

Offer of Convertible
Property Notes
Returning
9% p.a.

ST LAURENCE PROPERTY & FINANCE LIMITED

INVESTMENT STATEMENT



DATED 12 NOVEMBER 2003

For an offer of convertible Property Notes issued by St Laurence Property & Finance Limited in connection with the proposed acquisition of shares and mortgage bonds in certain syndicate companies and a concurrent offer of Property Notes to the public.

IMPORTANT NOTICE

This Investment Statement has been prepared in accordance with the Securities Act 1978. In addition to this Investment Statement, a Prospectus dated 12 November 2003 has been registered with the Registrar of Companies in relation to the Property Notes offered by St Laurence Property & Finance Limited.

This is an important document. If you are in any doubt as to how to deal with this document, please immediately contact your financial or legal adviser.

IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978.)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

CHOOSING AN INVESTMENT

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

What sort of investment is this?	25
Who is involved in providing it for me?	27
What will this cost me?/How much do I pay?	28
What are the charges?	31
What returns will I get?	31
What are my risks?	34
Can the investment be altered?	36
How do I cash in my investment?	37
Who do I contact with enquiries about my investment?	38
Is there anyone to whom I can complain if I have problems with the investment?	38
What other information can I obtain about this investment?	38

In addition to the information in this document, important information can be found in the current registered Prospectus for the investment. You are entitled to a copy of that Prospectus on request.

CHOOSING AN INVESTMENT ADVISER

You have the right to request from any investment adviser a written disclosure statement stating his or her experience and qualifications to give advice. That document will tell you:

- whether the adviser gives advice only about particular types of investments; and
- whether the advice is limited to the investments offered by 1 or more particular financial organisations; and
- whether the adviser will receive a commission or other benefit from advising you.

You are strongly encouraged to request that statement. An investment adviser commits an offence if he or she does not provide you with a written disclosure statement within five working days of your request. You must make the request at the time the advice is given or within one month of receiving the advice.

In addition:

- if an investment adviser has any conviction for dishonesty or has been adjudged bankrupt, he or she must tell you this in writing; and
- if an investment adviser receives any money or assets on your behalf, he or she must tell you in writing the methods employed for this purpose.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes.

This Investment Statement relates to the Property Notes to be issued under both the Acquisition Offer and the Cash Offer.

The purpose of this Investment Statement is to provide certain key information that is likely to:

- assist you as a prudent but non-expert person to decide whether or not to accept the offer of Property Notes under the Acquisition Offer or the Cash Offer; and
- bring to the attention of prospective investors the fact that other important information about the Property Notes is available in other documents, including the registered Prospectus.

This Investment Statement is prepared pursuant to the Securities Act 1978 and the Securities Regulations 1983, in reliance on the Securities Act (Takeovers) Exemption Notice 2001.

This Investment Statement is prepared as at 12 November 2003.

Detailed terms of the Acquisition Offer are set out in the Offer Documents. The Offer Documents set out the conditions to the Acquisition Offer and also contain instructions on how to apply for the Property Notes under the Acquisition Offer.

No person may distribute this Investment Statement outside New Zealand except in accordance with all the legal requirements of the relevant jurisdiction.

Copies of the Prospectus may be obtained, free of charge, from the offices of St Laurence Limited at Level 5, 138 The Terrace, Wellington, New Zealand.

Capitalised terms used in this Investment Statement are defined in the glossary on page 40 of this Investment Statement.

CONTENTS

	PAGE
KEY INVESTMENT FEATURES	4
THE ISSUER	6
ACQUISITION OFFER	13
CASH OFFER	16
BENEFITS FOR INVESTORS	16
FINANCIAL SUMMARY	17
DIRECTORS AND MANAGEMENT	18
INVESTMENT MANAGER	20
TRUST DEED	22
HOW TO INVEST	24
ANSWERS TO IMPORTANT QUESTIONS	25
GLOSSARY	40
DIRECTORY	INSIDE BACK COVER

KEY INVESTMENT FEATURES

ISSUE OF PROPERTY NOTES

St Laurence Property & Finance Limited (the **Issuer**) is offering a maximum of 140 million Property Notes having a principal amount of \$1.00 each for subscription under this Investment Statement. The Property Notes are convertible debt obligations of the Issuer.

The Property Notes offered are to be allocated as follows:

- 96,771,197 Property Notes are being offered to the holders of shares and mortgage bonds in the Syndicate Companies listed on page 13 (the **Investors**) under the “Acquisition Offer”.
- 25,000,000 Property Notes are being offered to members of the public (including Investors) for subscription under the “Cash Offer”, with the ability to accept over-subscriptions for up to a further 18,228,800 Property Notes (being a total of 43,228,800 Property Notes under the “Cash Offer”).

The Acquisition Offer is being made to all Investors in Syndicate Companies that are “code companies”,¹ but is only being made to Investors in New Zealand in the case of the remaining Syndicate Companies. The Cash Offer is only being made in New Zealand.

9.00% INTEREST COUPON UNTIL CONVERSION DATE

The interest rate applicable to the Property Notes is 9.0% per annum. The interest rate is fixed and will not change.

Interest will accrue daily and will be paid to Note Holders quarterly in arrears except in certain limited circumstances where interest payments may be suspended. See page 32 for the description of such circumstances.

5 YEAR TERM FOR INTEREST PAYMENTS

The term over which interest is paid on the Property Notes is approximately 5 years, until conversion.

CONVERSION INTO SHARES

The Property Notes will convert automatically into fully paid ordinary shares of the Issuer on the basis of one share for one Property Note on 1 December 2008 (the **Conversion Date**) or the earlier liquidation of the Issuer (subject to adjustment to preserve holders of Property Notes’ (**Note Holders**) conversion entitlements).

The principal amount of the Property Notes will not be repaid in cash.

MINIMUM INVESTMENT

The minimum subscription amount under the Cash Offer is \$1,000, being 1,000 Property Notes of \$1.00 each. This may be increased in multiples of 100 Property Notes.

¹ *Mt Wellington Industrial Fund Limited and Capital Office Fund Limited are “code companies” for the purposes of the Takeovers Code.*

TRUST DEED

The Issuer's obligations in respect of the Property Notes will be secured under a Trust Deed over the assets of the Issuer. The right of Note Holders to be paid interest (subject to the right of the Issuer to suspend interest in certain limited circumstances as detailed on page 32) will be fully subordinated in point of priority behind:

- "Debenture Stock" issued by the Issuer under the Trust Deed (**Debenture Stock**) and all further Debenture Stock issued by the Issuer from time to time;
- certain charges granted by the Issuer from time to time as permitted under the Trust Deed (**Prior Charges**); and
- any other securities issued under the Trust Deed from time to time where those securities are expressed to rank ahead of Property Notes.

Ordinary shares in the Issuer that are issued on the conversion of the Property Notes rank *pari passu* with all other ordinary shares and rank behind all creditors of the Issuer.

TRUSTEE

Perpetual Trust Limited is the Trustee and monitors the performance of the Issuer of its obligations pursuant to the Trust Deed in respect of Debenture Stock and Property Notes.

LISTING

Listing of the Property Notes on the NZX is not being sought. However, listing of the Property Notes in the future will be given active consideration by the Directors, having regard to the interests of Note Holders and the Issuer generally.

IMPORTANT DATES

Opening Date of Cash Offer	21 November 2003
Opening Date of Acquisition Offer	27 November 2003
First allotment of Property Notes	1 December 2003
Closing Date for Cash Offer and Acquisition Offer to "Non-Code Companies"	19 December 2003 or as extended
Closing Date for Acquisition Offer to "Code Companies"	16 January 2004 or as extended
First Interest Payment ¹	27 February 2004
Subsequent Interest Payments	Last business day of February, May, August and November each year
Conversion Date ²	1 December 2008

1. The first interest payment will be made to each Note Holder on the record date relating to the payment. The record date for the first interest payment is 13 February 2004.

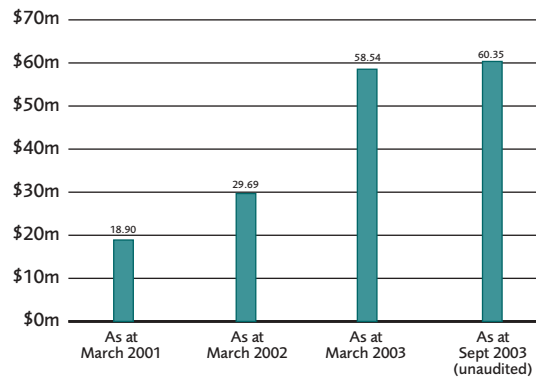
2. The Property Notes will convert into ordinary shares of the Issuer on 1 December 2008 or the earlier liquidation of the Issuer.

THE ISSUER

The Issuer is a wholly-owned subsidiary of St Laurence Limited and part of the group of companies of which St Laurence Limited is the direct or indirect parent company (the **St Laurence Group**).

The Issuer was established in April 2000 and is an active property investment company. It invests in property and also participates in property development projects in its own right or in conjunction with experienced developers. The Issuer also provides a range of property related financial services, including loan finance, underwriting services and securities investments, primarily within New Zealand but also to selected Australian based operators.

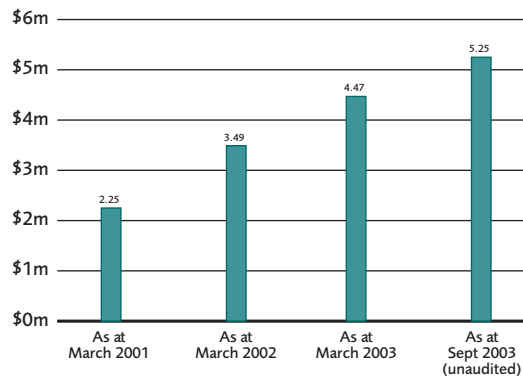
**CHART 1:
GROWTH IN TOTAL ASSETS
OF ISSUER AND
ITS SUBSIDIARIES**



The Issuer primarily finances its investment and financing activities through the issue of securities (including the Debenture Stock and Property Notes) to the public.

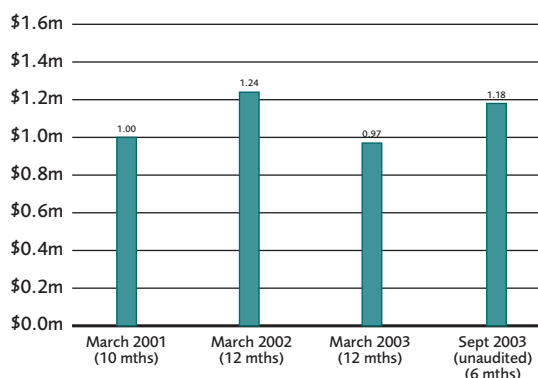
The Issuer aims to create value for its shareholders through an active and focused management approach and by taking advantage of value-adding investment opportunities. It also utilises the extensive property investment and management skills of the St Laurence Group.

**CHART 2:
GROWTH IN SHAREHOLDERS'
FUNDS OF ISSUER AND
ITS SUBSIDIARIES**



The Issuer aims to generate a minimum return on shareholders' equity of 15% per annum before tax from its ongoing investment and financing activities. The Issuer achieved a net surplus after tax of \$975,000 for the year ended 31 March 2003, and an unaudited net surplus after provision for tax of \$1.18 million for the six month period ended 30 September 2003.

CHART 3: NET SURPLUS FOR THE ISSUER AND ITS SUBSIDIARIES



Charts 1, 2 and 3 have been prepared on the basis of the Issuer's consolidated financial statements prepared in accordance with GAAP. The consolidated financial statements of the Issuer set out in the Prospectus are prepared in accordance with the Second Schedule to the Securities Regulations 1983.

The most recent consolidated audited financial statements of the Issuer, prepared in accordance with the Second Schedule to the Securities Regulations 1983, are set out in the Prospectus.

ACTIVITIES

The principal investment and financing activities of the Issuer are summarised as follows:

LENDING SERVICES

A core activity of the Issuer is the provision of loan finance to approved borrowers for commercial property related investments, projects and developments.

The advances are secured by way of security interests over real property, listed equities or unlisted property securities, or the borrowers' assets.

As at 30 September 2003, the Issuer's loan portfolio comprised 24 advances totalling \$28.54 million. The average interest rate on the loan portfolio is 15.65% per annum. The average loan term for the portfolio is less than 15 months.

Under the Trust Deed, the Issuer was entitled as at 30 September 2003 to make advances of up to \$12.06 million to related parties. In the Issuer's loan portfolio, the amount of advances made by the Issuer to related parties as at 30 September 2003 was \$6.70 million, excluding advances of \$7.48 million to its subsidiaries that are guarantors under the Trust Deed and which are excluded from the definition of "Related Party" in the Trust Deed.

SECURITIES INVESTMENT

The Issuer invests in selected, unlisted syndicated property investments and property-backed securities and also in the securities of selected listed property companies and trusts.

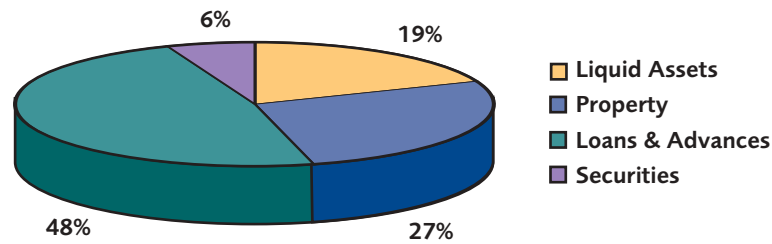
From time to time, the Issuer has acted as a purchaser of last resort for investors needing to sell their syndicated property investments.

As at 30 September 2003, the Issuer held \$3.74 million of syndicated property investments and property bonds. The Issuer also has a number of small holdings in listed property companies.

Some of the syndicated property investments held by the Issuer at 30 September 2003 were acquired from a related party in the ordinary course of business and on an arms-length basis.

In addition, several of the syndicated property investments are managed by other members of the St Laurence Group. Under the Trust Deed, the acquisition and holding of these investments does not fall within the restrictions relating to transactions with related parties.

CHART 4:
ASSETS OF THE ISSUER AND ITS SUBSIDIARIES
ASSET CLASS AS AT 30 SEPTEMBER 2003



PROPERTY INVESTMENT

The Issuer is an active property investor and invests directly and indirectly in commercial property and property-backed commercial enterprises. The Issuer also undertakes selected property projects and developments directly or through joint venture arrangements with experienced developers and property investors.

The Issuer generated realised and unrealised gains on its property investments of \$2.35 million for the year ended 31 March 2002 and \$3.22 million for the year ended 31 March 2003. As at 30 September 2003, the Issuer's property investment portfolio had a book value of \$15.74 million before realisation costs are deducted.

In the six months ended 30 September 2003, the Issuer's property investment activities included the following:

- The Issuer's wholly-owned subsidiary, SL 255 Limited, unconditionally sold, in August 2003, the balance of the first floor retail units at 255 Broadway, Newmarket, Auckland for \$4.125 million plus GST. SL 255 Limited continues to own the office units and carpark units and intends to hold these units, as it plans to develop 28 apartments in the airspace above the carpark and office units.
- The Issuer's wholly-owned subsidiary, Three Kings Lessor Limited, entered into conditional contracts for the sale of the freehold interest and retail units A, B, C and G in the Three Kings Plaza Shopping Centre, Mt Albert Road, Auckland. The total sale price is \$3.125 million plus GST.
- The Issuer, through its wholly-owned subsidiary Mahunga Properties Limited, purchased 24 completed residential lots at the Catalina Point subdivision, Whangaparaoa, north of Auckland from the original developer for \$5.72 million plus GST.
- The Issuer purchased all the shares and shareholder loans in a company called SL Heritage No.2 Limited from a St Laurence Group company. SL Heritage No.2 Limited currently owns 21 hotel units in the Heritage Tower Hotel, Nelson Street, Auckland that have a book value of \$4.37 million.

Since 30 September 2003 the Issuer's property investment activities have included:

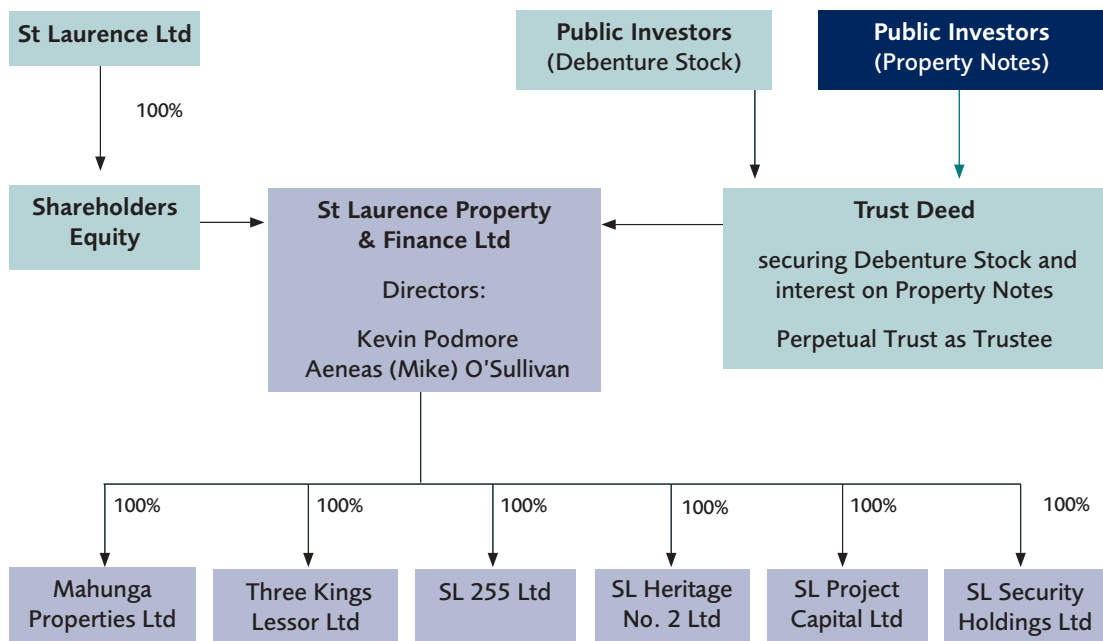
- The completion of the sale of three of the Catalina Point residential lots by Mahunga Properties Limited for a total of \$640,000 inclusive of GST before realisation costs are deducted. A further lot is subject to an unconditional sale contract for a sale price of \$235,000 inclusive of GST before realisation costs are deducted. A further 3 lots are subject to conditional contracts for a total sale price of \$1.185 million inclusive of GST before realisation costs are deducted.
- The conditional sale of the Heritage units owned by SL Heritage No.2 Limited for \$4.95 million plus GST. This contract is subject to due diligence by the purchaser.

UNDERWRITING SERVICES

The Issuer provides underwriting services, which include arrangements to underwrite the placement of syndicated property investments and property related bond issues. The Issuer also provides property purchase takeouts for developers at a discount to the completed property's assessed market value.

There are no underwrite arrangements outstanding as at the date of this Investment Statement. During the year to 31 March 2003, the Issuer completed the underwrite arrangements in respect of the apartment development under construction at No.1 Hobson Street, Auckland. The maximum amount of the underwriting exposure for the Issuer under the Hobson Street arrangements was \$4.54 million. The underwrite was concluded with no underwriting liability incurred by the Issuer.

COMPANY STRUCTURE AS AT OCTOBER 2003



DESCRIPTION OF RECENT KEY PROPERTY INVESTMENTS

A description of some of the key investments undertaken by the Issuer over the last two years is set out below.



255 BROADWAY, NEWMARKET

SL 255 Limited, a wholly-owned subsidiary of the Issuer, acquired 255 Broadway, Newmarket for \$26.05 million plus GST in 2002. The property comprised a three level retail, office and carparking building.

During the year to March 2003, SL 255 Limited unit titled the individual tenancies and sold off the ground floor retail units for \$21.3 million, plus GST. In August 2003, the balance of the retail units on the first floor were sold for \$4.125 million, plus GST.

SL 255 Limited intends to retain the office and carpark units, which have a book value of \$2.53 million, as it proposes to develop 28 residential

apartments in the airspace above the office and carpark units. No value has been assigned to any airspace development rights as at 30 September 2003.

KITCHENER STREET JOINT VENTURE

The Issuer held a 50% interest in a joint venture that purchased a vacant 12 level office building located at 2 Kitchener Street, Auckland for \$4.60 million plus GST in August 2000.

The property was subsequently fully leased by the joint venture and sold for \$7.50 million, plus GST during the current financial year. The Issuer received in excess of \$1.10 million plus GST as a result of its 50% interest in the joint venture.

SUN MICROSYSTEMS HOUSE

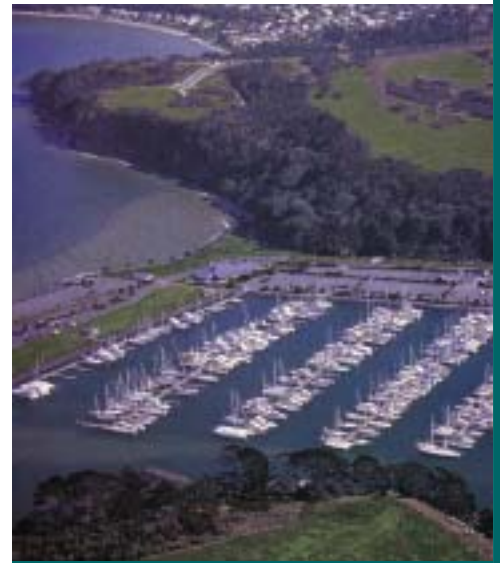
The commercial property at 10 Viaduct Harbour Avenue, Auckland known as Sun MicroSystems House, was purchased by the Issuer's wholly-owned subsidiary, Ten Viaduct Harbour Avenue Limited (renamed as SL Project Capital Limited), in early 2003. The property was purchased for \$10.20 million plus GST and was 80% leased to Sun MicroSystems and Solnet.

The property was subsequently fully leased and sold to an Australian based property investor for \$11.70 million plus GST.

CATALINA POINT

The Issuer, through its wholly-owned subsidiary, Mahunga Properties Limited has purchased 24 completed residential sections contained in the Catalina Point subdivision at Whangaparaoa, north of Auckland for \$5.72 million plus GST. Settlement of the purchase is scheduled for November 2003.

Mahunga Properties has since unconditionally sold 3 of the lots for \$640,000 inclusive of GST (before sale realisation costs). A further lot is subject to an unconditional sale contract for a sale price of \$235,000 inclusive of GST before realisation costs are deducted. A further 3 lots are subject to conditional contracts for a total sale price of \$1.185 million inclusive of GST before realisation costs are deducted. The balance of the 17 lots have a combined current total list price of \$7.85 million including GST.



CATALINA POINT

FUNDING

EQUITY

St Laurence Limited is the parent company of the Issuer and holds 100% of the 5.25 million ordinary shares on issue. Total shareholders funds of the Issuer as at 30 September 2003 was \$5.25 million and the net asset backing per share was \$1.00.

Under the terms of the Property Notes, St Laurence Limited as shareholder has agreed to limit its gross annual dividend to 9.00% of total shareholders funds as at 30 September 2003 while the Property Notes are on issue. The payment of the dividend will be fully subordinated to the interest payments on all Property Notes on issue, to the effect that in each year no dividend will be paid unless the Issuer has first met its interest payment obligations under the Property Notes.

The maximum dividend rate is equal to the interest rate payable on the Property Notes. On this basis, the interests of St Laurence Limited as shareholder are aligned with the interests of the Note Holders.

The balance of any net surpluses generated by the Issuer after payment of all tax and the capped dividend to St Laurence Limited will be retained within the Issuer. It is intended that this profit retention policy will ultimately benefit Note Holders upon the conversion of the Property Notes into ordinary shares.

DEBENTURE STOCK & PROPERTY NOTES

The primary source of funds for financing the Issuer's activities to date has come from the issue of debt securities to the public in the form of secured Debenture Stock.

The Issuer's obligation to pay interest on the Property Notes will be secured under the Trust Deed, but will be subordinated in point of priority behind the holders of Prior Charges granted by the Issuer from time to time, existing Debenture Stock on issue, all further Debenture Stock issued by the Issuer from time to time and any other securities issued under the Trust Deed and expressed to rank ahead of Property Notes. The Property Notes will rank *pari passu* with all further property notes issued from time to time. In the event of liquidation of the Issuer, the Property Notes will convert into ordinary shares and rank alongside St Laurence Limited and all other shareholders. The principal amount of the Property Notes will not be repaid in cash.

Trust Deed Restrictions

Pursuant to the Trust Deed, the Issuer has agreed that the total principal amount of Debenture Stock and Property Notes is not to exceed ten times shareholder's funds.

As at 30 September 2003, the Issuer was entitled to issue up to \$52.50 million of Debenture Stock in accordance with the Trust Deed. The Issuer issued \$12.5 million of Debenture Stock in July 2000, \$10.0 million of Debenture Stock in September 2001 and \$16.4 million of Debenture Stock up to 31 March 2003. In the period to 30 September 2003 the Issuer issued a further \$22.52 million of Debenture Stock, repaid a total of \$17.5 million of Debenture Stock and is permitted to raise a further \$8.58 million through a current offer of Debenture Stock (the **Current Offer**).

The proceeds from the Current Offer, any further issue of Debenture Stock, and the issue of Property Notes under the Cash Offer may be used to partially repay some of the existing Debenture Stock which matures during 2004, and to fund additional investment and financing opportunities.

The Issuer may, in the future, issue further Debenture Stock and/or other securities as it finds investments or loans that meet its investment criteria. Subject to compliance with the financial ratios and covenants set out in the Trust Deed, there is no restriction on the Issuer borrowing further amounts or issuing securities that rank ahead of the Property Notes.

Trust Deed Ratios and Covenants

To protect the investors in Property Notes (in respect of their entitlement to interest), the Issuer has agreed to comply with certain financial ratios and covenants which are contained in the Trust Deed. A summary of the key financial ratios is set out in the Prospectus.

BANK FUNDING & PRIOR CHARGES

The Issuer and some of its subsidiaries have used bank funding to acquire some of their investment properties. The Trust Deed provides that, in limited circumstances, the Issuer and the guaranteeing subsidiaries under the Trust Deed (being all the Issuer's wholly-owned subsidiaries) SL Security Holdings Limited, Mahunga Properties Limited, Three Kings Lessor Limited, SL 255 Limited, SL Heritage No. 2 Limited and SL Project Capital Limited (the **Guaranteeing Subsidiaries**) may grant Prior Charges which rank in priority ahead of those granted under the Trust Deed, and therefore the Property Notes (refer to page 22 for more details).

As at 30 September 2003, Prior Charges secured advances totalling \$4.558 million. At that time, under the Trust Deed the Issuer was entitled to grant Prior Charges securing up to \$10.12 million of advances.

In this Investment Statement and the Trust Deed, the Issuer and the Guaranteeing Subsidiaries are together referred to as the "Charging Group".

ACQUISITION OFFER

The Issuer is making an offer to Investors to purchase all parcels of ordinary shares and mortgage bonds issued by the Syndicate Companies in consideration for the issue of Property Notes under the Acquisition Offer.

The Syndicate Companies are as follows:

- Thorndon Property Fund Limited;
- Aorangi Property Fund Limited;
- Takapuna Property Fund Limited;
- 450 Queen Street Limited;
- St Laurence North Harbour Limited;
- Parkwood Properties Limited (each a **Non-Code Company**);
- Penrose Property Fund Limited;
- Wakefield Property Fund Limited;
- Gracefield Property Fund Limited;
- St Laurence 439 Limited;
- Strategic Omega Limited; and

and

- Mt Wellington Industrial Fund Limited; and
- Capital Office Fund Limited (each a **Code Company**).

The Issuer is offering one Property Note having a principal amount of \$1.00 for every \$0.909 of net asset backing (as calculated by reference to the audited financial statements of each Syndicate Company as at 31 March 2003) per parcel of shares and mortgage bonds in the Syndicate Companies as at 31 March 2003. The consideration being offered to Investors is therefore equivalent to a 10% premium to net asset backing.

A summary of the number of Property Notes to be offered for each Syndicate Company parcel, and the total number of Property Notes to be issued based on two different theoretical acceptance levels is as follows:

Syndicate Company	Total Parcels* on issue	Net Asset Backing Per Parcel* 31/3/2003	Consideration (i.e., No. of \$1 Notes per Parcel*)	Total Property Notes issued 100% acceptance	Total Property Notes issued 51% acceptance
Thorndon Property Fund Ltd	1,550	3,133	3,447	5,342,299	2,724,573
Penrose Property Fund Ltd	1,619	4,280	4,708	7,623,014	3,887,737
Aorangi Property Fund Ltd	1,150	6,144	6,759	7,772,937	3,964,198
Wakefield Property Fund Ltd	1,470	3,570	3,927	5,773,267	2,944,366
Takapuna Property Fund Ltd	1,690	4,055	4,461	7,538,999	3,844,889
Gracefield Property Fund Ltd	750	4,857	5,343	4,007,426	2,043,787
450 Queen Street Ltd	2,260	4,066	4,473	10,109,087	5,155,634
St Laurence 439 Ltd	1,470	4,495	4,945	7,269,142	3,707,262
St Laurence North Harbour Ltd	620	4,768	5,245	3,252,101	1,658,572
Strategic Omega Ltd	1,146	4,341	4,776	5,472,812	2,791,134
Parkwood Properties Ltd	1,178	4,364	4,801	5,655,437	2,884,273
Mt Wellington Industrial Fund Ltd	3,260	4,360	4,796	15,636,524	7,974,627
Capital Office Fund Ltd	3,900	2,638	2,902	11,318,152	5,772,258
				96,771,197	49,353,310

* For each of Thorndon Property Fund Limited, Aorangi Property Fund Limited and Capital Office Fund Limited, a "Parcel" is a stapled parcel of 500 shares and 1 mortgage bond having a principal amount of \$4,500. For each of the remaining Syndicate Companies, a "Parcel" is a stapled parcel of 1,000 shares and 1 mortgage bond having a principal amount of \$4,000.



TORY STREET – PENROSE FUND



NZ POST – TAKAPUNA FUND

MINIMUM ACCEPTANCES

There is no minimum level of acceptances required under the Acquisition Offer, except in the case of the two Code Companies, being Capital Office Fund Limited and Mt Wellington Industrial Fund Limited.

The offer to the Investors in each of Capital Office Fund Limited and Mt Wellington Industrial Fund Limited is conditional in each case on the Issuer receiving acceptances from Investors holding a minimum of 50.1% of the shares on issue in the relevant company.

TAKEOVERS CODE

Capital Office Fund Limited and Mt Wellington Industrial Fund Limited are “code companies” under the Takeovers Code. The Issuer is therefore required to comply with the Takeovers Code in respect of the offer to the Investors in each Code Company.

The Takeovers Code requires that the offer be open for at least 30 days and no longer than 90 days (unless the offer is declared unconditional). The Takeovers Code also requires that the offer to the Code Companies be conditional on receiving acceptances in respect of more than 50% of the shares in the Code Companies.



GLOUCESTER ROAD – AORANGI FUND



ST LAURENCE 439 FUND

SUMMARY OF SYNDICATE COMPANIES

Syndicate Company	Properties Owned	Major Tenants	Total assets 31/3/2003 \$'000	Net investors' funds 31/3/ 2003 \$'000	Gross cash return per Parcel pa
Thorndon Property Fund Ltd	Deloitte House, Wellington Conservation House, Rotorua	Deloittes WINZ	\$13,382	\$4,856	5.00%
Penrose Property Fund Ltd	Cain Park, Penrose, Auckland 133 Tory Street, Wellington	Steel Products Freightrite Noel Leeming Big Save Furniture	\$14,425	\$6,930	8.00%
Aorangi Property Fund Ltd	Aorangi House, Thorndon, Wgtn 8 Gloucester Rd, Onehunga, Auck.	Statistics NZ Westpac Properties Ltd	\$11,530	\$7,066	9.45%
Wakefield Property Fund Ltd	234 Wakefield Street, Wellington 15 Ronwood Avenue, Manukau	Shelly Motors Ltd LTSA Aoraki Corporation	\$10,974	\$5,248	6.00%
Takapuna Property Fund Ltd	NZ Post Building, Takapuna 59 Mahunga Drive, Mangere	NZ Post Hallmark Cards NZ Ltd	\$10,964	\$6,853	8.00%
Capital Office Fund Ltd	KPMG Centre, Victoria Street, Wellington IRD Building, Manners Street, Wellington	KPMG ANZ Postbank Department of Courts Inland Revenue Department	\$23,196	\$10,290	5.00%
450 Queen Street Ltd	450 Queen Street, Auckland	WINZ NZ Immigration Dept of Internal Affairs	\$15,194	\$9,189	7.20%
Gracefield Property Fund Ltd	Gracefield Road, Wellington	Linfox Logistics (NZ) Ltd	\$6,256	\$3,643	9.00%
Mt Wellington Industrial Fund Ltd	510 Mt Wellington Highway, Auckland NZ Office Products, Auckland EGL, Airport Oaks, Auckland	Automotive Parts Group Shell NZ Ltd NZ Office Products Eagle Global Logistics	\$25,151	\$14,215	8.50%
St Laurence 439 Ltd	439 East Tamaki Road, Auckland	The Catalogue Studio	\$12,077	\$6,608	9.32%
St Laurence North Harbour Ltd	13 William Pickering Drive, North Harbour	Blue Star Print Group Wellington Drive Tech.	\$5,838	\$2,956	9.00%
Strategic Omega Ltd	Omega Street, Albany The Warehouse, Palmerston North Norman Spencer Drive, Auckland	NZ Couriers Ltd The Warehouse PSM Healthcare Ltd	\$10,509	\$4,975	10.00%
Parkwood Properties Ltd	18 Parkwood Place, East Tamaki 14 Ben Lomond Cres, Pakuranga 49 Station Road, Papatoetoe	Criterion Manufacturing Ltd PSM Healthcare Ltd Freedom Furniture	\$9,008	\$5,141	9.00%

Source: St Laurence Syndicates Annual Report for the year ended 31 March 2003

A five year summary of the financial performance and financial position for each of the Syndicate Companies is set out in the Prospectus.

CASH OFFER

The Issuer is also offering a further 25,000,000 Property Notes for subscription to the public (including Investors) under the Cash Offer with the ability to accept over-subscriptions for up to a further 18,228,800 Property Notes (being a total of 43,228,800 Property Notes under the Cash Offer). The subscription price for the Property Notes offered under the Cash Offer is \$1.00 per Property Note.

The proceeds received from the issue of Property Notes under the Cash Offer may be used to partially repay some of the existing Debenture Stock which matures during 2004, and to fund additional investment and financing opportunities. There is no minimum amount that must be raised from the issue of Property Notes under the Cash Offer.

BENEFITS FOR INVESTORS

FIXED CASH RETURNS

A fixed interest return of 9.00% per annum will be paid on the Property Notes. This equates to a return of 9.90% per annum to Investors in Syndicate Companies on the Syndicate Company net asset backing per Parcel set out in this Investment Statement.

PROSPECT OF CAPITAL GROWTH

Investors who accept the offer and receive Property Notes will have the potential to achieve capital growth upon conversion of the Property Notes to ordinary shares. This would be achieved through the 10% premium under the Acquisition Offer (for Syndicate Company Investors only) and future profits retained within the Issuer.

DIVERSIFICATION

Investors will benefit from exposure to a diversified property investment company with a mix of property related investments. This is particularly relevant to the Investors who accept the Acquisition Offer and currently have a concentrated level of risk in relation to one or a small number of properties.

LIMIT ON EXISTING SHAREHOLDER DIVIDENDS

St Laurence Limited as shareholder will have \$5.25 million of capital ranking behind any unpaid interest on the Property Notes. Under the terms of the Property Notes, St Laurence Limited as shareholder has agreed to limit its gross annual dividend to 9.00% of total shareholders funds as at 30 September 2003 while the Property Notes are on issue. The payment of the dividend will be fully subordinated to the interest payments on all Property Notes on issue, to the effect that in each year no dividend will be paid unless the Issuer has first met its interest payment obligations under the Property Notes.

FINANCIAL SUMMARY

The full prospective financial statements for the Issuer for the six month period to 31 March 2004 and the subsequent full year to 31 March 2005 are included in the Prospectus, together with the assumptions on which the projections have been based.

A summary of actual results to 31 March 2003 (audited) and 30 September 2003 (unaudited) and the prospective financial statements for the periods ended 31 March 2004 and 31 March 2005, prepared in accordance with the Second Schedule to the Securities Regulations 1983 and as set out in the Prospectus, are summarised below:

	31 March 2003 (audited) \$'000 Actual 12 mths	30 Sept 2003 (unaudited) \$'000 Actual 6 mths	31 March 2004 \$'000 Projected 6 mths	31 March 2005 \$'000 Projected 12 mths
STATEMENT OF FINANCIAL PERFORMANCE				
Total Revenue	7,407	5,158	5,116	14,169
Total Interest Expense	(3,354)	(2,173)	(3,061)	(7,792)
Total Operating Expenses	(2,653)	(1,141)	(1,197)	(2,630)
Net Surplus	1,400	1,844	858	3,747
Net surplus after taxation	914	1,844	558	2,447
Unrealised gain on investments	511	65	833	1,318
Net surplus for the year	\$1,425	\$1,909	\$1,391	\$3,765
STATEMENT OF FINANCIAL POSITION				
ASSETS				
Cash	4,970	8,013	10,919	11,326
Loans & Advances	17,668	28,583	35,000	39,500
Investments in subsidiaries	–	–	47,045	47,563
Investment Properties	8,208	15,739	12,000	12,000
Investments	6,961	4,718	9,000	12,000
Other assets	20,013	3,341	2,200	2,270
Total Assets	57,820	60,349	116,164	124,659
LIABILITIES				
Debenture Stock	38,359	43,194	47,364	54,269
Bank loans	14,380	4,558	6,000	7,500
NPV of Note Interest	–	–	19,419	16,020
Other liabilities	1,332	7,347	1,476	1,673
Total Liabilities	54,071	55,099	74,259	79,462
Total Equity	\$3,750	\$5,250	\$41,905	\$45,197

The projections to 31 March 2004 and 31 March 2005 are for the Charging Group, which comprises the Issuer and its Guaranteeing Subsidiaries. It does not include any individual syndicate companies which become subsidiaries of the Issuer under generally accepted accounting principles.

The projections assume that the Issuer acquires 51% of the shares and mortgage bonds in the syndicate companies as part of the Acquisition Offer, raises \$10 million under the Cash Offer, and the issue of Property Notes occurs on 1 January 2004.

DIRECTORS AND MANAGEMENT

DIRECTORS

CURRENT DIRECTORS



KEVIN JOHN PODMORE
B.A., B. COM.
LOWER HUTT

Kevin is the managing director of St Laurence Limited, the parent company of the St Laurence group. He has been primarily responsible for the St Laurence Group's growth, which has seen assets under management grow from nil in early 1994 to over \$550 million today.



AENEAS (MIKE) EDWARD O'SULLIVAN
ANZIV, AREINZ, ANZIM, PLEINZ
WELLINGTON

Mike is a non-executive director of St Laurence Limited. Mike, a registered valuer, established Rolle, one of New Zealand's largest valuation and property consultancy practices. Mike is also a director of St Laurence Limited.

FURTHER DIRECTORS

It is proposed that further directors independent of the St Laurence Group will be appointed to the Board of the Issuer during 2004.

MANAGEMENT



JOHN MALLON
BCA CA

John has day-to-day management responsibility for the Issuer and reports to the Board. He has over 12 years experience in the financial services and investment industry, including senior positions in the corporate trust division of Perpetual Trust Limited and the lending division of BNZ Finance Limited.

Other key St Laurence Limited management involved with the activities of the Issuer are:



PAUL CHAPMAN
BCA, CA
FINANCIAL CONTROLLER

Paul is the Financial Controller for St Laurence Limited and has overall responsibility for the financial reporting, administration, and compliance functions of the group. Paul joined St Laurence in 2001 following 3 years with the Reserve Bank. Prior to that, Paul spent 11 years with international accounting firm, KPMG working in NZ, Europe and Hong Kong.

JOHN MCGILLIVRAY

MANAGER – LENDING

John heads the lending operations for St Laurence Limited and is responsible for all loan portfolios backing St Laurence investment products. John joined St Laurence in November 2001 from BNZ Finance where he held the position of Regional Manager, Central for the property finance unit. John previously held positions with UDC Finance and the TAB.



JOHN CRONE

BA B COM

DIRECTOR – ASSET MANAGEMENT

John joined St Laurence in 1996 and heads the Asset Management team. He has overall responsibility for the management of all properties under St Laurence ownership or management. Prior to joining St Laurence, he was an economic consultant for a substantial Nelson based company. John is a director of St Laurence Assets Management Limited.



JEANETTE BULLEN

MANAGER – INVESTOR SERVICES

Jeanette heads the Investor Services operation of St Laurence and has overall responsibility for servicing the investor and advisor network and sales, marketing and promotion. Jeanette has been with St Laurence since the company commenced operations in 1994 and has been involved in the establishment of all St Laurence investment products.



THE PROMOTER

St Laurence Limited is a New Zealand owned and managed finance and investment company, with its core business activities comprising the promotion and management of syndicated property investments, the provision of property finance, direct property investment and funds management. The business was established in 1994 to provide investments that offer, at minimal risk to investors, a higher return than is available from bank deposits.

St Laurence Limited currently is responsible for the management of in excess of \$550 million of investments for more than 12,000 investors.

St Laurence Limited is the Promoter of this issue of Property Notes. However, neither St Laurence Limited nor the Trustee guarantees the Property Notes or the payment of interest on the Property Notes. The Guaranteeing Subsidiaries do guarantee the Issuer's obligation to pay interest under the Trust Deed.

NO GUARANTEE

None of the Directors, the Investment Manager and Promoter nor (in the case of a company) their respective shareholders, directors, subsidiaries, associates or related companies accept any liability in respect of the Property Notes, nor do they guarantee the Property Notes, the payment of interest on the Property Notes, the Issuer or any other commitment or obligation of the Issuer.

INVESTMENT MANAGER

St Laurence Limited, the parent company of the Issuer, is also the investment manager of the Issuer, appointed under a management agreement dated 15 May 2000, as varied by an agreement dated 29 August 2002. As investment manager, St Laurence Limited has responsibility for the financial administration of the Issuer and the day-to-day management of its assets. The management agreement can only be terminated by the Issuer if St Laurence Limited commits a material default under the terms of that agreement. St Laurence Limited may terminate the management agreement upon 3 months notice in writing to the Issuer.

INVESTMENT STRATEGY

St Laurence Limited, as investment manager, aims to provide investors with attractive income returns and prospects for capital growth through its absolute commitment to strict investment selection criteria, active and experienced management and the maintenance of an efficient organisational structure.

PROPERTY INVESTMENT

Investment property will only be purchased where it enjoys a good location, has quality tenants, attracts a minimum average lease term of at least 4 years (or is in a location attracting good market demand), has a valuation greater than or equal to its purchase price, and is structurally sound. Investment property may also be purchased where there is scope for the Issuer to add value to the investment.

Property development projects may be undertaken directly or through joint venture arrangements with experienced operators, where the returns from the development are attractive and the risks mitigated.

Investments may also be made in selected commercial enterprises that are backed by a significant level of property assets and generate sound investment and cash returns. Where appropriate, the expertise and experience of other operators will be utilised to mitigate operational risks and maintain a sound investment management approach.

LOAN FINANCE

St Laurence Limited's loan criteria centre around providing property finance to borrowers who have an ability to meet interest payments and repay the loans on maturity from either existing cashflow and/or a defined exit strategy.

St Laurence Limited undertakes a financial and risk assessment on all lending propositions. This is similar to the investment appraisal it undertakes on its syndicated property investments. St Laurence Limited analyses, amongst other things, the location of the property, quality of tenants, length of leases and structural soundness to ensure "it would be happy owning the property". Owing to this approach and its syndication expertise St Laurence Limited is often comfortable with lending up to 85% of the current market value of well located, soundly tenanted commercial property.

MANAGEMENT FEE

Under the management agreement, St Laurence Limited is entitled to be paid for its services a base fee equal to 0.5% per annum of total tangible assets, plus GST, and an annual performance fee, plus GST.

To ensure that the Investment Manager's interests are aligned to those of the Issuer, no performance fee is payable to the Investment Manager in any year unless the Issuer's return on shareholders' equity exceeds 10.0% before tax. A fee equal to 15.0% plus GST of the additional return is payable where the return is over 10.0%. The return is calculated by dividing the audited net profit before tax and the base fee by the audited shareholder's equity at the beginning of the financial period.

OPTIONS TO ACQUIRE ORDINARY SHARES

The Issuer has agreed to grant to St Laurence Limited 20,000,000 options to acquire a total of 20,000,000 ordinary shares issued by the Issuer at an issue price of \$1.15 per ordinary share. The options have been issued for a nominal consideration of \$100 and are transferable to any St Laurence Group company or any of their employees.

The options must be exercised on or before 1 December 2009, being the first anniversary date of the Conversion Date. Any options not exercised by 1 December 2009 will expire.

TRUST DEED

SECURITY AND RANKING

The Issuer's obligations in respect of the Property Notes will be secured under a Trust Deed over the assets of the Issuer. The right of Note Holders to be paid interest (subject to the right of the Issuer to suspend interest as detailed on page 32) will be fully subordinated in point of priority behind:

- Debenture Stock and all further Debenture Stock issued by the Issuer from time to time;
- Prior Charges; and
- any other securities issued under the Trust Deed from time to time where those securities are expressed to rank ahead of Property Notes.

As at 30 September 2003, Prior Charges secured advances totalling \$4.558 million. At that time, under the Trust Deed, the Issuer was entitled to grant Prior Charges securing up to \$10.12 million of advances. As at 30 September 2003, Debenture Stock totalling \$43.92 million was outstanding. As at 30 September 2003, the total amount ranking ahead of the Property Notes was \$48.48 million.

TRUSTEE

The Trustee is Perpetual Trust Limited. The Trustee acts independently for all holders of Debenture Stock and Note Holders. The Trust Deed provides that the Charging Group will regularly provide to the Trustee certain reports and certificates to enable the Trustee to monitor compliance.

In relation to the Acquisition Offer only, the Trustee has provided a waiver of the covenants in clauses 6.3(g) and 6.3(h) of the Trust Deed (relating to permitted levels of investment in syndicated property investments and unlisted equity securities) to allow the Issuer to breach those covenants on the basis that the Trustee is satisfied that the anticipated breach of those covenants will not materially prejudice the interests of existing holders of Debenture Stock.

FINANCIAL RATIOS

Pursuant to the Trust Deed, the Issuer and the Guaranteeing Subsidiaries must comply with certain financial ratios and other covenants. A summary of these is set out in the Prospectus.

Under the Trust Deed, the Issuer has the ability to have a level of borrowing that may be considered higher than other finance companies in New Zealand. Furthermore, some financial ratios may also be generally considered less stringent.

GUARANTEEING SUBSIDIARIES

The obligations of the Issuer under the Trust Deed (including the obligation to pay interest on the Property Notes) are guaranteed by the Guaranteeing Subsidiaries. The Guaranteeing Subsidiaries do not guarantee the repayment of the principal amount of the Property Notes. The principal amount of the Property Notes will not be repaid in cash.

As "Charging Companies" under the Trust Deed, the Guaranteeing Subsidiaries have entered into supplemental trust deeds in which they unconditionally guarantee to the Trustee the obligations of the Issuer and charge all of their assets as security for that guarantee in accordance with the Trust Deed.

The obligations of the Issuer are not guaranteed by any other member of the St Laurence Group or the Trustee.

As at the date of this Investment Statement, the Issuer and the Guaranteeing Subsidiaries are the only members of the “Charging Group”. The Issuer has covenanted with the Trustee that as soon as possible after a new subsidiary is formed or acquired, it will become a guarantor and “Charging Company” (as defined in the Trust Deed), unless otherwise agreed by the Trustee.

The Trustee has agreed that any Syndicate Companies in which the Issuer acquires a shareholding of greater than 50% will remain outside the Charging Group under the Trust Deed unless 100% of the shares are acquired.

HOW TO INVEST

ACQUISITION OFFER

Investors in the Non-Code Companies who accept the Acquisition Offer will be issued with Property Notes following receipt by the Issuer of the completed acceptance form enclosed with the Offer Documents (the **Acceptance Form**), in accordance with the terms of the offer set out in the relevant Offer Document.

Investors in the Code Companies will be issued with Property Notes either following receipt by the Issuer of the completed Acceptance Form or following the date on which the offer to purchase the shares and mortgage bonds in the relevant Code Company is declared unconditional, whichever is the later, in accordance with the terms of the offer set out in the relevant Offer Document.

The completed Acceptance Form should be forwarded to:

ST LAURENCE PROPERTY & FINANCE LIMITED
C/- COMPUTERSHARE INVESTOR SERVICES LIMITED
159 HURSTMERE ROAD
TAKAPUNA
PRIVATE BAG 92119
AUCKLAND 1020

CASH OFFER

The minimum amount which can be invested in Property Notes under the Cash Offer is \$1,000. This may be increased in multiples of \$100.

Applications to invest under the Cash Offer must be made on the application form set out in this Investment Statement (the **Application Form**). Payment in full must accompany all applications.

Cheques should be made payable to St Laurence Property & Finance Limited and crossed "not transferable – account payee only".

The completed Application Form should be forwarded to:

ST LAURENCE PROPERTY & FINANCE LIMITED
C/- COMPUTERSHARE INVESTOR SERVICES LIMITED
159 HURSTMERE ROAD
TAKAPUNA
PRIVATE BAG 92119
AUCKLAND 1020

The Issuer may reject or scale back any application for Property Notes under the Cash Offer without giving a reason.

Where no allotment is made to an investor or where the allotment is less than the amount applied for, the surplus application money will be returned to the investor, without interest, promptly following the closing date for the Note Offer.

Where an application for Property Notes under the Cash Offer is accepted, investors will be issued with Property Notes on the initial allotment date of 1 December 2003 or, where Application Forms are received and processed after 1 December, within seven days following receipt by the Issuer of the completed Application Form.

ANSWERS TO IMPORTANT QUESTIONS

1. WHAT SORT OF INVESTMENT IS THIS?

The securities being offered under the Acquisition Offer and the Cash Offer are Property Notes having a principal amount of \$1.00 each. The Property Notes are convertible debt obligations of the Issuer. On the Conversion Date, the Property Notes automatically convert into ordinary shares in the Issuer, which rank *pari passu* with all other ordinary shares.

The Issuer is offering a maximum of 140,000,000 Property Notes for subscription by investors. The Property Notes offered are to be allocated as follows:

- 96,771,197 Property Notes are being offered to Investors under the Acquisition Offer.
- 25,000,000 Property Notes are being offered to members of the public (including Investors) for subscription under the Cash Offer, with the ability to accept over-subscriptions for up to a further 18,228,800 Property Notes (being a total of 43,228,800 Property Notes under the Cash Offer).

The Property Notes issued under the Acquisition Offer are being offered to Investors in exchange for the transfer of the shares and mortgage bonds issued by the Syndicate Companies. The Property Notes offered under the Acquisition Offer will be issued to Investors who accept that offer in the amounts and ratios described in the table set out on page 13.

The Issuer is offering one Property Note with a principal amount of \$1.00 for each \$0.909 of the net asset backing per parcel of shares and mortgage bonds in each Syndicate Company as at 31 March 2003. The offer price payable by the Issuer to the Investors is therefore equivalent to a 10% premium to that net asset backing.

Although the Property Notes are debt securities and the interest paid is treated as such for taxation purposes until conversion, they convert automatically into ordinary shares in the Issuer on the Conversion Date and the principal amount is not repayable in any circumstances.

The Property Notes will be converted into ordinary shares in the Issuer on the Conversion Date (1 December 2008). However, conversion will occur earlier in the event of the liquidation of the Issuer.

The consideration received for the Property Notes issued under the Acquisition Offer will comprise shares and mortgage bonds issued by the Syndicate Companies. The exact number of Property Notes issued under the Acquisition Offer will depend upon the number of acceptances received under the Acquisition Offer.

The consideration received for the Property Notes issued under the Cash Offer will comprise cash. That cash will be used by the Issuer to fund its ongoing investment and financing activities.

MAIN TERMS AND CONDITIONS

The main terms and conditions of the Property Notes are as follows:

INTEREST UNTIL CONVERSION

The Issuer will pay interest in arrears on the principal amount of the Property Notes at a fixed rate of 9.00% per annum. Interest will accrue daily from the date of issue of the Property Notes and will be paid quarterly on the last business day of February, May, August and November.

The first interest payment (for the period from the relevant issue date of each Property Note to, but excluding, 27 February 2004) is scheduled to be paid on 27 February 2004.

The interest rate on the Property Notes is fixed and will not change from the time of issue until conversion. The Issuer may, in certain limited circumstances, suspend interest payments without causing an event of default. Further details about suspension of interest payments is set out on page 32.

TERM UNTIL CONVERSION

The term of the Property Notes is approximately 5 years unless conversion is accelerated due to the Issuer being liquidated.

In the event of the liquidation of the Issuer before the Conversion Date, all Property Notes will convert into ordinary shares.

CONVERSION

The Property Notes will convert into ordinary shares in the Issuer on the basis of one ordinary share for each Property Note held (subject to adjustment to preserve Note Holders' conversion entitlements). The Property Notes will convert into ordinary shares in the Issuer and ordinary shares issued on conversion will rank *pari passu* with all other ordinary shares. Ordinary shares issued on conversion will not carry any rights to dividends or other entitlements declared prior to the Conversion Date.

The Property Notes must convert into ordinary shares in the Issuer. The principal amount will not be repayable in cash.

SECURITY AND RANKING

The Property Notes have the benefit of shared security held by the Trustee under the Trust Deed, as described on pages 22 and 27 to the extent of interest accrued and unpaid.

If an event of default occurs under the Trust Deed and the Trustee enforces the security held under the Trust Deed, amounts owing to Note Holders (i.e., interest amounts accrued and unpaid) will have the benefit of security held by the Trustee.

Events of default include default by the Issuer in the payment of any amounts owing to holders of Debenture Stock or Note Holders (other than in respect of interest that is suspended as described on page 32). A summary of the events of default are set out in the Prospectus.

Property Notes only convert into ordinary shares on the Conversion Date or the earlier liquidation of the Issuer. The occurrence of an event of default does not trigger conversion of the Property Notes into ordinary shares (except for the earlier liquidation of the Issuer).

A full description of the circumstances in which the Trustee may enforce the security under the Trust Deed is described in the Terms of the Property Notes and the Trust Deed.

As security for its obligations under the Trust Deed the Issuer has granted the Trustee a general security interest over all its assets and undertakings. These obligations are also guaranteed by the Guaranteeing Subsidiaries. Pursuant to the Trust Deed, the Issuer has in

respect of certain of its assets, granted Prior Charges. The Trustee holds the general security interest for the benefit of:

- the holders of Debenture Stock issued by the Issuer; and then
- Note Holders with respect to amounts of interest accrued but unpaid.

The right of Note Holders to be paid interest (subject to the right of the Issuer to suspend interest as detailed on page 32) will be fully subordinated in point of priority behind:

- Debenture Stock and all further Debenture Stock issued by the Issuer from time to time;
- Prior Charges; and
- any other securities issued under the Trust Deed from time to time where those securities are expressed to rank ahead of Property Notes.

Ordinary shares in the Issuer that are issued on conversion will rank *pari passu* with all other ordinary shares and rank behind all creditors of the Issuer.

The terms of the Property Notes are set out in the Prospectus.

SHARES

As noted above, the Property Notes convert into ordinary shares of the Issuer. An ordinary share will give the holder:

- the right to one vote on a poll, on any resolution, at a meeting of the shareholders of the Issuer to:
 - appoint or remove a director or auditor;
 - adopt or alter the Issuer's constitution;
 - approve a major transaction;
 - approve an amalgamation of the Issuer under section 221 of the Companies Act; and
 - put the Issuer into liquidation;
- the right to a pro-rata share of any dividends authorised by the Directors; and
- the right to a pro-rata share in the distribution of the surplus assets of the Issuer.

Dividends on ordinary shares (if any) will be declared at the discretion of the Board.

Detailed provisions relating to the terms of the shares are set out in the Issuer's constitution. The constitution can be inspected at the Issuer's registered office or online at www.companies.govt.nz.

2. WHO IS INVOLVED IN PROVIDING IT FOR ME?

The Issuer of the Property Notes is:

ST LAURENCE PROPERTY & FINANCE LIMITED
LEVEL 5, 138 THE TERRACE
WELLINGTON
NEW ZEALAND.

The directors are:

KEVIN JOHN PODMORE
B.A., B. COM
LOWER HUTT

AENEAS (MIKE) EDWARD O'SULLIVAN
ANZIV, AREINZ, ANZIM, NZPI
WELLINGTON

The Directors may be contacted c/- the Issuer at the address noted above.

The Promoter of the Note Offer is:

ST LAURENCE LIMITED
LEVEL 5, 138 THE TERRACE
WELLINGTON.

St Laurence Limited is also the Issuer's investment manager.

The directors of St Laurence Limited are Kevin Podmore and Aeneas (Mike) Edward O'Sullivan. These Directors are not promoters because they are also Directors of the Issuer.

The Trustee is:

PERPETUAL TRUST LIMITED
LEVEL 5, PERPETUAL TRUST HOUSE
111-115 CUSTOMHOUSE QUAY
WELLINGTON.

ACTIVITIES

The Issuer is an active property investment company and was incorporated under the Companies Act 1993 on 27 April 2000 (as a wholly-owned subsidiary of St Laurence Limited (now holding 5.25 million ordinary shares)). See pages 7 to 10 for further details of the activities of the Issuer.

3. WHAT WILL THIS COST ME?/HOW MUCH DO I PAY?

ACQUISITION OFFER

Under the Acquisition Offer, the Issuer is offering to acquire from Investors all of the shares and mortgage bonds issued by each Syndicate Company. Investors who accept the Acquisition Offer will receive, in consideration for the transfer to the Issuer of their shares and mortgage bonds issued by the Syndicate Companies, the number of Property Notes in the ratios set out below. The offers being made to Investors in Code Companies are subject to a minimum acceptance condition (described on page 14 and set out in the Offer Documents relating to the Code Companies). The offers being made to Investors in Non-Code Companies are unconditional. No cash sums are payable by subscribers for Property Notes under the Acquisition Offer.

Syndicate Company	Total Parcels on issue	Net Asset Backing Per Parcel 31/3/2003	Consideration (i.e., No. of \$1 Notes per Parcel)
Thorndon Property Fund Ltd	1,550	3,133	3,447
Penrose Property Fund Ltd	1,619	4,280	4,708
Aorangi Property Fund Ltd	1,150	6,144	6,759
Wakefield Property Fund Ltd	1,470	3,570	3,927
Takapuna Property Fund Ltd	1,690	4,055	4,461
Gracefield Property Fund Ltd	750	4,857	5,343
450 Queen Street Ltd	2,260	4,066	4,473
St Laurence 439 Ltd	1,470	4,495	4,945
St Laurence North Harbour Ltd	620	4,768	5,245
Strategic Omega Ltd	1,146	4,341	4,776
Parkwood Properties Ltd	1,178	4,364	4,801
Mt Wellington Industrial Fund Ltd	3,260	4,360	4,796
Capital Office Fund Ltd	3,900	2,638	2,902

To accept the Acquisition Offer, you should complete the Acceptance Form enclosed with the Offer Documents and this Investment Statement in accordance with the instructions set out on that form. You should then deliver or mail that Acceptance Form to:

ST LAURENCE PROPERTY & FINANCE LIMITED
C/- COMPUTERSHARE INVESTOR SERVICES LIMITED
159 HURSTMERE ROAD
TAKAPUNA
PRIVATE BAG 92119
AUCKLAND 1020

If you have sold all your shares and mortgage bonds issued by a Syndicate Company or Companies please return the Offer Document, this Investment Statement and all enclosures (including the Acceptance Form) immediately to Computershare Investor Services Limited at the address set out above.

If you have sold some of your shares and mortgage bonds issued by a Syndicate Company or Companies, please alter the total holding on the Acceptance Form to the number of shares and mortgage bonds which you have retained and forward the amended Acceptance Form to Computershare Investor Services Limited at the address stated above.

Upon receipt of the amended Acceptance Form, the Issuer will recalculate the number of Property Notes comprising your consideration, to reflect the number of shares and mortgage bonds sold by you.

Instructions on how to accept the Acquisition Offer are also set out in the Offer Documents under the section entitled "How to Accept This Offer".

The Issuer will issue Property Notes within seven days of receipt of a completed Acceptance Form and, in the case of the offers to Investors in the Code Companies, within seven days of the offer to the Code Company Investors being declared unconditional.

CASH OFFER

The Issuer is also offering Property Notes to the public in New Zealand for subscription under the Cash Offer. The consideration to be paid by subscribers for Property Notes under the Cash Offer is \$1.00 per Property Note.

Each application for Property Notes under the Cash Offer must be for a minimum of 1,000 Property Notes (a total issue price of \$1,000), and then in multiples of 100 Property Notes, (multiples of \$100).

To accept the Cash Offer, you should complete the Application Form attached to this Investment Statement in accordance with the instructions set out in the Application Form. All cheques must be made payable to St Laurence Property & Finance Limited and crossed "Not transferable, account payee only". You should then deliver or mail the Application Form to:

ST LAURENCE PROPERTY & FINANCE LIMITED
C/- COMPUTERSHARE INVESTOR SERVICES LIMITED
159 HURSTMERE ROAD
TAKAPUNA
PRIVATE BAG 92119
AUCKLAND 1020

The Issuer reserves the right to reject any application, either in whole or in part, without giving any reason and, in the event that the Cash Offer is over-subscribed, the Issuer may scale down applications as it sees fit.

Where no allotment is made to an applicant for Property Notes under the Cash Offer or where the number of Property Notes allotted to an applicant is less than the number applied for, the surplus application money will be returned to the applicant within five business days of the application being rejected.

An application will constitute an irrevocable offer by the applicant to acquire the number of Property Notes specified in the Application Form (or such lesser number of Property Notes as the Issuer may determine) on the terms and conditions set out in this Investment Statement, the Prospectus and the Application Form.

Applications will be accepted or rejected in whole or in part on the day of receipt by the Registrar (or the first business day after that day if it is not a business day).

When an application is accepted (in whole or in part), the Registrar will present for payment the cheque accompanying the application and the Issuer will issue Property Notes to the successful applicant, subject to the cheque being cleared, within seven days.

If the Issuer accepts an application in part, the Registrar will refund the balance of the amount received on application (without interest) on the date of issue of the Property Notes to the applicant.

Where an application is rejected in whole, the Registrar will return the cheque accompanying the application, and advise the applicant that the application has not been accepted.

4. WHAT ARE THE CHARGES?

BROKERAGE

No brokerage is to be paid by you pursuant to the Acquisition Offer or the Cash Offer.

The Issuer will pay brokerage to investment advisers and brokers only in respect of Property Notes issued under the Cash Offer at a rate of 3% of subscription funds for Property Notes issued under the Cash Offer.

Should you wish to sell any Property Notes once issued to you, you may be required to pay brokerage charges to the broker or other intermediary who organises such sale for you (such charges are set by the broker or intermediary).

NO CHARGES OR FEES

You will not be required to pay any charges or fees to the Issuer, the Promoter, or any other party in connection with the Note Offer. The Issuer will pay all its costs in connection with the Note Offer.

The Issuer has agreed to pay an arrangement and promotion fee to the Promoter of \$150,000.

In accordance with the Management Agreement dated 15 May 2000 and as amended by deed of variation dated 29 August 2002, the Issuer is required to pay management fees to the Investment Manager (who is also the Promoter). Details of the management fees are set out on page 21 of this Investment Statement.

5. WHAT RETURNS WILL I GET?

The information below should be read in conjunction with the information set out on pages 34 to 36 under “What Are My Risks”. Certain events could reduce or eliminate the returns intended to be derived from holding Property Notes.

The returns on Property Notes comprise interest payments and any amounts received from the sale of Property Notes. Following conversion of the Property Notes into ordinary shares, those ordinary shares will participate in any dividend declared by the Issuer.

The key factors that will determine the amount of any returns on the Property Notes are gains and losses in the market value of the Property Notes and interest payments paid by the Issuer. Each of these factors are discussed below.

The person legally liable to pay the interest payments on the Property Notes and, following conversion on the Conversion Date, pay any dividends declared on the ordinary shares is the Issuer.

INTEREST PAYMENTS

Returns on the Property Notes will include interest paid by the Issuer. The Issuer will pay a fixed rate of interest of 9.00% per annum on the Property Notes. Interest will accrue daily from the date of issue on the basis of a 365 day year.

The first interest payment date will be 27 February 2004. Thereafter, interest will be paid quarterly in arrears in four equal instalments on the last business day of February, May, August and November of each year during the term of the Property Notes. Interest will also be paid on the date of conversion (for the period from and including the previous interest payment date to, but excluding, the date of conversion).

Each payment of interest due on a Property Note will be paid to the person who is registered as the holder of that Property Note at 5.00 pm on the Friday which most closely precedes the due date for payment and which is at least 10 business days before the due date for payment (or if that Friday is not a business day, the next business day).

Interest will be paid by direct credit to the bank account detailed on the Acceptance Form or Application Form.

The Issuer is entitled to suspend interest payments on the Property Notes where, by paying that interest, the Issuer would be likely to breach the “solvency test” set out in the Companies Act 1993, be unable to make any payment or comply with any covenant, warranty or undertaking made for the benefit of holders of Debenture Stock or holders of Prior Charges, or be unable to meet any other legal obligation of the Issuer.

The Issuer will promptly notify the Trustee and send written notice to Note Holders if it will not make payment of interest on the Property Notes when due. While the payment of interest is suspended, no dividends may be paid on ordinary shares.

As with all investments, the returns received by investors, including interest payments on the Property Notes are dependent upon the issuing company’s financial performance. In particular, obligations to the holders of Prior Charges, and the holders of Debenture Stock may affect returns on the Property Notes. This is discussed further below in the section “What are my risks”.

TAX

All investors should seek their own taxation advice regarding the taxation consequences of investing in Property Notes, including the consequences of receiving interest. Please note that the discussion of tax matters in this Investment Statement refers to current taxation laws and these laws may change at anytime.

New Zealand taxes may affect any returns to you. Resident withholding tax will be deducted at the appropriate rates from the interest payable on the Property Notes to investors who are either resident in New Zealand for income tax purposes or carrying on business in New Zealand through a fixed establishment here. For Note Holders who do provide their IRD numbers, the rate of resident withholding tax is 19.5%. For Note Holders who do not provide their IRD numbers, the rate of resident withholding tax for interest paid is 39%.

Note Holders who provide their IRD numbers may elect to have resident withholding tax deducted at a rate of 33% or 39%.

No resident withholding tax is deductible under current legislation where the Note Holder provides a copy of a resident withholding tax exemption certificate.

A deduction for either New Zealand non-resident withholding tax or the approved issuer levy will be made from all quarterly payments of interest to an investor who is not resident in New Zealand for income tax purposes and not carrying on business in New Zealand through a fixed establishment here. The rate of non-resident withholding tax will be either 15% or such lower rate as is applicable under any double tax agreement to which New Zealand and the country of residence of the investor are parties. The approved issuer levy is currently 2%.

SALE OR TRANSFER OF PROPERTY NOTES

The Property Notes may be sold or transferred to a third party. As in all markets, the price of Property Notes may rise or fall depending on a number of factors (including economic factors, the availability of information to the potential investors and the liquidity of that market) and that price may be more or less than the underlying value of the Property Notes. For further information, see “How do I Cash in My Investment?”

Generally, where Property Notes are acquired as an investment, investors will not be taxed on gains from a subsequent sale of those Property Notes unless the investor is in the business of dealing in such investments or acquired the Property Notes with the purpose of sale or where the sale is part of a profit making undertaking or scheme.

SHARES

DIVIDENDS ON SHARES

The Property Notes will convert into shares of the Issuer on the Conversion Date. Dividend payments on the shares following the conversion of the Property Notes into shares (if any) will be at the discretion of the Board.

SALE OR TRANSFER OF SHARES

If shareholders choose to sell any shares (following the conversion of the Property Notes into shares) their return will depend on a number of factors, many of which are not within the Issuer’s control.

Some factors which may have an influence on the Issuer’s share price are:

- The Issuer’s future earnings and cashflows from all its business activities;
- The returns to the Issuer from its investment in the Syndicate Companies;
- The level of New Zealand interest rates;
- The performance of the New Zealand economy;
- The performance of world stockmarkets including the NZX; and
- The level of supply and demand for the properties owned and services provided by the Issuer.

NO GUARANTEE OF SECURITIES

No person (including the Issuer) is liable to repay the principal amount of the Property Notes and, accordingly, none of the Guaranteeing Subsidiaries are “guaranteeing subsidiaries” for the purposes of the Securities Regulations 1983.

However, the obligations of the Issuer under the Trust Deed in respect of the Property Notes (being principally the obligation to pay interest on the Property Notes) are guaranteed by the Guaranteeing Subsidiaries (SL Security Holdings Limited, Mahunga Properties Limited, Three Kings Lessor Limited, SL 255 Limited, SL Heritage No. 2 Limited and SL Project Capital Limited) but not guaranteed by any other member of the St Laurence Group or the Trustee. The Guaranteeing Subsidiaries have entered into supplemental trust deeds in which they unconditionally, and without limitation, guarantee the obligations of the Issuer and charge all of their assets as security for that guarantee in accordance with the Trust Deed.

Apart from the Guaranteeing Subsidiaries guaranteeing the Issuer's obligations under the Trust Deed, none of the Issuer, the Promoter, nor any other person, guarantees the Property Notes, or the payment of interest or any other form of income or returns thereon.

An amount of returns on the Property Notes (whether by way of interest or return on a sale of Property Notes) is not promised or guaranteed by any person.

6. WHAT ARE MY RISKS?

No investment is risk free and the Property Notes are no exception. The major risk to an investor is that of being unable to recover the value of the consideration provided for the Property Notes under the Acquisition Offer, or the amount paid for Property Notes under the Cash Offer. This could occur for a number of reasons including:

- the price at which the Property Notes can be sold is less than the value of the consideration provided or the amount paid for such Property Notes;
- the market for the Property Notes is illiquid or ceases to exist;
- following conversion, the price at which ordinary shares of the Issuer can be sold is less than the value of the consideration provided or the amount paid for the Property Notes;
- following conversion, the market for ordinary shares of the Issuer is illiquid or ceases to exist; or
- the Issuer is placed into receivership or liquidation.

In addition, Note Holders may not receive the stated return (being the interest payments described on pages 31 to 32) on the Property Notes. The Issuer is entitled to suspend interest payments on the Property Notes where, by paying that interest, the Issuer would be likely to breach the "solvency test" set out in the Companies Act 1993, be unable to make any payment or comply with any covenant, warranty or undertaking made for the benefit of holders of Debenture Stock or holders of Prior Charges, or be unable to meet any other legal obligation of the Issuer.

Set out under the headings below are a number of risks that may adversely affect the business of the Issuer and, in turn, the Note Holders and ordinary shareholders. If such risks eventuate, the trading price or value of the Property Notes could decline, and you may lose all or part of your investment. In addition, investors might not receive all, or any, of the interest payments described on pages 31 to 32.

There is no risk of an investor being required to pay more money in respect of the Property Notes than that disclosed in this Investment Statement. The ordinary shares to be issued on conversion of the Property Notes will be fully paid and rank *pari passu* with all other ordinary shares.

RISKS OF AN INVESTMENT IN THE ISSUER

GENERAL

As noted above, investors could suffer loss of interest return and amount invested if the Issuer becomes insolvent for any reason. The main situations where the Issuer might become insolvent are where:

- payments of either interest or principal in respect of loans or investments made by the Issuer are not made when due; or
- the security held by the Issuer for loans or investments made by it is not sufficient for any reason, and does not cover the amount of principal and interest owed to the Issuer; or
- a significant decrease in the rate of return on the Issuer's securities investments, including the investment in the Syndicate Companies, occurs; or
- the tenants of the properties owned by the Issuer, or its subsidiaries, do not pay their rent; or
- the interest rate payable on any loan facilities taken out by the Issuer, or its subsidiaries, is increased, or the loan is refinanced at a higher interest rate than is currently being paid; or
- all of its paid up capital has been used in payment of any shortfall suffered by the Issuer, for example by way of a fall in the value of securities owned by the Issuer, or in the value of property owned by it, as a result of market demand; or
- there is an unforeseen event that has a materially adverse impact on the Issuer or its assets and operations, including acts of God, new legislation or regulations that impose additional costs on it, or a downturn in the New Zealand or Australian economy or property market.

The Issuer has entered into various covenants with the Trustee in the Trust Deed, which are designed to ensure that it will have sufficient funds to meet its interest payment obligations to holders of Debenture Stock and Note Holders and ensure it has sufficient funds to redeem Debenture Stock. The key covenants are described in the Prospectus.

SUBORDINATED RANKING

Under the Trust Deed and the Terms of the Property Notes, Property Notes rank behind holders of Prior Charges and holders of Debenture Stock issued from time to time and any other securities issued under the Trust Deed from time to time where those securities are expressed to rank ahead of the Property Notes.

RISKS RELATING TO AN INVESTMENT IN THE SYNDICATE COMPANIES

All Investors in Syndicate Companies are currently exposed to the risks of investment in a Syndicate Company or Companies. Following the close of this Note Offer, the Issuer will also be exposed to the risks of investment in the Syndicate Companies. Some of the specific risks include tenant default, reductions in rental income, unexpected significant capital expenditure or a reduction in the value of the properties owned by the Syndicate Companies.

RISKS RELATING TO ORDINARY SHARES ON CONVERSION

The Property Notes convert into ordinary shares of the Issuer on the Conversion Date or the earlier liquidation of the Issuer. Some of the specific risks relating to the shares issued on conversion are set out below.

The Issuer's shares you receive on conversion will be fully paid and you will not be liable to pay any money to any person at any time once your Syndicate Company securities (provided by way of consideration under the Acquisition Offer) or the cash consideration (in the case of the Cash Offer) have been transferred to the Issuer, including on the insolvency of the Issuer. You may, however, receive equivalent value on conversion that is less than the amount paid for the Property Notes.

VALUE AT CONVERSION

Note Holders will be issued one ordinary share in the Issuer for each Property Note held on conversion, regardless of the value of the Issuer's shares at that time (subject to adjustment for capital restructuring). The value of the shares at that time may be less than the current net asset backing of the shares being \$1.00 per share.

FUTURE PERFORMANCE

The Issuer cannot guarantee the returns on, or future value of, the shares that are issued on conversion.

ORDINARY SHARES UNSECURED

The ordinary shares in the Issuer are unsecured and rank behind all creditors of the Issuer.

CONSEQUENCES OF INSOLVENCY

In the event of the Issuer being put into liquidation or otherwise removed from the register:

- claims of prior ranking lenders, being the entities to which Prior Charges have been granted, the claims set out in the Seventh Schedule to the Companies Act 1993 (the main claims being in general terms, some unpaid salaries and wages and tax payable) and any other claims preferred by law will all rank ahead of the claims of investors including claims by holders of Debenture Stock and Note Holders;
- claims of the holders of Debenture Stock will rank equally between themselves and ahead of the Property Notes and unsecured claims (with the exception of those Seventh Schedule claims referred to above) and claims by the shareholders in the Issuer; and
- claims of Note Holders to unpaid interest will rank equally between themselves and ahead of the claims of unsecured creditors (with the exception of those referred to above) and the claims of the shareholders in the Issuer.

On liquidation, Property Notes will be converted into shares. Subscribers for Property Notes will not be liable to pay money to any person as a result of the insolvency of the Issuer. All creditors of the Issuer will rank ahead of claims by shareholders if the Issuer is liquidated. After all creditors have been paid, in the event of insolvency or liquidation of the Issuer, remaining assets of the Issuer (if any) will be available for distribution between all the holders of the Issuer's shares who will rank equally amongst themselves.

7. CAN THE INVESTMENT BE ALTERED?

The rights attaching to the Property Notes are set out (in summary form) under the heading "What sort of investment is this?" and in the Terms of the Property Notes. These rights may be altered by an amendment to the Trust Deed or the Terms of the Property Notes or in certain circumstances by Court order. In general, any material amendments to the Trust Deed require approval by a "special resolution" (being approval by a majority of 75% of investors entitled to vote and voting) of holders of Debenture Stock and Note Holders. In general, material amendments to the Terms of the Property Notes require approval by special resolution of the Note Holders.

The Trust Deed provides that the Trustee may in certain circumstances, without the consent of investors, concur with the Issuer in making modifications or additions to the Trust Deed

or to the terms and conditions of the Property Notes. Before making any modification or amendment, the Trustee must be satisfied that it is not likely to have a material adverse effect on the Issuer and is not materially prejudicial to the interests of investors generally.

Under the Terms of the Property Notes, any action by the Issuer which affects the rights attached to the Property Notes would require the approval of a special resolution of Note Holders.

The Trustee and the Issuer have agreed to adopt regulations under the Trust Deed relating to the rights of holders of different classes of securities to attend and vote at meetings under the Trust Deed.

The rights attaching to the shares are governed by the Issuer's constitution adopted on 12 November 2003. That constitution may be altered by a special resolution of shareholders, subject to the rights of interest groups under the Companies Act 1993, or in certain circumstances by Court order. Section 117 of the Companies Act 1993 restricts a company from taking any action which affects the rights attached to the shares unless that action has been approved by a special resolution of shareholders whose rights are affected by the action. Under certain circumstances, a shareholder whose rights are affected by a special resolution may require the Issuer to purchase its shares.

8. HOW DO I CASH IN MY INVESTMENT?

On the Conversion Date the Property Notes convert into ordinary shares in the Issuer and will rank *pari passu* with all other shares (including those held by St Laurence Limited). On conversion, Note Holders will be issued one ordinary share for each Property Note held (subject to adjustment to preserve Note Holders' conversion entitlements).

The principal amount of the Property Notes will not be repaid in cash.

Property Notes can be sold (and purchased) in multiples of 100 Property Notes through private transactions or through an informal secondary market to be administered by the Issuer. However, in the opinion of the Issuer, at the date of this Investment Statement there is no established market for Property Notes.

In the event that Property Notes are sold privately then investors should note that when a sale is negotiated the price may be greater than, equal to, or less than their original investment.

Listing of the Property Notes on the NZX is not being sought. However, listing of the Property Notes in the future will be given active consideration by the Directors, having regard to the interests of Note Holders and the Issuer generally.

No transfer of Property Notes will be registered by the Issuer during the 10 business days immediately preceding an interest payment date or the Conversion Date, or if it would result in the buyer or the seller holding less than 200 Property Notes.

The Issuer is not obliged to buy the Property Notes back from Note Holders.

No charges are payable to the Issuer in respect of any sale of your Property Notes, although sales made through a sharebroker or any other intermediary may incur brokerage fees.

9. WHO DO I CONTACT WITH ENQUIRIES ABOUT MY INVESTMENT?

Enquiries about Property Notes should be directed to:

THE MANAGER – INVESTOR SERVICES
ST LAURENCE PROPERTY & FINANCE LIMITED
LEVEL 5, 138 THE TERRACE
PO BOX 1894
WELLINGTON
FREEPHONE: 0800 499-321

10. IS THERE ANYONE TO WHOM I CAN COMPLAIN IF I HAVE PROBLEMS WITH THE INVESTMENT?

Complaints about Property Notes should be directed to:

THE MANAGER
ST LAURENCE PROPERTY & FINANCE LIMITED
LEVEL 5, 138 THE TERRACE
PO BOX 1894
WELLINGTON
FREEPHONE: 0800 499-321

Complaints about Property Notes can also be directed to the Trustee:

CORPORATE SERVICES MANAGER
PERPETUAL TRUST LIMITED
LEVEL 5, PERPETUAL TRUST HOUSE
111-115 CUSTOMHOUSE QUAY
PO BOX 3845
WELLINGTON
PHONE: (04) 470-9600

There is no ombudsman for this type of investment and therefore no complaints can be made to an ombudsman.

11. WHAT OTHER INFORMATION CAN I OBTAIN ABOUT THIS INVESTMENT?

The Offer Documents which accompany this Investment Statement contain full details about the terms of the Acquisition Offer.

Further details about the terms of this Note Offer, the Property Notes and the Issuer are contained in the Prospectus and in the Issuer's annual financial statements. The Prospectus, the Issuer's financial statements, and other documents relating to the Issuer are filed on a public register at the Companies Office of the Ministry of Economic Development which can be viewed at any time on the Companies Office website at www.companies.govt.nz. Where the relevant documents are not available on the website, a request for the documents can be made by contacting the Companies Office Contact Centre on 0508 266 726 (fees apply).

In addition, investors may obtain a copy of the Prospectus and a copy of the most recent financial statements of the Issuer, free of charge, from the Issuer at its address appearing under the heading "Who do I contact with enquiries about my investment?".

All holders of Property Notes on the relevant record date will be sent the annual report of the Issuer.

The Issuer's constitution contains information relating to the rights of shareholders. A copy is kept on the public file of the Issuer and is available for inspection on the Companies Office website at www.companies.govt.nz or at the Issuer's offices at its address appearing under the heading "Who do I contact with enquiries about my investment?"

ON REQUEST INFORMATION

On request, investors are also entitled to receive from the Issuer:

- a copy of the last annual report, when available;
- a copy of the most recent financial statements required to be registered under the Financial Reporting Act 1993, together with all documents that are required to be registered with those financial statements;
- a copy of the Trust Deed (incorporating or together with all amendments made to it);
- a comparison of the actual results of the Issuer against the prospective financial information;
- a copy of the prospectus for the Note Offer; and
- a copy of an investor's entry in the Property Note register.

A request for any of this information may be made to the Issuer at the address appearing under the heading "Who do I contact with enquiries about my investment?"

GLOSSARY

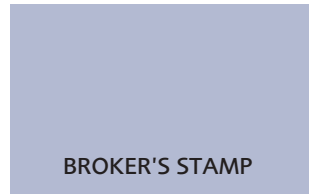
In this Investment Statement, unless the context otherwise requires:

Acquisition Offer	means the offer by the Issuer to each of the investors in the Syndicate Companies for the issue of up to 96,771,197 Property Notes as the consideration under offers to investors in the Syndicate Companies to acquire up to 100% of the shares and mortgage bonds in the Syndicate Companies;
Board	means the board of directors of the Issuer;
Cash Offer	means the offer by the Issuer to members of the public for the issue of up to 25,000,000 Property Notes at an issue price of \$1.00 each, with the ability to accept over-subscriptions of 18,228,800 Property Notes, (being a total number of 43,228,800 Property Notes);
Charging Group	means the Issuer and all Guaranteeing Subsidiaries;
Code Companies	means Mt Wellington Industrial Fund Limited and Capital Office Fund Limited and Code Company means any of them;
Conversion Date	means 1 December 2008;
Current Offer	means the current offer of Debenture Stock by the Issuer under the Trust Deed to raise up to \$30 million;
Debenture Stock	means the debenture stock security issued by the Issuer pursuant to the Trust Deed other than the Property Notes;
Directors	means directors of the Issuer;
GAAP	means generally accepted accounting practice in New Zealand, as defined in Section 3 of the Financial Reporting Act 1993;
GST	means Goods and Services Tax as imposed by the Goods and Services Tax Act 1985;
Guaranteeing Subsidiaries	means SL Security Holdings Limited, Mahunga Properties Limited, Three Kings Lessor Limited, SL 255 Limited, SL Heritage No. 2 Limited and SL Project Capital Limited;
Investment Manager	means St Laurence Limited;
Investment Statement	means this document being the investment statement for the Acquisition Offer and the Cash Offer;
Issuer	means St Laurence Property & Finance Limited;
Non-Code Company	means each of the Syndicate Companies, other than the Code Companies;
Note Holder	means a holder of Property Notes;
Note Offer	means the Acquisition Offer and the Cash Offer together;
NZX	means New Zealand Exchange Limited;
Offer Documents	means the offer documents under which the Issuer has offered to purchase shares and mortgage bonds in Syndicate Companies;

Parcel	means, in the case of Thorndon Property Fund Limited, Aorangi Property Fund Limited and Capital Office Fund Limited, a stapled parcel of 500 shares and 1 mortgage bond having a principal amount of \$4,500 and in the case of each of the remaining Syndicate Companies, a stapled parcel of 1,000 shares and 1 mortgage bond having a principal amount of \$4,000;
Prior Charges	means charges granted by the Issuer that rank in priority to security held by the Trustee for the benefit of holders of Debenture Stock and Note Holders, where permitted by the Trust Deed;
Promoter	means St Laurence Limited;
Property Notes	means the convertible securities of the Issuer constituted under the Trust Deed and offered under the Acquisition Offer and the Cash Offer;
Prospectus	means the prospectus for the Acquisition Offer and the Cash Offer dated 12 November 2003;
Syndicate Companies	means the companies listed on page 13 of this Investment Statement, and Syndicate Company means any of them;
Takeovers Code	means the takeovers code recorded in the Takeovers Code Approval Order 2000 (SR 2000/210);
Terms of the Property Notes	means the terms of the Property Notes set out in Appendix 2 to the Prospectus;
Trust Deed	means the trust deed dated 15 May 2000 between the Trustee and the Issuer and includes any amendments; and
Trustee	means Perpetual Trust Limited.

APPLICATION FORM APPLICANT/S TO COMPLETE – BLOCK LETTERS PLEASE

This Application Form constitutes an offer to subscribe for Property Notes. Completed Application Forms should be sent to Computershare Investor Services Limited (the **Registrar**) at the address set out below:



To: **St Laurence Property & Finance Limited**
C/- Computershare Investor Services Limited
Private Bag 92119
Auckland 1020

For applications on behalf of Trusts, all Trustees' names must be shown. For Joint Applications, all names must be shown.

Name of Trust or Company (if applicable):

Name of Trustee / Investor:

Title First Name Surname(s)

Joint Trustee / Investor:

Title First Name Surname(s)

Full Postal Address:

Post Code:

Telephone: (Home)

(Business)

Email:

If you have a Financial Adviser and their stamp is not affixed above please write their Company's name and the town where they are located here:

MY BANK ACCOUNT DETAILS (for distribution purposes):

Bank Branch

Account No

Suffix

Bank Name:

Branch:

Name of Account Holder:

TAX: IRD Number

Preferred Withholding Tax Rate:

19.5%

33%

39%

Non-Residents Only – **Please deduct either:** Approved Issuer Levy or Non-Resident Withholding Tax from my interest payments.

If you hold an Exemption Certificate please attach a copy.

INVESTMENT DETAILS

I/We wish to apply for Property Notes at a price of \$1.00 per Note.

Please note: Minimum investment is 1,000 Notes and then in multiples of 100 Notes.

Enclosed is my/our cheque crossed not transferable / account payee only and made out to **St Laurence Property & Finance Limited** for the sum of \$ being payment in full for the Property Notes applied for.

PLEASE READ THIS BEFORE SIGNING

I/We:

- offer to subscribe for the number of Property Notes shown above (or such lesser number of Property Notes which St Laurence Property & Finance Limited may allocate to me/us) on the terms and conditions set out in the Investment Statement, the Prospectus and this Application Form;
- acknowledge that this Application Form was distributed with the Investment Statement and that I/we have received and read a copy of the Investment Statement;
- understand that the Investment Statement contains summary information about the Cash Offer, that further information is available in the Prospectus and that I am/we are entitled to obtain a copy of the Prospectus;
- agree to be bound by the constitution of St Laurence Property & Finance Limited, the Trust Deed and the Terms of the Property Notes.

Signature:

Date:

Signature:

Date:

Note: If applicable, this form must be completed and signed in accordance with your Trust Deed or Constitution.

TERMS OF APPLICATION

1. Applications cannot be withdrawn or revoked.
2. The total amount payable on application is calculated by multiplying the total number of Property Notes applied for by the issue price of \$1.00 for each Property Note.
3. All applications will be accepted or rejected on the day of receipt (or the first business day after that day if that day is not a business day).
4. St Laurence Property & Finance Limited reserves the right to accept any application in whole or in part, or reject any application, without giving any reason.
5. Where an application is accepted (in whole or in part), the Registrar will present for payment the cheque accompanying the Application Form. St Laurence Property & Finance Limited will issue Property Notes to the applicant, subject to the cheque being cleared:
 - (a) if your application is accepted before 1 December 2003, on 1 December 2003; or
 - (b) if your application is accepted after 1 December 2003, within seven days of acceptance of your application.If St Laurence Property & Finance Limited accepts an application in part, the Registrar will refund the balance of the amount received on application (without interest) on the date of issue of the Property Notes to the applicant.
The period used to calculate the first dividend payment on a Property Note will begin on the date of issue of the Property Note to you.
6. Where an application is rejected in whole, the Registrar will return the cheque accompanying the Application Form, and advise the applicant that the application has not been accepted within five business days of the application being rejected.
7. In the case of joint applicants, all applicants must sign the Application Form. Only the address of the first named of the joint applicants will be recorded by the Registrar and all payments and notices will be sent to the address of the first named joint applicant.
8. Expressions defined in the Investment Statement and the Prospectus have the same meanings as in this Application Form. This Application Form is governed by New Zealand law.
9. Applications which are received by the Registrar after the close of the offer, which is currently expected to be 5.00 pm, Friday 19 December 2003, will not be accepted, unless St Laurence Property & Finance Limited determines otherwise. St Laurence Property & Finance Limited has the ability to extend the offer.

ADVISER CONFIRMATION

The Financial Transaction Reporting Act 1996 requires the identity of all investors to be verified. If the application cheque is not being drawn on an account with a New Zealand registered bank, or if the account name on the cheque is different from the name of the entity or person(s) that will own the Notes to which this application relates, your Adviser will need to complete the declaration below.

DECLARATION OF ADVISER AS AGENT OF ST LAURENCE PROPERTY & FINANCE LIMITED:

I have seen an original or certified copy of the identification for each investor to whom this application relates and I have kept a copy of this identification for my files. I have no reason to believe that each investor is not who he or she claims to be.

Signature	Date
_____	_____
Name	_____
Company/Firm	_____
Identification Used	

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY (IF APPLICABLE)

I (Name of Attorney) _____
of (Address of Attorney) _____
(Occupation) _____

HEREBY CERTIFY:

1. By a Power of Attorney dated _____ day of _____ 20[] _____
(Full name of person for whom attorney is signing) _____
of (Address of person for whom attorney is signing) _____
(Occupation) _____

(“Donor”) appointed me his/her/its attorney on the terms and conditions set out in that power of attorney.

2. I have executed the application for Property Notes on the face of this form as attorney under that power of attorney and pursuant to the powers thereby conferred upon me.
3. As the date of this certificate I have not received any notice of information of the revocation of that power of attorney by the death or winding up of the Donor or otherwise.

SIGNED AT _____ this _____ day of 20[] _____
Signature of Attorney _____

IMPORTANT: An original or certified copy of the relevant Power of Attorney must be lodged with this Application Form. Originals will be returned.

DIRECTORY

THE ISSUER

St Laurence Property & Finance Limited
St Laurence House
Level 5
138 The Terrace
PO Box 1894
Wellington

DIRECTORS OF THE ISSUER

Kevin John Podmore
Aeneas (Mike) Edward O'Sullivan

TRUSTEE

Perpetual Trust Limited
Level 5
Perpetual Trust House
111–115 Customhouse Quay
Wellington

SOLICITORS TO THE ISSUER

Bell Gully
HP Tower
171 Featherston Street
Wellington

SOLICITORS TO THE TRUSTEE

Minter Ellison Rudd Watts
Level 17
125 The Terrace
Wellington

PROMOTER AND INVESTMENT MANAGER

St Laurence Limited
St Laurence House
Level 5
138 The Terrace
Wellington

AUDITOR

KPMG
KPMG Centre
135 Victoria Street
Wellington

SECURITIES REGISTRAR

Computershare Investor Services Limited
159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland 1030



ST LAURENCE PROPERTY & FINANCE LIMITED

Level 5, St Laurence House, 138 The Terrace, PO Box 1894, Wellington

Website: www.stlaurence.co.nz, Freephone 0800 499 321