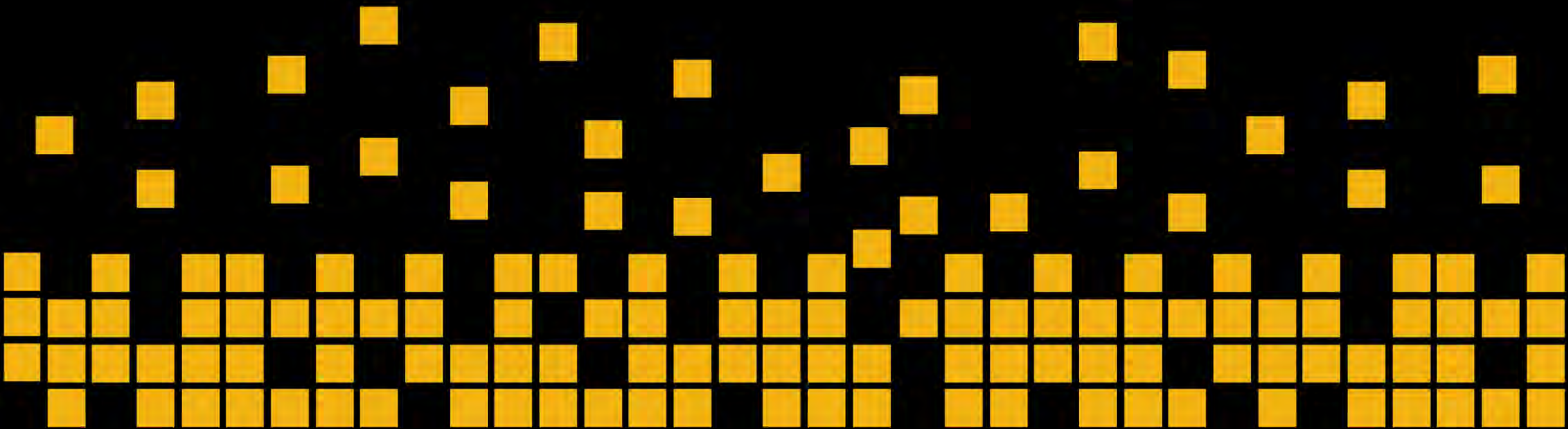


BLUE CHIP CAPITAL



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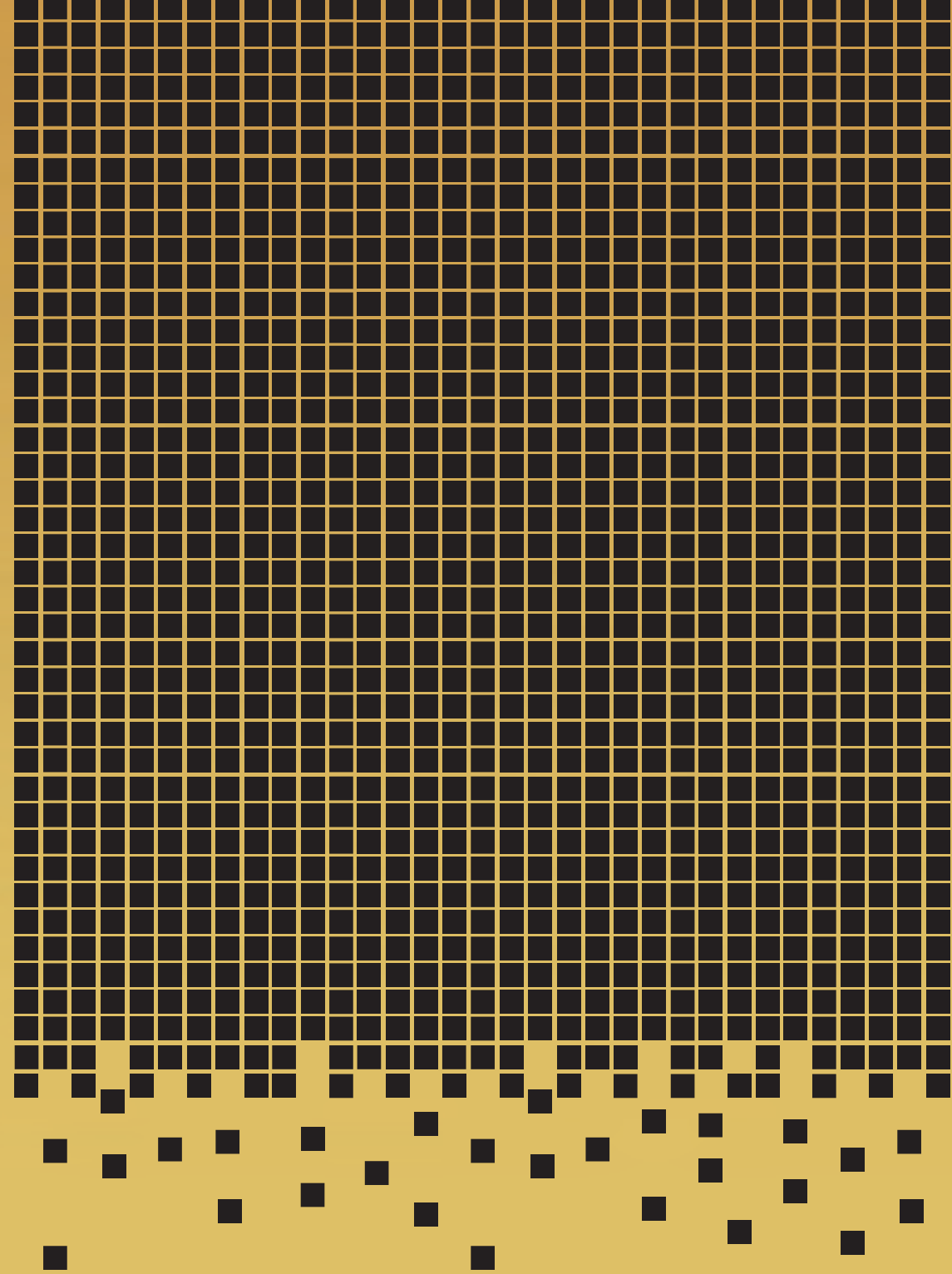
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This publication is dated 19th MAY 2016





01 | Executive Summary



Executive Summary

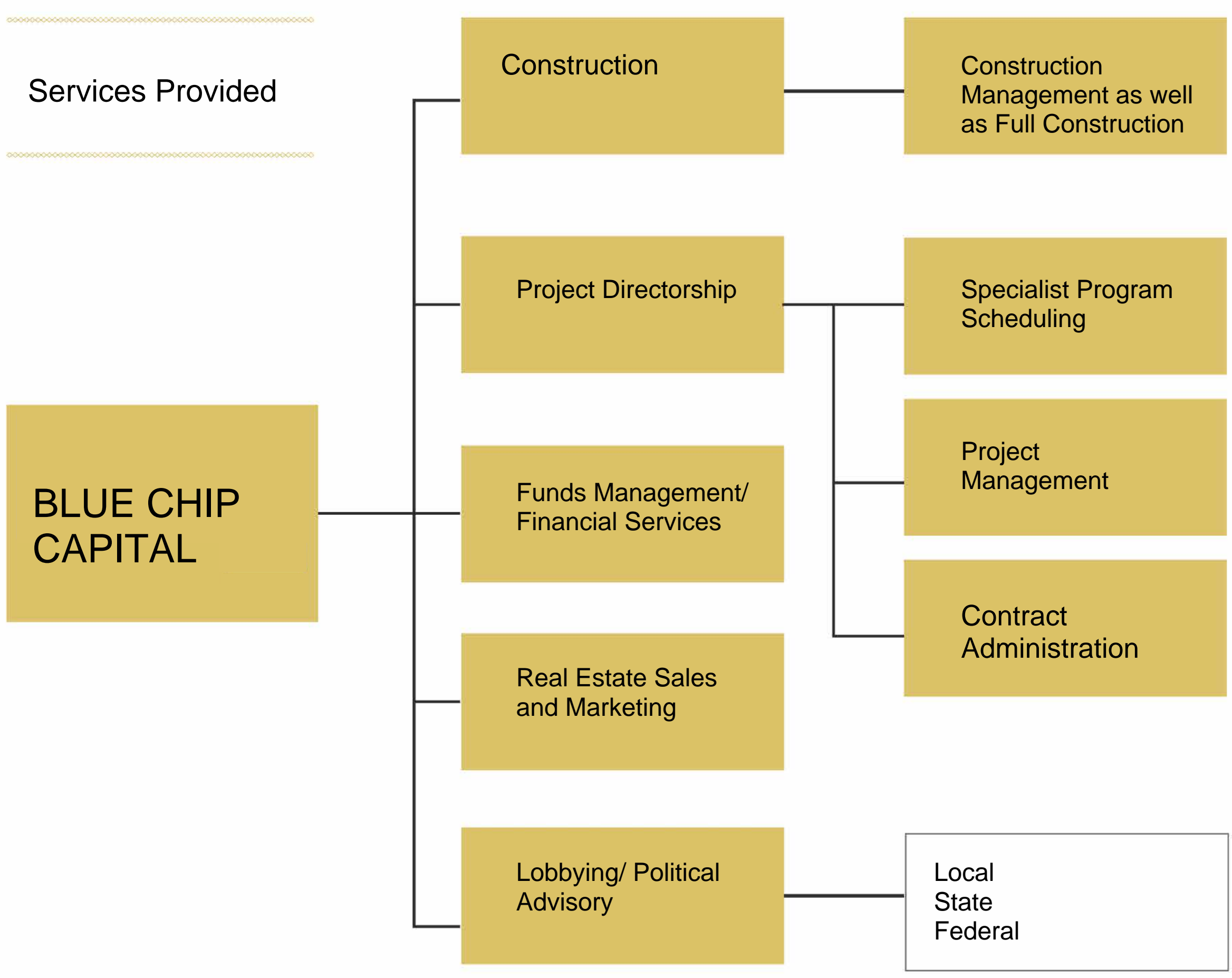
With the paradigm change in lending philosophies impacting directly on real estate projects a unique opportunity now exists to take advantage of overburdened lenders who are restricted by balance sheet constraints and are prepared to accept a fraction of their outstanding debt to reduce overall exposure.

Demand is very strong for well-priced and located properties especially in the residential market and aged care market.

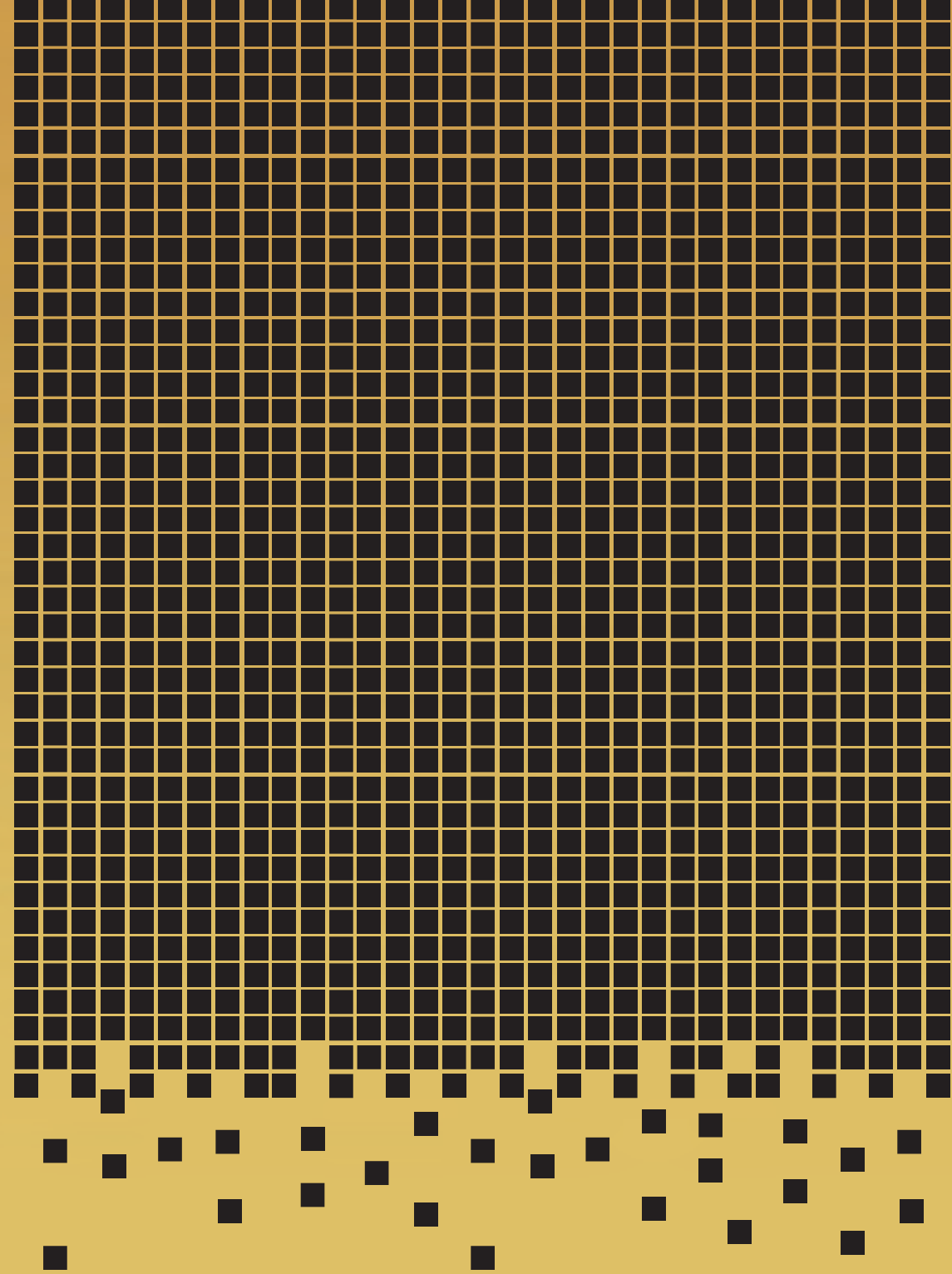
BLUE CHIP CAPITAL operates with its exceptional chairman, Ray Khattar, who has more than 40 years dedicated experience in all matters relating to property. More importantly, Ray has also had more than 15 years' experience managing relationships with investors from other countries. The team as a whole can source and manage the best opportunities in the following fields:-

- Site acquisitions and disposals
- Development design, planning and management
- Project, construction and Facility management
- Feasibility and analysis at all stages including profitability projections
- Joint venture and partnership agreements

We are innovative in our approach and always client driven. We listen to what the client needs and carefully plan our strategy to reach and exceed their expectations. Our company has strong corporate governance and offers full document and control management. Our high level co-ordination can be conducted centrally while providing full resources in the areas and locations required







02 | Introduction

Introduction of Blue Chip Capital



Out of every problem comes an opportunity. Blue Chip Capital Chairman Ray Khattar has worked for some time with a number of international companies who invest into development projects in Australia. It has been an unusually profitable time recently, especially with the recent rise in property values by 30% or more. So, with projects commenced 2 or more years ago, this meant the gross realisation was significantly higher than expected, giving a much higher return to the investors. But times, they are changing. Residential growth rates have returned to the medium term averages and are positive, but smaller. Residential development projects can only be expected to return a profit based on the current expected sale price, not the market adjusted prices that were experienced of the previous two years.

But, more significantly, APRA (Australian Prudential Regulatory Authority) recently changed all Bank lending guidelines to make investing in property more challenging. Added to this is the increased qualification requirements for development or construction lending, and developers are now facing a double dilemma. They are having more difficulty obtaining finance to build their project, and, they are experiencing difficulty achieving the number of sales in the timeframes they had recently expected.

Enter Blue Chip Capital. Ray gathered the best intelligence from the smartest people in the industry. The key divisions are:-

Finance – to receive and manage investors funds, provide a stewardship role in facilitating the timely acquisition and investment, secure a high return from capital and assess the profit sharing opportunities in each project

Building – one of the longest and largest family of builder developers manages and chairs the team to offer expertise on construction costs and provide certainty over the completion of a project.

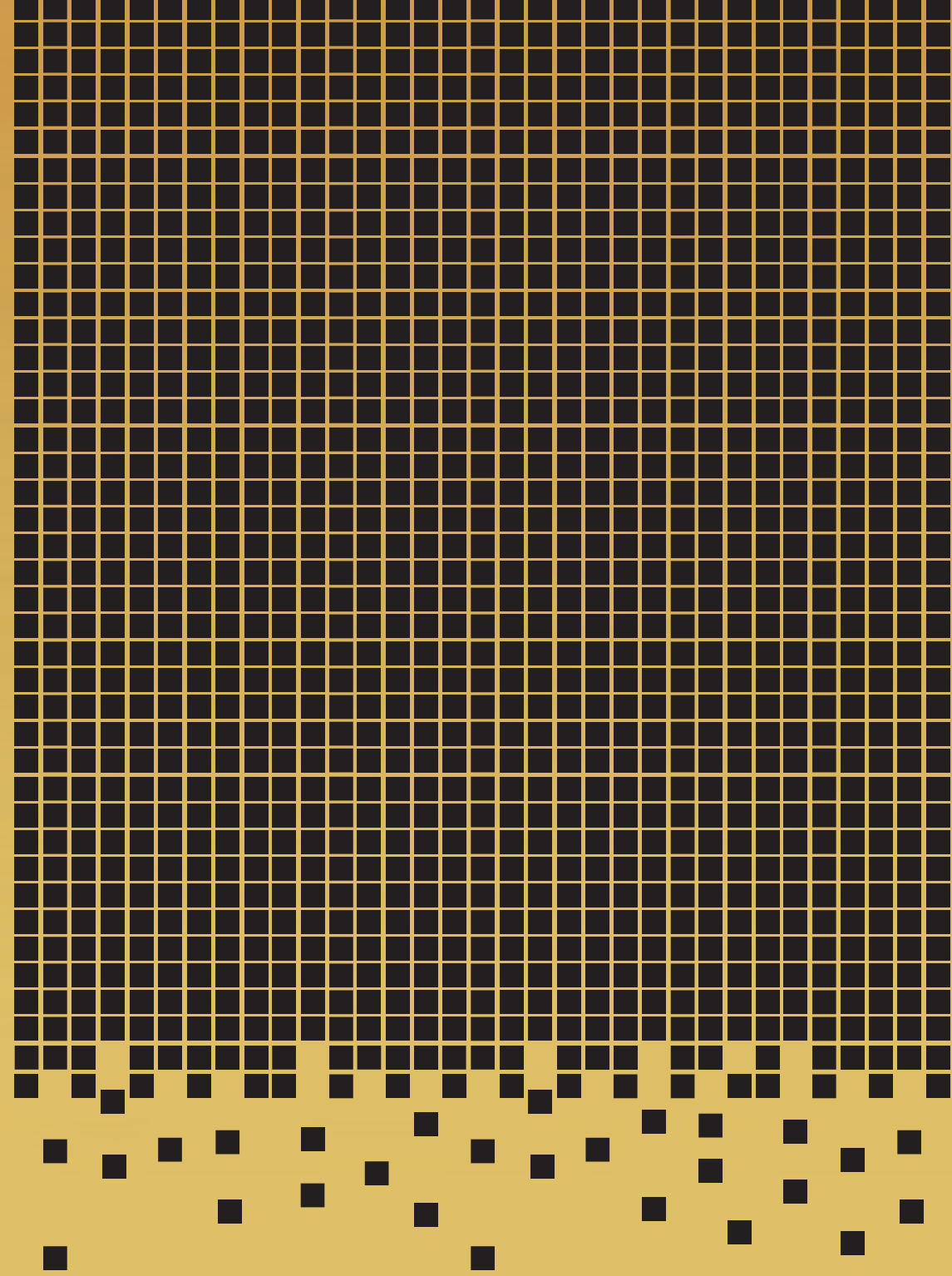
Project management – a key division headed by an experienced project manager with many large properties in his resume. This allows clear and concise direction on the best opportunities and hidden gems where benefits still exist to improve the gross realisation.

Legal – the most respected commercial lawyers join the team with their experience specifically in the area of property and finance, this secures the transaction so that the investment capital and interest return is always to be recovered, even in the worst case situations.

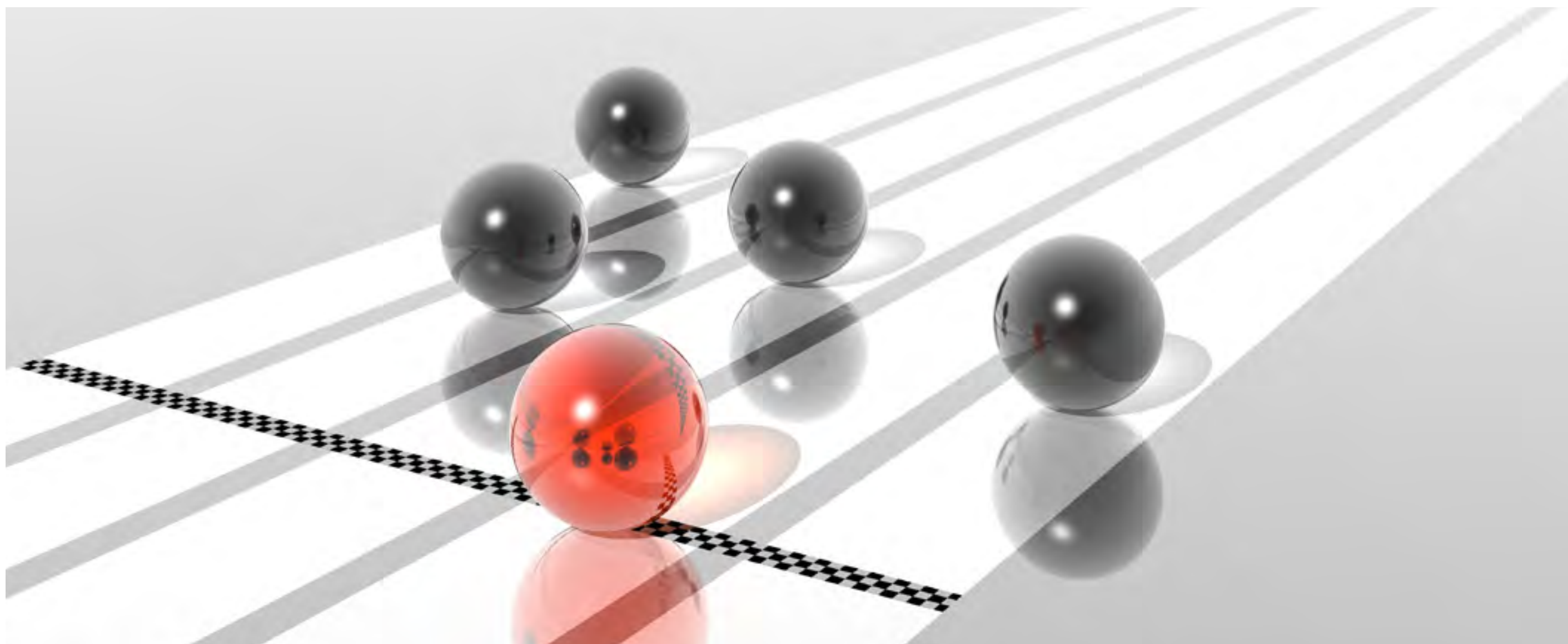
Our Team embodies a strong culture of integrity, efficiency and expertise in each of the disciplines needed to be successful in the identification of opportunities, correct assessment and risk minimisation, and ensuring compliance and legal stewardship to secure the interests of the Joint Venture partnership.

Internally we have an internationally recognised Integrated Management System (IMS) comprising Quality Management System (QMS), Environmental Management System (EMP), Safety Systems (OH&S) and Risk Management System (RMS). We are also on the path to an ISO9000 compliance for our operations and systems thereby giving great comfort to our partners that every consideration has been given to ensure the outcome we work tirelessly to achieve. Collaboration is our forte with timely communication being the key to the company's success. We are dedicated. We seek excellence. We have clear direction and strong corporate governance in order to deliver the greatest end product. We are Blue Chip Capital Australia and we are here to deliver an excellent solution that is mutually beneficial.





03 | Diversified Investment Strategy



The Diversified Investment Strategies invest into a combination of underlying assets, and offer efficient access to different project opportunities. As part of Blue Chip Capital strategic management approach, we have a pool of facilitators who have access to opportunities that are not normally available. We also select specialist project management companies in each asset class to carry out the day-to-day management of the project assets.

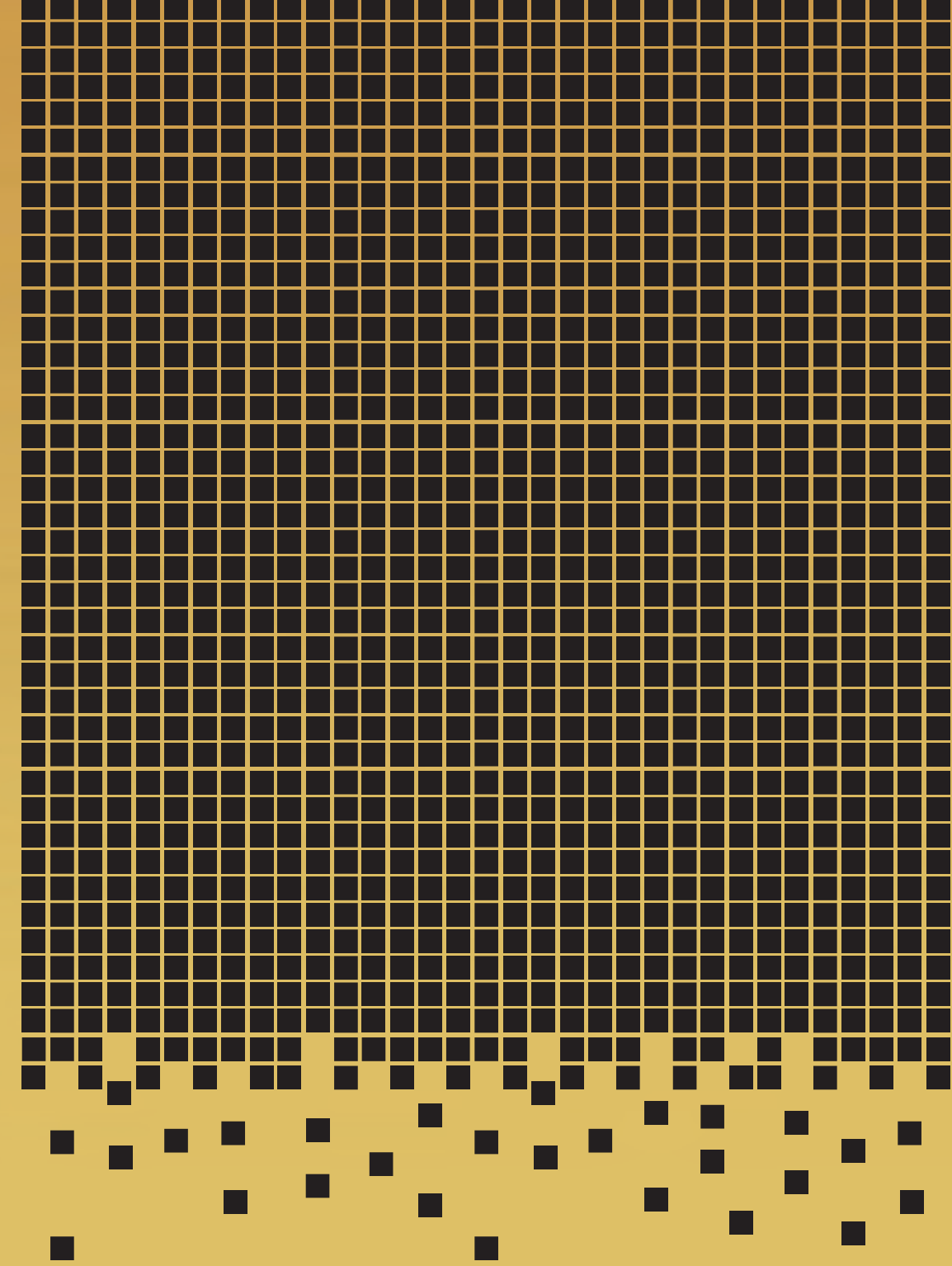
Where appropriate in an asset class, managers are blended into portfolios designed to deliver consistent and competitive long-term returns whilst closely managing risk. Thorough research and analysis goes into the selection, combination and ongoing monitoring of the project managers utilised in the Diversified Investment Strategies. These project managers may change over time

As well as providing an efficient gateway to a wide range of opportunities, the Strategies provides the benefits of

- » access to some managers and investment opportunities that may not normally be available, including alternative assets;
- » ongoing and intensive monitoring and supervision of each manager;
- » ability to move swiftly to switch managers, if required;
- » tight management of costs, through close control and reporting;
- » project investment reporting and Strategy information;
- » the ease of not having to deal extensively on a day to day basis with an array of, legal contracts and other administrative complexities; This ensures that Pinnacles resources are never stretched
- » on-going compliance checking and monitoring;

- » discipline to achieve the objectives of the Strategies; and
- » regular rebalancing of the Strategies, such as selling some projects and keeping others that are better strategic opportunities.

The individual company trust structure for each project provides for standalone investment structures that should anything go wrong for whatever reason, the other investments/projects are not affected in any way. This is part of Blue Chip Capitals risk management strategy.



04 | Key Objectives



Key Objectives

Blue Chip Capital Mission Statement is...

"Create wealth by utilising our unique mix of skills to identify, invest in, add value to and develop existing real estate opportunities, acquired at significant reduction to value, thereby creating significant rewards for investors and a positive reputation for excellence and integrity, while contributing to the betterment of society."

Key Objectives of Blue Chip Capital

- » Develop and build commercial, retail, industrial and residential accommodation of quality.
- » Retain end product in all projects, in order to build up a strong asset base with a good future cash flow.
- » Maintain and develop the brand name of Blue Chip Capital as an ethical, reliable and quality developer.
- » Ensure that all developments are environmentally sustainable.
- » Maintain and encourage new approaches to complex problems. In short: improvise, adapt and overcome.
- » Foster and develop a strong and loyal team of consultants.

Summary of Blue Chip Capital Australia's Aim

1. *To Capitalize on unique real estate opportunities from dislocation in real estate and financial markets.*
 - » Attractive point in real estate cycle.
 - » Focus on investments between \$20m to \$200m, primarily sourced off-market.
 - » Active management with disciplined exit strategy.
2. *Corporate Structure aimed at delivering active real estate earnings and capital growth.*
 - » Ability to act quickly and invest across the capital structure - both equity and debt

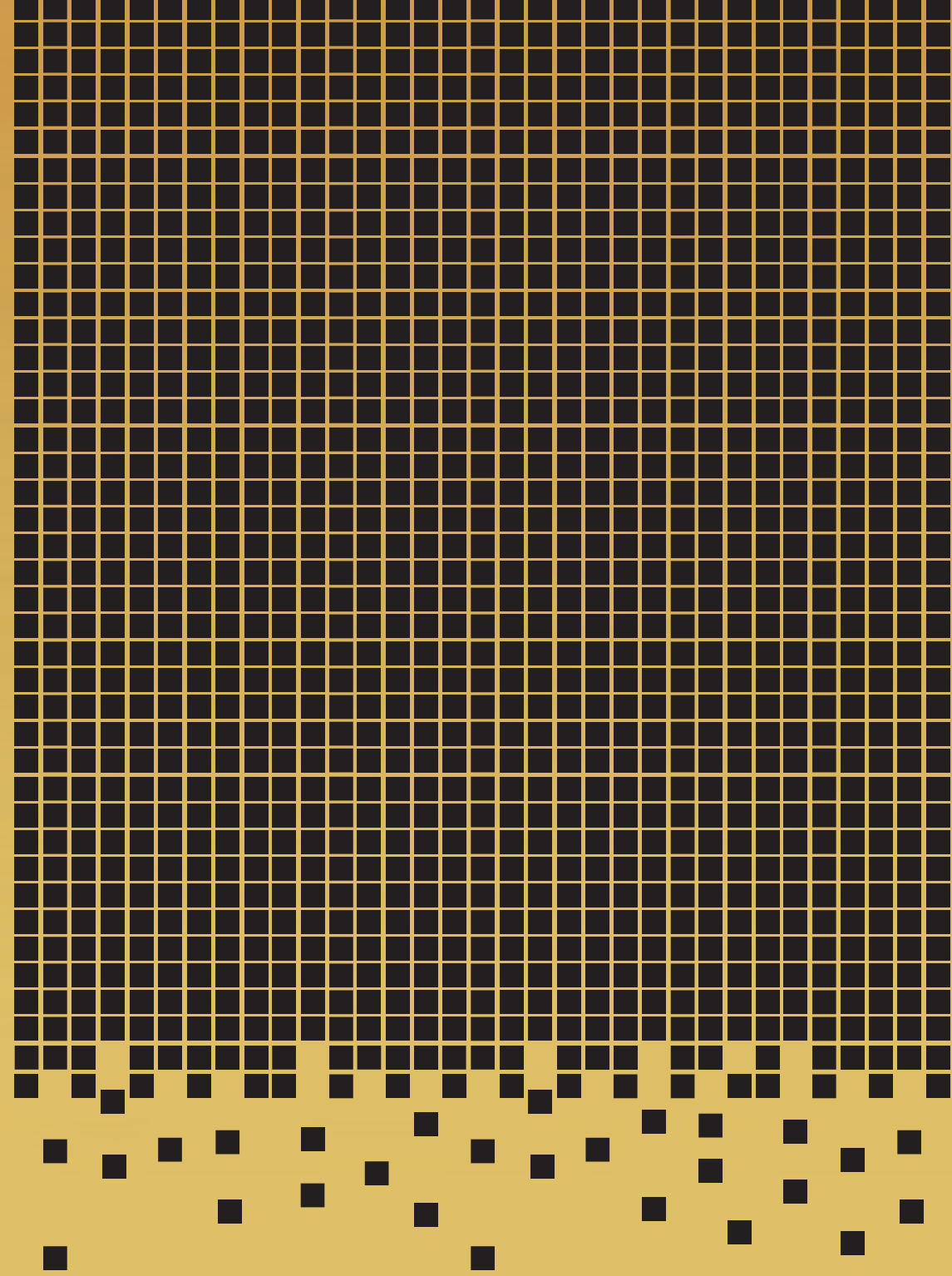
- » Flexible range of investment options, including direct investment, JVs, fund co investments
- » Low Gearing

3. *Create Strong Capital returns to investors.*

- » Each project must be a standalone structure that has a net return of 45% or greater that has sufficient equity to ensure that 1 w or nil, debt is required.
- » At the end of each project the investor will have the option of reinvesting the return or having them paid at the conclusion of each project.

4. *Strong experienced board and management team*

- » Strong real estate, legal, corporate governance and financial services expertise
- » Extensive relationship network to source deals and raise capital particularly for funds management



05 | Corporate Governance

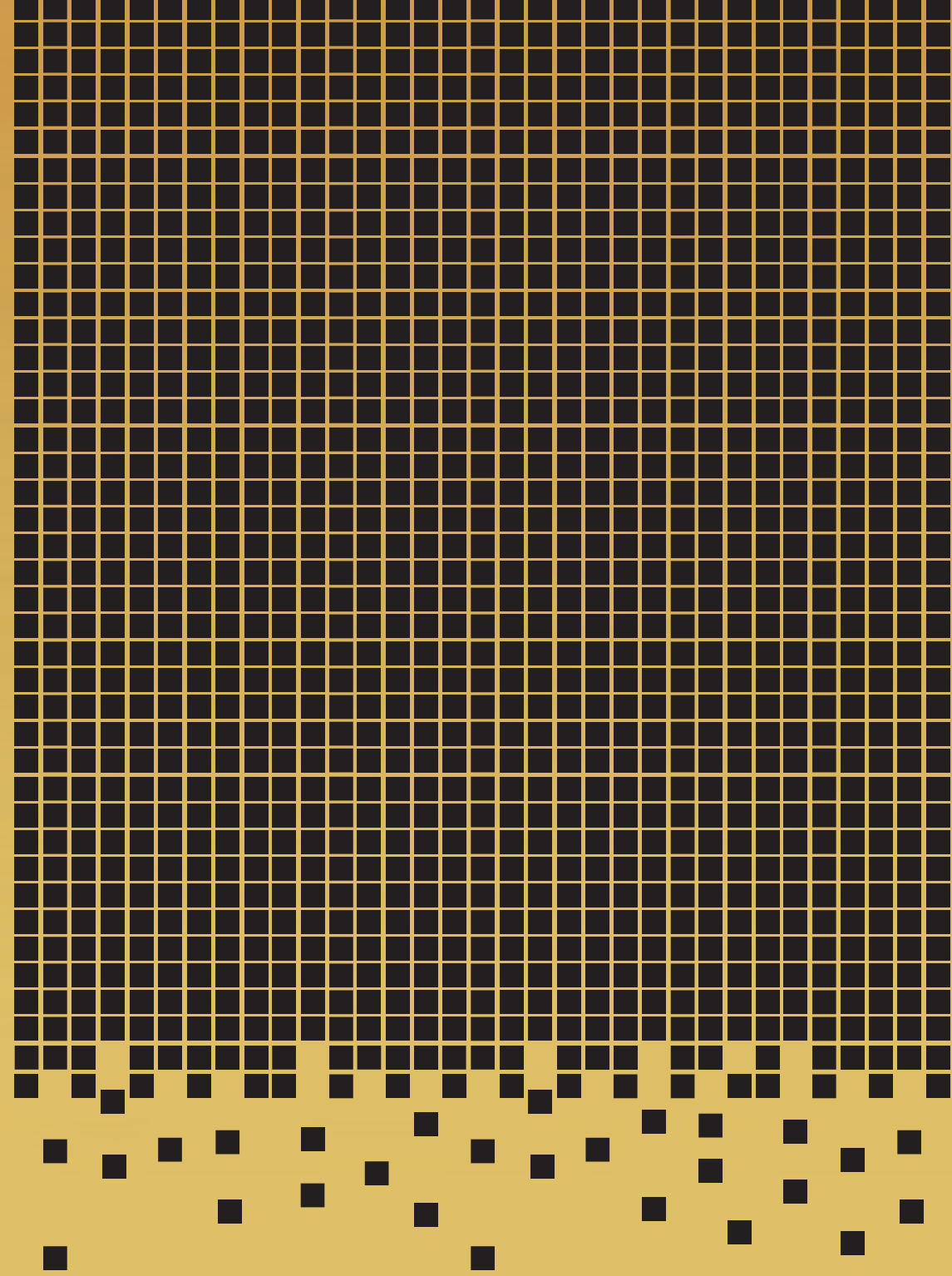


Corporate Governance

Good Corporate Governance is very important in that it will ensure the survival of Blue Chip Capital and all of its projects and businesses. The careful and diligent selection of the Board members was carried out with that very purpose in mind.

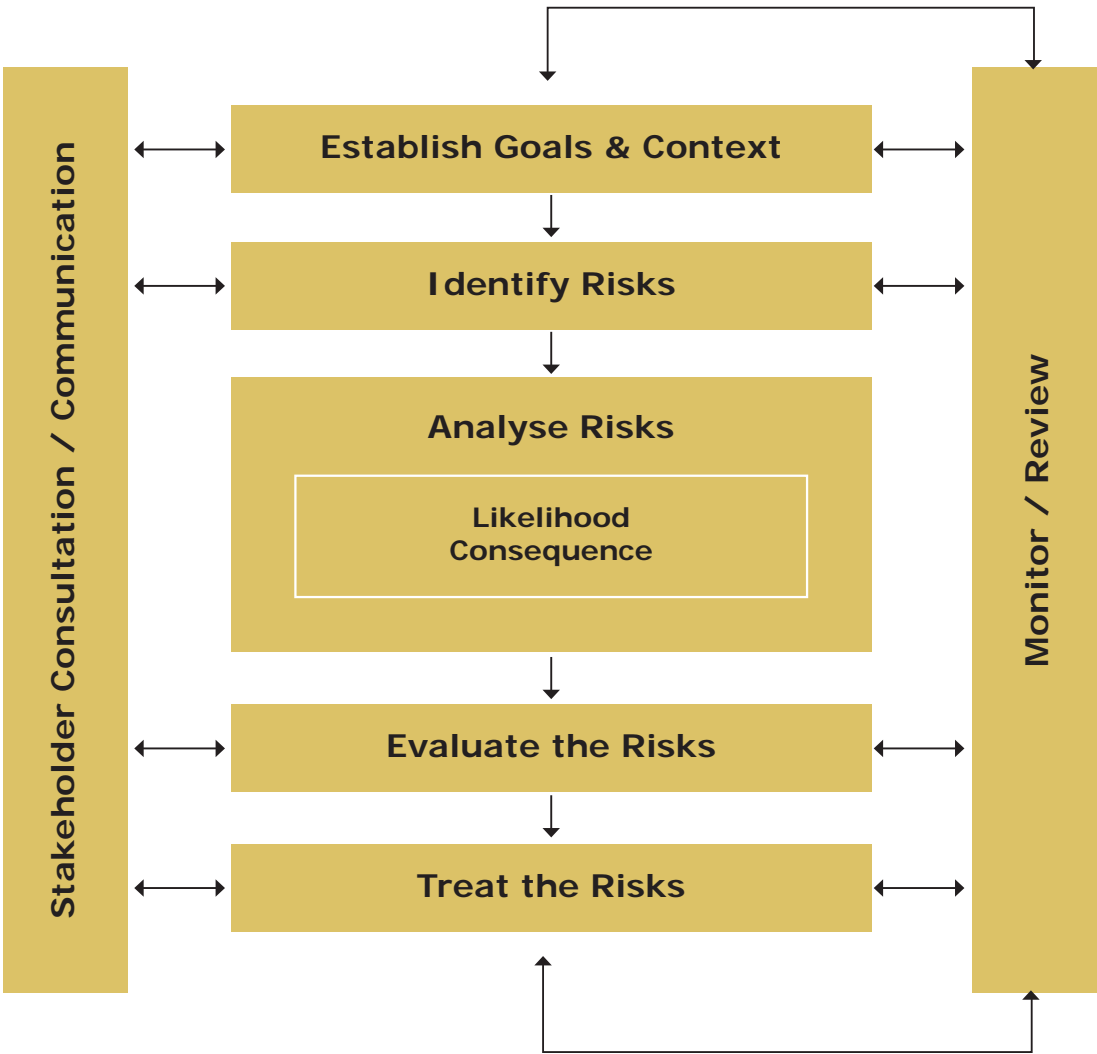
Each piece of the corporate governance puzzle is carefully monitored to ensure compliance at all levels and to mitigate any conflicts of interests between stakeholders. Regular meetings and auditing internally will ensure the integrity of Blue Chip Capital is kept intact and operates in an ethical manner. The ways in which Blue Chip Capital mitigates or prevents these conflicts of interests is shown in the diagram above and all of them have an impact on the way Blue Chip Capital functions and is controlled.

Blue Chip Capital theme of corporate governance is the nature and extent of accountability of people in the business, and mechanisms that operate within.



06 | Screening & Property Selection

Risk Management Process

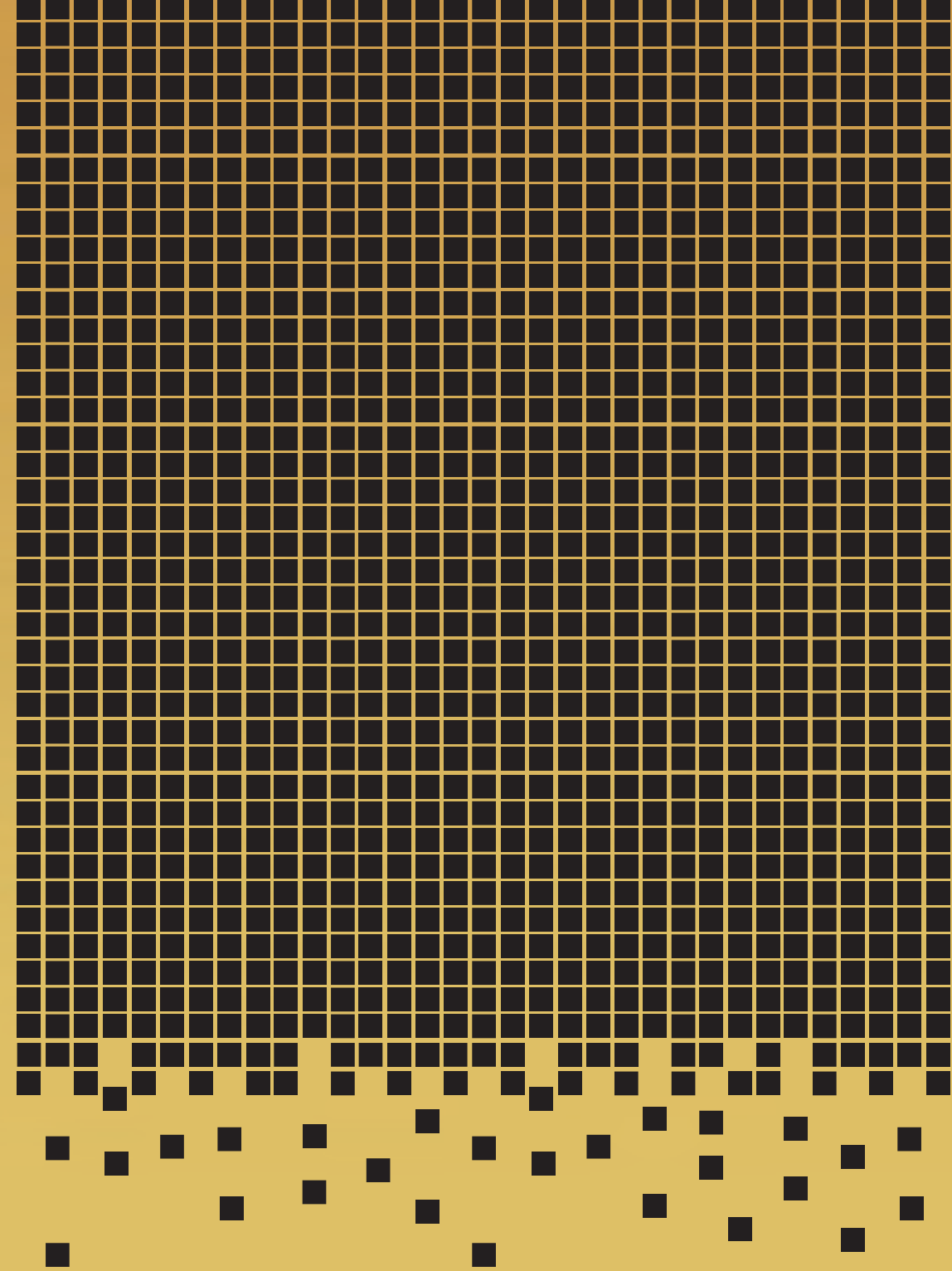


Screening & Property Selection

Blue Chip Capital uses over 30 years’ worth of experience and financial modelling and benchmarking, to initially screen projects. What Blue Chip Capital does well is, think outside the square and often by doing that the screening process takes another turn.

As part of its Integrated Management System, A 12-point risk analysis summary is undertaken that is both financial and non-financial. The risk management systems of the IMS are based on AS/NZ ISO 31000:2009 standards and are currently being certified.

The corporate risk philosophy has been developed to be a facilitator and not a hurdle. Due diligence is done initially on a macro level. The screening process allows projects that meet the initial screening guidelines to then advance to a comprehensive due diligence phase. The ability to differentiate between successful and non viable projects through these simple steps saves time and money ensuring that only projects which have been thoroughly examined with a determination of merit are undertaken.



08 | Exit Strategies



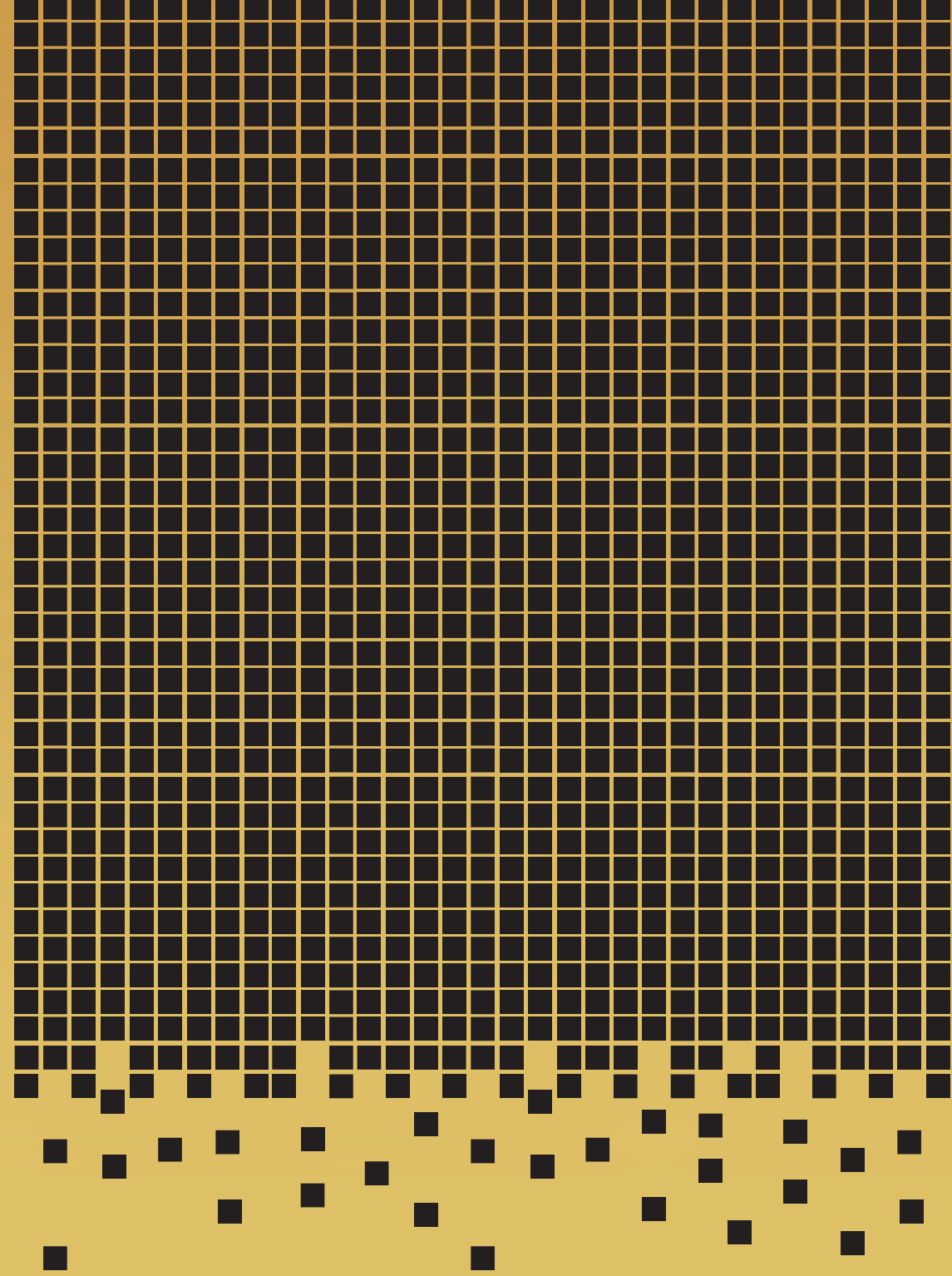
Exit Strategies

There are many exit points throughout any project. A site may exist that could have an approval for improvement, and then with the skills of the BCC team, further opportunities are identified that may be available with a new or a different approval.

Some of the exit strategies used by BCC are as follows:.

1. Obtain DA and sell the site.
2. Obtain the DA and build the project.
3. Obtain DA raise additional equity to sell off the plan. Reach the necessary pre-sale levels then sell to an active developer in that market.
4. Purchase the site with DA, settle on the land then apply for a new DA providing expansion and improvement on the existing approval thus significantly increasing the profit potential.
5. Obtain the options on a site and negotiate an end buyout and obtain the DA. Once DA is obtained the site sale is triggered.

The above represents a summary of existing exit strategies that will be considered for each project, it is not exhaustive but illustrates the many examples of opportunity.



I 4 | Integrated Management System



Integrated Management System

Blue Chip Capital is committed to excellence and has a strong passion for perfection. In order to achieve this goal systems have been put into place that have been based on management's experience. This system is the integrated management System (IMS) comprising Quality Management System (QMS) AS/NZ ISO 9001:2008, Environmental Management System (EMP) AS/NZ ISO 14001:2004, Safety Systems (OH & S) AS/NZ 4801:2001 and Risk Management System (RMS) AS/NZ ISO 31000:2009, that is current being accredited for international certification. The certification will be achieved very soon.

Quality Policy

The aim of the Company's Quality programme is to ensure that the company provides outstanding Delivery of its product.

This aim can only be achieved with the commitment and participation of all employees with the following:

- » The establishment and maintenance of an effectively managed quality system developed in accordance with ISO 9001
- » Actively promoting the Company's "Service Excellence" culture at all levels in the organisation. In doing so, the people that we deal with will always experience a helpful, friendly and professional attitude from everyone in the company.
- » Endeavouring to delivery all projects on time and defect-free.
- » Understanding, managing and solving the needs and problems of projects is essential for us to deliver our projects to our end users' complete satisfaction.



- » Developing a “right first time” culture in everything we do and only accepting the best, where:
 - * Every member of the category employees is a “customer”, with the right to expect excellent service from his or her colleague’s every time
 - * Every member of the category employees is a “supplier”, with the obligation to produce work of a high calibre to those who are his or her customers
- » Developing good business relationships with sub-consultants and other business customers
- » Maintaining our level of quality excellence, and continuously seeking to improve.
- » Promoting training of employees to develop and strengthen skills and experience.
- » Providing Simplified non-complex procedures
- » Continually auditing the procedures to ensure that they are current, relevant and not causing any resources to be dissuaded from its key role or task due to the overbearance of duplicated or unnecessary policy bogged down in too much red tape.
- » Continually develop Cloud based Quality system that provides timely and multi end user access to information in order to promote a seamless dissemination of changes and updates. Full training is mandatory to ensure the most modern tools are utilised to their potential. It is easy to use and full training is provided on a regular basis.
- » Repeat business (which is essential to our Company) will only be gained from satisfied Customers. Therefore, it is a priority for every project that the Customer is satisfactorily treated and involved in each project. every project must have a satisfied Customer.
- » To ensure that everything is documented no matter how big or small and filed in the right project folder physically as well as electronically.



Occupational Health & Safety

This Company is committed to meeting its obligations under the Occupational Health and Safety Acts and Regulations. This encompasses the prevention of accidents, injuries and ill health to employees, contractors, clients and the general public. It also includes the provision of rehabilitation and return to work processes should any person be injured or suffer an illness.

The Company is committed to creating and maintaining an environment where management and staff work co-operatively to ensure a safe and healthy workplace is provided for all. Continuously improving our OH&S management and performance makes good business sense, and provides benefits to all employees while minimising the risk of injuries and illnesses.

Objectives

The Company seeks to achieve and maintain a zero injury and illness outcome through improving its OH&S performance. This will be achieved by monitoring trends, initiating pro-active risk management

strategies and providing training and resources to keep hazards to the minimum practical level. The Company will progressively implement improvements to current practices in:

OH&S Management

The Company will continue to adapt work practices and resources which prevent workplace injury or illness and promote the protection of the health, safety and well being of employees, contractors, visitors and the general public.

To achieve this, the Company will ensure:

- » the commitment, leadership and accountability of senior managers in all OH&S matters;
- » the opportunity for active involvement of each individual in health and safety matters in the workplace;
- » the provision of appropriate information, instruction and supervision to enable all employees to fulfil their OH&S responsibilities and maintain a safe working environment;

- » to continue to implement OH&S systems that identify and eliminate hazards and risks, for the prevention of workplace injury and illness of employees, visitors and other persons at or near the Company workplace;
- » the thorough and systematic conduct of risk identification, risk assessment and risk control in all workplaces;
- » monitoring and evaluation of OH&S procedures and systems to assess the Company’s performance and compliance with the OH&S Act; and
- » that the Company’s OH&S Policy is integrated into the Company’s corporate policies.



Development and Review of Policy

This Policy had been developed in consultation with employees. The Policy will be reviewed annually and amended as required. It is the joint responsibility of the Company managers and employees to cooperate and participate in the development, implementation and review of this Policy. This will ensure that a high standard of health and safety is maintained in the Company.

Environmental Policy

- » The Company recognises that in carrying out its activities it has a responsibility to customers, employees and the general public to minimise its environmental impacts. To meet this obligation, the Company and its employees are to:
- » ensure compliance with all applicable legal and other requirements which relate to its environmental aspects.
- » promote environmental awareness and commitment to all employees through the provision of training.
- » encourage suppliers and subcontractors to apply sound environmental principles.

- » avoid the wastage of materials, water and energy by managing their use
- » wherever possible, seek to use materials from renewable sources and recycled or recyclable materials.
- » encourage clients, where possible, to adopt the principles of sustainability in their design process.
- » design and implement projects to:
 - * minimise pollution and the use of energy
 - * minimise the use of raw materials during construction
 - * minimise waste during construction
 - * protect natural features
 - * prevent pollution and minimise environmental disturbance from our activities
- » Apply continual improvement by reviewing the environmental aspects of our activities and then by setting appropriate targets and objectives for improving performance.
- » Reduce carbon footprint of the company.
- » In order to achieve this, it is the Company's policy to operate an effective Environmental Management System, which meets the requirements of AS/NZ ISO 14001:2004.

Risk Management Policy

The Company's policy and goal is to maintain a safe workplace for employees, to protect the safety of end users of the property developments and to conserve the assets of the company by methodically addressing the risks attaching to all of their activities and that reliable financial records are maintained.

The Company is committed to ensuring Risks will be minimised by maintaining our existing systems and seeking further ways to minimise risk such as through reviewing future external and internal impacts on Blue Chip Capital and modifying our plans and objectives accordingly.

In an industry with such characteristics as the volatility of the Property Development Market, Blue Chip Capital needs to ensure errors are minimised and as much risk is identified and mitigated in order to ensure our future and viability.



Because of these conditions, Blue Chip Capital is using the risk management standard AS/NZ ISO 31000:2009, as a tool to provide reports to The Board and management outlining the Company's risk management process.

Our risk management process will include:

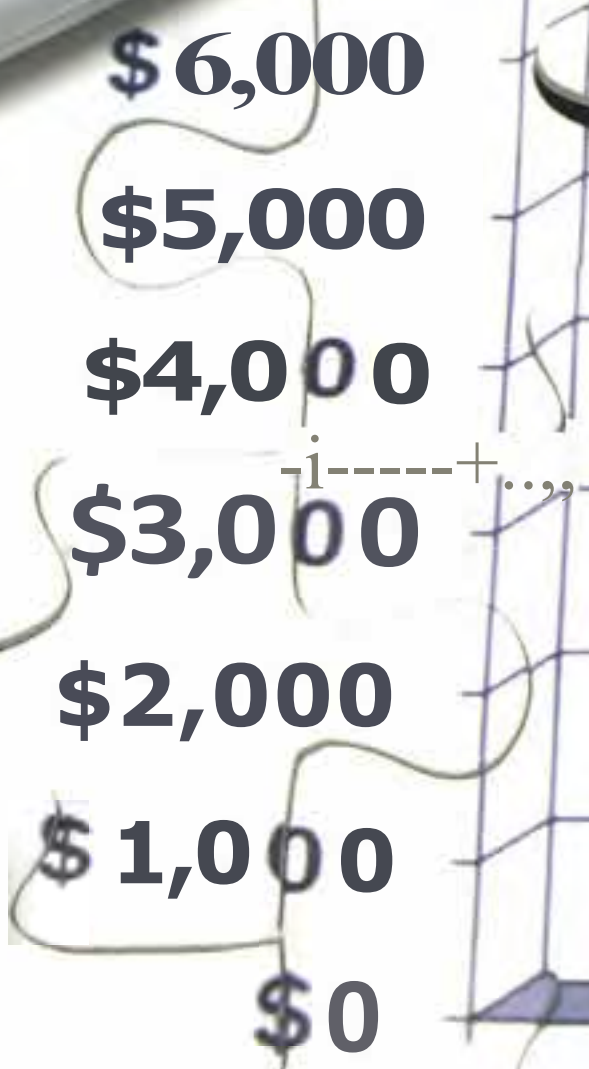
- » Risk Assessment
- » Risk Analysis
- » Risk Identification
- » Risk Description
- » Risk Estimation
- » Risk Evaluation
- » Risk Reporting
- » Threats and Opportunities
- » Decision
- » Risk Treatment
- » Residual Risk Reporting
- » Monitoring

In the light of our risk, a focus at Blue Chip Capital will be to have highly competent and solution focused and experienced staff and management. The Directors are committed to ensuring that staff and management are supported in their efforts to implement our preferred controls.

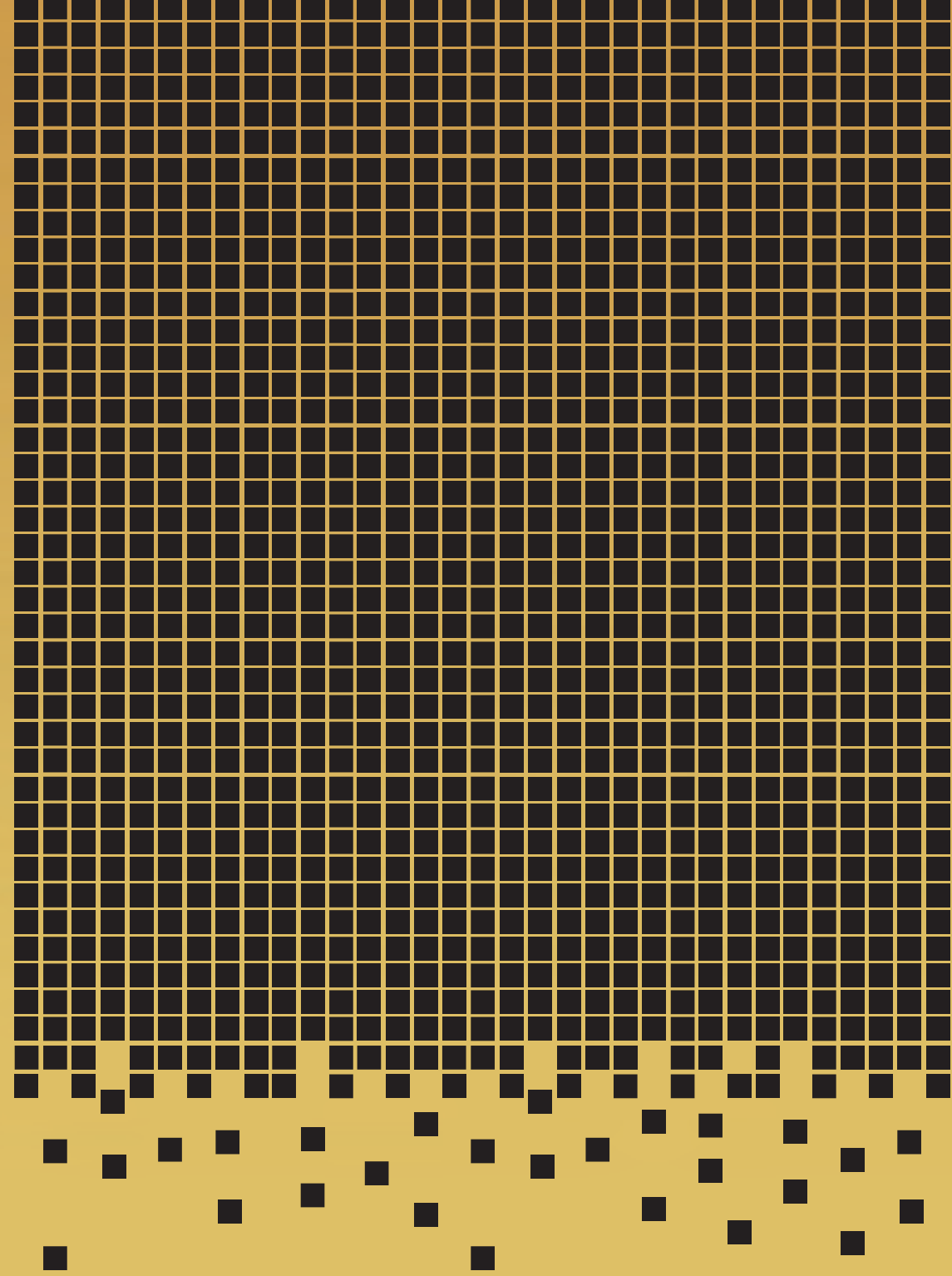
To help ensure we maintain our current level of risk / risk aversion, at least six monthly, our risk assessment will be formally reviewed. Informal reviews can be performed as needed. Existing accountability processes will be monitored through regular internal audits and supervision.

Benchmarking Performance KPI Metrics

Benchmarking Performance KPI Metrics	
1	Time Management
2	Completeness and Standard of Work
3	Management and Quality
4	Contract Administration
5	Occupational Health and Safety
6	Risk Management
7	Client Satisfaction
8	Compliance
9	Innovation
10	Records management
11	Reporting and governance
12	Accuracy of data recorded in waste, energy, water and utilities management
13	Documentation timeliness
14	Budget v's actual costs
15	Response time to issues

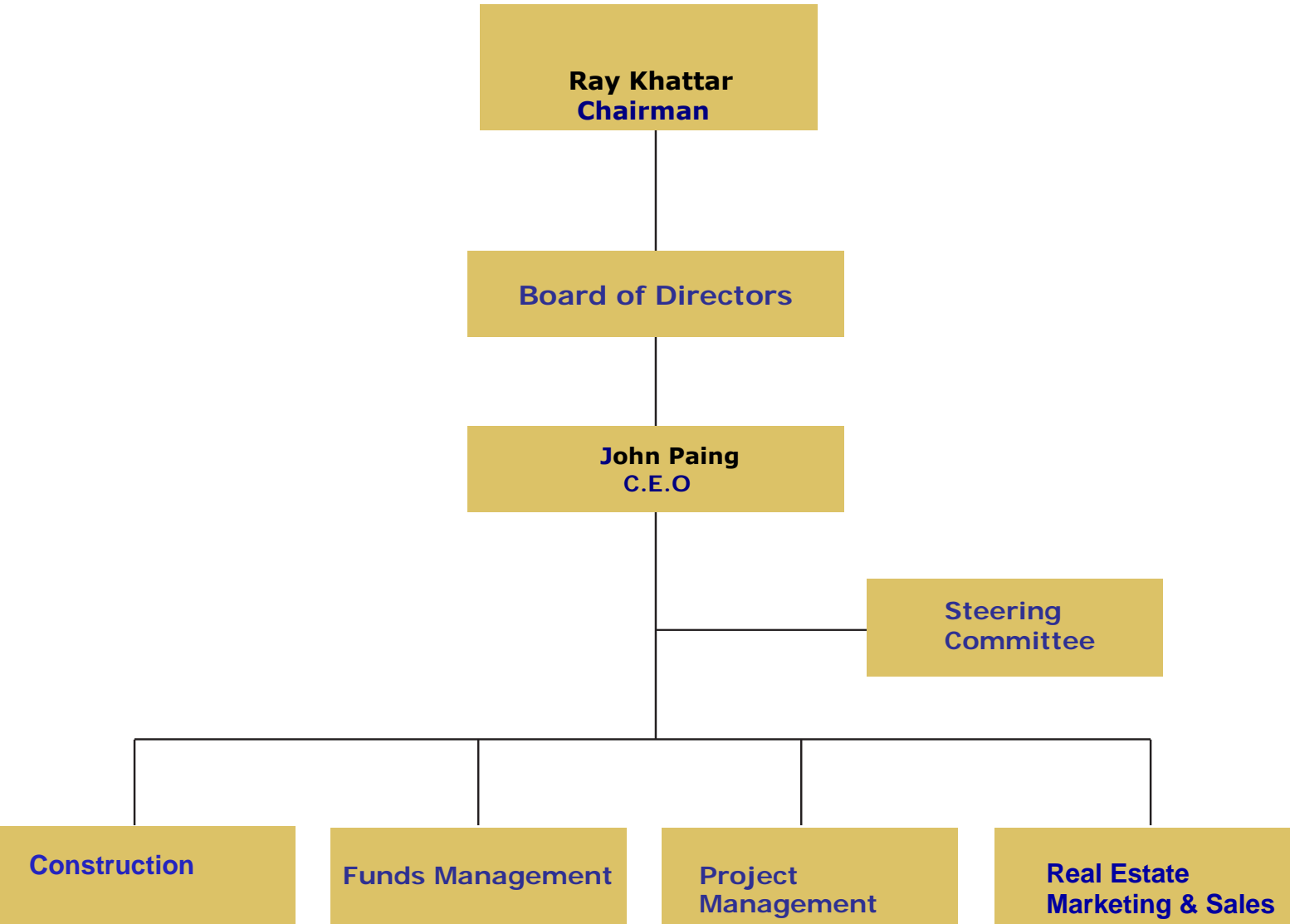


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09 | Corporate Management Structure

Corporate Management Structure of Blue Chip Capital Group of Companies



Resource Management

To enable the success of the business strategy, the day to day Project Management of the projects will be outsourced. This allows for a wider array of projects to be undertaken and effectively managed by well-resourced and respected project management companies.

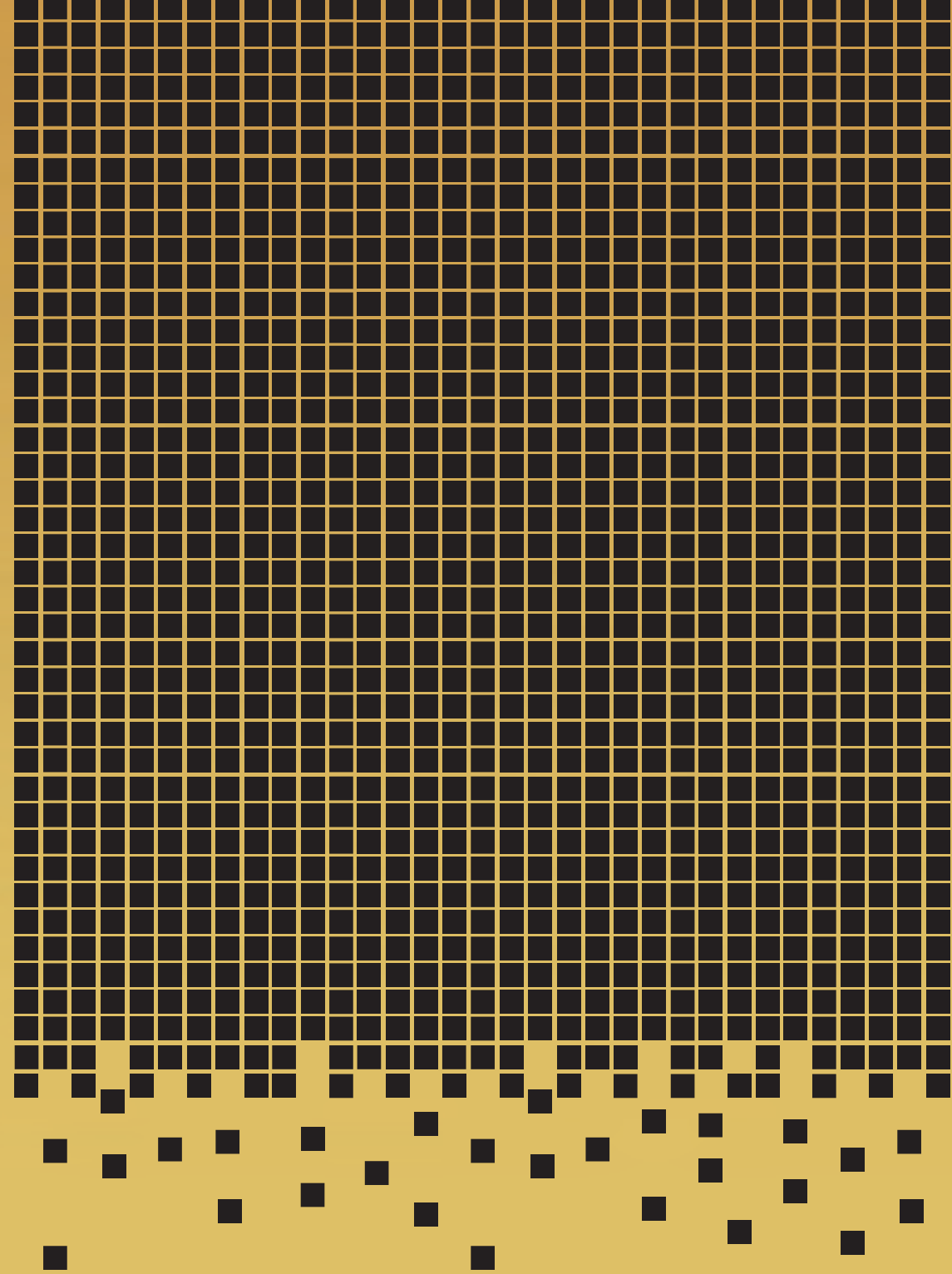
This outsourcing will allow Blue Chip Capital to have a centralised management approach with better control and utilization of resources. A fundamental failure in development projects is the mismanagement of resources, and through the poor decision making that inevitably ensues, the project suffers delays, costs, breaches of agreements, or through lost support, closure.

By ensuring that only reputable and well-resourced Project Management companies undertake each project a risk factor is mitigated. Constant communication and the collaborative approach of all our staff will ensure that projects meet the benchmarks as set in our corporate KPI's.

The strategy to keep staff small and highly skilled ensures that the team is always well informed and being tightly knit ensures the collaboration so essential to success.

Other service components to Blue Chip Capitals business are also outsourced. The accounts for the group audited by one of the big four auditing firms internationally. This ensures complete transparency and thus supporting our philosophy of good corporate governance.

In relation to the legal team, our approach is to align ourselves with specialists in the areas of the development rather than generalists which historically has not yielded success in the intricate nuances of the industry. This will also help mitigate other risks associated with the projects by having the best experts in the field rather than having a law firm who may specialize in one area and not be that strong in others.



13 | Operational Risks Identified



Operational Risks Identified

1. Pipeline Risk

- » The performance of Blue Chip Capital is to a large extent dependent on the ability of the senior management team to identify and source suitable investment opportunities. With the established relationships in the industry and amongst the many and various financial institutions management is confident that there will be more suitable opportunities in the short term to undertake than capital available, this risk can be substantially mitigated.

2. Financial and Interest Rate Risk

- » Blue Chip Capital may use leverage to maintain an optimal capital structure for each of its investments.
- » The use of leverage may enhance returns; however, it will increase the exposure of Blue Chip Capital to financial and interest rate risk. This will be mitigated to a degree by the lower leverage of funds borrowed and the controls and corporate government Blue Chip Capital has in place.
- » It is expected that no more than 40% of any project will be leveraged

3. Real Estate Market Risk

- » Blue Chip Capital asset values and earnings are subject to real estate market conditions. Increases in supply or falls in demand in any of the sectors of the real estate market in which we operate can influence the acquisition of sites, the timing and value of the Company's sales and the carrying value of projects and any income producing assets as well as earnings. A downturn in the real estate markets due to deterioration in the economic climate could result in reduced asset values and earnings, as could a decline in sales. Changes in market conditions for properties may impact on any proceeds received from the Company's assets.
- » Market sentiment may be influenced by media commentary and observations by industry analysts, which has a significant influence on the confidence of and the propensity of purchasers to buy properties. Perception may have a larger short-term influence on project enquiry levels and rates of sale than medium term factors such as the likelihood of oversupply or undersupply in some market segments.



Although rates of sale may not have a significant influence on the profitability of individual projects in the medium / long term, a decline in market sentiment which reduces rates of sales could adversely influence the amount of profit that can be brought to account in a particular financial period and can impact on project profitability. Therefore buying the project at the right price is imperative to enable keen pricing in times like these Real estate specific factors which might impact on asset values and future earnings include the following:

- » Environmental issues (e.g. site contamination or asbestos), changes to government regulations relating to real estate, land resumptions and major infrastructure developments;
- » Any failure to deliver on or to effectively execute Blue Chip Capital stated strategy or a failure to redefine the strategy to meet changing market conditions;
- » An increase in capitalisation rates considered appropriate by professional valuer's in response to changed market conditions;
- » Changes in the conditions of town planning consents applicable to our projects as a consequence of the unpredictable nature of council policies;

- » Variances in the cost of development as a consequence of the imposition of levies by state and local government agencies;
- » The inability of a significant portion of purchasers to settle on development projects;
- » The activities of resident action groups and other stakeholders;
- » Land resumptions for roads and major infrastructure, which cannot be adequately offset by the amount of compensation eventually paid.



Operational Risks Identified

4. Key Personnel Risk

- » The Board and the management team led by Ray Khattar will implement Blue Chip Capital business strategy. It is anticipated that this will provide Blue Chip Capital with an exposure to an extensive network of relationships within the real estate industry and capital markets. Our success will predominantly depend on the judgement and performance of the Board and the senior management team. The loss of services of any of these key personnel could have an adverse impact on the Company's ability to successfully implement Blue Chip Capital Australia's business strategy. The senior management team's employment terms provide them with the ability to give 6 months' notice of resignation and are subject to a further 12 months non-competition clause.

- » A risk that competing real estate development projects adversely affect the overall return achieved by a real estate development project undertaken by Blue Chip Capital because they provide competitive alternatives for potential purchasers;
- » A risk that the property does not sell;
- » A risk that market conditions change during any development

Although these risks can be identified with foresight, there still may be circumstances where adverse results cause unexpected impact on the profitability of a project. Blue Chip Capital identifies the worst-case outcome, including the above in its calculations, and if the project is still feasible in the worst case, then it is undertaken.

5. Development Risk

Part of expertise of Blue Chip Capital business is to identify, analyse and invest in development projects and overcome all of the typically inherent risks in addition to those associated with real estate generally including:

- » A risk that appropriate planning consents are not obtained or, if obtained, are not properly adhered to;
- » A risk that development costs escalate beyond those originally anticipated;
- » A risk of project delays due to factors beyond the control of Blue Chip Capital;
- » A risk that any real estate development manager and / or subcontractor appointed to implement a development project does not perform their role to a satisfactory standard or fails to act in breach of contract;



6. Capital Expenditure

- » The risk of unforeseen capital expenditure requirements for the projects may impact returns to investors. This should be mitigated from the check controls implemented but some unforeseen expenditure or bringing forward unplanned expenditure may be needed.

7. Due Diligence

- » Some investments may be made based on limited due diligence of publicly available information. This may increase the risk of individual investments and could lead to material adverse effects on the performance of Blue Chip Capital. However, with the quality controls implemented this will be mitigated to the best of the group's ability.

8. Competitor Risk

- » Although Blue Chip Capital target will be medium to large -sized development opportunities with direct competition from most large institutional developers and beyond the funding capacity of small local investors, the existence or escalation of such a competitor with similar investment horizons may affect Blue Chip Capital Australia's ability to obtain development rights to those opportunities, which could adversely affect Blue Chip Capital Australia's financial performance and Investor returns. To mitigate this a change in purchasing philosophy is required. The aim of the Group will be to purchase distressed assets directly from distressed vendors or banks and insolvency professionals. The ability to move quicker than our competitors will ensure that with the proper due diligence the projects will be obtained at a very advantageous price.

9. Limited Operating History Under the Current Business Strategy

- » Even though the sponsors have had over 30 years' experience in Property development the Group has had limited operating history, however so far all of the projects have returned positive returns. All projects will be subject to the approved investment strategy, which will have solid returns of over net 45% on cost.

10. Earnings Volatility Risk

- » Dependent on the actual sales levels achieved and the timing of the infl w of funds earnings may be delayed. However each project will be a stand-alone cost centre and as such this risk should be fully mitigated. However the level of sales for each project will affect the timely return of the Investors funds.

11. Benchmarking Too High

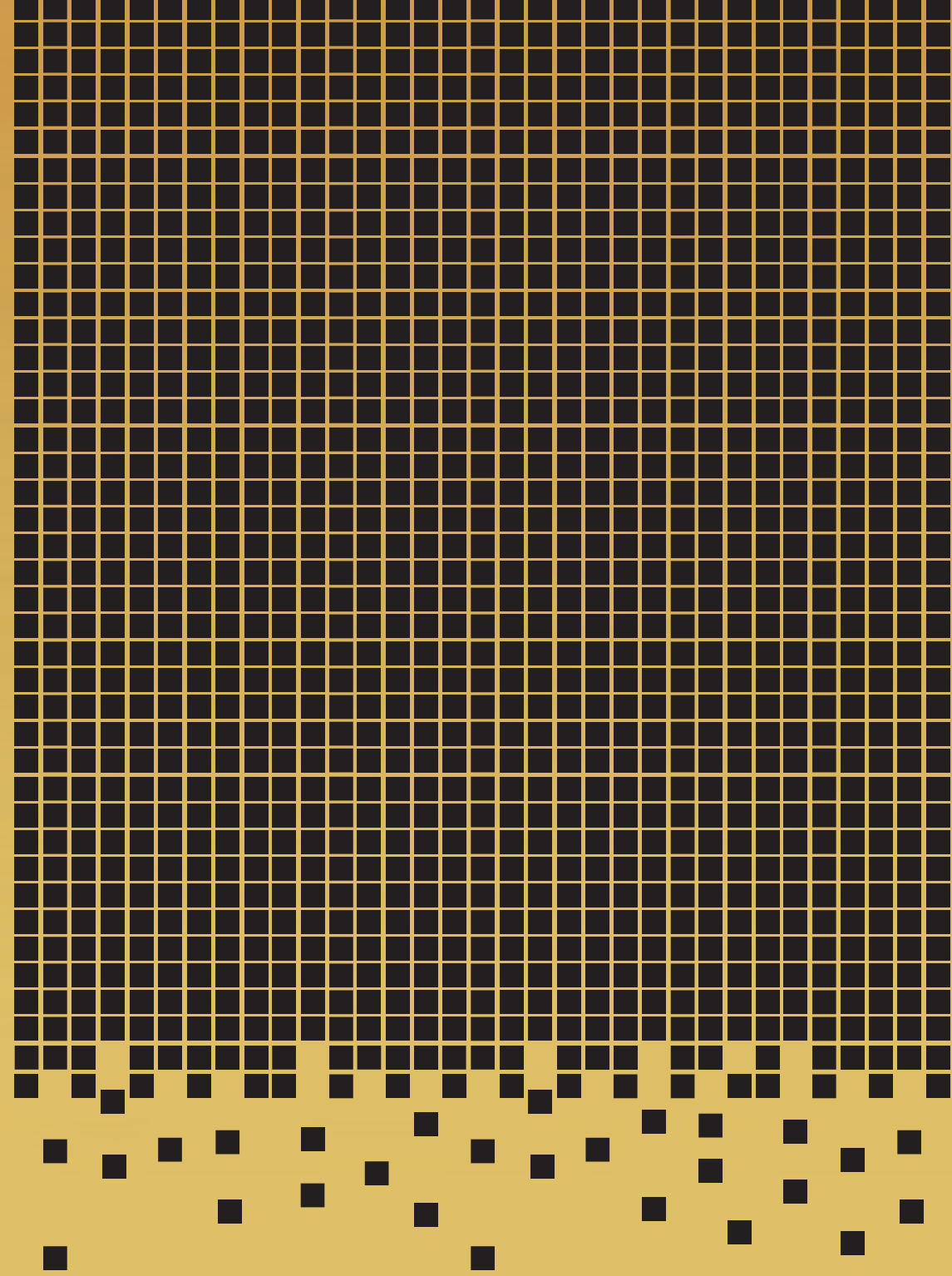
- » Often setting the bar too high means nothing gets past. A lot of time is wasted and no project undertaken. Realistic levels need to be set based on current market conditions and the wealth of experiences. Benchmarking levels need to be constantly reviewed to ensure they are realistic and current.

12. Changing Demand For Real Estate Asset Classes

- » The demand for real estate as an asset class changes over time and can be influenced by general economic factors such as interest rates and stock market cycles. The demand for real estate to which Blue Chip Capital may launch or manage may change as investor preferences for particular sectors and asset classes' change and this could adversely impact Blue Chip Capital' future earnings potential. This can be mitigated by constant communication with the real estate professionals at high levels with those organizations. The information gathered is then prepared in a report and recommendations made as part of the Quality Assurance in our IMS.





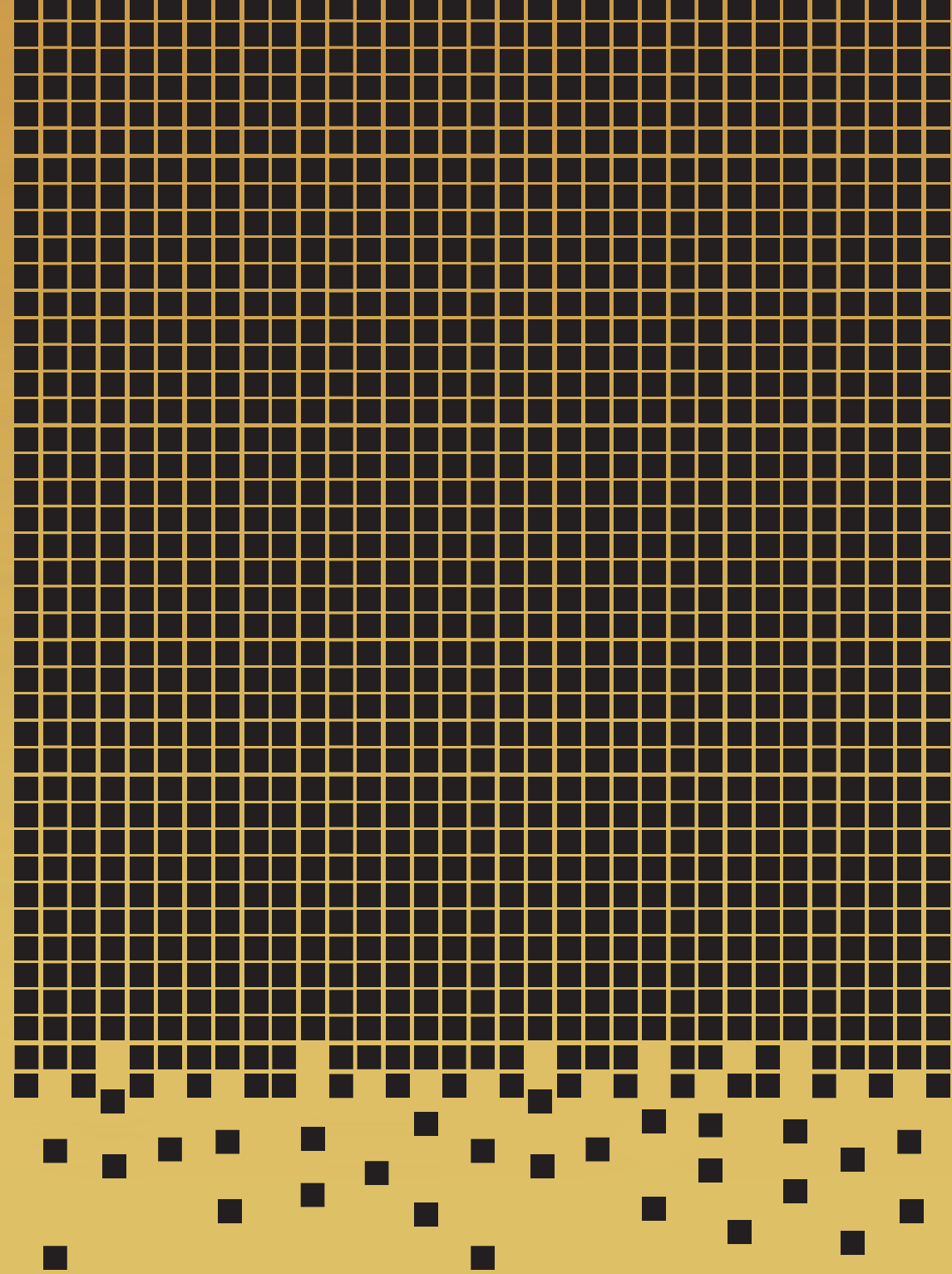


I 6 | Management Approach



Management Approach

- » Combine internal and external research to take advantage of market inefficiencies and real estate cycle .
- » Utilise an extensive network relationship to source investment opportunities as well as identify opportunities direct.
- » Risk-adjusted returns will be based on proven models that implement a 12-point risk assessment for each opportunity. This is continually updated and monitored.
- » Identify material risks; validate financial assumptions with focus on capital preservation on all projects.
- » Undertake rigorous analysis prior to acquisition, in order to identify opportunities for value creation, risk mitigation and synergy benefits with existing assets such as site amalgamations.
- » Engage external consultants as appropriate to review key risk areas (such as. legal, taxation, accounting structure and technical issues not covered by the boards expertise)
- » Develop Board-approved strategic asset plans and clearly spell out and identify the objectives of the investment including expected financial performance, return hurdles and exit strategy.
- » Clearly Identify and define exit strategies prior to acquisition, with flexibility to adapt to prevailing market conditions
- » Regular review and reporting of investment performance against the asset plan, the stated investment strategies and the exit strategy to optimise the value proposition for each asset
- » Develop strategic alliances with real estate agents and other consultants
- » Ensure that each project has a potential for capital growth and return of capital over a 1 to 3 year investment horizon.
- » Pursue assets and projects that have value-add and offer a great opportunity to capitalize.
- » Medium to large size investment opportunities in the \$20m to \$100m gross revenue range.
- » Leverage returns through appropriate debt structure.



18 | Senior Management



Chairman



Ray Khattar

From a platform in building design, Ray has built an excellent development management reputation in the building industry over 40 years. He is Tyrannical about detail, speed at which things need to happen and value as perceived by the client. With extensive management experience both as Director of Dyldam and in design, construction and development management on multiple projects, he is able to draw on a broad range of experiences that delivers the end result. With excellent strategic and savvy knowledge he has been able to achieve success on all projects undertaken. He has demonstrated ability in making deals out of slender opportunities by adding value during the process. Ray has built a reputation by tackling “too hard” development sites and “no go” government regulatory sites, and repeatedly delivering higher than expected yields on those projects. Ray's experience covers land Acquisitions to Final Handover. He is able utilise that experience mentor and guide clients expectations in all aspects of any project.

During Ray`s years of Advocacy the very nature of the role has acquired an intimate and enthusiastic appreciation for the intrigues of the political process that all to frequently underlines many commercial projects.

Ray is very conscious of the premise of embracing the reality of the political facts in relation to commercial endeavours. This premise is self evident as success or failure of major works as often as not is determined by the community impact as is perceived by those elected into Local or State office.

Ray`s ability to adapt and modify an approach in resolution of an obstacle has as its corner stone a firm belief in developing a transparent co-operative environment purposely designed to provide an opportunity to achieve a win, win.

Languages:

- » English Fluently written & spoken
- » Arabic (Lebanese) Fluently Spoken

Summary of Skills

- » Sourcing new opportunities
- » Project Management of the Approval
- » Design of sales material
- » Client Consultation
- » Council Consultation
- » Project Management of Construction
- » Manage the Detailed design for construction certificates
- » Contract administration of sales
- » Development Management of projects.



Chief Executive Officer

John Paing

John maintains a philosophy of “half as much for the next 20 years is better than twice as much for one year”. The predominant personality in the industry has profit as the primary driver, and this may lead to either improper business behaviour, or, acting in a way that provides an advantage at the expense of another. These are not accepted methodologies by which a company would achieve success.

Finally, John prides himself on his problem solving skills. He thrives on opportunities to find a way of achieving the goal, no matter how complex the circumstances. John’s education includes; Master of Business Administration from the Australian Institute of Business

Summary of Skills

- » Effective communicator both written and verbal
- » Accomplished presenter
- » Strong negotiator, always achieving “win-win” outcomes
- » Analytical and excellent problem solving skills
- » Collaborative style management, instills staff loyalty and dedication
- » Leads by example
- » Sound understanding of the investment and development industries
- » Compassion and understanding
- » Integrity, honesty, trustworthy

John’s Vision:

To provide a remarkable service, diligently respecting the laws and limitations of one’s actions, respecting and encouraging all colleagues, to achieve a satisfactory outcome that provides profit, return for investors, benefits the public, and rewards all related parties to every transaction.

John’s Principles:

- » Work diligently without compromise
- » John’s word is his bond
- » Ensure a fair outcome is always reached for all parties
- » Continually improving education and training
- » Criticise constructively, reward effort
- » Lead by example more so than by direction

John’s Approach:

- » Listen, understand, contemplate, then reply
- » Manage an outcome in the best interests of all parties
- » Fair but firm
- » Set realistic budgets and forecasts and continually align performance with targets
- » Balance home and work life
- » Never take risks with other people’s money

