



Cyprus Capital Limited

ACN 636 549 794

PROSPECTUS



Cyprus Capital Limited

ACN 636 549 794

PROSPECTUS

in connection with an offer by Cyprus Capital Limited of
8,500,000 fully paid ordinary shares at \$1.00 each to raise \$8,500,000.00

Extended Closing Date to Apply for Shares is 5.00 p.m. ADST on Friday, 31 July 2020

The Prospectus is dated 12 March 2020

Important Notices and Information

The Prospectus is dated 12 March, 2020. A copy of the Prospectus was lodged on-line with ASIC on 12 March 2020.

ASIC does not take any responsibility for the contents of this Prospectus or any part of this Prospectus.

No Shares will be issued on the basis of this Prospectus after the expiry date (which will not be later than 13 months after the date of this Prospectus).

An Application for Offer Shares can only be made by completing and lodging the appropriate Application Form that accompanies or is attached to this Prospectus or a paper copy of the Application Form in the on-line version of this Prospectus.

Although the Company has issued this Prospectus in accordance with the provisions of the Corporations Act applicable to prospectuses, the Company specifically notes that the Offer does not take into account any Applicant's specific investment needs or objectives. **Accordingly, the Company urges each person who proposes to make an Application, to read this Prospectus in its entirety before making an Application.** In particular, the Company draws each person's attention to those matters identified by the Company as representing risks to the Company and any investment in the Company (as set out in **Section 10**). **In the context of an Applicant's personal requirements and the risk factors, the Company suggests that any Applicant seeks independent professional guidance from their stock broker, solicitor, accountant or other professional adviser prior to making any decision to apply for Shares.**

For persons accessing the on-line version of the Prospectus, the Offer is available to such persons accessing the Prospectus from within Australia and New Zealand only. The Prospectus may be accessed on the internet at www.cypruscapital.com.au. A person who gives another person access to an Application Form must at the same time and by the same means, give the other person access to the Prospectus (and any supplementary prospectus). The Company will make available a paper copy of the electronic Prospectus, if requested, at no charge. No Application will be accepted if sent in electronic form. Applications will only be accepted if the written Application Form, duly completed in accordance with the terms of the Offer and accompanied by the relevant Application Moneys, is received by the Company or the Share Registry prior to close of the Offer Period.

Forward-looking information

This Prospectus includes forward-looking statements that have been based on current expectations about future acts, events and circumstances. In particular, this Prospectus contains forward-looking statements regarding the Company and its current and disclosed future operations. Any statement describing a forecast, goal, expectation, intention or belief of the Company is a forward-looking statement, the achievement of which is subject to risks and uncertainties that are outside of the control of the Company. Actual events, results and outcomes could differ materially from the expectations described in such forward-looking statements. None of the Company, the Directors or any other person can or do guarantee or assure you that any forward-looking statement or implied outcome will be achieved.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation in connection with the Offer that is not contained in this Prospectus **may not** be relied upon as having been authorised by the Company or by any of the Directors. None of the Company, the Directors or any other person, warrants the future performance of the Company or the return of capital or income on any investment made under the Offer, or the amount or availability of any income derived from that investment.

In making representations in this Prospectus, regard has been had to the fact that the Company has no current intent to apply for its admission to the Official List.

Restrictions on distribution of this Prospectus

This Prospectus and the accompanying Application Form do not, and are not intended to, constitute an offer of Offer Shares in any place outside of Australia and New Zealand in which, or to any person to whom, it would be unlawful to make such an offer. The distribution of this Prospectus and the accompanying Application Form in jurisdictions outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus and

the accompanying Application Form should seek advice and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Offer is not extended to, and no Offer Shares will be issued to, persons who:

- as at the Record Date, are not Club Members; or
- have a registered address, or are resident at an address, outside Australia and New Zealand, unless a formal written offer has been made to those persons, in accordance with the legislation and regulations within such jurisdiction.

This Prospectus has not been, nor will it be, lodged, filed or registered with any regulatory authority under the securities laws of any country other than Australia and New Zealand. It is the personal responsibility of any Applicant to ensure that it has complied with all laws of any country or jurisdiction relevant to its Application. The return of a completed Application Form will be taken by the Company to be a representation by the Applicant who submitted that Application Form, that that Applicant is a Club Member and that its Application does not result in a breach of any applicable law.

In particular, the Offer Shares have not been and will not be, registered under the Securities Act or equivalent laws of any state or other jurisdiction in USA.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the USA. None of the Offer Shares have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the USA.

Neither this Prospectus nor any other documents relating to the Offer of Entitlements or Offer Shares may be sent to or distributed in the USA. Please also see **Section 5.12**.

No ASX Listing and Illiquidity of Investment

The Company has no current intent to apply for its admission to the Official List. Further, none of the Offer Shares will be quoted, or able to be traded, on any market operated by the ASX.

Continuous Disclosure Obligations

It is expected that, after completion of the Offer, and as result of the issue of Offer Shares pursuant to the Offer and this Prospectus, the Company will have more than 100 registered Shareholders. In such an event, the Company would be classified as a “disclosing entity” for the purposes of the Corporations Act, despite its Shares not being quoted, or able to be traded, on any market operated by the ASX. The result of such a classification, is that the Company will be required to comply with the “continuous disclosure” obligations under the Corporations Act, to the same extent as if the Shares were quoted, or able to be traded, on markets operated by the ASX. This means the Company will, via its website, inform all Shareholders as to any information/event that may have a material effect on the Company and its performance.

Trading Restrictions

If a person submits an Application, it will be their responsibility to determine their respective allocation of the securities that are the subject of that Application before trading any of those securities, in order to avoid the risk of selling securities that they do not own. If an Applicant sells or agrees to sell securities prior to receiving their Holding Statement (being the certificate which indicates how many shares have been allocated to the holder), they do so at their own risk.

No Withdrawal of Application

In most circumstances, an Applicant will not be entitled to withdraw their Application, even where the Application that has been provided to the Company may not be in conformity with the terms and conditions of this Offer or the Application Form, without the prior consent of the Company.

Applicants can only be a Club Member

Applicants **must be financial members** of the Club on or before the Record Date. No Offer Shares will be allocated to any Applicant unless and until the Club verifies the Applicant as being a financial member of the Club at the Record Date.

Application for Offer Shares

If you wish to apply for Offer Shares, you must complete and return to the Share Registry or the Company, the personalised Application Form which accompanies this Prospectus along with a cheque for the appropriate Application Money in full (at \$1.00 per Offer Share), by no later than the Closing Date and in accordance with the instructions in **Section 5.4** and **Section 5.5** and the Application Form.

Privacy disclosure

The Company, its officers, employees, agents, contractors and third-party service providers (including the Share Registry) (collectively **Collecting Parties**) have already collected certain personal information from some Club Members. The Application Form accompanying a hard copy of this Prospectus requires Club Members to provide information that may be personal information for the purpose of the *Privacy Act 1988* (Cth.) (**Privacy Act**) to the Collecting Parties. If a Club Member makes an Application, the Collecting Parties may update personal information already collected or collect additional personal information about the Applicant. The personal information collected may include (but is not limited to) the Applicant's full name, date of birth, addresses and phone number(s).

The collection and management of Applicants' personal information are conducted in accordance with the Privacy Act, which governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information.

Personal information that the Collecting Parties collect from Applicants through their Application Forms is used to evaluate Applications and in the case of successful Applications, to issue Offer Shares in the Company to successful Applicants and provide services and appropriate administration in relation to an Applicant's Shareholding.

The Corporations Act requires that the Company include personal information about its Shareholders (including name, address and details of Shares held) in its public register and disclose this personal information to ASIC. The information contained in the Company's public register must remain there even if a person ceases to be a Shareholder. Information contained in the Company's registers is also used to facilitate corporate communications (including the Company's financial results, annual report and other information that the Company may wish to communicate to its Shareholders) and for the purpose of compliance with legal and regulatory requirements.

If the Collecting Parties are obliged to do so by law, an Applicant's personal information will be passed on to other parties in accordance with legal requirements. Once personal information is no longer needed by the Collecting Parties, the Collecting Parties will destroy or de-identify that information.

By submitting an Application Form, each Applicant agrees that the Collecting Parties may:

- use the personal information provided by the relevant Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Company and its related bodies corporate, agents, contractors and third party service providers, including the Share Registry, mailing houses and professional advisers and to ASIC and other regulatory authorities; and
- disclose the relevant Applicant's personal information to recipients both in Australia and other jurisdictions for the purposes set out in this privacy disclosure statement, or as otherwise required by law.

If an Applicant does not provide the information required on the Application Form, the Collecting Parties (as relevant) may not be able to accept or process that Applicant's Application.

For further information about the Company's management of personal information, including how an Applicant may request access to or seek the correction of his or her personal information or submit a complaint or a general privacyrelated query, please see the Company's Privacy Policy, which is available at www.cypruscapital.com.au/privacy/ ***Photos and Diagrams***

Some of the assets depicted in photographs and diagrams in the Prospectus are not assets of the Company and are provided for illustrative purposes only. They should not be taken to imply that a particular asset is owned by the Company.

Defined words and expressions

Words and phrases used in this Prospectus and defined in the Glossary (Section 14) forming part of this Prospectus have the meanings ascribed to them.

Contents

<u>Chairperson's Letter</u>	<u>1</u>
<u>1. EXECUTIVE SUMMARY</u>	<u>3</u>
<u>2. OFFER TIMETABLE</u>	<u>3</u>
<u>3. FREQUENTLY ASKED QUESTIONS</u>	<u>4</u>
<u>4. OVERVIEW</u>	<u>7</u>
<u>5. THE OFFER</u>	<u>8</u>
<u>6. THE COMPANY</u>	<u>11</u>
<u>7. FINANCIAL MATTERS</u>	<u>15</u>
<u>8. REZONING APPLICATION</u>	<u>19</u>
<u>9. DIRECTORS, MANAGEMENT AND SHARE REGISTRY</u>	<u>19</u>
<u>10. INVESTMENT RISKS</u>	<u>20</u>
<u>11. TAXATION CONSIDERATIONS</u>	<u>22</u>
<u>12. MATERIAL CONTRACTS</u>	<u>23</u>
<u>13. ADDITIONAL INFORMATION</u>	<u>26</u>
<u>14. GLOSSARY AND INTERPRETATION</u>	<u>29</u>
<u>15. CORPORATE DIRECTORY</u>	<u>34</u>
<u>16. DIRECTORS' AUTHORISATION</u>	<u>34</u>
<u>17. APPLICATION FORM</u>	<u>35</u>





Chairperson's Letter

Dear Club Members

For over 90 years the Cyprus Community of NSW Ltd (**Club**) has fostered our culture and supported the preservation of our language, traditions, and values. The Club has been the focal point in the establishment and growth of a vibrant, productive and inclusive Greek Cypriot community in New South Wales. From the Saturday Greek School to the famous Dance School to the efforts of the Ladies Committee, to the well-known inner west Sydney Soccer Club, the Community, through the Club, has touched the lives of thousands, with its spirit of engagement and support.

Beyond being a social club that offers entertainment, food, culture and a meeting place for members of the Community, the Club is widely recognised for its innovation, endurance and relevance. The Community's spirit and vision to contribute, consider the future and adapt, has been well evidenced by the Club acquiring valuable and significant real estate located in Stanmore, in the inner west of Sydney.

At an Extraordinary General Meeting of the Club held on 8 September, 2019 (**September EGM**), the Board of Directors of the Club informed the members of the Club's difficult financial state. At that meeting the Members' commitment to support financially their Club was encouraging and positive. A clear majority of Club members at that meeting expressed the view that the Club Board should not simply sell all or material assets of the Club to remedy those financial concerns. Consequently, the Club Board sought an alternative solution to enable the Club to refinance the Current Debt, repair and refurbish the Club's premises and Rental Properties, and to re-engage with the Club's membership.

It was in the above context that, on Cyprus Independence Day, 1 October, 2019, the Club incorporated a wholly owned subsidiary, Cyprus Capital Limited (**Company** or **Issuer**). The sole purpose of the Company will be to provide a means to enable the Club's members to financially support the Club and its mission.

The Company is proposing to raise funds through the offer of Shares to Club Members only, in accordance with the provisions of this Prospectus. The monies raised through the Offer, after deduction of the costs of the Offer, will be lent by the Company to the Club (**Secured Loan**) in order to enable the Club to:

- refinance the Current Debt;
- resolve or repay Legacy Debts;
- fund the Planning Proposal;
- refurbish some of the Rental Properties, and Club premises; and
- other Declared Purposes.

At an Extraordinary General Meeting of the Club held on 24 November, 2019 (**November EGM**), the Club Members passed a number of resolutions to enable the Club to consolidate its Current Debt and borrow funds from the Company (**Secured Loan**). The Secured Loan will be secured by a first ranking mortgage over the Rental Properties.

The Club will use the Secured Loan to repay the Delphi Bank Debt in full, which is currently secured by a first ranking mortgage over the Rental Properties and part of the car park. The Club has also recently inherited debts incurred over many years by previous administrations of the Club (collectively **Legacy Debts**). The Current Debt and the Legacy Debts have been impeding the Club's ability to deliver on its mission and best use of the site. It is the intention of the Company that Club Members who successfully apply for Offer Shares (each a **Shareholder**) will:

- receive annual dividends during the term of the Secured Loan (see **Section 6.4**);
- at the repayment of the Secured Loan or exercise of the Call Option, it is proposed that each Shareholder will receive a Capital Uplift on their initial investment, in addition to any dividends that they have already received (see **Section 6.6**, **Section 6.7** and **Section 6.8**).

Consistent with the resolutions and sentiments expressed at both the September EGM and November EGM, it is not proposed that any of the assets of the Club be sold. They will remain owned by the Club. Further, once the Delphi Bank Debt has been repaid, the Club premises and the adjacent car park will not be subject of any further mortgage. The only assets that will be mortgaged by CCL will be the residential properties.

The Club has lodged a Planning Proposal (**Proposal**) which is current, to rezone and secure approval to redevelop on the Club's 9,320 square metres of land (**Club's Site**) in Stanmore, that development being a key part of the Club's strategic plan.

Through the Offer, the Club is simply seeking to refinance its existing secured creditor, the Delphi Bank, repay or consolidate other debts and make improvements to some of its assets solely using the Rental Properties as security (see also **Section 7.5**).

The Directors have tried to make this opportunity as equally accessible to all persons who are Club Members on the Record Date. This Offer represents a unique occasion for Club Members to confirm their support that has been evident at both the September EGM and November EGM, and to re-engage with past members and our community.

The Proposal represents an ambitious and long overdue endeavour by the Club that can only be made possible with the financial support of Club Members. I urge you to read this Prospectus carefully and in full before you decide to apply for any Offer Shares, as every Club Member is likely to have different circumstances. If felt appropriate, you should ask your financial advisers, accountant or lawyer for advice about participating in the Offer.

On behalf of the Board of the Cyprus Capital Limited, I take great pleasure in inviting all Club Members to consider this proposal and look forward to welcoming you as a Shareholder.

Yours sincerely

Sergios Argyrou

Chairperson

Cyprus Capital Limited

1. EXECUTIVE SUMMARY

The Offer

- Maximum Subscription of Offer: \$8,500,000 Offer Shares;
- Minimum Subscription of Offer: \$2,700,000 Offer Shares;
- Offer Price: \$1 per Offer Share;
- Maximum Subscription of each Applicant: 150,000 Offer Shares;
- Minimum Subscription of each Applicant: 5,000 Offer Shares;
- In the event of a Shortfall, the Directors will retain a discretion to allot whatever number of Shortfall Offer Shares they feel is appropriate (see **Section 5.8**);
- Subscriptions in excess of the Minimum Subscription of Applicant must be in multiples of 5,000 Offer Shares;
- Each Applicant must be registered as a Club Member on the Record Date;
- Capital uplift: each Shareholder will receive a thirty per cent. (30%) uplift on its Initial Subscription, when the Secured Loan is repaid (see **Section 6.6**) or the Offer Shares are purchased by the Club following an exercise of the Call Option (see **Section 6.8**). For example, if an Applicant successfully applied for 10,000 Offer Shares, then promptly after the Repayment Date or on the Share Purchase Date, that Shareholder will be paid the aggregate of:
 - the Initial Subscription Amount of \$10,000;
 - a Capital Uplift of an additional \$3,000; and
 - the equivalent of dividends equal to 3% per annum (less any dividends already received during the Term); and
- all other rights attaching to all Offer Shares are set out in Section 12.1.

Purpose of the Offer:

To enable the Company to raise funds that will be lent to the Club, and that are sufficient to:

- repay the Delphi Bank Debt;
- repay or renegotiate the terms of Legacy Debts and trade creditors;
- refurbish some of the Rental Properties;
- pay costs associated with the Rezoning Application; • pay the costs associated with the Offer;
- provide working capital for the Club.

Material terms of Secured Loan

- Repayment: the fourth (4) anniversary of the Drawdown Date;
- Interest rate: three per cent. (3%) per annum;
- Capital Uplift: in addition to the Initial Subscription and all interest, each Shareholder on repayment of the Secured Loan, will receive an additional payment of thirty per cent. (30%) of their Initial Subscription; • Security: first ranking registered mortgage over all of the Rental Properties;
- Loan Value Ratio: assuming that:
 - the initial Secured Loan of \$8,350,000 is lent and serviced in accordance with its terms;
 - the aggregate value of the Rental Properties as referred to in the valuation referred to in footnote 5 does not decrease during the Term; and
 - no value is attached to any other assets of the Club, the Loan Vale Ratio will be approximately 83%. It is expected however that once proposed refurbishments have been carried out on certain Rental Properties and/or if the Rezoning Application is approved, the Loan Vale Ratio of the Rental Properties would improve (see **Section 6.9**).

2. OFFER TIMETABLE

KEY DATES

Prospectus lodged with ASIC	Thursday, 12 March, 2020
Record Date	Thursday, 26 March, 2020
Commencement Date (of Offer)	Friday 20 March, 2020
Closing Date	5.00 p.m. (ADST) Friday, 31 July , 2020
Expected date for dispatch of Holding Statements	Wednesday, 29 April, 2020

The Directors expressly reserve the right of the Company to vary any of the Key Dates, as stated above. The Company will provide notice of the change in any of the above dates by disclosing that change on the Company's website www.cypruscapital.com.au – as well as by such other means as it feels are appropriate.

The Directors also reserve the right not to proceed with the Offer. In that case, all Application Moneys will be returned without interest.

In any event, no Application Form will be accepted, nor will any Offer Shares be issued until the expiry of a minimum period of seven (7) days or any longer period required by ASIC under Section 727(3) of the Corporations Act after lodgement of this Prospectus with ASIC.

3. FREQUENTLY ASKED QUESTIONS

Below is a summary of the key features of the Offer. It is a summary only and should be read in the context of, and with, all other information set out or referred to in this Prospectus.

Question	Answer	More information
Who is the issuer of the Offer Shares?	Cyprus Capital Limited ACN 636 549 794	Section 5.1
What is the Offer?	The opportunity for each Club Member to acquire between a minimum of 5,000 Offer Shares and a maximum of 150,000 Offer Shares.	Section 5
Offer Price	\$1.00 per Offer Share, payable in full on Application	Section 5.2
How and when is the price of the Offer Share payable?	In full and at the time of submitting the Application Form – payable by electronic funds transfer (EFT) or cheque.	Section 5.7 and Application Form
What is the purpose of the Offer?	To assist the Club to refinance the Delphi Bank Debt, resolve various Legacy Debts and carry out other Declared Purposes.	Section 4.1
What are the primary features of the Offer?	<ul style="list-style-type: none"> Only Club Members are permitted to participate in the Offer; funds raised will be lent by the Company to the Club to enable the Club to carry out the Declared Purposes; and on either the Repayment Date or the Share Purchase Date, Shareholders are expected to receive their original investment, dividends equal to all Unpaid Interest and the Capital Uplift. 	Section 4 and Section 5
Who can participate in the Offer?	Only Club Members – see definition of that term in Section 14.1 .	Section 5.3

Is the Offer underwritten?	No.	Section 5.8
Is there a minimum Initial Subscription for each Applicant?	Yes. 5,000 Offer Shares.	Section 5.6
Is there a maximum Initial Subscription for each Applicant?	Yes. 150,000 Offer Shares.	Section 5.6
Is there a minimum subscription for the whole Offer?	Yes. The minimum number of Offer Shares that must be validly applied for by the Closing Date is 2,700,000. If that level of valid Applications is not achieved, the Directors will terminate the Offer, no Offer Shares will be allocated and all Application Moneys will be returned to Applicants, without interest.	Section 5.8
Is there a maximum subscription for the whole Offer?	Yes. The maximum number of Offer Shares that is permitted to be validly applied for by the Closing Date is 8,500,000.	Section 5.8
What happens if there is a Shortfall on the Application for Offer Shares	In the event of a Shortfall occurring, the Directors reserve the right to seek Applications for Shortfall Offer Shares, on the same terms of the Offer, but in such numbers as the Directors feel are in the best interests of the Company and which may exceed the maximum Initial Subscription limitation referred to in Section 5.6	Section 5.8
How does an Applicant participate in the Offer?	By completing and submitting an Application Form that accompanies this Prospectus in accordance with the instructions stated in that form and in this Prospectus.	Section 5 and Application Form
What are the key risks of the Offer?	There are various risks that are more fully stated in Section 10 .	Section 10
Will the Offer Shares be able to be traded on the Australian Securities Exchange or any other securities exchange?	No.	Section 5.10
Will the Offer Shares be freely transferable?	No. An investment in the Offer Shares should be regarded as not liquid - i.e. it will be difficult to sell or otherwise deal with during the Term, other than upon the occurrence of a Liquidity Event. All transfers must first be approved by the Board. The Board may consider and act upon Financial Hardship circumstances of an Applicant.	Section 5.11
What is the dividend policy?	Dividends, to the extent sufficient funds are available to the Company, will be payable Quarterly in arrears. However, no guarantee is given to whether dividends will be paid or if so declared, the amount and timing of payment, of any dividend that is payable. Any dividends paid by the Company to Shareholders will be wholly unfranked.	Section 6.4 and Section 6.8

Please explain the Call Option	<p>At any time after the second anniversary of the Drawdown Date and prior to the Repayment Date, the Club will have the right to demand that all Shareholders sell all (but not some) of their respective Shares to the Club for an exercise price payable to each Shareholder, at the time of the exercise of the Call Option, that is equal to the aggregate of:</p> <ul style="list-style-type: none"> the Shareholder's Initial Subscription i.e. \$1.00 per Offer Share acquired; an interest amount of 3% per annum, for the duration of the Term, less any dividends that the Shareholder has already received; and the Capital Uplift, being an amount equal to 30% the Shareholder's Initial Subscription i.e. \$0.30 per Offer Share, acquired by that Shareholder. 	Section 6.8
What will happen with rental income received on the Rental Properties?	<p>The Club will collect the rent from the tenants of the Rental Properties and pay from those funds, necessary related outgoings, they including:</p> <ul style="list-style-type: none"> any leasing fees; council and water rates and charges; repairs and maintenance; insurance; land tax; and Company Operating Costs. <p>It is intended that the Club will apply the balance of the rent received by the Company, after payment of the above outgoings (Net Rent), as partial payment of interest payable in accordance with the terms of the Secured Loan.</p>	Section 6.4 and Section 7.3
What happens if the Net Rent received by the Club is less than the interest payments payable under the Secured Loan?	<p>To the extent that the Net Rent is less than 3% per annum, it is expected that the aggregate of that shortfall will be paid to all Shareholders, either by:</p> <ul style="list-style-type: none"> the Company on or promptly after the Repayment Date; or the Club on or promptly after the Share Purchase Date, pursuant to an exercise of the Call Option. 	Section 6.4, Section 10.2 and Section 10.3
Will the Club have any representation on the Board of the Company?	Yes. Michael Peters Kyriacou will be a nonexecutive Director of CCL whilst also remaining as a director of the Club.	Section 9
Will the Club hold any shares in the Company?	If the Offer is successfully completed, no. If the Minimum Number of Shares are not validly subscribed for, no Offer shares will be issued and the Club will become the sole shareholder in the Company.	Section 13.4

What will happen if the Club defaults under the Secured Loan?	<p>The Company will have to consider its rights under terms of the Secured Loan and either:</p> <ul style="list-style-type: none"> • amend the terms of the Secured Loan and related Security Documentation; • reserve its rights; and/or • consider enforcement action, including taking possession and selling all or any of the Rental Properties to repay the Principal Outstanding. 	Section 6.6 and Section 12.2
Will the Club still be able to pay to Shareholders all amounts if the Club defaults under the Secured Loan?	<p>If the Club defaults under the Secured Loan, the Company will be entitled to enforce repayment of the Secured Loan from the Club. It is likely that, in such circumstances, that enforcement will include the sale of all or some of the Rental Properties. It may be that the net proceeds arising from such sale(s) will not be sufficient to enable payment of all of the Secured Loan Repayment Amount. In such circumstances, and as a practical matter, it may be very difficult for any Shareholder to recover its proportionate share of that unpaid amount.</p>	Section 6.9, Section 10.2 and Section 10.3
What is the anticipated Loan Value Ratio?	<p>The Loan Value Ratio - being the ratio of the Principal Outstanding to the value of the Rental Properties, as at the Drawdown Date and assuming the Maximum Number of Offer Shares are validly applied for – is estimated to be approximately 83%. This ratio is likely to increase or decrease during the Term.</p>	Section 6.9 and Section 12.2
How much will it cost to operate the Company	<p>The forecast Company Operating Costs are estimated to be \$16,300 per annum.</p>	Section 7.2
Will dividends paid by the Company be franked policy?	<p>No – they are expected to be wholly unfranked. However, this policy is subject to change at the Company's discretion.</p>	Section 6.4
What are the taxation implications of subscribing and holding Offer Shares?	<p>The Company does not take into consideration the personal financial and taxation circumstances of any individual Club Member when determining the terms and conditions of, or making, the Offer. Section 11 is intended as a very general guide for Applicants. It is not intended to constitute advice to any Applicant as to what are or will be the taxation consequences of that Applicant subscribing for or holding any Shares.</p>	Section 11

4. OVERVIEW

4.1 Purpose of the Offer

The purpose of the Offer is to enable the Company to provide the Club with the Secured Loan, which will enable the Club to:

- refinance the Delphi Bank Debt on terms to provide greater flexibility to the Club, including a lower nominal interest rate. The Company will then become the sole secured lender and mortgagee to the Club, under the provisions of the Secured Loan and Security Documentation;
- repay and/or negotiate current Legacy Debts and trade creditors; • refurbish Rental Properties and Club premises; and

- fund the Rezoning Application.

Please see **Section 7.5** for an explanation of how the Directors propose to apply funds received as a result of alternately, the Maximum Number of Offer Shares and the Minimum Number of Offer Shares being validly applied for on or before the Closing Date.

4.2 Proposal for rezoning of Club's Site

The Club has submitted a Rezoning Application (Reference Number M140125) to the Inner West Council that is intended to determine the land uses, maximum development height, maximum floor space ratio permitted for the redevelopment of the Club's Site. If the Rezoning Application is approved on terms acceptable to the Club, the Club Members will then consider their options for the overall re-development of the Club's Site. For further details of the Rezoning Application - see **Section 8**.

This Offer is not subject to the Rezoning Application being approved, rejected or varied.

Regardless, of the outcome of the Rezoning Application, the Club will be liable for the repayment of the loan facility with the 3% per annum interest and the 30% bonus at the time of repayment.

5. THE OFFER

5.1 Offer Shares

The Company is offering to issue a minimum of 2,700,000 Offer Shares and up to a maximum of 8,500,000 Offer Shares under the terms and conditions of the Offer as set out in this Prospectus. The Offer Shares will be issued, each as fully paid ordinary shares in the capital of the Company (each a **Share**). The Shares will, on issue and allotment, rank equally in all respects with all other issued Shares.

Further details of the rights attaching to the Shares are set out in **Section 12.1**.

5.2 Offer Price

The Offer Price is \$1.00 per Offer Share and is payable in full on submission of an Application.

5.3 Who can apply for Offer Shares?

Only Club Financial Members, or corporate entities that are controlled by and Associated with a Club Financial Member, will be permitted to participate in the Initial Subscription.

5.4 When to apply

The Offer is expected to close at **5.00 p.m. ADST on Friday, 31 July, 2020** subject to the right of the Company to close the Offer earlier or to extend the closing time and date of the Offer without notice.

Applicants are encouraged to submit their Application Forms as early as possible after the Offer opens i.e. Commencement Date, as it may close at any time thereafter without notice.

5.5 How to apply

Applications for Offer Shares can only be made by completing the Application Form accompanying this Prospectus. An Application must be completed in accordance with the instructions set out in the Application Form.

5.6 Initial Subscriptions – minimum and maximum

Applications must be for no less than 5,000 Offer Shares, and for no more than 150,000 Offer Shares, at a total cost to the Applicant of \$1.00 for each Offer share applied for.

5.7 Payment terms of Application Moneys

Applications must be accompanied by electronic funds transfer (**EFT**) receipt, or cheque, in Australian dollars (\$A), total amount of shares applied for at \$1.00 per Offer Share. Cheques must be made payable to "**CYPRUS CAPITAL LIMITED - SHARE OFFER**" and crossed "**Not Negotiable**". A payment by cheque will be deemed to have been made when the cheque is honoured by the bank on the date on which it is drawn. No stamp duty or brokerage will be payable by Applicants. The amount payable on Application will not vary during the period of the Offer Period and no further amount is or will become payable on or after allotment in respect of the Offer Shares.

Completed Application Forms and accompanying cheques or if paid by EFT a copy of the EFT remittance confirming payment made online, must be lodged with the Share Registry, whose address is shown in the Corporate Directory in this Prospectus and on the Application Form no later than **5.00 p.m. (ADST) on 31 July, 2020 (Closing Date)**, but which date may be varied without further notice.

If an Application Form is not completed correctly, the Board, in its absolute discretion, may reject it or treat it as valid, either in whole or in part. The Board's decision as to whether to accept or reject an Application Form, either in whole or in part, or how to construe, amend or complete it, is and will remain final and binding.

The Application Form does not need to be signed by or on behalf of the Applicant to be binding.

An Application may not be withdrawn after lodgement unless the Applicant is permitted to withdraw the Application Form following the issue of a replacement or supplementary prospectus in accordance with the Corporations Act or as may otherwise be permitted or required by law.

5.8 Allocation Policy for Offer Shares

The Directors will issue and allot Offer Shares as soon as possible after the close of the Offer. The implementation of the Allocation Policy will be effected with the assistance of the Share Registry.

The priority for allocation of Offer Shares to Applicants that have submitted valid Applications in accordance with the provisions of the Offer, will be to allot to all those Applicants in multiples of 5,000 Offer Shares, on a pari passu basis, on an ascending order basis. For example, assume:

- 200 Applicants each validly apply for 5,000 Offer Shares (**Applicants A**) – a total of 1,000,000 Offer Shares;
- 200 Applicants each validly apply for 10,000 Offer Shares (**Applicants B**) – a total of 2,000,000 Offer Shares;
- 200 Applicants each validly apply for 20,000 Offer Shares (**Applicants C**) – a total of 4,000,000 Offer Shares;
- 10 Applicants each validly apply for 150,000 Offer Shares (**Applicants D**) – a total of 1,500,000 Offer Shares.

On the above basis, the priority of allocation of Offer Shares applied by the Board would be as follows:

- Round 1 of allocations – each of Applicants A, Applicants B, Applicants C and Applicants D will each be allotted 5,000 Offer Shares - a total of **3,050,000** Offer Shares;
- Round 2 of allocations – each of Applicants B, Applicants C and Applicants D will each be allotted 5,000 Offer Shares - a total of **2,050,000** Offer Shares;
- Round 3 of allocations – each of Applicants C and Applicants D will each be allotted 10,000 Offer Shares - a total of **2,100,000** Offer Shares; and
- Round 4 of allocations – each of Applicants D will each be allotted 130,000 Offer Shares - a total of **1,300,000** Offer Shares.

Any additional Offer shares that may have been validly applied for will not be allotted. The Application Monies for those “excess” Offer Shares will be returned to the relevant Applicants without any interest.

The above examples in this **Section 5.8** are provided for illustrative purposes only. They are not intended to suggest a representation or forecast of how many Club Members will validly apply for Offer Shares or the number of Offer Shares that will be validly applied for.

5.9 Shortfall of Initial Subscriptions

If and to the extent that the aggregate of all Offer Shares validly applied for under the Initial Subscription by the Closing Date is less than the Maximum Number of Offer Shares but greater than the Minimum Number of Offer Shares, the Board reserves the right to approach any or each Applicant, or any other Club Member, to determine whether or not that Applicant or any other Club Member would be willing to subscribe for Shortfall Offer Shares. Any Shortfall Offer Shares to be acquired by any such Applicant or other Club Member will be subscribed for in accordance with the provisions of the Offer and the Prospectus, with the exception that the Directors will be entitled (but not required) to allocate and issue to any such Applicant or other Club Member, more than 150,000 Shortfall Offer Shares.

Any remaining Shortfall Offer Shares for which the Company fails to receive a valid Application by a date to be announced by the Company – but in any event will not be later than 13 months after the date of this Prospectus - will not be issued.

Further, no underwriter or broker has been engaged by the Company to facilitate or promote the Offer or will be obliged to acquire any of the Shortfall Offer Shares.

5.10 Minimum Subscription

If the aggregate of all Offer Shares validly applied for under the Initial Subscription on or before the Closing Date is less than 2,700,000 Offer Shares, the Board will terminate the Offer, not issue any Offer Shares and return all Application Monies to the Applicants, without interest.

5.11 Maximum Subscription

The Offer is for a maximum of 8,500,000 Shares. The Company will not, as part of the Offer or otherwise pursuant to the provisions of this Prospectus, issue any Shares in excess of that number.¹ Any Applications for Offer Shares in excess of the Maximum Number of Offer Shares will be rejected and any Application Monies that accompanied any such Application will be returned the relevant Applicant within the time period prescribed under the Corporations Act and without interest.

5.12 Allocations in event of Oversubscription

Without limiting the above provisions, if and to the extent that the aggregate number of all Offer Shares validly applied for under the Initial Subscription on or before the Closing Date is greater than the Maximum Number of Offer Shares (that aggregate of Offer Shares being referred to as the **Oversubscribed Offer Shares**), the number of Offer Shares that are the subject of each Applicant's Initial Subscription will, subject to the overriding discretion of the Board, be reduced by the Oversubscription Percentage. In this context, the term "**Oversubscription Percentage**" means the percentage by which the Oversubscribed Offer Shares exceeds the Maximum Number of Offer Shares. The Oversubscription Percentage will be applied to the number of Offer Shares allocated in each round of allocations, as exemplified above in this **Section 5.8**.

5.13 General Observations

Notwithstanding any of the above in this **Section 5.8**, the Directors reserve the right to decline any Application. Where no allocation of Offer Shares is made to a particular Applicant or the number of Offer Shares allocated is less than the number applied for, surplus Application Moneys will be returned to the Applicant within the time period prescribed under the Corporations Act. No interest will be paid on refunded Application Moneys.

Pending the allocation of Offer Shares, the Company will deposit, or procure the deposit of, all Application Moneys received into a separate bank account – entitled **CYPRUS CAPITAL LIMITED - SHARE OFFER** - and hold them in the account on trust for so long as the Application Moneys, or any part of them, are liable to be repaid in accordance with this Prospectus and the general law.

Successful Applicants will be notified in writing of the number of Offer Shares allotted to them as soon as practicable after the Closing Date.

It is the responsibility of Applicants to confirm the number of Offer Shares allotted or transferred to them prior to trading in any Shares. Applicants who seek to deal in Shares before they receive notification of the number of Shares allocated to them, do so at their own risk.

5.14 No Issue of Securities after 13 Months

No Offer Shares or any other securities will be allotted or issued pursuant to this Prospectus later than its expiry date, being the date 13 months after the date of the Prospectus.²

5.15 No Official Quotation on ASX or any other exchange

As noted in the Section headed "Important Notices and Information" located at the start of this Prospectus, the Company will not be making any application to the ASX after the date of this Prospectus, for Official Quotation of the Offer Shares, or any other Shares.

5.16 Illiquidity of investment

In light of the fact that no Shares will be quoted or able to be traded on any market operated by the ASX, each person who is intending to make an Application, or seeks to acquire any other Share, should regard any investment in the Company as constituting an illiquid investment that will be difficult to sell or otherwise deal with, in the absence of a Liquidity Event (see **Section 6.10**). In addition, limitations will apply in regard to any proposed transfer of Shares arising as a result of the death or insolvency of a Shareholder – see **Section 12.1(e)**.

¹ That limitation is subject to any rounding up of a fraction of an Offer Share that the Directors may wish to make, in the course of an allotment of Offer Shares to an Applicant.

² See Section 711(6) of *Corporations Act 2001* (Cth).

In the event that a Shareholder sells any of its Shares to another Shareholder prior to the Repayment Date (see **Section 6.6**) or the exercise of the Call Option by the Club (see **Section 6.8**), any reference to a Shareholder's Initial Subscription for the purposes of determining the dollar amount of either the Secured Loan Repayment Amount or the Call Option Exercise Price, will mean and include the dollar amount paid by the Shareholder who acquired those Offer Shares under the Offer, as opposed to any consideration paid by any subsequent purchaser of those Offer Shares.

Without limiting the above, the Company may, but will not be obliged to:

- assist in arranging the sale of Shares between Club Members; or
- in the case where a Shareholder has established to the satisfaction of the Board that it is suffering Financial Hardship, seek to redeem and cancel some or all of the Shares of that Shareholder, on terms and conditions acceptable to the Company.

5.17 Overseas Shareholders

No action has been taken to register or qualify the Shares offered in the course of the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who obtain a copy of this Prospectus should inform themselves about, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer or invitation to apply for Offer Shares in any jurisdiction where, or to any person to whom, it would not be lawful to issue this Prospectus.

Where this Prospectus has been dispatched to persons in jurisdictions outside of Australia and New Zealand, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. This Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

It is the responsibility of any overseas resident Applicant to ensure compliance with all laws of any country relevant to their Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by the Applicant to the Company that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

The Offer set out in this Prospectus does not and will not constitute an offer of securities in the USA. Furthermore, no person ordinarily resident in the USA is permitted to submit an Application. If the Directors believe that any Applicant is ordinarily a resident in the USA or is acting on behalf of a person or entity that is ordinarily a resident of the USA, the Directors will reject that Applicant's Application.

5.18 Investors' Questions

Investors with questions on how to complete the Application Form or who require additional copies of the Prospectus should email their request to info@cypuscapiatal.com.au

6. THE COMPANY

6.1 Purpose of the Company and Offer

As the Club is a company limited by guarantee, it does not have any issued capital and therefore is unable to issue share capital in itself. Accordingly, it has been necessary, in order to conduct the Offer, to incorporate the Company as a wholly owned subsidiary of the Club. Consequently, the Offer has been designed to:

- provide the Company with the funds required to be lent as a Secured Loan to the Club;
- enable the Club to use the Secured Loan to refinance its Current Secured Debt and carry out the other Declared Purposes as referred to in **Section 7.5**;
- if and when the Club has obtained approval for the Rezoning Application on acceptable terms, the Club may negotiate the terms of a Liquidity Event; and
- enable the Club, upon the occurrence of the Liquidity Event, to exercise the Call Option and acquire from all Shareholders, their Shares in consideration for the payment of their respective Share Purchase Price.

6.2 Capital Structure after completion of the Offer

After the close of the Offer, and if the Maximum Number of Offer Shares is validly applied for, the issued capital of the Company is expected to be 8,500,000 Shares.

6.3 Estimated value of Shares after close of Offer

After the close of the Offer, and assuming the Maximum Number of Offer Shares are validly subscribed for, it is estimated that the value of the Company's assets will be approximately \$8,500,000. The cost to incorporate the Company and related costs associated with this Offer will be borne by the Club. (see **Section 7.2**).

6.4 Forecast Revenue and Dividends

For the purposes of this Prospectus and the Offer, it is expected or estimated that:

- the sole source of revenue receivable by the Company will be interest payable by the Club to the Company under the Secured Loan;
- the Club will derive the funds required to pay that interest from its receipt of Net Rent, as well as from its normal operations;
- interest payable by the Club to the Company under the Secured Loan, at the rate of 3% per annum Quarterly in arrears on the Initial Principal Outstanding, will be **\$255,000 per annum**.
- all of the Initial Principal Outstanding will be advanced to the Club on the Drawdown Date;
- based on the current net rental, the Company will receive **\$44,695.17** per Quarter in arrears (see **Section 7.4**), which represents a return of approximately 2.10% per annum on the Initial Principal Outstanding; and
- in light of the above, there will be a recurrent Quarterly shortfall of **\$19,054.83** in the payment of interest under the Secured Loan (each a **Quarterly Interest Shortfall**). However, the occurrence and amount of each Quarterly Interest Shortfall assumes that during the Term, the Club will:
 - be unable to generate funds from its normal trading activities that are in excess of its operating costs and that could be applied towards the payment of some or all of the Quarterly Interest Shortfalls; but
 - will not incur trading losses that may cause the dollar amount of a Quarterly Interest Shortfall to increase from the amount estimated above.

Accordingly, taking into account the current trading conditions being experienced by the Club, it is expected that, in respect of each Quarter during the Term:

- the Club may not be able to pay to the Company all interest as and when due to be paid under the terms of the Secured Loan; and consequently
- the Company may not be in a position to pay dividends equal to 3% per annum on each Shareholder's Initial Subscription during the Term of the Secured Loan.

Applicants must also note that, to the extent that, for whatever reason, a Quarterly Interest Shortfall occurs or the Club otherwise fails to pay any interest in accordance with the terms and conditions of the Secured Loan Facility Agreement and/or Security Documentation (**Unpaid Interest**):

- that failure will not constitute a default by the Club under the Secured Loan Facility Agreement or any related Security Documentation;
- that failure will not entitle the Company to demand payment by the Club of interest under the Secured Loan Facility Agreement at a rate in excess of three per cent. (3%) per annum;
- any Unpaid Interest will be capitalised and form part of the Principal Outstanding; and
- the aggregate of all Unpaid Interest will remain a debt due and payable in full by the Club to either:
 - the Company on or before the Repayment Date; or
 - each Shareholder, in their Respective Proportion, on or before the Share Purchase Date, as is applicable.

Any dividends paid by the Company to Shareholders will be wholly unfranked.

6.5 Essential Terms of the Secured Loan and related security

- On Drawdown Date, the Initial Principal Outstanding (\$8,500,000) will be lent to the Club;³
- Repayment: the fourth anniversary of the Drawdown Date;
- In the absence of any default by the Club under the provisions of the Secured Loan Facility Agreement or any Security Documentation, the Club will not be obliged to repay any Principal Outstanding prior to the Repayment Date;

³ That statement is based on the assumption that the Maximum Number of Offer Shares is validly applied for in the course of the Offer.

- Interest rate: three per cent. (3%) per annum;
- Capital Uplift: in addition to the Initial Subscription and all interest, each Shareholder on repayment of the Secured Loan, will receive an additional payment of thirty per cent. (30%) on their Initial Subscription;
- Security: first ranking registered mortgage over all of the Rental Properties granted in favour of the Company;
- Loan Value Ratio: assuming that:
 - the Initial Principal Outstanding of the Secured Loan is \$8,500,000 is drawn in full on the Drawdown date and serviced in accordance with its terms;
 - the value of the Rental Properties as referred to in **Section 6.9** does not decrease during the Term; and
 - no value is attached to any other assets of the Club, the Loan Value Ratio will be approximately 84%. It is expected however that once proposed refurbishment of the Rental Properties is carried out and/or the Rezoning Application is approved on terms acceptable to the Club, the value of the Rental Properties would increase and hence the Loan Value Ratio would decrease, to the benefit of the Company.

6.6 Repayment of the Secured Loan

The date for mandatory repayment of the Secured Loan will be the fourth anniversary of the Drawdown Date (**Repayment Date**).

The dollar amount that the Club will be required to repay to the Company, in order to repay all indebtedness under the Secured Loan, will be as at the Repayment Date, the aggregate of:

- Principal Outstanding;
- any Unpaid Interest that has not already been included in the Principal Outstanding; and
- the aggregate dollar amount of the Capital Uplift, (collectively **Secured Loan Repayment Amount**).

6.7 Illustrative Return to Shareholders upon repayment of Secured Loan

For the purposes of the example below, assume that:

- capital raised in the Offer is for the Maximum Number of Offer Shares, namely \$8,500,000;
- no interest is paid under the Secured Loan – therefore no dividends are paid by the Company to Shareholders – throughout the Term; and
- the Repayment Date occurs on the fourth anniversary of the Drawdown Date.

The Secured Loan Repayment Amount payable to or at the direction of the Company will be **\$11,857,000**, being the aggregate of:

- | | | | | | |
|--|-------------|--|--------------|---------------------------------------|--------------|
| • Principal Outstanding (on the Drawdown Date) | \$8,500,000 | • Accrued Interest (\$250,500 per annum x 4) | \$1,020,000; | • Capital Uplift (\$8,500,000 x 0.30) | \$2,550,000. |
|--|-------------|--|--------------|---------------------------------------|--------------|

On the further assumption that the Club does pay the above Secured Loan Repayment Amount on the Repayment Date to the Company:

- each Shareholder will receive from the Company their Respective Proportion of that Secured Loan Repayment Amount. Accordingly, if for example a Shareholder paid \$10,000 to the Company or a subsequent transferee of a Share, and thereby validly acquired 10,000 Shares, that Shareholder would receive from the Company, the aggregate of **\$14,200.00** on or promptly after the Repayment Date, that amount being constituted by:
 - Initial Subscription \$10,000;
 - Accrued Interest \$1,200; and
 - Capital Uplift \$3,000;
- after all Shareholders had received the payment of their Respective Proportionate of the Secured Loan Repayment Amount, and any other liabilities of the Company paid or discharged, it is expected that the Company would have no assets of any worth and the Shares would be of no further commercial value.

At that time, the Company would call a meeting of its Shareholders to determine whether the Company should be voluntarily wound up.

For the purposes of determining the amount payable to a Shareholder upon payment of the Secured Loan Repayment Amount, where a person (**Transferee**) has become a Shareholder of a Share after the Closing Date and as a result of the transfer of title in that Share from another Shareholder, the dollar amount of the Initial Subscription for each Share that is the subject of that transfer will be deemed as being \$1.00, irrespective of the actual value of the consideration paid or payable by the Transferee in respect of that transfer.

The above examples in this **Section 6.7** are provided for illustrative purposes only. They are not intended to suggest a representation or forecast of what the Secured Loan Repayment Amount will be, whether or not it will be paid in full or in part, when due to be paid, or what might otherwise occur.

6.8 Call Option

At any time after the second anniversary of the Drawdown Date, the Club will be entitled to exercise a Call Option by delivering a Call Option Notice to the Company. The effect of delivering the Call Option Notice to the Company will be that all Shareholders will then become required to sell to the Club all of their respective Shares, for a price payable by the Club directly to each Shareholder, that is equal to the aggregate of:⁴

- the Initial Subscription in respect of all Held Shares of each Shareholder;
- 3% per annum on the Initial Subscription in respect of all Held Shares of each Shareholder for the duration of the Term; and
- the Capital Uplift, being an amount equal to 30% of the Initial Subscription in respect of all Held Shares of each Shareholder,

but less any dividends or distributions that a Shareholder has already received from or at the direction of the Company prior to the Share Purchase Date (collectively **Call Option Exercise Price**). Please also refer to **Section 12.1(f)** for further terms of the Call Option.

Once the Club exercises its Call Option, and pays to each Shareholder its Call Option Exercise Price, the Club would then:

- become the sole shareholder of the Company; and
- determine whether or not the Company would continue to maintain the Secured Loan, and if so, on what terms.

6.9 Financial Risks of Rezoning Application

Without limiting the nature or scope of any other risks attaching to the proposed investment in any Offer Shares (see **Section 10**), the Directors wish to make clear to all Applicants that:⁵

- the Club's obligation to repay the Secured Loan Repayment Amount will be secured by a first ranking mortgage over all of the Rental Properties only. That mortgage will not secure in favour of the Company, any of the Club's other assets;
- upon the Drawdown Date, the Company intends to make the Secured Loan to the Club, by advancing approximately \$8,500,000 (**Initial Principal Outstanding**) – assuming that the Company receives valid Applications for the Maximum Number of Offer Shares;
- an independent valuation of all of the Rental Properties, dated between 10 and 13 November, 2019, determined that the aggregate value of the Rental Properties on an "as-is basis" as being \$10,050,000. That valuation was determined by a review and valuation of each Rental Property on a "stand alone" basis, independent of any other Rental Property, as opposed to what that aggregate value may be if all the Rental Properties were to be sold at the same time, in "one line" (**Current Value**);
- in reliance upon the abovementioned valuation, upon the Drawdown Date, the Loan Value Ratio will be approximately 83%;
- if the Rezoning Application is successful prior to the Repayment Date, it would be reasonable to expect that:
 - the realisable value of the Rental Properties would increase; and
 - consequently, the Loan Value Ratio would decrease,

thereby providing further assurance and less risk that the Club will be able to refinance the Secured Loan and either:

⁴ See Sections 111AF and 111AC, Corporations Act 2001 (Cth).

⁵ See Chapter 6CA, and in particular Section 675(1)(b), Corporations Act 2001 (Cth).

- repay the entire Secured Loan Repayment Amount to the Company on or before the Repayment Date; or
- pay the Call Option Exercise Price to the Shareholders on the Share Purchase Date;
- if the Rezoning Application is not successful prior to the Repayment Date, it would be reasonable to assume that:
 - the realisable value of the Rental Properties may not increase, and in fact may decrease as a result of general market and economic conditions; and - consequently, the Loan Value Ratio would increase, thereby providing less assurance and increased risk that the Club will be able to refinance the Secured Loan and either:
 - refinance and repay the entire Secured Loan Repayment Amount to the Company on or before the Repayment Date; or
 - pay the Call Option Exercise Price to the Shareholders on the Share Purchase Date.

As stated in more detail in **Section 8**, the Directors believe that the Club has made progress in the advancement and processing of the Rezoning Application. At the time of this Offer, the Directors are hopeful that the Club will be successful in obtaining consent to the Rezoning Application on terms acceptable to the Club. However, the Directors are unable to, and do not, make any representation as to when the Rezoning application will be finally determined or whether that determination will be on terms acceptable to the Club. Please also see **Section 10.2** and **Section 10.3**.

6.10 Liquidity Event

In general terms, the expression “Liquidity Event” is intended to mean for the purposes of the Offer and this Prospectus, an event which will enable the Club to repay the Secured Loan Repayment Amount or alternatively, pay the Call Option Exercise Price. Whilst it is difficult at the date of this Prospectus to describe the exact terms or nature of any such event, it is expected that such an event may eventuate as a result of the outcome of the processing of the Rezoning Application, and the decision of the Club Members as to what the Club should do as a result of that outcome. At that time the Club may:

- seek to refinance the Secured Loan with a bank or other lender, on terms satisfactory to the Club and use those funds to either:
 - repay the Secured Loan; or
 - pay the Call Option Exercise Price;
- sell some or all of its assets to enable the Club to repay the Secured Loan or pay the Call Option Exercise Price;
- enter into negotiations with a prospective developer of the Club’s Site, which if concluded satisfactorily, could involve the developer providing the Club with sufficient funds for the above purposes; or
- a combination of the above.

There may also be alternative scenarios including the sale of some or all of the Club’s Site on terms acceptable to the Club and, if applicable, the Company (in the latter’s capacity as the holder of a security over any Club asset that is proposed to be sold). However, at the time of the Offer, the Directors do not give any assurance as to whether or when a Liquidity Event will occur, or the terms and nature of such Liquidity Event.

6.11 Future Strategy of Company

The proposed strategy of the Company is and will be to:

- lend the Secured Loan to the Club;
- remain informed as to the progress of the Rezoning Application; and
- monitor and if required, enforce the Company’s rights and entitlements under the Secured Loan and related Security Documentation.

7. FINANCIAL MATTERS

7.1 Pro Forma Statement of Financial Position of Company

The following table sets out the pro forma statement of the financial position of the Company as at 29 February, 2020 and does not include \$8,500,000.

Current Assets	2020 (\$)
----------------	-----------

Cash at Bank	3,577.95
Cash on hand	150.00
	3,727.95
Other	
Payment-Withholding tax credits	3.00
	3.00
Total Current Assets	3,730.95
Non-Current Assets	
Other	
Preliminary Experiences	1,100.00
Total Non-Current Assets	1,100.00
Total Assets	1,100.00
	4,830.95
Current Liabilities	
Financial Liabilities	
Unsecured	
Other Loans	81,100.00
Total Current Liabilities	81,100.00
Total Liabilities	81,100.00
Net Assets (Liabilities)	(76,269.05)
Equity	
Issued Capital	
Issued & paid capital	150.00
Retained profits/ (accumulated losses)	(76,419.05)
Total Equity	(76,269.05)

7.2 Offer Costs and forecast Company Operating Costs

	Offer Costs	Year 1	Year 2	Year 3
Accounts and Audit	nil	2,000	2,000	2,000
ASIC	4,500	1,000	1,000,	1,000
Banking	nil	500	500	500
Contingency	5,000	1,000	1,000	1,000
Directors' remuneration	1,500	1,500	1,500	1,500
Insurance	6,000	4,000	4,000	4,000
Legal	85,000	2,000	2,000	2,000
Printing and mailing	3,000	400	400	400
Share Registry	4,000	1,000	1,000	1,000
Reporting to Shareholders	nil	900	900	900
Website/Design	2,000	500	500	500
TOTALS	111,000	14,800	14,800	14,800

7.3 Rental Properties

Rental Property	Title Reference	Land Size (sq. metres)	Term of Lease	Current Annual Rent (\$)	Current Expenses Annual (\$)	Annual Net Rent (\$)
2-4 Tupper Street, Enmore	Folio Identifier C/308880	252.9	month to month	41,600	2,315	39,285
6 Tupper Street, Enmore	Folio Identifier D/308880	271.9	month to month	33,800	2,387	31,413
8 Tupper Street, Enmore	Folio Identifier 1/923826	290.9	Term expiring 20.11.2020	57,200	2,387	54,813
10 Tupper Street, Enmore	Folio Identifiers 1/115287 and 1/119242	364.58	month to month	46,800	2,495	44,305
12 Tupper Street, Enmore	Folio Identifier 1/301956;	400.46	Term expiring 8.3.2020	50,700	2,619	48,081
14 Tupper Street, Enmore	Folio Identifier 2/301956	400.46	month to month	45,760	2,619	43,141
ANNUAL TOTALS				275,860	14,822	261,038
QUARTERLY TOTALS				68,965	3,706	65,259

With regards to the Rental Properties it is noted that:

- the Club is liable to pay to NSW Revenue the amount of **\$82,257.30** for land tax for the 2020 tax year, as well as a further **\$25,869.49** for land tax that remains unpaid in respect of the 2019 tax year;
- the Club is currently challenging its obligation to pay land tax in respect of the Rental Properties, both in relation to past and future assessments. However, the Company makes no representation as to when that challenge will be finally resolved or whether it will be successful with its challenge application. In the meantime, and for the purposes of **Section 7.4** as well as the Offer generally, the Company has assumed that for the duration of the Term, land tax at the rate of **\$82,257.30** per annum will be payable for all of the Rental Properties, in equal Quarterly instalments;
- all properties are adjacent to each other and are located in Tupper Street, Enmore NSW, as well as being contiguous with the Club's premises; and
- only 8 Tupper Street Enmore NSW, has been recently renovated, and the other Rental Properties are in need of varying degrees of renovation.

Summary

Gross Rental	\$275,860
Gross Expenses (incl Land Tax)	\$97,079.30
Net Rental	\$178,780.70
Net Rent Per Quarter	\$44,695.17
\$8.5 million at 3% per annum	\$255,000
\$8.5 million at 3% per annum Per Quarter	\$63,750
Shortfall Per Quarter	\$19,054

7.4 Estimated Cash Flows and serviceability of Secured Loan

Based on the above analyses in **Sections 7.2** and **Section 7.3**, but subject to the assumptions stated below in this Section, it is estimated that:

- the quarterly interest payment due to be paid by the Club under the provisions of the Secured Loan will be **\$63,750** (i.e. \$8,500,000 at 3% interest rate, divided by 4) – each a **Quarterly Interest Payment**;
- after deducting the outgoings and costs of the Rental Properties, based on current rental returns, this an estimated Quarterly shortfall **\$19,054** – each a **Quarterly Interest Shortfall** as also referred to in **Section 6.4**.

Assumptions: The above forecast and estimated numbers are based on the assumptions that, for the duration of the Term:

- the Club borrows and does not repay, the maximum amount of Principal Outstanding permitted to be borrowed under the terms of the Secured Loan Facility Agreement;
- the Club receives all rental payments as stated above, as and when due;
- there is no decrease or increase in the amount of those rental payments;
- the Club does not incur operating losses or other unforeseen expenses that would decrease its ability to pay each Quarterly Interest Payment; and
- it is permitted to pay its land tax obligations in Quarterly instalments without incurring any material penalty. It may incur an interest charge but the directors feel that such expense will not present a material risk to the club's ability to perform its obligations under the provisions of the Secured Loan Facility Agreement.

7.5 Declared Purposes

The initial cash reserves position of the Company, after completion of the Offer, is reflected in the pro forma statement of financial position in **Section 7.1**.

After completion of the Offer:

If Maximum Number of Offer Shares are validly applied for It

is intended that the Company will:

- hold approximately \$8,500,000 in cash; and
- advance \$8,500,000 as the Secured Loan to the Club, to enable the Club to carry out the following purposes:

Declared Purposes	Estimated Cost
Repayment of Delphi Bank Debt	\$5,400,500
Repayment of Legacy Debts	\$1,500,000
Trade Creditors (including Land tax for 2019 tax year)	\$215,000
Renovation of Rental Properties	\$150,000
Costs associated with the Rezoning Application	\$500,000
Forecast operating losses of the Club for the period ending 31 December, 2020	\$300,000
On-going working capital	\$284,500
Club Repairs & Renovations	\$150,000
Total	\$8,500,000

The above figures are estimates and the actual costs of carrying out the Declared Purpose may vary. For example, the repayment of Legacy Debts may be reduced through negotiations, and due to the renovation, some or all of the Rental Properties may increase in value and/or rental income. On this basis, and with the prior consent of the Company, the Club may need to vary the allocation of funds borrowed between the categories of Declared Purposes.

The Directors believe that if the maximum Number of Offer Shares are validly subscribed for under the terms of the Offer:

- the Company will have sufficient funds to advance \$8,500,000 to the Club under the terms of the Secured Loan; and
- the Club will have sufficient funds to carry out each of the declared Purposes.

If less than the Maximum Number of Offer Shares are validly applied for

To the extent that the Company receives valid Applications for Offer Shares in excess of the Minimum Number of Offer Shares but less than the Maximum Number of Offer Shares, the Company will apply those Application Monies towards the Declared Purposes in such amounts and in such priorities as best reflect the Declared Purposes stated in the table stated above in this **Section 7.5** but always subject to the discretion of the Directors' obligation to act in the best interests of all Shareholders. How the Company actually allocates those funds will

also depend on the actual amount of Application Monies that the Company receives and is entitled to retain after close of the Offer.

7.6 Legacy Debts

It is estimated that the Club, prior to the appointment of its current directors, incurred various debts that, at the time of the Offer, remain unpaid and the aggregate dollar amount of which the Club estimates to be approximately \$1,500,000. Some of these debts are subject to dispute and may not be paid, or the amount payable may be reduced. The Club has been in negotiations with each of the persons claiming repayment of those debts.

8. REZONING APPLICATION

8.1 Rezoning Application

The proposal for the rezoning of the Club's Site (REF: M140125) was approved by Inner West Council at its meeting on the 26th of July 2017. That proposal was then forwarded to the NSW Department of Planning for approval.

In February 2019 the NSW Department of Planning asked the Inner West Council to address the issue of noise, which is affecting a small part of the property at the rear. The relevant documents and response were prepared and forwarded to the Inner West Council, that in turn sent them to the NSW Department of Planning.

On 29 January, 2020 the Inner West Council informed the Club that while the proposed changes to the layout of the site were satisfactory, the letter from the Club's town planning Consultant did not adequately address the issue of noise and in particular "*The Local Planning Direction 3.5 - Development near Regulated Airports and Defence Fields*" (**Direction 3.5**). Direction 3.5 requires all properties that are affected by certain levels of noise, that apply for development, to carry out a noise study which addresses the ways in which such developments will ensure that the noise is reduced by using noise insulating material and related matters. The Club is currently addressing this issue and has spoken with the consultants who prepare such reports.

The Club has confirmed to the Company that the only part of the Rezoning Application that requires further study and regulatory approval is compliance with Direction 3.5 – namely how overhead noise will be adequately dealt with in regard to the affected area.

8.2 Relationship between Rezoning Application and Secured Loan

The Company wishes to make it very clear to all Applicants that the obligation of the Club to repay all of the Principal Outstanding under the Secured Loan is legally independent - and must be performed - irrespective of the outcome of the Rezoning Application.

8.3 Proposed action after determination of Rezoning Application

Once the Rezoning Application has been finally determined by the relevant governmental authorities, the directors of the Club have indicated that the Club will seek direction from all Club Members as to the options then available to the Club, which may include:

- sale of all or part of the Club Site;
- re-development of all or part of the Club Site;
- entering into a joint venture arrangement with a third party to effect the re-development of all or part of the Club Site; or
- any other decision that the Club Members may make at that time.

Whatever the Club Members decide in the above context, will have no effect or limitation on the Club's obligations to repay the Secured Loan Repayment Amount in full on the Repayment Date.

9. DIRECTORS, MANAGEMENT AND SHARE REGISTRY

9.1 Directors

Sergios Argyprou (Non-executive Chairman) – Age 67

Sergios holds a Bachelor of Commerce (University of NSW) and is a company director of Design by Sergio Pty Limited, Andrew's Custom Kitchens Pty Limited and European Appliances Pty Limited. Sergio has managed a well-known and successful joinery firm for over three decades. Sergio has extensive and successful experience in the

property sector including the development of substantial residential and commercial properties in metropolitan Sydney, is a Life Member of the Cyprus Community of NSW Ltd and has served as a director and treasurer of the Cyprus Community of NSW Ltd.

Michael Peters Kyriacou (Non-executive Director) – Age 57

Michael holds a Bachelor Arts (University of NSW), Bachelor of Laws (Sydney University), Master of Commerce (University of NSW) and Master of Laws (London). Michael has served as an academic in law at a number of Australian and overseas universities, has authored articles, columns, Parliamentary Submissions and law texts, and is a media commentator on commercial law and compliance issues. Michael has served as Director and Deputy President of Encompass Credit Unit now known as Endeavour Mutual Bank, secretary of the Cyprus Community of NSW Ltd, Secretary of the Justice for Cyprus Committee. Michael is currently general counsel to a property trust, and is a current director and a Life Member of the Cyprus Community of NSW Ltd.

Dorothy Bassil (Non-executive Director and Company Secretary) – Age 67

Dorothy holds a Bachelor of Social Work (University of NSW) and a Masters of Education (Charles Sturt University). Dorothy has extensive experience as a social worker in Australia and London, has helped establish the Addison Community Centre, served as an Occupational Rehabilitation Consultant and is currently a teacher with the NSW Department of Education. Dorothy has managed community real estate assets and has had a long-standing involvement in community organisations, including serving as a Board Member of the Greek Orthodox Community of NSW. Dorothy is a Life Member of Cyprus Community of NSW.

9.2 Senior Management

The Company does not intend to engage any employees. However, it will be required to outsource certain secretarial funds such as accounting, responding to Shareholders queries, managing the website, etc. The forecast cost of this – that is included on the Company Operating Costs - is referred to in **Section 7.2**.

9.3 Share Registry

Santoro & Co Corporate Registries will administer the Company's accounts and Share Registry.

Shareholders may access the Share Registry at any time and be informed as to progress of the Rezoning Application and other matters online at www.cypruscapital.com.au.

10. INVESTMENT RISKS

The subscription for Shares involves a high degree of risk and should be undertaken only by persons who are financially able to undertake such an investment. Prospective investors should carefully consider the following risks and should consult with their own legal or financial advisers prior to applying for Offer Shares pursuant to the Offer.

The future performance of the Company and the future investment performance of Offer Shares may be influenced by a range of factors, many of which are outside the control of the Company and the Directors. The future level of dividends (if any) and other returns to Shareholders and the value of the Company assets and the Shares may be reduced by any of these factors.

The financial prospects of any organisation are also sensitive to the underlying nature of its business and the nature and extent of the risks to which the entity is exposed. The Directors are responsible for ensuring that appropriate policies and procedures are in place to identify and monitor the risks faced by the Company from time to time and to ensure that such risks are managed within a level determined by the Directors to be prudent. In addition, there are a number of risks specific to the Company and the industry in which it operates. Set out below is a summary of the material risk factors to be considered in the event the Offer proceeds.

10.1 Regulatory Risks, Policy and Legislation

The Company's intended business is likely to be subject to various regulations in the jurisdictions in which it operates. In the event that any relevant licences or approvals were not granted, or renewed, or that they were withdrawn, the business could be adversely affected. Changes in government policy or statutory changes may also affect the Company and the value of an investment in the Company.

10.2 Property Risk

The Company's intended income, being derived almost exclusively from interest on the Secured Loan (as described in **Section 6.4**) and the Club's ability to repay the Secured Loan Repayment Amount, may be dependent

on the property market and property related regulations applicable. Risks related to the Club's Site: (a) an adverse change in the property market, which may result in:

- (i) low demand for rental properties leading to an inability to secure sufficient or any rental income from the Rental Properties; and/or
- (ii) in the event of a continuous default by the Club in repayment of the Secured Loan Repayment Amount, the Company being unable to obtain a price sufficient to cover the Secured Loan Repayment Amount on the forced sale of all or any part of the Club's Site under a foreclosure process;
- (b) changes in zoning or permitted uses of all or any part of the Club's Site, or any adjacent land;
- (c) increases in land and council taxes applicable to all or any part of the Club's Site;
- (d) regulations and delays that may impact on any foreclosure process or ability to otherwise deal with of all or any part of the Club's Site; and
- (e) other changes in regulation or introduction of legislation affecting the ownership, use, development or tenancy of all or any part of the Club's Site.

10.3 Rezoning Application risk

As set out in **Section 6.8** and **Section 8**, the Club has lodged the Rezoning Application with Inner West Council that is currently being processed.

It is reasonable to assume that the Club's ability to repay the Secured Loan Repayment Amount to the Company in accordance with the terms of the Secured Loan Facility Agreement, or to exercise the Call Option, will depend to a material extent, on the approval, and the timing of the approval, of the Rezoning Application on terms acceptable to the Club. If there are material delays in the grant of the Rezoning Application, conditions are imposed on the Rezoning Application that are unacceptable to the Club or the Rezoning Application is rejected altogether, the Club's ability to repay the Secured Loan Repayment Amount or to exercise the Call Option is likely to be adversely affected.

In the event that the Club, for whatever reason, fails to obtain the approval of the Rezoning Application on terms acceptable to the Club on or before the Repayment Date, the Club will be required to convene a meeting of all members of the Club at which they will vote on whether or not the Club should undertake the sale of all or part of the Club's Site that will be sufficient to raise at least, an amount no less than the Secured Loan Repayment Amount, and the related selling expenses of that sale (see **Section 6.9**, **Section 10.2** and **Section 10.3**).

10.4 Secured Loan Repayment and exercise of Call Option Risk

The capacity of the Club to either repay the Secured Loan Repayment Amount or to exercise the Call Option, will be materially dependent upon each of:

- (a) the Club receiving written approval of the Rezoning Application from all appropriate and authorised Government Agencies on terms and conditions acceptable to the Club;
- (b) as a result of and after receiving that approval, the Club being able to raise the necessary funds on terms and conditions acceptable to the Club that will enable the Club to pay either:
 - (i) the Secured Loan Repayment Amount to the Company; or
 - (ii) the Call Option Exercise Price to all Shareholders;
- (c) development or tenancy of all or any part of the Club's Site; (d) the trading operations of the Club that may generate profits; and
- (e) if required, the sale or other dealing with other assets of the Club.

10.5 Secured Loan Repayment Risk

The Company will hold the Security Documentation – including a first ranking mortgage over all of the Rental Properties – that is designed to ensure that the Company will be repaid and paid all the Secured Loan Repayment Amount in full, at the expiry of the Term. However, if the realisable value of the assets of the Club, particularly that of the Rental Properties, after deduction of the costs associated with any such realisation, is less than the Secured Loan Repayment Amount, the shortfall will remain as an unsecured debt owed by the Club to the Company, and as a practical matter, the Company will may never be able to recover that debt from the Club. Please also see **Section 6.9**.

10.6 Key Personnel

The Board is made up of a number of individuals who have been selected based on their qualifications, skill and experience, as well as their ties to the New South Wales Cypriot Community. The Company's business and long-term plans rely on the availability and provisions of the services of the Board and a small number of other key personnel. If any of these Board members or other key personnel were to resign from their position or otherwise cease providing services to the Company, the Company may not be able to replace them with persons of the same skill and experience, either on the current basis of no or minimal remuneration, or at all. As a result of any such cessation in the provisions of those services, the Company may experience a disruption to its business and commercial relationships and its financial and other results may be adversely affected.

10.7 Litigation risk

The Company is subject to the risk of litigation, claims or complaints by Shareholders, government agencies and other third parties. Additionally, the Company may incur fines or penalties if it breaches applicable laws. Any such occurrence will result in the Company incurring costs and may affect its financial position and results due to the diversion of resources that would otherwise be applied to the operations of the Company.

10.8 Liquidity risk

As described in **Section 5.10**, the Offer Shares will not be quoted or able to be traded on a financial market operated by the ASX or on any other recognised securities exchange. Accordingly, any investment by an Applicant should be considered an illiquid investment that will be difficult to sell or otherwise deal with, other than in the event of a Liquidity Event, when and if such an event should occur (also see **Section 5.11**).

10.9 Income and Working Capital risk

No assurances can be given in relation to the future earnings or working capital requirements of the Company. Changes in inflation rates, interest rates, taxation or other legal regulations or government policies may negatively impact on the revenue generating capacity and future profitability of the Company and the value of its Shares. An investment in the Offer Shares is speculative in nature and the Company, its officers or any other person do not guarantee the maintenance in value of, or any returns from, that investment. The speculative nature of the investment poses a risk that no income will be generated and capital may be lost, either in whole or in part.

10.10 General risks

The Directors have attempted to address the relevant risks. However, there are other factors which are not specific to the Company, which may impact on the Company, including:

- (a) government economic policies;
- (b) interest rate charges;
- (c) taxation policies;
- (d) inflation rate changes;
- (e) business confidence and consumer sentiment;
- (f) changes in investors' attitudes;
- (g) the state of world securities and debt markets; and
- (h) the state of the Australian economy and global economies.

11. TAXATION CONSIDERATIONS

The holding and/or disposal of Shares by a Shareholder may have tax consequences, which will depend on the individual financial circumstances of each Shareholder. The Company and its Directors will not, and are not qualified to, provide advice to Shareholders in respect of taxation.

Applicants should make their own enquiries as to the taxation consequences which may apply to an investment in the Company, and if deemed appropriate, obtain professional taxation advice, before submitting an Application.

The following information should not be used as advice or otherwise relied upon. It is general information regarding the potential taxation implications of an investment in the Company for a Shareholder.

11.1 Dividends

As described in this Prospectus, the Company intends to issue dividends to its Shareholders on an annual basis. Such dividends will be regarded as taxable income in each year in which dividends are paid. Shareholders who are Australian residents for tax purposes will need to include any dividends in their assessable income for the applicable year.

11.2 Franking Credits

If there are franking credits attaching to dividends paid by the Company to its Shareholders, Shareholders who are Australian tax residents should include those franking credits in their assessable income.

In order to be eligible for the benefit of a franking credit, a Shareholder must have held the Share 'at risk' for a minimum period of 45 days, not including the date of purchase and, if applicable, the date of sale of the Shares.

If the Shareholder has not held, or did not hold, the Shares for the above stated holding period described then that Shareholder will be denied the franking credit attached to the dividend for those Shares.

However, if the Shareholder (being an individual) has total franking credits of less than or equal to \$5,000 in an income year, then that Shareholder will not be subject to the holding period rule described above.

11.3 Capital Gains Tax

If a Shareholder, being an Australian resident, disposes of its Shares, it will undergo a capital gains tax event. If the Shareholder receives capital proceeds from the disposal of the Shares:

(a) which are greater than the cost base of those Shares, it will make a capital gain; or

(b) which are less than the cost base of those Shares, it will make a capital loss, noting that the cost base of Shares will usually be the sum of:

(c) the issue or purchase price for those Shares; and

(d) any costs incidental to the issue or purchase price which are incurred by the Shareholder.

Shareholders will need to report capital gains and capital losses in their assessable tax income for the applicable year.

11.4 Stamp duty

Stamp duty will not be payable on the acquisition or disposal of Shares.

11.5 Goods and Services Tax (GST)

No GST will be payable for an acquisition of Shares or on the receipt of any dividends relating to the Shares. A Shareholder that is required to be registered for GST in accordance with the GST Law should seek its own professional taxation, financial or legal advice in respect of any tax credits which may be available for transaction related expenses.

12. MATERIAL CONTRACTS

The Directors consider that the contracts described below and elsewhere in the Prospectus are those which an investor would reasonably regard as material and, details of which they and their professional advisers would reasonably require to make an informed assessment of the Offer.

This Section only contains a summary of the material contracts and their substantive terms. Any Shareholder or their representative who wishes to inspect a complete copy of a Material Contract is invited to attend at the registered office of the Company during normal business hours and he or she will be provided with a complete copy of the relevant Material Contract to review. However, no Shareholder or representative will be permitted to receive or make a copy of any Material Contract, other than the Constitution which the Company will send to any person requesting the same, free of charge.

12.1 Constitution of the Company

The material terms attaching to the Shares, as set out in the Constitution or as otherwise provided for in the Corporations Act. Shareholders will be entitled to one vote only regardless of how many shares they hold.

(a) Voting

Any rights or restrictions attaching to any class or classes of Shares, at meetings of Shareholders every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and

on a poll has one vote for each Share held. The number of votes to which a holder of partly paid Shares is entitled on a poll is equivalent to the proportion that the amount paid on the Share is of the issue price of the Share (ignoring amounts paid in advance).

(b) Dividends and Reserves

The profits of the Company which the Directors from time to time determine to distribute by way of dividend will be divisible amongst the Shareholders, in proportion to the amounts paid up on the Shares held by them.

The Directors are authorised to adopt and amend share-plans such as bonus-share plans, employee share plans and dividend re-investment plan and dividend selection plan.

(c) Issue of further Shares

The Directors may (subject to the Constitution and the Corporations Act) allot or otherwise issue further shares in the capital of the Company on such terms and conditions as they see fit.

(d) Transfer of Shares

Shareholders may transfer Shares to any other Club Member by an instrument of transfer in writing in any usual form or in any other form approved by the Directors, provided that:

- as a consequence of that transfer, no other Shareholder, or any Associate or Related Body Corporate of that Shareholder, acquires or becomes entitled to acquire, in aggregate, a relevant interest in more than ten per cent. (10%) of all Shares then on issue; and
- that transfer will be made to a Club Member, or an entity controlled by or Associated with that Club Member.

If and to the extent that both the above conditions will not be satisfied, the Directors will refuse to register the relevant transfer or transfers of Shares.

Furthermore, if at any time, a Shareholder that is not a Club Member, ceases to be controlled by or Associated with a Club Member or any other Club Member, then the first mentioned Club Member will be deemed to have disposed of all its Shares in breach of its obligations under the Constitution, and the Company will be and remain entitled to redeem and cancel those Shares, and all rights attaching to those Shares, without being required to pay any valuable consideration to that Club Member or any other person.

The Directors may refuse to register a transfer where the Company is permitted or required to do so under the Constitution or the Corporations Act, or where the transfer would be in breach of a restricted securities or an escrow agreement entered into by the Company.

(e) Cessation of Club Membership

If a Shareholder ceases to be a Club Member, or Associated with or controlled by a Club Member:

- voluntarily, that Shareholder will not be entitled to either remain the holder of all of the Shares at the time of such cessation, unless it completes the transfer of all and not some of those Shares, to any person who is at that time, a Club Member, or Associated with or controlled by a Club Member, on terms compliant with the Constitution and otherwise acceptable to the Board; or
- as a result of the death or bankruptcy of a Shareholder, or of the Club Member that is an Associate or controller of that Shareholder, the duly appointed executor or trustee (including any duly appointed bankruptcy trustee) of that Shareholder or Club Member, as is applicable, will be entitled to:
 - remain the holder of all of the Shares of that deceased, insolvent or bankrupt Shareholder; or -
 - transfer all or any of those Shares, in specie, to:
 - ° any person who is a beneficiary of that Estate who at the time of that transfer is a Club Member; or
 - ° any creditor of that insolvent or bankrupt Shareholder who at the time of that transfer is a Club Member; or
- as a result of receivership, liquidation or any other form of corporate insolvency, in the case of a body corporate Shareholder, then the duly appointed insolvency official will be entitled to remain the holder of all of the Shares of that insolvent Shareholder, or transfer all or any of those Shares, in specie, to any person who at the time of that transfer is a Club Member, or a corporate entity that is controlled by and Associated with that Club Member, and otherwise on terms acceptable to the Board.

(f) Call Option

At any time after the second anniversary of the Drawdown Date but prior to the Repayment Date, the Club will be entitled to demand that all (but not some) Shareholders sell all (but not some) of their respective Shares held by each Shareholder as at the record date stated in the Call Option Notice (**each a Held Share**), to the Club for an exercise price payable by the Club directly to each Shareholder, that is equal to the aggregate of:

- the Initial Subscription in respect of each Shareholder's Held Shares;
- 3% per annum on the Initial Subscription in respect of each Shareholder's Held Shares; and
- the Capital Uplift, being an amount equal to 30% of the Initial Subscription in respect of each Shareholder's Held Shares, but less any dividends or distributions that a Shareholder has received from or at the direction of the Company prior to the Share Purchase Date (collectively **Call Option Exercise Price**).

The Call Option will only be able to be exercised by the Club delivering to the Company a written notice (**Call Option Notice**) not later than 30 days prior to the date on which the Club proposes, as stated in the Call Option Notice, to pay the Call Option Exercise Price to all Shareholders and otherwise complete the purchase of all Shares held by all Shareholders (**Share Purchase Date**).

(g) General meetings and Notices

Any Director may call a general meeting of Shareholders and a general meeting may also be convened in the manner provided for in the Corporations Act.

Each Shareholder entitled to vote at a general meeting is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act.

(h) Winding up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders the property of the Company and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

Subject to any special or preferential rights attaching to any class or classes of Shares and the prior ranking rights of creditors of the Company, Shareholders will normally be entitled on a winding up to share in any surplus assets of the Company in proportion to the Shares held by them less any amounts which remain unpaid on their Shares at the time of distribution.

(i) Number of Directors

The number of Directors must be not less than three (3) and the maximum is to be fixed by the board of Directors but may not be more than five (5) unless the Company passes a resolution varying that number.

(j) Remuneration of Directors

The Directors will be entitled to an annual fee of \$500, which amount will only be able to be increased by prior Shareholder consent.

(k) Directors indemnity

The Company must, to the extent permitted by law, indemnify each officer of the Company and each officer of a Related Body Corporate of the Company, against any liability incurred by that person in that capacity, including but not limited to liability for negligence or costs incurred in defending proceedings in which judgment is given in favour of the person or in which the person is acquitted.

The Directors are also empowered to pay premiums in respect of a contract insuring a person who is an officer of the Company against a liability incurred by the person as such an officer, or as an officer of a Related Body Corporate. However, the liability insured against must not include that which the law prohibits. Any such premium in relation to a Director is in addition to, and not regarded as part of, the remuneration, if any, approved by members under the Constitution.

(l) Proportional Takeover Provisions

The Constitution contains provisions for Shareholder approval in relation to any proportional takeover scheme. The provision will lapse unless it is renewed by special resolution of Shareholders within three years from the date of its adoption.

(m) **Alteration of the Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at a general meeting of the Company.

The Company must give at least 28 days written notice to the Shareholders, (unless consent to shorter notice is obtained in accordance with the provisions of the Corporations Act) to propose a special resolution.

(n) **Share Buy Backs**

The Company may buy back Shares in itself in accordance with the provisions of the Corporations Act.

The above summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of the Shareholders. These can involve complex questions of law and fact arising from an interaction of the Constitution with statutory and common law rights and duties. For a Shareholder, or potential acquirer of Shares, to obtain a definitive assessment of the rights and liabilities which attach to shares in any specific circumstances, the Shareholder should seek legal advice.

12.2 Secured Loan Facility Agreement Term: the

earlier to occur of:

- the fourth anniversary of the Drawdown Date; and
- such earlier date that the Company and the Club may agree to in writing, prior to that fourth anniversary.

Conditions Precedent: the Company will not be obliged to advance the Secured Loan to the Club, unless various conditions are satisfied, which include:

- the Company receiving valid Applications for no less than the Minimum Number of Offer Shares; and
- the Secured Loan Facility Agreement, all Security Documentation and all related certificates and board minutes being duly executed by the Club and all other relevant persons; **Interest rate:** three per cent. (3%) per annum, payable Quarterly in arrears. **Secured Loan Repayment Amount:** the aggregate of:
 - the aggregate of all moneys advanced, or deemed to be advanced, and not repaid by the Company to the Club, under the terms and conditions of the Secured Loan Facility Agreement and any Security Documentation, whether or not due and payable;
 - any Unpaid Interest that has not already been included in the moneys deemed to have been advanced as referred to above; and
 - the aggregate dollar amount of the Capital Uplift payable to all Shareholders on the Repayment Date.

Non-payment of interest: any failure by the Club to pay all of any of the interest due and payable under the provisions of the Secured Loan Facility Agreement will:

- not constitute a default by the Club under the Secured Loan Facility Agreement or any related Security Documentation;
- not entitle the Company to demand payment by the Club of interest under the Secured Loan Facility Agreement at a rate in excess of three per cent. (3%) per annum;
- not result in the Unpaid Interest being capitalised or forming part of the Principal Outstanding; and
- result in the Unpaid Interest remaining a debt due and payable in full by the Club to, or as directed by, the Company on or before the Repayment Date or Share Purchase Date, as is applicable. **Security:**
 - first ranking registered mortgage over all of the Rental Properties; and
 - all documentation incidental to either or both of the foregoing documents.

13. ADDITIONAL INFORMATION

13.1 Incorporation

The Company was incorporated on 1 October, 2019.

13.2 Balance Sheet

The Company's balance date is 30 June.

13.3 Tax Status

The Company is taxed as an unlisted public company.

13.4 Issued Capital

Assuming that the Maximum Number of Offer Shares are validly subscribed for, the issued capital of the Company on completion of the Offer will be 8,500,000 Shares.

As at the date of this Prospectus, the Company has 150 Shares on issue, they being held by six (6) persons who each acquired 25 Shares each upon incorporation of the Company. Assuming that the Company has received valid applications for more than the Minimum Number of Offer Shares on or before the Closing Date, those 150 Shares will be wholly redeemed and cancelled.

If the Company receives valid applications for less than the Minimum Number of Offer Shares on or before the Closing Date, the Offer will not proceed, a further 25 Shares will be issued to the Club and the 150 Shares currently on issue will be wholly redeemed and cancelled.

Otherwise, the Company has not issued any other securities.

13.5 Matters Relevant to the Directors (a)

Interests in Shares

As at the date of this Prospectus, none of the Directors has any relevant interest in any Share. The sole shareholder of the Company is the Club.

It is the intention that the Directors, and/or persons or entities Associated with the Directors, will apply under the terms of the Offer, for the number of Offer Shares shown in the table immediately below.

Director	Initial Subscription
Sergios Argyrou	150,000
Michael Peters Kyriacou	150,000
Dorothy Basill	150,000

(b) Directors' Remuneration

Remuneration of \$500 per annum will be payable to each Director. In addition, any Director who is called to perform extra services or to make special exertions on behalf of the Company or its business, may receive additional remuneration in accordance with such services or exertions, on such terms as the Board determines in absolute discretion, and where the Director who may be the recipient of such remuneration will have no involvement or vote in connection with that determination.

13.6 Interested Persons

Other than as set out in this Prospectus:

- (a) no amounts have been paid, or have been agreed to be paid and no benefit has been given or has been agreed to be given to:
- (i) any Director or proposed Director to induce that person to become, or qualify as, a Director; or
 - (ii) any Director or proposed Director, any person named in this Prospectus as performing a professional or advisory function in relation to this Prospectus, a promoter of the Company (each a **Key Party**); and (b) none of the Key Parties holds, or held at any time during the last two years, an interest in:
 - (i) the formation or promotion of the Company;
 - (ii) property acquired or proposed to be acquired by the Company in connection with the formation or promotion of the Company or the Offer; or (iii) the Offer.

13.7 Litigation

The Directors are unaware of any proceedings or claims that have been commenced or threatened for any loss or damages against the Company or any of its assets which may significantly affect the Company, the business of the Company or the Shares.

13.8 Consents

Each of the Directors has given and before lodgement of this Prospectus has not withdrawn their written consent to be named in this Prospectus. Santoro & Co:

- has given and before lodgement of the Prospectus has not withdrawn its written consent to being named in the Prospectus as Investigating Accountant for the Company in the form and context in which it is named in the Prospectus;
- has only been involved in the preparation of the Investigating Accountant's Report and any other part of the Prospectus where it is named as Investigating Accountant;
- specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in, the Prospectus; and
- has not authorised or caused the issue of the Prospectus or any part thereof other than the Investigating Accountant's Report and takes no responsibility for its contents other than the Investigating Accountant's Report and any other references to being named as Investigating Accountant. Santoro & Co Corporate Registries:
- has given and before lodgement of the Prospectus has not withdrawn its written consent to being named in the Prospectus as Share Registrar for the Company in the form and context in which it is named in the Prospectus;
- has not been involved in the preparation of any part of the Prospectus other than assisting in the design of the Application Form and recording its name as Share Registrar to the Company;
- specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in, the Prospectus; and
- has not authorised or caused the issue of the Prospectus or any part thereof and takes no responsibility for its contents other than the references to its name. Cyprus Community of NSW Limited:
- has given and before lodgement of the Prospectus has not withdrawn its written consent to being named in the Prospectus in the form and context in which it is named or referred to in the Prospectus;
- has not been involved in the preparation of any part of the Prospectus;
- specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in, the Prospectus; and
- has not authorised or caused the issue of the Prospectus or any part thereof and takes no responsibility for its contents other than the references to its name.

13.9 Disclosure Interests of Non-Directors

Christina Alexopoulos Lawyer has acted as the Solicitor to the Company in finalising this document. The Company had previously retained another lawyer to advise and prepare this prospectus paid amounts totalling approximately \$85,000 (including disbursements and GST).

Santoro & Co Accountants has acted as the Accountant to the Company, and has performed work in relation to this Prospectus. The Company estimates that it will pay amounts totalling approximately \$1,000 (including disbursements and GST) to Santoro & Co Accountants in respect of its abovementioned work.

Santoro & Co Corporate Registries act as Share Registry for the Company and has reviewed drafts of the Application Form. The Company estimates that it will pay approximately \$2,000 to Santoro & Co Corporate Registries in connection with the Offer.

13.10 Corporate Governance

The composition of the Directors is subject to Shareholder approval. All nominations for appointment to the Board are reviewed by the Directors. At each annual general meeting, one third of the board of Directors will retire and each retiring Director, if he or she so chooses, may seek re-election. At the first general meeting after the Closing Date, all Directors will retire from their office and seek re-election to that office, in accordance with the provisions of the Constitution and the Corporations Act.

Non-executive Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. The Chairman's prior approval of any such expenditure is required.

The Board is the vehicle to facilitate the identification of significant areas of business risk to, implement procedures to manage such risks and to develop policies regarding the establishment and maintenance of appropriate ethical standards. In relation to these matters, the Board specifically:

- (a) ensures compliance with legal requirements and ethical principles;

- (b) monitors the business environment;
- (c) identifies business risk areas;
- (d) identifies business opportunities; and
- (e) monitors systems established to ensure prompt and appropriate responses to shareholder complaints and enquires.

14. GLOSSARY AND INTERPRETATION

14.1 Glossary

In this Prospectus and the Application Form, the following terms are intended to have the corresponding meaning stated below:

Application Money	the dollar amounts equal to the total number of Offer Shares that are the subject of an Application, multiplied by the Offer Price
ASIC	Australian Securities and Investments Commission
Associate	has the meaning given to that term in section 12 of the Corporations Act
ASX	Australian Securities Exchange
Board	the board of Directors, as constituted from time to time
Business Day	a day in which major trading banks are open for or conduct their normal banking operations in Sydney
Call Option	the right of the Club to acquire all but not some of the Shares in accordance with the provisions of the Constitution (see Section 6.8)
Call Option Exercise Price	has the meaning given to that term in Section 12.1(f)
Call Option Notice	has the meaning given to that term in Section 12.1(f)
Capital Uplift	an amount equal to thirty per cent. (30%) of the Initial Subscription of a Shareholder i.e. \$0.30 per Offer Share acquired
Closing Date	5.00 p.m. (ADST) on the date referred to as such in Section 1
Club	Cyprus Community of N.S.W. Limited ACN 002 306 336
Club Constitution	the constitution of the Club, as varied or replaced from time to time
Club Member	either a person who is, as at the Record Date: <ul style="list-style-type: none"> • registered as an Ordinary Member, an Honorary Member or a Life Member of the Club, in accordance with the terms of the provisions of the Club Constitution; • a financial member of the Club, in accordance with the terms of the provisions of the Club Constitution; and • a resident of either Australia or New Zealand, or an entity that is an Associate or Related Body Corporate of any such person or any person or entity that is otherwise controlled by or Associated with the first mentioned person.

Club's Site	<p>All and any of:</p> <ul style="list-style-type: none"> real property located at 58-76 Stanmore Road, Stanmore, New south Wales that constitute the current premises of the Club, and that is contained in the following title references: <ul style="list-style-type: none"> title reference Folio Identifier 1/105806; ○ title reference Folio Identifier 1/121240; ○ title reference Folio Identifier A/308880; ○ title reference Folio Identifier B/308880; real property located at 3-9 Alma Avenue, Enmore and 20 Tupper Street, Enmore, that constitute the car park adjacent to the current premises of the Club, and that is contained in the following title references: <ul style="list-style-type: none"> title reference Folio Identifier 1/444675; ○ title reference Folio Identifier 1/971516; ○ title reference Folio Identifier 2/444675; ○ title reference Folio Identifier 3/444675; and ○ title reference Folio Identifier 1/167529; and the Rental Properties
Commencement Date	5.00 p.m. (ADST) on the date referred to as such in Section 1
Company	Cyprus Capital Limited ACN 636 549 794
Company Operating Costs	<p>costs incurred by the Company in the course of its normal operations, including costs arising from:</p> <ul style="list-style-type: none"> preparation and lodgement of all filings with ASIC; preparation of annual accounts, audits, annual reports to Shareholders; keeping of the corporate register, website; costs of convening and conducting Annual General Meetings and other meetings of Shareholders; directors' Professional Indemnity insurance; and general operating expenses
Constitution	the constitution of the Company, as varied or replaced from time to time
control	has the meaning given to that term in Section 50AA of the Corporations Act
Corporations Act	Corporations Act, 2001 (Commonwealth)
Declared Purpose	any purpose of the Offer, as referred to in Section 7.5
Delphi Bank Debt	the aggregate debt owed by the Club to Delphi Bank as at the date of this Prospectus
Director	a director or proposed director of the Company, and any duly appointed alternate of that director
Dividend	a dividend declared or paid by the Company
Drawdown Date	the first date on which the Company advances the Secured Loan, or any part thereof, to the Club in accordance with the terms and conditions of the Secured Loan Facility Agreement
Eligible Shareholder	a Shareholder who or that is entitled under the provisions of the Constitution and the Corporations Act, to exercise its voting power as a Shareholder

Financial Hardship	circumstances evidenced to the satisfaction of the Board, in its absolute discretion, that the Shareholder, or an Associate or a Related Body Corporate that controls the Shareholders, is experiencing personal, health or financial circumstances of an extremely adverse and serious nature, that would be materially remedied by the sale or redemption of all or any of the Offer Shares held by that Shareholder
Government Agency	any government governmental semi-governmental administrative or judicial entity body politic tribunal or statutory corporation whether federal or state municipal or otherwise. It also includes a self-regulatory organisation established under statute or any stock exchange
Group	the Company and any and each Related Body Corporate of the Company, at any time and from time to time, and Group Member means any one of the foregoing
GST	has the meaning given to that term in the GST Law
GST Law	the <i>A New Tax System (Goods & Services Tax) Act 1999</i> (Cth)
Held Share	has the meaning given to that term in Section 12.1(f)
Holding Statement	a statement issued by the Share Registry to each successful Applicant setting out the details of their holding of securities in the Company
Initial Principal Outstanding	the amount of Principal Outstanding on the Drawdown Date, which for the purposes of all relevant calculations reflected in this Prospectus, is assumed to be \$8,350,000—based on the assumption that the Maximum Number of Offer Shares is validly applied for in the course of the Offer (see Section 6.5)
Initial Subscription	either, as is applicable: <ul style="list-style-type: none"> the dollar amount subscribed for Offer Shares as more particularly referred to in Section 5.6; or where a person (Transferee) has become a Shareholder of a Share after the Closing Date and as a result of the transfer of title in that Share from another Shareholder, the dollar amount of the Initial Subscription for each Share that is the subject of that transfer will be deemed as being \$1.00, irrespective of the actual value of the consideration paid or payable by the Transferee in respect of that transfer
Legacy Debts	has the meaning given to that term in Section 7.6
Liquidity Event	has the meaning given to that term in Section 6.10 such as if the Club members at an Extraordinary General Meeting vote in favour of sale of all or any part of the Club assets or the members vote to authorise the Club to enter into a joint venture or other arrangement to develop the site, the Club would be authorised to repay the loan in full with interest and the 30% uplift
Loan Value Ratio	the ratio of the Principal Outstanding to the value of the Rental Properties, as at the Drawdown Date, assuming the Maximum Number of Offer Shares are validly applied for
Material Contract	any contract as more particularly referred to in Section 12
Maximum Number of Offer Shares	8,500,000 Offer Shares
Minimum Number of Offer Shares	2,700,000 Offer Shares

Net Rent	all rent received by the Club from the Rental Properties less the following outgoings: <ul style="list-style-type: none"> • leasing fees; • council and water rates and charges; • repairs and maintenance; • insurance; • land tax; and • Company Operating Costs (also see Section 7.4)
Offer	the offer to each Club Member to apply to acquire no less than the Initial Subscription Offer Shares and no more than the aggregate of the Initial Subscription Offer Shares and the Maximum Number of Offer Shares, each at the Offer Price and otherwise pursuant to the provisions of this Prospectus
Offer Costs	has the meaning given to that term in Section 7.2
Offer Period	the period from and including the Commencement Date and ending on and including the Closing Date
Offer Price	\$1.00 per Offer Share
Offer Shares	up to 8,500,000 Shares to be issued and allotted under the Offer
Official List	the official list maintained by the ASX
Official Quotation	official quotation on the markets conducted by ASX
Ordinary Resolution	a resolution that has been adopted, passed or otherwise agreed to in accordance with the requirements of the Constitution by Eligible Shareholders who are the registered holders of no less than fifty per cent. (50%) in number, of the Shares
Principal Outstanding	the aggregate of all moneys advanced, or deemed to be advanced, by the Company to the Club, under the terms and conditions of the Secured Loan Facility Loan Agreement and/or any Security Documentation
Project	the combined undertaking by the Group of: <ul style="list-style-type: none"> • Offer; • making and administering the Secured Loan; • ensuring the application of the moneys advanced under the Secured Loan is used for the Declared Purposes; • obtaining the Rezoning Application on terms acceptable to the Company; and • any Liquidity Event
Prospectus	this prospectus, as varied or replaced by any supplementary or replacement prospectus
Quarter	means each period of three (3) consecutive calendar months starting on 1 January, 1 April, 1 July and 1 October, in each calendar year
Record Date	5.00 p.m. (ADST) on the date referred to as such in Section 1
registered	registered in a register of the Company as confirmed by the Share Registry
Related Body Corporate	has the same meaning given to that term in section 50 of the Corporations Act
relevant interest	has the meaning given to that term in Sections 608 and 609 of the Corporations Act
Rental Properties	the residential properties as more particularly referred to in Section 7.3
Repayment Date	has the meaning given to that term in Section 6.6

Respective Proportion	in respect of a Shareholder, the number of Shares registered in the name of that Shareholder, expressed as a proportion of all Shares registered as being issued, at that time
Rezoning Application	the application for the rezoning of the Club's Site, or any part thereof, as more particularly referred to in Section 8
Rezoning Date	the first date upon which the Club or any authorised officer of the Club receives written approval of the rezoning of the Club's Site from all appropriate and authorised Government Agencies on terms and conditions acceptable to the Club
Secured Loan	the loan advanced by the Company to the Club under the Secured Loan Facility Agreement
Secured Loan Facility Agreement	the Secured Loan Facility Agreement more particularly described in Section 12.2
Secured Loan Repayment Amount	has the meaning given to that term in Section 6.6
Secured Property	the Rental Properties and any and all other property secured under the Security Documentation
Security Documentation	each of: <ul style="list-style-type: none"> • first ranking mortgage over all of the Rental Properties; and • all documentation incidental to either or both of the foregoing documents
Securities Act	U.S. Securities Act of 1933 (as amended)
Share Purchase Date	has the meaning given to that term in Section 12.1(f)
Shares	fully paid ordinary shares in the capital of the Company, and includes all Offer Shares
Shareholder	a registered shareholder of the Company
Shareholding	a registered holding of Shares
Share Registry	Santoro & Co Corporate Registries Limited
Shortfall	the difference between: <ul style="list-style-type: none"> • the Maximum Number of Offer Shares; and • the aggregate number of Offer Shares in respect of which the Company receives valid Applications on or before the Closing Date and which aggregate number is greater than the Minimum Number of Offer Shares but less than the Maximum Number of Offer Shares
Shortfall Offer Shares	an Offer Share constituting part of the Shortfall
Special Resolution	a resolution that has been adopted, passed or otherwise agreed to in accordance with the requirements of the Constitution by Eligible Shareholders who are the registered holders of no less than seventy-five per cent. (75%) in number, of the Shares
Term	has the meaning given to that term in the Secured Loan Facility Agreement described in Section 12.2
Unpaid Interest	has the meaning given to that term in Section 6.5
voting power	has the same meaning as is ascribed to it in Section 610 of the Corporations Act

14.2 Interpretation

In this Prospectus and the Application Form:

- the singular includes the plural and vice versa and a gender includes other genders;
- other grammatical forms of a defined word or expression have a corresponding meaning;
- words and phrases have the same meaning as given to them in the Corporations Act (if any), unless otherwise defined above;
- a reference to a Section is a reference to a section of this Prospectus;

- (e) a reference to a document or agreement, includes the document or agreement as novated, altered, supplemented or replaced from time to time;
- (f) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (g) a reference to A\$, \$A, \$, AUD, dollar or cents is to Australian currency;
- (h) a reference to time is to the time in Sydney, Australia;
- (i) a reference to a year (other than a financial year) or a month means a calendar year or calendar month respectively;
- (j) a reference to a person includes a natural person, partnership, firm, body corporate, trust, joint venture, association, governmental or local authority or agency or other entity;
- (k) the words “include”, “including”, “for example”, “such as” and similar expressions are not used as, nor are they to be interpreted as, words of limitation and, when introducing specific examples, do not limit the meaning of the words to which those examples relate or examples of a similar kind;
- (l) a reference to “Company”, “we”, “our” and “us” is to Cyprus Capital Limited ACN 636 549 794;
- (m) a reference to “you” is to a person to whom the Offer is made;
- (n) headings, boldings, italics and underlines are for convenience only and do not affect the interpretation of this Prospectus; and
- (o) all references in this Prospectus to time are to the time in Sydney, New South Wales, Australia, unless expressly stated otherwise.

15. CORPORATE DIRECTORY

Directors	Sergios Argyrou (Non executive Chairman) Michael Peters Kyriacou (Non executive) Dorothy Bassil (Non executive)
Company Secretary	Dorothy Bassil
Lawyers	McCallum Lawyers 90 Burrows Rd Alexandria NSW 2015
Registered Office	58-76 Stanmore Road, Stanmore NSW 2048
Accountants	Santoro & Co Accountants 1081 Victoria Road, West Ryde NSW 2114
Share Registry	Santoro & Co Corporate Registries 1081 Victoria Road, West Ryde NSW 2114

16. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors on 3 March, 2020. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

Signed for and on behalf of the Company: Sergios Argyrou , Chairman Dated: 3 March, 2020

17. APPLICATION FORM**CYPRUS CAPITAL LIMITED ACN 636 549 794****OFFER CLOSES 5.00 P.M. (ADST) Friday 31 July , 2020**

	Number of Offer Shares applied for	Application Moneys
Initial Subscription NB: an Applicant is not permitted to apply for more than 150,000 Offer Shares		\$.00 (being \$1.00 multiplied by the number of Offer Shares applied for in the Initial Subscription)

INSTRUCTIONS FOR COMPLETION OF APPLICATION FORM

The Offer to which this Application Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular, the Offer is not being made to any person who is not a Club Member. The Prospectus and this Application Form do not constitute an offer or invitation to acquire or deal in any Shares or other securities in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

If you require further information about the Offer, please contact Cyprus Capital Ltd by email at: info@cypruscapital.com.au

ACCEPTANCE OF OFFER

By returning this Application Form duly completed and with payment of the appropriate Application Moneys:

- you represent and warrant that:
 - you are a Club Member, as at the Record Date;
 - you are legally entitled and authorised to apply for and acquire a relevant interest all of the Offer Shares that are the subject of this Application Form, and otherwise deal with those Offer Shares in accordance with the terms and conditions of the Offer;
 - all details in the Application Form are complete, accurate and up to date;
 - you have read and understood the terms and conditions of the Prospectus and the Offer, and agree to be bound by all such terms;
 - you are a Club Member and the law of any other jurisdiction does not prohibit you from being given this Prospectus or making an Application; and
 - you are not in the United States and are not acting for the account or benefit of a person in the United States;
- you authorise the Company and the Share Registry, and their respective officers and agents, to:
 - register you as the holder of all or any of the Offer Shares that are the subject of this Application Form; and
 - to do anything on your behalf necessary for the Offer Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- you agree to be bound by the Constitution of the Company;
- acknowledge that the information contained in the Prospectus and the Application Form does not constitute investment advice, nor a recommendation that Offer Shares New Securities are suitable for you given your individual investment objectives, financial situation or particular needs;
- acknowledge that none of the Company, the Share Registry, nor any of their respective directors, officers, employees, agents, consultants nor advisers, guarantees the performance of the Company, or guarantees the payment of income or repayment of capital from or by the Company;
- acknowledge that none of the Offer Shares issued to the Applicant have or will be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia;

- agree not to send this Prospectus or any other material relating to the Offer to any person in the United States;
- acknowledge that, if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Application Form is a Club Member;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Offer and/or of your holding of Offer Shares; and
- if and to the extent that any of the foregoing has not been, or is not, conducted in accordance with the provisions of the Constitution, you hereby unconditionally waive and release the Company from any and all liability that it may owe as a result of any of the foregoing.

Payment of Application Monies

Applications must be accompanied by a cheque drawn on an Australian branch of a financial institution in Australian currency, for a total of \$1.00 per Offer Share applied for. Cheques must be made payable to **“CYPRUS CAPITAL LIMITED - SHARE OFFER”** and crossed **“Not Negotiable”**. A payment by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. No stamp duty or brokerage will be payable by Applicants. The amount payable on Application will not vary during the period of the Offer Period and no further amount is or will become payable on or after allotment in respect of the subscription for the Offer Shares.

Payment by electronic transfer of funds

If paying Application Monies by electronic transfer of funds, please:

- attach a copy of the EFT Remittance Advice together with this completed Application Form. The account details for transmission of Application Monies are:

Bank: Delphi Bank;

BSB Number: 941-200;

Account Number: 206561041;

- insert the full name of the account, BSB and account number from which the funds were transferred, as well as the date of the EFT payment, in order to enable the Company to reconcile your EFT payment of Application Monies; and
- notwithstanding that the Company receives the appropriate amount of Application Monies and all the details referred to immediately above, the relevant Applicant will still be required to submit a completed and signed Application Form on or before **5.00 pm. (ADST) on Friday, 31 July, 2020 (Closing Date)**.

Payment by cheque

If paying Application Monies by cheque, please insert the following information:

Cheque Number:	
BSB:	
Account Number:	

Completed Application Forms and the EFT Remittance, or accompanying cheque must be lodged with the Share Registry, whose address is shown in the Corporate Directory in this Prospectus and on the Application Form no later than the Closing Date.

Contact Details

Please enter a contact number the company or the Share Registry may reach you on between the hours of 9:00 a.m. and 5:00 p.m. ADST. We may use this email or number to contact you regarding your application for and/or acceptance of the allotment of Offer Shares, if necessary.

Applicant's contact and relevant details:

Full name of Applicant	
ABN/ACN of applicant where relevant	

Where relevant, basis of association of control between Applicant and Club Member	
Mailing Address of Applicant	
Telephone Number	
email address	
Club Membership Number	

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible)

LODGING YOUR APPLICATION FORM

This form must be received at an address given below by 5.00 p.m. (ADST) on Friday, 31 JULY, 2020

BY MAIL

Cyprus Capital Limited
PO Box 955
Gladesville NSW
1675

Or

Santoro & Co
1081 Victoria Road
West Ryde NSW 2114

BY HAND DELIVERY (Between 9.00 a.m. – 5.00 p.m. ADST)

Santoro & Co
1081 Victoria Road
West Ryde NSW 2114

If you require further information about the Offer, please contact Cyprus Capital Ltd by email: info@cypruscapital.com.au

SIGNATURE(S) OF APPLICANT

	Capacity	Signature
Applicant	Individual, Director, Sole Director and Sole Company Secretary (delete those that are not applicable)	
Applicant (only relevant where Applicant is a body corporate)	Director, Company Secretary (delete those that are not applicable)	
Witness to Individual's signature		

Signing Instructions: If this Application Form is being lodged in the manner referred to above, it must be signed by the Applicant. If signed by the Applicant's attorney, the power of attorney must have been previously provided to the Company or the Share Registry or a duly certified copy of that power of attorney attached to this Application Form. If executed by a company, this Application Form must be executed in accordance with that company's constitution and the Corporations Act, 2001 (Commonwealth) or for New Zealand companies, the Companies Act 1993.

BEFORE COMPLETING THE APPLICATION FORM, APPLICANT(S) SHOULD READ THE PROSPECTUS TO WHICH THE APPLICATION RELATES. BY LODGING THE APPLICATION FORM, THE APPLICANT(S) AGREE(S) AND DECLARE(S) THAT:

- THIS APPLICATION IS FOR SHARES IN CYPRUS CAPITAL LIMITED ACN 636 549 794 UPON AND SUBJECT TO THE TERMS OF THE PROSPECTUS; • IT OR THEY, AS IS APPLICABLE, WILL TAKE ANY NUMBER OF OFFER SHARES EQUAL TO OR LESS THAN THE AGGREGATE NUMBER OF OFFER SHARES INDICATED IN BOX A AND, IF APPLICABLE, BOX B THAT MAY BE ALLOTTED TO THE APPLICANT(S) PURSUANT TO THE TERMS OF THE PROSPECTUS AND THE OFFER;
- THE COMPANY WILL NOT BE OBLIGED TO RETURN ANY APPLICATION MONEYS TO THE APPLICANT PRIOR TO THE CLOSE OF THE ALLOTMENT PERIOD, EVEN IF REQUESTED TO DO SO BY THE APPLICANT AND WILL, SUBJECT TO THE REQUIREMENTS OF THE CORPORATIONS ACT, BE PERMITTED TO APPLY ALL OR ANY PART OF THE APPLICATION MONEYS TOWARDS THE APPLICANT'S APPLICATION FOR OFFER SHARES IN ACCORDANCE WITH THE PROSPECTUS AND THIS APPLICATION FORM;

ALL DETAILS AND STATEMENTS MADE BY THE APPLICANT(S) ARE COMPLETE AND ACCURATE. IT IS NOT NECESSARY TO SIGN THE APPLICATION FORM.

