

REPLACEMENT PROSPECTUS

FOR THE ISSUE OF HORIZON BY PYCO GROUP LTD

REDEEMABLE PREFERENCE SHARES

H O R I Z O N

BY

P Y C O

G R O U P

LTD



Artist impression of the building to be constructed at 10-14 Curwen Terrace, Chermside, QLD

HORIZON BY PYCO GROUP LTD (ACN 629 358 738)

DECEMBER 2018

1. IMPORTANT INFORMATION

This Replacement Prospectus replaces a prospectus dated and lodged with ASIC on 6 December 2018. For the purposes of this document, this Replacement Prospectus will be referred to as either “the Replacement Prospectus” or “this Prospectus”.

Some terms used in this Prospectus are defined in the Glossary.

This Prospectus is dated 13 December 2018. A copy of this Prospectus was lodged with ASIC on that date. ASIC takes no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No Redeemable Preference Shares will be allotted or transferred on the basis of this Prospectus after the expiry date. This Prospectus expires on the date which is 13 months after the Prospectus Date.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. Seek advice on and observe any restrictions. This Prospectus is not an offer in any place where, or to any person to whom, it would not be lawful to make the offer.

No person is authorised to give any information or make representations about the offer, which is not contained in this Prospectus. Information or representations not contained in this Prospectus must not be relied on as authorised by the Company, or any other person, in connection with the offer.

This Prospectus provides information for investors to decide if they wish to invest in Horizon by Pyco Group Ltd (“Company”). Read this document in its entirety. This Prospectus contains forward looking statements. Those statements are based upon the Directors’ current expectations in regard to future events or results. All forecasts in this Prospectus are based upon the assumptions described in Section 10.1. Actual results may be materially affected by changes in circumstances, some of which may be outside the control of the Company. The reliance that investors place on the forecasts is a matter for their own commercial judgment. No representation or warranty is made that any forecast, assumption or estimate contained in this Prospectus will be achieved.

Seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The information provided in this Prospectus does not constitute personal financial product advice and has been prepared without taking into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus in its entirety before deciding to invest and consider the risk factors that could affect the Company’s performance.

This Prospectus is distributed electronically. Applications for Redeemable Preference Shares may only be made on the Application Form attached to this Prospectus or via the online application process which can be accessed at <https://www.pycogroup.com.au/invest>. Instructions on how to apply for Redeemable Preference Shares are set out in Sections 6 and 25 of this Prospectus and on the back of the Application Form.

Under the Corporations Act the Company must not process Application Forms during the seven day period after the date of lodgement of this Prospectus with ASIC. This period may be extended by ASIC for up to a further seven days. This exposure period enables the Prospectus to be examined by market participants. Application Forms received during the exposure period will not be processed until after the expiry of that period. No preference will be given to Application Forms received during the exposure period.

Monetary amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated. Photographs used in this Prospectus without descriptions are only for illustration. The people shown are not endorsing this Prospectus or its contents unless specified otherwise. Diagrams used in this Prospectus may not be drawn to scale. The assets depicted in photographs in this Prospectus are not assets of the Company unless otherwise stated.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

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2. PROPOSED TIMETABLE

EVENT	DATE
Prospectus date	13 December 2018
Offer opens	14 December 2018
Offer closes (unless the offer is fully subscribed earlier)	30 June 2019
Anticipated date of issue of new Redeemable Preference Shares	1 week after minimum subscription is met Further applications will be issued Redeemable Preference shares at the end of each month they applied for
Shareholding statements available	1 week after shares are issued
Project Expected Completion Date	Complete 20 November 2019 Settlements 15th December 2019
Expected Dividend Date	15th 2020
Expected Redeemable Preference Share Repurchase Date	15th January

All dates and times are subject to change and are indicative only. All times are Australian Eastern Standard Time (AEST). The Company reserves the right to vary these dates and times without prior notice. It may close the offer early, withdraw the offer, or accept late Applications. Applicants are encouraged to submit their Application Forms as soon as possible.

3. LETTER FROM THE MANAGING DIRECTOR



Dear Investor,

On behalf of the Company, it is my pleasure to offer you the opportunity to invest in the Redeemable Preference Shares of Horizon by Pyco Group Ltd.

The real estate market and real estate projects have long been a key source of wealth creation for multiple generations of Australians. Over the years the industry has shown resilience and delivered substantial growth in real estate value. However, the significant amount of capital required to purchase a real estate acts as an enormous barrier for many Australians to invest in this market and benefit from its growth potential. Previously investors have pooled funds with their friends and family members to invest in real estate development projects. However the investment feasibility, scalability and management of such projects has often been a concern for investors.

We offer a rare opportunity to be part of the development of 'Horizon' at 10-14 Curwen Terrace, Chermside, QLD which will bring to market a single eight storey apartment building comprising 62, 3 bedroom units.

Supply has remained low while population growth has been strong. Brisbane's population increased by 26% between 2002-2012 making it the second fastest growing capital city during this period, behind Perth which grew 27%. Brisbane's population grew at an average of 2.0% annually over the past 5 years.

The Suburb, Chermside is located only 13 km north of Brisbane City. Chermside itself has been labelled a 'Principle Activity Centre' of Brisbane, and is a core focus of Brisbane City Council to be rapidly expanded as a secondary CBD of the city.

The location, 10-14 Curwen Terrace, Chermside, QLD is adjacent to a nature reserve. Certain West facing apartments will have park facing aspect and is 1km to Westfield and 1.3km to Prince Charles Hospital. It features open plan designs maximising internal living areas and has a proposed high end finish with turnkey inclusions of blinds, ducted air-conditioning, chrome fixture stainless steel appliances and reconstituted stone bench tops. The complex is to have a terraced area on the roof, BBQ area and pergola.

Horizon by Pyco Group Ltd (Company) is issuing Redeemable Preference Shares to raise funds that will be provided as loan to Curwen At Chermside Pty Ltd ACN 616 167 312 ATF Curwen Terrace Unit Trust for the

development and sale of 62 units in a single eight storey apartment building. Investors will receive a fixed dividend of 39% per annum capped to 58.5% absolute after the company receives full repayment of the loan and interest which will in turn happen after settlement of sales proceeds in the final stage of this development. You can find the details of the location and the project in sections 7 and 8 of this prospectus.

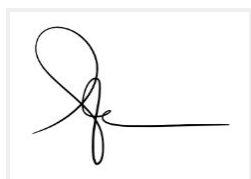
The mechanism of the investment will see Horizon by Pyco Group Ltd providing debt capital to the Developer of the project. This structure secures investor interest above the interest of the ordinary shareholders of the Developer. Furthermore, your investment in the Redeemable Preference Shares of this Company with a fixed rate of return gives you senior claim on the net profits generated through the sale of the units on completion of development ahead of the Developer. While this is a unique investment opportunity, like any investments, it has its inherent risks.

In particular you should note that Dividend payments to investors are not fixed nor guaranteed in so far as they are entirely dependent on the Company being repaid (with sufficient interest) by the Developer (Main SPV as explained later); and although the Redeemable Preference share investors rank ahead of ordinary shareholders in the Company and Main SPV, they will still rank behind the bank lender who will retain 1st ranking priority in the payout order. You should refer to section 9 which describes the operational structure and section 10.2 which details the payout order.

The principal's of the Development Company have executed a number of similar projects in Queensland (refer section 8.10), however certain market conditions can lead to the project running into challenges and the investment returns not being delivered including a potential loss of the invested amount. This prospectus has been prepared to provide you a thorough understanding of the investment structure and associated risks.

I highly encourage you to read this Prospectus carefully and seek independent financial advice before making your investment decision. We are very excited to be able to facilitate this project that will bring 62 units in a single eight storey apartment building at 10-14 Curwen Terrace, Chermside, QLD to the market, as well as provide our shareholders a vehicle for direct investment in a real estate development project.

I look forward to writing to you soon to share the progress of this project.



Lachlan Cottee

Managing Director

Horizon by Pyco Group Ltd

4. INVESTMENT OVERVIEW

The following tables summarise the key features of an investment in the Redeemable Preference Shares. You should read this Prospectus in full to properly understand your investment in the Company.

Matter	Summary
Summary of offer	
What is being offered?	The Company is seeking to raise up to \$1,500,000 by offering investors the opportunity to purchase Redeemable Preference Shares in the Company under the offer.
Investment objective	To provide you with investment exposure to a single eight storey apartment building development project which will bring to market 62 units. The entire project is expected to be completed within the 18 month investment time frame.
Issue price	The Redeemable Preference Shares are being issued at \$1.00 each.
Face Value	\$1.00 per Redeemable Preference Share.
Minimum investment per investor	The minimum investment is \$50,000 being an Application for 50,000 Redeemable Preference Shares. Thereafter, Applications must be for multiples of 1,000 Redeemable Preference Shares.
Minimum Total subscription	We will only proceed with an offer where valid applications have been received for at least 100,000 Redeemable Preference Shares.
Purpose	Horizon by Pyco Group Ltd (Company) is issuing Redeemable Preference Shares to raise funds that will be provided as a loan to Curwen At Chermside Pty Ltd ACN 616 167 312 ATF Curwen Terrace Unit Trust ("Main SPV") for the development and sale of 62 units in a single eight storey apartment building at 10-14 Curwen Terrace, Chermside, QLD 4032 ("land").

Dividends	<p>On completion of development of the 62 units in a single eight storey apartment building at 10-14 Curwen Terrace, Chermside, QLD 4032 ("land"), the existing sales will settle and the balance will be sold on the market at the best available price. The Main SPV intends to use the receipts from the sale of the developed residential units to repay the loan and associated interest to the Company. Investors in this offer will receive a Preference dividend as defined below on their investment amount at this time. The expected time for the completion for this project is 18 months. It is however possible that the project may finish sooner. It is also possible that weather and other delays (see risks) may delay the completion of this project. Investors are paid a dividend based on the duration they have invested for, however the total return is capped to 58.5% absolute. The Company will pay any Dividends only out of proceeds received as interest from the loan made to the Main SPV (Development Company explained further down) This loan payment can only be done using the proceeds from the sale of the developed residential units at 10-14 Curwen Terrace, Chermside, QLD 4032 ("land") and the Main SPV may extend the project time frame until such sale is achieved.</p> <p>TARGET INVESTMENT RETURN</p> <p>39% per annum capped to 58.5% absolute</p> <p>Note that these percentage returns are the maximum dividends payable and are not guaranteed and could be lower if less than the required amount is repaid by the Main SPV as part of its loan repayment to the Company.</p>
Repurchase	On payment of the Dividends the Redeemable Preference Shares will be repurchased by the Company at the same issue price of \$1 per share. Investors who participate as part of this offer will exit the share register at this point.
No liquidity	Horizon by Pyco Group Ltd is a public unlisted Company and as such is not listed on any securities exchange, and is considered an illiquid investment.
Transfer	You may transfer your Redeemable Preference Shares to another person but there will be no established secondary market (e.g. stock exchange) for the Company.
Benefits	<p>The benefits of investing in the Company include:</p> <ul style="list-style-type: none"> a) Participation with small amounts in an apartment (or unit) development project b) Fixed Preference returns which will be paid out before any returns are paid out to the Ordinary shareholders c) Investors participating in this offer will be given first rights to purchase the residential units being developed before the same offer is made to the open market (Refer section 18.4)

<p>Risks</p>	<p>The Company for which this offer is being made is not the direct developer on the proposed apartment development project. This Company is set-up purely to make a loan to the Main SPV which is the actual developing entity as described in Section 11 which describes the Operational Structure. This Company exists solely to take on investors and onlend the invested money to the Main SPV. The Company has no operating history, it is a Special Purpose Vehicle and expects to be dissolved on the completion of this transaction.</p> <p>The Company only has one revenue generating asset, and its outcome is completely dependent on the sales achieved to date and those expected to happen in the future after the completion of the development. The outcome of which is effectively dependent on factors out of the Company's control.</p> <p>Before you decide to invest, you should give consideration of the following specific risk factors, as well as other information contained in this Prospectus. In Section 13 there are some additional general risks that should be factored in with respect to these type of investments.</p> <p>MAIN SPV FINANCE AND DEFAULT RISK: This real estate project has a borrowing component. The Company is not taking on debts itself but the Main SPV to whom it lends, intends to take on borrowings from a lender for up to \$20,105,000. If the Main SPV defaults on its obligations to the first mortgagee then that could lead to the first mortgagee stepping in and selling the real estate at auction which could lead to an adverse investment outcome for investors including a capital loss.</p> <p>There is a risk that current market bank lending criteria may change and alternative funding may be required in order to enable the project to proceed. Lack of availability of debt funding for construction on acceptable terms for the Main SPV may delay the project or impact the project's performance reducing the return available to investors. If the Main SPV secures borrowings in excess of the current proposed levels it will lead to less availability of potential profits to be available for the repayment of the Company loan, which may impact the return to investors. If the Main SPV defaults on its obligations to this lender then it would lead to an adverse investment outcome for investors including capital loss as such a lender would rank ahead of investors. This lender may enjoy mortgagee rights and could choose to step in to sell the real estate at a lower price to recover their investment.</p> <p>CONSTRUCTION DELAYS AND COST BLOWOUTS: Weather delays, Industrial action, delay from contractors, soil issues and a number of unforeseen factors can all cause to stoppages of work as well as increase the costs required to complete the development. This can delay the project, increase the costs or reduce the return available to investors. While potential delays due to above mentioned factors are beyond the control of the Main SPV, a 3rd party Quantity Surveyor will be appointed to assist management against construction costs blowouts.</p> <p>REAL ESTATE MARKET DOWNTURN RISK: In recent years real estate prices have grown significantly, particularly in Sydney and Melbourne. This has led to a concern that a bubble is forming in the real estate market. While the principal's of this project believe that this undertaking will be profitable a rapid downturn in</p>
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	<p>investor sentiment can see reduction in the prices that may be achievable on sale of the units on completion of development or lead to failed settlements of completed sales. This would impact investor returns adversely as the profits available for distribution could be lower.</p> <p>LIQUIDITY: The Redeemable Preference Shares will not be listed on any stock exchange. As such, there is no secondary market to buy or sell Redeemable Preference Shares. Therefore, an investment in Redeemable Preference Shares should be considered non liquid. The investors are however free to find their own buyers and the management of the Company will assist in recording such private sales in the Company's share register.</p> <p>REDUCED INVESTOR PROTECTION DUE TO MAIN SPV</p> <p>The Main SPV is a proprietary company and it is responsible for carrying out the development upon which the Company returns are dependent. Being a proprietary company it does not carry a number of protections that an investor in a public company gets. For instance it is not restricted from providing financial benefits to its related parties or required to provide audited financial accounts.</p> <p>Any related party dealing whether from the Main SPV or from the Company has been already disclosed as part of the related party dealings in Section 20.6.4. All transactions are being done on a commercial arm's length basis both for the Main SPV and the Company. Investors will be provided access to the Main SPV accounts on request.</p> <p>You should factor in these reduced protections as part of your decision making process while investing in the company.</p> <p>GEARING RISK</p> <p>In the event that sufficient funds are not raised via this offer, the Development Company (Main SPV) will seek additional funds by borrowing from a lender specializing in construction lending. This lender will likely take a senior position ahead of the investors participating in this offer placing investor returns at risk due to a higher loan amount and potentially higher interest rates than a tier 1 lender to be paid before to the lender before investor returns can be paid.</p> <p>REDEEMABLE PREFERENCE SHARES NOT GUARANTEED</p> <p>The Redeemable Preference Shares are not bank deposits.</p> <p>The repayment of the money you have invested or any particular rate of return is not guaranteed by the Company or its Directors. You may also lose some or all of your Principal Investment Amount. The Company will only be able to make dividend payments to Shareholders if it receives positive income from operations.</p> <p>INVESTOR RETURN IS CAPPED</p>
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	<p>In the even that the project ends up exceeding its timelines the investor maximum return is capped to 58.5% which is effectively the return due over 18 months.</p> <p>This is done in this fashion because the actual proceeds received from the sale of the units on completion of development will not change substantially if the Project completes slower. In fact there is a good chance the Main SPV is losing money due to the delays and other costs. The Main SPV has no other sources of revenue to pay the interest due to the Company apart from the sales proceeds. The amount the Main SPV has for distributions is limited and hence the return it can pay to investors is capped at a certain point.</p> <p>IMPACT OF DELAYS OR FASTER PROGRESS ON INVESTOR RETURNS</p> <p>The investor dividend amounts are linked to the duration they are invested for. However as explained in section 9.5 the interest repayments from the Main SPV to the Company are capped at 58.5%. Which means the maximum return an investor can get is 58.5% even if the project duration exceeds 18 months.</p> <p>If the project finishes sooner than 18 months then the rate of return is calculated as 39% per annum.</p> <p>LOAN IS UNSECURED AND ITS TERM MAY BE EXTENDED</p> <p>The Company does not have a security interest over the property. If the project runs into delays then the term of the loan may be extended till suitable sales are achieved that can facilitate the repayment of the loan. This would mean that investor returns may be delayed due to slower than expected sales. The interest only accrues on amounts drawn down by the Main SPV (i.e. undrawn amounts do not accrue interest and will not impact investors' returns on investment).</p>
Reporting to investors	<p>You will receive:</p> <ul style="list-style-type: none"> a) confirmation of your investment in Redeemable Preference Shares; b) an annual periodic statement; and c) Quarterly updates on the progress of the project including construction, sales etc. <p>All information and communication will be accessible exclusively via the Company's website at https://www.pycogroup.com.au/invest</p>
Tax	<p>Investing in the Company may have taxation consequences for you.</p> <p>We recommend you seek professional tax advice before investing in the Company.</p>
Security	<p>The Redeemable Preference Shares are not secured over the Company's assets and are not guaranteed by the Directors.</p>

	No financier or person has a charge over the Company's assets.
Underwriting	This offer is not underwritten.

5. PURPOSE OF THE ISSUE AND USE OF FUNDS

Horizon by Pyco Group Ltd (Company) is issuing Redeemable Preference Shares to raise funds that will be provided as a loan to Curwen At Chermside Pty Ltd ACN 616 167 312 ATF Curwen Terrace Unit Trust ("Main SPV") for the development and sale of 62 units in a single eight storey apartment building at 10-14 Curwen Terrace, Chermside, QLD 4032 ("land").

On completion of development the units, the sales will settle and any remaining units will be sold on the market at the best available price. The Main SPV intends to use the receipts from the sale of the units on completion of development to repay the loan and associated interest to the Company. Investors in this offer will receive a Preference dividend of 39% per annum capped to 58.5% absolute on their investment amount at this time. The expected time for the completion for this project is 18 months. It is however possible that the project may finish sooner. It is also possible that weather and other delays (see risks) may delay the completion of this project. Investors are paid a dividend based on the duration they have invested for, however the total return is capped to 58.5% absolute. The Company will pay any Dividends only out of proceeds received as interest from the loan made to the Main SPV (Development Company explained further down). This loan payment can only be done using the proceeds from the sale of the developed residential units and the Main SPV may extend the project time frame until such sales is achieved.

5.1. INVESTMENT OBJECTIVE

The Company's investment objective is to generate returns for investors by assisting the Main SPV, via provision of a loan from the Company, in the development and sale of 62 units in a single eight storey apartment building at 10-14 Curwen Terrace, Chermside, QLD 4032 ("land") at the best possible price. Investors will receive a Dividend as defined in Section 18.2 after the loan and associated interest owing by the Main SPV is repaid. The Redeemable Preference Shares will then be repurchased by the Company (refer Section 18.3) thus giving investors participation in an apartment development project without undertaking the work required in it.

5.2. CAPITAL STRUCTURE

The effect of the offer on the capital structure of the Company, assuming all Redeemable Preference Shares offered under the Prospectus are issued, is set out below.

Shareholder	Number
Ordinary Shares currently on issue	2
Redeemable Preference Shares to be issued pursuant to the offer	1,500,000

5.2.1. SUBSTANTIAL SHAREHOLDERS

The Ordinary Shares on issue at the date of this Prospectus are held by:

Shareholder	Ordinary shares	%
Lachlan Cottee	1	50
Glenn Piper	1	50

Both of whom are Directors of Horizon by Pyco Group Ltd.

On completion of this offer issue there could be a change to the substantial holders based on the new shareholders that come in as Redeemable Preference Shareholders as part of this offer.

6. HOW TO INVEST

To invest in the Redeemable Preference Shares, please read the Prospectus and complete and submit the online Application Form referred to in section 25 in accordance with the instructions on that form.

The online Application process can be accessed at <https://www.pycogroup.com.au/invest> ("Online Platform")

All investors are required to sign up as a member of the Online Platform prior to completing an application for the Redeemable Preference Shares.

Payment of application money must be made electronically by EFT to our applications account within 48 hours of completing the online Application Form.

Application Account details as follows

Name of Account	Horizon by Pyco Group Ltd
BSB	062155
Account Number	10690441
Bank	CBA Dee Why
Reference	<Investor Name>

The application form also contains details of how to pay your application money by EFT.

When you apply to invest in the Company, your money is held in our applications account until we accept your application. We have an absolute discretion to reject any application and are not required to give a

reason. If your application is rejected we will refund all the funds you have transferred to our Application account.

We will only proceed with an offer where valid applications have been received for the minimum number of Redeemable Preference Shares offered under this Prospectus. If valid applications have not been received for the minimum number of Redeemable Preference Shares offered by the close date of this Prospectus, we will repay all application moneys in their entirety, so that you will not receive less than the amount of your application money, or extend the offer period subject to compliance with the Corporations Act.

Similarly, if your application is declined, your application money will be returned promptly, you will not receive less than the amount of your application moneys.

Redeemable Preference Shares will be issued prior to completion of the investment to which this Prospectus relates.

Any interest earned on the application money for which Redeemable Preference Shares are issued will form part of the assets of the Company.

6.1. FURTHER INFORMATION ABOUT THE APPLICATION PROCESS

6.1.1. AML-CTF

As a part of the application, investors will be required to provide client identification materials to comply with Anti-Money Laundering and Counter Terrorism Financing legislation. In addition to the client identification material and documents required to be included with an investor's application form, the Company may require further information or documentation from an investor at any time in order to satisfy obligations under Anti-Money Laundering and Counter Terrorism Financing legislation.

6.1.2. APPLICATION FORM

By completing and submitting the online application form, applicants provide certain acknowledgements to the Company, such as having read and understood the Prospectus and specifically the risk factors. A copy of the Application form can be found at the end of this Prospectus and on the Online platform.

6.1.3. ACCEPTANCE OF APPLICATIONS

The Company may decide in its absolute discretion to accept or reject an investor's application for Redeemable Preference Shares or may decide not to proceed with the investment.

6.1.4. INVESTMENT IN THE COMPANY

Applications to invest in the Company will be processed on a "first come, first served" basis. Depending on the demand for the investment, an investor's investment in the Company may be reduced or refused.

6.2. REPORTING

You will receive written confirmation of your purchase of Redeemable Preference Shares as well as the following regular updates:

- a quarterly update on key investor information containing information relating to your Redeemable Preference Shares and the status of the Company's operations;
- an annual periodic statement; and
- Regular updates that may contain pictures and videos related to the construction and sales of the project.

The Company's annual financial statements can, when available, be downloaded from the Online Platform website at <https://www.pycogroup.com.au/invest>

7. THE LOCATION

Brisbane is located on the east coast of Australia; it is the capital and most populous city in the Australian state of Queensland and the third most populous city in Australia. According to 2016 census data, Greater Brisbane's metropolitan area (which excludes the Gold and Sunshine Coasts) had an estimated resident population of 2.36 million.

The Brisbane Central Business District stands on the original European settlement and is situated inside a bend of the Brisbane River, approximately 23 km from its mouth at Moreton Bay. The metropolitan area extends in all directions along the floodplain of the Brisbane River valley between the bay and the Great Dividing Range. While several municipalities govern the metropolitan area, the Brisbane City Council governs a large portion of central Brisbane, which is by far Australia's largest Local Government Area by population.

The real estate market in Brisbane (and Australia on the whole) has historically remained resilient through a range of economic conditions.

7.1. THE BRISBANE ECONOMY & EMPLOYMENT

Brisbane has the largest economy of any city located between Sydney and Singapore, and has seen consistent economic growth in recent years as a result of the resources boom.

As resource growth now softens, the Brisbane economy has benefited from having a diversified employment base - strong support from the technology sector as well as services has maintained a healthy overall market despite the recent downturn in the resources sector.

Brisbane is one of the major business hubs in Australia. Most major Australian companies, as well as numerous international companies, have contact offices in Brisbane, while numerous electronics businesses have distribution hubs in and around the city.

White-collar industries including information technology, financial services, higher and public sector administration are generally concentrated in and around the central business district and recently established office areas in the inner suburbs.

Blue-collar industries, including petroleum refining, stevedoring, paper milling, metalworking and QR railway workshops, tend to be located on the lower reaches of the Brisbane River and in new industrial zones on the urban fringe.

The Brisbane City Council's vision for the Brisbane economy to 2031 is to generate \$217 billion per annum and have an average per capita income of \$75,000.

This growth in the economy and employment is expected to attract individuals looking to benefit from employment prospects and a higher standard of living associated with the affordability advantage of Sydney and Melbourne. Higher population growth will result in an increased pressure on demand for dwellings within close proximity to the Brisbane CBD.

7.2. BRISBANE POPULATION & DEMOGRAPHICS

As at June 2016, there was an estimated 2.36 million people living in the Brisbane Metropolitan area. Between 2011 and 2016 (most recent National Census - reflecting most accurate data) the average population growth rate in Brisbane was 2.1% per annum, outstripping the national growth rate of 1.8% over the same period.

This growth in Greater Brisbane added an additional 212,805 people to the population during the 10-year time period. The unprecedented rate of real estate value growth from the late 1990's up until the 2003-04 financial year, predominantly in Sydney and Melbourne, had a noticeable effect on population movements on the east coast. The reduced affordability witnessed in Sydney and Melbourne during this period sparked a new trend of interstate migration to Greater Brisbane of people seeking more affordable accommodation.

Queensland recorded a net interstate migration gain of 11,581 persons for the year to 30 June 2016 (around 223 persons per week on average). In addition to this, Brisbane had the highest net internal migration gain of all Greater Capital Cities in 2015-16 (10,100 people), ahead of Melbourne (8,300) and Hobart (400).

It is expected this trend will likely continue following Sydney and Melbourne's recent real estate boom between 2009 and 2017.

7.3. INFRASTRUCTURE SPENDING

Vital investments in critical Infrastructure are changing the city landscape in new and exciting ways. With a long-term commitment to infrastructure delivery, the Queensland Infrastructure Plan identifies approximately \$134 billion worth of Infrastructure Investment for Brisbane and the surrounding region. Designed to manage ongoing growth, the program represents the largest public infrastructure spending initiative in Australian history. Brisbane City Council's TransApex Initiative - which has already seen the construction of Australia's longest road tunnel and a new four-lane Inner-city toll bridge - is the biggest urban road project ever proposed in Australia.

In the 2017-18 Budget handed down by the Queensland Government, a raft of measures were announced which will boost productivity and support ongoing longer-term employment including significant infrastructure projects in both South East Queensland and regional Queensland. As part of a \$42.75 billion four-year capital works program, there will be a continued focus on generation of jobs as well as healthcare. In terms Greater Brisbane, Brisbane City Council has long stood out for its use of Innovative funding approaches for large-scale infrastructure. These high public capital-funding levels will continue to benefit Brisbane's current and future economic performance.

7.3.1. BRISBANE AIRPORT:

Recent Infrastructure Investment Includes the construction of a \$1.3 billion new parallel runway, which will ensure the Brisbane and Queensland economy can meet its economic growth targets.

By 2034 It is estimated Brisbane Airport will directly contribute over \$8.2 billion to the Queensland economy. There is also an estimated \$2.9 billion to be spent on the airport precinct (surrounding the actual airport) to increase non-aviation employment creating a commercial hub for the region.

Employment in this precinct is expected to increase from 20,000 to 50,000 jobs opportunities upon completion of the development. A \$150 million hotel and conference centre next to the domestic terminal commenced construction August 2015 with connection of services/utilities and construction of carparks well underway in 2016.

7.4. PORT OF BRISBANE:

With leading-edge cargo handling and warehousing facilities, the Port of Brisbane is a key infrastructure asset for the city. It is the third largest port in Australia and is the fastest growing with an estimated \$50 billion dollars of trade handled through the port- that's more than 50% of QLD's International trade.

7.5. RAIL IN QUEENSLAND:

Covering 9,400 kilometres, Queensland is home to one of Australia's largest and most modern rail networks that are continually being extended. As of August 2015 plans are to formalize designs for a cross-river rail design to remove congestions from the South Brisbane train service.

Following several investigations by council and state governments, it has been identified that Brisbane's public transport system was already operating at capacity in many locations across the Brisbane CBD. With an additional 108,000 jobs forecast to be based in the Brisbane CBD by 2031, The Queensland government has embarked upon two key projects being; the Cross River Project and the Brisbane Metro Subway System.

7.6. PRINCIPLE ACTIVITY CENTRES:

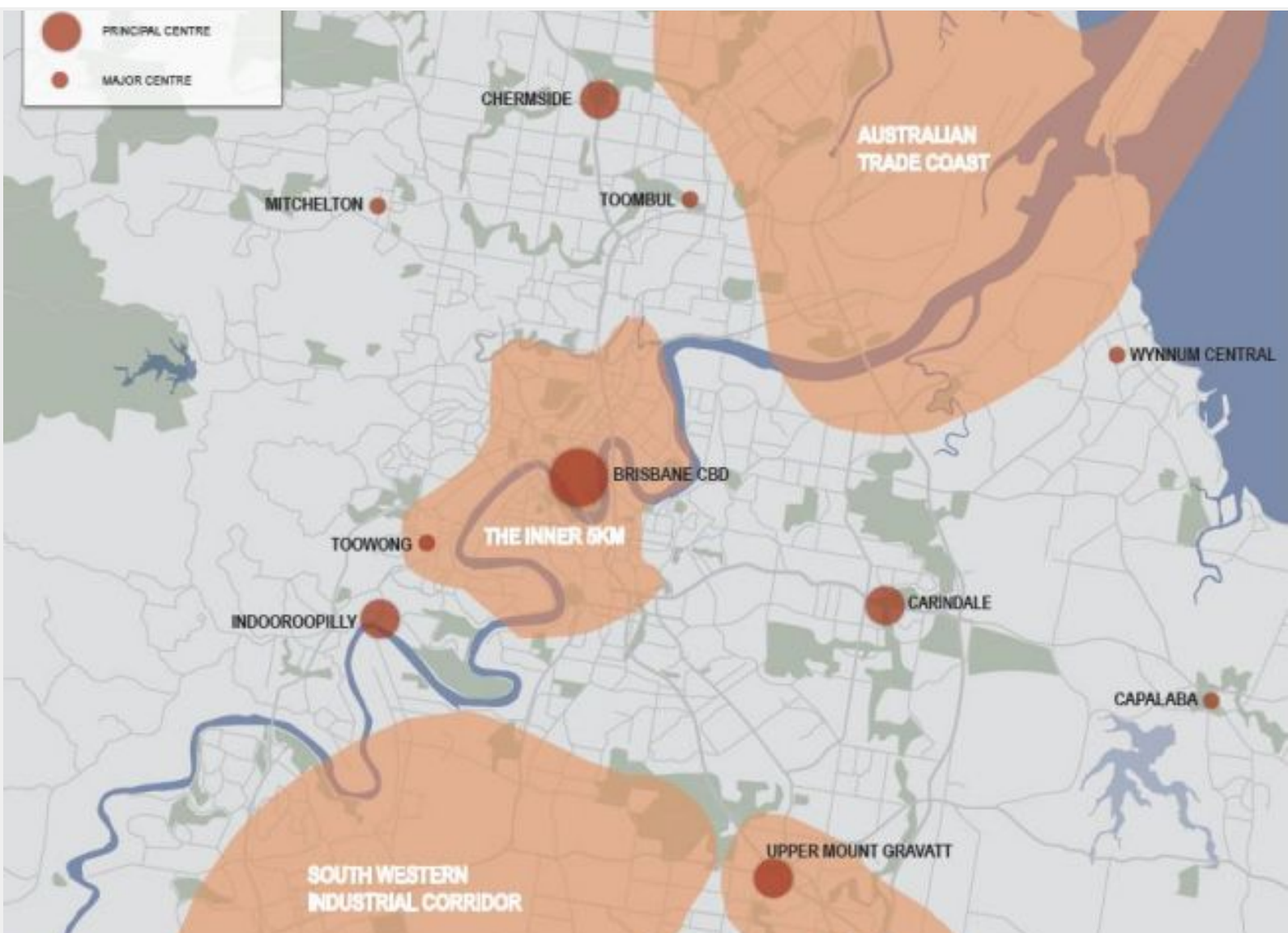
Importantly, the Brisbane the Council is being proactive with regards to avoiding congestion of the Brisbane CBD. Infrastructure development and spending is not solely focused on the CBD itself.

The Council is well aware that this would result in the majority of new employment hubs and commercial precincts being within the CBD, would lead to heavy congestion, and traffic and public transportation bottlenecks; these issues are currently being experienced in both Melbourne, VIC and Sydney, NSW.

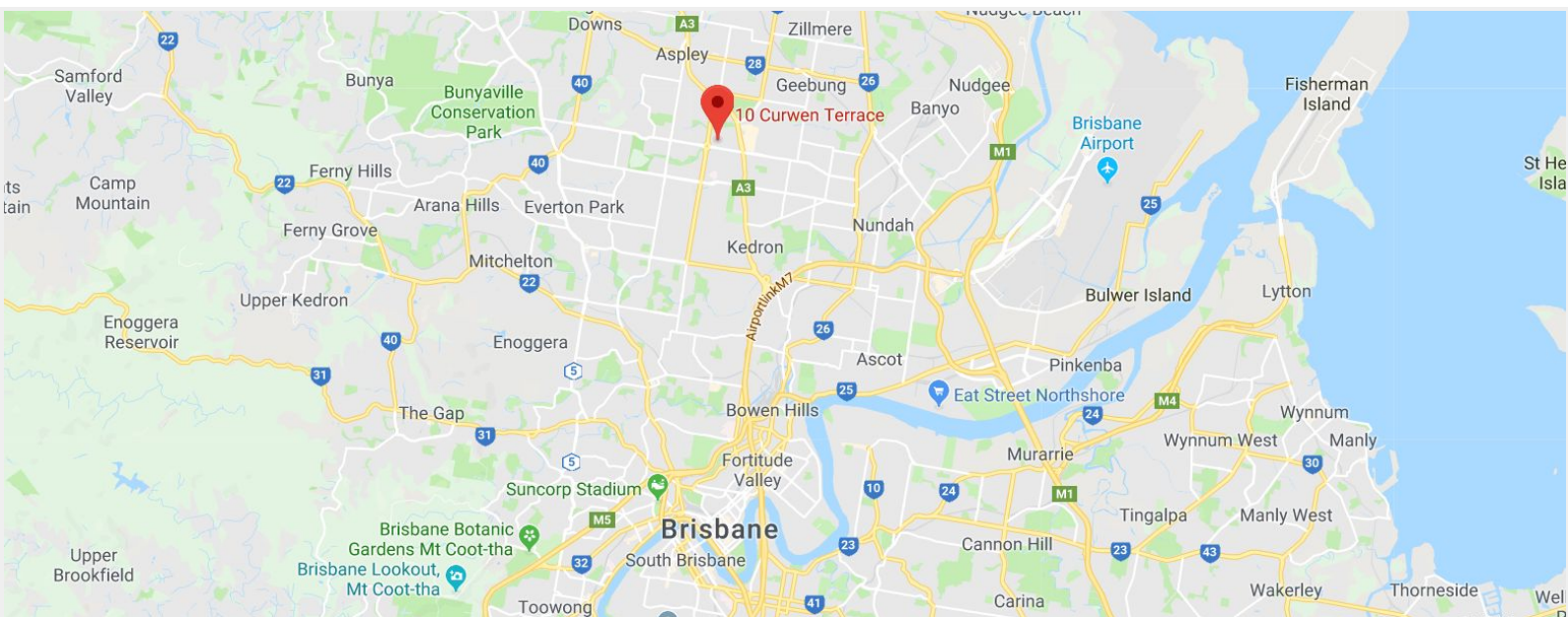
Instead, in the South East Queensland Regional Plan 2009-2031, 4 Brisbane suburbs were identified as Principal Activity Centres, around which economic activity within the region is focused. These centres have been developed as a planning tool with the aim of increasing accessibility to services and jobs, reducing transport demand and facilitating an efficient public transport system for all of Brisbane.

These areas are to be the recipient of heavy infrastructure spending and redevelopment, in addition to the Brisbane CBD itself. The identified centres are strategically placed around and in close proximity to

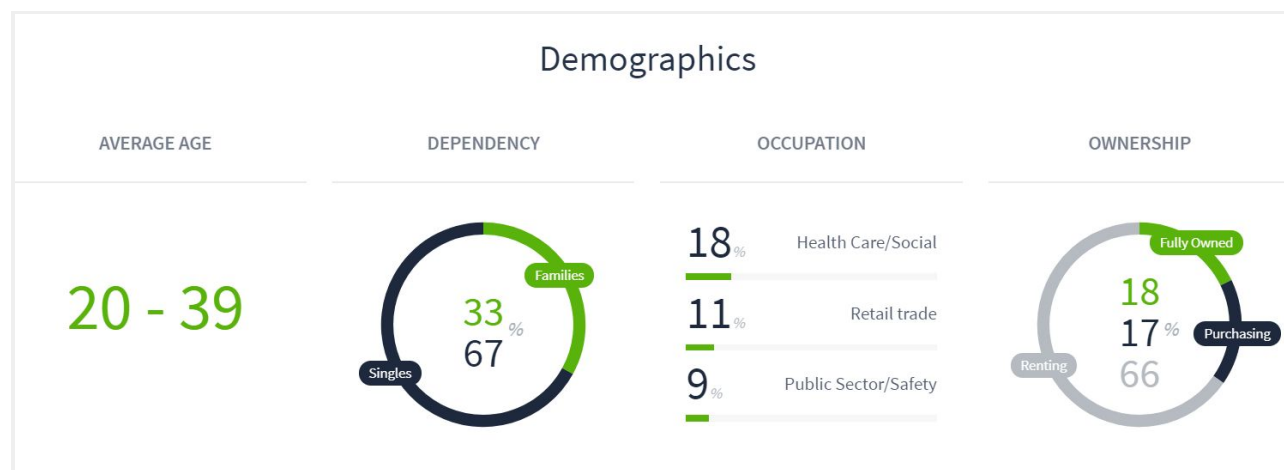
Brisbane; namely: Chermside in the city's North, Indooroopilly in the Inner West, Carindale in the East, and Upper Mount Gravatt in the South.



8. THE PROJECT



The project aims to bring 62 units in a single eight storey apartment building at 10-14 Curwen Terrace, Chermide, QLD 4032. Chermide is a major suburb of City of Brisbane, Queensland, Australia. The suburb is situated just 9 km north of the city and is one of Brisbane's fastest developing suburbs. Chermide is known as a mini CBD of Brisbane. It is home to the second largest Westfield shopping centre in Australia, which boasts many restaurants and many international and exclusive brands.



source: Domain.com.au

Chermide economically is a quickly growing market. There have been improving demographics between the 2011 and 2016 census. Notably, average incomes in Chermide increased by a massive 15%; an increase in this areas is commonly linked with an improvement in the affordability measure. According to the 2016 census, 35% of the population was employed in professional and manager occupations.

With the ease of access to the Brisbane CBD and high concentration of workers employed in the health sector, the number of persons employed in a professional roles increased by a 10% between the census periods

An increase in this demographic is typically linked with an increase in market prices. As Brisbane shifts into the opportunity stage of the real estate cycle and prices rise, the percentage of professionals seeking affordable investments and accommodation within easy access of the CBD will increase dramatically.

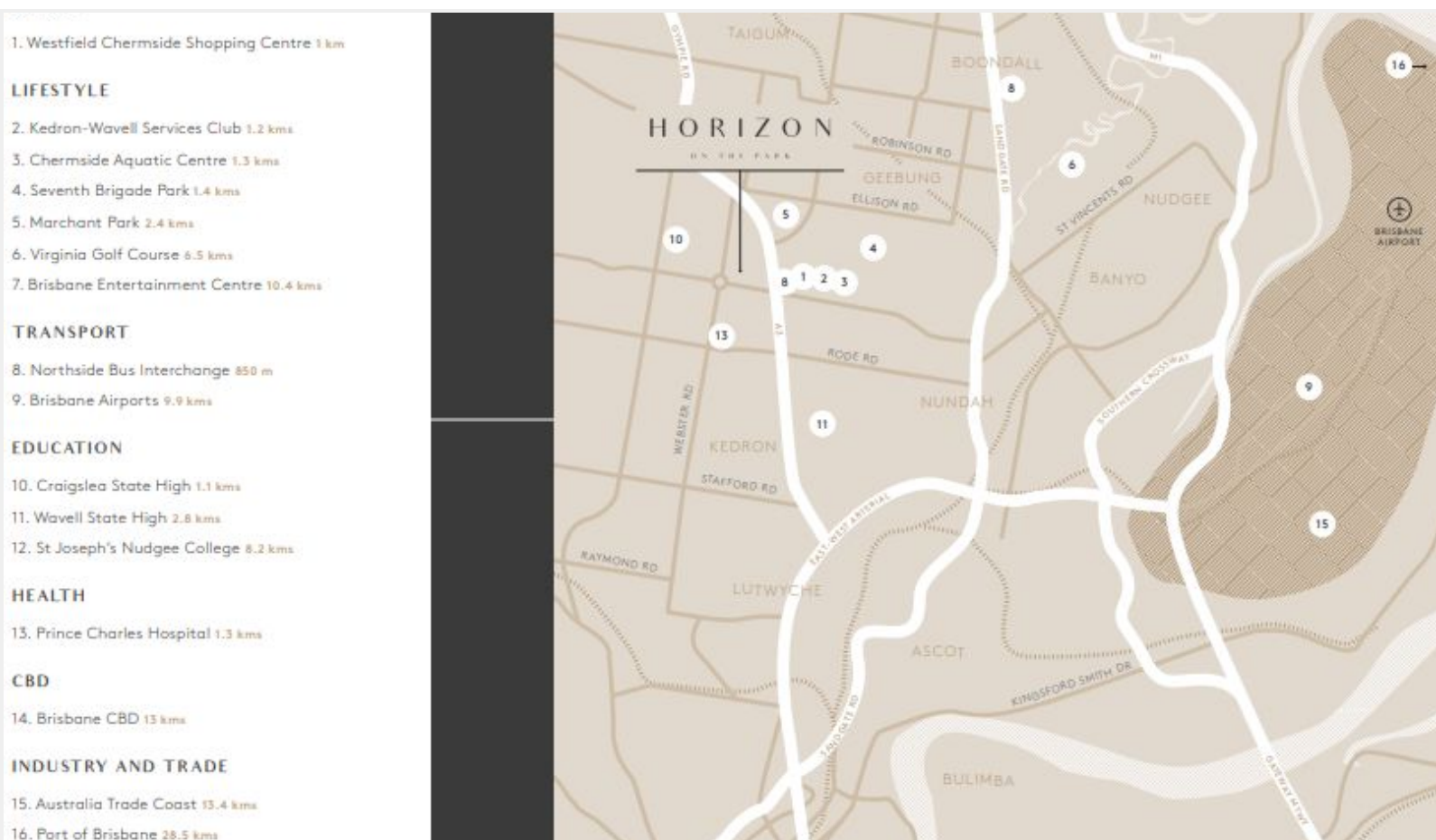
Being located just 13km from the Brisbane CBD, Chermside is surrounded by some of Brisbane most important infrastructure developments. Brisbane's inner north is home to one of Queensland's largest retail, service and emerging employment hubs.

Currently the Chermside regional center is anchored by Westfield, the second largest retail center in Queensland. The 370 stores attract over 16.4 million customer visits per annum making it the 7th busiest Westfield shopping centre in Australia.

Following the release of the South East Queensland Regional Plan 2009-2031 the shopping center has been approved for a multimillion dollar extension, adding a 35,000 square metre entertainment precinct to maintain its position as one of Queensland's largest shopping centre. This is expected to be the first of many new commercial application for the PRAC. More recently, the shopping giant completed the final stage of a \$355 million redevelopment adding a additional 33,000 square meters of retail space to add approximately 95 new stores to the retail mix comma including H&M, Sephora, Zara and a host of other local and international brands.

In 2012 the Brisbane Airport announced a massive redevelopment plan which predicts the airport-based workforce to more than double in the next 20 years from its current level of 19,000 (across 420 businesses) to over 50,000. Brisbane Airport Corporation's new real estate Development Master Plan will focus on creating a vibrant commercial hub from Airport Village to the Domestic Terminal and beyond within the next 10 years.

The recent completion of the Clem 7 places Chermside within 20 minutes' drive of this exciting development. Chermside is a market which is currently demonstrating significant improvements in several key fundamental areas. With substantial investment being spent to development Chermside PRAC into a greater commercial and employment hub, there have been strong increases observed in household incomes (15%) as well as strong population growth (14.4%) between the 2011 and 2016 census periods.



The proposed medium rise residential unit development comprises the construction of sixty-two (62) units over 7 levels plus ground floor and basement car parking.

The following table summarises the project make up:

Level	Details
Terrace	Communal open space, amenities and lift access.
L 7	7 x 3 bedroom (over two levels Unit 709) and 2 x 2 bedroom plus study.
L 6	6 x 3 bedroom, 2 x 2 bedroom plus study and lower level of Unit 709.
L 1 - 5	Typical Levels - 7 x 3 bedroom and 2 x 2 bedroom plus study.
Ground Floor	Parking for forty-five (45) vehicles, including nine (9) visitor parks, incorporating one (1) park for persons with a disability and twenty-one (21) bicycles, lobby, lift and stair access.
Basement	Parking for fifty-three (53) vehicles and forty-one (41) bicycles, pump room and lift.

Generally the unit development is to be constructed with a concrete structure with the exception of the roof which is to be steel framed with a metal sheet finish. External walls are a combination of painted and rendered concrete block with glazed windows and balustrades and aluminium screening. Internally the unit dividing walls are to be blockwork with general partitions plasterboard lined. Ceilings are generally plasterboard lined. Floor finishes are mainly aquatuff throughout with the exception of the bedrooms which are carpet. The kitchens and vanities are to have polished smart reconstituted stone bench tops and air conditioning is provided throughout to the units via ducted or split systems.

Internal site works include the construction of the common concrete driveways, soft and hard landscaping. Works required outside the site boundary include the shared concrete crossover, connection of the services mains and a concrete footpath across the front of the site

8.1. DUE DILIGENCE REPORT

The Main SPV has commissioned a Due Diligence report which goes into details about the location, the project specific location and other details of the projects. A full copy of this report can be found at

<https://www.dropbox.com/s/vtmt1lqnvuei6wo/Horizon%20DDR.pdf?dl=0>

8.2. ARTIST RENDERINGS OF END PRODUCT

The main SPV has made available artist renders of the end product here at

https://www.dropbox.com/sh/0qhjtz9os4sacow/AAAUfJH_hskngFTvfDkG6A0a?dl=0

Some images of these renders are as follows.











8.3. PLANS APPROVED BY COUNCIL

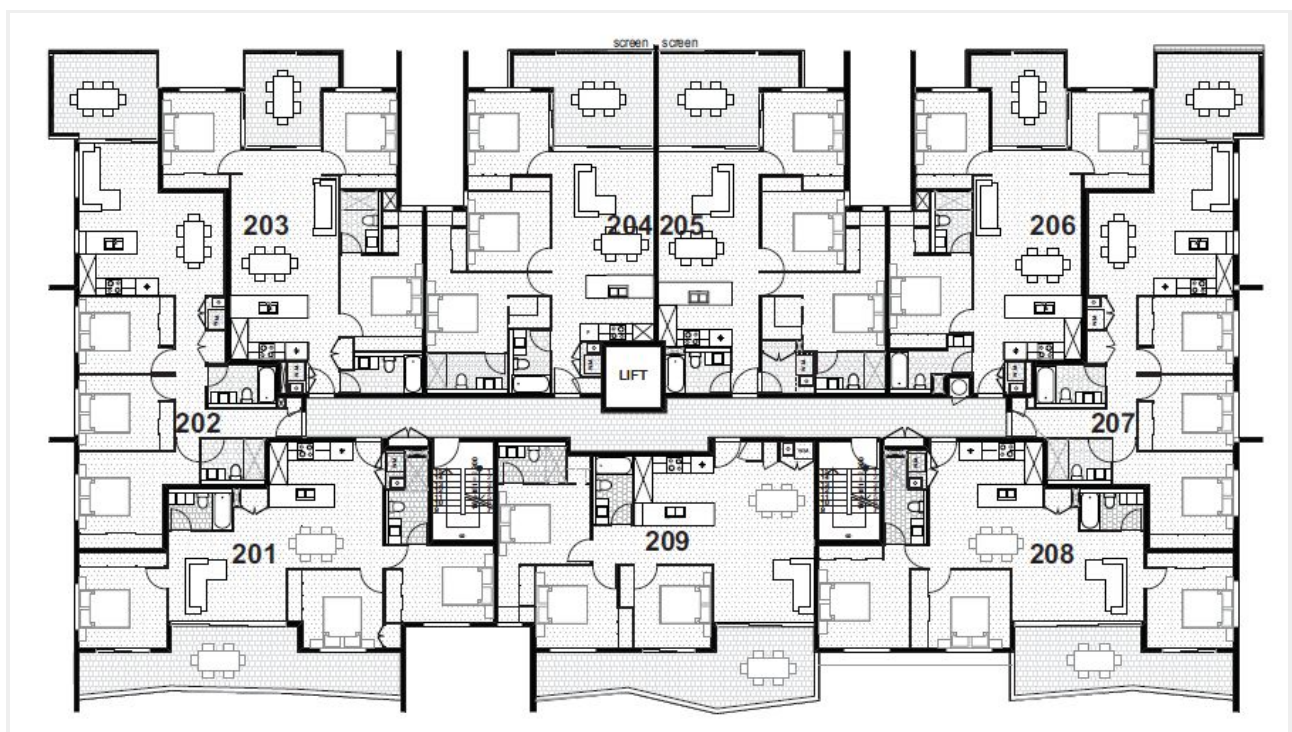
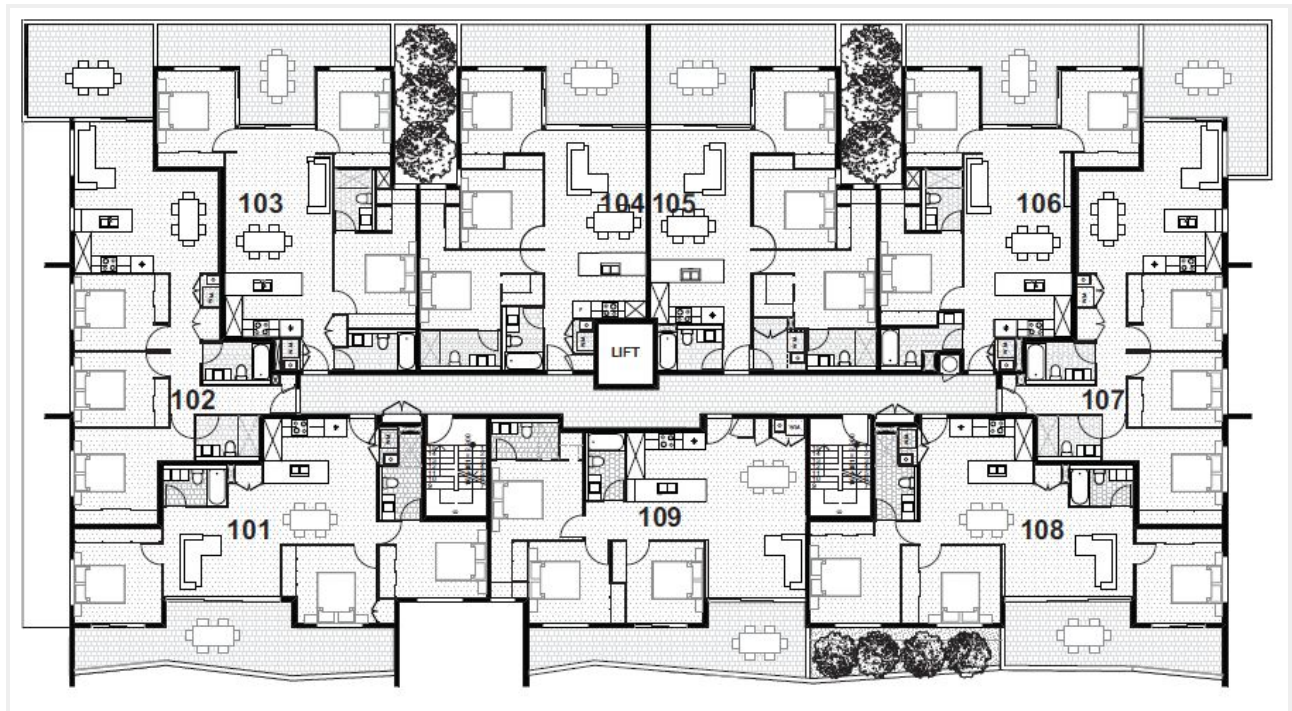
The real estate is designated 'High Density Residential (Up To 15 Storeys) cZone' under the Brisbane City Plan 2014 and is further classified within the High Density Residential 2A Sub-Precinct and the Residential North Precinct under the Chermside Centre Neighbourhood Plan.

Development approval (A004679115) was issued on 31 July 2017 for DA- SPA - Material Change of Use – Development Permit by by Brisbane council and is subject to conditions.

The Main SPV has made available a detailed copy of the plans which can be accessed at

https://www.dropbox.com/sh/t794mlzatxu7k96/AAArzRhA_pUwkxs3SYZzyfVa?dl=0

Below is an excerpt for a couple of floor layouts.



The floor layouts vary slightly between each of the subsequent layouts, interested investors can look at the full plans provided in reference.

8.4. LAND SETTLEMENT COMPLETE

The settlement for the land has been concluded. Below are excerpts from the settlement statements for

SETTLEMENT STATEMENT	
MATTER NO: AC:16 42588	
HIBBERD SALE TO CURWEN AT CHERMSIDE PTY LTD	
PROPERTY: 10 CURWEN TERRACE, CHERMSIDE	
Settlement Date:	5 September 2018
Adjustment Date:	3 September 2018
Contract Date:	27 October 2017
Settlement Place:	SAI Global, Level 25, 215 Adelaide Street, Brisbane
Settlement Time:	3:00 PM
Contract Price	\$870,000.00
Less Deposit	\$148,000.00
	\$722,000.00
Plus Variation	\$88,000.00
	\$810,000.00
Plus Rates (for 1/07/2018 to 30/09/2018)	
<u>\$560.50 x 27 days</u>	
92 days	\$164.49
	\$810,164.49
Plus Water Access & Sewerage (adjusted as paid for 1/07/2018 to 30/09/2018)	
<u>\$188.58 x 27 days</u>	
92 days	\$55.34
	\$810,219.83
Less Water Usage (see calculation following)	\$71.55
	\$810,148.28
Plus Rent from 1 July 2018	
<u>\$330.00 per week/7 days x 65 days</u>	\$3,064.29
BALANCE AT SETTLEMENT	\$813,212.57
CHEQUE DETAILS	
1. Queensland Urban Utilities	\$281.78
2. LJ Hooker Chermside	\$24,475.00
3. G Hibberd	\$787,081.59
4. Commissioner of State Revenue	\$1,374.20
CHEQUES TOTAL	\$813,212.57

the land.

SETTLEMENT STATEMENT

MATTER NO: AC:16 42589

GROVES SALE TO CURWEN AT CHERMSIDE PTY LTD
PROPERTY: 12 AND 14 CURWEN TERRACE, CHERMSIDE

Settlement Date: 5 September 2018
Adjustment Date: 3 September 2018
Settlement Place: SAI Global, Level 25, 215 Adelaide Street, Brisbane
Settlement Time: 3:00 PM

Contract Price	\$1,740,000.00
Less Deposit	\$296,000.00
	\$1,444,000.00
Plus Variation	\$176,000.00
	\$1,620,000.00
Plus Rates (for 1/07/2018 to 30/09/2018) <u>\$573.65 x 27 days</u> 92 days	\$168.35
	\$1,620,168.35
Less Release of Mortgage Fee (x 2)	\$374.00
	\$1,619,794.35
Plus Rates (adjusted as paid for 1/07/2018 to 30/09/2018) <u>\$583.47 x 27 days</u> 92 days	\$171.24
	\$1,619,965.59
Plus Water Access & Sewerage (adjusted as paid for 1/07/2018 to 30/09/2018) <u>\$188.58 x 27 days</u> 92 days	\$55.34
	\$1,620,020.93
Plus Water Access & Sewerage (adjusted as paid for 1/07/2018 to 30/09/2018) <u>\$188.58 x 27 days</u> 92 days	\$55.34
	\$1,620,076.27
Less Water Usage (see calculation following)	\$77.05

	\$1,619,999.22
Less Water Usage (see calculation following)	\$46.78
	<hr/>
	\$1,619,952.44
Plus Rent from 1 July 2018 (Lot 12)	
<u>\$330.00 per week/7 days x 65 days</u>	<u>\$3,064.29</u>
	<hr/>
	\$1,623,016.73
Plus Rent from 1 July 2018 (Lot 14)	
<u>\$340.00 per week/7 days x 65 days</u>	<u>\$3,157.14</u>
	<hr/>
BALANCE AT SETTLEMENT	<u>\$1,626,173.87</u>
Prepared on 4/09/2018 at 10:56 AM	
Prepared by Zappulla Trikam & Partners	Page 1 of 3

CHEQUE DETAILS	
1. Brisbane City Council	\$1,164.78
2. Queensland Urban Utilities	\$898.65
3. LJ Hooker Chermside	\$48,950.00
4. Australia and New Zealand Banking Group Limited	\$1,573,928.79
5. Commissioner of State Revenue	<u>\$1,231.65</u>
CHEQUES TOTAL	<u>\$1,626,173.87</u>

A full copy of the settlement statements can be found at

https://www.dropbox.com/sh/Or2rrr0kud9kkkr/AACZZ6tG_IrWdn_WVQBSj8Sga?dl=0

8.5. BUILD CONTRACTS

Rawcorp has been contracted to provide build services for the project. Rawcorp are award winning builders who have received recognition from Master Builders and the Urban Development Institute of Australia (UDIA) awards. The development and construction team have over over 50 years of combined experience in the construction industry. Some of their prior work is shown below:



11-17 Ethel Street, Chermiside
Luxury Chermiside apartments with parkland views comprises of stainless steel European appl...



32 Glenora Street, Wynnum
The project consists of 47 x residential units, swimming pool, 100m2 of commercial space a...



'Parklands' – 23-31 Bomberly Street,
'Parklands' at 23-31 Bomberly Street, Cannon Hill was a full design and construct unit deve...



2-4 Elizabeth Street, Beenleigh
'Evolution in Beenleigh' offers a new kind of affordable luxury. Situated in South East Qu...



132 Osborne Road, Mitchelton
'Signature on Mitchelton' is boutique apartments located on Osborne Road and within walkin...



91 High Street, Southport
'Madison on High' is an 18 unit development located in the growing city of Southport. Each...



113 Persse Road, Runcorn
The project at 113 Persse Road, Runcorn consists of civil works, 66 x townhouses, a commun...



56 Hood Street, Sherwood
The completed project at 56 Hood Street, Sherwood consists of 14 Units spanning across 4 f...

The contract conditions for the project are based on the Master Builders LSC2; Commercial Building Contract which is a standard form of lump sum building works contract.

A key excerpt of the contract is as follows:

Between:

Contractor: RAWCORP PTY LTD
 Trading as:
 Address: 3/160 Gooding Drive, Merrimac QLD 4226
 A.B.N: 98 112 687 448 QBSA Licence Number: 1070064
 Contact: ANTHONY RIGBY (B): (07) 5559 3555

AND

Owner: THE TRUSTEE FOR THE CURWEN UNIT TRUST
 Trading as:
 Address: 854 Pittwater Road, Dee Why NSW 2099
 A.B.N: 70 645 344 295
 Contact: LACHLAN COTTEE (DIRECTOR) (Mob): 0423 299 450
 BEN DALGLIESH (PROJECT MANAGER) (Mob): 0415 202 723

Schedule

Clause 1 (a)	Brief description of the Works <i>(refer to Annexure A for further details or more detailed particulars)</i> CONSTRUCTION OF 62 X 3 BEDROOM, 2 BATHROOM RESIDENTIAL UNITS WITH BASEMENT AND ON GRADE CAR PARKING AND ITS SURROUNDING AREAS ON THE SITE ADDRESS Site Address: 10-14 CURWEN TERRACE, CHERMSDIE QLD 4032	
Clause 1 (b)	GST Exclusive Contract Sum:	\$14,900,000.00
	GST on GST Exclusive Contract Sum:	\$1,490,000.00
	Contract Sum (GST inclusive)	\$16,390,000.00

A full copy of this contract including the signed copies can be found at

<https://www.dropbox.com/sh/4lfrusv48sndgkl/AAAOSNjl6t3NnDDMkSapaeWUa?dl=0>

8.6. QUANTITY SURVEYOR REPORT

An independent 3rd party Quantity Surveyor (QS) report serves as a check against overcharging by builders for the construction. Such a QS report would have a detailed break down of the potential expected build costs.

The Main SPV has engaged Mitchell Brandtman Quantity surveyors for such a report for the subject site. A full copy of this report can be found here.

https://www.dropbox.com/s/8tfgtnvw0pc9lyv/Initial_Report.pdf?dl=0

Key excerpts from the report are as follows;

Page 2



10-14 Curwen Terrace, Chermside

Project Ref: 0023056.00



Initial Report

03 September 2018

Developer

**The Trustee for the
Curwen Unit Trust**

Contractor

Rawcorp Pty Ltd

Financier

Report Prepared For:

Curwen at Chermside Pty Ltd a/c the Curwen
Unit Trust

Name: Mr Lachlan Cottee

Email: lachlan.cottee@ybr.com.au

Project Ref:

CC: Mr Ben Dalglish

Report Authorised By:

Mitchell Brandtman

Name: Maoibh Russell

Partner

Email: mrussell@mitbrand.com

Phone: (07) 3327-5039

Report Contacts:

Name: Michelle Pillay

Email: mpillay@mitbrand.com

Phone: (07) 3327-5019



ITEMS	FORECAST FINAL COST			PAYMENTS				COST TO COMPLETE
	Budget	Variance	Current Estimate	% Cpl	Completed Value	Less Previous	Current Assessment	
Construction Works								
Construction Work	\$14,880,000.00	\$20,000.00	\$14,900,000.00	0	\$0.00	\$0.00	\$0.00	\$14,900,000.00

8.7. SALES :

8.7.1. PRICE LIST

The Main SPV has provided the following Price list for the sale of the residential units

Level	Unit	Beds	Baths	Car Park (m2)	Total area (m2)	Prices	Status
Lvl 1	101	3	2	1	125	\$517,500	On Sale
Lvl 1	102	3	2	1	117	\$515,000	On Sale
Lvl 1	103	3	2	1	116	\$504,000	Sold
Lvl 1	104	3	2	1	114	\$507,500	On Sale
Lvl 1	105	3	2	1	118	\$504,000	Sold
Lvl 1	106	3	2	1	115	\$502,500	Sold

Lvl 1	107	3	2	1	121	\$515,000	On Sale
Lvl 1	108	3	2	1	121	\$514,000	Sold
Lvl 1	109	3	2	1	122	\$517,500	On Sale
Lvl 2	201	3	2	1	123	\$520,000	On Sale
Lvl 2	202	3	2	1	112	\$517,500	On Sale
Lvl 2	203	3	2	1	104	\$506,500	Sold
Lvl 2	204	3	2	1	108	\$509,000	Sold
Lvl 2	205	3	2	1	112	\$512,500	Sold
Lvl 2	206	3	2	1	103	\$522,500	On Sale
Lvl 2	207	3	2	1	112	\$517,500	On Sale
Lvl 2	208	3	2	1	120	\$516,500	Sold
Lvl 2	209	3	2	1	124	\$515,000	Sold
Lvl 3	301	3	2	1	126	\$517,500	Sold
Lvl 3	302	3	2	1	112	\$517,500	On Sale
Lvl 3	303	3	2	1	104	\$509,000	Sold
Lvl 3	304	3	2	1	108	\$520,000	Sold
Lvl 3	305	3	2	1	112	\$509,000	Sold
Lvl 3	306	3	2	1	103	\$507,500	Sold
Lvl 3	307	3	2	1	112	\$527,500	Sold

Lvl 3	308	3	2	1	123	\$519,000	Sold
Lvl 3	309	3	2	1	121	\$532,000	Sold
Lvl 4	401	3	2	1	124	\$522,500	Sold
Lvl 4	402	3	2	1	112	\$525,000	On Sale
Lvl 4	403	3	2	1	104	\$514,000	Sold
Lvl 4	404	3	2	1	108	\$525,000	Sold
Lvl 4	405	3	2	1	112	\$519,000	Sold
Lvl 4	406	3	2	1	103	\$512,500	Sold
Lvl 4	407	3	2	1	112	\$520,000	Sold
Lvl 4	408	3	2	1	125	\$524,000	Sold
Lvl 4	409	3	2	1	124	\$522,500	Sold
Lvl 5	501	3	2	1	127	\$527,500	Sold
Lvl 5	502	3	2	1	112	\$530,000	On Sale
Lvl 5	503	3	2	1	104	\$519,000	Sold
Lvl 5	504	3	2	1	108	\$517,500	Sold
Lvl 5	505	3	2	2	113	\$534,000	Sold
Lvl 5	506	3	2	2	104	\$532,500	Sold
Lvl 5	507	3	2	2	113	\$545,000	On Sale
Lvl 5	508	3	2	2	123	\$544,000	Sold


Lvl 5	509	3	2	2	125	\$542,500	Sold
Lvl 6	601	3	2	2	125	\$567,500	On Sale
Lvl 6	602	3	2	2	113	\$552,500	On Sale
Lvl 6	603	3	2	2	105	\$540,000	Sold
Lvl 6	604	3	2	2	109	\$545,000	On Sale
Lvl 6	605	3	2	2	113	\$546,500	Sold
Lvl 6	606	3	2	2	104	\$550,000	Sold
Lvl 6	607	3	2	2	113	\$552,500	On Sale
Lvl 6	608	3	2	2	125	\$567,500	On Sale
Lvl 7	701	3	2	2	125	\$585,000	On Sale
Lvl 7	702	3	2	2	113	\$570,000	On Sale
Lvl 7	703	3	2	2	105	\$554,000	On Sale
Lvl 7	704	3	2	2	109	\$552,500	On Sale
Lvl 7	705	3	2	2	113	\$554,000	On Sale
Lvl 7	706	3	2	2	104	\$557,500	On Sale
Lvl 7	707	3	2	2	113	\$555,000	On Sale
Lvl 7	708	3	2	2	125	\$585,000	On Sale
Lvl 7	709	3	2	2	140	\$605,000	On Sale

8.7.2. SALES ACHIEVED TILL DATE

The Main SPV has provided details of the sales achieved till date in the form of conveyancer/solicitor reports on the contracts exchanged. Excerpts as below.

OUR REF: MW:AH:180178

CONTACT ENQUIRIES: AMY HATCH - AMY@HPL.COM.AU



7 November 2018

Mr Alan Brawn
Curwen at Chermide
PO Box 520
SURREY HILLS NSW 2010

Dear Alan,


PROPERTIES: LOTS 606, 401 & 409, HORIZON ON THE PARK, 10-14 CURWEN TERRACE, CHERMSIDE, QLD 4032

BENDIGO BANK TERM DEPOSITS

We confirm the following Term Deposits are held with Bendigo Bank:

- 1. Lot 606 – Thomas James Allen**
Deposit - \$55,000.00
Term Deposit - \$54,999.00 held for 6 months, review date is 8 December 2018
- 2. Lot 401 – Andri Adair Courouzos**
Deposit - \$52,250.00
Term Deposit - \$52,249.00 held for 5 months, review date is 26 February 2019
- 3. Lot 409 – Talia Jay Courouzos**
Deposit - \$52,250.00
Term Deposit - \$52,490.00 held for 5 months, review date is 27 February 2019

Yours faithfully
HPL LAW GROUP


Max Williams
Senior Associate

Cordato Partners

Business, Property & Tourism Lawyers

Our Ref: AJC:MK:180111

Your Ref: Lachlan Cottee

9 November, 2018

Lachlan Cottee
Branch Principal & Wealth Manager
Yellow Brick Road
854 Pittwater Road
DEE WHY NSW 2099

Dear Sir,

Curwen at Chermide Pty Ltd Sale
Property: 'Horizon on the Park' 10-14 Curwen Terrace, Chermide

We refer to the above matter and to our letter of 8 November and confirm for each of the lots listed below the purchase price and the deposit held by this firm.

Lot #	Purchase Price	Deposit Held
Lot 108	\$514,000	\$51,400
Lot 203	\$506,500	\$50,650
Lot 204	\$505,000	\$50,500
Lot 208	\$516,500	\$51,650
Lot 305	\$509,000	\$50,900
Lot 407	\$520,000	\$26,000
Lot 501	\$527,500	\$26,375
Lot 505	\$534,000	\$53,400
Lot 506	\$532,500	\$53,250
Lot 508	\$544,000	\$54,400
Lot 509	\$542,500	\$54,250
Lot 603	\$540,000	\$54,000

You need to obtain confirmation concerning the status of the contracts from elsewhere as our role is as deposit holder only.

In addition we also confirm that we omitted to include in our letter of 8 November, 2018 that Lot 308 with a purchase price of \$519,000 has also unconditionally exchanged.

Should you have any queries, please contact our office.

Yours faithfully
Cordato Partners



Anthony Cordato
Principal

Cordato Partners

Business, Property & Tourism Lawyers

Our Ref: AJC:MK:180111

Your Ref: Lachlan Cottee

8 November 2018

Lachlan Cottee
Branch Principal & Wealth Manager
Yellow Brick Road
854 Pittwater Road
DEE WHY NSW 2099

Dear Sir,

Curwen at Chermside Pty Ltd Sale
Property: Lot 103- 504 'Horizon on the Park' 10-14 Curwen Terrace, Chermside

We refer to the above mater and we hereby confirm that the following units have been unconditionally exchanged:

- Lot 103 - Purchase price \$504,000
- Lot 105 - Purchase price \$505,000
- Lot 106 - Purchase price \$502,500
- Lot 205 - Purchase price \$512,500
- Lot 301 - Purchase price \$517,500
- Lot 303 - Purchase price \$509,000
- Lot 304 - purchase price \$520,000
- Lot 306 - purchase price \$507,500
- Lot 307 - purchase price \$527,500
- Lot 403 - purchase price \$514,000
- Lot 405 - purchase price \$519,000
- Lot 406 - purchase price \$512,500
- Lot 408 - purchase price \$524,000
- Lot 503 - purchase price \$519,000
- Lot 504 - purchase price \$517,500

Should you have any queries, please contract our office.

Yours faithfully



Anthony Cordato

A full copy of these reports can be found at

<https://www.dropbox.com/sh/n25unslmh8hlbyu/AABJcibF0fVZU2us1G-lagj4a?dl=0>

8.8. INDEPENDENT 3RD PARTY VALUATION

The Main SPV has sourced an independent 3rd party valuer to provide an assessment of the value of site “as is” as well as “as if complete”. A full copy of this report can be found at

<https://www.dropbox.com/s/eqsroy9v612t47e/BNN615632%20-%20Report%20-%2010-14%20Curwen%20Tce%2C%20Chermside%20-%20Amended.pdf?dl=0>

Key excerpts from this report can be found on page 2 and 3

Instructions

We have been instructed to assess the:

- Market value of the development site 'as is'.
- Gross realisation of the proposed units 'as if complete'.
- Project feasibility/profitability analysis.

Date of Inspection and Valuation

20 July 2018.

Property Description ‘As Is’


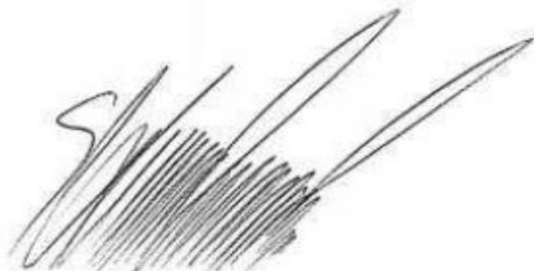
The amalgamation of 3 allotments forms a 1,859 square metre regular shaped inside parcel situated on the western side of Curwen Tce, Chermside. Positioned slightly below road height, the site falls gently from the street to the rear boundary where it adjoins Downfall Creek and parkland. The site is of limited elevation with local views anticipated from the upper level of the proposed development. Current improvements comprise 3 modest post war detached dwellings which are considered to be of nominal added value and are proposed to be demolished as part of the development.

Chermside is the major commercial and retail hub within the northern suburbs of Brisbane, approximately 9 radial kilometres from the CBD, and comprises Westfield Chermside, a major regional shopping centre and city bus centre. Surrounding development comprises modest low density housing, with some modern and semi-modern unit and townhouse complexes interspersed. A recently completed 7 storey unit complex

Property Description ‘As If Complete’

The site is proposed to be developed with a 7 storey residential unit complex comprising a total of 62 x 3 bedroom units built above basement and ground level car parking for 91 resident plus 9 visitor car spaces.

The proposed development has a total GFA of approximately 6,207 square metres, which reflects a plot ratio of 3.34 times the site area.

Market Value - Site 'As Is' (Excl. GST)	\$2,874,000 (Two Million Eight Hundred and Seventy Four Thousand Dollars)
Gross Realisation 'As If Complete' (Incl. GST)	\$31,902,000 (Thirty One Million Nine Hundred and Two Thousand Dollars)
Gross Realisation 'As If Complete' (Excl. GST)	\$29,263,091 (Twenty Nine Million Two Hundred and Sixty Three Thousand and Ninety One Dollars)
	
Michael Simson AAPI - Certified Practising Valuer API Number: 71304 - QLD Registration Number: 3631	Gavin Hulcombe Director FAPI / Certified Practising Valuer / FRICS API Number: 65981 - QLD Registration Number: 2002

A full copy of these reports can be found here

<https://www.dropbox.com/sh/n25unsImh8hlbyu/AABJcibF0fVZU2uslG-lagj4a?dl=0>

8.9. PROJECT COSTS

The Main SPV has provided the following list of material expenses in the course of the project. While some of these costs have already been paid for (such as land acquisition etc), others will be incurred during the course of the project.

LAND:	NOTES	AMOUNTS
SITE COST	\$46,354.84 per unit for 62 units	\$ 2,874,000.00
STAMP DUTY		\$ 150,000.00
LEGAL EXPENSES		\$ 5,000.00
	TOTAL LAND COSTS	\$ 3,029,000.00

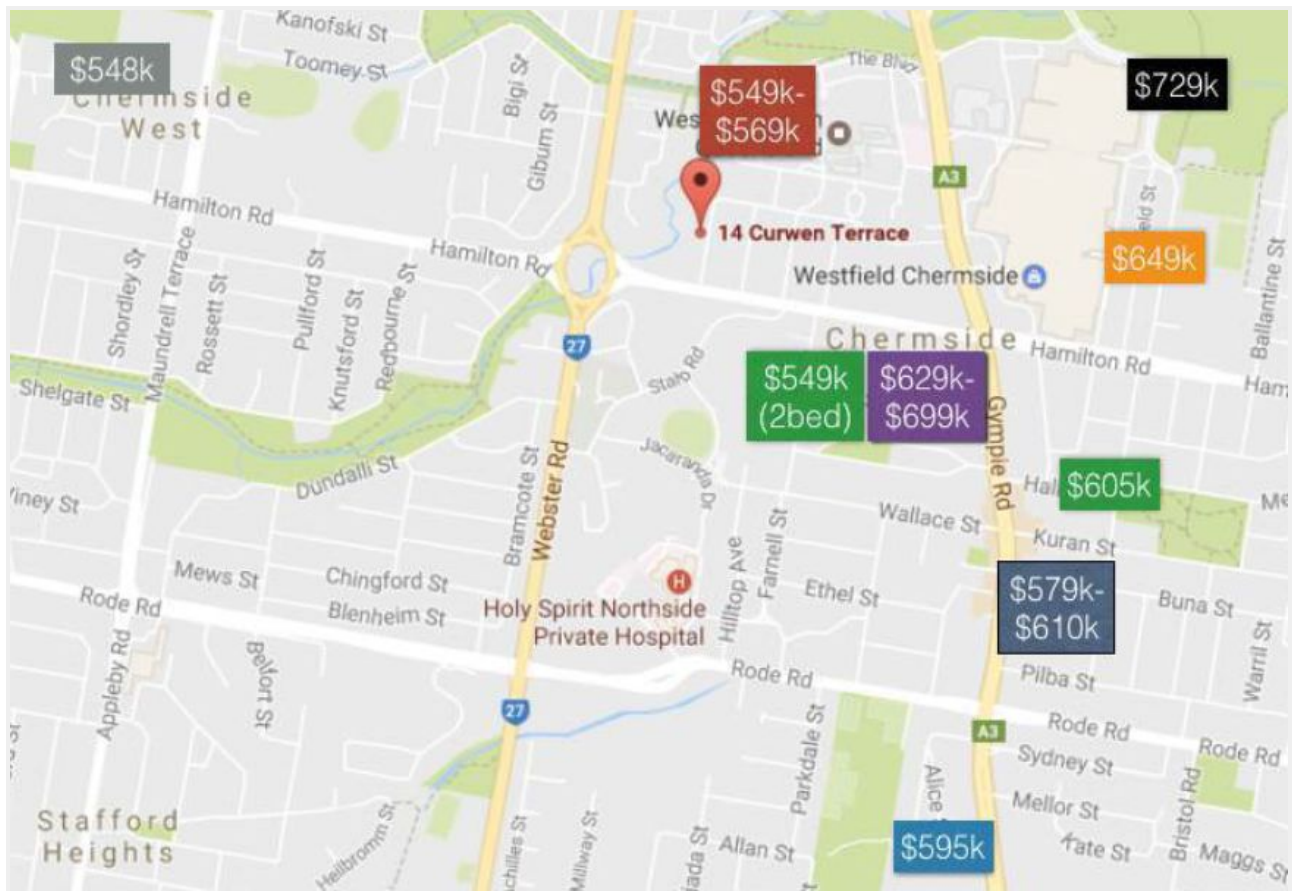
CONSTRUCTION:		
BUILDING (INCL DEMO & EXCAVATION)	\$240,322.58 per unit for 62 units	\$ 14,900,000.00
QS INSPECTION REPORT	14 onsite inspections @ \$2,500 each	\$ 35,000.00
CONTINGENCY	5% of construction cost	\$ 745,000.00
CONSULTANTS FOR DEVELOPMENT APPROVAL:		
TOWN PLANNER (PRE LODGEMENT MEETING)		\$ 3,000.00
COUNCIL (PRE LODGEMENT FEES)		\$ 1,500.00
ARCHITECTURALS		\$ 59,000.00
TOWN PLANNER		\$ 4,000.00
STORMWATER ENGINEER REPORT		\$ 3,000.00
ACOUSTIC ENGINEER		\$ 2,000.00
LANDSCAPE DESIGN		\$ 1,375.00
TRAFFIC ENGINEER		\$ 3,200.00
COUNCIL LODGEMENT FEES		\$ 2,650.00
UPDATED PERMISSIBLE CHANGE	allowed for changes during construction	\$ 6,000.00
CONSULTANTS FOR BUILDING APPROVAL		
ARCHITECTURALS		\$ 81,100.00
GEOTECHNICAL REPORT	Soil Surveys	\$ 6,400.00
STRUCTURAL ENGINEER	WP	\$ 32,200.00
STRUCTURAL INSPECTIONS	allow 20	\$ 5,500.00
STRUCTURAL RE-DESIGNS	allowed for changes during construction	\$ 5,000.00
CIVIL ENGINEER		\$ 10,200.00

CIVIL INSPECTIONS	allow 6	\$ 1,710.00
HYDRAULICS ENGINEER		\$ 14,800.00
MECHANICAL ENGINEER		\$ 3,490.00
ELECTRICAL ENGINEER		\$ 8,850.00
OTHER CONSULTANT INSPECTIONS	Allow 10 (Geotech (x 2), mech, elec, landscape)	\$ 3,000.00
FIRE ENGINEER		\$ 7,000.00
QFRS		\$ 39,000.00
ENERGY ASSESSMENTS		\$ 4,581.00
BA CERTIFIER		\$ 11,500.00
NBN	\$363/UNIT (50% ALREADY PAID)	\$ 22,909.00
LIVE SERVICE CONNECTIONS	allowed for water meter/other developer install costs	\$ 15,000.00
Q-LEAVE		\$ 70,775.00
SURVEYOR	Prep, Draft strata, Final strata	\$ 30,000.00
LANDSCAPE DESIGN		\$ 2,725.00
DESIGNER	Interior & exterior	\$ 8,000.00
QUANTITY SURVEYOR REPORT	Pre funding initial report & detailed estimate	\$ 5,000.00
BA COUNCIL FEES	All but plumbing paid (\$38,814.50)	\$ 48,922.50
CONTRIBUTIONS:		
COUNCIL CONTRIBUTIONS	includes sewer & water	\$ 1,554,782.10
LTO PLAN LODGEMENT		\$ 34,100.00
COUNCIL PLAN LODGEMENT		\$ 29,655.00
MISCELLANEOUS:		
COUNCIL RATES		\$ 10,000.00

TRAVEL & EXPENSES	Allow 1 visit/month @ \$1k/visit	\$ 26,000.00
WATER RATES		\$ 5,000.00
LAND TAX		\$ 30,000.00
	TOTAL CONSTRUCTION COSTS	\$ 17,892,924.60
FINANCE:		
CONSTRUCTION	\$20,150,000.00 (senior loan)	\$ 1,851,281.25 (interest)
FINANCE FEES & CHARGES	2.00%	\$ 403,000.00
BROKER FEES & CHARGES	1.60%	\$ 322,400.00
BANK VALUATION & LEGALS	Val. \$800/unit & Legals for loan docs \$200/unit	\$ 8,200.00
	TOTAL FINANCE COSTS	\$ 2,584,881.25
MARKETING:		
BROCHURES		\$ 5,000.00
3D RENDERS		\$ 20,000.00
PHOTOGRAPHY		\$ -
SALES COMMISSION	5.0%	\$ 1,623,200.00
CONVEYANCING	\$2500 masterfile + 1200/unit	\$ 76,900.00
	TOTAL MARKETING COSTS	\$ 1,725,100.00
	TOTAL DEVELOPMENT COST	\$ 25,273,422.10

8.10. SIMILAR PROPERTIES ON MARKET

The Main SPV has provided a Due Diligence report detailing similar properties currently (as of the Prospectus date) on market. Excerpts of it are as follows:



A full copy of this report can be found at

<https://www.dropbox.com/s/vtmt1lqnvuei6wo/Horizon%20DDR.pdf?dl=0>

and relevant pages include pages 67 to 76

Below is an excerpt from page 68

47-51 Latham Street
Chermside, Qld 4032

1

\$555,000
apartment, Sold on 04 May 2016

☆ Save

Shaw Property Group - Brisbane
71 Racecourse Road. Agency profile
Asst. Qld 4007

Lot No.	Type	Aspect	Level	Bed	Bath	Car	Int. Sqm	Ext. Sqm	Total Sqm	Price	Status
505	L	Pool (N)	5	2	2	1	82	15	97	\$509,000	Available
506	N	Front (S)	5	3	2	1	100	82	182	\$699,000	Available
601	K	Front (S)	6	2	2	1	82	23	105	\$599,000	Available
602	L	Pool (N)	6	2	2	1	82	15	97	\$515,000	Available
603	M	Pool (N)	6	2	2	1	81	21	102	\$525,000	Available
604	M	Pool (N)	6	2	2	1	81	21	102	\$525,000	Available
605	L	Pool (N)	6	2	2	1	82	15	97	\$515,000	Available
606	N	Front (S)	6	3	2	2	100	23	123	\$629,000	Available
701	K	Front (S)	7	2	2	1	82	23	105	\$559,000	Available
702	L	Pool (N)	7	2	2	1	82	15	97	\$525,000	Available
703	M	Pool (N)	7	2	2	1	81	21	102	\$535,000	Available
704	M	Pool (N)	7	2	2	1	81	21	102	\$535,000	Available
705	L	Pool (N)	7	2	2	1	82	15	97	\$515,000	Available
706	N	Front (S)	7	3	2	2	100	23	123	\$649,000	Available
801	K	Front (S)	8	2	2	1	82	23	105	\$574,000	Available
802	L	Pool (N)	8	2	2	1	82	15	97	\$539,000	Available
803	M	Pool (N)	8	2	2	1	81	21	102	\$549,000	Available
804	M	Pool (N)	8	2	2	1	81	21	102	\$549,000	Available
805	L	Pool (N)	8	2	2	1	82	15	97	\$529,000	Available
806	N	Front (S)	8	3	2	2	100	23	123	\$679,000	Available

8.11. EXPERIENCE OF MANAGEMENT WITH REAL ESTATE PROJECTS

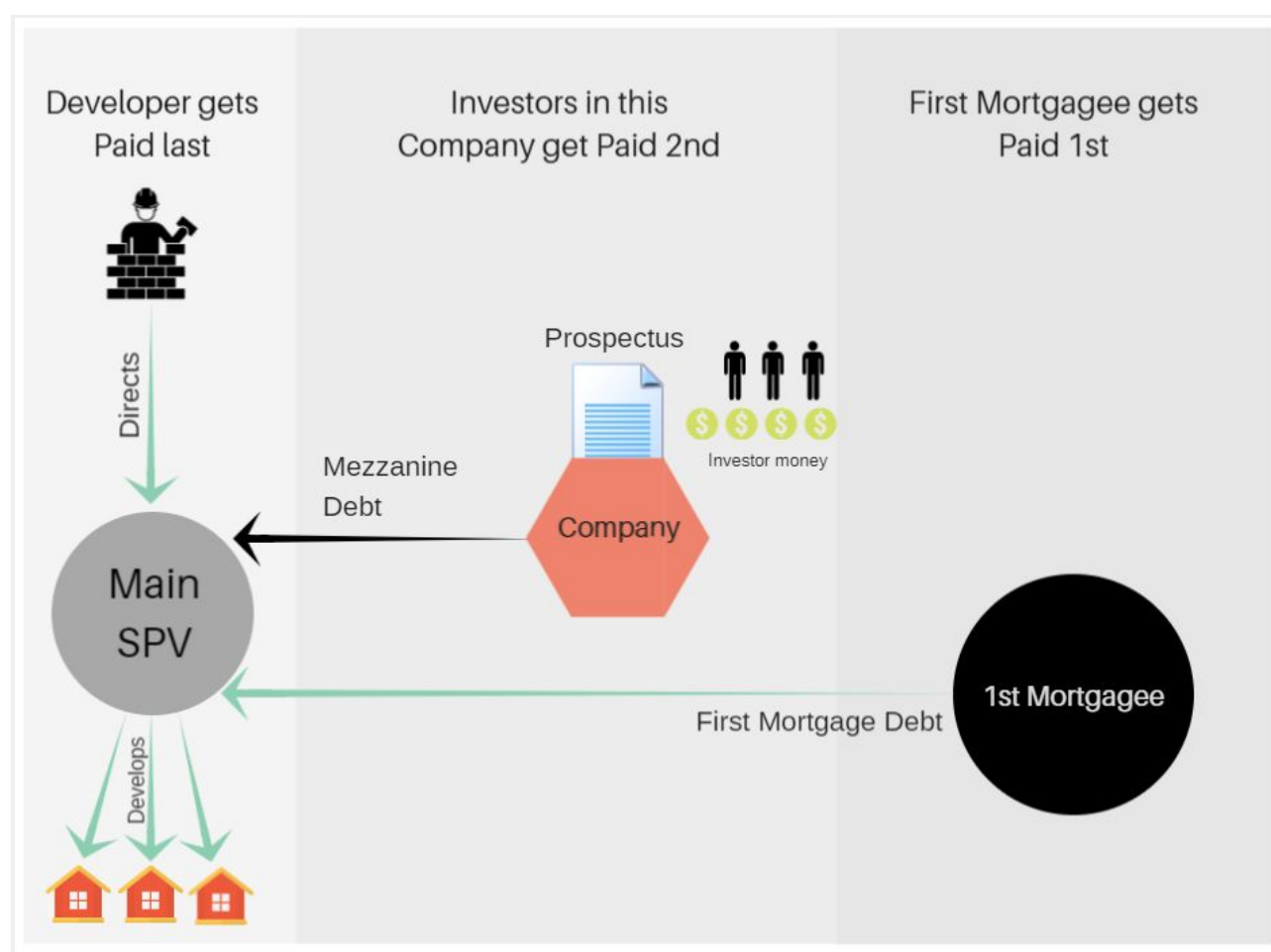
The management team has been involved in the following projects.

Address	Details	Gross Realised Value
26 Farm Street Newmarket QLD- 2018	7 x 3 bedroom residential apartments	\$4,400,000

38 Andrews Street Cannon Hill - 2017	12 x 3 bedroom residential apartments	\$6,240,000
26-28 Western Avenue Chermside - 2015	38 x 2 and 3 bedroom residential apartments	\$19,000,000
78 Carrington Parade Curl Curl, NSW - 2015	Acquisition of residential home on a 910sqm block for \$3,600,000 Subdivision into 2 x waterfront residential lots plus the construction of \$6,000,000 home	\$8,300,000
9 Watson , Piabla, QLD - 2016	Acquisition of 13 residential townhomes for \$2,944,500 12 lots sold down within 8 week settlement period	\$3,885,000
66 Julia Avenue, Portland, Vic - 2014	38 x 2 bedroom and 7 x 1 bedroom serviced apartments Acquisition of 45 serviced apartments for \$4,250,000 Long term lease in place with a yield of 13.3% with 4% increases every year Strategy was to sell down half retain half.	\$8,340,000
627 Charlton Esplanade Hervey Bay QLD - 2014	15 x 2 bedroom holiday apartments and 1 block of development land. Acquisition of 15 Holiday apartments and 1 block of vacant development land for 2,900,000 All units sold with 12 week settlement period, Land was retained with cash.	\$4,600,000
4 Tay Ave, Caloundra QLD - 2014	18 x Studio and 4 x 2 bedroom holiday apartments. Acquisition of 22 units for 4.9 M Retained caretaker unit and management rights sold the balance of units within a 2.5 months settlement period.	\$7,400,000

8 Bayview Terrace, Deception Bay QLD - 2013	7 x 2 bedroom residential apartments. Acquisition of 7 units for 1.15 M All units sold within 8 week settlement period	\$1,900,000
45 Bundall Road Bundall - 2012	6 x 4 bedroom residential townhomes with a home office. Acquisition of 6 townhouses for 1,860,000 All units sold within an 8 week settlement period	\$2,670,000

9. OPERATIONAL STRUCTURE



Please note that this diagram assumes that the Development Company (Main SPV) do not borrow further funds from a lender in a senior position to the investors in case of a shortfall in funding (as explained at section 13.1.15 Gearing Risk);


9.1. PROPOSED DEBT FROM COMPANY TO MAIN SPV

A copy of this debt agreement between the Company and the Main SPV can be found here

<https://www.dropbox.com/s/1szdoxs9b8c7zrb/PYCO%20Loan%20Agreement.pdf?dl=0>

and is also included in the references section .

An excerpt showing the key terms of the Debt Agreement is as follows:

SCHEDULE	
LOAN	upto \$1,500,000
INTEREST RATE	39% per annum capped to 58.5% absolute
TERM	18 months or completion of the project whichever is sooner 
COMMENCEMENT DATE	once suitable funds are made available by the lender and no after 30 June 2019
LOAN DISBURSEMENT AND DRAWDOWNS	<p>The loan will only be distributed when a minimum of \$100,000 can be lent by the lender to the borrower.</p> <p>After the minimum \$100,000 disbursement is made the lender will distribute sums to the borrower monthly and the interest for those funds will be calculated from the date of that particular disbursement.</p>
PAYMENT DATE	<p>The earlier of:</p> <p>(a) The last date of the Term; or</p> <p>(b) The date the Borrower repays the Loan to the Lender in full, if repayment occurs prior to the last date of the Term.</p>

Given that the Main SPV can only pay the loan from the proceeds of the Development sales, in the scenario that the sale is not yet complete after 18 months, the loan term will be extended till such a sale may be achieved. This also means that in the event that if the sale was achieved faster the Main SPV will pay the loan amount including Principal and the interest due till that date giving investors an outcome faster.

Consider the following scenarios:

9.2. PROJECT COMPLETES IN 10 MONTHS

In this event the Main SPV will pay the 39% per annum for the amount and the duration it was lent to the Company and the Company will distribute the interest in the form of Dividends that are due to the investors.

Consider that the Company made the first disbursement of \$100,000 which was lent for 10 months and then another for \$500,000 next month which means it was invested for 9 months.

While repaying the Main SPV will pay out as the drawdowns based on the formula

$$\text{Interest} = (\text{Principal} * \text{Duration} * \text{Rate})/100$$

Amount lent	Duration (in years)	Interest rate per annum	Interest
\$100,000	10/12	39%	\$32,500
\$500,000	9/12	39%	\$146,250
		TOTAL	\$178,750

The Main SPV would thus pay back a total interest of \$178,750 as described above which will then be distributed as dividends to investors in a similar manner depending on the time and amount they were invested for.

9.3. PROJECT COMPLETES IN 18 MONTHS

In this event the Main SPV will pay the 39% per annum for the amount and the duration it was lent to the Company and the Company will distribute the interest in the form of Dividends that are due to the investors.

Consider that the Company made the first disbursement of \$100,000 which was lent for 18 months and then another for \$500,000 next month which means it was invested for 17 months.

While repaying the Main SPV will pay out as the drawdowns based on the formula

$$\text{Interest} = (\text{Principal} * \text{Duration} * \text{Rate})/100$$

Amount lent	Duration (in years)	Interest rate per annum	Interest
\$100,000	18/12	39%	\$58,500
\$500,000	17/12	39%	\$276,250
		TOTAL	\$334,750

The Main SPV would thus pay back a total interest of \$334,750 as described above which will then be distributed as dividends to investors in a similar manner depending on the time and amount they were invested for.

9.4. PROJECT COMPLETES IN 21 MONTHS

In this event the maximum interest rate the Main SPV would pay on any drawdown would be capped to 58.5% (which is effectively the interest rate for 18 months). If a drawdown was lent for more than 18 months then the interest would be calculated only for a maximum of 18 months. If however another drawdown was lent for less than 18 months then the interest would be for that duration only.

Consider the below example

Amount lent	Duration lent for in months	Interest calculated on duration in months	Duration for interest calculated (in years)	Interest rate per annum	Interest
\$100,000	21	18	18/12	39%	\$58,500
\$500,000	15	15	15/12	39%	\$243,750
				TOTAL	\$302,250

The Main SPV would thus pay back a total interest of \$302,250 as described above which will then be distributed as dividends to investors in a similar manner depending on the time and amount they were invested for.

9.5. CAPPED RETURN

As shown above there is a ceiling on the interest payments, which then flows through the investors. This means that there is a ceiling on the investors dividends as well which is further explained in section 18.2.1.

This is done in this fashion because the actual proceeds received from the sale of the units on completion of development will not change substantially if the Project completes slower. In fact there is a good chance the Main SPV is losing money due to the delays and other costs. The Main SPV has no other sources of revenue to pay the interest due to the Company apart from the sales proceeds. The amount the Main SPV has for distributions is limited and hence the return it can pay to investors is capped at a certain point.

The project will have a first Mortgage, this debt will rank ahead of all payouts made by the Main SPV including to investors under this offer. Note that the principals behind the Main SPV and the Company are the same. Investors/Shareholders in the Company are not responsible for any debts taken by the Main SPV. The above structure shields them from any liabilities related to the servicing of debt taken by the Main SPV.

The Main SPV will provide regular project updates as well as access to the management financial accounts upon request to the Company.

9.6. IMPACT OF DIFFERENT LEVELS OF FUNDS RAISED VIA THIS OFFER

9.6.1. APPLICATIONS RECEIVED FOR LESS THAN TARGET MINIMUM SUBSCRIPTION

In this case, investor monies will be refunded in entirety within 60 days of the closing of the offer. The offer will be withdrawn.

9.6.2. APPLICATIONS RECEIVED FOR MORE THAN OR EQUAL TO TARGET MINIMUM SUBSCRIPTION

In this case, Redeemable Preference Shares will be issued to the investors as per the terms of this offer and the project will proceed as planned. The Main SPV has agreed to provide the Company with the first right to provide the loan to the Main SPV up to the maximum amount of this Prospectus leading to a following funding structure. Any oversubscriptions will be refunded to investors at the earliest possible opportunity. Any shortfall from the maximum subscription may be sourced from alternate investors or lenders who may potentially rank ahead of investor payouts.

9.7. IMPACT OF TIMING BETWEEN COMPANY LOAN TRanches AND INVESTOR APPLICATIONS

Shares are being issued to the investors as soon as the first tranche of the loan is lent to the Main SPV once minimum target is met. Subsequent loan tranches to the Main SPV are made monthly by batching up investor applications that came during that period. Which means after the minimum goals are met there will be a share issue and the subsequent investors will be issued the shares in monthly batches.

This effectively means there is no real lag between a share issue and the loan amount being deployed. Investor target returns are calculated from the day of the share issue.

The only delay may occur between an application being made and the shares being issued. For instance shares cannot be issued till enough applications come in to meet the minimum funding goals. And thereafter there could be a delay of few weeks between an investor application and his or her shares being issued till the monthly loan tranche can be made (Which in turn triggers the issuance of the shares).

10. REVENUE MODEL

The Company has a loan agreement with Main SPV that will entitle it to 39% per annum capped to 58.5% absolute return on the money it lends to the Main SPV on completion of the project. The Main SPV will use the funds and any additional debts as necessary to develop the units and sell them on the market at the best possible price.

Interest will be payable by the Main SPV on completion of the project and achievement of sales of the units on completion of development. Repayment of both Principal and Interest is anticipated to be achieved approximately within 12 months of commencement of the loan.

There is no guarantee that the Principal and Interest will be repaid.

10.1. ASSUMPTIONS

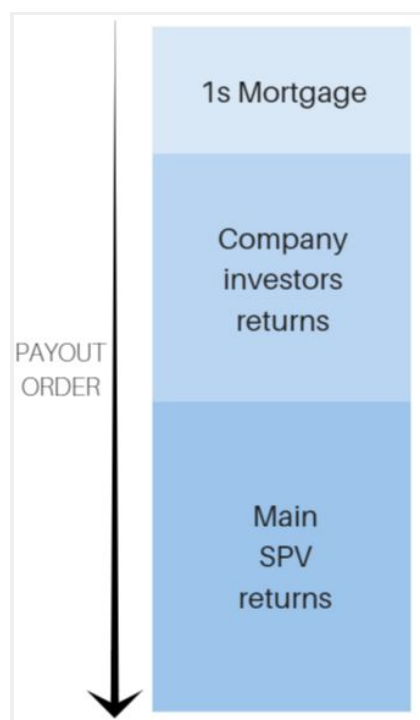
The above revenue model is primarily based on the assumption that the Main SPV will honour its contractual obligation to repay the debt issued to it by the Company.

The ability of the Main SPV to repay the debt is based on its ability to develop and sell the units in question.

The Sales completion is dependent on availability of buyers who on completion of development pay in full for the asked for market price of the apartments, which in turn is based on the buyers ability to secure borrowing if need be. The availability of the buyer is dependent on demand for developed units at the asking price by the Main SPV in the particular area. The completion of the sales process is also based on the assumption that construction/apartment development will complete in time and will not encounter any delays such as but not limited to Permit objections, weather and soil related construction issues, industrial action, contractor defaults etc.

The Main SPV will have access to the necessary funds to complete the project using its own resources if required and will be able to complete the project using those even if only the minimum subscription of \$100,00 was achieved.

10.2. PAYOUT ORDER



When all the units are sold, any existing first mortgage including interest will be paid, first. Then the Company being a creditor to the Main SPV will receive repayment of its loan and interest.

The remainder will then be distributed to the Main SPV.

In summary, on completion of sales, the receipts will be distributed in the following order.

1. The first mortgage debt on the real estate,;
2. Interest on the funds lent by the Company to the Main SPV and repayment of the loan to the Company;
3. Any remaining proceeds will then be retained by the Main SPV.

10.3. IMPACT OF PROJECT PROFITS OR LOSSES ON INVESTOR RETURNS

In order for the Company to provide the investors with the promised return the Main SPV needs to make a profit of an amount at least equal to or greater than the amount due to the Company as interest.

The amount due to the investors is the amount invested plus Dividend return. It can be calculated using the below formula.

$\text{Share price} \times \text{Number of Redeemable Preference Shares} \times (\text{X}/100)$ (X being the Dividend Rate) \times Duration

Consider the following scenarios. If an investor invests \$250,000 for a duration of 12 months then the target Dividend return is 39% and 250,000 Redeemable Preference Shares were issued at a share price of \$1 each then the invested amount is \$250,000 and the expected Dividend is \$97,500.

The total return due to investors is $\$250,000 + \$97,500 = \$347,500$

10.3.1. PROJECT MAKES A PROFIT

If the Main SPV turns a profit (after paying the costs and any first mortgage debt) of more than the interest payment required then the investors will be paid out their Dividend and their Redeemable Preference Shares repurchased at the issue price. Any funds remaining after this will form part of the Main SPV profits.

10.3.2. PROJECT MAKES A PROFIT OF LESS THAN THE REQUIRED RETURN

If the Main SPV turns a profit (after paying the costs and any first mortgage debt) of less than the required interest repayment then the investors will be paid out all the Profits however the actual return will be lower than the target dividend rate.

The Company will lower the dividend rate uniformly across all investors to ensure that all investors share an equal rate of return as part of the payouts (Parri Passu).

The Main SPV will not receive any share of profits in this case.

10.3.3. PROJECT MAKES A LOSS

In the event the project does not make profits as expected or makes a loss the Company will receive a reduced return as part of loan repayment. This could even lead to a complete loss of capital as disclosed in Section 13.2.5. However the Redeemable Preference Shareholders will not be liable for any debts or other claims by any other creditors of the Main SPV or otherwise.

In the scenario of redeemable preference shareholders receiving lower returns, all the returns will always be paid out to these investors to the maximum extent possible. No returns will be paid to ordinary

shareholders until redeemable preference shareholders have been paid the maximum promised returns as per this prospectus, which effectively means that if redeemable preference shareholders do not receive their full return then ordinary shareholders will not receive any returns.

11. PROJECT FINANCIALS

The revenues of the Company are solely from the interest received from the loan made to the Main SPV paid after the first mortgagee but before the Main SPV receives anything.

The Main SPV does not have reasonable grounds to forecast future earnings on the basis that the operations of the Main SPV are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Management of the Main SPV have prepared an indicative feasibility upon which they have determined to pursue the project. The feasibility has been based on the experience of the management team, however, some of the financials and agreements are still to be documented with 3rd party contractors and as such have been excluded from this Prospectus.

12. MARKETING STRATEGY

The Company exists for the sole purpose of investing in the development of units at 10-14 Curwen Terrace, Chermside, QLD 4032, and will have only one client with whom lending contracts have been put in place. No further marketing and sales is deemed necessary by the Company.

The Main SPV will employ standard marketing efforts to achieve sale of the real estate.

13. RISKS OF INVESTING

All investments are subject to risk and there are a number of risks which can impact on the performance of your investment, should they occur. Investments may not perform as expected resulting in a loss of capital or income or a failure to meet your investment objectives. Due to a number of potential risks it is possible that dividends are not paid at all or that investors lose all of their capital. In the investment overview in Section 4 the specific risks for the project are detailed. In addition to those risks investors should also factor in some of the general risks detailed below.

13.1. GENERAL INVESTMENT RISKS

13.1.1. INTEREST RATE RISK

Real estate prices are often susceptible to interest rate changes. Lower interest rates can lead to more purchasers entering the market driving the prices up and vice versa. Any hikes in the interest rate by the RBA can adversely impact the project by making it harder for potential buyers to access funding to purchase the real estate. This will reduce the sales proceeds and may impact the return available to investors.

13.1.2. LEGISLATIVE RISK

In recent years Australia has seen participation by a significant amount of foreign investors in its real estate market. To restrict this capital inflow some Australian states have recently introduced higher stamp duty fees for foreign buyers. This has dampened the demand for Australian real estate in the eyes of foreign purchasers. Although these units are not exclusively marketed to international buyers the increased restrictions on foreign investments reduces one avenue for high sales outcomes.

13.1.3. INTERNATIONAL ENVIRONMENT

In recent years Australia has seen significant inflow of capital from China in its real estate market. The Chinese government has put up numerous restrictions on its citizens to prevent movement of outbound capital. This has made it harder for potential Chinese purchasers to move the significant funds required to purchase real estate in Australia. Although these units on completion of development are not exclusively marketed to international buyers the increased restrictions on foreign investments reduces one avenue for high sales outcomes.

13.1.4. BANK LENDING POLICIES

In recent months Australian Banks have tightened the lending criteria significantly, especially for foreign home buyers. This has made it harder for both Domestic and International purchasers from acquiring the funding to buy and settle on a real estate purchase. This can lead to a scenario where a buyer puts up the 5 to 10% deposit necessary to make a real estate purchase and is then unable to come up with the remainder money as he or she is unable to secure Bank funding for it. This can delay as well as adversely impact the profitability of the project and the return that is payable to the investors.

13.1.5. DEPENDENCE UPON KEY PERSONNEL

The Company depends on the talent and experience of the Company's personnel as its primary asset. Should any of its key personnel leave, this may have a negative impact on the Company. It may be difficult to replace them, or to do so in a timely manner or at comparable expense.

The Company's ability to attract and retain personnel will have a direct correlation upon their ability to deliver their commitments and achieve forecast revenues. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of the Company. The Company has a formal agreement in place with its Directors.

13.1.6. TECHNOLOGY AND INFORMATION SYSTEMS

The Company has invested significant capital in technology. However, there can be no guarantee that this technology will continue to service the Company Manager into the future. If the Company is required to change or update its IT systems, then these costs are likely to be significant and could adversely affect the Company's financial performance. The technology infrastructure can also potentially suffer outages due to defects as well as external hacking attacks. This can impact the Company's ability to report on the project's performance regularly on its website.

13.1.7. OPERATIONAL AND COMPLIANCE RISK

Operational risk relates to the risk of loss resulting from inadequate or failed internal control processes, information technology systems or from external service providers which may impact on the Company's business. The Company is exposed to operational risk including, but not limited to, risks arising from processing errors, fraud, information technology system failures, failure of security and physical protection systems, pricing errors and employee negligence.

13.1.8. STRUCTURING RISK

There is a risk that legislative changes may affect the ability of the Company to pay dividends. This could alter the timing of the dividends or increase the effective tax rate applied to the dividends.

13.1.9. CONTRACTUAL RISK

There is a risk that contractual counterparties, such as any technology developers and other project contractors, may default on their obligations to the Company thereby leading to delays in completion of the projects or a potential loss of capital and/or income.

13.1.10. MARKET RISK

The expected end values may not be achieved for sales due to changing market conditions leading to lower or no profits from the execution of the project. This will lead to a reduced or no return to investors.

13.1.11. GENERAL ECONOMIC CONDITIONS

The Company's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies.

Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

13.1.12. ACCOUNTING STANDARDS

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Directors' and Company's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in the Company's financial statements.

13.1.13. GOVERNMENT POLICY

The financial performance of the Company may be impacted by change to or changes in interpretation in respect of income tax legislation, GST legislation, stamp duty laws and local government regulations and by-laws related to lending and real estate developments. Changes in, or the introduction of, any law, regulation or policy affecting the Company's business or the Development (which may or may not have a retrospective effect) may have a material adverse impact on the Company's performance.

13.1.14. TAXATION RISKS

A change to the current taxation regime in Australia or overseas may affect the Company and its Shareholders.

Personal tax liabilities are the responsibility of each investor. The Company is not responsible either for taxation or penalties incurred by investors.

13.1.15. REDEEMABLE PREFERENCE SHARES NOT GUARANTEED

The Redeemable Preference Shares are not bank deposits.

The repayment of the money you have invested or any particular rate of return is not guaranteed by the Company or its Directors. You may also lose some or all of your Principal Investment Amount. The Company will only be able to make dividend payments to Shareholders if it receives positive income from operations.

13.1.16. FORWARD LOOKING STATEMENTS

This Prospectus contains forward looking statements. Those statements are based upon the Directors' current expectations in regard to future events or results. All forecasts in this Prospectus are based upon the assumptions described in section 10.1. Actual results may be materially affected by changes in circumstances, some of which may be outside the control of the Company. The reliance that investors place on the forecasts is a matter for their own commercial judgment. No representation or warranty is made that any forecast, assumption or estimate contained in this Prospectus will be achieved.

14. FINANCIALS

14.1. BALANCE SHEET

The Company was incorporated for the purpose of providing a loan to the Main SPV to assist in funding the development of units at 10-14 Curwen Terrace, Chermside, QLD 4032, and has no history prior to, this Prospectus.

The unaudited balance sheet of the Company at 15 November 2018 is summarised hereunder together with a pro-forma balance sheet that adjusts the assets and liabilities of the Company at that date and reflects the offer and the issue of Redeemable Preference Shares pursuant to this Prospectus.

Note that any investment by the Principals of the Project as represented in the Main SPV will be directly made in the Main SPV accounts which are not being disclosed here.

Pro-Forma			
Assumptions	Unaudited (\$A)	(Minimum Subscription)	(Maximum Subscription)
	15/11/2018	31/03/2019	31/03/2019
ASSETS			
Current Assets			
Cash and cash equivalents	1000	0	0
Total Current Assets	1000	0	0
Non-current Assets			
Loans to Borrowers	0	101,000	1,501,000
Total Non-current Assets	0	101,000	1,501,000
TOTAL ASSETS	1000	101,000	1,501,000
LIABILITIES			
Current Liabilities			
Trade and other payables	0	0	0
Income tax payable	0	0	0
Total Current Liabilities	0	0	0
TOTAL LIABILITIES	0	0	0
NET ASSETS	1000	101,000	1,501,000
EQUITY			
Contributed equity	1000	1,001,000	1,501,000
Reserves	0	0	0
Retained earnings	0	0	0
TOTAL EQUITY	1000	101,000	1,501,000

14.2. ASSUMPTIONS USED IN COMPLETING THE PRO-FORMA BALANCE SHEET

The pro-forma balance sheet has been prepared consistently with the Company's accounting policies.

The pro-forma balance sheet shows the financial effects on the Company as if the following transactions had taken place as of 31 March 2019:

Receipt of \$100,000 from the offer (Minimum Subscription)

Receipt of \$1,500,000 from the offer (Maximum Subscription)

15. EXPENSES

Since the Company was incorporated for the sole purpose of raising funds to lend to the Main SPV which Redeemable Preference Shares the management, all expenses will be borne by the Company management and will be compensated for only after investor returns have been paid.

15.1. ESTABLISHMENT COSTS

The expenses incurred in connection with the offer of Redeemable Preference Shares including the preparation, promotion and distribution of the Prospectus.

15.2. ADMINISTRATION FEE

There are costs payable to the Company Management for managing and operating the associated Online Platform, which is utilised by the Company.

15.3. CORPORATE MANAGEMENT FEE

There are costs payable to the Company Management for managing the assets and operations of the Company.

15.4. PLATFORM EXPENSES

The Company will incur costs in the proper management of the Online Platform.

These expenses include:

- a) the fees payable to the service provider's to the Platform;
- b) Legal fees, valuation fees and due diligence expenses;
- c) statutory charges including taxes, government fees and levies;
- d) valuation or other experts' fees and costs incurred in relation to the Platform's activities, including costs incurred in preparing any legal documents;

- e) public liability and other general real estate insurance;
- f) registry charges, accounting fees, legal fees, printing of annual reports, postage and handling, Compliance Committee costs, expert and consultant fees and the holding of investor meetings;
- g) all other costs, disbursements and outgoings incurred in connection with the management and administration of the assets and performance of the duties and functions of the Company; and
- h) all costs and expenses incurred in relation to the establishment and further development of the Platform, the preparation, due diligence, printing, promotion and distribution of this Prospectus and any costs incurred in amending or replacing any of the above documents or any other aspect of the Platform.

15.5. GST AND STAMP DUTY

All fees stated in this Prospectus include (if applicable):

- a) GST less any expected reduced input tax credits; and
- b) stamp duty.

15.6. TRANSACTION COSTS

Transaction costs, such as government taxes, duties, levies, bank charges and account transaction charges, associated with the provision of the loan to the Borrower from funds subscribed by investors.

15.7. OTHER EXPENSES

The expenses and liabilities incurred in connection with operating the Company.

16. SUMMARY OF TAXATION

16.1. INTRODUCTION

The Australian taxation laws are complex and hence the comments provided below are necessarily general in nature. Investors should be aware that they may be affected by changes in taxation laws or the interpretation of these laws as well as changes in the administrative practices of the revenue authorities.

Investors should obtain and rely upon their own taxation advice.

The following is a summary of the Australian income tax consequences associated with acquiring, holding and disposing of Redeemable Preference Shares. This summary is based on the income tax law and ATO administrative practice applicable as at the date of this Prospectus. Changes to tax law or the interpretation of tax law could affect the tax consequences associated with investing in Redeemable Preference Shares.

The tax consequences for a particular investor may vary depending on their particular circumstances. The discussion of tax law in this section applies only to investors that hold their Redeemable Preference Shares as a capital asset. There may be different tax outcomes to those outlined in this summary for:

- a) foreign residents;

- b) Shareholders who hold their Redeemable Preference Shares as trading stock or as revenue assets;
- c) financial institutions, insurance companies, partnerships, tax exempt organisations, trusts or temporary residents;
- d) dealers in securities;
- e) Shareholders with rights or Redeemable Preference Shares acquired through an employee share scheme;
- f) residents who hold the Redeemable Preference Shares as part of an enterprise carried on at or through a permanent establishment in a foreign country; or
- g) persons who change their tax residency while holding Redeemable Preference Shares.

Investors should consult a tax professional for advice on the consequences associated with acquiring, holding or disposing of Redeemable Preference Shares, which takes into account their personal circumstances.

16.2. TAXATION TREATMENT FOR REDEEMABLE PREFERENCE SHAREHOLDERS DIVIDENDS

Dividends received by Redeemable Preference Shareholders will be included in Redeemable Preference Shareholder's assessable income as interest. The income received will be treated as interest on the basis that the Redeemable Preference Shares are debt interests for income tax purposes.

The dividends that are paid cannot be franked and therefore no franking credits will be attached to the dividends or other amounts that are paid to the Redeemable Preference Shareholders.

16.3. TAXATION TREATMENT OF REDEMPTION OR REPURCHASE VIA CALL

Any amount received on redemption of the Redeemable Preference Shares that exceeds the Principal Investment Amount will be treated in a similar manner to an unfranked dividend and will be included in the Redeemable Preference Shareholder's assessable income.

If the amount received by the Redeemable Preference Shareholders on redemption is less than or equal to the Principal Investment Amount, then none of that amount will be ordinary income of the Redeemable Preference Shareholders. A capital loss will arise to the extent the redemption proceeds received are less than the Redeemable Preference Shareholder's CGT cost base.

There are special rules dealing with the taxation of financial arrangements (TOFA), which can apply to tax gains and losses from financial arrangements on an accruals basis. However, the TOFA rules do not normally apply to individual taxpayers and will only apply to financial sector entities that have a turnover of \$20 million or more, superannuation funds and managed investments schemes that have a turnover of \$100 million or more and other investors that have a turnover of \$100 million or more, financial assets of \$100 million or more or other assets of \$300 million or more.

Redeemable Preference Shareholders to whom the TOFA rules may apply should obtain specific advice.

16.4. TAXATION TREATMENT – SALE OF REDEEMABLE PREFERENCE SHARES

If Redeemable Preference Shares are sold to a third party or are acquired by the Company (such as under a buyback) this will trigger a CGT event for Redeemable Preference Shareholders.

A capital gain will arise where the capital proceeds received from the sale or buy-back of the Redeemable Preference Shares exceeds the CGT cost base of the Redeemable Preference Shares. A capital loss will arise where the capital proceeds received from the sale of the Redeemable Preference Shares are less than the CGT cost base of the Redeemable Preference Shares.

If Redeemable Preference Shares are sold to a third party, then the amount of the capital proceeds should be the total amount received for the sale. For an acquisition by the Company some of the proceeds may be treated as an unfranked dividend for tax purposes depending upon how the buy-back is structured and the position of the Company at that time. There are special tax rules that operate so that the amount of any taxable capital gain is effectively reduced by the amount of the unfranked dividend that is taxable. The CGT cost base for the Redeemable Preference Shares will be the total cost of the acquisition which will include any related capital costs of acquisition and disposal.

16.5. TAX FILE NUMBERS AND AUSTRALIAN BUSINESS NUMBERS

An investor is not obligated to quote a tax file number (TFN) when applying for Redeemable Preference Shares. However, if a TFN is not quoted or no appropriate TFN exemption is provided, tax is required to be deducted and withheld from dividends paid by the Company at the highest marginal tax rate plus the Medicare Levy, Medical Surcharge and the Temporary Budget Repair Levy (50.5%).

Any tax deducted and withheld will be remitted to the ATO and should be available as a tax credit to the Redeemable Preference Shareholder.

16.6. DEBT INTERESTS

Although the Redeemable Preference Shares are in the legal form of Redeemable Preference Shares, the Redeemable Preference Shares will satisfy the various tests for being a 'debt interest' for the purposes of the application of the income tax rules. Accordingly, the Redeemable Preference Shares will be characterised as debt interests and therefore 'non-equity' Redeemable Preference Shares for income tax purposes because the Company has an effectively non-contingent obligation to pay the Money Owing on the Redeemable Preference Shares at the Recorded Maturity Date.

17. MANAGEMENT

Horizon by Pyco Group Ltd is an unlisted public company incorporated in NSW. The Company benefits from the vast and varied expertise of its three directors - Lachlan Cottey, Glenn Piper and Alan Brawn. This cohesive knowledge has worked to create a superior real estate development company with an understanding of all facets required for success. Working alongside the directors is Ben Dalglish, an experienced senior project manager who manages the day to day execution - bringing the current developments to fruition.

17.1. DIRECTORS



17.1.1. LACHLAN COTTEE (MANAGING DIRECTOR)

Lachlan is the Principal of Yellow Brick Road Dee Why, Australia's largest and most successful branch in the network. Commencing in 2010, Lachlan has built a multi-million dollar business with over \$500m under management for both mortgages and wealth. Yellow Brick Road's main business activity is residential and commercial loans where his team settled over \$150 Million in transactions within the last 12 months. Yellow Brick Road's goal is to ensure all Australians have access to quality and affordable financial advice, they can assist with investment strategy, superannuation, risk insurance and real estate investment.

Lachlan has been in the financial services industry for over 13 years having worked in a variety of roles with CBA, Balmain Commercial (Australia's largest non-bank commercial lender) and other mortgage origination businesses. Through his experience in the financial services industry, Lachlan identified real estate development as a unique vessel to create wealth both personally and for his clients. Lachlan worked closely with Glenn Piper to establish Pyco Group, a company that focuses on high quality, boutique developments harnessing high returns.



17.1.2. GLENN PIPER

Glenn Piper is the founder and CEO of Meridian Australia. At the age of 31, he has now personally transacted over 70 investment properties in an 11-year timeframe. Glenn is passionate about helping everyday Australians use real estate as a vehicle to reach their financial aspirations. Glenn enjoys working with his team to reach thousands of Australians every year and share the 50 years of collective knowledge with Meridian clients.

Glenn's company, Meridian Australia, has quickly risen to be one of the most respected real estate firms tailored to the investor market. Now managing a team of 12 across national offices, Glenn and his team specialise in real estate analysis and research to source real estate opportunities which satisfy their strict analysis criteria. Glenn holds a high standard for success and ethics for his team and is passionate about securing high-performance properties for Meridian clients. These important traits are now the backbone of his company's success.



17.1.3. ALAN BRAWN

Alan Brawn is a trusted compliance and business manager for various private companies. In this role, Alan ensures compliance with statutory obligations for Departments of Fair Trading, ASIC and the ATO as well as day to day administration of the companies.

Additionally, Alan is actively involved in residential developments from conception through to completion. This includes approval from authorities; contracts for sale; construction contracts; funding documentation; registration of development; issue of titles and finalisation of the development.

From 1996 to 2013 Alan was employed by a medium size building company and once again was involved in all aspects and matters associated with medium density residential developments in Sydney. During that time Alan was also compliance and business manager for the company and for a period was company secretary and alternate director. Previously Alan practised as a Solicitor in Sydney in both partnership and independently.

17.1.4. BEN DALGLIESH

Project Manager

Ben Dalgliesh is the Director of Dalgliesh Consulting - a project management firm providing advice from acquisition to execution. Ben has been working in the real estate industry for over nine years. Starting his career in design, he moved into research and project marketing following the completion of his Masters of real estate Development, where he was quickly promoted to Head of Research at a leading real estate research house.

He has since worked in development site acquisitions, and was General Manager at a boutique real estate development organisation for a number of years, securing key sites in highly sought after locations. Ben has a broad knowledge across the entire development life cycle, from planning and initial feasibility

studies through to Project and Development Management, with significant end-to-end experience in delivering quality residential and mixed-use development projects in near city suburbs.

All selected projects are backed by research and insight into key macro and micro economic growth drivers. Ben's portfolio to date consists of over 300 residential units shared across over a dozen projects. He strives to deliver quality and intelligent design, and to always exceed his client's expectations on delivery.

18. TERMS OF ISSUE

18.1. THE SECURITY

18.1.1. FORM OF SECURITY

The Company Redeemable Preference Shares are fully paid Redeemable Preference Shares in the capital of the Company and are issued by the Company. The Company is relying on replaceable rules for its operations and the ordinary shareholders have passed a resolution for the issue of the Redeemable Preference Shares on the terms and conditions set out in this Prospectus.

18.1.2. FACE VALUE AND ISSUE PRICE

Each of the Company's Redeemable Preference Shares will be issued by the Company as fully paid at an issue price of \$1.00. The Face Value shall be paid in full to the Company upon application.

18.1.3. QUOTATION

The Redeemable Preference Shares will not be quoted on an exchange.

18.1.4. REGISTRATION

Entries in the Register in relation to a Holder constitute conclusive evidence that the person so entered is the absolute owner of the Redeemable Preference Shares subject to correction for fraud or error. Except as required by law, the Company:-

- a) will treat the person entered in the Register as the absolute owner of that the Redeemable Preference Shares; and
- b) is not required to recognise:
 - a. a person as holding a security on any trust; or
 - b. any other interest in any security or any other right in respect of a security except an absolute right of ownership in the registered holder of a security, whether or not it has notice of the interest or right.

18.2. DIVIDEND POLICY

18.2.1. DIVIDEND CALCULATION

Subject to the Terms of Issue, the Holder on the relevant Record Date is entitled to receive on the Dividend Payment Date a dividend calculated using the following formula:

$$\text{Dividend} = \text{Issue Price per Redeemable Preference Share} * \text{Number of Redeemable Preference Shares} * \frac{X}{100} \text{ (X being the Dividend Rate)} * \text{Duration}$$

18.2.2. DIVIDEND RATE

The target Dividend Rate is 39% per annum, capped to 58.5%.

18.2.3. NO FRANKING

Each dividend will be paid to Holders with no franking.

18.2.4. PAYMENT OF DIVIDEND

The Dividend is subject to:

- a) the Directors declaring the Dividend to be payable; and
- b) there being no legal impediment to the payment of the dividend.

Dividends shall be paid by direct credit to the bank account nominated by the Holder or by such other means as authorised by the Directors.

Dividends are payable in arrears on each Dividend Payment Date.

Dividends shall be paid in Australian dollars only and shall be free of any set off, deduction or counterclaim except as required by law.

18.2.5. CUMULATIVE DIVIDENDS

The entitlement of a Holder is to the payment of cumulative Dividends. If a Dividend is not paid in whole or part because of the provisions of any applicable law, the Company has a deferred liability to pay such Dividend. No interest accrues on any unpaid Dividends and the Holder has no claim or entitlement in respect of interest on any unpaid Dividends.

18.2.6. ROUNDING OF DIVIDEND CALCULATIONS

For the purposes of making any Dividend payment in respect of a Holder's total holding of the Company's Redeemable Preference Shares, any fraction of a cent will be disregarded.

Dividend calculations shall be rounded to the nearest two decimal places.

18.2.7. RECORD AND PAYMENT DATES

A Dividend is only payable to those persons registered as Holders on the Record Date for that Dividend.

Dividends will be paid by the Company as determined by the Board.

18.2.8. WITHHOLDING OBLIGATIONS

The Company will be entitled to deduct from any Dividend the amount of any withholding or other tax, duty or levy required by law to be deducted in respect of such amount. If any such deduction is made and the amount of the deduction is accounted for by the Company to the relevant revenue authority and the balance of the amount payable is paid by the Company to the Holder concerned, then the full amount payable to such Holder shall be deemed to have been duly paid and satisfied by the Company. The full amount required to be deducted to the relevant revenue authority shall be paid by the Company within the time allowed for such payment.

18.2.9. JOINT HOLDERS OF THE COMPANY'S REDEEMABLE PREFERENCE SHARES

Where two or more persons are registered as the joint holders of the Company's Redeemable Preference Shares then they are taken to hold the security as joint tenants with rights of survivorship, but the Company is not bound:

- a) to register more than three persons as joint holders; or
- b) to issue more than one certificate or holding statement in respect of the Company's Redeemable Preference Shares held.

If a Holder who owns a security jointly dies, the Company will recognise only the survivor or survivors as being entitled to the Holder's interest in the security. Interest or other money payable in respect of the Company's Redeemable Preference Shares that is held jointly may be paid to the Holder whose name appears first on the Register.

If the Company's Redeemable Preference Shares are held jointly, and more than one Holder votes in respect of the same, only the vote of the Holder whose name appears first on the Register counts.

The joint holders of the Company's Redeemable Preference Shares are counted as a single holder for the purposes of calculating the number of Holders who have requisitioned a meeting.

18.2.10. DIVIDEND DECLARATION POLICY

It is the policy of the Company that the Directors will declare payment of a dividend to Holders of the Company's Redeemable Preference Shares after repayment by the Main SPV of the loan and associated interest, which is expected once the project is completed profitably, the developed units are sold and the payment for the proceeds are received in full by the Main SPV, unless such a declaration would breach section 254T of the Corporations Act.

18.3. CALL OPTION

18.3.1. GRANT OF CALL OPTION

The Company plans to pay back the Investors by buying back the Redeemable Preference Shares at the Price they were issued and paying any Dividend that was due till that day. This repurchase is described as a CALL.

Each Subscriber grants to the Company an irrevocable CALL option for the Company or its nominees to buy the Redeemable Preference Shares held by the Subscriber.

18.3.1.1. REDEEMABLE PREFERENCE SHARE EXIT AMOUNT

The price for such a Buyback is equal to the total of the Redeemable Preference Share Subscription Price and the Redeemable Preference Share Dividend if pending. If a Redeemable Preference Share Dividend has already been paid prior to the date on which a call option exercise notice is given then the amount payable is equal to the Redeemable Preference Share Subscription Price plus any Dividend that may still may be pending. If no Dividend is pending then the repurchase price is equal to the original subscription price.

Consider the following example

\$250,000 is invested, this now is the Redeemable Preference Share Subscription Price (or the price paid for the shares)

The expected dividend is 39% or equal to \$97,500

Scenario 1

Before the call is made, the entire dividend of \$97,500 is already paid. So the repurchase will be done for \$250,000 which is the original purchase price of the shares.

Scenario 2

Before the call is made, \$90,000 in dividends is paid and \$7,500 is pending. When the repurchase happens it will now be for \$257,500 which covers the pending dividend as well as original purchase price of the shares.

Scenario 3

Before the call is made, no dividend is paid and entire \$97,500 is pending. When the repurchase happens it will now be for \$347,500 which covers the entire pending dividend as well as original purchase price of the shares.

The total repayment is described as the Redeemable Preference Share Exit Amount.

18.3.2. EXERCISE OF CALL OPTION ON COMPLETION OF THE PROJECT AND LOAN REPAYMENT

The Company must repurchase the Redeemable Preference Shares via the CALL as soon as the loan is repaid. The Company must exercise the CALL option at the end of 18 month term if it has not been exercised already provided there are no impediments to such an exercise. The Company is completely

dependent on the proceeds of loan being paid by the Main SPV which in turn is dependent on the sale of the units on completion of development at 10-14 Curwen Terrace, Chermside, QLD 4032.

In the circumstance that the loan is not repaid or extended due to sale not being achieved or for an amount lower than expected, then the Dividend and return in such a scenario may be lower including a potential loss of capital in the scenario where an underlying fund does not pay out at all as detailed in the risks section. The term of this project would also be extended in the absence of a sale which would mean that the Redeemable Preference Shares will be on issue longer than the proposed 18 months without the CALL being exercised.

18.3.2.1. NOTICE OF EXERCISE

To exercise the Call Option, the Company must give the Redeemable Preference Shareholder an exercise notice by the Director of the Company. This may be done by posting the signed notice document on the Online Platform which is accessible to the Redeemable Preference Shareholder.

18.3.3. EXERCISE NOTICE IS IRREVOCABLE

An exercise notice is effective when it is posted on the Online platform provided it is exercised in accordance with this Prospectus and when given, is irrevocable.

18.3.4. EFFECT OF EXERCISE OF OPTIONS

If a Call Option is exercised, an agreement will be constituted between the Company and the Redeemable Preference Shareholder for the sale and purchase of the Redeemable Preference Shares held by the Redeemable Preference Shareholder free from all encumbrances.

18.3.5. COMPLETION

Completion of the sale and purchase must take place within 10 Business Days after the Shareholder gives the exercise notices or such earlier date nominated by the Company. At completion, the Redeemable Preference Shareholder must:

- (a) cause, deliver or cause to be delivered to the Company the Redeemable Preference Share certificate issued to it, him or her; and
- (b) deliver a Redeemable Preference Share transfer form executed by or on behalf of the Redeemable Preference Shareholder;
- (c) if necessary, procure a release from all registered and unregistered security holders in the form of a deed of release and an undertaking from registered security holders to amend the Personal real estate Securities register by lodging a financing change statement in respect of the Redeemable Preference Shares registered in its, his or her name or evidence satisfactory to the Shareholder that the Redeemable Preference Shares are free from all encumbrances;

and

- (d) the Company must pay the Redeemable Preference Share Exit Amount in Immediately Available Funds to the Redeemable Preference Shareholder on whose Redeemable Preference Shares the CALL option was exercised.

18.4. PRIORITY ON PURCHASE OF END PRODUCT

Once plans are approved, the Main SPV will begin selling the residential units “off the plan” to potential buyers. Before these are promoted on the open market, the Main SPV will provide interested investors participating in this offer the opportunity to buy the residential units of their choice.

18.5. GENERAL RIGHTS ATTACHING TO REDEEMABLE PREFERENCE SHARES

18.5.1. RANKING

The Redeemable Preference Shares to be issued pursuant to this Prospectus will rank equally among themselves and ahead of existing Ordinary Shares with respect to any Dividend or Distributions payments. The Dividend rate payable to an individual Redeemable Preference Shareholder will however be dependent on the amount invested as defined in section 20.2.2.

18.5.2. VOTING RIGHTS

Redeemable Preference Shareholders have the right to receive notice of and to attend any meeting of Shareholders but will only be entitled to vote in the following circumstances:

1. On a proposal which affects the rights attached to Redeemable Preference Shares, to reduce the share capital of the Company, to wind up the Company or for the disposal of the whole of the real estate, business and undertaking of the Company;
2. During the winding up of the Company.

In circumstances where Redeemable Preference Shareholders are entitled to vote, they may cast one vote for each Redeemable Preference Share held. For such resolutions, Ordinary Shareholders and Redeemable Preference Shareholders will have the same voting rights.

In addition, under the Corporations Act, any proposal that might affect the rights attached to Redeemable Preference Shares must be approved by special resolution (75% of votes cast) of Redeemable Preference Shareholders and a separate resolution passed by special resolution of both Ordinary Shareholders and Redeemable Preference Shareholders.

18.5.3. TRANSFER OF REDEEMABLE PREFERENCE SHARES

A Shareholder may transfer Redeemable Preference Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Corporations Act for the purpose of facilitating transfers in Redeemable Preference Shares or in any other usual form or in any form approved by the Directors.

The Directors may refuse to register any transfer of Redeemable Preference Shares, other than a market transfer.

18.5.4. MEETINGS AND NOTICE

Each Shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under replaceable rules of the Corporations Act.

18.5.5. WINDING UP

The Company has only issued two classes of Shares, Ordinary and Preference which all rank equally in the event of liquidation.

A liquidator may, with the authority of a special resolution of Shareholders divide among the Shareholders in kind the whole or any part of the real estate of the Company, and may for that purpose set such value as he considers fair upon any real estate to be so divided, and may determine how the division is to be carried out as between the Shareholders.

The liquidator can, with the sanction of a special resolution of the Company's Shareholders, vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder of the Company can be compelled to accept any Redeemable Preference Shares or other Redeemable Preference Shares in respect of which there is any liability.

18.5.6. SHAREHOLDER LIABILITY

As the Redeemable Preference Shares under the Prospectus are fully paid Redeemable Preference Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

18.5.7. THE CONSTITUTION

The Company is relying on replaceable rules for its operations. Adoption of a separate Constitution can only be done by a special resolution passed by at least three quarters of Ordinary Shareholders present and voting at the general meeting. At least 28 days written notice, specifying the intention to propose the resolution as a special resolution, must be given.

18.6. AMENDMENTS TO THESE TERMS OF ISSUE

Subject to complying with all applicable laws, the Company may without the authority, assent or approval of Holders amend or add to these Terms of Issue if such amendment or addition is, in the opinion of the directors:-

- a) of a formal, minor or technical nature;
- b) made to correct a manifest error or ambiguity;
- c) made to comply with the Corporations Act; or
- d) not likely (taken as a whole and in conjunction with any other proposed modifications) to be materially prejudicial to the interests of Holders.

19. INTERPRETATION

Unless the context otherwise requires, if there is any inconsistency between the provisions of these Terms of Issue, then, to the maximum extent permitted by law, the provisions of these Terms of Issue will prevail.

Unless otherwise specified, the Directors may exercise all powers of the Company that are not, by the Corporations Act, required to be exercised by the Company in general meeting.

A reference to \$, dollars or cents is a reference to Australian currency.

Notices may be given by the Company to a Holder in the manner prescribed by replaceable rules for the giving of notices to members of the Company and the relevant provisions of replaceable rules apply with all necessary modification to notices to Holders.

If an event must occur on a stipulated day which is not a Business day, then the stipulated day for that event will be taken to be the next Business Day.

If a calculation is required, unless the contrary intention is expressed, the calculation will be rounded to two decimal places.

Calculations, elections and determinations made by the Company are binding on Holders in the absence of manifest error.

The terms 'takeover bid', 'relevant interest' and 'arrangement' when used in this Prospectus have the meaning given in the Corporations Act.

A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

The singular includes the plural and vice versa.

Where a word or phrase is defined its other grammatical forms have a corresponding meaning.

A reference to a person includes a body corporate, an unincorporated body or other entity and conversely.

A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns.

A reference to any instrument or document includes any variation or replacement of it. A term not specifically defined has the meaning given to it in the Corporations Act.

The Glossary in this Prospectus sets out the meaning of particular words and expressions.

Definitions and interpretation under the replaceable rules will apply to the terms of the Redeemable Preference Shares unless the contrary intention is expressed.

If any provision of the Terms of Issue is prohibited or unenforceable in its terms but would not be prohibited or unenforceable if it were read down, and is capable of being read down, that provision must be read down accordingly. If, despite this clause, a provision is still prohibited or unenforceable, if the provision would not be prohibited or unenforceable if a word or words were omitted, the relevant words must be severed and, in any other case, the whole provision must be severed. However, the remaining provisions of the Terms of Issue are of full force and effect.

20. ADDITIONAL INFORMATION

20.1. UPDATED INFORMATION

Where there is a change to information which is not material to investors, we will make this updated information available on the Online Platform website at <https://www.pycogroup.com.au/invest> (Updated Information).

If you require a paper copy of any Updated Information please contact us and it will be provided without charge on request.

While this Prospectus and any Updated Information are up to date at the time of preparation, changes may be made to the Company from time to time. You should ensure that you keep up to date with the latest information on the Company.

20.2. DISCLOSING ENTITY

The Company may become a disclosing entity in which case the following arrangements will apply.

As a disclosing entity, the Company will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. You will have the right to obtain various financial reports lodged with ASIC for the Company.

We will satisfy our continuous disclosure obligations for the Company by publishing material information on the Online Platform website at <https://www.pycogroup.com.au/invest>

Any material information affecting the Company will be placed on our website.

Accordingly, given the disclosure of material information will be made on our website, we will not be required to lodge continuous disclosure notices for the Company with ASIC.

20.3. LITIGATION

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

20.4. FINANCIAL FORECASTS

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

20.5. INTERESTS OF EXPERTS AND ADVISERS

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- a) has any interest or has had any interest during the last two years, in the formation or promotion of, or in real estate acquired or proposed to be acquired by in connection with its formation or promotion, or the offer of the Redeemable Preference Shares; and no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any such person in connection with the services provided by the person in connection with the formation or promotion of, or the offer of the Redeemable Preference Shares.

20.6. INTERESTS OF DIRECTORS

Other than set out elsewhere in this Prospectus:

a) no Director or proposed Director of the Company has, or has had in the two years before lodgement of this Prospectus, any interest in the formation or promotion of, or the offer of Redeemable Preference Shares, or in any loan proposed to be made in connection with information or promotion of the offer of the Redeemable Preference Shares; and

b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director of the Company either to induce him or her to become, or to qualify him or her as a Director, or otherwise for services rendered by him or her in connection with the promotion or formation of the Company or the offer of Redeemable Preference Shares.

20.6.1. SHAREHOLDINGS

The Directors of the Company or their associates have a beneficial interest in the following securities in the borrower Main SPV Curwen At Chermside Pty Ltd ACN 616 167 312 ATF Curwen Terrace Unit Trust (ACN 618 984 026) at the date of this Prospectus:

20.6.2. DIRECTOR OR RELATED ENTITY SECURITIES HELD

Lachlan Cottee and Glenn Piper are Directors of the Company Horizon by Pyco Group Ltd (ACN 629 358 738). Lachlan Cottee is the Director of the Main SPV Curwen At Chermside Pty Ltd ACN 616 167 312 ATF Curwen Terrace Unit Trust

Their shareholdings in both of these entities is shown below.

20.6.2.1. HORIZON BY PYCO GROUP LTD (ACN 629 358 738) SHAREHOLDING

Name	Number of Ordinary Shares	% of Total Ordinary Shares
Lachlan Cottee	1	50
Glenn Piper	1	50

20.6.2.2. CURWEN AT CHERMSIDE PTY LTD ACN 616 167 312 ATF CURWEN TERRACE UNIT TRUST (ACN 618 984 026)

SHAREHOLDING

Name	Number of Ordinary Shares	% of Total Ordinary Shares
Lachlan Cottee	93377	100

Copies of the Company extracts for the Company and the Main SPV can be found in the reference section.

The Directors may apply for Redeemable Preference Shares under the offer.

20.6.3. PAYMENTS TO DIRECTORS

Given that the Company is setup for the sole purpose of raising funds for the Development project controlled by the Directors, the Directors and management of the Company have decided to not seek any wages from the Company. They will receive their compensation as profits left after the investors are paid given that they are part of the Main SPV.

In addition all the expenses related to the operation of the Company and making this offer are being paid by the Company management without making use of investors monies.

20.6.4. RELATED PARTY TRANSACTIONS

All dealings with the planning contractor, construction contractor, sales agents etc will be done on a commercial arm's length basis. Glenn Piper who is the owner and Director of Meridian group and also the Director of this company will participate in marketing the offer and will be paid a marketing fee for promoting the offer. The fee and the engagement will be on commercial terms at market rates.

22.7. EXPENSES OF THE OFFER

The total estimated expenses of the offer payable by the Company, including ASIC fees, accounting fees, legal fees, share registry fees, printing costs, public relations costs, audits and other miscellaneous expenses are estimated to be approximately \$25,000.

20.7. PRIVACY

Investors will be required to provide personal information to make an investment in the Company.

The Company and their service providers may collect, hold and use potential investors' personal information in order to assess applications, service the needs of prospective and actual investors, service the needs of the Company and for other purposes permitted under the Privacy Act 1998 (Cth).

Tax and Company law also require some specific information to be collected in connection with applications and to provide this to certain Government authorities.

20.8. REPORTING AND CERTIFICATION

Your investment balance and transactions will be recorded on the Online Platform which will be accessible using your username and password.

When you make a successful investment in the Company, you will be provided with an electronic unit certificate showing your holdings in the Company. In addition to balance and transactions available on the Online Platform you will also be provided with the following periodic reports:

- a) an annual report with tax components; and
- b) Quarterly Update reports with any repayments and/or any updates about the Development.
- c) Regular updates on the progress of the project which may include pictures and videos

20.9. ELECTRONIC INSTRUCTIONS

If an investor instructs the Company by electronic means, such as facsimile, email or internet the investor releases the Company from and indemnifies the Company against, all losses and liabilities arising from any payment or action the Company makes based on any instruction (even if not genuine) that the Company receives by an electronic communication bearing your representation and which appears to indicate to the Company that the communication has been provided by the investor eg. a signature which is apparently the investor's and that of an authorised signatory for the investment or an email address which is apparently the investor's. The investor also agrees that neither they nor anyone claiming through them has any claim against the Company or the Online Platform in relation to such payments or actions. There is a risk that a fraudulent withdrawal request can be made by someone who has access to an investor's username and password and a copy of their signature or email address. Please take care.

20.10. ELECTRONIC PROSPECTUS

This Prospectus is available in electronic form at <https://www.pycogroup.com.au/invest>. We will send, on request, any person receiving this Prospectus electronically, a paper copy of the Prospectus free of charge during the period of the offer. Applications must be made by completing the Application Form online in accordance with the instructions in this Prospectus.

Redeemable Preference Shares cannot be issued unless you complete the Application Form online. The Application Form contains a declaration that you have personally received the complete and unaltered Prospectus prior to completing the Application Form. You should read this Prospectus in its entirety before completing the Application Form.

We will not accept a completed Application Form if we have reason to believe that the applicant has not received a complete paper copy or electronic copy of the Prospectus, or if we have reason to believe that the Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While we believe that it is extremely unlikely that during the period of the offer the electronic version of this Prospectus will be tampered with or altered in any way, we cannot give any absolute assurance that this will not occur. If you are in doubt about the validity or integrity of an electronic copy of the Prospectus you should immediately request a copy of the Prospectus directly from us or your adviser.

21. CONSENTS

The directors have given and have not, before the lodgement of this Prospectus, withdrawn their written consent to the issue of this Prospectus with ASIC.

Lachlan Cottee has given his written consent to being named as Director and Company secretary in this Prospectus, in the form and context in which it is named. Lachlan Cottee has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

Glenn Piper has given his written consent to being named as Director in this Prospectus, in the form and context in which it is named. Glenn Piper has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

Alan Brawn has given her written consent to being named as Director in this Prospectus, in the form and context in which it is named. Alan Brawn has not withdrawn her consent prior to the lodgement of this Prospectus with the ASIC.

Lachlan Cottee who is the Director of the Main SPV Curwen At Chermside Pty Ltd ACN 616 167 312 ATF Curwen Terrace Unit Trust has given his written consent for the Main SPV being referred to in this Prospectus, in the form and context in which it is named. Lachlan Cottee has not withdrawn his consent on behalf of the Main SPV prior to the lodgement of this Prospectus with the ASIC.

Ben Dalgliesh who is the Director of Dalgliesh Consulting has given his written consent for the Dalgliesh Consulting being referred to in this Prospectus, in the form and context in which it is named. Ben Dalgliesh has not withdrawn his consent on behalf of the Dalgliesh Consulting prior to the lodgement of this Prospectus with the ASIC.

AH Jackson & Co Chartered Accountants (ABN 67 897 021 099) has given, and not withdrawn, its written consent to being named as Auditor of the Company in this Prospectus, in the form and context in which it is named. AH Jackson & Co Chartered Accountants has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Ben Dalgliesh who is the Director of Dalgliesh Consulting has given his written consent for the Dalgliesh Consulting being referred to in this Prospectus, in the form and context in which it is named. Ben Dalgliesh has not withdrawn his consent on behalf of the Dalgliesh Consulting prior to the lodgement of this Prospectus with the ASIC.

Herron Todd White (Brisbane) Pty Ltd ABN 41 605 787 200 has given its written consent for the valuation report being referred to in this Prospectus, to be included in the form and context in which it is referred to. Herron Todd White (Brisbane) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Cordato partners has given its written consent for the solicitor's/conveyancers report being referred to in this Prospectus, to be included in the form and context in which it is referred to. Cordato partners has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

HPL Law group has given its written consent for the solicitor's/conveyancers report being referred to in this Prospectus, to be included in the form and context in which it is referred to. HPL Law group has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Mitchell Brandtman has given its written consent for the Quantity surveyor report being referred to in this Prospectus, to be included in the form and context in which it is referred to. Mitchell Brandtman has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Rawcorp has given its written consent for the construction contract being referred to in this Prospectus, to be included in the form and context in which it is referred to. Rawcorp has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Meridian Australia has given its written consent for the Due Diligence report being referred to in this Prospectus, to be included in the form and context in which it is referred to. Meridian Australia has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

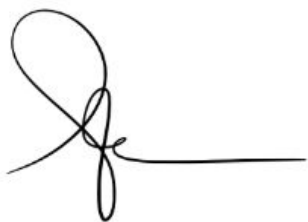
Each of the parties referred to in this Section, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

22. GOVERNING LAW

This Prospectus, the offer and the contracts formed by the acceptance of Applications under the offer are governed by the laws in force in the State of Queensland. The Company and each Applicant submit to the non-exclusive jurisdiction of the courts of Queensland.

24. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. The Directors state that they have made all reasonable enquiries and have reasonable grounds to believe that any statements by the Directors in this Prospectus are true and not misleading. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, consisting of a large loop followed by a horizontal line extending to the right.

Lachlan Cottee

Managing Director

Horizon by Pyco Group Ltd

23. GLOSSARY

APPLICATION FORM

The investment Application Form accompanying this Prospectus, which you must complete in order to become an Investor in the Company. The Application Form must be completed online via the Online Platform at <https://www.pycogroup.com.au/invest>

ASIC

The Australian Securities and Investments Commission.

BORROWER

The legal entity which is borrowing from the Company.

BUSINESS DAY

A day which is not a Saturday, Sunday or a gazetted public holiday in Sydney..

INVESTOR

A person who holds an Ordinary or Redeemable Preference Share.

INVESTOR PLATFORM

The Online Platform, which Investors have access to for managing their accounts. You can access the Investor Platform via the Company's website at <https://www.pycogroup.com.au/invest>

PROSPECTUS

This Prospectus relating to an investment in the Company.

REIMBURSABLE EXPENSES (EXTRAORDINARY)

Expenses and costs incurred by the Company which are extraordinary, non-recurring and which occur outside of the normal operation of the Company (including, but not limited to, convening Investor meetings, producing disclosure documents, any enforcement action against Borrower, commencing and defending litigation, etc).

REIMBURSABLE EXPENSES (NORMAL)

Expenses and costs incurred by the Company relating to the normal recurring day to day operations of the Company.

24. CORPORATE DIRECTORY

24.1. OFFICE ADDRESS

854 Pittwater Road

Dee Why NSW 2099

24.2. POSTAL ADDRESS

Po Box 1101

Manly NSW 16555

24.3. CONTACT DETAILS

Phone: 02 9982 0282 or M. 0423 299 450

Email: lachlan@pycogroup.com.au

Website: <https://www.pycogroup.com.au/invest>

24.4. DIRECTORS

Lachlan Cottee

Glenn Piper

Alan Brawn

24.5. COMPANY SECRETARY

Lachlan Cottee

24.6. AUDITOR

AH Jackson & Co Chartered Accountants (ABN 67 897 021 099)

Email: e.manicaros@ahjackson.com

Phone: (07) 3253 1500

Website: www.ahjackson.com

25. APPLICATION FORM

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire prospectus carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the prospectus.

I/we apply for

Number of Redeemable Preference Shares in Horizon by Pyco Group Ltd at \$1 per Share or such lesser number of Redeemable Preference Shares which may be allocated to me/us

I/we lodge full Application Money

\$ _____

Are you investing as

- a. Individual investor
- b. Joint Investor
- c. Company or Trust

Individual/Joint applications - refer to naming standards for correct forms of registrable title(s)

Title or Company Name

Given Name(s)

Surname

Joint Applicant 2

Horizon by Pyco Group Ltd – Prospectus

Enter your Postal Address

Unit

Street number

Street name

City/Suburb/Town

State

Post Code

Enter your Contact Details

Contact Name

Phone number

Make your cheque or bank draft payable to “Horizon by Pyco Group Ltd” and crossed “Not Negotiable or do an EFT transfer to

Account Name	Horizon by Pyco Group Ltd
BSB	062155
Account Number	10690441
Bank	CBA Dee Why
Reference	<Investor Name>

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the replaceable rules of the Corporations Act being used by the Company. I/We confirm that I/We have not been provided Personal or General Financial Advice by Tech Baron PTY LTD which provides Technology services as platform operator. I/We have relied only on the contents of this Prospectus in deciding to invest and will seek independent adviser from my financial adviser if needed.

25.1. HOW TO COMPLETE THIS FORM

25.1.1. REDEEMABLE PREFERENCE SHARES APPLIED FOR

Enter the number of Redeemable Preference Shares you wish to apply for. The application must be for a minimum of 50,000 Redeemable Preference Shares. Applications for greater than 5,000 Redeemable Preference Shares must be in multiples of 1,000 Redeemable Preference Shares. Note that 1 Redeemable Preference share is worth \$1.00 so this number is also equal to the amount you wish to invest.

25.1.2. APPLICATION MONIES

Enter the amount of Application Monies. Note that 1 Redeemable Preference share is worth \$1.00 so this number is also equal to the amount of Redeemable Preference Shares you wish to purchase.

25.1.3. APPLICANT NAME(S)

Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a Company. Up to 2 joint Applicants may register.

25.1.4. POSTAL ADDRESS

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

25.1.5. CONTACT DETAILS

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

25.1.6. PAYMENT

If you are using EFT, please use the instructions mentioned above for Bank account details. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected.

26. REFERENCES

Due Diligence report	https://www.dropbox.com/s/vtmt1lqnvuei6wo/Horizon%20DDR.pdf?dl=0
Artist rendering of end product	https://www.dropbox.com/sh/0qhjtz9os4sacow/AAAQUfJH_hskngFTvfDkG6A0a?dl=0
Plans	https://www.dropbox.com/sh/t794mlzatxu7k96/AAArzRhA_pUwkxxs3SYZzYfVa?dl=0
Land settlement	https://www.dropbox.com/sh/0r2rrr0kud9kkkr/AACZZ6tG_lrWdn_WVQBSj8Sga?dl=0
Build contract	https://www.dropbox.com/sh/4lfrusv48sndgkl/AAAOSNjl6t3NnDDMkSapaeWUa?dl=0
Quantity Surveyor Report	https://www.dropbox.com/s/8tfgtnvv0pc9lyv/Initial_Report.pdf?dl=0
Solicitors reports on sales achieved till date	https://www.dropbox.com/sh/n25unslmh8hlbyu/AABJcibF0fVZU2uslG-lagj4a?dl=0
Valuation report	https://www.dropbox.com/s/eqsroy9v612t47e/BNN615632%20-%20Report%20-%2010-14%20Curwen%20Tce%2C%20Chermside%20-%20Amended.pdf?dl=0
Loan agreement	https://www.dropbox.com/s/lzdoxs9b8c7zrb/PYCO%20Loan%20Agreement.pdf?dl=0
Company and Main SPV incorporation papers	https://www.dropbox.com/sh/4uwn59mkerepw6n/AADDSAohZfsZ9tODr0gw-Z-Ua?dl=0