banking Precinct, and West Mall are all assessed at between 33-67%NBS (IL3). Strengthening is currently in construction for Centre Mall to achieve 67%NBS (IL3), construction documents issued for Banking Precinct to achieve 80%NBS (IL3), and consent documents in progress for West Mall to achieve 67%NBS (IL3).

The AMI tenancy was separated from the Banking Precinct scope due to the staging of original construction and flexible connection across the concourse, and has now been evaluated at 45%NBS (IL3). Areas required to strengthen to 67%NBS (IL3) have been described in the report issued in April 2017.

The Centre is therefore not considered earthquake prone, and the Building Act requires no further action to be taken. However, SCIL are proactively undertaking seismic strengthening, and we understand intend on continuing these works to ensure the entire Centre achieves at least 67%NBS (IL3).

Limitations

Findings presented as part of this report are for the sole use of our client. The findings are not intended for use by other parties, and may not contain sufficient information for the purposes of other parties or other uses. Our professional services are performed using a degree of care and skill normally exercised, under similar circumstances, by reputable consultants practicing in this field at this time. No other warranty, expressed or implied, is made as to the professional advice presented in this report.

Yours faithfully
Structex Harvard Ltd



James Morris
Associate
BE(Hons), MIPENZ, CPEng



Geoff Banks
Director
BE(Hons), MIPENZ, CPEng, IntPE