

An aerial photograph of a vineyard in the foreground, with rows of grapevines stretching across the landscape. In the background, there are rolling green hills under a blue sky. A road runs through the middle of the vineyard, and a small cluster of buildings is visible on the left side.

INFORMATION MEMORANDUM

18TH FEBRUARY 2019

PREPARED BY APATA GROUP LIMITED
FOR AN INVESTMENT IN
RAWHITI ORCHARD LIMITED PARTNERSHIP

DISCLAIMER

Warning

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because there is an exclusion for offers to close business associates within the meaning in clause 4 of Schedule 1 to the Financial Markets Conduct Act 2013 ("FMCA") and for offers to wholesale investors within the meaning in clause 3 of Schedule 1 to the FMCA. This includes where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial product) is \$750,000 or more. As a result of such exclusions, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment.

Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.



DISCLAIMER

Important Notice

This Information Memorandum ("IM") has been prepared by Apata Group Limited ("Apata") to provide general information in relation to an offer of Units in Rawhiti Orchard Limited Partnership ("Offer").

The Offer is not a regulated offer under the FMCA. The Offer is only made to wholesale investors who fall within the exclusion in clause 3 of Schedule 1 to the FMCA and to close business associates who fall within the exclusion in clause 4 of Schedule 1 to the FMCA. This IM is therefore not a product disclosure statement (PDS) under the FMCA. It does not contain all the information that would be in a PDS.

This IM is not a recommendation by Apata in respect of the Offer.

This IM does not contain all the information required to make an informed decision about the Offer. It does not constitute, and is not a substitute for, financial, legal, tax, accounting or other professional advice. It does not take into account the investment objectives, financial or taxation situation or particular needs or circumstances of the recipient or any other person.

Any forward-looking statements in this IM, such as indications of future earnings and financial performance, are not guarantees. They are based on assumptions about future events which may or may not be correct. They are subject to risks and uncertainties. Actual results and conditions may differ materially. Apata accepts no responsibility to update any forward-looking statements.

This IM is confidential to the recipient. The recipient is not authorised to disclose this IM to any person, other than the recipient's professional advisors, without Apata's prior written consent.

Disclaimer

All representations and warranties (statutory, expressed and implied) by or on behalf of Apata in respect of this IM and the Offer are excluded to the maximum extent permitted by law.

Apata's liability under or in connection with this IM and the Offer, in respect of all claims, proceedings, damages, costs or losses, is excluded to the maximum extent permitted by law, irrespective of how liability arises, whether in contract, equity, tort (including negligence), breach of statutory duty or otherwise.

A reference to Apata in this disclaimer includes officers, employees, agents, representatives, advisors and related companies of Apata. This disclaimer is intended to confer a benefit on each such person, and may be enforced by them pursuant to subpart 1 of part 2 of the Contract and Commercial Law Act 2017.

INVESTMENT HIGHLIGHTS

- The Offer is for 40 Units in Rawhiti Orchard LP, at NZD\$500,000 per Unit, equalling NZD\$20 million capital contributed by investors if fully subscribed. With the capital raised, Rawhiti Orchard LP will purchase 76 hectares of land in the Poverty Bay region that will be developed into a kiwifruit orchard.
- The property will be developed into 62.3 canopy hectares (more or less) of kiwifruit orchard comprising:
 - Gold: 53.2 canopy ha.
 - Green: 9.1 canopy ha. Green kiwifruit is being planted to enable licensing options for future new varieties.
 - The development is over two titles. Rawhiti 1 is forecast to be 29.2 canopy hectares developed and Rawhiti 2 is forecast to be 33.1 canopy hectares developed.
 - Rawhiti 1 and Rawhiti 2 will be developed as two separate orchards. Initially they will be operated as one to secure some benefits of scale, but with the flexibility to be operated or sold separately in the future if desired.
- The orchard will be developed and managed by Apata GROW, a division of Apata.
- Total development cost is budgeted to be \$35.8m (land purchase \$8.05m + \$27.75m for orchard establishment). Debt funding of \$15.8m (44% of the original investment) will be utilised.
- The total unlevered investment IRR is forecast at 16.1%. The pre-tax cash IRR to investors is forecast at 18.0%
- Cash distributions to investors from year 4 are forecast to build to 25.5% in year 10 as per below:

Forecast Cashflow available for Distribution	TOTAL ORCHARD										
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	Terminal Value
Free Cashflow available for Distribution to Partners	\$ -	\$ -	\$ -	\$95,593	\$2,503,240	\$3,875,524	\$4,468,921	\$4,677,086	\$4,887,835	\$5,101,219	\$66,064,617
Free Cashflow per Unit	\$ -	\$ -	\$ -	\$2,390	\$62,581	\$96,888	\$111,723	\$116,927	\$122,196	\$127,530	\$1,651,615
Free Cashflow / Contributed Capital				0.5%	12.5%	19.4%	22.3%	23.4%	24.4%	25.5%	330.3%

- Rawhiti Orchard LP is structured as a limited partnership so each investor owns a pro-rata share of the assets and is entitled to a pro-rata share of partnership profits which are to be distributed on a pre-tax basis.
- Offer closes Monday 18th March 2019

WHO CAN INVEST?

The minimum investment is NZD\$500,000.00, being one Unit in Rawhiti Orchard LP.

The Offer is only open to wholesale investors who fall within the exclusion in clause 3 of Schedule 1 to the FMCA and to close business associates who fall within the exclusion in clause 4 of Schedule 1 to the FMCA.



INTRODUCTION FROM OFFEROR

Dear Investor,

This offer by Apata Group Limited (Apata) of Units in Rawhiti Orchard Limited Partnership ('Rawhiti Orchard LP' or the 'Partnership' or 'Syndicate') represents an opportunity for wholesale investors or close business associates to enter, or extend their investment in, the hugely successful New Zealand kiwifruit industry in a capacity rarely seen; large-scale, greenfield, property development.

To enable this, Apata has secured the purchase of a 76 hectare property 15 minutes outside of Gisborne that, when considering several factors including climate, soil and irrigation options, presents an ideal location to develop what will be approximately 62 canopy hectares of predominantly Gold kiwifruit.

Adding to the appeal of this development, Apata retains some of the best commercial and horticultural people in the industry who have the experience to maximise the potential of this large block.

There are four compelling reasons to invest in a kiwifruit development in Gisborne:

1. Why Kiwifruit?

Simply put, the strength of our industry and the industry structure. The industry's strength is underpinned by legislation and the Zespri system which has generated a significant ongoing in-market premium for NZ growers.

The optimism within the kiwifruit industry provides great confidence for a large-scale property development, given the global demand for quality fresh produce is increasing, and strategies are in place to meet this growth. Not only are there significant capital gains forecast by a greenfield kiwifruit orchard development, but compelling forecast cashflow benefits from year 6 when production is expected to mature.

International markets and, in particular, Asian consumers are responding very well to the sweet-tasting Gold kiwifruit and consumers there are quite prepared to pay a premium for it. Japanese markets, in particular, love the taste of our Gold kiwifruit, but it is the burgeoning middle class in China that is attracting the greatest attention as their demands for quality and taste, in enormous volumes, represents our greatest opportunity.

2. Why a development?

The huge success of the Zespri SunGold variety

has led to plans to release a further 3,000 hectares of licence in New Zealand from 2019-2022 and to ensure year round supply a further 1,800 hectares in the northern hemisphere from 2018-2020.

The licence release is purely market driven and is intended to enable Zespri and its growers to take advantage of the opportunity that exists now.

A large proportion of the new development activity will be out of the traditional Bay of Plenty supply hub, but kiwifruit is growing successfully in several regions so, as long as good land with water can be sourced, this is a good opportunity.

With current orchard prices for Gold at >\$1M per hectare, developing land into a producing orchard for circa. \$575,000 represents an opportunity to take advantage of this capital uplift whilst expecting to create a good cash generating asset.

3. Why Gisborne?

The Poverty Bay region has long been recognised for its fertile soil and favourable climate. Kiwifruit has been grown successfully in the region for three decades and the area is also a significant wine, apple and citrus growing region. The key, however, for kiwifruit is that Gold is well suited in the region due to the soil composition and ideal climate; this provides Gisborne with a greater share of early season fruit.

Kiwifruit orchards, whose fruit are able to be picked early in the harvest season, attract what is known in the industry as "Kiwistart" premiums. These premiums can result in a higher return per hectare if a good crop yield is also attained. The Gisborne region has a very high proportion of Kiwistart orchards and we have conservatively assumed that 50% of the kiwifruit produced on this orchard will attract Kiwistart premiums. When it is understood that over 85% of this orchard will be planted in Gold kiwifruit, to us the rationale seems self-evident.

Over the last three kiwifruit harvests, 71% of the Gisborne crop has attracted Kiwistart. For the balance of the industry the comparative figure is 27%.

4. Why Apata?

Apata itself has been heavily investing in people and infrastructure to meet the future demands of this industry. When growers entrust their crop to us, they do so with confidence that every person, every process, and every piece of equipment has

INTRODUCTION FROM OFFEROR

a single purpose; to maximise their returns. And when this development comes into production it will receive the same disciplined treatment that all our growers enjoy.

Out amongst the vines, our Apata GROW orchard management team are helping many growers to successfully improve or expand their orchards and it is this team of experts who, in conjunction with several best-in-industry minds, will be converting the development on offer into highly productive and profitable kiwifruit orchards.

Away from Apata, there are many reasons why we consider involvement in the kiwifruit industry, and this development in particular, would be advantageous for investors:

- Kiwifruit is a highly successful and exciting sector of New Zealand horticulture. In recent years, the performance of New Zealand kiwifruit overseas has been truly outstanding, based on a reputation for consistently supplying the highest quality fruit to increasingly discerning markets and consumers. Zespri is the most recognised fruit brand in China's largest cities.
- Becoming part of a select kiwifruit orchard syndicate affords the opportunity to invest at a more accessible level by pooling resources in a highly successful export market previously available only to orchard owners or operators.
- The New Zealand kiwifruit industry is uniquely structured. Zespri operate and market New Zealand kiwifruit under a regulated single point of entry (SPE) export structure. All national kiwifruit orchard owners benefit from Zespri's exceptional global branding and marketing strategy. This export model is frequently referenced by the government, as well as other export sectors, as key to premium market positioning and high export earnings.
- Kiwifruit is appealing to an increasing global audience. Zespri have cleverly stimulated and fulfilled demand by leveraging the attributes of current commercial varieties into existing markets whilst also developing new varieties to further expand market opportunities. For example, sales of the sweeter SunGold are more heavily weighted into the Asian markets, whereas Green fits more suitably to the less-sweet taste of the European and North American markets.

- Globally, consumers are taking more of an interest in the provenance of their food. New Zealand has an international reputation as a verdant, environmentally aware country with a productive, clement climate. Agricultural and horticultural land in our country is therefore well placed to sustain increased growth in value as productive land becomes scarcer globally.
- The profile of global kiwifruit consumers is mainly middle class. Over the next fifteen years, the global middle class is projected to almost double from 35% of the world's population to 60%, with the bulk of the growth being in the Asia Pacific region, lead by China and India. In 2015, China and India accounted for 17% of the World's middle class; by 2030 it is expected to account for 39%.
- Nutritional value is one of the biggest motivators for purchasing fruit for the middle class, and kiwifruit enjoys a reputation as one of the world's most nutritious fruits, as noted in several studies of the Nutritional Adequacy Scores (NAS) of fruit and vegetables. Zespri's marketing plan worldwide is based on its premium brand for a safe product with exceptional health attributes.
- Research shows healthy products are less affected during slower economic periods.

Partnering with Apata and its orchard management division, Apata GROW, provides participants the comfort that their investment is in experienced and trusted hands. Over 30 years, Apata has developed such a strong reputation, that its brand is now synonymous with high-performance and consistency.

I'm very proud of Apata; and I'm very excited to present this offer to you. Our brand has a tag-line: *"Together we're better"*. Join with us and you'll see that these are not just words; it's our commitment to everyone we work with.



STUART WESTON
MANAGING DIRECTOR
APATA GROUP LIMITED



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KEY INFORMATION SUMMARY

What is this?	<p>This is an offer to wholesale investors, and close business associates of Apata, to purchase Units in Rawhiti Orchard LP, a limited partnership to be formed to acquire and develop a 75.8 hectare property located at 455 Tiniroto Road, Patutahi, Gisborne, New Zealand. The property will be purchased from Apata, which currently has an unconditional sale and purchase agreement to purchase the property with a settlement date of 1st April 2019.</p> <p>The property is to be developed into a 62.3 canopy hectare kiwifruit orchard. The orchard development will be managed by Apata GROW, a division of Apata. Apata is a leading Bay of Plenty kiwifruit and avocado orchard management and post-harvest operator. It is locally owned and operated, and is focused on providing services aimed at increasing orchard productivity and grower profits.</p> <p>Investor funds will be pooled with other investors' money and invested.</p> <p>The assets, business, budgeted returns and fees of Rawhiti Orchard LP are described in this Information Memorandum. The initial investment decision and property due diligence has been undertaken by Apata.</p> <p>There is a risk that you may lose some or all of the money that you invest.</p>								
Who manages the LP?	<p>The Offer is made by Apata. For the purposes of this IM, Apata is the Offeror.</p> <p>Governance will be provided by a subsidiary company, Rawhiti Orchard GP Limited, which will be the Partnership's General Partner.</p> <p>As part of its engagement as orchard manager, Apata GROW, the orcharding division of Apata, will provide governance, support and business administration services to the Partnership.</p>								
What are you investing in?	<p>The investment is in Units in Rawhiti Orchard LP. Rawhiti Orchard LP is being formed to own the Rawhiti orchards. As a Rawhiti Orchard LP Unit holder, you will become a limited partner in Rawhiti Orchard LP.</p> <p>Upon successful completion of this Offer, the Partnership will purchase the property and commence orchard development, using a combination of \$20 million of contributed capital to be raised in this Offer and \$15.8 million of bank debt. No cash distributions will be made to limited partners until the orchard provides a positive cashflow. A modest return is forecast in year 4 but is forecast to increase to 22% of invested capital by year 6.</p>								
Key terms of the offer	<p>The Offer is for 40 Units in Rawhiti Orchard LP at an issue price of \$500,000 per Unit. The minimum investment is 1 (one) Unit (\$500,000) and thereafter the size of an investment can be increased in multiples of one Unit.</p> <p>As a limited partner the maximum amount payable is \$500,000 per Unit and no other payments are required to be made other than those specifically agreed to.</p> <p>The offer will not proceed if it is not fully subscribed unless Apata and all of the investors who have subscribed for Units unanimously agree in writing to proceed notwithstanding that the offer is not fully subscribed.</p>								
Important dates	<table><tr><td>OFFER OPENS</td><td>OFFER CLOSES</td><td>UNITS ISSUED</td></tr><tr><td>18^h February 2019</td><td>18th March 2019</td><td>29th March 2019</td></tr></table>			OFFER OPENS	OFFER CLOSES	UNITS ISSUED	18 ^h February 2019	18 th March 2019	29 th March 2019
OFFER OPENS	OFFER CLOSES	UNITS ISSUED							
18 ^h February 2019	18 th March 2019	29 th March 2019							

KEY INFORMATION SUMMARY

Equity Deployment	<p>It is assumed that Partners' equity will be used ahead of drawing down debt. Partners will therefore be required to provide their investment funding to the Limited Partnership in the following tranches:</p> <p>Deposit: 10% of the Unit price (\$50,000 per Unit) on application.</p> <p>Tranche 1: 60% of the Unit price (\$300,000 per Unit) on issue date 29th March 2019.</p> <p>Tranche 2: 20% of the Unit price (\$100,000 per Unit) on 30th September 2019.</p> <p>Tranche 3: 10% of the Unit price (\$50,000 per Unit) on 31st March 2020</p>
Investor eligibility	<p>For an Investor to be eligible to apply for Unit/s in the Rawhiti Orchard LP, you must certify that you are a wholesale investor as defined in clause 3 of Schedule 1 to the FMCA or a close business associate as defined in clause 4 of Schedule 1 to the FMCA. You will also be required to complete Anti-Money Laundering (AML) documentation when applying.</p>
Opportunities to exit the investment	<p>The investment in Rawhiti Orchard LP has been structured as a passive, long-term investment. Investors should expect to invest for a period of ten years.</p> <p>The directors of the General Partner have no current plans to list the LP Units on a trading exchange platform. Once development is complete, the directors of the General Partner may determine to list the LP Units on a trading exchange platform at which time LP Unit holders may trade their Units on a willing-buyer/willing-seller basis.</p> <p>At any time, whether or not the LP Units are listed on a trading platform, investors will be entitled to offer their investment for sale to co-investors or new investors in a private transaction. However, it will be up to the investor to find an appropriate buyer for the investment .</p> <p>There is no intention to sell the orchards or liquidate the Limited Partnership for at least 10 years. Should market conditions be suitable during this time, the directors of the General Partner may propose to Unit holders that the orchards be sold and the Limited Partnership liquidated. However, this will only occur with 75% of Unit holders' agreement. Similarly, as the orchard is over two titles there exists the option to sell one property within the 10 year period; again by approval of 75% of the Units held.</p> <p>At the end of ten years the orchard will be sold and Rawhiti Orchard LP liquidated, unless the limited partners resolve otherwise by way of special resolution (75%). In the event such resolution is passed by the required 75% majority, the limited partners who voted against such resolution (the "exiting limited partnership") must sell their Units to the limited partners who voted in favour of such resolution (the "remaining limited partners"), and the remaining limited partners must purchase their respective pro rata share of the exiting limited partners' Units. The price of the exiting limited partners' Units will be fair value as determined by an independent valuation. This paragraph is a high-level summary of the relevant provisions in the Limited Partnership Agreement. Investors are strongly encouraged to read and take advice on the Limited Partnership Agreement of Rawhiti Orchard LP.</p>

KEY INFORMATION SUMMARY

Key drivers of returns	<p>The key drivers of return are:</p> <ul style="list-style-type: none"> • Development Costs: the cost and time to establish a producing 62.3 canopy hectare kiwifruit orchard • Production Yield: how many trays of kiwifruit can be produced each year • Production Costs: the cost to grow the kiwifruit each season • Orchard Gate Return (OGR): how much revenue per tray can be generated from market prices each year • Terminal Value: the value at which the orchard can be sold at the end of the investment period <p>Refer to the Investment Details – Assumptions & Sensitivity section on page 27 for more details on the key return drivers.</p>
Financial information	<p>Contributed Capital: \$20.0m</p> <p>Bank Debt: \$15.8m, interest only to year 4, then \$1.44m repayments per annum.</p> <p>Net Profit before tax: budgeted at \$266k in Year 4, increasing to \$5.27m in year 10.</p> <p>Interest Cover: budgeted at 2.9x in year 4, increasing to 21.7x in year 10.</p> <p>Loan to Value Ratio (LVR): budgeted at 40% in year 4, decreasing to 16% in year 10.</p> <p>Cash distributions to Partners: budgeted at 0.5% of capital contribution in year 4, increasing to 25.5% in year 10.</p> <p>Refer to the 'Investment Details - Financial Information' section on page 22 for detailed financial information.</p>
Risks	<p>Investments in Units are risky. You should consider whether the degree of uncertainty about the performance and returns from an investment in the Partnership is suitable for you, and whether the level of expected returns reflects the particular risks of investing in Units. Please refer to the 'Investment Details - Risks' section on page 29 for the full table of risks that Apata believe to be most relevant to this investment.</p>
Fees	<p>The Partnership will be exposed to the following fees:</p> <ul style="list-style-type: none"> • Promotion/Establishment Fee: \$Nil – Apata will not be charging a Promotion/Establishment fee. Direct quantifiable costs incurred by Apata in establishing the LP will be oncharged at cost. These are budgeted to be approximately \$100,000. • Orchard Management Fee: \$2,000, plus GST, per Canopy Hectare per annum – Apata GROW will charge an Orchard Management Fee to develop and manage the orchard. The fee will only be payable on hectares being developed or managed at the time. The Orchard Management Fee will be subject to annual adjustment for inflation based on CPI and a review will occur in Year 5 and may be amended at that time based on prevailing market conditions. • Administration Fee: \$10,000, plus GST, per annum – payable to Apata to cover management and administration of the syndicate, reporting to investors, governance support, property inspections, contract negotiations and other administrative items. The administration fee is subject to annual adjustment for inflation at CPI.

KEY INFORMATION SUMMARY

Tax	<p>Tax can have significant consequences for investments and every investors personal tax situation will be different. Investors should obtain independent professional advice on the tax consequences of this investment.</p> <p>A limited partnership is not a tax paying entity. In a limited partnership, the limited partners are required to individually account for their share of the partnership's income or loss, and therefore it is up to the individual partner to arrange appropriate tax payments at their individual marginal tax rates.</p> <p>There may also be tax implications on the sale of any Units in Rawhiti Orchard LP. This will depend on the investor's tax situation at the time of both purchase and sale of the investment.</p> <p>In some circumstances, any capital gain or loss on the sale of investment Units may be taxable to the investor.</p>
Limited liability	<p>A limited partner's liability for any debts incurred by Rawhiti Orchard LP will be capped at the partner's capital contribution, provided the limited partner is not engaged in the management of Rawhiti Orchard LP.</p> <p>Should a claim be made against Rawhiti Orchard LP, the General Partner will be jointly and severally liable with the Partnership for the claim. The General Partner has been structured as a limited liability company to mitigate its liability from any claim.</p>
Legal structure & governance	<p>Limited Partners are investors in the business, but do not get directly involved in management of the Partnership or the administration and operation of the orchards. The General Partner manages the business on behalf of the Limited Partners making all day-to-day decisions and entering contracts and agreements on behalf of the Limited Partnership. Maintaining this distinction between the Limited Partners and the General Partner is important in maintaining the limited liability of the Limited Partners.</p> <p>Rawhiti Orchard LP will be governed by the General Partner, Rawhiti Orchard GP Limited, which will be owned by Apata. There will be four directors of the General Partner:</p> <ul style="list-style-type: none"> • two directors appointed by Apata • one director appointed by the Investors • one independent director <p>Rawhiti Orchard LP will contract with Apata GROW, the orcharding division of Apata Group Limited, to enter a 10-year Orchard Development & Management Agreement to develop and manage the orchard, and to provide governance support and business administration services to the Partnership.</p> <p>Once the orchard is producing fruit, the General Partner will contract with Apata for the packing and coolstorage of the crop produced on the orchard, Apata Suppliers Limited for the supply of the crop to Zespri, and other third parties as selected by Apata. In each case such contracts shall be on Apata's standard terms for the relevant kiwifruit season.</p>

THE KIWIFRUIT INDUSTRY

THE NEW ZEALAND KIWIFRUIT INDUSTRY IS THE COUNTRY'S MOST SUCCESSFUL HORTICULTURAL EXPORT. EXCEPTIONAL, SUSTAINABLE RETURNS AND LONG-TERM CAPITAL GAINS ARE WELL DOCUMENTED BENEFITS OF INVESTMENT IN THIS INDUSTRY.

Kiwifruit represents just 0.2% of the global fruit basket and New Zealand's kiwifruit is considered the highest quality. Accordingly, consumers are prepared to pay a premium.

History

Kiwifruit seeds were first introduced to New Zealand in 1904 when headmistress Mary Isabel Fraser brought them back from China. These seeds were propagated and developed by nurseryman Hayward Wright. Now known commercially as the Hayward variety, it is the most widely grown variety in New Zealand and makes up 90% of the world production of kiwifruit.

Fast forward to the 1980's – hybrids were trialled at the Te Puke based Plant & Food Research facility resulting in the yellow fleshed, highly successfully Gold kiwifruit varieties which have been produced commercially and exported since 1992. Zespri's current Gold kiwifruit, SunGold, has proven to be particularly popular in Asia for its sweet taste and high nutritional value. Accordingly, Zespri SunGold kiwifruit has traditionally commanded a higher price than Zespri Green kiwifruit.

Zespri and the Single Point of Entry

The formation of Zespri in 2000 as the sole global marketer and exporter of New Zealand kiwifruit, wholly owned by growers or ex-growers, gives the New Zealand kiwifruit industry and all those who work within it a unique stability in the global market. A statutory framework is in place for the governance and regulatory oversight of Zespri's operations. This includes establishing and protecting Zespri's position as the sole marketer of New Zealand grown kiwifruit overseas.

The successful branding of Zespri kiwifruit is essential to the sustainability of its outstanding performance. The global kiwifruit industry has been built on the success of Zespri Green which is rightly considered the benchmark for the fruit worldwide.

Now, globally, the Zespri brand is recognised for its quality, dependability and innovation, and is responsible for making kiwifruit the largest exportable horticultural commodity in New Zealand, at \$2.1 billion in export receipts (2018), and Zespri, the largest exporter of kiwifruit worldwide.

New Varieties

Zespri and their government research partner, Plant & Food Research, oversee the world's largest kiwifruit plant breeding programme. By employing large-scale plant breeding techniques and leading market research teams, they are able to focus on delivering the world's best new varieties of kiwifruit; varieties that taste great, store well, and may potentially be of a novel colour or concept.

The Zespri SunGold variety has been the single most successful new variety in the horticulture sector. In ten years, Gold varieties have grown to represent in excess of \$1.3 billion in export earnings per annum. SunGold achieves a price premium of approximately 65% and crop yield approximately 40% higher per hectare on mature canopies than the already successful Zespri Green.

KIWIFRUIT: THE NUTRITIONAL POWERHOUSE



- 100 grams of SunGold kiwifruit has THREE TIMES as much Vitamin C as 100 grams of oranges.
- Adding kiwifruit to your diet can ensure that you get enough fibre to promote ideal bowel health.

THE KIWIFRUIT INDUSTRY

In addition, other new kiwifruit varieties are being developed which may be ready for commercial release in coming seasons including, potentially, a red variety. These exciting new varieties provide further opportunities for the industry to continue to increase returns to growers and develop varieties that are more tolerant to biological pathogens such as Psa-V. The learnings from recent releases of new commercial varieties can be applied to future new varieties in order to realise prompt commercial benefits.

Current Market

Zespri has stimulated demand for New Zealand kiwifruit by investing significantly in the brand, and consistently supplying kiwifruit of market leading quality; a natural outcome of which is the significant premium being paid for Zespri kiwifruit overseas. Price premiums are currently aided by demand exceeding supply, but even with fruit volumes expected to grow significantly throughout the next decade, Zespri are confident the fruit will continue to command a premium. It is testimony to the outstanding product exported from New Zealand that price premiums have proved sustainable. The Zespri system, their integrated production, quality management and distribution system, underpins the brand and its enviable market position outstrips the performance of all other competitors.

In a less constrained supply environment in future years, this gap in returns may narrow, but Zespri projections see Gold kiwifruit grown in large quantities maintaining a price premium.

Outlook for the Next 5 Years

The European kiwifruit market is considered a relatively mature market, but the markets of China, India, Southeast Asia and North America are poised for significant growth.

Given the populations in China, India, the Middle East and Southeast Asia, these emerging markets represent huge growth opportunities. The growing middle-class populations are demanding more premium goods to consume and the functional food benefits of kiwifruit are becoming better publicised and scientifically supported.

Zespri is also continually pushing for stronger customer penetration in the other major markets

of Japan, Germany, Taiwan, Korea, Spain and Benelux (Belgium, Netherlands and Luxembourg).

In terms of future growth, further emphasis will be placed on the secondary markets of Italy, France, United Kingdom and the United States.

Key Points:

- Zespri has forecast their earnings to double to over \$4.5 billion by 2027.
- The kiwifruit industry has been stabilised by extensive research, development and investment in new market-driven varieties.
- Release of further SunGold licences supports Zespri figures released in November 2017 projecting New Zealand grown SunGold volumes to double to 130 million trays by 2027 to meet global demand. This is expected to support the gap that NZ kiwifruit trades at relative to our competitors.
- New Zealand grown kiwifruit trades at a >75% premium to the next largest exporter of kiwifruit Italy, and >100% to our biggest southern hemisphere competitor, Chile.
- Returns per hectare currently at record levels for Green and SunGold varieties.
- No organisation in the global kiwifruit industry has the same experience, structure, marketing capabilities and reach as Zespri; truly a world leader

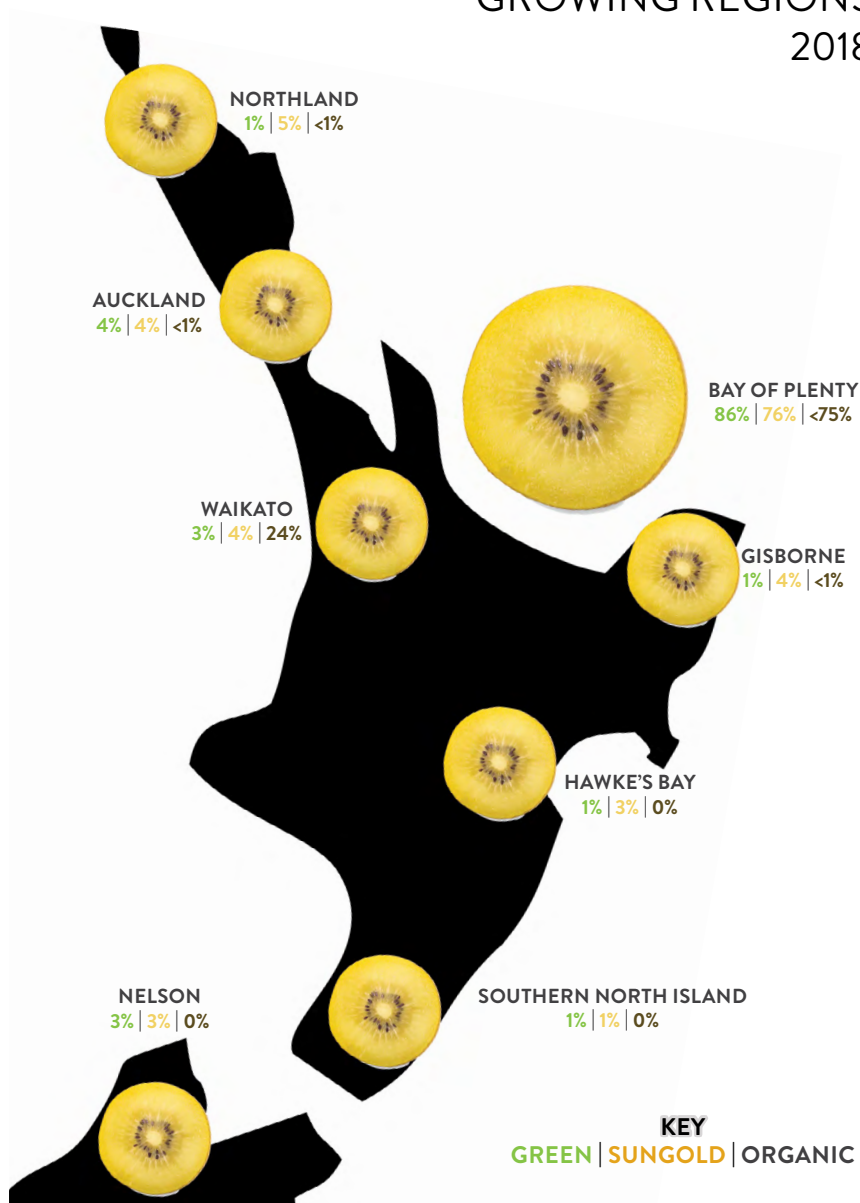
INDUSTRY AVERAGE
ORCHARD GATE RETURNS PER HECTARE
Source: Zespri Annual Review

Harvest Year	Gold	Green
2014	\$73,890	\$53,884
2015	\$71,080	\$56,673
2016	\$98,838	\$53,555
2017	\$114,345	\$59,981
2018*	\$140,185	\$63,786
CAGR	17.4%	4.3%

**As per Zespri forecast December 2018*

THE KIWIFRUIT INDUSTRY

ZESPRI KIWIFRUIT GROWING REGIONS 2018



REGION	PRODUCTION HECTARES
Northland	440
Auckland	494
Bay of Plenty	10,238
Waikato	549
Poverty Bay	267
Hawkes Bay	202
Lower North Island	78
South Island	424
TOTAL	12,692

APATA GROUP LIMITED

Apata Group Limited (Apata) is a specialist service provider for New Zealand kiwifruit and avocado growers. We harvest, pack and store fruit in our industry leading packhouses and coolstores which are strategically situated in the traditional heart of kiwifruit and avocado growing country, the Bay of Plenty. We provide a comprehensive range of services specifically for the New Zealand kiwifruit and avocado industries. We provide our growers with expert technical support on all aspects of orchard production, lease and manage orchards, and are industry leaders in packing and coolstorage.

Apata is one of the kiwifruit industry's largest fully integrated post-harvest operators. Our main facilities are located near Te Puke and Katikati, providing our growers the capability and capacity to pack, cool, and ship their fruit at optimum times. Whilst Apata's post-harvest facilities are located in the Bay of Plenty, we successfully handle fruit grown in Poverty Bay, Hawkes Bay, Whanganui and Levin which shows no discernible quality detriment from the transportation over longer distances.

History

Apata Group Limited was formally born in November of 2013, after the merger of two longstanding and innovative companies – Aerocool Limited and Apata Limited. With the merger of two like-minded operations, we have evolved and grown as one company whilst retaining the same character, values and ability to consistently produce some of the best results in the industry. With over 30 years of experience, we pride ourselves on having industry leading technology, systems and personnel.

At the heart of the way we work is respect for each other, a *'roll your sleeves up and get stuck in'* attitude with a strong sense of being part of an extended family. Our directors have all been heavily involved in the industry for most of their careers; some for generations. What we do is in our blood, and we thrive on using our collective experience and passion to make our company the best it can be for our growers, and in the way we look after our people.

When we are packing kiwifruit at three o'clock on a Sunday morning in the middle of May, that's when the culture at Apata really kicks in. Growers, contractors, permanent and seasonal staff, managers and stakeholders all pull together to achieve great outcomes for our growers - it just works. The Apata way is frank, pragmatic and transparent. We do what we say we are going to do. No surprises or hidden agendas. We are all in this together; we support each other to work towards a common goal.

Apata remains predominantly grower-owned and 37% of the shareholding is still held by foundation shareholders. Orchardists or suppliers are not obligated to own shares in Apata, but are encouraged to do so.

Market Position

Apata's philosophy has always been to be the best, not necessarily the biggest. Accordingly, Apata is the fourth largest kiwifruit, post-harvest provider in New Zealand and provides a full service offering to its growers from orchard management services through to packing, inventory management, logistics and coolstorage.

Apata's integrated service offering, and investment in people and infrastructure, enables it to consistently outperform the industry, and has provided an important competitive advantage for securing new growers.

Looking forward and planning for the industry's growth projections, Apata has future-proofed itself by investing in capacity. In 2015, it purchased a site close to its Te Puke packhouse so that coolstores can be built as required to cater for the extra volume to be packed at the Te Puke packhouse in the next 5 years. Additionally, in 2017, Apata commissioned new-generation packing technology and, unlike many of its competitors, now has 35% surplus capacity that is ready for future volume growth.

For more information, including our Annual Reports, please go to www.apata.co.nz



INVESTMENT DETAILS

INVESTMENT DETAILS - THE PROPERTY

Objective

Rawhiti Orchard LP's objective is to offer Units to invest in a 75.8 hectare block of land at 455 Tiniroto Road, Patutahi, Gisborne, New Zealand ("the Property") and to develop the Property into 62.3 hectares (more or less) of SunGold and Hayward Green variety kiwifruit.

The Property is currently under contract for purchase to Apata. The contract is unconditional with a settlement date of 1st April 2019. It is Apata's intention to onsell the Property to Rawhiti Orchard LP for the same price as purchased.

The kiwifruit orchard development is planned over a three-year period, with approximately 22 hectares developed in each of year one and two, and 18 hectares in year three. The southern part of the land is more suited to Bounty rootstock which thrives on the heavier Gisborne soils and is where the natural fall of the property goes. We expect it to take up to two years to source sufficient Bounty rootstock and, as such, those areas requiring Bounty are forecast to be developed in year three. If sufficient Bounty rootstock can be sourced earlier, we will bring the development forward a year such that the orchard is fully developed in year two. The property will have drainage installed and we have no concerns about the free draining nature of the balance of the property which is therefore perfectly suited to Bruno rootstock. It is planned to develop 53.2 hectares of SunGold and 9.1 hectares of Hayward Green kiwifruit.



The location is ideal to establish a kiwifruit orchard. Situated on the Poverty Bay Flats, 15km north-west of Gisborne, the area is very favourable for permanent horticulture, viticulture, cash cropping and livestock finishing. The location has high sunshine hours, with hot summers and mild winters due to its proximity to the coast. The area is known for early producing kiwifruit and there is already an established SunGold kiwifruit orchard adjacent to the Property which regularly achieves early kiwifruit harvest.

Land Area

75.8078 Hectares (more or less).



INVESTMENT DETAILS - THE PROPERTY

Zoning

Rural Production.

Legal Description

Subdivision was completed in 2018 to re-align the Lot boundaries with the current block usages.

Certificate of Title	Legal Description	Area (Ha)
GS2A/501	Lot 1 Deposited Plan 2950	31.5
GS2A/502	Lot 2 Deposited Plan 2950	44.3
TOTAL AREA		75.8

Current Land Use

The Property is essentially flat land across two titles, with 27.3 hectares planted in citrus which will be removed from mid-2019. The bare land was previously planted in grapes, but was cleared in the winter of 2017.

LAND USE	AREA (Ha)
Flat bare land	35.8
Flat land in citrus	27.3
Medium hill country	3.6
Water reservoir and drainage	3.2
Dwellings, curtilage, farm buildings and headlands	5.9
TOTAL AREA	75.8



Buildings and Structures

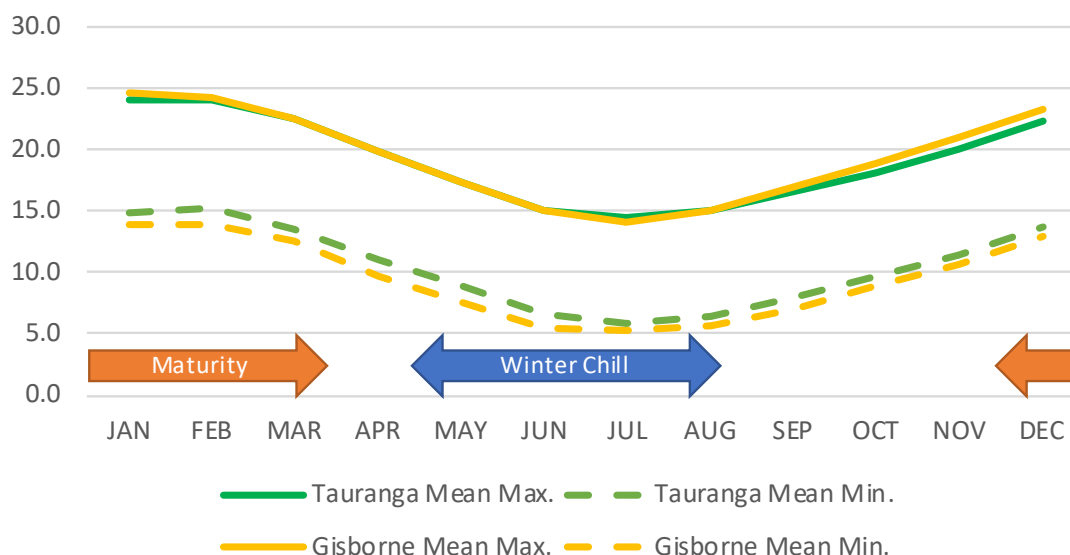
The following buildings and structures are currently on the property. All are located within Lot 2.

- Dwelling
 - A tidy and spacious three-bedroom home constructed in the 1920's. Situated towards the western end of the property and set back from the road to provide privacy amongst established gardens. It has recently undergone internal repainting and bathroom renovation
- Staff facility building
 - equipped with kitchen, shower and toilet
 - re-roofed in 2016
- A 101m² secure implement shed
 - concrete floor and internal workshop
- Two large open 4-bay implement sheds located adjacent to the staff facility building

INVESTMENT DETAILS - CLIMATE

Throughout the year, the Gisborne area enjoys warmer days and cooler nights than its northern counterpart, Tauranga, and warm Spring days provide the best possible conditions for new growth. These factors, combined with lower rainfall, especially over the important summer months leading into harvest, where Gisborne receives 27% less rainfall than Tauranga, provide an ideal environment to produce early-maturing and high dry matter kiwifruit; perfect for Kiwistart.

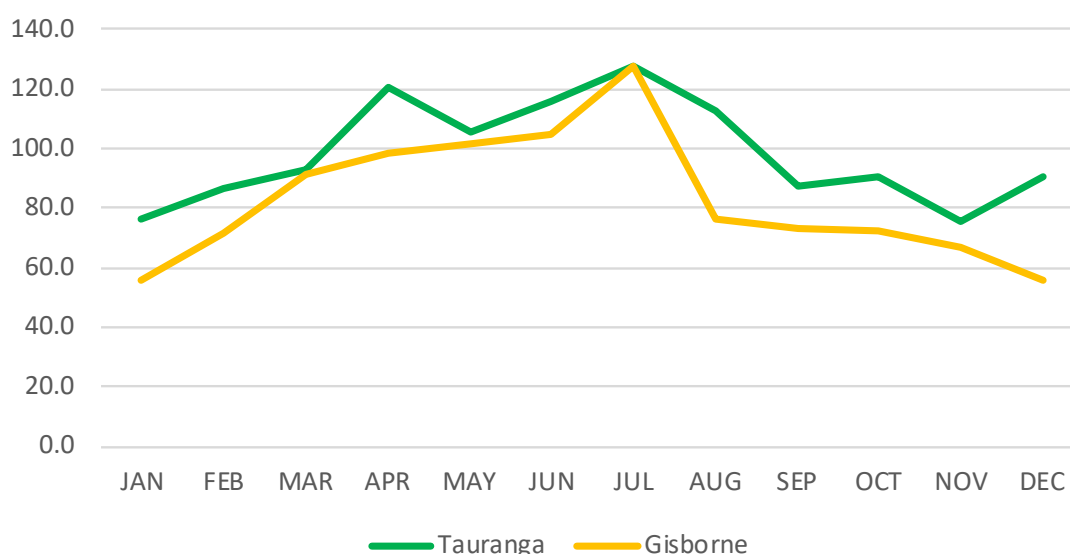
Temperature



MEAN MAX. TEMP. °C	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Tauranga	24.0	24.0	22.5	19.9	17.4	15.1	14.5	15.0	16.6	18.1	20.1	22.3
Gisborne	24.6	24.2	22.6	19.9	17.4	15.1	14.2	15.1	17.0	18.9	20.9	23.2

MEAN MIN. TEMP. °C	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Tauranga	14.8	15.3	13.5	11.0	9.0	6.6	5.9	6.4	8.0	9.7	11.4	13.6
Gisborne	13.9	14.0	12.5	9.8	7.5	5.6	5.3	5.6	7.0	8.9	10.7	12.9

Rainfall



Data Source: <https://www.niwa.co.nz/education-and-training/schools/resources/climate>

Data are mean monthly values for the 1981-2010 period for locations having at least 5 complete years of data.

INVESTMENT DETAILS - FEATURES

Soil

The Property consists predominantly of Kaiti Silt Loam with a wide strip of Waihirere Silt Loam through the middle of the Property. These soils are well known as fertile, free draining soils, ideal for productive development of horticulture and cropping. There are also small pockets of Kaiti Clay Loam to the east of the Property. Additional sub-soil 'tile drainage' has been installed throughout current Lot 1 and over half of Lot 2 which will be either upgraded or replaced in this development so that the whole property is adequately drained. In addition, new drains will be dug through the property guiding water more efficiently to the boundary drains. The Property is approximately 20m above sea level with the hill portion rising to 40m. This elevation is considered as falling outside of any identified flood hazard, aside from an insignificant portion in the southern corner.



Water

The Property includes a Class I water consent to draw a maximum daily volume of 3,500m³ of water from the Waipaoa River at the rate of 48.6 litres per second. This is considered sufficient to irrigate a kiwifruit orchard in the region which requires 35m³ to 50m³ per day, per hectare, over the peak summer period.

An application for a licence to install a pump and other equipment in the river berm to draw the water, and for a permit to pipe the water along council road reserves to the Property, is in progress. The Gisborne District Council has been involved throughout the water consenting and delivery process. The intention is for the installation of the pump and pipeline to be completed in 2019; this has been included in the development budget.

There is also a large water reservoir of approximately three hectares on Lot 2 with catchment being from the western hill. The reservoir will service Lot 1 as well. An easement will be put in place during the development phase in order to secure the ongoing right of Lot 1 to use the reservoir on Lot 2 should the orchards be operated or sold separately in future.

The Gisborne District Council has a 'use it or lose it' water policy due to the region's water resources being over allocated - any unused allocation will be reallocated. In the property purchase agreement between Apata and Rawhiti Orchard LP, the Partnership will undertake to support any application by Apata to utilise any underused water allocation, subject to Council approval, and Apata will compensate the Partnership accordingly.

Frost Protection

Due to the nature of the soil and location, frost fans are considered a more appropriate protection method than sprinklers. There are currently three large frost fans on the orchard across Lots 1 and 2. These will need to be re-situated and supplemented in number in order to provide adequate protection for kiwifruit orchards. Frost protection costs are included in the development budget.

Improvements

The Property includes a tidy three-bedroom dwelling with single garage. This dwelling will be available for lease and market rental for the dwelling has been included in the financial returns.

There are also two 4-bay implement sheds and a large enclosed implement shed with a concrete floor.

INVESTMENT DETAILS - DEVELOPMENT PLAN

Development of the Property into a 62.3 canopy hectare kiwifruit orchard is planned over three years, with plantings to occur in late 2019, 2020 and 2021.



The sub-division of the property into two Lots allows the development of each lot as a mutually exclusive development in order to maintain flexibility of investment.

- Lot 1: Rawhiti 1 consists of blocks 9, 10 and 11 totaling 29.2 canopy hectares and is expected to be developed into a Gold orchard.
- Lot 2: Rawhiti 2 consists of blocks 1 – 8 and includes the house, farm buildings, hill country and the reservoir. Rawhiti 2 is expected to be developed into 24.0 hectares of Gold with the remaining 9.1 hectares as Green. Initially planting in Green will give the opportunity to partake in any future new varieties should they be released. If no new variety is forthcoming then the Green hectares may be converted to Gold - this will be a decision approved by the General Partner at the time. The inclusion of a house available for rent also allows for a diversified revenue stream for Lot 2.

As the reservoir will be available for irrigation for both lots, the orchard purchase value for Rawhiti 1 includes a value to account for access to the reservoir. An easement will be granted for access.

INVESTMENT DETAILS - DEVELOPMENT PLAN

Development of the property is expected to be as per tables below. The plan below is indicative only and block sizes, amongst other details, may change once development commences. All changes will be at the discretion of the General Partner.

Rawhiti 1

Year	Block	Dev. Ha.	Variety	Rootstock	First Production
2019	11	10.70	Gold	1 Year Rootstock	April 2022
2020	10	9.80	Gold	2 Year Rootstock	April 2022
2021	9	8.75	Gold	2 Year Rootstock	April 2023
TOTAL		29.25			

Rawhiti 2

Year	Block	Dev. Ha.	Variety	Rootstock	First Production
2019	5	4.02	Gold	1 Year Rootstock	April 2022
2019	8	7.26	Gold	1 Year Rootstock	April 2022
Sub-Total		11.28			

Year	Block	Dev. Ha.	Variety	Rootstock	First Production
2020	1	1.05	Gold	2 Year Rootstock	April 2022
2020	2	2.92	Gold	2 Year Rootstock	April 2022
2020	4	2.14	Gold	2 Year Rootstock	April 2022
2020	7	6.61	Gold	2 Year Rootstock	April 2022
Sub-Total		12.72			

Year	Block	Dev. Ha.	Variety	Rootstock	First Production
2021	3	2.62	Green	2 Year Rootstock	April 2023
2021	6	6.45	Green	2 Year Rootstock	April 2023
Sub-Total		9.07			
TOTAL		33.07			

Development costs are detailed in the following Financial Information section.

INVESTMENT DETAILS - FINANCIAL INFORMATION

The following tables provide selected forecast financial information about the orchard developments. More detailed financial information is available on request. It is recommended all potential investors seek professional advice regarding the financial information provided. Financial analysis for each Lot (Rawhiti 1 and Rawhiti 2) is provided for analysis information, but the investor is reminded that they are investing in the Property as a whole.

Capital Investment

Budgeted capital investment requirement for the orchard:

Capital Investment Requirement	Rawhiti 1	\$/CHa	Rawhiti 2	\$/CHa	Total	\$/CHa
Land Purchase	\$3,486,566	\$119,199	\$4,563,434	\$137,993	\$8,050,000	\$129,172
Irrigation - River Take	\$443,537	\$15,164	\$501,463	\$15,164	\$945,000	\$15,164
Orchard Development	\$5,322,616	\$181,970	\$5,527,563	\$167,147	\$10,850,180	\$174,104
Gold Licence*	\$7,449,875	\$254,697	\$6,063,600	\$183,357	\$13,513,475	\$216,840
Legal, Due Diligence, Advertising	\$43,340	\$1,482	\$56,660	\$1,713	\$100,000	\$1,605
Working Capital	\$1,054,064	\$36,036	\$1,287,281	\$38,926	\$2,341,345	\$37,570
Total Capital Required	\$17,800,000	\$608,547	\$18,000,000	\$544,300	\$35,800,000	\$574,454
Funded by Equity	\$10,000,000	56%	\$10,000,000	56%	\$20,000,000	56%
Funded by Debt	\$7,800,000	44%	\$8,000,000	44%	\$15,800,000	44%

* Gold Licence Development Cost is budgeted at an average of \$255,697 per Gold Canopy hectare developed, which is diluted for Rawhiti 2 and Total due to the inclusion of Green hectares which do not require licence. Refer Licence Cost section below.

Equity Deployment

It is assumed that Partners' equity will be used ahead of drawing down debt. Partners will therefore be required to provide their investment funding to the Limited Partnership in the following tranches:

- Deposit: 10% of the Unit price (\$50,000 per Unit) on application.
- Tranche 1: 60% of the Unit price (\$300,000 per Unit) on issue date 29th March 2019.
- Tranche 2: 20% of the Unit price (\$100,000 per Unit) on 30th September 2019.
- Tranche 3: 10% of the Unit price (\$50,000 per Unit) on 31st March 2020.

Borrowing

The budget assumes Rawhiti Orchard LP will borrow \$15.8 million of term debt. Borrowing on the orchard at peak debt is assumed to be approx. 44% of the total capital requirement once the orchard is developed, assuming the Offer is fully subscribed. Once the orchard is developed the market value of the orchard should be higher than the development costs and the debt gearing will therefore be well below 44%. It is assumed that Partners' Equity is used first to fund the development, prior to debt draw-down.

Debt will be provided by Bank of New Zealand, who also bank Apata. The financial forecasts assume a 15-year loan, with interest-only for four years until production is sufficient to provide cashflows for principal repayment, then principal repayments for the next 11 years. However, the BNZ have advised that the interest-only period may be extended for a further five years should asset values support this at year 5, and the loan period extended to 20 years. This would allow additional free cashflow to be provided back to Limited Partners.

The structure of the debt between fixed and floating interest rates will be determined by the General Partner at the time of drawing the debt amounts, taking into account the prevailing fixed and floating interest rates at the time. The assumed interest rate for the 10-year period is 5.5%; current interest rates available for debt funding this type of asset are 4% – 4.5%. The debt will be secured with a first ranking mortgage over the property with no personal guarantees.

INVESTMENT DETAILS - FINANCIAL INFORMATION

Development Costs

The Development costs are estimated at current prices of approx. \$170,000/ha for Gold and \$125,000/ha for Green, with a 2% CPI per annum applied to these costs. The major difference is the Gold has a covered canopy.

	RAWHITI 1				
	Tranche 1		Tranche 2	Tranche 3	TOTAL
	Gold		Gold	Gold	
	2019-20	2020-21	2020-21	2021-22	
Structural	\$275,306	\$178,116	\$420,327	\$382,798	\$1,256,547
Frost Protection	\$218,280	\$ -	\$203,918	\$185,711	\$607,910
Plant Purchase	\$157,162	\$ -	\$220,232	\$200,568	\$577,962
Planting	\$29,468	\$ -	\$27,529	\$25,071	\$82,068
Grafting	\$ -	\$40,076	\$36,705	\$33,428	\$110,210
Training	\$ -	\$60,448	\$55,364	\$50,421	\$166,233
Irrigation - On Orchard	\$145,975	\$11,132	\$146,566	\$133,480	\$437,153
Shelter - Artificial & Overhead	\$654,840	\$ -	\$611,755	\$557,134	\$1,823,729
GPSit Map	\$ -	\$2,672	\$2,447	\$2,229	\$7,347
Contingency	\$74,051	\$14,622	\$86,242	\$78,542	\$253,458
Total	\$1,555,081	\$307,067	\$1,811,086	\$1,649,382	\$5,322,616
Developed Canopy Hectares	10.70	10.70	9.80	8.75	29.25
Total per Canopy Hectare	\$145,335	\$28,698	\$184,805	\$188,501	\$181,970

	RAWHITI 2				
	Tranche 1		Tranche 2	Tranche 3	TOTAL
	Gold		Gold	Green	
	2019-20	2020-21	2020-21	2021-22	
Structural	\$290,229	\$187,771	\$545,567	\$396,797	\$1,420,364
Frost Protection	\$230,112	\$ -	\$264,678	\$192,503	\$687,293
Plant Purchase	\$165,681	\$ -	\$285,852	\$207,903	\$659,436
Planting	\$31,065	\$ -	\$35,731	\$25,988	\$92,785
Grafting	\$ -	\$42,249	\$47,642	\$34,651	\$124,541
Training	\$ -	\$63,725	\$71,860	\$52,265	\$187,850
Irrigation - On Orchard	\$153,887	\$11,736	\$190,237	\$138,362	\$494,222
Shelter - Artificial & Overhead	\$690,336	\$ -	\$794,033	\$105,184	\$1,589,553
GPSit Map	\$ -	\$2,817	\$3,176	\$2,310	\$8,303
Contingency	\$78,065	\$15,415	\$111,939	\$57,798	\$263,217
Total	\$1,639,375	\$323,712	\$2,350,716	\$1,213,760	\$5,527,563
Developed Canopy Hectares	11.28	11.28	12.72	9.07	33.07
Total per Canopy Hectare	\$145,335	\$28,698	\$184,805	\$133,821	\$167,147

INVESTMENT DETAILS - FINANCIAL INFORMATION

Licence Cost

The total licence cost for Gold is assumed to be \$13,513,475. This is based on a current price of \$250,000/ha with a 2% CPI per annum applied to this cost. Licence costs in the tender allocations for the last three seasons (excluding GST) are as follows.

	2016	2017	2018
Hectares issued	400	400	700
Median Price	\$ 171,000	\$ 235,000	\$ 265,108
Minimum Accepted Bid	\$ 142,000	\$ 221,000	\$ 233,333

Forecast Financial Returns

Growing seasonality for a kiwifruit orchard is from July to June. As such, the tables on pages 25 and 26 reflect seasons ending 30 June each year. The development is expected to provide positive cashflows from 2022/23. Operating cashflows at full production (2025/26) are forecast to be \$5.9m. Following forecast debt repayments of \$1.44m per year, free cashflow at full production is forecast to be \$4.4m, or 22.3% of contributed capital, and increasing beyond that date. Free cashflow approved for distribution will be paid out to investors as early as possible each year. Unlevered IRR for the development project is 16.1%. More detailed analysis of forecast financial returns is as follows.

Return on Investment

The unlevered Internal Rate of Return (IRR) over a 10-year period is forecast at:

Rawhiti 1:	16.6%
Rawhiti 2:	15.6%
Total Orchard:	16.1%

The pre-tax cash IRR to investors is forecast at 18.0%.

Please note: An investment in a Unit in the Limited Partnership is an investment in both Rawhiti 1 and Rawhiti 2; ie. the total development. Each Unit holder will therefore participate in any new variety release if the General Partner determines to do so.

INVESTMENT DETAILS - FINANCIAL INFORMATION

Financial Performance

Forecast Financial Performance and Operating Cashflows	RAWHITI 1									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Orchard Income	\$ -	\$ -	\$948,846	\$2,193,112	\$3,625,195	\$4,437,561	\$4,814,351	\$4,910,638	\$5,008,850	\$5,109,027
Rental Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Income	\$ -	\$ -	\$948,846	\$2,193,112	\$3,625,195	\$4,437,561	\$4,814,351	\$4,910,638	\$5,008,850	\$5,109,027
Orchard Expenses	\$113,724	\$241,009	\$620,169	\$960,814	\$1,198,176	\$1,293,387	\$1,338,553	\$1,365,324	\$1,392,630	\$1,420,483
Property Expenses	\$36,470	\$62,689	\$87,157	\$88,900	\$90,678	\$92,492	\$94,341	\$96,228	\$98,153	\$100,116
Total Operating Expenditure	\$150,194	\$303,698	\$707,326	\$1,049,714	\$1,288,854	\$1,385,879	\$1,432,894	\$1,461,552	\$1,490,783	\$1,520,599
EBITDA	-\$150,194	-\$303,698	\$241,520	\$1,143,398	\$2,336,341	\$3,051,683	\$3,381,456	\$3,449,086	\$3,518,067	\$3,588,429
Depreciation	\$133,750	\$358,631	\$578,332	\$660,801	\$660,801	\$660,801	\$660,801	\$660,801	\$660,801	\$660,801
EBIT	-\$283,944	-\$662,329	-\$336,812	\$482,596	\$1,675,540	\$2,390,881	\$2,720,655	\$2,788,284	\$2,857,266	\$2,927,627
Interest Expense	\$68,750	\$330,000	\$429,000	\$390,000	\$351,000	\$312,000	\$273,000	\$234,000	\$195,000	\$156,000
Net Profit Before Tax	-\$352,694	-\$992,329	-\$765,812	\$92,596	\$1,324,540	\$2,078,881	\$2,447,655	\$2,554,284	\$2,662,266	\$2,771,627
Operating Cashflow	-\$218,944	-\$633,698	-\$187,480	\$753,398	\$1,985,341	\$2,739,683	\$3,108,456	\$3,215,086	\$3,323,067	\$3,432,429
Debt Repayment	\$ -	\$ -	\$ -	\$709,091	\$709,091	\$709,091	\$709,091	\$709,091	\$709,091	\$709,091
Free Cashflow available for Distribution to Partners	-\$218,944	-\$633,698	-\$187,480	\$44,307	\$1,276,250	\$2,030,592	\$2,399,366	\$2,505,995	\$2,613,976	\$2,723,338
Free Cashflow / Contributed Capital				0.4%	12.8%	20.3%	24.0%	25.1%	26.1%	27.2%
Interest Cover				2.9	6.7	9.8	12.4	14.7	18.0	23.0
Loan to Value Ratio (LVR)	7%	34%	44%	40%	36%	32%	28%	24%	20%	16%

Forecast Financial Performance and Operating Cashflows	RAWHITI 2									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Orchard Income	\$ -	\$ -	\$1,072,926	\$2,342,351	\$3,729,060	\$4,418,980	\$4,646,641	\$4,739,574	\$4,834,365	\$4,931,053
Rental Income	\$15,912	\$16,230	\$16,555	\$16,886	\$17,224	\$17,568	\$17,919	\$18,278	\$18,643	\$19,016
Total Income	\$15,912	\$16,230	\$1,089,481	\$2,359,237	\$3,746,283	\$4,436,549	\$4,664,560	\$4,757,852	\$4,853,009	\$4,950,069
Orchard Expenses	\$119,888	\$282,156	\$702,336	\$1,064,457	\$1,313,476	\$1,423,427	\$1,464,398	\$1,493,686	\$1,523,560	\$1,554,031
Property Expenses	\$53,953	\$88,117	\$113,942	\$116,221	\$118,545	\$120,916	\$123,335	\$125,801	\$128,317	\$130,884
Total Operating Expenditure	\$173,841	\$370,273	\$816,278	\$1,180,678	\$1,432,021	\$1,544,344	\$1,587,733	\$1,619,487	\$1,651,877	\$1,684,915
EBITDA	-\$157,929	-\$354,043	\$273,203	\$1,178,559	\$2,314,262	\$2,892,205	\$3,076,828	\$3,138,364	\$3,201,131	\$3,265,154
Depreciation	\$141,000	\$410,222	\$543,943	\$604,631	\$604,631	\$604,631	\$604,631	\$604,631	\$604,631	\$604,631
EBIT	-\$298,929	-\$764,265	-\$270,740	\$573,928	\$1,709,631	\$2,287,574	\$2,472,196	\$2,533,733	\$2,596,500	\$2,660,523
Interest Expense	\$192,500	\$363,000	\$440,000	\$400,000	\$360,000	\$320,000	\$280,000	\$240,000	\$200,000	\$160,000
Net Profit Before Tax	-\$491,429	-\$1,127,265	-\$710,740	\$173,928	\$1,349,631	\$1,967,574	\$2,192,196	\$2,293,733	\$2,396,500	\$2,500,523
Operating Cashflow	-\$350,429	-\$717,043	-\$166,797	\$778,559	\$1,954,262	\$2,572,205	\$2,796,828	\$2,898,364	\$3,001,131	\$3,105,154
Debt Repayment	\$ -	\$ -	\$ -	\$727,273	\$727,273	\$727,273	\$727,273	\$727,273	\$727,273	\$727,273
Free Cashflow available for Distribution to Partners	-\$350,429	-\$717,043	-\$166,797	\$51,286	\$1,226,990	\$1,844,932	\$2,069,555	\$2,171,091	\$2,273,859	\$2,377,881
Free Cashflow / Contributed Capital				0.5%	12.3%	18.4%	20.7%	21.7%	22.7%	23.8%
Interest Cover				2.9	6.4	9.0	11.0	13.1	16.0	20.4
Loan to Value Ratio (LVR)	19%	37%	44%	40%	36%	32%	28%	24%	20%	16%

INVESTMENT DETAILS - FINANCIAL INFORMATION

Financial Performance (Continued)

Forecast Financial Performance and Operating Cashflows	TOTAL ORCHARD									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Orchard Income	\$ -	\$ -	\$2,021,772	\$4,535,462	\$7,354,255	\$8,856,542	\$9,460,992	\$9,650,211	\$9,843,216	\$10,040,080
Rental Income	\$15,912	\$16,230	\$16,555	\$16,886	\$17,224	\$17,568	\$17,919	\$18,278	\$18,643	\$19,016
Total Income	\$15,912	\$16,230	\$2,038,327	\$4,552,348	\$7,371,478	\$8,874,110	\$9,478,911	\$9,668,489	\$9,861,859	\$10,059,096
Orchard Expenses	\$233,612	\$523,165	\$1,322,505	\$2,025,271	\$2,511,651	\$2,716,814	\$2,802,951	\$2,859,010	\$2,916,190	\$2,974,514
Property Expenses	\$90,423	\$150,806	\$201,099	\$205,121	\$209,223	\$213,408	\$217,676	\$222,029	\$226,470	\$230,999
Total Operating Expenditure	\$324,035	\$673,971	\$1,523,603	\$2,230,391	\$2,720,875	\$2,930,222	\$3,020,627	\$3,081,039	\$3,142,660	\$3,205,513
EBITDA	-\$308,123	-\$657,741	\$514,723	\$2,321,957	\$4,650,603	\$5,943,888	\$6,458,284	\$6,587,450	\$6,719,199	\$6,853,583
Depreciation	\$274,750	\$768,853	\$1,122,276	\$1,265,433	\$1,265,433	\$1,265,433	\$1,265,433	\$1,265,433	\$1,265,433	\$1,265,433
EBIT	-\$582,873	-\$1,426,594	-\$607,552	\$1,056,524	\$3,385,171	\$4,678,455	\$5,192,851	\$5,322,017	\$5,453,766	\$5,588,150
Interest Expense	\$261,250	\$693,000	\$869,000	\$790,000	\$711,000	\$632,000	\$553,000	\$474,000	\$395,000	\$316,000
Net Profit Before Tax	-\$844,123	-\$2,119,594	-\$1,476,552	\$266,524	\$2,674,171	\$4,046,455	\$4,639,851	\$4,848,017	\$5,058,766	\$5,272,150
Operating Cashflow	-\$569,373	-\$1,350,741	-\$354,277	\$1,531,957	\$3,939,603	\$5,311,888	\$5,905,284	\$6,113,450	\$6,324,199	\$6,537,583
Debt Repayment	\$ -	\$ -	\$ -	\$1,436,364	\$1,436,364	\$1,436,364	\$1,436,364	\$1,436,364	\$1,436,364	\$1,436,364
Free Cashflow available for Distribution to Partners	-\$569,373	-\$1,350,741	-\$354,277	\$95,593	\$2,503,240	\$3,875,524	\$4,468,921	\$4,677,086	\$4,887,835	\$5,101,219
Free Cashflow / Contributed Capital				0.5%	12.5%	19.4%	22.3%	23.4%	24.4%	25.5%
Interest Cover				2.9	6.5	9.4	11.7	13.9	17.0	21.7
Loan to Value Ratio (LVR)	13%	35%	44%	40%	36%	32%	28%	24%	20%	16%

The orchards are expected to be in a positive cashflow position by the end of the 2022-2023 season. Free cashflow at full production (2025-2026) is expected to be \$4.4m, or 22.3% of contributed capital. Free cashflow is forecast to be paid out to investors per Unit pre-tax as per the table below. Interest Cover is expected to be comfortably above 10x once full production is achieved. The LVR is expected to be at maximum in 2021-22 at 44% and falls annually with structured loan repayments.

Cash Distributions

No cash distributions will be made while the orchard is under development and until the orchard provides a positive cashflow. This is expected to occur in 2023/24. Prior to positive cashflow, any deficits will be debt funded. Free cashflow available for distribution to partners is forecast as follows:

Forecast Cashflow available for Distribution	TOTAL ORCHARD										
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	Terminal Value
Free Cashflow available for Distribution to Partners	\$ -	\$ -	\$ -	\$95,593	\$2,503,240	\$3,875,524	\$4,468,921	\$4,677,086	\$4,887,835	\$5,101,219	\$66,064,617
Free Cashflow per Unit	\$ -	\$ -	\$ -	\$2,390	\$62,581	\$96,888	\$111,723	\$116,927	\$122,196	\$127,530	\$1,651,615
Free Cashflow / Contributed Capital				0.5%	12.5%	19.4%	22.3%	23.4%	24.4%	25.5%	330.3%

The terminal value is calculated as the forecast sales value for the orchard, less outstanding debt repaid. For assumptions surrounding the calculation of terminal value, please refer to the 'Investment Details - Assumptions & Sensitivity' section.

Any decision on distribution will be made by the General Partner at the time of surplus.

INVESTMENT DETAILS - ASSUMPTIONS & SENSITIVITY

Production

Mature production is assumed to occur in the fifth year of development for 2-year rootstock and the sixth year of development for 1-year rootstock. Mature production is assumed at:

- Gold Production: 16,000 te per CHa
- Green Production: 10,000 te per CHa

Internal Rate of Return (IRR) sensitivity on the production yield is as follows:

		GREEN		
		8,000	10,000	12,000
GOLD	14,000	14.7%	14.8%	15.0%
	16,000	16.0%	16.1%	16.2%
	18,000	17.2%	17.3%	17.4%

Orchard Gate Returns (OGR)

Long-term OGR's are based on the following average returns:

- Gold \$8.50/te
- Green \$6.50/te

The Gold long-term OGR is lower than recent industry returns. It is assumed that as industry Gold volumes increase then average OGR will decrease. In contrast, Green OGR is higher than recent returns. It is assumed that as Green hectares are cut-over to Gold the Green volumes will decrease which will result in an increase in average OGR.

In 2017 Zespri stated that the long-term estimate of potential average returns over the period of their 10-year plan is as follows:

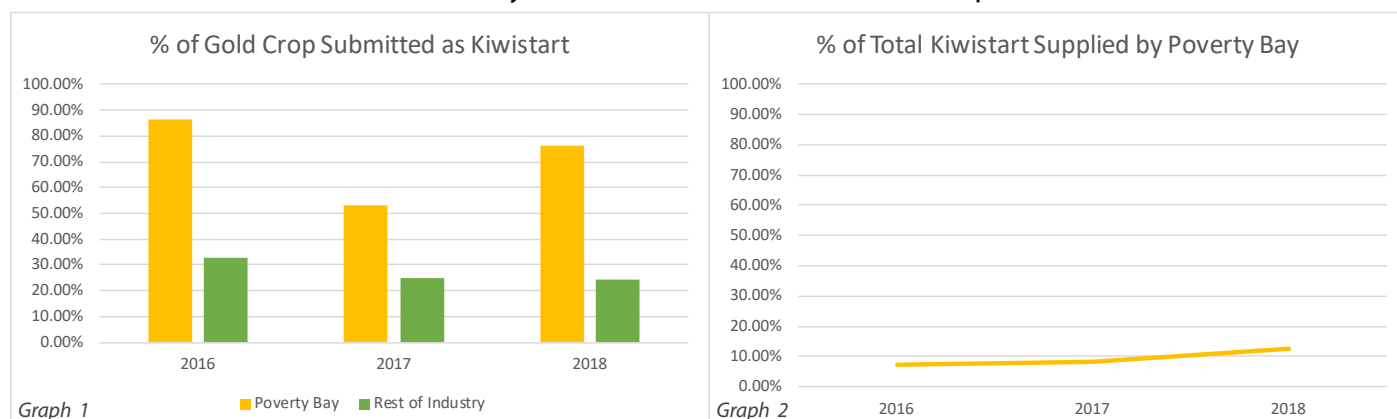
- Gold \$7.00 to \$9.00 per tray
- Green \$5.00 to \$6.50 per tray

Production for the orchards is assumed to produce 50% Kiwistart volumes and 50% Mainpack volumes.

Kiwistart in Poverty Bay

The Poverty Bay region accounts for a disproportionately high volume of Kiwistart relative to the rest of the industry. Key points:

- 'Graph 1' highlights the proportion of Gold kiwifruit grown in Poverty Bay that is submitted and accepted for Kiwistart.
- 'Graph 2' highlights that mass planting of kiwifruit in the Poverty Bay area would not necessarily place stress on the overall Kiwistart potential advantage in the region due to Poverty Bay's relatively minor contribution to the overall industry volume submitted as Kiwistart at present.



INVESTMENT DETAILS - ASSUMPTIONS & SENSITIVITY

The impact of this mix on OGR is assumed to be as follows:

	KIWISTART	MAINPACK	AVERAGE
GOLD	\$9.84/te	\$8.07/te	\$8.96/te
GREEN	\$7.04/te	\$6.33/te	\$6.68/te

OGR returns are assumed to increase 2% pa.

IRR Sensitivity on the average OGR is as follows:

		GREEN		
		\$5.68	\$6.68	\$7.68
GOLD	\$7.96	14.7%	14.8%	14.9%
	\$8.96	16.0%	16.1%	16.2%
	\$9.96	17.2%	17.3%	17.4%

Terminal Value

A key benefit of investing in an orchard development is that the value of the completed orchard at full production is generally expected to be greater than the input costs to develop the orchard. This provides a capital appreciation benefit inherent within the returns. The capital appreciation is included in the financial returns by way of a terminal value. The terminal value used for the IRR calculations is based on the following current Orchard Values per Canopy Hectare (CHa), with a CPI increase of 2% pa.

\$/CHa	PURCHASE AND DEVELOPMENT COSTS	BASE TERMINAL VALUE
GOLD	\$579,159	\$1,000,000
GREEN	\$288,692	\$450,000

Purchase and development costs includes house and title, allocated proportionately between green and gold on a per hectare basis.

IRR Sensitivity on the current orchard value is as follows:

		GREEN		
		\$300,000	\$450,000	\$600,000
GOLD	\$800,000	14.3%	14.5%	14.7%
	\$1,000,000	15.9%	16.1%	16.3%
	\$1,200,000	17.3%	17.5%	17.6%

Interest Rates

Debt interest rate is assumed at 5.5%. Sensitivity on the interest expense at maximum debt levels is as follows:

INTEREST RATE	INTEREST EXPENSE
4.0%	\$632,000
5.5%	\$869,000
7.0%	\$1,106,000

CPI

CPI on expenditure is assumed at 2.0% per annum. IRR sensitivity on the CPI rate for expenditure is as follows.

CPI	IRR
1.0%	16.4%
2.0%	16.1%
3.0%	15.7%

INVESTMENT DETAILS - RISKS

No potential investment is without risk and a development investment has additional risks due to the nature and timing of the investment. Potential investors are encouraged to investigate the risks of this investment and compare to other opportunities. The following tables present a summary of some of the potential risks faced by a kiwifruit orchard development.

RISK	COMMENT																
Development Risk	The development may not progress according to time frames, the plants may take longer to mature than expected, or water may not be able to be provided to the orchards. To mitigate this, Apata have procured plants ahead of time. A water permit has been secured, and a pipeline plan is planned to be implemented in 2019. The reservoir located on the property provides a backup supply of water.																
Cost Risk	The orchards may cost significantly more to develop and manage. Orchard development costs have been estimated in line with current industry and regional development costs and quotes have been sought where appropriate. However, there is always the risk that development costs exceed budget due to unexpected or unknown reasons. On-orchard activities requiring labour are subject to increases.																
OGR/Returns Risk	OGR returns may not achieve forecast returns. Gold OGR returns are based on \$8.50/te increasing by 2% pa. While this represents a significant drop on current OGR's, it is at the higher end of Zespri's long term projections.																
Kiwistart Risk	<div>The orchard may not produce 50% Kiwistart fruit, but based on the previous 3 seasons the Gisborne region has produced a high proportion of kiwistart fruit.</div> <table><tr><th>Gold</th><th>2016</th><th>2017</th><th>2018</th></tr><tr><td>KS in Gisborne</td><td>1,125,345</td><td>1,074,124</td><td>2,241,571</td></tr><tr><td>Total in Gisborne</td><td>1,305,429</td><td>2,028,200</td><td>2,937,978</td></tr><tr><td>% of KS in Gisborne</td><td>86.20%</td><td>52.96%</td><td>76.30%</td></tr></table>	Gold	2016	2017	2018	KS in Gisborne	1,125,345	1,074,124	2,241,571	Total in Gisborne	1,305,429	2,028,200	2,937,978	% of KS in Gisborne	86.20%	52.96%	76.30%
Gold	2016	2017	2018														
KS in Gisborne	1,125,345	1,074,124	2,241,571														
Total in Gisborne	1,305,429	2,028,200	2,937,978														
% of KS in Gisborne	86.20%	52.96%	76.30%														
Production (Yield) Risk	Production yields may not achieve expectation. Orchard productivity has been assumed for the development based on current and expected industry and regional yields. This is considered realistic, but is not conservative.																
Licence Issue Risk	Zespri may not issue SunGold licence as advised. Zespri have advised that 700 ha of SunGold licence will be made available on open tender in 2019, and that they intend to issue a further 700 ha per year for 2020 through 2022. However, there is a risk that Zespri do not issue licences in these years. This is considered a small risk as Zespri has developed good quality demand for SunGold through market development, brand and category growth, and high quality supply.																
Licence Open Tender Risk	Rawhiti Orchard LP may not be able to secure licence through the open tender process. The budget assumes a licence price above the 2018 minimum licence price, and Apata has experience in bidding for tender licences, but there is a risk that market pricing exceeds forecasts.																
Climatic Risk	Climatic risk is always a factor in primary production. Whilst New Zealand generally enjoys a moderate climate with regular rainfall, extreme storms, droughts or temperatures can occur which can damage crops. Orchard management techniques endeavour to minimise the impact of climatic incidents, but there can be no guarantee that the orchards will not be affected if they were to occur. Irrigation development protects the orchards from drought, frost protection protects the orchard from frosts, and hail netting protects the gold kiwifruit from hail. The kiwifruit industry collectively insures against hail events.																

INVESTMENT DETAILS - RISKS

RISK	COMMENT
Contractor Risk	<p>Apata GROW personnel make operational decisions which affect production and quality and therefore value. These risks are allocated and mitigated in the Orchard Development & Management Agreement between Apata and the Partnership.</p> <p>The directors of the General Partner will make themselves familiar with the contents of this contract and ensure they understand the risk sharing arrangements therein. Apata also has professional indemnity insurance (which also covers Apata GROW).</p>
Orchard Valuation Risk	<p>The market price for kiwifruit orchards may decline. While the price for land and developed kiwifruit orchards has increased over time, there is no guarantee that these prices will remain through future years.</p>
Oversupply of SunGold to Market	<p>The demand for SunGold is unprecedented and Zespri has developed good quality demand for this product to date, but there is a risk that Zespri releases too much licence and the NZ grown SunGold saturates the market leading to lower returns than this IM has been predicated on. Zespri has used market demand forecasts to determine its licence release plans.</p>
New Variety Risk	<p>New varieties may not become available or, if they do and are planted on the orchard, they may not be commercially successful.</p>
Biological Incursions	<p>Pests and diseases, such as Psa (a vine killing disease discovered in NZ kiwifruit orchards in 2010), Queensland Fruit Fly (QFF) (which was discovered and eliminated in Auckland in 2014, with a further one male being reported in 2019), and Brown Marmorated Stink Bug (BMSB) (of which one male was identified in Tauranga in 2018), have the ability to severely impact kiwifruit orchard production or place export restrictions or holds on fresh produce through more stringent border controls.</p> <p>Psa destroyed the Gold variety Hort16A which was the major commercial Gold variety at the time of incursion.</p> <p>The impact of Psa was mitigated by the establishment of Kiwifruit Vine Health (KVH) who, along with Zespri, put in place immediate bio-security systems and improved orchard management systems.</p> <p>In addition, orchard husbandry has improved with better management of crops through the use of coppers and actigard to protect vine wounds which are entry points for Psa to enter the vines. SunGold and Hayward have proven to be more tolerant to Psa, if managed properly.</p> <p>Zespri's partner, Plant & Food Research, is in a long- term R&D programme looking at Psa resistant commercially viable varieties.</p> <p>The QFF incursion in 2014 was disruptive to the kiwifruit industry as the "no-go" zones included both major motorways through Auckland, meaning Northland fruit was unable to be transported to the Bay of Plenty for packing or shipping.</p> <p>BMSB has been identified on a number of ships heading to New Zealand, forcing MPI to turn the ships around. In late 2018, one male BMSB was discovered in residential Tauranga, but none have been found since.</p> <p>KVH, in partnership with MPI, have been proactive in setting up detailed plans to deal with a pest or disease outbreak, and specifically for QFF and BMSB. KVH have been successful in requesting from the government that the Samurai Wasp, a predator of BMSB but otherwise harmless to humans, flora or fauna, be allowed to enter New Zealand should BMSB become established.</p>

INVESTMENT DETAILS - RISKS

RISK	COMMENT
Foreign Exchange Risk	<p>The NZ Dollar may appreciate significantly against other currencies, reducing Orchard Gate Returns, or Zespri takes out inappropriate foreign exchange cover and Orchard Gate Returns suffer.</p> <p>Zespri have a team dedicated to managing currency through a specific treasury policy, and a proven track record for adding foreign exchange value in times of fluctuation. However, treasury policy is not infallible especially in times of rapid or prolonged appreciation of the currency.</p>
Post-Harvest Risk	<p>Post-Harvest costs may increase, and high fruit loss may occur.</p> <p>The Post-Harvest industry is extremely competitive and has been for many years. Competition ensures no single operator is far out of line in performance or pricing.</p> <p>All growers sign an annual contract with Apata so the Partnership will always be on the standard terms and conditions offered to all growers. However, costs based on a high-labour reliance are always at risk of increasing should market conditions change.</p> <p>Apata's fruit loss has historically been better than industry average as a result of its expertise and continued investment in post-harvest operations. However, there is always a risk that an unforeseen event causes higher than expected fruit loss, although fruit loss does not affect Kiwistart crop.</p>
Interest rate risk	<p>Sharp changes in interest rates may occur leading to an increase in interest payments. The Partnership can arrange fixed rates to provide future planning certainty for cash flow. However, interest rate management is fallible, especially in times of rapid or prolonged appreciation of interest rates.</p>
Industry Regulations	<p>There is a risk of deregulation - the removal of the Single Point of Entry (SPE).</p> <p>The industry structure was unsuccessfully challenged by Turners and Growers in 2011, and both major political parties have indicated the SPE will remain whilst still supported by the majority of growers (a recent survey of grower support for the SPE was at over 95%).</p> <p>Deregulation nevertheless does remain a risk to the industry. However, Zespri retains the sole right to market SunGold until 2038 as they own the Patent Variety Right until that time.</p>
Market Risk	<p>Demand and supply fluctuations may occur in key global markets. A key market may become closed to New Zealand kiwifruit.</p> <p>Zespri has developed good quality demand through market development, brand and category growth – underpinned by the popularity of SunGold. Diversification of markets continues with China now being added to the market powerhouses of Europe and Japan. Market extension continues with investment in developing the Zespri brand in India and North America. However, closing any one of Zespri's major markets would impact the returns achieved.</p>
Tax Regulation Risk	<p>The Government's Tax Working Group may recommend the introduction of a Capital Gains Tax. A significant portion of a kiwifruit orchard development's returns is the expected capital gain on the value of the orchard once it is producing fruit. The introduction of a Capital Gains tax has the possibility of decreasing the gain available to investors by up to 33% (based on current income tax rates).</p>

INVESTMENT DETAILS - RISKS

RISK	COMMENT
Exit (Liquidity) Risk	<p>Investors may have difficulty in selling Partnership Units, or investors may be unable to recoup their original investment in full due to a lack of liquidity.</p> <p>While the prospect is attractive as an investment with potential high returns and potential capital appreciation, and there may be a trading exchange available once the orchard is producing, the availability of potential buyers cannot be guaranteed. There is exit certainty at termination, however this does not guarantee that the price expectation will be achieved.</p>
Industry Capacity Risk	<p>The Kiwifruit industry may be unable to harvest or pack/cool the expected increase in supply over the next 10 years. The Bay of Plenty Region declared a labour shortage during the 2018 kiwifruit harvest season, citing a shortage of 1,200 workers.</p> <p>Apata is an exemplar employer within the Regional Seasonal Employer (RSE) scheme and has consistently received increases in their annual RSE quota. However, this does not guarantee Apata will secure such increases in the future.</p> <p>Apata are currently investing in research and technology around packing and cooling of fruit in order to have capacity available ahead of the expected supply increases. However, this cannot be certain of achieving the required industry capacity.</p> <p>Apata is also investigating technology to displace labour, but this can not guarantee the required labour is available in future seasons.</p>

OPPORTUNITIES TO EXIT THE INVESTMENT

Orchard developments take time. It is expected to take up to five years to produce a mature crop, and eight years to reach payback. Given these time frames, investors should be expecting to invest for a period of at least ten years.

The directors of the General Partner have no current plans to list the LP Units on a trading exchange platform. Once the orchard development is complete and a reasonable crop volume is proven, the directors may determine to list the LP Units on a trading platform such as Syndex or other.

At any time, whether or not the LP Units are listed on a trading platform, investors will be entitled to offer their investment for sale to co-investors or new investors in a private transaction, provided the investor can find willing buyer. Apata will assist the investor in identifying buyers, but can not guarantee:

- that buyers will be available
- whether a willing buyer may be found
- the timeframe it may take to find a willing buyer
- the value of the Units or price that a buyer may be willing to pay for them

There is no intention to sell the orchards or liquidate the Limited Partnership for at least 10 years. Should market conditions be suitable during this time, the directors of the General Partner may propose to Unit holders that the orchards be sold and the Limited Partnership liquidated. However, this will only occur with 75% of Unit holders' agreement. Similarly, as the orchard is over two titles there exists the option to sell one property within the 10 year period, again by approval of 75% of the Units held.

At the end of ten years the orchard will be sold and Rawhiti Orchard LP liquidated, unless the limited partners resolve otherwise by way of special resolution (75%). In the event such resolution is passed by the required 75% majority, the limited partners who voted against such resolution (the "exiting limited partnership") must sell their Units to the limited partners who voted in favour of such resolution (the "remaining limited partners"), and the remaining limited partners must purchase their respective pro-rata share of the exiting limited partners' Units. The price of the exiting limited partners' Units will be fair value as determined by an independent valuation. This paragraph is a high-level summary of the relevant provisions in the Limited Partnership Agreement.

Investors are strongly encouraged to read and take advice on the Limited Partnership Agreement of Rawhiti Orchard LP.

FEES

Rawhiti Orchard LP will be subject to the following fees in relation to the orchard development.

Promotion / Establishment Fee:

\$NIL

Unlike similar investments from other promoters, Apata will not charge a Promotion/Establishment fee.

Direct quantifiable costs incurred by Apata in establishing the Limited Partnership will be oncharged to the LP at cost. These are budgeted in the financial costs and are expected to be approximately \$100,000.

Orchard Management Fee:

\$2,000, plus GST, per Canopy Hectare per Annum

An Orchard Management Fee is payable to Apata GROW, a division of Apata, at \$2,000, plus GST, per hectare per annum for the development and management of the kiwifruit orchard. The Orchard Development and Management Contract with Apata GROW, a division of Apata, is for a ten year period starting 1 July 2019. The fee is payable monthly and is only payable on the hectares being developed or managed at the time. That is, in year 1, only 22.0 ha of the 62.3 ha is forecast to be developed, the Orchard Management Fee will be payable on only 22.0ha. The Orchard Management Fee is subject to annual adjustment for inflation at CPI. A review of the Orchard Management Fee will occur in Year 5 and may be amended at that time based on prevailing market conditions.

Administration Fee:

\$10,000, plus GST, per Annum

An administration fee of \$10,000, plus GST, per annum will be payable to Apata under the Orchard Development & Management Agreement to cover governance support and business administration of the Limited Partnership. The administration fee is subject to annual adjustment for inflation at CPI.

TAX

Tax can have significant consequences for investments and every investor's personal tax situations will be different. Investors should obtain independent professional tax advice on the tax consequences of this investment. All returns in this document are stated before tax.

A limited partnership is not a tax paying entity. In a limited partnership, the limited partners are required to individually account for their share of the partnership's income or loss, and therefore it is up to the individual partner to arrange appropriate tax payments at their individual marginal tax rates.

There may also be tax implications on the sale of any Units in Rawhiti Orchard LP. This will depend on the investor's tax situation at the time of both purchase and sale of the investment. In some circumstances, any capital gain or loss on the sale of investment Units may be taxable to the investor.

A benefit of the LP is that the Partnership's net profit or loss will be reduced by the depreciation expense which will then reduce the investor's tax liability without being a cash outflow.

LIMITED LIABILITY

A limited partner's liability for any debts incurred by Rawhiti Orchard LP will be capped at the partner's capital contribution, provided the Limited Partner is not engaged in the management of Rawhiti Orchard LP.

Should a claim be made against Rawhiti Orchard LP, the General Partner will be jointly and severally liable with the Partnership for the claim. The General Partner has been structured as a limited liability company to mitigate its liability from any claim.

SHARP TUDHOPE

Sharp Tudhope has been engaged by Apata to act for Apata in connection with the Offer. The terms of that engagement and scope of work are set out in Sharp Tudhope's letter of engagement to Apata. The scope of work includes receiving and holding offer proceeds pending settlement. The costs of this engagement are to be met by Rawhiti Orchard LP from the proceeds of the Offer, and form part of the fee described in the IM.

Sharp Tudhope will also be engaged by Rawhiti Orchard LP under a separate and limited retainer that commences at the time the offer proceeds are transferred to Rawhiti Orchard LP, which will occur just before settlement. The terms of that engagement and scope of work are set out in Sharp Tudhope's letter of engagement to Rawhiti Orchard LP. The scope of work is limited to attending to transaction settlement of the purchase of the Orchard, including bank loan documents, in accordance with instructions of the general partner of Rawhiti Orchard LP.

All law firms are required to collect and hold information about funds in their trust account to help prevent money laundering in New Zealand under the Anti-Money Laundering and Countering Financing of Terrorism Act ("AML") regime.

Sharp Tudhope will collect, verify and hold documents from you to confirm your identity and address. In some cases, where Sharp Tudhope is dealing with money for you, Sharp Tudhope may also need to verify the source of your money.

You may be familiar with this process, which is also required by banks and other financial institutions.

Please note that if you fail to provide Sharp Tudhope with the required information to complete their AML requirements, Sharp Tudhope will not be able to do legal work for Rawhiti Orchard LP and as a result will not be able to receive your investment funds.

LEGAL STRUCTURE & GOVERNANCE

Rawhiti Orchard LP will receive the equity investment and purchase the land from Apata. Rawhiti Orchard LP will then develop the land into orchards and operate the business.

Rawhiti Orchard LP will be governed by the General Partner, Rawhiti Orchard GP Limited, which is to be owned by Apata. There will be four directors of the General Partner:

- two directors appointed by Apata
- one director appointed by the Investors
- one independent director

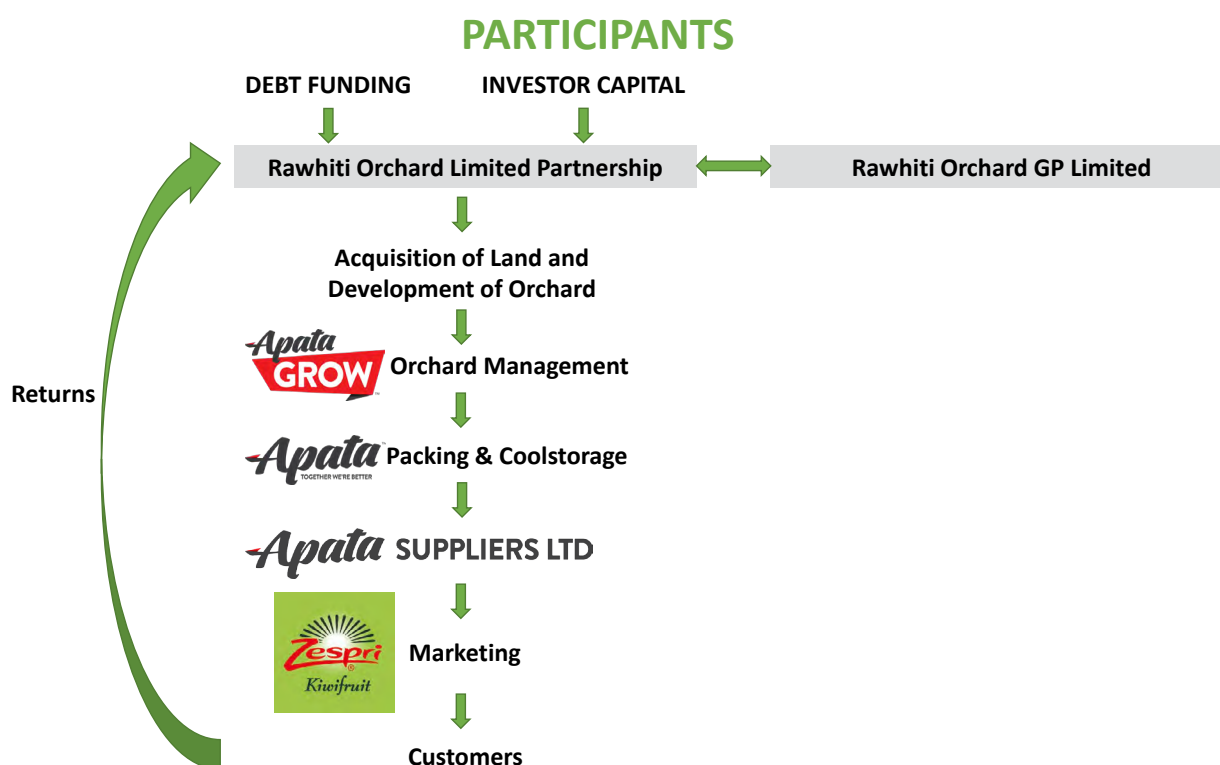
Rawhiti Orchard LP will contract with Apata GROW, the orcharding division of Apata, to enter a 10-year Orchard Development & Management Agreement to develop and manage the orchard.

Once the Orchard is producing fruit, the General Partner will contract with Apata and Apata Suppliers Limited for the packing, coolstorage and supply of the orchard's crop to Zespri and other third parties as selected by Apata.

Limited Partners are investors in the business, but do not get directly involved in management of the Partnership or the administration and operation of the orchards. The General Partner manages the business on behalf of the Limited Partnership making all day-to-day decisions and entering contracts and agreement on behalf of the Limited Partnership. Maintaining this distinction between the Limited Partners and the General Partner is important in maintaining the limited liability of the Limited Partners.

There are several potential benefits for investors in a Limited Partnership investment structure for this type of investment. Investors are encouraged and advised to take individual professional advice regarding their personal circumstances in relation to a Limited Partnership investment.

Some general information about of Limited Partnerships is set out on the following page.



LEGAL STRUCTURE & GOVERNANCE

General Information About Limited Partnerships

A Limited Partnership (LP) is an amalgamation of company law and partnership law concepts that came into being with the passing of the Limited Partnership Act in 2008. LP's have become a popular entity for syndicated investments or businesses as their hybrid nature means that they benefit from being taxed as a partnership (with all the profit and losses flowing directly to the individual partners and not being taxed at source like a company), but still provide the protection of limited liability (provided they do not take part in the management of the LP).

Like a company, a LP is publicly registered with the Registrar of Companies and is a separate legal entity which can own assets and enter into contracts with third parties. Unlike a partnership, the Limited Partners have limited liability (provided they do not take part in the management of the LP).

However, for tax purposes the LP is not considered a separate legal entity, it is treated as a partnership. Thus expenses and profits or losses of the LP are those of the Limited Partners.

A General Partner manages the LP on behalf of the investors. The General Partner of the LP is jointly and severally liable for the debts and liabilities of the partnership (i.e. it doesn't have limited liability), but this risk is largely mitigated by setting the General Partner up as a limited liability company – this is widely acknowledged as acceptable practice. The orchard business will be governed by the General Partner.

Each investor in the LP is a Limited Partner and is essentially a silent partner participating in the income/losses of the business but not permitted under the Limited Partnership Act to be engaged in the management of the business. As mentioned above, the business is run by the General Partner. Limited Partners hold "Units" in the LP, proportionate to their level of investment. A Limited Partner's liability (as long as they are not managing the business) is limited to the "committed capital" that they agree to put into the business as set out in the LP Agreement.

The General Partner does all the transacting on behalf of the LP and can sign documents on behalf of the LP. So, for a simple example, if the business was looking at purchasing plant or machinery for the orchard, the Board of the General Partner would review the options and make the decisions, subject to any approval requirements in the LP Agreement. The LP would be the entity that signs the purchase agreement and financing documents (if any), with two of the directors of the General Partner signing on behalf of the LP.

The individual Limited Partners have a range of powers in a similar way that shareholders in a company do – e.g. the LP Agreement cannot be amended without a vote from the Limited Partners. The Limited Partners also have the ability to remove the General Partner and appoint a replacement by voting to do so. The summary below of what is needed in the LP Agreement provides more detail on this.

LP's also carry the benefit of some privacy – while all partners' details must be registered, only the details of the General Partner are searchable on the public register, so individual Limited Partners can remain anonymous (though they won't be if they are also shareholders in the General Partner of course since that entity is a company).

LP disclosure and compliance rules are otherwise generally pretty similar to those for companies.

A General Partner cannot be a Limited Partner and therefore has joint and several liability with the LP for debts of the LP. The General Partner, which may be an individual, trust, company, partnership or limited partnership, will be the only authorised signatory of the LP. It is proposed that the Rawhiti Orchard GP Limited will be a Limited Liability Company.

INVESTMENT PROCESS

How to Apply

The total amount of capital being sought is \$20 million. This will be in the form of 40 Units at \$500,000 per Unit.

In order to subscribe for Units in Rawhiti Orchard LP, investors should complete the attached application forms in full and return to Sharp Tudhope Lawyers, Level 4, 152 Devonport Road, Tauranga 3110, Private Bag 12020, Tauranga 3143, Attention: Tash Boon by no later than 4:00pm on 18th March 2019.

Any investment funds received on issuance of the Units will be initially held in a solicitor's trust account with Sharp Tudhope for and on behalf of the Limited Partnership until utilised for payment of deposits, fees and settlement of the property.

Who May Apply

Only investors meeting the following criteria may apply for Units in Rawhiti Orchard LP.

- The investor is able and willing to invest no less than \$500,000, and is a person who comes within the definition of a "Wholesale Investor" according to the Financial Market Conduct Act 2013, Schedule 1, clause 3, or "Close Business Associate" according to the Financial Market Conduct Act 2013, Schedule 1, clause 4; and
- The application form is completed, signed and accompanied by the applicable Wholesale Investor / Eligible Investor Certificate and Adviser's Confirmation, and
- The application is accompanied by the required Anti Money Laundering and Counter Financing of Terrorism (AML) requirements.

Timeline for Subscription and Settlement

The following outlines the timeline for subscribing in the investment and for settling the purchase of the property.

ACTIVITY	DATE
Subscription offer open to investors	18 th February 2019
Deposit due - 10% of subscription amount	On application
Subscription offer closes to investors	18 th March 2019
Units issued to investors – payment of 60% of subscription amount	29 th March 2019
Settlement of Property Purchase	1 st April 2019
Payment of 20% of subscription amount	30 th September 2019
Payment of 10% (final) subscription amount	31 st March 2020

ACCEPTANCE INSTRUCTIONS

To accept the Offer you need to complete the Acceptance Form on pages 41 to 43. Your completed Acceptance Form must be accompanied by the applicable certificate.

Please use the flow chart on page 40 to help determine which certificate is applicable to you.

NAME/ADDRESS AND CONTACT DETAILS

List your full name, contact address and telephone details.

Acceptances must be in the name(s) of natural persons, companies or incorporated bodies. All full first names and surnames are required for each natural person.

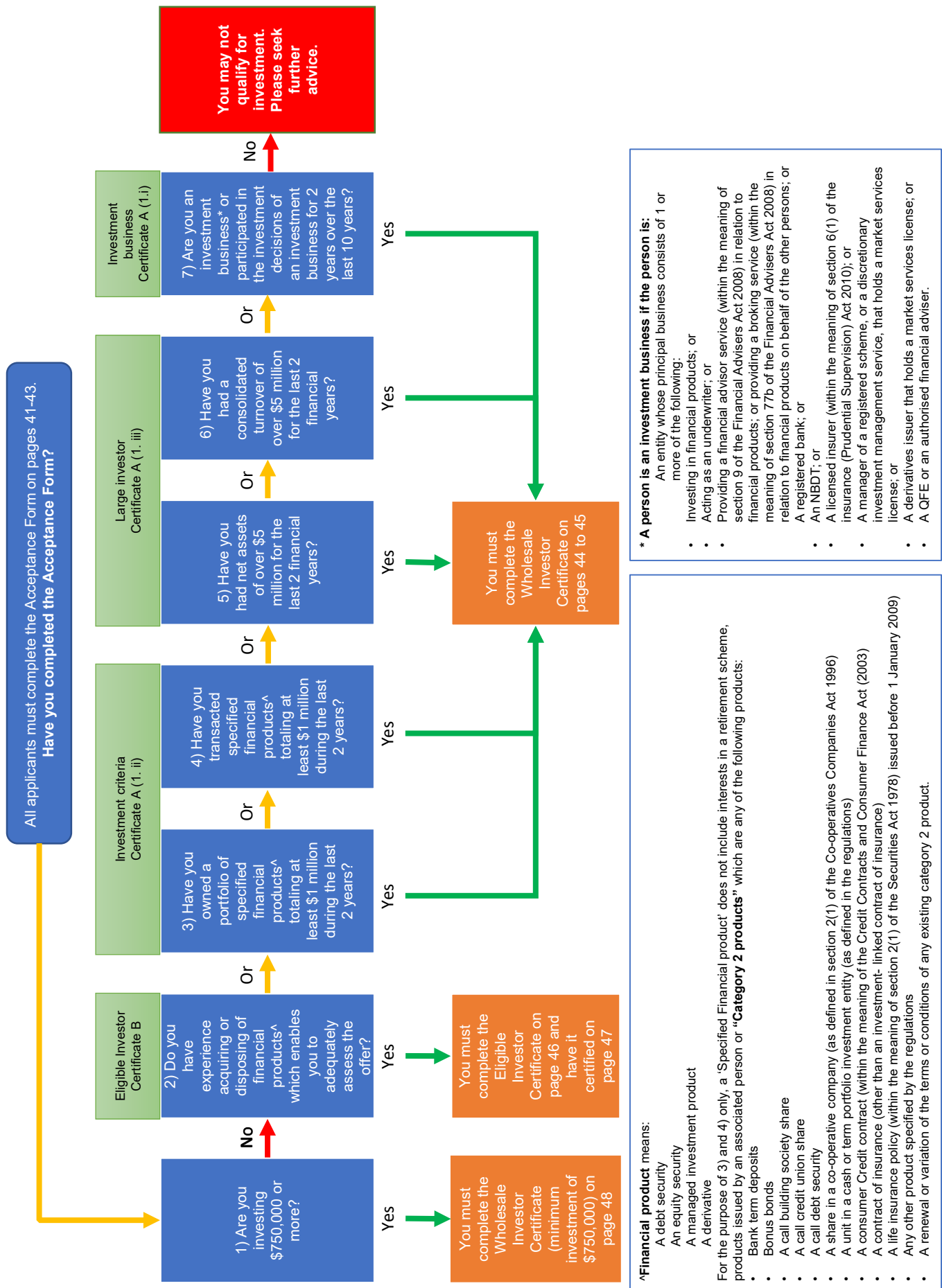
Acceptances in the name of a minor, trust, fund or estate, business, firm or partnership, club or other unincorporated body cannot be accepted. In those cases, Acceptances must be in the name(s) of the person(s) who is (are) legal guardian(s), trustee(s), proprietor(s), partner(s) or office bearer(s), as appropriate.

FURTHER DETAILS

1. Sign and date the Acceptance Form. Each acceptor must sign the Acceptance Form. The acceptor only should sign the Acceptance Form, unless another person has been duly appointed as the attorney of the Acceptor. If an attorney signs he/she must complete the relevant section on the bottom of the Acceptance Form and enclose his/her power of attorney.
2. The completed Acceptance Form should be mailed or delivered to Sharp Tudhope Lawyers, Level 4, 152 Devonport Road, Tauranga 3110, Private Bag 12020, Tauranga 3143, Attention: Tash Boon, by no later than 18th March 2019.
3. Each Unit is being issued at \$500,000 each ("Unit Price"). Payment of \$50,000 per Unit subscribed must be made when submitting this Acceptance Form.
4. Payment can be made by mail or delivered to Sharp Tudhope Lawyers, Level 4, 152 Devonport Road, Tauranga 3110, Private Bag 12020, Tauranga 3143, Attention: Tash Boon. Cheques should be made out to: Sharp Tudhope and crossed "Not Transferable" and must not be post-dated.
5. Payment may also be made electronically to Sharp Tudhope's trust account at ANZ, Tauranga, account number 060433 0020939 00. Please include the reference "ROLP 190014" and your name.
6. Payments will be held in the Sharp Tudhope solicitor's trust account until settlement. The funds will be returned to acceptors if the issue does not proceed. Any interest earned on the funds will belong to Rawhiti Orchard LP.

If you wish to make payment from a foreign bank account, please contact us for international bank transfer details. All payments must be received in New Zealand Dollars.

ACCEPTANCE INSTRUCTIONS



ACCEPTANCE FORM: Page 1

This Acceptance Form is for Units in Rawhiti Orchard Limited Partnership, offered under the Information Memorandum dated 18th February 2019. For instructions on how to complete and deliver this form, see the instructions on page 39.

PLEASE COMPLETE THIS FORM USING CAPITAL BLOCK LETTERS

Send to: Sharp Tudhope Lawyers
Level 4, 152 Devonport Road, Tauranga 3110
Private Bag 12020, Tauranga 3143, Attention: Tash Boon
To be received by 5.00pm, 18 March 2019

Please Read This Before Signing

I/we confirm that:

1. I/we have received a copy of the Information Memorandum dated 18 February.
2. Investment decisions are very important and it has been made clear that I/we are free to take such other professional advice as I/we feel necessary. I/we have been provided with all the relevant information we have required to make the investment decision and I/we have taken any advice that I/we think appropriate.
3. I/we accept and agree that I/we must make payments totalling \$500,000 for each Unit applied for in cleared funds on the dates as scheduled in "Equity Deployment" on page 22 of this Information Memorandum. I/we agree that subject to the offer becoming unconditional, my/our funds can be used for the purposes set out in the Information Memorandum, including payment of fees, expenses, and deposit and purchase price due under the sale and purchase agreement.
4. I/we agree to duly sign the Limited Partnership Agreement when requested to do so and, in any event, I/we hereby acknowledge and irrevocably agree that I/we am bound as a limited partner of Rawhiti Orchard LP on the terms set out the Limited Partnership Agreement.
5. I/we acknowledge that this application once submitted cannot be withdrawn without written approval from Apata Group Limited.
6. Under the terms of the Unsolicited Electronic Messages Act 2007, I/we provide my/our consent to receiving commercial electronic messages.
7. I/we acknowledge that Sharp Tudhope does not act for me/us in connection with this investment. I/we acknowledge the limited terms of engagement of Sharp Tudhope to act for Rawhiti Orchard Limited Partnership as described in the Information Memorandum.
8. I/we understand that Apata Group Limited and Rawhiti Orchard Limited Partnership will hold personal information in respect of me/us in relation to this investment. I/we understand that I/we may request to see and, if necessary, request the correction of personal information.
9. I/we declare that all the details and statements made by me/us in this application form are complete and accurate.

1. FULL NAME DETAILS

Please enter full name(s) in full (including all first names).

Title	First Name(s)	Family Name	IRD Number (if applicable)									
Corporate Name			IRD Number (if applicable)									

2. CONTACT DETAILS

Postal Address (Including post code and full residential address).	Home Phone:
	Work Phone:
	Postcode:
Email:	

3. UNITS AND PAYMENT

Units will be issued partly paid. Payment of \$50,000 per Unit subscribed must accompany this Acceptance Form.

Number of Units applied for:	
Amount due with this Acceptance Form: (\$50,000 per Unit subscribed)	\$
Amount due in satisfaction of this issue: Price (\$450,000 per Unit subscribed)	\$
TOTAL AMOUNT PAYABLE:	\$

4. DECLARATION AND SIGNATURE

I/We hereby apply for the number of Units shown above and agree to accept such Units subject to the terms and conditions set out in the offer document, on the terms set out in the acceptance instructions and in this Acceptance Form. All the details and statements made by me/us in this Acceptance Form are complete and accurate.

Signature of Applicant:	Dated:
Signature of Applicant:	Dated:
Signature of Applicant:	Dated:
Signature of Applicant:	Dated:

If this Acceptance Form is signed under Power of Attorney, a copy must be provided with it.

5. CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

Complete this section if you are acting on behalf of someone for whom you have Power of Attorney.

I,	(Name of Attorney)
of	(Address of Attorney)
	(Occupation of Attorney)
HEREBY CERTIFY:	
1. THAT, by a Power of Attorney dated the _____ day of _____ 20____ (Donor) appointed me his/her/its Attorney on the terms and conditions set out in the Power of Attorney.	
2. THAT I have executed the Acceptance Form printed under the Power of Attorney and pursuant to the powers thereby conferred on me.	
3. THAT at the date of this certificate I have not received any notice or information of the revocation of that Power of Attorney by the death (or winding up) of the Donor or otherwise.	
Signed at _____ this _____ day of _____ 20____	
Signature of Attorney:	

6. CERTIFICATE OF NON-REVOCATION OF AGENCY

Complete this section if you are acting as agent for someone.

I,	(Name of Agent)
of	(Address of Agent)
	(Occupation of Agent)
HEREBY CERTIFY:	
1. THAT, by an agreement dated the _____ day of _____ 20____ (Donor) appointed me his/her/its Agent on the terms and conditions set out in the Power of Attorney.	
2. THAT I have executed the Acceptance Form under the appointment and pursuant to the powers thereby conferred on me.	
3. THAT at the date of this certificate I have not received any notice or information of the revocation of that Appointment by the death (or winding up) of the Donor or otherwise.	
Signed at _____ this _____ day of _____ 20____	
Signature of Agent:	

To: Apata Group Limited

(Offeror)

From:

(you or Proposed Investor)

Transaction: An offer to acquire Units in Rawhiti Orchard Limited Partnership, being equity securities for the purposes of the Financial Markets Conduct Act 2013 ("FMCA") (the "Transaction").

Warning

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision.

If you are a wholesale investor, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments. Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Offence

It is an offence to give a certificate knowing that it is false or misleading in a material particular. The offence has a penalty of a fine not exceeding \$50,000.

Acknowledgment

I/we acknowledge that I am investing \$500,000 per Unit to acquire Units in Rawhiti Orchard Limited Partnership, being equity securities for the purposes of the FMCA. I/we understand the consequences of certifying myself/ourselves to be a wholesale investor, including (without limitation) that:

- I/we will be treated as a wholesale investor for the purposes of the FMCA, and
- disclosure under the FMCA will not need to be made to me/us in relation to any financial products (as defined in the FMCA) I/we acquire and I/we may not have access to all of the legal protections which would apply if I/we did not certify myself/ourselves as a wholesale investor.

Certification

I/we certify that I am/we are a wholesale investor, as defined in clause 3 of Schedule 1 to the FMCA on the following grounds: (Please tick the relevant wholesale investor category that you fall into and, if more than one category applies, please tick each relevant category.)

- ☐ I am/we are an investment business within the meaning of clause 3(2)(a) of Schedule 1 to the FMCA and 37 of Schedule 1 to the FMCA on the grounds that (*tick the applicable ground*):
- ☐ My/our principal business consists of 1 or more of the following:
 - investing in financial products
 - acting as an underwriter
 - providing a financial adviser service (as defined in section 9 of the Financial Advisers Act 2008) in relation to financial products
 - providing a broking service (as defined in section 77B of the Financial Advisers Act 2008) in relation to financial products, or
 - trading in financial products on behalf of other persons
 - ☐ I am/we are a registered bank (as defined in the Act)
 - ☐ I am/we are a NBDT (as defined in section 5 of the Non-bank Deposit Takers Act 2013)
 - ☐ I am/we are a licensed insurer (as defined in section 6(1) of the Insurance (Prudential Supervision) Act 2010)
 - ☐ I am/we are a manager of a registered scheme (as defined in the Act), or a discretionary investment management service (as defined in the Act), that holds a market services license issued under Part 6 of the Act
 - ☐ I am/we are a derivatives issuer (as defined in the Act) that holds a market services license issued under Part 6 of the Act, or
 - ☐ I am/we are a QFE or an authorised financial adviser (as defined in the Financial Advisers Act 2008).

- ☐ I/we meet the investment activity criteria set out in clauses 3(2)(b) and 38 of Schedule 1 to the Act on the grounds that I/we *(tick the applicable ground)*:
- ☐ own, or at any time during the two year period ending on the date of this certificate, have owned, a portfolio of specified financial products¹ of a value of at least \$1 million in aggregate (specified financial products owned by an entity controlled² by you may be treated as being owned by you)

¹ In this context, specified financial products is defined in clause 38(4) of Schedule 1 to the Act as being financial products other than category 2 products (i.e. bank term deposits or a call debt security – see section 5 of the Financial Advisers Act 2008), interests in a retirement scheme, or financial products issued by an associated person.

² You control an entity if you are that entity's holding company (as defined section 5 of the Companies Act 1993) or if you have the capacity to determine the outcome of decisions about that entity's financial and operating policies. You do not control an entity merely because you and another person jointly have the capacity to determine the outcome of decisions about that entity's financial and operating policies.
 - ☐ have, during the two year period ending on the date of this certificate, carried out one or more transactions to acquire specified financial products where the amount payable under those transactions (in aggregate) is at least \$1 million and the other parties to the transactions are not associated persons (as defined in the FMCA) (transactions carried out by an entity controlled by you may be treated as being carried out by you), or
 - ☐ am an individual who has, within the last 10 years before the date of this certificate, been employed or engaged in an investment business and have, for at least two years during that 10-year period, participated to a material extent in the investment decisions made by the investment business.
- ☐ I am/we are large (as defined in clauses 3(2)(c) and 39 of Schedule 1 to the Act) on the grounds that *(tick the applicable ground)*:
- ☐ as at the last day of each of the two most recently completed financial years before the date I/we give this certification, my/our net assets and those of the entities controlled by me/us exceeded NZ\$5 million, or
 - ☐ in each of the two most recently completed financial years before the date I/we give this certification, my/our total consolidated turnover and that of the entities controlled by me/us exceeded NZ\$5 million.
- ☐ I am/we are a government agency (as defined in clauses 3(2)(d) and 40 of Schedule 1 to the FMCA) on the grounds that I am/we are *(tick the applicable ground)*:
- ☐ a government department named in Schedule 1 of the State Sector Act 1988
 - ☐ a Crown entity (as defined in section 7 of the Crown Entities Act 2004)
 - ☐ a local authority (as defined in section 5(1) of the Local Government Act 2002)
 - ☐ a State enterprise (as defined in section 2 of the State-Owned Enterprises Act 1986)
 - ☐ the Reserve Bank of New Zealand, or
 - ☐ the Board of Trustees of the National Provident Fund continued under the National Provident Fund Restructuring Act 1990 (and a company appointed under clause 3(1)(b) of Schedule 4 to that Act).

Signed (Proposed Investor)

Signed (Authorised Signatory if Applicable)

Print Name of Proposed Investor

Print Name and Title of Authorised Signatory

Dated:

Dated:

ELIGIBLE INVESTOR CERTIFICATE: I

Warning

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision. If you give this certificate, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments. Make sure you understand these consequences. Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Offence

It is an offence to give a certificate knowing that it is false or misleading in a material particular. The offence has a penalty of a fine not exceeding \$50,000.

ELIGIBLE INVESTOR CERTIFICATE
(Clause 41, Schedule 1 of the Financial Markets Conduct Act 2013)

I/We, acknowledge that I am/we are investing \$..... to acquire limited partnership interests to be issued by Rawhiti Orchard Limited Partnership ("Transaction").

I/We certify that I/we:

- have previous experience in acquiring or disposing of financial products that allows me/us to assess:
 - a. the merits of the Transaction (including assessing the value and the risks of the financial products involved); and
 - b. my/our own information needs in relation to the Transaction; and
 - c. the adequacy of the information provided by any person involved in the Transaction.
- understand the consequences of certifying myself/ourselves to be an eligible investor; and
- have been advised to ask questions, read all documents carefully, and seek independent financial advice.

The grounds upon which this certification is given are as follows:

(Continue on separate sheet if needed.)

Dated:

Signed by:

ELIGIBLE INVESTOR CERTIFICATE: II

For Execution by a Lawyer, Qualified Statutory Accountant or Authorised Financial Advisor³

From:

(Certifier)

In respect of:

(Proposed Investor)

Nature of Certifier: (Select one) Lawyer/Qualified Statutory Accountant/Authorised Financial Advisor

While making no certification regarding the merits of the Transaction, having considered the Proposed Investor's grounds for certifying that they are an eligible investor for the purposes of the Act (as set out in the Appendix to this certificate), I:

- am satisfied that the Proposed Investor has been sufficiently advised of the consequences of the certification, and
- have no reason to believe that the certification is incorrect or that further information or investigation is required as to whether or not the certification is correct.

I further confirm that:

- I am a [lawyer/qualified statutory accountant/authorised financial advisor] (as defined in the Act)
- I am not an associated person (as defined in section 12(1) of the Act) of the Offeror, provider or other relevant person, and
- I have not provided professional services to the Offeror, provider or other relevant person, or a related body corporate (as defined in section 12(2) of the Act) of the Offeror, provider, or other relevant person, in the 2 year period immediately prior to the date of this certificate, and will not provide professional services to the Offeror, provider or other relevant person prior to the completion of the Transaction.

Signed:

Print name

Print Title

Print name of firm

Signature

Dated:

³*an authorised financial adviser is an individual who is registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 in respect of a financial adviser service and authorised by the Financial Markets Authority.*

WHOLESALE INVESTOR CERTIFICATE

Minimum investment of \$750,000

For the purposes of this IM,
a minimum investment of \$750,000
means you are applying for 2 Units or more.

Warning

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is \$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment.

Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

WHOLESALE INVESTOR CERTIFICATE

(For investments of \$750,000 or more)

Clause 3(3)(b)(i)(ii), Schedule 1 of the Financial Markets Conduct Act 2013 ("FMCA")

I/we acknowledge that I am/we are investing \$750,000 or more to acquire two or more Units in Rawhiti Orchard LP, being equity securities under FMCA.

I/we confirm that I/we understand that:

- the usual legal rules that require information to be given to investors for offers of financial products do not apply if the amount invested upfront by me (plus any other investments I have already made in those financial products) is \$750,000 or more; and
- I may not receive a complete and balanced set of information about this investment; and
- I have fewer legal protections for this investment; and
- this investment is not suitable for retail investors; and
- I have been advised to ask questions, read all documents carefully, and seek independent financial advice.

Signed by:

Name of Investor:

Dated:

DIRECTORY

Offeror	Apata Group Limited 9 Turntable Hill Road RD4 Katikati 3181
Issuer	Rawhiti Orchard Limited Partnership c/o Apata Group Limited 9 Turntable Hill Road RD4 Katikati 3181
Solicitor	Sharp Tudhope Level 4 154 Devonport Road Private Bag TG12020 Tauranga 3143
Accountant	Ingham Mora Realty House 60 Durham Street Tauranga 3110
Managing Director	Stuart Weston Email: stuart.weston@apata.co.nz Mobile: 027 541 9335

For information regarding the details contained within this IM, please contact:

Chief Financial Officer	Eugene Crosby Email: eugene.crosby@apata.co.nz Mobile: 027 646 7854
Commercial Manager	Jason Gibbs Email: jason.gibbs@apata.co.nz Mobile: 027 550 7024

For information regarding the orchard and its development, as referred to in this IM, please contact:

General Manager Orchards	Shaun Vickers Email: shaun.vickers@apata.co.nz Mobile: 027 627 6291
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This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There is a solid green horizontal bar at the very top of the page. The rest of the page is white with thin black horizontal lines.



Apata
TOGETHER WE'RE BETTER