



MODULATION™  
Join the **Revolution.**





CHANGE  
THE WAY  
YOU **THINK.**

CHANGE  
THE WAY  
YOU **BUILD.**





Modulation™ is a revolutionary building system and a disruptor in the construction industry.

Traditional construction costs are soaring and construction methods need to change fast.

Our modules can be repurposed, refurbished and reinstalled at different locations, which allows new revenue streams to be created and investors to be rewarded time and time again.

Our product is faster, cheaper and relocatable with infinite uses, the sky is the limit.

Modulation™ is at the forefront of a coming construction revolution.

Join us and become a **foundation investor in the future**





## **FASTER & CHEAPER**

around 33% cheaper, up to 60% faster.\*  
Significantly reduce 'holding costs' (land rates) and finance costs  
Build high-rise towers one floor per day.^ Minimal labour costs.



## **RELOCATABLE**

Relatively easy and inexpensive to dismantle and transport.  
Adaptable to different sites and building configurations.  
Maximise usage of urban landscapes in their 'Meanwhile' stage of development.



## **REVOLUTIONARY**

Unlimited uses.  
The biggest disruptor to construction since the invention of concrete.  
Saves time, money.  
Three new technologies, unique to the market;  
Invisi-floor™ technology  
Dynamic strut system™  
Contra-form system™



# 33% CHEAPER 60% FASTER

around 33% cheaper\*  
up to 60% faster\*

Traditional construction methods can't match Modulation™ as we can dramatically cut the construction cost and time spent on site.

With around 95 days turnaround from order to a fully fitted module landing on site, Modulation's swift construction process will disrupt the entire industry. The speed of construction significantly reduces 'holding costs' (land rates) and finance costs, which together traditionally make up 5-10% of total project costs. Once the foundation is established, a typical high-rise tower structure can be erected at the rate of one floor per day<sup>^</sup>. The Modulation™ system is simply balanced, stacked and locked. And our modules are individually supportive so that engineers don't have to rely on structural columns. Your 30-storey hotel could be erected with only 30 days on site.<sup>^</sup>

In addition to assembly being up to 60% faster\* than traditional building, Modulation™ allows for dramatic reductions in labour costs. Because all the fit-out and finishes are completed in the factory prior to shipping, far fewer workers are needed for the assembly process. Once the modules have been trucked to site, all that's required is a crane and workers to lock the modules together.

\* based on the estimated average cost and time required to construct the tower structure for a typical high rise tower when using the Modulation System (\$3,000 per square metre, 6 months for assembly) compared to traditional concrete construction methods (\$5,000 per square metre, 18 months for assembly). Refer to the case study for a worked example.<sup>^</sup> based on the estimated time required to assemble the tower structure for a typical high rise tower with 8 modules per floor if only one crane is used. The actual speed of assembly may differ depending on factors such as the number of modules per floor, the number of cranes used and your site-specific needs.





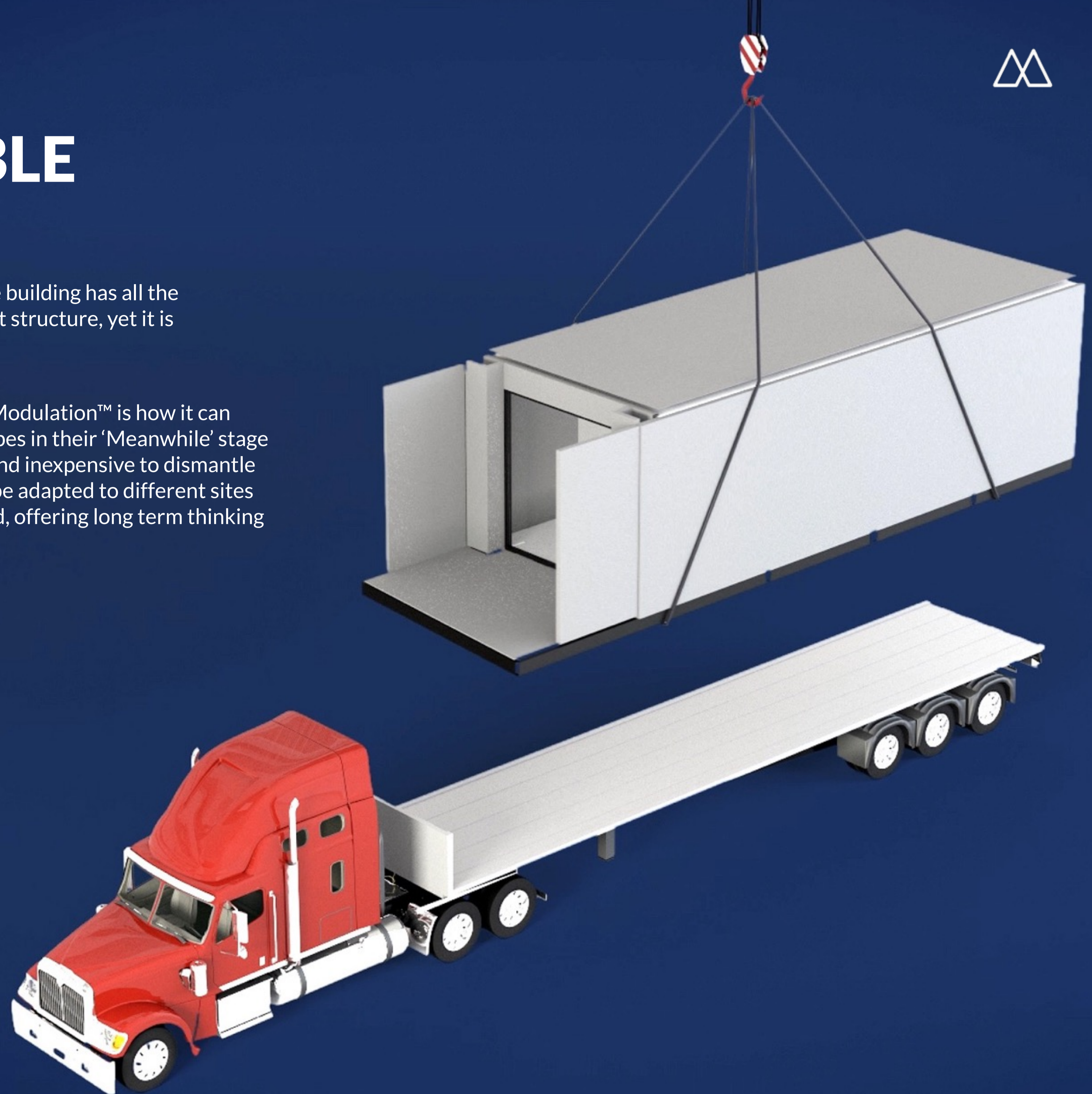


# RELOCATABLE

---

The quality of the modules means the building has all the engineering hallmarks of a permanent structure, yet it is removable and readily relocated.

One of the most exciting benefits of Modulation™ is how it can maximise the usage of urban landscapes in their 'Meanwhile' stage of development. It is relatively easy and inexpensive to dismantle and transport. And our modules can be adapted to different sites and building configurations as needed, offering long term thinking for short-term opportunities.







# REVOLUTIONARY

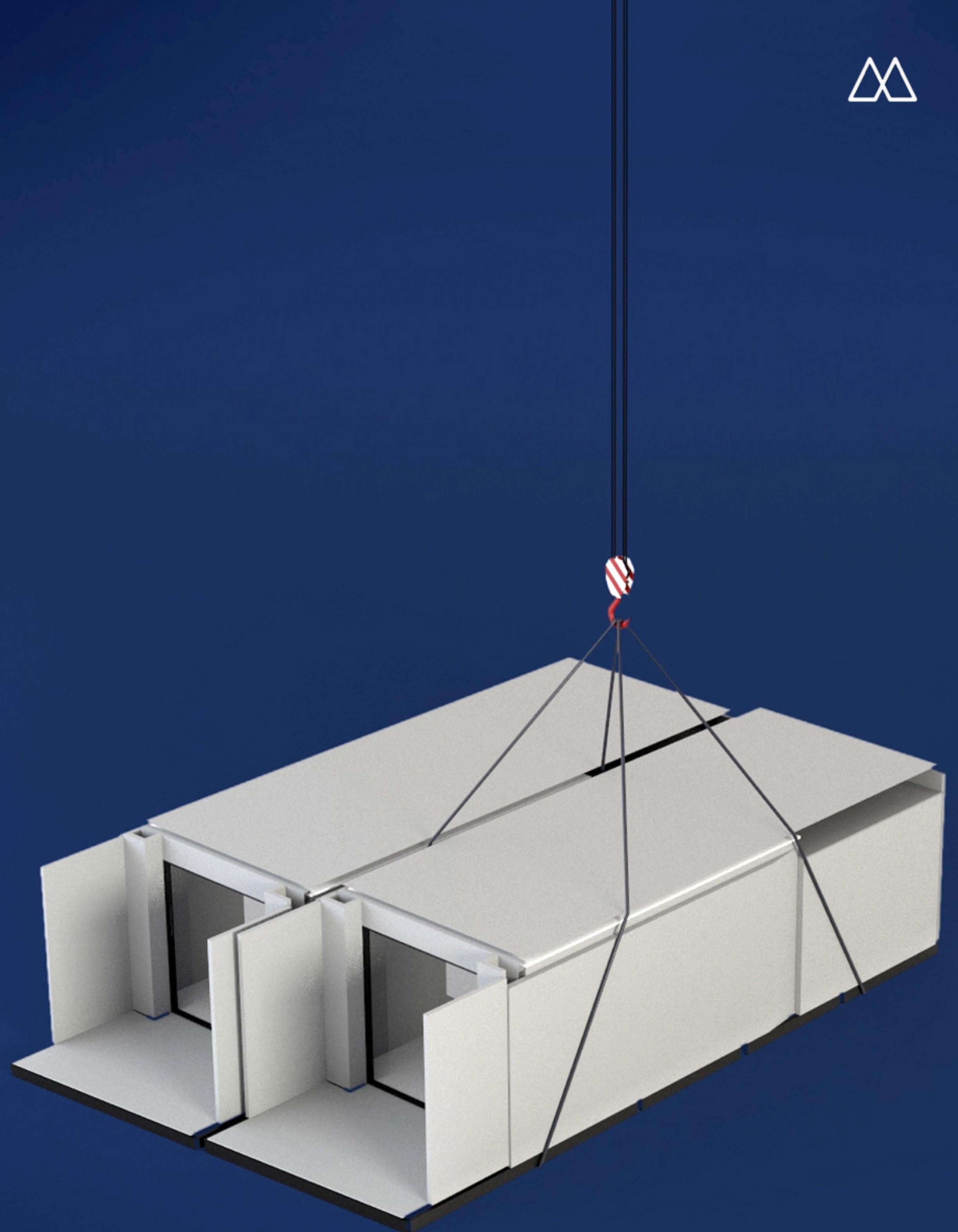
---

Modulation™ is the biggest disruptor to construction since the invention of concrete. It is more than just a revolutionary building process by improving every aspect of the construction and financing process.

Modulation™ saves time and money. Architect-designed and engineered to the quality standards required of modern buildings, Modulation™ is the solution for so many issues facing the construction industry – from costs to available land.

We've invented three technologies, unique to the market;

1. Invisi-floor™ technology: no loss of height or FSR, yet still is compartmentalised for fire-safety.
2. Dynamic strut system™: the modules click into place on site, reducing time and labour on site.
3. Contra-form system™: enabling it to meet all Australian standards and building codes and all current fire regulations.







# FASTER, CHEAPER & RELOCATABLE

Modulation™ is faster, cheaper and relocatable thanks to:

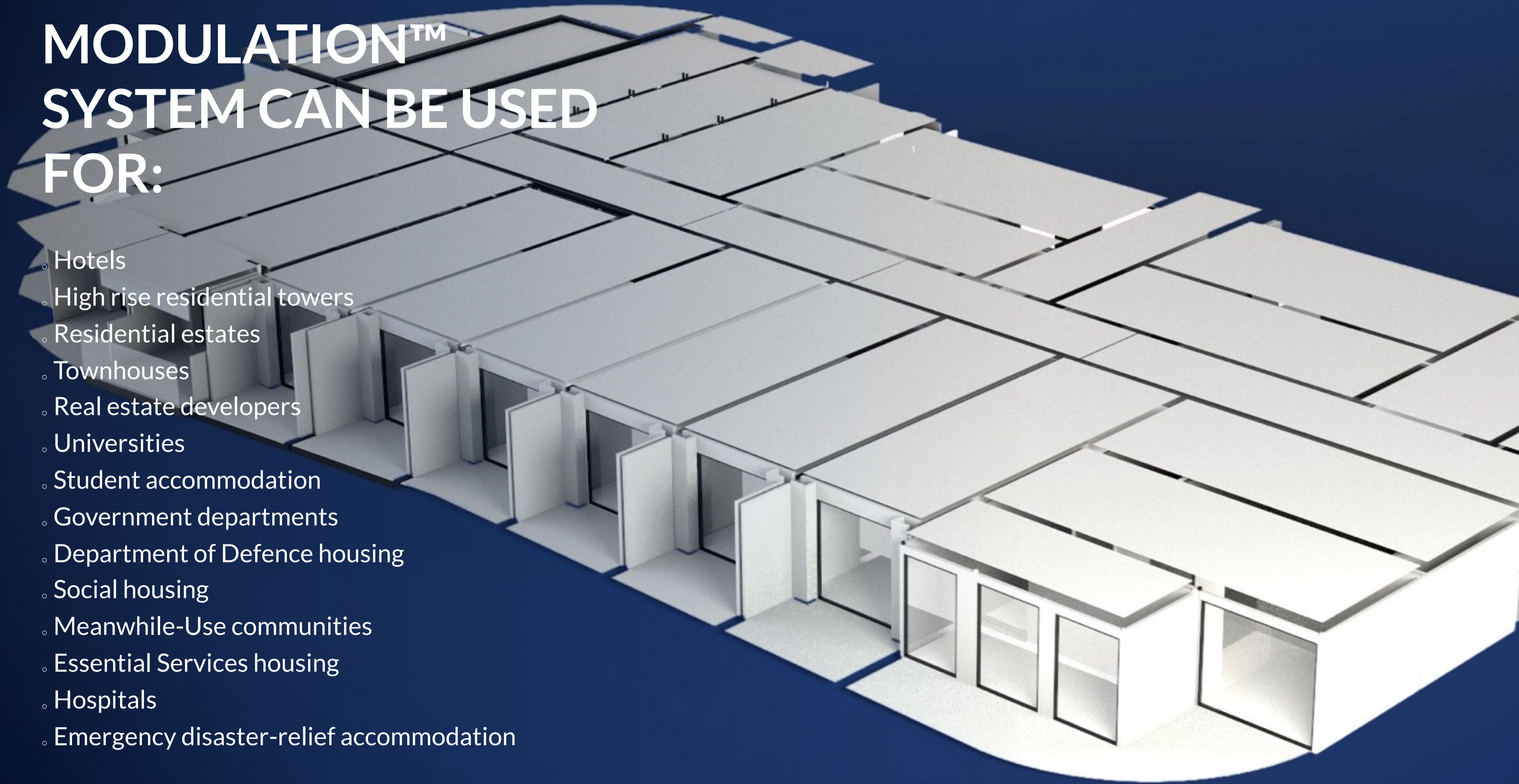
- Significantly increased speed of construction compared to conventional construction methods. Construction times can be shortened because most construction phases can be delivered simultaneously, rather than consecutively
- Reduced construction wastage
- Manufactured under factory-controlled conditions, allowing tighter specifications than can typically be achieved from traditional on-site construction methods.
- Relative independence from weather conditions, and reduced disruption to local traffic and neighbouring sites or activities





# THE **REVOLUTIONARY** MODULATION™ SYSTEM CAN BE USED FOR:

- Hotels
- High rise residential towers
- Residential estates
- Townhouses
- Real estate developers
- Universities
- Student accommodation
- Government departments
- Department of Defence housing
- Social housing
- Meanwhile-Use communities
- Essential Services housing
- Hospitals
- Emergency disaster-relief accommodation







**INVESTOR  
LEASEBACK PROGRAM**



# INVESTOR LEASEBACK PROGRAM

Flexible building and flexible financing; Modulation™ allows access to a whole new world of financial and future flexibility. Our funding model is a lease-back program for investors which works as follows:

- Invest in a modular building
- The modules will be leased to the end-user or developer Lease term would be 5-10 years or longer
- Upon lease expiry the modules can be dismantled and relocated to another site with a new lease signed
- The 'make good' provision would be the ground /transfer slab

The investor is not locked into the traditional location risk associated with investing in a conventional building, and the investment allows new revenue streams to be created

**Likely tenants for the Leaseback Program are:**

- Hotel operators
- Government departments for social housing, infrastructure
- Real estate developers
- Universities

**The ideal uses for these buildings include:**

- Hotels
- Residential developments
- Student accommodation
- 'Meanwhile use' communities
- Department of Defence
- Hospitals

**The Investor Leaseback Program is ideally suited to:**

- High net worth individuals
- Superannuation funds
- Institutional investors
- Venture capitalists





# MODULAR DEVELOPMENT

Case Study



# MODULAR DEVELOPMENT

## CASE STUDY



### IMPORTANT NOTICE & DISCLAIMER:

The case study is intended as a guide only and an aid to further investigation by builders and developers. The information in this case study is of a general nature and does not purport to be complete nor does it contain all the information which you may require in deciding whether to use the Modulation system. You should make your own enquiries and obtain your own independent advice.

To the extent that this case study includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based upon the information known to APDC at the date of preparing this study and based on assumptions which APDC considered to be reasonable at the time.

To the maximum extent permitted by law, APDC does not make any warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in the case study.

This case study is based on a typical example of a downtown site with a proposed hotel (285 room 5 star hotel) with the typical facilities and amenities

This case study shows the estimated difference between a hotel built using conventional concrete construction and the same building by “Modulation™”. The key difference is the construction costs and construction period. By reducing the time and costs of construction, Modulation™ allows builders and developers to save on holding charges<sup>1</sup> and interest and finance costs<sup>2</sup>.



# MODULAR DEVELOPMENT

## CASE STUDY



### Assumptions about conventional inputs are as follows:

Construction costs of \$5,000/sqm

Construction period of 18 months excluding design or lead time

Holding charges of \$3,500,000

Interest and finance costs of \$7,982,012

This resulted in a net loss of [-16.30%]

### For Modulation, we only changed the following inputs:

- . a Construction costs of \$3,000/sqm
  
- . b Construction period of 6 months

### This resulted in the following:

•••••

Holding Charges of \$1,500,000 (a saving of 57%)

Interest and Finance costs of \$3,710,604 (a saving of 54%)

This resulted in a net profit of 20.10% (an increase of 36.4%)

I have also included a holding cashflow, which shows when the hotel will demonstrate positive cashflow:

- . i Conventional = after Year 10
  
- . ii ModulationTM = Year 5

<sup>1</sup> Holding charges consist of land rates.

<sup>2</sup> Interest and finance costs include interest, brokerage fees, any mortgage duty and valuation costs.



# FEASIBILITY ANALYSIS

CONVENTIONAL



Caprock Feasibility Analysis				
Project: Hotel , Conventional				
Key Financial Drivers				
Costs		% of Total		Sales
Land:	\$25,000,000	19.2%	Gross Realisation	\$ 114,750,000
Development:	\$19,646,249	15.1%	Nett Rent less Incent.	\$0
Construction:	\$70,875,000	54.4%	Selling Costs:	-\$5,739,100
<b>Hard Costs:</b>	<b>\$115,521,249</b>	<b>88.7%</b>	<b>Net Realisation:</b>	<b>\$109,010,900</b>
Acquisition:	\$2,097,990	1.6%		
Holding:	\$3,500,000	2.7%		
Finance:	\$7,982,012	6.1%		
Marketing:	\$1,147,855	0.9%		
<b>Soft Costs:</b>	<b>\$14,727,857</b>	<b>11.3%</b>		
Total Project Cost - Before Interest	\$124,512,931		<b>Net Profit:</b>	<b>-\$21,238,207</b>
<b>Total Project Cost:</b>	<b>\$130,249,107</b>		<b>Net Profit % (ROC):</b>	<b>-16.3%</b>
Finance		Project Duration		
Maximum Loan Drawdown:	\$84,874,275	Site Settlement Date	1-Feb-2017	
Maximum Drawdown Month:	21	Construction Start	1-Feb-2017	
Loan Repaid Month:	23	Construction End	31-Aug-2018	
Interest Paid:	\$5,736,176	Project End	30-Nov-2018	
First Mortgage:	\$59,411,992	70.0%	of TPC	
Second Mortgage:	\$0	0.0%	of TPC	
Investor Equity:	\$39,074,732			
Unit Type	No. Of Units	GBA m <sup>2</sup>	Average Sales Rate \$/m <sup>2</sup>	
Residential Units	0	0	\$0	
Commercial Units	1	13500	\$8,500	
Commercial Other	0	0	\$0	
Mortgage Funding	% of TPC	Interest Rate	LCR	LVR
1st Mortgage	70%	7.0%	64.8%	77.4%
2nd Mortgage	0%	0.0%	0.0%	0.0%
Blended	70%	7.0%	64.8%	77.4%
Construction Stages		Selling Stages		
Stage 1 Start	1-Feb-2017	Stage 1 Start	23-Nov-2018	
Months	18	Months	1	
Cost \$	67,500,000	Sales	\$114,750,000	
<b>Total Construction</b>	<b>\$ 67,500,000</b>	<b>Total Sales</b>	<b>\$ 114,750,000</b>	

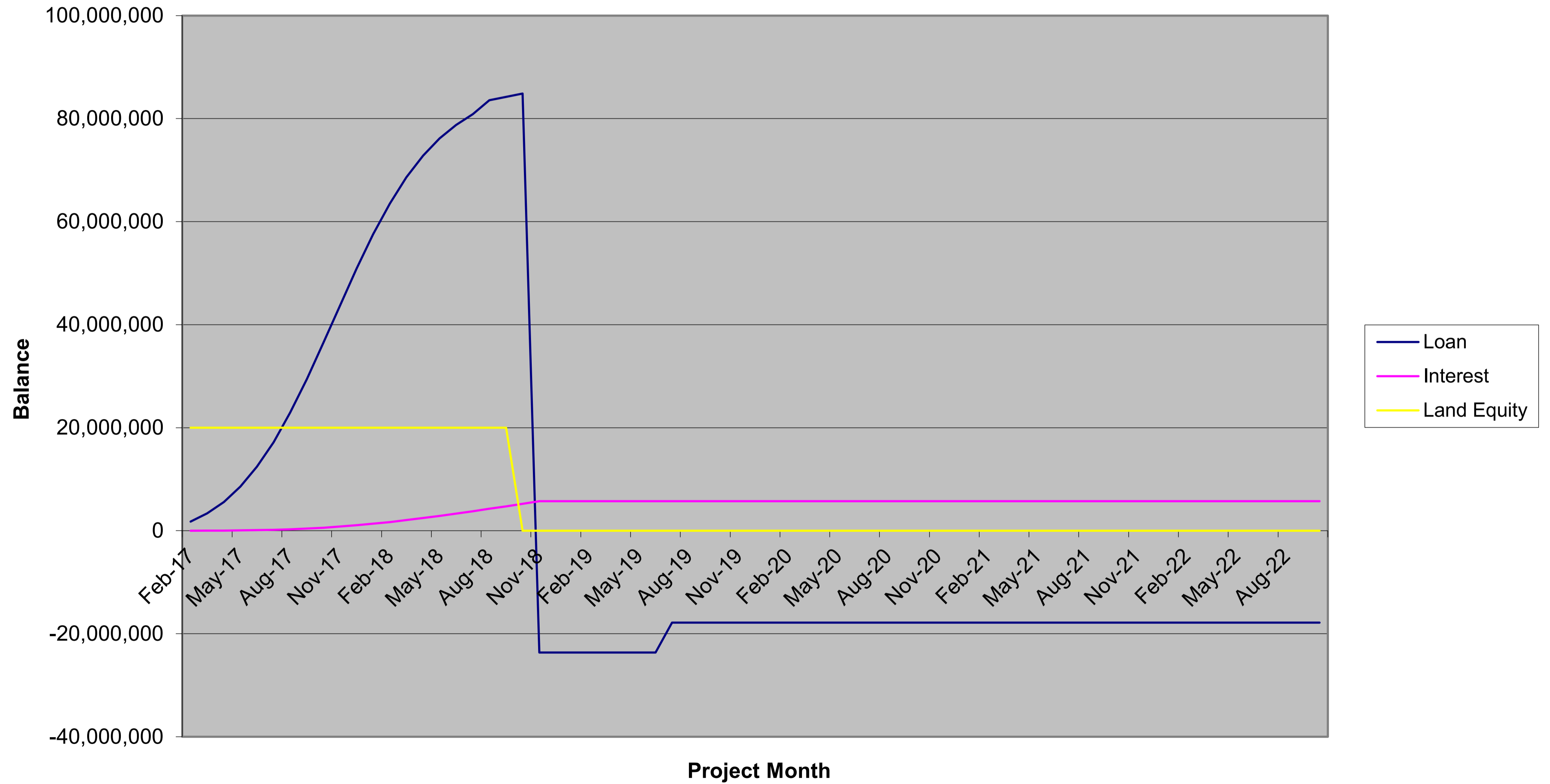


# LOAN CHART

CONVENTIONAL



## REIT Capital Feasibility Analysis Finance Facility





Hotel Summary Analysis														
AUD 000's	Totals	Input Page	Diff's	Year 1 Dec 18	Year 2 Dec 19	Year 3 Dec 20	Year 4 Dec 21	Year 5 Dec 22	Year 6 Dec 23	Year 7 Dec 24	Year 8 Dec 25	Year 9 Dec 26	Year 10 Dec 27	total
Acquisition Costs	\$ 2,097,990	\$ 2,097,990	\$ -	\$ 2,097,990										
Development Costs	\$ 19,646,249	\$ 19,646,249	\$ -	\$ 19,646,249										
Finance Costs	\$ 7,982,012	\$ 7,982,012	\$ -	\$ 7,982,012										
Marketing Costs	\$ 1,147,855	\$ 1,147,855	\$ -	\$ 1,147,855										
Fund Establishment Fee	\$ 4,742,196	\$ 4,742,196	\$ -	\$ 4,742,196										
Design	\$ -	\$ -	\$ -	\$ -										
FF+E	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 4,000,000										
Construction Phazing (Incl Contingency)	\$ -	\$ -	\$ -	\$ -										
	\$ 39,616,302			\$ 39,616,302										
Stage 1 Start	\$ 70,875,000	\$ 70,875,000	\$ -	\$ 70,875,000										
Stage 3 Start	\$ -	\$ -	\$ -	\$ -										
Stage 4 Start	\$ -	\$ -	\$ -	\$ -										
Stage 5 Start	\$ -	\$ -	\$ -	\$ -										
	\$ 70,875,000			\$ 70,875,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 110,491,302	\$ -	\$ -	\$ 110,491,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land Payments	\$ 25,000,000			\$ 25,000,000										
		Date												
		01-Feb-17		\$ 25,000,000										
		01-Feb-17		\$ -										
		01-Feb-17		\$ -										
		01-Feb-17		\$ -										
Total Land payments	\$ 25,000,000			\$ 25,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Costs	\$ 135,491,302		Total Less Equity ShortFall	\$ 135,491,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TPC Cumulative			\$ 135,491,302	\$ 135,491,302	\$ 135,491,302	\$ 135,491,302	\$ 135,491,302	\$ 135,491,302	\$ 135,491,302	\$ 135,491,302	\$ 135,491,302	\$ 135,491,302	\$ 135,491,302	\$ 135,491,302
Debt Required	Ratio		Total	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302
Cumulative Debt	52%	\$ 70,491,302	52.0%	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302	\$ 70,491,302
Equity ratio	48%	\$ 65,000,000	48.0%	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000
Cumulative Equity				\$ 72,502,399	\$ 70,491,649	\$ 68,989,205	\$ 68,716,021	\$ 68,418,878	\$ 68,090,294	\$ 67,751,852	\$ 67,403,258	\$ 67,044,205	\$ 66,674,381	\$ 66,304,937
Actual Equity Contributed Inc. Shortfall				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Required				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Required				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Property Level Cash Flows</b>														
Resort Operating Profit	\$/m2	m2	Income	Growth										
				100.0%										
EBITDA					6,869,275	8,880,025	10,382,468	10,655,653	10,952,796	11,281,380	11,619,821	11,968,416	12,327,469	12,697,293
Equity shortfall Contributed														
FF&E Reserve					(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Lease														\$ -
Operating Income	\$				6,669,275	8,680,025	10,182,468	10,455,653	10,752,796	11,081,380	11,419,821	11,768,416	12,127,469	12,497,293
Hedge														
Interest Senior Debt	70,491,302	8.00%			(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)
Interest Mezzanine Debt	65,000,000													
Total Interest					(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)	(5,639,304)
OPPEX														
Building Management Fee														
Funds Management Fee		1.50%			(2,032,370)	(2,032,370)	(2,032,370)	(2,032,370)	(2,032,370)	(2,032,370)	(2,032,370)	(2,032,370)	(2,032,370)	(2,032,370)
Project Cash Flow Before distribution			28,917,859		(1,002,399)	1,008,351	2,510,795	2,783,979	3,081,122	3,409,706	3,748,148	4,096,742	4,455,795	4,825,619
Project Cash Flow Before Distribution - Cumulative					(1,002,399)	5,953	2,516,747	5,300,726	8,381,849	11,791,555	15,539,703	19,636,445	24,092,240	28,917,859
Return On Equity (ROI)					-2%	2%	4%	4%	5%	5%	6%	6%	7%	7%
Return On Equity (ROI) - Cumulative					-1%	0%	4%	8%	12%	17%	23%	29%	36%	43%
Investor Preferred Return			Hurdle											
Actual Investor Return			10.00%	\$ 65,000,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Investor Yield				\$ 28,917,859	(1,002,399)	1,008,351	2,510,795	2,783,979	3,081,122	3,409,706	3,748,148	4,096,742	4,455,795	4,825,619
Investor Shortfalls					-1.54%	1.55%	3.86%	4.28%	4.74%	5.25%	5.77%	6.30%	6.86%	7.42%
Cumulative Shortfall				\$ 36,082,141	(7,502,399)	(5,491,649)	(3,989,205)	(3,716,021)	(3,418,878)	(3,090,294)	(2,751,852)	(2,403,258)	(2,044,205)	(1,674,381)
					(7,502,399)	(12,994,047)	(16,983,253)	(20,699,274)	(24,118,151)	(27,208,445)	(29,960,297)	(32,363,555)	(34,407,760)	(36,082,141)
Net Cash Flow				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Shortfall (to maintain distribution)														
Cash Balance Requirement			2,371,098											
Cap Rate	8.00%													
Selling fee	3.00%													
Gross Sale of Asset			158,716,158		85,865,938	111,000,314	129,780,854	133,195,657	136,909,952	141,017,251	145,247,768	149,605,201	154,093,357	158,716,158
Plus Cash @ Bank			2,371,098											
Less Senior Debt			70,491,302		70,491,302	70,491,302	70,491,302	70,491,302	70,491,302	70,491,302	70,491,302	70,491,302	70,491,302	70,491,302
Less Equity			65,000,000		65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000
Selling Costs			4,761,485		2,575,978	3,330,009	3,893,426	3,995,870	4,107,299	4,230,518	4,357,433	4,488,156	4,622,801	4,761,485
Total Costs			140,252,787		138,067,281	138,821,312	139,384,728	139,487,172	139,598,601	139,721,820	139,848,735	139,979,458	140,114,103	140,252,787
Total Profit Upon Sale			20,834,469		(52,201,343)	(27,820,998)	(9,603,874)	(6,291,515)	(2,688,649)	1,295,431	5,399,033	9,625,743	13,979,254	18,463,371
Profit Split			0%											
Investor return from Sale														
Total Investor Return					(1,002,399)	1,008,351	2,510,795	2,783,979	3,081,122	3,409,706	3,748,148	4,096,742	4,455,795	4,825,619
Cash Balance to REIT			100%		(52,201,343)	(27,820,998)	(9,603,874)	(6,291,515)	(2,688,649)	1,295,431	5,399,033	9,625,743	13,979,254	18,463,371
Project ROI - Annulised					0%	0%	0%	0%	0%	1%	4%	7%	10%	14%
Interest Cover Ratio					1.18	1.54	1.81	1.85	1.91	1.97	2.03	2.09	2.15	2.22



# FEASIBILITY ANALYSIS

MODULATION™



Caprock Feasibility Analysis				
Project: Hotel , Conventional				
Key Financial Drivers				
Costs		% of Total		Sales
Land:	\$25,000,000	27.5%	Gross Realisation	\$ 114,750,000
Development:	\$14,784,224	16.3%	Nett Rent less Incent.	\$0
Construction:	\$42,525,000	46.9%	Selling Costs:	-\$5,739,100
<b>Hard Costs:</b>	<b>\$82,309,224</b>	<b>90.7%</b>	<b>Net Realisation:</b>	<b>\$109,010,900</b>
Acquisition:	\$2,097,990	2.3%		
Holding:	\$1,500,000	1.7%		
Finance:	\$3,710,604	4.1%		
Marketing:	\$1,147,855	1.3%		
<b>Soft Costs:</b>	<b>\$8,456,449</b>	<b>9.3%</b>		
Total Project Cost - Before Interest	\$88,659,336		Net Profit:	\$18,245,226
<b>Total Project Cost:</b>	<b>\$90,765,674</b>		<b>Net Profit % (ROC):</b>	<b>20.1%</b>
Finance		Project Duration		
Maximum Loan Drawdown:	\$57,396,161	Site Settlement Date	1-Feb-2017	
Maximum Drawdown Month:	9	Construction Start	1-Feb-2017	
Loan Repaid Month:	11	Construction End	31-Aug-2017	
Interest Paid:	\$2,106,338	Project End	30-Nov-2017	
First Mortgage:	\$40,177,313	70.0%	of TPC	
Second Mortgage:	\$0	0.0%	of TPC	
Investor Equity:	\$27,229,702			
Unit Type	No. Of Units	GBA m <sup>2</sup>	Average Sales Rate \$/m <sup>2</sup>	
Residential Units	0	0	\$0	
Commercial Units	1	13500	\$8,500	
Commercial Other	0	0	\$0	
Mortgage Funding	% of TPC	Interest Rate	LCR	LVR
1st Mortgage	70%	7.0%	63.0%	52.4%
2nd Mortgage	0%	0.0%	0.0%	0.0%
Blended	70%	7.0%	63.0%	52.4%
Construction Stages		Selling Stages		
Stage 1 Start	1-Feb-2017	Stage 1 Start	23-Nov-2017	
Months	6	Months	1	
Cost \$	40,500,000	Sales	\$114,750,000	
<b>Total Construction</b>	<b>\$ 40,500,000</b>	<b>Total Sales</b>	<b>\$ 114,750,000</b>	

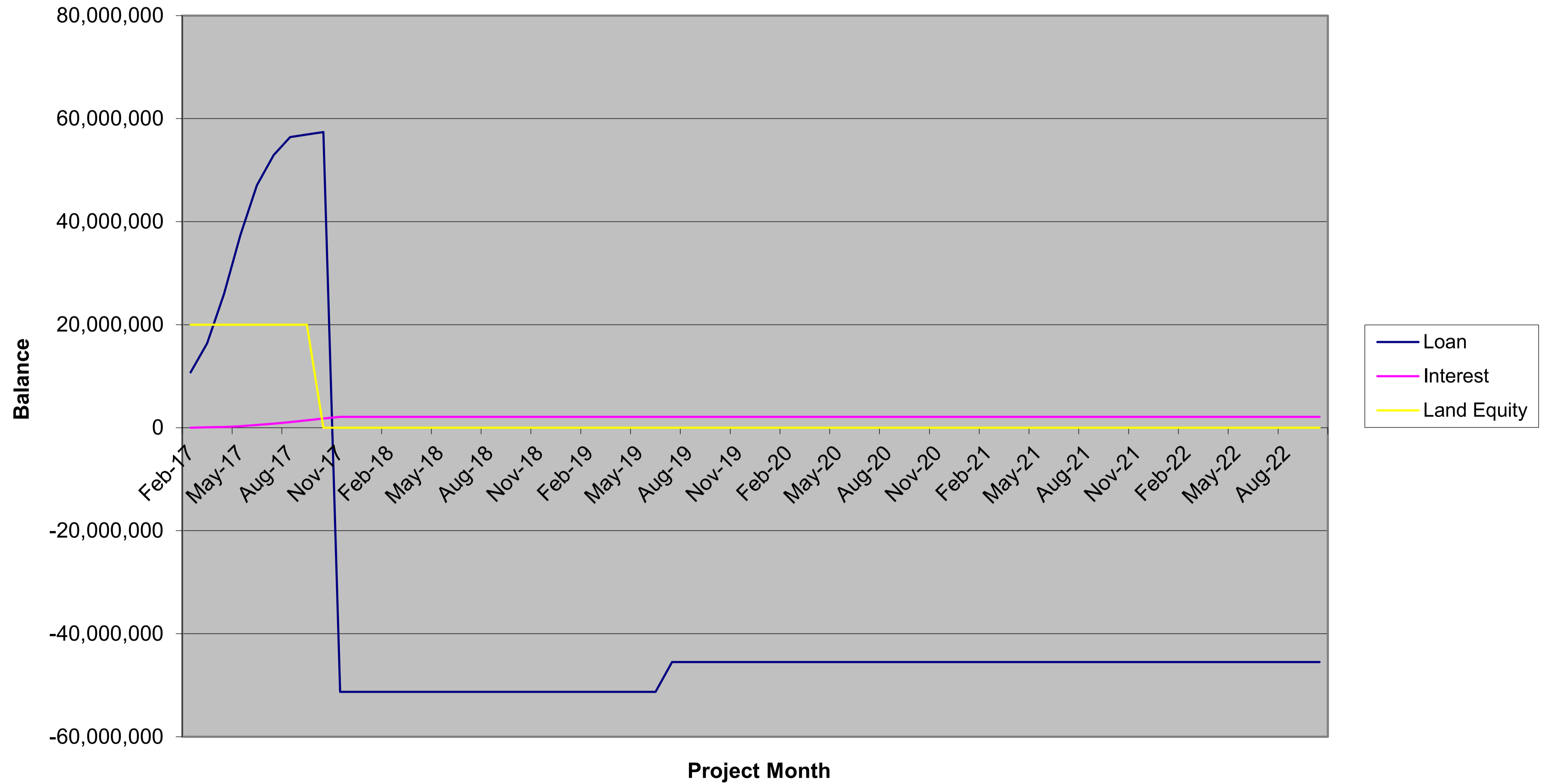


# LOAN CHART

MODULATION™



## REIT Capital Feasibility Analysis Finance Facility





Hotel Summary Analysis														
AUD 000's	Totals	Input Page	Diff's	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	total
				Dec 17	Dec 18	Dec 19	Dec 20	Dec 21	Dec 22	Dec 23	Dec 24	Dec 25	Dec 26	
Acquisition Costs	\$ 2,097,990	\$ 2,097,990	\$ -	\$ 2,097,990										
Development Costs	\$ 14,784,224	\$ 14,784,224	\$ -	\$ 14,784,224										
Finance Costs	\$ 3,710,604	\$ 3,710,604	\$ -	\$ 3,710,604										
Marketing Costs	\$ 1,147,855	\$ 1,147,855	\$ -	\$ 1,147,855										
Fund Establishment Fee	\$ 3,382,693	\$ 3,382,693	\$ -	\$ 3,382,693										
Design	\$ -	\$ -	\$ -	\$ -										
FF+E	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 4,000,000										
Construction Phazing (Incl Contngency)	\$ -	\$ -	\$ -	\$ -										
	\$ 29,123,367			\$ 29,123,367										
Stage 1 Start	\$ 42,525,000	\$ 42,525,000	\$ -	\$ 42,525,000										
Stage 3 Start	\$ -	\$ -	\$ -	\$ -										
Stage 4 Start	\$ -	\$ -	\$ -	\$ -										
Stage 5 Start	\$ -	\$ -	\$ -	\$ -										
	\$ 42,525,000			\$ 42,525,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 71,648,367	\$ -	\$ -	\$ 71,648,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land Payments	Date													
\$ 25,000,000	01-Feb-17			\$ 25,000,000										
	01-Feb-17			\$ -										
	01-Feb-17			\$ -										
	01-Feb-17			\$ -										
Total Land payments	\$ 25,000,000			\$ 25,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Costs	\$ 96,648,367		Total Less Equity ShortFall	\$ 96,648,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TPC Cumulative			\$ 96,648,367	\$ 96,648,367	\$ 96,648,367	\$ 96,648,367	\$ 96,648,367	\$ 96,648,367	\$ 96,648,367	\$ 96,648,367	\$ 96,648,367	\$ 96,648,367	\$ 96,648,367	\$ 96,648,367
Debt Required	Ratio	33%	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367
Cumulative Debt			\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367	\$ 31,648,367
Equity ratio		67%	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000
Cumulative Equity			\$ 68,812,320	\$ 66,801,570	\$ 65,299,126	\$ 65,025,942	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000	\$ 65,000,000
Actual Equity Contributed Inc. Shortfall			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Required			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Required			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Property Level Cash Flows</b>														
Resort Operating Profit	\$/m2	m2	Income	Growth										
				100.0%										
EBITDA					6,869,275	8,880,025	10,382,468	10,655,653	10,952,796	11,281,380	11,619,821	11,968,416	12,327,469	12,697,293
Equity shortfall Contributed														
FF&E Reserve					(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Lease														\$ -
<b>Operating Income</b>	\$				6,669,275	8,680,025	10,182,468	10,455,653	10,752,796	11,081,380	11,419,821	11,768,416	12,127,469	12,497,293
<b>Hedge</b>														
Interest Senior Debt	31,648,367	8.00%			(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)
Interest Mezzanine Debt	65,000,000													
<b>Total Interest</b>			\$ 25,318,693		(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)	(2,531,869)
<b>OPPEX</b>														
Building Management Fee														
Funds Management Fee		1.50%	(14,497,255)		(1,449,725)	(1,449,725)	(1,449,725)	(1,449,725)	(1,449,725)	(1,449,725)	(1,449,725)	(1,449,725)	(1,449,725)	(1,449,725)
<b>Project Cash Flow Before distribution</b>			65,818,648		2,687,680	4,698,430	6,200,874	6,474,058	6,771,201	7,099,785	7,438,227	7,786,821	8,145,874	8,515,698
<b>Project Cash Flow Before Distribution - Cumulative</b>					2,687,680	7,386,110	13,586,984	20,061,042	26,832,243	33,932,028	41,370,255	49,157,076	57,302,950	65,818,648
<b>Return On Equity (ROI)</b>					4%	7%	10%	10%	10%	11%	11%	12%	13%	13%
<b>Return On Equity (ROI) - Cumulative</b>					4%	11%	21%	31%	41%	52%	64%	76%	88%	101%
<b>Investor Preferred Return</b>	\$	65,000,000	Hurdle	10.00%	\$ 65,000,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Actual Investor Return				\$ 59,061,042	2,687,680	4,698,430	6,200,874	6,474,058	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Investor Yield					4.13%	7.23%	9.54%	9.96%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Investor Shortfalls				\$ 5,938,958	(3,812,320)	(1,801,570)	(299,126)	(25,942)	-	-	-	-	-	-
Cumulative Shortfall					(3,812,320)	(5,613,890)	(5,913,016)	(5,938,958)	-	-	-	-	-	-
<b>Net Cash Flow</b>			\$ 6,757,605.96		-	-	-	-	271,201	599,785	938,227	1,286,821	1,645,874	2,015,698
<b>Equity Shortfall (to maintain distribution)</b>					-	-	-	-	-	-	-	-	-	-
<b>Cash Balance Requirement</b>			1,691,346											
Cap Rate	8.00%													
Selling fee	3.00%													
Gross Sale of Asset			158,716,158		85,865,938	111,000,314	129,780,854	133,195,657	136,909,952	141,017,251	145,247,768	149,605,201	154,093,357	158,716,158
Plus Cash @ Bank			1,691,346											
Less Senior Debt			31,648,367		31,648,367	31,648,367	31,648,367	31,648,367	31,648,367	31,648,367	31,648,367	31,648,367	31,648,367	31,648,367
Less Equity			65,000,000		65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000
Selling Costs			4,761,485		2,575,978	3,330,009	3,893,426	3,995,870	4,107,299	4,230,518	4,357,433	4,488,156	4,622,801	4,761,485
<b>Total Costs</b>			101,409,851		99,224,345	99,978,376	100,541,792	100,644,236	100,755,665	100,878,884	101,005,800	101,136,523	101,271,167	101,409,851
<b>Total Profit Upon Sale</b>			58,997,653		(13,358,407)	11,021,938	29,239,062	32,551,421	36,154,287	40,138,366	44,241,968	48,468,678	52,822,190	57,306,307
<b>Profit Split</b>			0%											
Investor return from Sale														
Total Investor Return					2,687,680	4,698,430	6,200,874	6,474,058	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
<b>Cash Balance to REIT</b>			100%		(13,358,407)	11,021,938	29,239,062	32,551,421	36,425,488	40,738,152	45,180,195	49,755,500	54,468,064	59,322,004
<b>Project ROI - Annulised</b>					0%	11%	30%	34%	37%	42%	46%	50%	55%	59%
<b>Interest Cover Ratio</b>					2.63	3.43	4.02	4.13	4.25	4.38	4.51	4.65	4.79	4.94



# OUR TEAM

## SIMON SLAVIN



### Chairman

With a property and real estate career spanning more than 40 years, Simon brings unsurpassed vision and expertise in the design and development of residential, commercial and industrial developments.

Demonstrating exceptional foresight, Simon acquired the largest holding in Sydney's Homebush Bay waterfront precinct in the mid-1990s as a director of Fairmead Pty Ltd, alongside Ruven Laps. When acquired, the 109,700 sqm holding included 60,000sqm of lettable warehousing, providing key storage and distribution services for some of Australia's leading banking, transportation and technology companies.

The holding was also home to Waterfront Studios, which under Simon's creative vision and direction, became the Southern Hemisphere's largest film studio at the time and produced the TV series Farscape as well as numerous feature films.

Testament to Simon's vision for the area as a mixed-use precinct, this holding was subsequently rezoned and developed to provide thousands of luxury apartments, a retail and commercial hub, community parklands and a private wharf.

Simon's original early planning for the area included designs for a bridge from Homebush Bay to Rhodes, linking the Olympic Village, Newington and neighbouring developments. This plan to better connect the area and create synergies between its waterfront, retail and transport links is now being realised with the construction of the Homebush Bay Bridge.



# OUR TEAM

## PETER YASSA



### Co - Founder

Peter Yassa brings more than 25 years of extensive property development and investment experience across a plethora of sectors including residential, commercial, industrial, retirement, leisure and hospitality, as well as community projects. His work spans the globe, from the eastern seaboard of Australia and the South Pacific, much of Asia, Europe, North America and the Middle East.

Over the past 25 years, Peter's roles have entailed all aspects of acquisition, investment and portfolio management. Between 1997 and 2001, Peter was the recommended Development and Portfolio Manager for Shanghai, China, dealing directly with the Ambassador of China and local governments in Australia for major government projects.

From 2006, Peter conducted real estate audits for Hilton World Wide, Club Med and other hotel chains on their properties in the Asia Pacific region. An accredited specialist in managed investment schemes, Peter has solid experience in capital raising and handling of client funds, risk management, and investment strategy development.

All of this is backed up further by years of experience in Design (as a qualified Architect and Specifier), in Construction Management (as a licensed Builder) and also several years in the Real Estate industry (as a licensed Sales and Assistant Property Manager). Peter is also a qualified Arbitrator in Building Dispute Resolution.





# CONTACT **US**

Australian office: 286 Pacific Highway, Crows Nest, NSW 2065

[www.modulation.com.au](http://www.modulation.com.au)



*A division of*  
The Asia Pacific Development Corporation