

Disclosure of beginning to have substantial holding

Section 276, Financial Markets Conduct Act 2013

To NZX Limited
and
To CSM Group Limited ("CSM")

Date this disclosure made: 8 November 2019

Date on which substantial holding began: 8 November 2019

Substantial product holder(s) giving disclosure

Full name(s): Rhonda Lillian Preston

Summary of substantial holding

Class of quoted voting products: Ordinary fully paid shares in CSM ("Shares"). ISIN NZRLVE0001S2

Summary for Rhonda Lillian Preston

For this disclosure —

- (a) total number held in class: 65,000,000
- (b) total in class: 414,550,000
- (c) total percentage held in class: 15.68%

Details of relevant interests

Details for Rhonda Lillian Preston

Nature of relevant interest(s):

- (a) The substantial security holder is the beneficial owner of 45,000,000 Shares, which Shares are held by the registered holder of those Shares - Ilakolako Investments Limited (as bare trustee) for the substantial security holder (as beneficial owner) pursuant to a bare trust arrangement. A copy of the declaration of trust accompanies this Notice – in respect of this relevant interest; and
- (b) The substantial product holder is a director and shareholder of Ilakolako Investments Limited, which entity is the registered holder of an additional 20,000,000 Shares. Ilakolako Investments Limited holds these 20,000,000 Shares on principal account. The substantial securityholder, in conjunction with the other additional shareholder and director of Ilakolako Investments Limited, has the joint control of the voting rights attaching to those 20,000,000 Shares, and to determine whether to dispose of those 20,000,000 Shares. No agreements are attached in terms of regulation 139 in respect of this relevant interest.

For that relevant interest —

- (a) number held in class: 65,000,000

- (b) percentage held in class: 15.68%
- (c) current registered holder(s): Ilakolako Investments Limited
- (d) registered holder(s) once transfers are registered: Ilakolako Investments Limited

For a derivative relevant interest, also—

- (a) type of derivative: Not applicable
- (b) details of derivative: Not applicable
- (c) parties to the derivative: Not applicable
- (d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: Not applicable

Details of transactions and events giving rise to substantial holding

Details of the transactions or other events requiring disclosure:

- (a) 45,000,000 Shares were acquired by Ilakolako Investments Limited (as bare trustee) for the substantial securityholder (as beneficial owner) from Fengli Group (Hong Kong) Co., Limited on 8 November 2019 pursuant to an off-market sale. The aggregate consideration to acquire the 45,000,000 Shares was \$225,000;
- (b) 20,000,000 Shares were acquired by Ilakolako Investments Limited (on its own account as principal) from Fengli Group (Hong Kong) Co., Limited on 8 November 2019 pursuant to an off-market sale. The aggregate consideration to acquire the 20,000,000 Shares was \$100,000.

Additional information

Address(es) of substantial product holder(s): Apartment 303, Maison Apartments, 16 Huron Street, Takapuna, Auckland 0622

Contact details: Mobile: 0274 345531. Email: rhondap873@gmail.com

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: Fengli Group (Hong Kong) Co., Limited

Certification

I, Rhonda Lillian Preston, certify that, to the best of our knowledge and belief, the information contained in this disclosure is correct and that we are duly authorised to make this disclosure by all persons for whom it is made.

DECLARATION OF BARE TRUST

DATED 8 November 2019

PARTIES

1. **ILAKOLAKO INVESTMENTS LIMITED**, a duly incorporated company having its registered office at Auckland ("the Trustee")
2. **RHONDA LILLIAN PRESTON**, company director of Auckland ("the Beneficiary")

BACKGROUND

- A. The Trustee has, at the request of the Beneficiary, agreed to hold 45,000,000 ordinary fully paid shares in CSM Group Limited ("the Shares") on bare trust for the Beneficiary on the terms contained in this Deed.

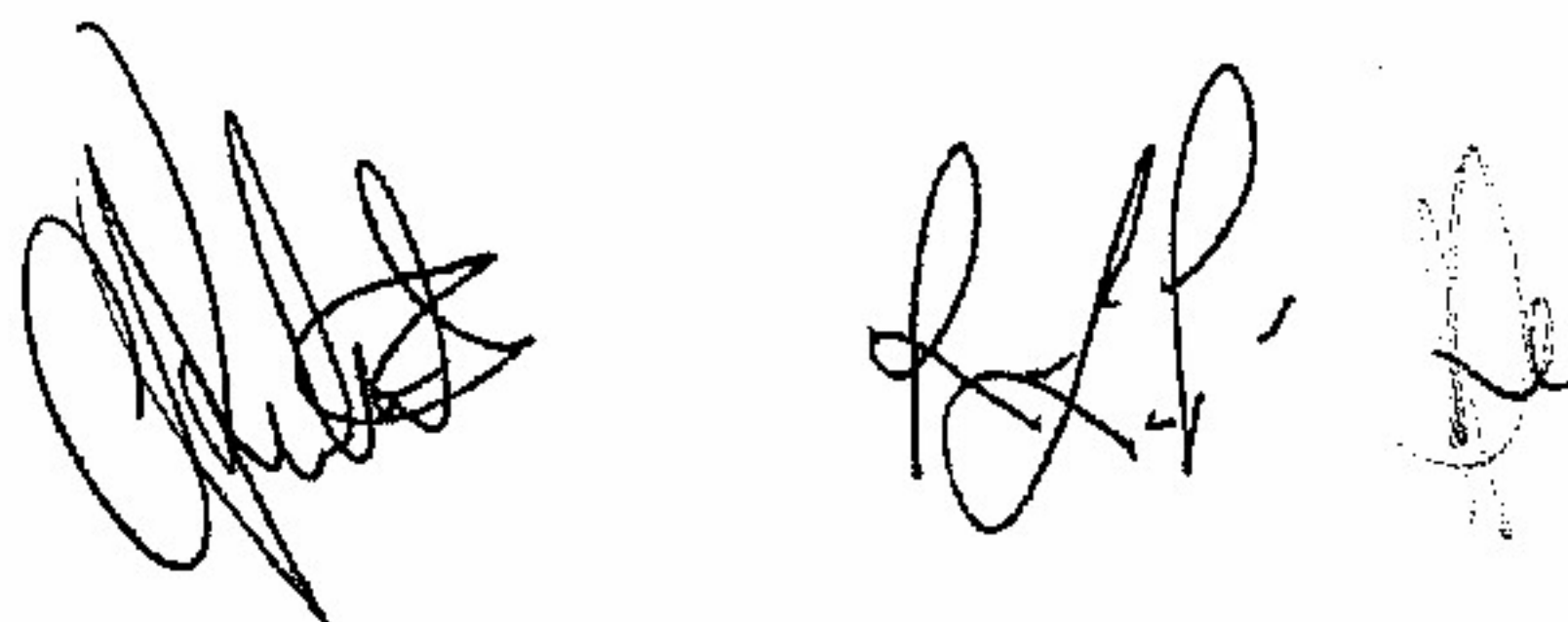
COVENANTS

1 DECLARATION OF TRUST

- 1.1 The Trustee acknowledges and declares that it holds the Shares and all rights and benefits arising therefrom as bare trustee for the Beneficiary as beneficiary upon the following terms:
 - (a) In the exercise of rights in relation to the Shares the Trustee will act in accordance with the Beneficiary's instructions in writing and in the absence of such instructions will act in the Beneficiary's best interests.
 - (b) The Trustee shall not be required to undertake any action which requires the expenditure of moneys or the undertaking of any obligation unless it first receives an indemnity from the Beneficiary.
 - (c) The Trustee will execute a transfer of the Shares to the Beneficiary upon demand. The Trustee may elect to transfer the Shares to the Beneficiary at any time.
 - (d) The Trustee shall not be under an obligation to procure registration of the transfer into the name of the Beneficiary.
 - (e) The Trustee shall be under no liability to the Beneficiary on any account so long as the Trustee has acted in good faith and in what the Trustee considers to be the Beneficiary's best interests.

2 INDEMNITY BY BENEFICIARY TO THE TRUSTEE

- 2.1 **Indemnity:** In consideration of the Trustee agreeing to act as trustee of the Shares, the Beneficiary hereby agrees to indemnify the Trustee and keep the Trustee indemnified from and against all actions, proceedings, expenses, fees and liabilities of any nature arising out of or in connection with the subscription for and allotment to the Trustee of the Shares.



2.2 **Exclusion:** Nothing in this Deed shall entitle the Trustee to be indemnified by the Beneficiary in respect of a liability incurred by the Trustee as a result of any fraudulent or negligent act or omission or any wilful default or breach of trust by the Trustee.

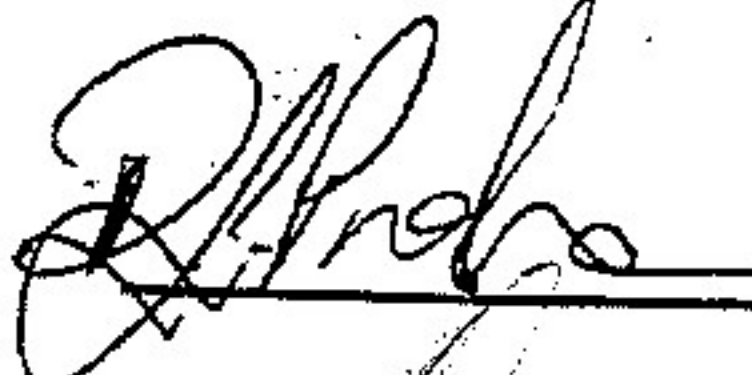
3 SURVIVAL OF INDEMNITY


3.1 The indemnities set out in this Deed shall continue in full force and effect notwithstanding the Trustee for any reason or reasons ceases to act as Trustee of the Shares.

EXECUTION

SIGNED by ILAKOLAKO INVESTMENTS LIMITED

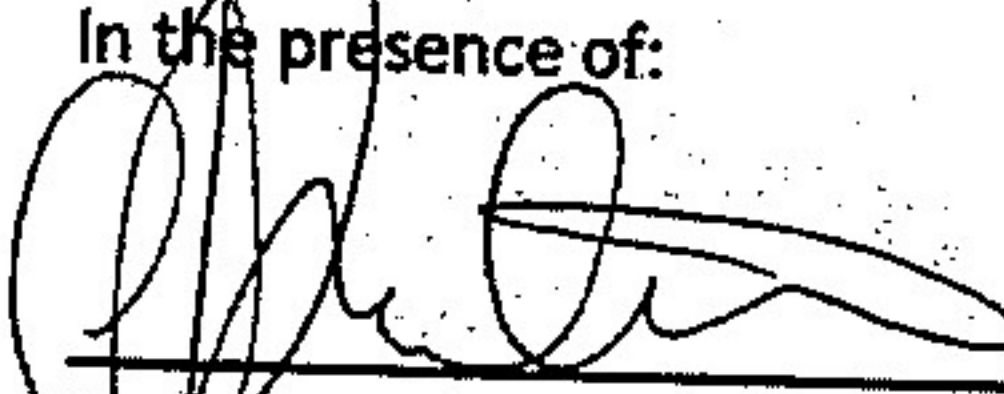
as Trustee by two directors:





SIGNED on behalf of RHONDA LILLIAN PRESTON as Beneficiary
In the presence of:

Cie Robinson-Bates



Signature of witness

Manager

Occupation

Tairua

City/town of residence