

20 May 2024

Dear Sir/Madam

Build Partners Limited; Evergreen Modular Limited; Richardson Road Limited and Property Partners Limited (All Administrators Appointed) – Administrators' update

We write to provide you with an update regarding the administration of Build Partners Limited, Evergreen Modular Limited ("**EML**"), Richardson Road Limited ("**RRL**") and Property Partners Limited (all administrators appointed) (the "**Group**").

Update on funding negotiations

The directors of the Group have been working since early April to secure additional funding from the existing funder to the Richardson Road project, 1769 Funding Limited ("**Lender**"). Negotiations have progressed positively over the course of the past weekend and, whilst the funding commitment documentation has not yet been executed by all parties, the Lender has advised that it is confident the documents will be approved by the Lender's investment committee in the current form.

Whilst the funding commitment documentation has not yet formally been executed (and therefore the following remains subject to any final amendments that are required by the Lender and/or the directors of the Group), the key terms of the proposed funding package is as follows:

- RRL will borrow a further \$10,293,000 to fund the cost to complete the Richardson Road project ("**RRL Funding**"). We understand that this cost to complete has been prepared by the Group's quantity surveyor (and peer reviewed by another quantity surveyor).
- EML will borrow a further \$5,860,000 ("**EML Funding**") to be utilised as follows:
 - \$4,200,000 towards the establishment of a creditors' fund if the deed of company arrangement to be proposed by the directors of the Group is approved by the requisite majority of creditors of the Group companies ("**EML Creditor Contribution**"). The directors' intention is for this to be supplemented by certain available cash remaining at the end of the administration of the Group to enhance returns for creditors on their pre-administration debts; and
 - \$1,660,000 towards the costs and expenses of the administration of the Group. This is in addition to the \$800,000 that the Lender has already advanced for this purpose. Together, this is the "**Administration Funding**".
- The RRL Funding will continue to be secured by the existing security over RRL (and the shares in RRL) and the personal guarantees provided by the directors of RRL. In addition, to the extent there is any surplus after realisation of all assets of RRL, the directors of RRL have agreed with the Lender a profit-sharing mechanism relating to any future projects that they complete, and a deferred payment obligation from future EML profits (with the personal guarantees for the RRL Funding remaining in-place until full repayment is made).

- The EML Funding will be secured by general security over EML's assets, security over the shares in EML and enhanced by warrants issued by EML.
- There will be various conditions to this availability of the funding. Most importantly for creditors, the RRL Funding and the EML Creditor Contribution will be contingent on a deed of company arrangement to be proposed by the directors of the Group (and approved by the Lender) ("**Qualifying DOCA**") being approved by the requisite majorities of creditors of the Group companies at the watershed meeting of creditors. The Administration Funding will not be conditional on a Qualifying DOCA being approved by creditors.
- Whilst the detailed commercial terms of this funding remain confidential, the directors have advised us that the all-in cost of this funding could be as high as \$30,000,000.

Next steps

The immediate next step will be for the Lender and the directors to execute the funding commitment agreement, once the terms are fully agreed and all approvals have been obtained. We will write to you further once that has occurred.

Following that, we anticipate that the directors will write to all creditors outlining the terms of the restructuring that they are proposing, including the key terms of the Qualifying DOCA and how the funding is proposed to be utilised (including the proposed returns for creditors of the Group companies).

To assist creditors' assessment of that proposal, we intend to provide a summary of that proposal to creditors, together with our analysis on the estimated outcome for creditors of the Group in the likely counterfactual, being liquidation of the Group. We will also write to you to provide a timeline through until the watershed meeting of creditors, which is the meeting at which creditors will be asked to vote on the outcome of the Group companies.

Should you have any queries in relation to the above, please do not hesitate to contact Jamie Taylor, on ppg@nz.gt.com or +64 27 221 3249.

Yours faithfully



Stephen Keen
Administrator