

ASX Announcement

8 September 2016

UNITY PACIFIC GROUP - TARGET'S STATEMENT

Unity Pacific Group (ASX: UPG) (Unity Pacific) today lodged its target's statement in relation to the off-market takeover bid by Sentinel Security Investments Limited (ACN 614 308 735) (Target's Statement).

The Target's Statement has been sent to Sentinel Security Investments Limited (Sentinel Investments) and lodged with the Australian Securities and Investments Commission today.

The Target's Statement will be despatched to Unity Pacific securityholders, together with Sentinel Investments' Bidder's Statement, on 9 September 2016.

As required by item 14 of section 633(1) of the Corporations Act 2001 (Cth), attached is a copy of the Target's Statement.

ENDS

For further information, contact:

Brett Heading

Chairman
+61 409 908 966



Unity Pacific Group
Unity Pacific Limited (ABN 11 110 831 288) and
Unity Pacific Investment Management Limited (ABN 47 137 565 149)
as Responsible Entity of Unity Pacific Stapled Trust (ARSN 111 389 596)
(collectively, **Unity Pacific**)

Target's Statement

This Target's Statement has been issued in response to the off-market takeover bid made by Sentinel Security Investments Limited (ACN 614 308 735)

Your Directors unanimously recommend that you
ACCEPT
the Offer in the absence of a Superior Proposal

This is an important document and requires your immediate attention.
If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.



Important Notices

NATURE OF THIS DOCUMENT

This document is a Target's Statement issued by Unity Pacific Limited (ABN 11 110 831 288) and Unity Pacific Investment Management Limited (ABN 47 137 565 149, AFSL No. 338688) as Responsible Entity of Unity Pacific Stapled Trust (ARSN 111 389 596) (collectively, **Unity Pacific**) under Part 6.5 of the Corporations Act in response to the offer by Sentinel Investments to acquire all of the Unity Pacific Securities on issue pursuant to the Bidder's Statement dated 6 September 2016 issued by Sentinel Investments.

DEFINED TERMS

Capitalised terms used in this Target's Statement are defined in the glossary in Section 9.

Any diagrams, charts, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this document. All numbers are rounded unless otherwise indicated.

All references to time in this Target's Statement are references to the time in Sydney, Australia, unless otherwise stated.

INVESTMENT DECISIONS

The information contained in this Target's Statement does not constitute financial product advice. This Target's Statement does not take into account the individual investment objectives, financial or tax situation or particular needs of each securityholder or any other particular person. Your Directors encourage you to seek independent financial, tax or other professional advice before making a decision whether or not to accept the Offer.

DISCLAIMER REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this Target's Statement relate to the future. These statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements to be materially different from expected future results, performance or achievements expressed or implied by those statements. These statements reflect only views held at the date of this Target's Statement.

Other than as required by law none of Unity Pacific, its directors or officers, its affiliates nor any other person gives any representation, assurance or guarantee that the events expressed or implied in any forward looking statements in this Target's Statement will actually occur and you are cautioned not to place undue reliance on such future statements.

The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

ASIC AND ASX DISCLAIMER

A copy of this Target's Statement has been lodged with ASIC and sent to the ASX. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Target's Statement.

FOREIGN JURISDICTIONS

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws and regulations. This Target's Statement has been prepared solely in accordance with Australian law.

DISCLAIMER AS TO INFORMATION

The information on Sentinel Investments, the Sentinel Investments Group and the Sentinel Property Group contained in this Target's Statement has been prepared by Unity Pacific using publicly available information. The information in this Target's Statement concerning Sentinel Investments, the Sentinel Investments Group and the Sentinel Property Group has not been independently verified by Unity Pacific. Accordingly, Unity Pacific does not, subject to the Corporations Act and general law, make any representation or warranty (express or implied) as to the accuracy or completeness of such information.

PRIVACY

Unity Pacific has collected your information from the Register for the purpose of providing you this Target's Statement. The type of information Unity Pacific has collected about you may include your name, contact details and information about your securityholding in Unity Pacific. Without this information, Unity Pacific would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the names and addresses of Unity Pacific Securityholders to be held in a public register. Your information may be disclosed to Unity Pacific and its Related Bodies Corporate, Sentinel Investments, Sentinel Investments Group, print and mail service providers, authorised securities brokers, and may be required to be disclosed to regulators such as ASIC and ASX.

Unity Pacific Securityholders have the right to access personal information that has been collected. They should contact Unity Pacific's securityholder registry in the first instance if they wish to exercise this right. A copy of Unity Pacific's Privacy Policy is available on its website.

UNITY PACIFIC INFORMATION LINE

If you have any questions about the Offer or any other matter in this Target's Statement, please call Unity Pacific on 07 3370 4800 (within Australia) and +61 7 3370 4800 (from outside Australia) between 8.30am and 5.00pm (Brisbane time) Monday to Friday.

UNITY PACIFIC WEBSITE

The content of Unity Pacific's website does not form part of this Target's Statement and Unity Pacific Securityholders should not rely on any such content.

DATE

This Target's Statement is dated 8 September 2016.

Summary of the Offer

The Offer	Sentinel Investments is offering to acquire ALL of your Unity Pacific Securities. You may only accept the Offer in respect of 100% of the Unity Pacific Securities that you hold.								
Offer Consideration	Under the terms of the Offer, Sentinel Investments is offering: <ul style="list-style-type: none">• cash consideration of 41.5 cents; and• scrip consideration of one (1) San Remo Share, being a contingent value redeemable preference share in Sentinel Investments deemed to be fully paid to an amount of 5.5 cents, for each Unity Pacific Security you hold.								
Key Dates	<table><tr><td>Announcement Date of Offer</td><td>28 July 2016</td></tr><tr><td>Date of Offer</td><td>9 September 2016</td></tr><tr><td>Date of this Target's Statement</td><td>8 September 2016</td></tr><tr><td>Close of Offer (unless extended or withdrawn)</td><td>7.00pm (Sydney time) 10 October 2016</td></tr></table>	Announcement Date of Offer	28 July 2016	Date of Offer	9 September 2016	Date of this Target's Statement	8 September 2016	Close of Offer (unless extended or withdrawn)	7.00pm (Sydney time) 10 October 2016
Announcement Date of Offer	28 July 2016								
Date of Offer	9 September 2016								
Date of this Target's Statement	8 September 2016								
Close of Offer (unless extended or withdrawn)	7.00pm (Sydney time) 10 October 2016								
Timing for provision of Offer Consideration	If you accept the Offer and the Offer becomes unconditional, Sentinel Investments will provide you the consideration under the Offer by the earlier of: <ul style="list-style-type: none">• twenty-one (21) days after the later of the Offer being validly accepted by you and the date on which the Offer becomes unconditional; and• twenty-one (21) days after the end of the Offer Period.								
Conditions of the Offer	The Offer is subject to a number of conditions which are set out in section 8 of the Bidder's Statement and summarised in Section 5.5 of this Target's Statement.								
San Remo Share terms	The terms of the San Remo Shares are set out in Schedule 1 of the Bidder's Statement and summarised in Section 5.3 of this Target's Statement.								
Directors' recommendation	The Directors unanimously recommend that you ACCEPT the Offer, in the absence of a Superior Proposal.								
How to accept the Offer	You may only accept the Offer in respect of all (and not part) of your Unity Pacific Securities. To accept the Offer: <ul style="list-style-type: none">• for CHES Holdings of Unity Pacific Securities, you may either:<ul style="list-style-type: none">- instruct your stockbroker or CHES Controlling Participant to initiate acceptance of the Offer on your behalf; or- complete, sign and return the Acceptance Form in accordance with the instructions in section 10 of the Bidder's Statement, before the close of the Offer;• for Issuer Sponsored Holdings of Unity Pacific Securities, complete, sign and return the Acceptance Form in accordance with the instructions in section 10 of the Bidder's Statement before the close of the Offer; or• if you are a Broker or Non-Broker Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the close of the Offer.								
Close of Offer	The Offer is currently scheduled to close at 7.00pm (Sydney time) on 10 October 2016, unless extended in accordance with the Corporations Act.								
Enquiries about the Offer	If you have any questions about the Offer or how to accept the Offer, please contact Unity Pacific on 07 3370 4800 (within Australia) and +61 7 3370 4800 (from outside Australia) between 8.30am and 5.00pm (Brisbane time) Monday to Friday, or consult your legal, financial or other professional adviser.								

This summary of the Offer provides a general overview only and should be read together with the detailed information set out in the remainder of this Target's Statement.

Any changes to the Key Dates will be announced through the ASX and notified on Unity Pacific's website at www.unitypacific.com.au.

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Key Dates

Announcement of the Offer	28 July 2016
Date of the Offer	9 September 2016
Date of this Target's Statement	8 September 2016
Close of the Offer Period, unless extended or withdrawn	7.00pm (Sydney time) on 10 October 2016

Note: The closing date of the Offer may change as permitted by the Corporations Act. Any changes to the Key Dates will be announced through the ASX and notified on Unity Pacific's website at www.unitypacific.com.au. All references to time in this Target's Statement are references to Sydney time unless otherwise stated.

Chairman's Letter

8 September 2016

Dear Unity Pacific Securityholder

ACCEPT the Offer for your Unity Pacific Securities, in the absence of a Superior Proposal

In February 2016, Unity Pacific Limited commenced an extensive expressions of interest process for the sale of its corporate vehicle which occurred over several months. During that process, multiple expressions of interest were received and it culminated with two parties having competitive levels of interest.

On 28 July 2016, Unity Pacific announced that it had entered into a Bid Implementation Deed with Ebert Investments, pursuant to which Sentinel Investments (as nominee of Ebert Investments) has made an off-market takeover bid for all of the stapled securities in Unity Pacific.

Under the terms of the Offer, Unity Pacific Securityholders will be entitled to receive the following in respect of each Unity Pacific Security:

- **cash consideration:** cash of 41.5 cents; and
- **scrip consideration:** one (1) San Remo Share, being a contingent value redeemable preference share in Sentinel Investments deemed to be fully paid to an amount of 5.5 cents.

Each San Remo Share entitles an accepting Unity Pacific Securityholder to receive an additional cash payment by way of redemption, in the event Unity Pacific's land in San Remo, Victoria (**San Remo Property**) is sold within 9 months of the end of the Offer Period and the net proceeds of such sale (after allowing for sale, marketing and agency costs, collectively **Transaction Costs**) exceeds \$6 million, converted to an amount per Unity Pacific Security. This will give Unity Pacific Securityholders who accept the Offer the opportunity to participate in the potential upside of the sale of the San Remo Property.

If the San Remo Property is sold within 9 months of the end of the Offer Period for a gross sale price of \$8.5 million, and assuming estimated Transaction Costs of \$0.43 million (**Projected Sale**), the total Offer Consideration received by Unity Pacific Securityholders pursuant to the Offer will be **47 cents per Unity Pacific Security** (comprising the upfront cash consideration of 41.5 cents and, in this case, an additional cash payment of 5.5 cents).

The Directors believe it is reasonable to anticipate that the sale of the San Remo Property will occur at or around \$8.5 million based on Unity Pacific's most recent independent valuation as at 30 June 2016, equating to the deemed paid-up value of 5.5 cents per San Remo Share after estimated Transaction Costs of \$0.43million. However, no assurances can be given that this will be the case.

If the Projected Sale occurs, the **total Offer Consideration of 47 cents per Unity Pacific Security** will represent:

- a **11.9% premium** to Unity Pacific's NTA per Unity Pacific Security of 42 cents as at 30 June 2016;
- a **6.8% premium** to 44 cents, the closing price of Unity Pacific Securities on 18 July 2016¹;
- a **19.3% premium** to 39.4 cents, the volume weighted average price (**VWAP**) of Unity Pacific Securities for the one (1) month prior to and including 18 July 2016; and
- a **21.1% premium** to 38.8 cents, the VWAP of Unity Pacific Securities for the three (3) months prior to and including 18 July 2016.

You should note there are circumstances in which Unity Pacific Securityholders will have their San Remo Shares redeemed for nil consideration and will not be entitled to receive any additional cash payment in addition to the upfront cash consideration of 41.5 cents per Unity Pacific Security. This will be the case if the San Remo Property is not sold within 9 months of the end of the Offer Period or the net proceeds of the sale of the San Remo Property do not exceed \$6 million.

The Directors have assessed the Offer, having regard to the reasons to accept, or reject, the Offer as set out in this Target's Statement and recommend that you **ACCEPT** the Offer, in the absence of a Superior Proposal.

¹ The last trading day prior to Unity Pacific's announcement of receipt of the Offer on 28 July 2016.

Each of the Directors intends to **ACCEPT** the Offer in respect of all Unity Pacific Securities owned or controlled by them, in the absence of a Superior Proposal.

I encourage you to read this Target's Statement in its entirety and carefully consider the Offer having regard to your own personal risk profile, investment strategy and tax position. You should seek independent financial, legal, taxation or other professional advice if you are in any doubt as to what you should do in response to the Offer.

To **ACCEPT** the Offer, you should carefully follow the instructions outlined in section 10 of the Bidder's Statement or the instructions on the Acceptance Form attached to the Bidder's Statement. The Offer is scheduled to close at 7.00pm (Sydney time) on 10 October 2016, unless extended or withdrawn.

If you have any further queries in relation to the Offer, please contact Unity Pacific on 07 3370 4800 (within Australia) and +61 7 3370 4800 (from outside Australia) between 8.30am and 5.00pm (Brisbane time) Monday to Friday.



Brett Heading
Chairman

Your Directors unanimously recommend that you ACCEPT the Offer in the absence of a Superior Proposal for the following reasons:

1. The Offer is unanimously recommended by the Directors.
 2. The Offer represents attractive value for your Unity Pacific Securities.
 3. The structure of the Offer Consideration provides potential for an enhanced return on your Unity Pacific Securities.
 4. Trading liquidity for Unity Pacific Securities may reduce significantly if the Offer is successful and you do not accept.
 5. Current directors will remain to sell the San Remo Property.
 6. The trading price of Unity Pacific Securities may fall if the Offer is not successful.
 7. No Superior Proposal has emerged for Unity Pacific.
 8. There may be a number of risks associated with remaining a securityholder by not accepting the Offer if the Offer is successful.
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You should

1. Read this Target's Statement.
2. Consult your investment, financial, taxation or other professional adviser if in doubt about what to do.
3. If you have any questions, call Unity Pacific on 07 3370 4800 (within Australia) and +61 7 3370 4800 (from outside Australia) between 8.30am and 5.00pm (Brisbane time) Monday to Friday.

To ACCEPT the Offer

Please follow the instructions in section 10 of the Bidder's Statement or the instructions on the Acceptance Form attached to the Bidder's Statement.

1. Reasons to accept the Offer

1.1 The Offer is unanimously recommended by the Directors

The Directors unanimously recommend that you accept the Offer in the absence of a Superior Proposal.

Each Director who has a Relevant Interest in Unity Pacific Securities intends to accept, or procure the acceptance of, the Offer for all Unity Pacific Securities owned or controlled by them, in the absence of a Superior Proposal.

The following table provides the number of Unity Pacific Securities in which each Director had a Relevant Interest and their voting power as at the date of this Target's Statement:

Name of Director	Number of Unity Pacific Securities	Voting power
Brett Heading	73,976	0.21%
Chris Morton	9,757,720	27.25%
Murray Boyte	-	-
Total	9,831,696	27.46%

1.2 The Offer represents attractive value for your Unity Pacific Securities

The Directors consider that the Offer represents attractive value for Unity Pacific Securityholders. The Offer provides:

- **cash consideration:** cash of 41.5 cents; and
- **scrip consideration:** one (1) San Remo Share, being a contingent value redeemable preference share in Sentinel Investments deemed to be fully paid to an amount of 5.5 cents.

After considering the alternative strategies and options that are available such as the orderly realisation of assets and the results of the expressions of interest process, the Directors consider that the Offer is the highest value choice presently available and represents attractive value when compared with all other available options known to the Directors at this time.

Details of the Directors' consideration of the Offer, and the alternative strategies and options, are set out in Section 3 of this Target's Statement.

Each San Remo Share entitles an accepting Unity Pacific Securityholder to receive an additional cash payment by way of redemption, in the event the San Remo Property is sold within 9 months of the end of the Offer Period and the net proceeds of such sale (after Transaction Costs) exceeds \$6 million, converted to an amount per Unity Pacific Security. This will give Unity Pacific Securityholders who accept the Offer the opportunity to participate in the potential upside of the sale of the San Remo Property.

The Directors believe it is reasonable to anticipate that the sale of the San Remo Property will occur at or around \$8.5 million based on Unity Pacific's most recent independent valuation as at 30 June 2016, equating to the deemed paid-up value of 5.5 cents per San Remo Share after estimated Transaction Costs of \$0.43 million. However, no assurances can be given that this will be the case.

If the San Remo Property is sold within 9 months of the end of the Offer Period for a gross sale price of \$8.5 million, and assuming estimated Transaction Costs of \$0.43 million (**Projected Sale**), the total Offer Consideration received by Unity Pacific Securityholders pursuant to the Offer will be **47 cents per Unity Pacific Security** (comprising the upfront cash consideration of 41.5 cents and, in this case, an additional cash payment of 5.5 cents).

You should note there are circumstances in which Unity Pacific Securityholders will have their San Remo Shares redeemed for nil consideration and will not be entitled to receive any additional cash payment to the upfront cash consideration of 41.5 cents per Unity Pacific Security (see Section 2.4).

1.3 The structure of the Offer Consideration provides potential for an enhanced return on your Unity Pacific Securities

The San Remo Shares provide Unity Pacific Securityholders with the opportunity to participate in the potential upside of a sale of the San Remo Property, as they may become entitled to receive an additional cash payment in addition to the upfront cash consideration of 41.5 cents per Unity Pacific Security.

1.3.1 If the total Offer Consideration is 47 cents

By way of example, if the Projected Sale occurs, each accepting Unity Pacific Securityholder will receive the **total Offer Consideration of 47 cents per Unity Pacific Security**, which will represent:

- a **11.9% premium** to Unity Pacific's NTA per Unity Pacific Security of 42 cents as at 30 June 2016;
- a **6.8% premium** to 44 cents, the closing price of Unity Pacific Securities on 18 July 2016²;
- a **19.3% premium** to 39.4 cents, the VWAP of Unity Pacific Securities for the one (1) month prior to and including 18 July 2016; and
- a **21.1% premium** to 38.8 cents, the VWAP of Unity Pacific Securities for the three (3) months prior to and including 18 July 2016.

The chart below illustrates the premia represented by the total Offer Consideration of 47 cents per Unity Pacific Security relative to the NTA per Unity Pacific Security as at 30 June 2016 and trading prices of Unity Pacific Securities on the ASX up to and including 18 July 2016.



² The last trading day prior to Unity Pacific's announcement of receipt of the Offer on 28 July 2016.

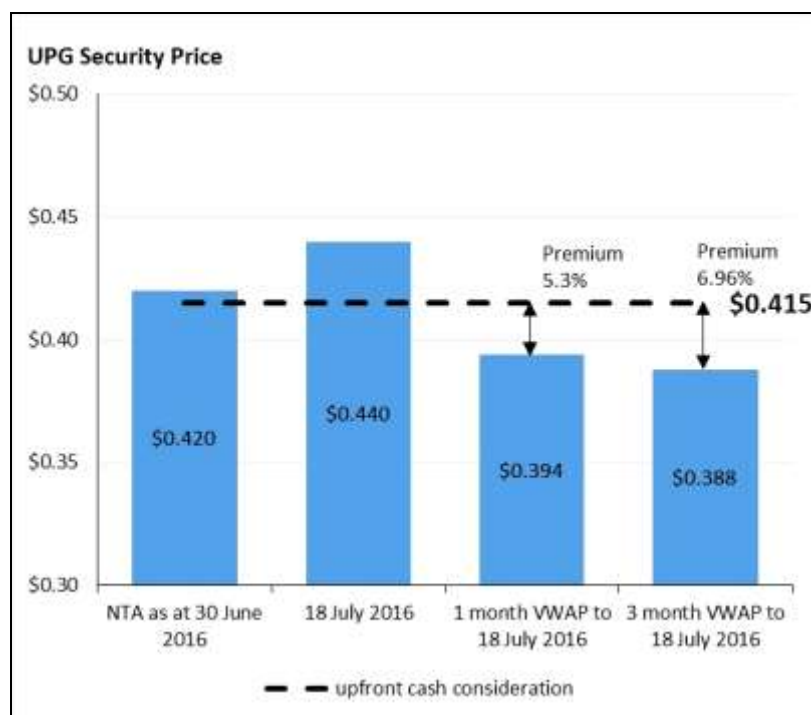
1.3.2 If the total Offer Consideration is 41.5 cents

In the event that the Redemption Amount of the San Remo Shares is nil and the total Offer Consideration is the upfront cash consideration of 41.5 cents, which is the minimum Offer Consideration Unity Pacific Securityholders will receive in all cases, this would still represent:

- a **5.3% premium** to 39.4 cents, the VWAP of Unity Pacific Securities for the one (1) month prior to and including 18 July 2016; and
- a **6.96% premium** to 38.8 cents, the VWAP of Unity Pacific Securities for the three (3) months prior to and including 18 July 2016.

This is illustrated in the chart below.

Whilst the upfront cash consideration of 41.5 cents is less than the 30 June 2016 NTA per Unity Pacific Security of 42 cents, as set out in Section 3.2 of this Target's Statement the 30 June 2016 NTA per Unity Pacific Security will be steadily eroded due to minimal income and continuing overheads and employee costs.



1.4 Trading liquidity for Unity Pacific Securities may reduce significantly if the Offer is successful and you do not accept

There may be a substantially reduced number of Unity Pacific Securities that are available for trading on the ASX, thereby reducing the liquidity of Unity Pacific Securities and making it more difficult for you to sell your Unity Pacific Securities on ASX if the Offer is successful and you do not accept the Offer.

1.5 Current directors will remain to sell the San Remo Property

Current Directors, Chris Morton and Murray Boyte, will remain, with the full support of Sentinel Investments, as directors of the Unity Pacific entity that owns the San Remo Property, being San Remo Property Pty Ltd, for the 9 month period following the close of the Offer or until the San Remo Property is sold and the San Remo Shares have been redeemed (whichever is the earlier).

The board of San Remo Property Pty Ltd will be mandated and authorised by Unity Pacific and Sentinel Investments to carry out all things considered necessary by those directors to sell the San Remo Property and to maintain and enhance the value of the San Remo Property and to maximise its sale price, including any council applications or town planning requirements, legal costs and marketing activities for the San Remo Property. They will not receive any remuneration during this time. Details of this mandate and authority are set out in section 5.2 of the Bidder's Statement.

The Directors believe that the ongoing involvement of Chris Morton and Murray Boyte in Unity Pacific for the sale of the San Remo Property will improve the prospects of a successful sales campaign and achievement of the Projected Sale price.

1.6 The trading price of Unity Pacific Securities may fall if the Offer is not successful

If the Offer is not successful, it is likely the trading price of Unity Pacific Securities will subsequently fall below the current trading levels in the absence of a Superior Proposal.

1.7 No Superior Proposal has emerged for Unity Pacific

As at the date of this Target's Statement, no Superior Proposal has been received by the Unity Pacific Board and they are not aware of any party having an intention to make such a proposal.

You should note that the Directors unanimously recommend that you accept the Offer in the absence of a Superior Proposal emerging for Unity Pacific Securities. Should such a proposal arise, your Directors will reconsider their recommendation and inform you accordingly.

1.8 There may be a number of risks associated with remaining a securityholder by not accepting the Offer if the Offer is successful

One of the Offer conditions is a 50.1% minimum acceptance condition which requires Sentinel Investments (and its Associates) to obtain a Relevant Interest in at least 50.1% of Unity Pacific Securities.

Sentinel Investments and its Associates currently hold a Relevant Interest in approximately 16.08% of Unity Pacific Securities and if the Directors accept the Offer in respect of Unity Pacific Securities owned or controlled by them, Sentinel Investments and its Associates will hold an aggregate Relevant Interest of approximately 43.54%. Sentinel Investments will therefore only require further acceptances from Unity Pacific Securityholders holding, in aggregate, a Relevant Interest in approximately 6.56% of Unity Pacific Securities by the end of the Offer Period for the minimum acceptance condition to be satisfied.

On this basis, the 50.1% minimum acceptance condition is likely to be satisfied in the absence of a Superior Proposal. Assuming all other Offer conditions are satisfied or waived, Sentinel Investments and its Associates would acquire a majority securityholding in Unity Pacific.

In these circumstances, any Unity Pacific Securityholders who do not accept the Offer risk being a minority securityholder in Unity Pacific. This could have a number of possible implications, including those set out below.

1.8.1 Removal from official list of ASX

Sentinel Investments has stated in section 6.2 of the Bidder's Statement that, to the extent that it is able to do so, it intends to have Unity Pacific apply for its removal from the official list of ASX if it acquires control of Unity Pacific but obtains a Relevant Interest in less than 90% of the Unity Pacific Securities.

If Unity Pacific is removed from the official list of the ASX and delisted, investors will no longer be able to acquire or trade Unity Pacific Securities on the ASX.

1.8.2 Ability to pass resolutions

Sentinel Investments (and its Associates) may be in a position to cast a majority of votes at a general meeting of Unity Pacific. This would enable it to control the composition of the Unity Pacific Board and senior management, determine Unity Pacific's dividend policy and control the strategic direction of the business. If Sentinel Investments acquires a Relevant Interest in 75% or more of the Unity Pacific Securities, Sentinel Investments will be able to pass a special resolution. This will enable Sentinel Investments to, among other things, change Unity Pacific's constitution.

While Sentinel Investments' current intentions for Unity Pacific are described in section 6 of the Bidder's Statement, those intentions may change.

1.8.3 Compulsory acquisition of Unity Pacific Securities

If Sentinel Investments subsequently acquires at least 90% of Unity Pacific Securities, Sentinel Investments may become entitled to compulsorily acquire Unity Pacific Securities of non-accepting Unity Pacific Securityholders through the compulsory acquisition procedures in Part 6A of the Corporations Act. If this occurs, non-accepting Unity Pacific Securityholders will be compelled to sell their Unity Pacific Securities to Sentinel Investments but may not receive the consideration for some time.

Sentinel Investments has indicated in section 6.3 of the Bidder's Statement that if it acquires a Relevant Interest in 90% or more of the Unity Pacific Securities, it intends to compulsorily acquire any outstanding Unity Pacific Securities and to have Unity Pacific apply for its removal from the ASX (see Section 5.11 of this Target's Statement).

1.8.4 No further proposals

If Sentinel Investments acquires a majority securityholding in Unity Pacific, it may be unlikely that another proposal to acquire Unity Pacific will emerge.

2. Possible reasons why you may consider not accepting the Offer

2.1 You may disagree with your Directors' recommendation

Notwithstanding the unanimous recommendation of the Directors, you may take a different view and may believe that the Offer is not in your best interests.

2.2 You may want to sell your Unity Pacific Securities on-market and receive an all cash payment for them

You remain free to sell your Unity Pacific Securities on-market, provided you have not already accepted the Offer and have not validly withdrawn your acceptance. If you sell your Unity Pacific Securities, you:

- will lose the ability to accept the Offer or and will not benefit from any possible increase in the consideration that may be provided under the Offer or any other offer, should one be made; and
- may receive more or less for your Unity Pacific Securities than the Offer Consideration.

2.3 Conditionality of the Offer

All Offer conditions must be satisfied or waived by Sentinel Investments before Unity Pacific Securityholders who accept the Offer receive the Offer Consideration. If you accept the Offer and any condition is not satisfied or waived by the relevant time for its satisfaction (as specified in section 8 of the Bidder's Statement), Sentinel Investments will not acquire your Unity Pacific Securities and you will not receive the Offer Consideration.

The Offer conditions are set out in section 8 of the Bidder's Statement and summarised in Section 5.5 of this Target's Statement.

2.4 The total cash amount of the Offer Consideration is not certain

There are circumstances in which Unity Pacific Securityholders may have their San Remo Shares redeemed for nil consideration. This will be the case if the San Remo Property is not sold within 9 months of the end of the Offer Period or the net proceeds of any sale of the San Remo Property do not exceed \$6 million. In these circumstances, the total Offer Consideration that will be received by Unity Pacific Securityholders will be the upfront cash consideration of 41.5 cents per Unity Pacific Security.

The terms of the San Remo Shares are set out in Schedule 1 of the Bidder's Statement and are summarised in Section 5.3 of this Target's Statement.

2.5 Risks associated with holding San Remo Shares

Unity Pacific Securityholders who accept the Offer and receive San Remo Shares will be exposed to risks associated with being a shareholder in Sentinel Investments and holding San Remo Shares. Refer to section 5.4 of the Bidder's Statement for a discussion of these risks.

The terms of the San Remo Shares are set out in Schedule 1 of the Bidder's Statement and are summarised in Section 5.3 of this Target's Statement.

The San Remo Shares will not be transferrable, and there is no guarantee that holders of San Remo Shares will receive any consideration on their redemption (see Section 2.4 above).

Section 3 of the Bidder's Statement sets out information about Sentinel Investments. It states that Sentinel Investments was incorporated on 16 August 2016 as a special purpose vehicle to acquire Unity Pacific Securities under the Offer and to issue and redeem the San Remo Shares, and that it otherwise holds no assets and undertakes no activities. It also states that Sentinel Investments is not a member of the Sentinel Property Group. The Bidder's Statement provides limited information on the ownership structure or financial position of the broader Sentinel Investments Group (see sections 3 and 18.6 of the Bidder's Statement).

Pursuant to the Deeds of Guarantee, Ebert Investments and Warren Ebert, each Associates of Sentinel Investments, have unconditionally and irrevocably guaranteed to Unity Pacific and each holder of San Remo Shares the due and punctual performance of Sentinel Investments' obligations to provide the Offer Consideration, including any amounts payable to Unity Pacific Securityholders on redemption of the San Remo Shares.

The terms of the Deeds of Guarantee are set out in section 18.2 and Schedule 2 of the Bidder's Statement.

Section 13.3 of the Bidder's Statement sets out details of loan arrangements entered into between Sentinel Investments, Gladius (the holder as trustee of all of the issued shares in Sentinel Investments) and Ebert Investments under which Ebert Investments is to provide Sentinel Investments and Gladius with all funds necessary for it to provide the Offer Consideration, including any amounts payable on redemption of the San Remo Shares, and to otherwise satisfy its obligations under or in connection with the Offer. The Bidder's Statement states that to satisfy the payment of the Redemption Amount, it is intended that Gladius will subscribe for additional ordinary shares in Sentinel Investments (for a cash subscription amount equal to the Redemption Amount), and Sentinel Investments will in turn use those subscription funds to redeem the San Remo Shares.

In the event that Sentinel Investments defaults on payment of the Redemption Amount in relation to the San Remo Shares, the Deeds of Guarantee referred to above, which are unconditional and irrevocable, will be able to be called upon by the holders of San Remo Shares to make the payment.

2.6 Possibility of a Superior Proposal emerging

You may consider that there is potential for a Superior Proposal to be made in the foreseeable future. However, since the announcement of the Offer on 28 July 2016 and up to the date of this Target's Statement, no Superior Proposal has emerged.

It is possible that a more attractive proposal for Unity Pacific Securityholders could emerge in the future. However, you should be aware that as set out in section 18.1 of the Bidder's Statement, the Bid Implementation Deed imposes certain restrictions on Unity Pacific from seeking out a competing proposal from third parties and taking steps to facilitate such a proposal. However, these restrictions do not prevent Unity Pacific from receiving and responding to a proposal that is considered by the Unity Pacific Board, after taking advice, to be a Superior Proposal or which may lead to a Superior Proposal for Unity Pacific Securityholders.

If a Superior Proposal is announced, Unity Pacific Securityholders who have already accepted the Offer may lose the ability to deal with their Unity Pacific Securities and will not be able to accept or benefit from a Superior Proposal from a competing bidder if such an offer eventuates (unless withdrawal rights are available or the Offer lapses and not all of its conditions are satisfied or waived by the relevant time for their satisfaction).

2.7 The tax consequences may not suit your current financial position

Accepting the Offer may trigger taxation consequences for you.

For Unity Pacific Securityholders who hold their securities on capital account, acceptance of the Offer will constitute a disposal of their securities for capital proceeds of 47 cents.

You should read Section 5.14 of this Target's Statement in full and seek professional taxation advice with respect to your individual tax situation.

3. Directors' Considerations

This Section sets out some of the matters considered by your Directors in determining their recommendation that you accept the Offer in the absence of a Superior Proposal.

3.1 Consideration of alternative strategies

Since Unity Pacific announced in July 2015 that it was not viable in the short term to pursue growth opportunities by the acquisition of a funds management business, the Directors have considered a number of different strategies for Unity Pacific to maximise securityholder value. This included capital management initiatives, further asset sales (certain assets as well as a full orderly realisation) and the sale of the corporate vehicle.

The first major initiative undertaken was a capital distribution to Unity Pacific Securityholders of surplus funds. The Unity Pacific Board then undertook the sale of Unity Pacific's investment property at 308 Queen Street/ 88 Creek Street, Brisbane which settled on 30 June 2016 after an on-market sales campaign. The sale was approved by Unity Pacific Securityholders at Unity Pacific's annual general meeting on 19 November 2015 and resulted in a significant profit to book value being realised.

Due to the reduced scale of Unity Pacific's operations and smaller remaining property assets, the Directors then considered the options of either the sale of the corporate vehicle or the orderly realisation of the remaining assets.

These alternative strategies were considered as follows:

3.1.1 Orderly realisation of assets

An orderly realisation of the remaining Unity Pacific assets over a period of approximately 12 months was considered by the Directors as an alternative to the sale of the corporate vehicle. An orderly realisation would have resulted in the eventual winding up of Unity Pacific or possible sale of the smaller corporate shell that would exist after the sale of further assets.

In considering the merits of this option the Unity Pacific Board assessed whether its successful implementation could provide a return to Unity Pacific Securityholders close to the current underlying net tangible assets per security.

The Board determined that an orderly realisation would, relative to a sale of the corporate vehicle, unacceptably erode the current underlying net tangible assets per security. The basis for this, together with other relevant considerations for this option, is as follows:

- Unity Pacific would continue to incur overheads and employee costs during an orderly realisation process;
- an orderly realisation program may result in asset sales being generally achieved at discounts to current market value (the valuation assumption which forms the basis of Unity Pacific's reported net tangible assets); and
- the longer timeframe in which funds would be returned to Unity Pacific Securityholders.

3.1.2 Expressions of interest process for the corporate vehicle

On 24 December 2015, Unity Pacific entered into a short period of exclusive and confidential negotiations with Sentinel Property Group, expiring on 31 January 2016, in relation to a conditional, non-binding offer made by them to fund a buyback of all Unity Pacific Securities that it did not own. However, during that exclusivity period, the parties were unable to agree terms in relation to a revised offer.

At around this time in early 2016, a number of other parties approached Unity Pacific and expressed interest in the Unity Pacific corporate vehicle.

On 2 February 2016, Unity Pacific announced the commencement of a broad expressions of interest process in relation to the corporate vehicle and the remaining assets of the Unity Pacific Group.

The corporate expressions of interest process undertaken by the Unity Pacific Board was a full market process over several months which resulted in a number of parties submitting expressions of interest. Unity Pacific subsequently advised the market on 11 July 2016 that it was in discussions with certain preferred parties that had submitted expressions of interest for the Unity Pacific Limited corporate vehicle.

On 18 July 2016, Unity Pacific Limited commenced confidential negotiations with Silverstone Developments Pty Ltd (**Silverstone**) in respect of a conditional, non-binding offer made by Silverstone at 47 cents per security for all Unity Pacific Securities.

Although Unity Pacific and Silverstone were unable to agree terms, the expressions of interest process ultimately resulted in the Offer, which the Board believes represents the most attractive outcome for Unity Pacific Securityholders.

3.2 Directors' analysis of the Offer Consideration

3.2.1 Analysis of Offer Consideration

The Directors had regard to the following in their analysis of the Offer Consideration:

- the NTA per Unity Pacific Security at 30 June 2016 (audited) is 42 cents;
- the upfront cash consideration of 41.5 cents is close to NTA at 30 June 2016;
- financial forecasts and cashflow projections show that, as a result of Unity Pacific's remaining assets being largely non-income producing and Unity Pacific deriving low funds management fees from The Marie Street Trust, continuing overheads and employee costs, particularly associated with the ASX listing of Unity Pacific, will steadily erode the 30 June 2016 NTA per Unity Pacific Security;
- that as the Directors believe it is reasonable to anticipate that the sale of the San Remo Property will occur at or around \$8.5 million, the total Offer Consideration received pursuant to the Offer would be 47 cents per Unity Pacific Security (assuming estimated Transaction Costs of \$0.43 million), however, no assurances can be given that this will be the case;
- the determination by the Unity Pacific Board that an orderly realisation of assets was not a viable alternative in comparison to the Offer (for the reasons outlined above in Section 3.1);
- negotiations with Silverstone ceased as the parties were unable to reach agreement on final terms; and
- the absence of a Superior Proposal (following the extensive expressions of interest process).

The Directors also had regard to the Offer price scenarios and considerations set out in Section 1.3.

3.2.2 No formal valuation of Unity Pacific Securities has been sought

The Directors have not sought a formal valuation of the Unity Pacific Securities from an independent expert for inclusion in this Target's Statement for the following reasons:

- an independent expert's report is not required under the Corporations Act in relation to this Offer;
- the values of the two remaining property assets of Unity Pacific can be reasonably assessed based on recent independent valuations and/or market evidence;
- the Offer has been made on a commercial arm's length basis after an extensive expressions of interest process commenced in early 2016;
- the Directors believe that the expressions of interest process has provided objective market evidence in relation to the value of Unity Pacific and Unity Pacific Securities;
- the Directors have been advised throughout the expressions of interest process and in relation to the Offer by experienced corporate advisers;
- the cost of, and time for, obtaining an independent expert's report were considered by the Directors;
- the Directors believe that, in addition to having received corporate finance and legal advice, they collectively have the appropriate skills, experience and ability to assess the proposed transaction on behalf of the Unity Pacific Securityholders and thereby ensure that Unity Pacific Securityholders receive all relevant material information to enable them to make an informed assessment whether to accept the Offer; and
- this Target's Statement contains information considered necessary to provide guidance as to the value of Unity Pacific Securities, including information in relation to Unity Pacific's historical trading and financial performance, its 30 June 2016 audited financial position and broad financial outlook based on the current business structure.

The Directors consider that the expressions of interest process was sufficiently exposed to the market such that they can make an informed assessment as to the value of the corporate vehicle.

The Directors have determined that the Offer Consideration represents an attractive value for Unity Pacific Securities and the highest value choice presently available.

The reasons for the Directors' recommendation to accept the Offer in the absence of a Superior Proposal are also set out in Section 1 of this Target's Statement.

4. Frequently Asked Questions

This Target's Statement contains detailed information regarding the Offer. This Frequently Asked Questions (FAQ) Section provides summary answers to some questions you may have and will assist you to locate further detailed information in this Target's Statement. It is not intended to address all relevant issues for Unity Pacific Securityholders. This Section 4 should be read together with the Bidder's Statement and this Target's Statement.

Question	Answer
1. Why have I received this document?	<p>You have received this Target's Statement because you are a Unity Pacific Securityholder. This Target's Statement is Unity Pacific's formal response to the Bidder's Statement. It contains important information prepared by the Directors to help you determine whether or not to accept the Offer.</p>
2. Who is making the Offer?	<p>The Offer is being made by Sentinel Investments.</p> <p>Sections 3.1 and 18.6 of the Bidder's Statement state that the sole shareholder of Sentinel Investments is Gladius as trustee for the Gladius Discretionary Trust. The sole shareholder of Gladius is Stacey Ebert.</p> <p>It is stated in section 3.1 of the Bidder's Statement that Sentinel Investments was incorporated on 16 August 2016 as a special purpose vehicle to acquire Unity Pacific Securities under the Offer and to issue and redeem the San Remo Shares, and that it otherwise holds no assets and undertakes no activities. It also states that Sentinel Investments is not a member of the Sentinel Property Group.</p> <p>Ebert Investments, an Associate of Sentinel Investments, currently owns, in aggregate, approximately 16.08% of the issued Unity Pacific Securities.</p> <p>Further information about Sentinel Investments is set out in section 3 of the Bidder's Statement.</p>
3. What is the Offer?	<p>Under the terms of the Offer, Unity Pacific Securityholders will be entitled to receive the following in respect of each Unity Pacific Security:</p> <ul style="list-style-type: none">• cash consideration: cash of 41.5 cents; and• scrip consideration: one (1) San Remo Share, being a contingent value redeemable preference share in Sentinel Investments deemed to be fully paid to an amount of 5.5 cents. <p>If you are an Ineligible Foreign Securityholder, please see FAQ 27 as to what will occur under the Offer.</p> <p>Each San Remo Share entitles an accepting Unity Pacific Securityholder to receive an additional cash payment by way of redemption, in the event the San Remo Property is sold within 9 months of the end of the Offer Period and the net proceeds from the sale of the San Remo Property (after Transaction Costs) exceeds \$6 million, converted to an amount per Unity Pacific Security.</p> <p>The final outcome for Unity Pacific Securityholders will depend upon the ultimate net proceeds of the sale of the San Remo Property and is subject to the sale completing on or before the date which is 9 months after the end of the Offer Period for net sale proceeds exceeding \$6 million.</p> <p>The Directors believe it is reasonable to anticipate that the sale of the San Remo Property will occur at or around \$8.5 million based on Unity Pacific's most recent independent valuation as at 30 June 2016 and announced to ASX on 28 July 2016. However no assurances can be given that this will be the case.</p>

Question	Answer
<p>What is the Offer? (cont'd)</p>	<p>If the San Remo Property is sold within 9 months of the end of the Offer Period for a gross sale price of \$8.5 million, and assuming estimated Transaction Costs of \$0.43 million (Projected Sale), the total Offer Consideration received by Unity Pacific Securityholders pursuant to the Offer will be 47 cents per Unity Pacific Security (comprising upfront cash consideration of 41.5 cents per Unity Pacific Security and an additional cash payment of 5.5 cents per Unity Pacific Security upon redemption of the San Remo Shares).</p> <p>However, the total Offer Consideration payable to Unity Pacific Securityholders will depend on the ultimate net proceeds of the sale of the San Remo Property:</p> <ul style="list-style-type: none"> • if the San Remo Property is sold in the 9 month period and the net proceeds of the sale are higher than the Projected Sale, the Redemption Amount payable to Unity Pacific Securityholders for their San Remo Shares will be higher than 5.5 cents per security; • if the San Remo Property is sold in the 9 month period and the net proceeds of the sale exceed \$6 million but are lower than the Projected Sale, the Redemption Amount payable to Unity Pacific Securityholders will be lower than 5.5 cents per security; or • if the San Remo Property is not sold within the 9 month period or the net proceeds of any sale do not exceed \$6 million, then the San Remo Shares will be redeemed for nil consideration and the total cash consideration received by Unity Pacific Securityholders pursuant to the Offer will be 41.5 cents per Unity Pacific Security. <p>Sentinel Investments will despatch a 'Transaction Confirmation Statement' to each Unity Pacific Securityholder who accepts the Offer in respect of their holding of San Remo Shares (see section 13.5 of the Bidder's Statement).</p> <p>All San Remo Shares must be redeemed by Sentinel Investments if the San Remo Property is sold within 9 months of the end of the Offer Period and the net proceeds of such sale (after Transaction Costs) exceeds \$6 million, or will otherwise be deemed to have been redeemed by Sentinel Investments for nil consideration 11 months after the end of the Offer Period.</p> <p>The terms of the San Remo Shares are set out in Schedule 1 of the Bidder's Statement.</p>
<p>4. How is the Offer Consideration being funded by Sentinel Investments?</p>	<p>Section 13.3 of the Bidder's Statement states that Sentinel Investments and Gladius will obtain the necessary funds to pay the Offer Consideration (including the Redemption Amount relating to the San Remo Shares) and any other amounts payable under or in connection with the Offer by funds drawn down under a loan provided by Ebert Investments. The Bidder's Statement also states that to satisfy the payment of the Redemption Amount, it is intended that Gladius will subscribe for additional ordinary shares in Sentinel Investments (for a cash subscription amount equal to the Redemption Amount), and Sentinel Investments will in turn use those subscription funds to redeem the San Remo Shares. The Bidder's Statement states that Ebert Investments will source the funds it has undertaken to provide to Sentinel Investments and Gladius from existing cash reserves and existing undrawn finance facilities.</p> <p>Refer to section 13.3 of the Bidder's Statement for further details.</p> <p>Pursuant to the Deeds of Guarantee, Ebert Investments and Warren Ebert, each Associates of Sentinel Investments, have unconditionally and irrevocably guaranteed to Unity Pacific and each holder of San Remo Shares the due and punctual performance of Sentinel Investments' obligations to provide the Offer Consideration, including any amounts payable to Unity Pacific Securityholders on redemption of the San Remo Shares. The terms of the Deeds of Guarantee are set out in Schedule 2 of the Bidder's Statement.</p>

Question	Answer
<p>5. What do your Directors recommend?</p>	<p>Your Directors unanimously recommend that you ACCEPT the Offer in the absence of a Superior Proposal.</p> <p>The reasons for your Directors' recommendation are set out in Section 1. The possible reasons for not following your Directors' recommendation are set out in Section 2.</p>
<p>6. What do the Directors intend to do with their Unity Pacific Securities?</p>	<p>Each Director intends to accept, or procure the acceptance of, the Offer for any Unity Pacific Securities owned or controlled by them, in the absence of a Superior Proposal.</p>
<p>7. What choices do I have as a Unity Pacific Securityholder?</p>	<p>As a Unity Pacific Securityholder, you have several choices available to you in relation to how you respond to the Offer. Each of these choices carries certain implications which you should carefully consider in light of your personal circumstances and having regard to any advice you receive from your broker or other professional adviser(s), which advice you are encouraged to seek.</p> <p>As a Unity Pacific Securityholder, you may:</p> <ul style="list-style-type: none"> • accept the Offer for all of your Unity Pacific Securities; • reject the Offer by doing nothing; or • sell all or part of your Unity Pacific Securities to a third party, including on-market (unless you have previously accepted the Offer and have not validly withdrawn your acceptance). <p>The Directors unanimously recommend that, in the absence of a Superior Proposal, you accept the Offer.</p>
<p>8. How do I accept the Offer?</p>	<p>You may only accept the Offer in respect of all of your Unity Pacific Securities. To accept the Offer, you must follow the instructions set out in section 10 of the Bidder's Statement or the instructions on the Acceptance Form attached to the Bidder's Statement.</p>
<p>9. Can I accept the Offer for only part of my holding?</p>	<p>No, you can only accept the Offer for all of your Unity Pacific Securities.</p>
<p>10. What are the conditions to the Offer?</p>	<p>The Offer is subject to a number of conditions, including:</p> <ul style="list-style-type: none"> • a 50.1% minimum acceptance condition; • no material adverse changes in relation to Unity Pacific; • no 'prescribed occurrences'; • all change of control consents for Unity Pacific Group's Material Contracts are obtained; • no regulatory actions which would impede or restrain the Offer; • various other restrictions on the conduct of Unity Pacific's business during the Offer Period; and • the other conditions that are specified in the Offer. <p>The conditions of the Offer are set out in section 8 of the Bidder's Statement.</p>
<p>11. When will the Offer become unconditional?</p>	<p>The Offer becomes unconditional when either all of the conditions are satisfied or Sentinel Investments gives a notice to Unity Pacific declaring the Offer to be free of defeating conditions. This notice will also be given to ASX.</p>

Question	Answer
12. When will I receive the Offer Consideration?	<p>If you accept the Offer and the Offer becomes unconditional, Sentinel Investments will pay or provide you the Offer Consideration by the earlier of:</p> <ul style="list-style-type: none"> • twenty-one (21) days after the later of the Offer being validly accepted by you and the date on which the Offer becomes unconditional; and • twenty-one (21) days after the end of the Offer Period. <p>It is uncertain if and when the Offer will become unconditional.</p> <p>Unity Pacific Securityholders will not receive the Offer Consideration under the Offer if all of the Offer conditions have not been satisfied or waived by Sentinel Investments by the relevant time for their satisfaction (as specified in section 8 of the Bidder’s Statement).</p>
13. What happens if I accept the Offer and the conditions are not satisfied or waived?	<p>If the Offer conditions are not satisfied and Sentinel Investments has not waived the conditions by the relevant time for their satisfaction (as specified in section 8 of the Bidder’s Statement), the Offer will lapse and your acceptance of the Offer will be void and of no effect whatsoever.</p> <p>You will then be free to sell or otherwise deal with your Unity Pacific Securities.</p> <p>If the Offer conditions are satisfied or waived by the relevant time for their satisfaction (as specified in section 8 of the Bidder’s Statement), you will be paid or provided the Offer Consideration by Sentinel Investments.</p> <p>If you accept the Offer and it remains conditional, you cannot withdraw your acceptance before the end of the Offer Period except for in limited circumstances set out in FAQ 15.</p>
14. What are the consequences of accepting the Offer now?	<p>Once you accept the Offer in respect of all of your Unity Pacific Securities you will not be able to sell those Unity Pacific Securities or otherwise deal with the rights attaching those Unity Pacific Securities, subject to your rights to withdraw your acceptance in limited circumstances set out in FAQ 15.</p> <p>If the Offer conditions are not satisfied and Sentinel Investments has not waived the conditions by the relevant time for their satisfaction (as specified in section 8 of the Bidder’s Statement), the Offer will lapse and your acceptance of the Offer will be void and of no effect whatsoever. You will then be free to deal with your Unity Pacific Securities.</p>
15. In what circumstances can I withdraw my acceptance?	<p>You will have a right to withdraw your acceptance if you accept the Offer while it is subject to one or more Offer conditions and Sentinel Investments varies the Offer in a way that postpones for more than one month the time when Sentinel Investments has to meet its obligations under the Offer.</p>
16. Can Sentinel Investments vary the Offer?	<p>Yes. Sentinel Investments can vary the Offer in any of the ways permitted by the Corporations Act, including by extending the Offer Period or by improving the Offer Consideration.</p>
17. What happens if Sentinel Investments improves the Offer Consideration?	<p>If Sentinel Investments improves the Offer Consideration under the Offer, all Unity Pacific Securityholders (whether or not they have accepted the Offer before that occurs) will be entitled to the benefit of the increased Offer Consideration.</p>

Question	Answer
18. How do I reject the Offer?	To reject the Offer, you do not need to do anything. You should note, however, that if Sentinel Investments acquires a Relevant Interest in 90% or more Unity Pacific Securities and is entitled to acquire the remaining Unity Pacific Securities, then Sentinel Investments has stated that it intends to compulsorily acquire your Unity Pacific Securities for the Offer Consideration (see section 6.3 of the Bidder's Statement).
19. When does the Offer Period close?	The Offer Period is currently scheduled to close on 10 October 2016 at 7.00pm (Sydney time), unless it is extended or withdrawn.
20. Can the Offer be withdrawn?	Sentinel Investments may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.
21. Can the Offer Period be extended?	Yes. The Offer Period can be extended as permitted by the Corporations Act. See Section 5.7 of this Target's Statement for details of the circumstances in which the Offer Period can be extended.
22. When do I have to make a decision?	If you wish to accept the Offer, you need to do so before the close of the Offer Period. Sentinel Investments has stated that the Offer remains open until 7.00pm (Sydney time) on 10 October 2016. It is possible that Sentinel Investments may choose to extend the Offer Period in accordance with the Corporations Act. In addition, the Offer Period may be extended automatically in certain circumstances.
23. What happens if I accept the Offer and a Superior Proposal is made for my Unity Pacific Securities after I accept?	If you accept the Offer, you are only able to withdraw your acceptance in limited circumstances set out in FAQ 15. As at the date of this Target's Statement, no offer has emerged that the Unity Pacific Board considers to be a Superior Proposal.
24. Can I be forced to sell my Unity Pacific Securities?	You cannot be forced to sell your Unity Pacific Securities unless Sentinel Investments proceeds to compulsory acquisition of Unity Pacific Securities. Sentinel Investments will need to hold a Relevant Interest in at least 90% of the Unity Pacific Securities (under the Offer or otherwise) in order to exercise compulsory acquisition rights.
25. What are the tax implications of accepting the Offer?	Section 5.14 contains a general summary of the Australian tax consequences for Unity Pacific Securityholders who accept the Offer. All Unity Pacific Securityholders should read Section 5.14 in full and seek independent professional advice as to the tax consequences for them of accepting the Offer having regard to their own circumstances. In particular, non-Australian resident Unity Pacific Securityholders should seek their own taxation advice in relation to both the Australian and foreign tax consequences of accepting the Offer.
26. Do I pay stamp duty or brokerage if I accept the Offer?	You will not pay stamp duty on the disposal of your Unity Pacific Securities if you accept the Offer. If your Unity Pacific Securities are registered in an Issuer Sponsored Holding and you complete, sign and return the Acceptance Form in accordance with the instructions in section 10 of the Bidder's Statement, you will not incur any brokerage in connection with your acceptance of the Offer. If your Unity Pacific Securities are registered in a CHESS Holding or you are a beneficial owner whose Unity Pacific Securities are registered in the name of a broker, bank, custodian or other nominee, you should ask your CHESS Controlling Participant whether it will charge any transaction fees or service fees in relation to acceptance of the Offer.

Question	Answer
<p>27. What if I am a foreign Unity Pacific Securityholder?</p>	<p>Certain Unity Pacific Securityholders will be deemed to be Ineligible Foreign Securityholders for the purposes of the Offer.</p> <p>If you are an Ineligible Foreign Securityholder and you accept the Offer, you will receive the upfront cash consideration of 41.5 cents per Unity Pacific Security and any San Remo Shares you would have been entitled to will be issued to a nominee entity. Upon redemption of the San Remo Shares, any Redemption Amount that you would have been entitled to will be paid to you by cheque in Australian currency.</p> <p>For further details refer to Section 5.2.1 of this Target's Statement and section 13.7 of the Bidder's Statement.</p>
<p>28. Can I sell my Unity Pacific Securities on-market?</p>	<p>During the Offer Period, you can sell your Unity Pacific Securities on-market unless you have already accepted the Offer and have not validly withdrawn your acceptance. If you sell your Unity Pacific Securities on-market:</p> <ul style="list-style-type: none"> • you will not benefit from any possible increase in the value of Unity Pacific Securities; and • you will not benefit from any possible increase in the consideration that may be provided under the Offer or any other offer, should one be made.
<p>29. How can I get updates on the Unity Pacific Security price?</p>	<p>You can receive updates by visiting the ASX website at www.asx.com.au (ASX code: UPG) or on Unity Pacific's website at www.unitypacific.com.au</p>
<p>30. Who should I call if I have any questions?</p>	<p>If you have any questions in relation to the Offer you can call Unity Pacific on 07 3370 4800 (within Australia) and +61 7 3370 4800 (from outside Australia) between 8.30am to 5.00pm (Brisbane time) Monday to Friday.</p> <p>Announcements made to the ASX by Unity Pacific and other information relating to the Offer can be obtained from the ASX website at www.asx.com.au (ASX code: UPG).</p>

5. Information about the Offer

5.1 Background

Unity Pacific Limited commenced an extensive expressions of interest process for its corporate vehicle in February 2016. As a result of this process, on 28 July 2016, Unity Pacific announced that it had entered into the Bid Implementation Deed with Ebert Investments, pursuant to which Sentinel Investments (as nominee of Ebert Investments) has made an off-market takeover bid to acquire all of the Unity Pacific Securities on issue.

Sentinel Investments lodged its Bidder's Statement with ASIC on 6 September 2016 which sets out the terms of the Offer. A copy of the Bidder's Statement has been sent to all Unity Pacific Securityholders by post and is also available on the ASX website at www.asx.com.au (ASX code: UPG).

5.2 Consideration payable to Unity Pacific Securityholders who accept the Offer

5.2.1 Offer Consideration

The Offer Consideration, per Unity Pacific Security, being offered by Sentinel Investments is:

- **cash consideration:** cash of 41.5 cents; and
- **scrip consideration:** one (1) San Remo Share, being a contingent value redeemable preference share in Sentinel Investments deemed to be fully paid to an amount of 5.5 cents.

No Offer Consideration for the Unity Pacific Securities tendered into the Offer will be paid or provided until the Offer becomes unconditional. If you accept the Offer and the Offer becomes unconditional, you will be paid or provided the Offer Consideration by the earlier of:

- twenty-one (21) days after the date of your acceptance of the Offer or, if the Offer is subject to a condition when you accept the Offer, within one month after the Offer becomes unconditional; and
- twenty-one (21) days after the end of the Offer Period.

If you are an Ineligible Foreign Securityholder, and you accept the Offer, you will receive only the upfront cash consideration of 41.5 cents per Unity Pacific Security and any San Remo Shares you would have been entitled to will be issued to a nominee entity. Upon redemption of the San Remo Shares in accordance with their terms, any Redemption Amount that you would have been entitled to will be paid to you by cheque in Australian currency. For further details, refer to section 13.7 of the Bidder's Statement.

5.2.2 Offer Consideration scenarios

The table below shows the total Offer Consideration based on varying net sale proceeds of the San Remo Property after deducting estimated Transaction Costs of \$0.43 million. The Offer Consideration for a Unity Pacific Securityholder who holds 10,000 Unity Pacific Securities at varying net sale proceeds is also shown below.

Net sale proceeds of San Remo Property (\$'000)¹	6,000	7,000	8,075	9,000
Upfront cash payment (¢/security)	41.5	41.5	41.5	41.5
Redemption of San Remo Shares (¢/share)	-	2.7	5.5	8.0
Total Offer Consideration (¢/security)	41.5	44.2	47.0	49.5
<hr/>				
No. of Unity Pacific Securities held	10,000	10,000	10,000	10,000
Upfront cash payment (\$/security)	4,150	4,150	4,150	4,150
Redemption Amount (\$/share)	-	270	550	800
Total Offer Consideration (\$)	4,150	4,420	4,700	4,950

¹ Net of Transaction Costs – estimated at \$0.43 million

² Based on securities on issue – 37,678,992 (assumes the 1,875,000 Unity Pacific Options are exercised)

The sale of the San Remo Property at or around Unity Pacific's most recent independent valuation as at 30 June 2016 of \$8.5 million equates to the deemed paid-up value of 5.5 cents per San Remo Share (after allowing for estimated Transaction Costs of \$0.43 million). In the example above, this equates to \$550 for a Unity Pacific Securityholder who holds 10,000 Unity Pacific Securities.

5.3 Summary of the terms of San Remo Shares

5.3.1 General

The San Remo Shares will be issued to accepting Unity Pacific Securityholders as a component of the Offer Consideration.

Each San Remo Share entitles an accepting Unity Pacific Securityholder to receive an additional cash payment by way of redemption, in the event the San Remo Property is sold within 9 months of the end of the Offer Period and the net proceeds from the sale of the San Remo Property (after Transaction Costs) exceeds \$6 million, converted to an amount per Unity Pacific Security. The obligation to redeem the San Remo Shares has been guaranteed by Warren Ebert and Ebert Investments (both Associates of Sentinel Investments) pursuant to the Deeds of Guarantee.

The final outcome for Unity Pacific Securityholders will depend upon the ultimate net sale proceeds of the San Remo Property and is subject to the sale completing on or before the date which is 9 months after the end of the Offer Period.

The Directors believe it is reasonable to anticipate that the sale of the San Remo Property will occur at or around \$8.5 million based on Unity Pacific's most recent independent valuation as at 30 June 2016. However, no assurances can be given that this will be the case.

If the Projected Sale occurs, the total Offer Consideration received by Unity Pacific Securityholders pursuant to the Offer will be 47 cents per Unity Pacific Security (comprising upfront cash consideration of 41.5 cents per Unity Pacific Security and an additional cash payment of 5.5 cents per Unity Pacific Security upon redemption of the San Remo Shares).

However, the total Offer Consideration payable to Unity Pacific Securityholders will depend on the ultimate net sale proceeds of the San Remo Property, as follows:

- if the San Remo Property is sold in the 9 month period and the net proceeds of the sale are higher than the Projected Sale, the Redemption Amount payable to Unity Pacific Securityholders for their San Remo Shares will be higher than 5.5 cents per security;
- if the San Remo Property is sold in the 9 month period and the net proceeds of the sale exceed \$6 million but are lower than the Projected Sale, the Redemption Amount payable to Unity Pacific Securityholders will be lower than 5.5 cents per security; or
- if the San Remo Property is not sold within the 9 month period or the net proceeds of any sale do not exceed \$6 million, then the San Remo Shares will be redeemed for nil consideration and the total cash consideration received by Unity Pacific Securityholder pursuant to the Offer will be 41.5 cents per Unity Pacific Security.

5.3.2 Key terms of issue

In summary, the San Remo Shares are subject to the following terms of issue:

- **Issue date:** San Remo Shares will be issued by Sentinel Investments as a component of the Offer Consideration.
- **Transferability:** San Remo Shares are not transferable. Accordingly, holders of San Remo Shares will realise the value on those solely through the payment of the Redemption Amount (if any).
- **Redemption Trigger:** Redemption of the San Remo Shares will be triggered if the sale of the San Remo Property is completed before the date that is 9 months after the end of the Offer Period, and the net proceeds of the sale of the San Remo Property (after allowing for Transaction Costs) exceeds \$6 million.
- **Redemption:** Sentinel Investments must:
 - redeem each San Remo Share by giving a redemption notice to holders of San Remo Shares within 20 days of the Redemption Trigger (or deemed to have been given by the 21st day); and
 - pay the Redemption Amount to holders on the Redemption Date.
- **Redemption Date:** 30 days after a redemption notice is issued by Sentinel Investments.

- **Redemption Amount:** an amount determined in accordance with this formula:

$$X = \frac{NP \times ARPS}{\text{Total Unity Pacific Securities}}$$

Where:

X is the Redemption Amount for that holder;

NP is the amount by which the net proceeds of the sale of the San Remo Property (after allowing for Transaction Costs) exceeds \$6 million;

ARPS is the total number of San Remo Shares held by the person which are the subject of a redemption notice from Sentinel Investments; and

Total Unity Pacific Securities is the total number of Unity Pacific Securities on issue at the end of the Offer Period.

Refer to Schedule 1 of the Bidder's Statement for the full terms of issue of the San Remo Shares, including information on voting rights, rights to participate in profits or property, and entitlement on any winding up of Sentinel Investments.

5.4 Current directors will remain to sell the San Remo Property

Current Directors, Chris Morton and Murray Boyte, will remain as directors of the Unity Pacific entity that owns the San Remo Property for the 9 month period following the close of the Offer or until the San Remo Property is sold and the San Remo Shares have been redeemed (whichever is the earlier).

The directors of the Unity Pacific entity that owns the San Remo Property will be mandated and authorised by Unity Pacific and Sentinel Investments to carry out all things considered necessary by them to maintain and enhance the value of the San Remo Property and to maximise its sale price. Chris Morton and Murray Boyte will not receive any remuneration during this time.

Details of this mandate and authority are set out in section 5.2 of the Bidder's Statement.

5.5 Conditions of the Offer

The Offer is subject to a number of conditions being satisfied or waived. If this does not occur, the Offer will lapse.

The conditions of the Offer include:

- Sentinel Investments and its Associates having a Relevant Interest in at least 50.1% of Unity Pacific Securities;
- no material adverse changes in relation to Unity Pacific;
- no 'prescribed occurrences';
- all change of control consents for Unity Pacific Group's Material Contracts are obtained;
- no regulatory actions which would impede or restrain the Offer;
- various other restrictions on the conduct of Unity Pacific's business during the Offer Period; and
- the other conditions that are specified in the Offer.

The conditions of the Offer are set out in section 8 of the Bidder's Statement.

Sentinel Investments has set 3 October 2016 as the date on which it will give Unity Pacific Securityholders and ASX the notice required under section 630(3) of the Corporations Act on the status of the Offer conditions (subject to an extension in accordance with Section 630(2) of the Corporations Act). If, before that date, one of the Offer conditions is fulfilled, Sentinel Investments will be required under section 630(4) of the Corporations Act to give Unity Pacific and ASX notice of the fulfilment of that condition.

Sentinel Investments may free the Offer, and any contract resulting from its acceptance, from any or all of the Offer conditions by giving a notice to Unity Pacific and ASX in accordance with section 650F of the Corporations Act. Sentinel Investments may also waive any of the Offer conditions.

5.6 Offer Period

Unless the Offer is extended or withdrawn by Sentinel Investments, the Offer will be open for acceptance until 7.00pm (Sydney time) on 10 October 2016.

The circumstances in which Sentinel Investments may extend or withdraw its Offer are set out in Sections 5.7 and 5.8, respectively, of this Target's Statement.

5.7 Extension of the Offer Period

Sentinel Investments may extend the Offer Period at any time before the end of the Offer Period. However, if the Offer is subject to any Offer condition, Sentinel Investments may only extend the Offer Period after the publication of the notice of status of conditions (referred to in Section 5.5 of this Target's Statement) if, after publication of that notice:

- another person lodges a bidder's statement with ASIC in relation to a takeover bid for the Unity Pacific Securities or announces such a bid or makes offers for Unity Pacific Securities under such a bid; or
- the consideration for offers under another takeover bid for Unity Pacific Securities is improved.

In addition, there will be an automatic extension of the Offer Period if, within the last seven days of that period:

- Sentinel Investments improves the Offer Consideration; or
- Sentinel Investments' voting power in Unity Pacific increases to more than 50%.

If either of these two events occurs within the last seven days of the Offer Period, the Offer Period will be automatically extended so that it ends 14 days after the relevant event occurs.

Under the Corporations Act, the Offer Period may not be extended to last for more than 12 months.

5.8 Withdrawal of the Offer

Sentinel Investments may not withdraw the Offer if you have already accepted it. Before you accept the Offer, Sentinel Investments may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

5.9 Effect of acceptance

The effect of acceptance of the Offer is set out in section 12 of the Bidder's Statement. Unity Pacific Securityholders should read those provisions in full to understand the effect that acceptance will have on their ability to exercise the rights attaching to their Unity Pacific Securities and the representations and warranties which they give by accepting the Offer.

5.10 Your ability to withdraw your acceptance

You will only be able to withdraw your acceptance in limited circumstances. In particular, you will have a right to withdraw your acceptance if you accept the Offer while it is subject to one or more Offer conditions and Sentinel Investments varies the Offer in a way that postpones for more than one month the time when Sentinel Investments has to meet its obligations under the Offer.

5.11 Compulsory acquisition

Sentinel Investments has indicated in section 6.3 of the Bidder's Statement that if it acquires a Relevant Interest in 90% or more of Unity Pacific Securities and is entitled to acquire the remaining Unity Pacific Securities it intends to compulsorily acquire any outstanding Unity Pacific Securities and to have Unity Pacific apply for its removal from the ASX.

Sentinel Investments will be able to compulsorily acquire any outstanding Unity Pacific Securities for which it has not received acceptances on the same terms as the Offer if during, or at the end of, the Offer Period Sentinel Investments (taken together with its Associates):

- has a Relevant Interest in at least 90% (by number) of the Unity Pacific Securities; and
- has acquired at least 75% (by number) of the Unity Pacific Securities for which it has made the Offer.

If these thresholds are met, Sentinel Investments will have one month from the end of the Offer Period within which to give compulsory acquisition notices to Unity Pacific Securityholders who have not accepted the Offer. The consideration payable by Sentinel Investments will be the Offer Consideration last offered under the Offer.

If Sentinel Investments does not become entitled to compulsorily acquire Unity Pacific Securities in accordance with the above procedures, it may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 Division 1 of the Corporations Act.

Unity Pacific Securityholders may challenge any compulsory acquisition but this would require the relevant Unity Pacific Securityholder to establish to the satisfaction of a court that the terms of the Offer do not represent fair value for their Unity Pacific Securities.

If Unity Pacific Securities are compulsorily acquired, Unity Pacific Securityholders are not likely to receive payment until at least one month after the compulsory acquisition notices are sent.

5.12 Superior Proposal

If you accept the Offer, you may forfeit the opportunity to benefit from any better offer made by another bidder for your Unity Pacific Securities, if such an offer eventuates.

If you do not accept the Offer and no other offer eventuates, you will be subject to the risks outlined in Section 7.2 of this Target's Statement, including that the price of Unity Pacific Securities may fall. Should another offer be announced during the Offer Period, Unity Pacific will issue a supplementary target's statement to Unity Pacific Securityholders.

5.13 Effect of an improvement in Offer Consideration on Unity Pacific Securityholders who have already accepted the Offer

If Sentinel Investments improves the Offer Consideration under the Offer, all Unity Pacific Securityholders, whether or not they have accepted the Offer before that improvement in Offer Consideration, will be entitled to the benefit of that improved Offer Consideration.

5.14 Taxation

General Introduction

This is a general overview of the Australian taxation consequences for Unity Pacific Securityholders who accept the Offer.

The comments below are relevant only to Australian resident Unity Pacific Securityholders who hold their securities on capital account. The information in this Section 5.14 does not apply to Unity Pacific Securities held on revenue account or to which the Taxation of Financial Arrangements rules apply.

The information in this Section 5.14 applies to Unity Pacific Securityholders who received Unity Pacific Securities under Unity Pacific's Exempt Employee Stapled Securities Plan, and elected to be taxed upfront (to avail themselves of an up to \$1,000 tax exemption) on those securities. The information in this Section 5.14 does not apply to Unity Pacific Securities acquired in all other cases in respect of employment.

In particular, non-Australian tax resident Unity Pacific Securityholders should seek their own taxation advice in relation to both the Australian and foreign tax consequences of accepting the Offer, having regard to their own circumstances.

All Unity Pacific Securityholders should seek full and independent professional advice as to the tax consequences for them of accepting the Offer having regard to their own circumstances.

The following general overview is based upon the Australian law and administrative practice in effect at the date of this Target's Statement. It is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of each individual Unity Pacific Securityholder.

5.14.1 Capital Gains Tax Consequences

Unity Pacific Securities

Acceptance of the Offer will constitute a disposal by Unity Pacific Securityholders of their securities by way of transfer to Sentinel Investments. The change in ownership effected by the transfer of securities will constitute a Capital Gains Tax (**CGT**) event for Australian tax purposes.

The CGT event will occur once the Offer becomes unconditional. Where the Offer does not proceed, no CGT implications will arise.

Unity Pacific Securityholders that are Australian residents may make a capital gain or capital loss on disposal of the securities. A capital gain may be made to the extent the capital proceeds received on disposal are greater than the cost base of the securities at the date of disposal. Conversely, a capital loss will be recognised to the extent that capital proceeds received from the disposal are less than the reduced cost base of the securities at the date of disposal.

The capital proceeds recognised will be 47 cents, which will comprise the upfront cash consideration received by Unity Pacific Securityholders, as well as the market value of the San Remo Shares, assessed to be 5.5 cents by Sentinel Investments and Unity Pacific, in accordance with Section 5.2 and Section 5.3 of this Target's Statement.

The cost base of the Unity Pacific Securities will generally comprise of the cost of the Unity Pacific Limited Share and Unity Pacific Stapled Trust Unit upon acquisition, including any incidental costs incurred (e.g. brokerage fees).

The cost base portion of the Unity Pacific Security relating to Unity Pacific Stapled Trust Unit will be reduced under CGT Event E4 to the extent to which the Unity Pacific Securityholder has received any non-assessable tax-deferred payments in connection with the securities held (e.g. three capital distributions paid by Unity Pacific Stapled Trust since 2013).

Resident individuals, complying superannuation entities and trustees that have held securities in Unity Pacific for at least 12 months prior to disposal should be eligible to a discount on the capital gain recognised (**CGT Discount**). The CGT Discount is applied to any capital gain remaining after utilisation of available current year and prior year capital losses. Individuals and trustees are entitled to a discount rate of 50 per cent, and complying superannuation entities are entitled to a discount rate of 33½ per cent.

Companies that are Unity Pacific Securityholders, excluding those who are acting in their capacity as a corporate trustee of a Trust, are not eligible to apply the CGT Discount.

The CGT Discount also does not apply to any capital loss recognised on disposal.

Any resulting net capital gain will be included in the assessable income of the Unity Pacific Securityholder and will be subject to income tax.

If a capital loss is recognised on disposal, the capital loss may be offset against other capital gains arising in the same year of income, prior to the application of the CGT Discount. Any remaining capital loss amount may be carried forward to offset against future capital gains, but not future assessable non-capital gains income.

San Remo Shares

The redemption of the San Remo Shares in accordance with their terms of issue (see Section 5.3) will constitute a CGT event for Australian tax purposes. The cost base of the San Remo Shares will be the market value of the San Remo Shares, assessed to be 5.5 cents by Sentinel Investments and Unity Pacific.

If the Redemption Amount for the San Remo Shares is equal to the assessed cost base of 5.5 cents then no capital gain or capital loss will arise upon redemption.

Unity Pacific Securityholders may recognise a capital loss where the Redemption Amount is less than the reduced cost base of the San Remo Share. Should the redemption of the San Remo Shares take place during the same income year as the disposal of the Unity Pacific Securities, the capital loss can be offset against any capital gain realised on the disposal of the Unity Pacific Securities. If the redemption takes place in a subsequent income year, the capital loss cannot be offset against any capital gain realised on the sale of the Unity Pacific Securities.

Where the Redemption Amount exceeds the cost base of the San Remo Share, a dividend may be recognised for tax purposes for the amount of the excess. Australian tax resident Unity Pacific Securityholders will be required to include any dividend amount in their assessable income and will be subject to income tax in the year it is received.

The dividend may be unfranked, partly or fully franked which will be dependent upon the structure from which the dividend is paid. The amount to be included in the assessable income of the Unity Pacific Securityholder will comprise the amount of the dividend paid as well as any franking credit amount attached to the dividend. Unity Pacific Securityholders will then be entitled to claim a tax offset for the amount of the franking credit amount.

Unity Pacific Securityholders that are individuals and superannuation funds will generally be entitled to claim a refund of excess franking credits. Where the Unity Pacific Securityholder is a corporate entity, excess franking credits may be converted into carry forward income tax losses.

Withholding tax up to 49% will apply to the portion of unfranked dividend paid to any Unity Pacific Securityholder that does not provide their Australian Business Number or Tax File Number.

In the event the San Remo Shares are redeemed by Sentinel Investments for nil consideration (see Section 5.3), this will also give rise to a CGT event whereby a capital loss will arise for the amount of the share's reduced cost base.

5.14.2 Stamp Duty Consequences

The acquisition of the Unity Pacific Securities will result in Sentinel Investments becoming a landholder in Victoria. Accordingly, it is necessary to consider any landholder duty that may arise on acquisition of the San Remo Shares.

The San Remo Shares have rights attached to them which entitle the holder of the Shares to receive a limited distribution of property upon winding up of Sentinel Investments.

Landholder duty will be applicable where there is a 'relevant acquisition'. A relevant acquisition will occur if the holder of a San Remo Share has an entitlement for the distribution of more than 50% of the property held by Sentinel Investments upon winding up of Sentinel Investments. It is likely that the entitlement the holder of a San Remo Share will receive upon winding up of Sentinel Investments will be very limited and fall well below 50%.

As a holder of San Remo Shares does not hold an interest of 50% or more in Sentinel Investments, there will be no landholder duty implications for existing Unity Pacific Securityholders.

5.14.3 Goods & Services Tax Consequences

Holders of Unity Pacific Securities should not be liable for any Goods & Services Tax (**GST**) on disposal. There will be no GST implications for Unity Pacific Securityholders not registered for GST or required to be registered for GST. Where the Unity Pacific Securityholder is registered for GST, the sale of the securities will be treated as an input taxed financial supply. In the instance where the Unity Pacific Securityholder is registered for GST, it is recommended independent advice is sought regarding whether any input tax credits are claimable on costs associated with the disposal of securities.

6. Information about Unity Pacific

6.1 Overview of Unity Pacific

Unity Pacific Group (ASX: UPG) is a stapled ASX listed Australian Real Estate Investment Trust (A-REIT). Unity Pacific's core business is direct real estate investment and funds management.

Unity Pacific currently owns and manages a small portfolio of Australian property assets.

Unity Pacific comprises Unity Pacific Stapled Trust and Unity Pacific Limited. Each fully paid unit in Unity Pacific Stapled Trust is stapled to one fully paid ordinary share in Unity Pacific Limited and can only be dealt with as a stapled security.

Unity Pacific Stapled Trust is an internally managed investment scheme. The responsible entity, Unity Pacific Investment Management Limited, is a wholly owned subsidiary of Unity Pacific Limited. Unity Pacific Investment Management Limited holds an AFSL and in its capacity as responsible entity, manages the operations of Unity Pacific Stapled Trust.

Unity Pacific has a second AFSL, which is held by Unity Pacific Funds Management Limited and is used for Unity Pacific's external property funds management operations.

Unity Pacific Funds Management Limited is the responsible entity and manager of The Marie Street Trust which commenced operations with the acquisition of a commercial office building at 16 Marie Street, Milton, Queensland in March 2015. The Marie Street Trust has a term of 6 years from acquisition date. Unity Pacific receives base management fees as well as fees for other services it provides including accounting and property management services at normal commercial rates.

Unity Pacific Group changed its name from Trinity Group (ASX: TCQ) on 12 December 2014.

6.2 Directors of Unity Pacific

Details of Directors

Brett Heading, Chairman and Non-Executive Independent Director

Brett has been Chairman since his appointment to the Unity Pacific Group Board on 21 August 2009.

Other current directorships in listed companies:
Nil

Brett is an experienced company director and corporate lawyer with more than 30 years of experience in capital raising, mergers and acquisitions. In February 2016, he joined global law firm, Jones Day, as a partner. Previously, he was a partner (and former Chairman) of McCullough Robertson since 1985.

Other former directorships in listed companies within the last three years:
Empire Oil & Gas NL and Invion Limited

Qualifications:
BCom LLB (Hons) FAICD

Brett has been a director of a number of listed and unlisted companies. Mr Heading is also a former long-standing member of the Board of Taxation and was a member of the Takeovers Panel from 1997 to 2009.

Christopher Morton, Managing Director

Chris was appointed to the Unity Pacific Group Board on 21 August 2009. He was appointed Chief Executive Officer on 24 September 2012.

Other directorships in listed companies within the last three years:
Nil

Chris has over 25 years' experience in the areas of property law, investment and funds management and was formerly a senior property law partner and senior management executive with the national legal firm Phillips Fox (now known as DLA Piper).

Qualifications:
BCom LLB LLM MAICD

Christopher Morton, Managing Director (cont'd)

In 1997, Chris founded and was Managing Director of Property Funds Australia Limited (PFA), a specialist property funds management company and responsible entity for the Australian exchange listed, PFA Diversified Property Trust. PFA was acquired by the Mirvac Group in October 2007.

Chris is a past president of the Property Council of Australia (Queensland Division), past president of the Australian Direct Property Investment Association (ADPIA) and a past member of the Queensland Heritage Council and the Brisbane City Council's Urban Renewal Taskforce.

Murray Boyte, Non-Executive Independent Director

Murray was appointed to the Unity Pacific Group Board on 6 March 2015.

Murray's career spans more than 35 years in merchant banking and finance, undertaking company reconstructions, mergers and acquisitions in Australia, New Zealand, North America and Hong Kong. He has held executive roles and Board positions across a diverse range of industries including transport, financial services and healthcare. He has extensive experience in property management and development.

Murray was formerly Chief Executive Officer of ASX-listed Ariadne Australia Limited, a position he held from 2003 to 2015.

Murray is also an independent director of Abano Healthcare Group which conducts healthcare business activities in Australia and New Zealand and is listed on the New Zealand Stock Exchange.

Other current directorships in listed companies:
Abano Healthcare Group (NZ)

Other former directorships in listed companies within the last three years:
Nil

Qualifications:
BCA CA MAICD IoDNZ

6.3 History of Unity Pacific

Unity Pacific (formerly Trinity Group) listed on the ASX in 2004.

In August 2009, following poor financial performance and corporate governance by Unity Pacific's previous board of directors and management, a new board of directors (including members of the current board) and senior management team were appointed.

The new board and management team led by Brett Heading as Chairman and Chris Morton as Managing Director, proceeded to deal with the many issues facing the group at that time.

Entities associated with Chris Morton became a substantial securityholder of Unity Pacific at that time.

The group settled litigation with the previous property development project partners, exited offshore property holdings, rationalised assets, reduced significant debt and carried out capital management initiatives.

In 2013, the lengthy and complex business rationalisation of the Unity Pacific group of companies was completed and the determination for the future of Unity Pacific, being growth for the business, was announced.

In July 2015, the Board determined that despite Unity Pacific being financially well positioned to pursue the acquisition of existing funds management businesses, the timeframe to execute opportunities in this sector would not result in sustainable distributions for securityholders in an acceptable timeframe. As a result of this decision, surplus cash reserves which had previously been reserved for business acquisition activities were returned to securityholders. Further asset sales and capital management initiatives have occurred since July 2015. An expressions of interest campaign for the sale of the corporate vehicle and remaining assets commenced in February 2016.

Since 2009, Unity Pacific has undertaken numerous capital management initiatives resulting in approximately \$67 million being returned to securityholders. Additionally over \$150 million in debt has been repaid to Unity Pacific's financier with an additional \$50 million being either forgiven or transferred with specific assets.

6.4 Principal activities of Unity Pacific

Unity Pacific's principal activities during the year ended 30 June 2016 were:

- direct investment in, and management of, income producing properties (property investment);
- direct investment in properties acquired for re-sale or development (property held as inventory); and
- funds management.

Unity Pacific's property portfolio as at the date of this Target's Statement comprises:

Property	Location	Sector	Book Value 30 June 2016 (\$m)
Cumberland Lorne Resort, Lorne ¹	VIC	Tourism	1.1
San Remo Site, San Remo	VIC	Rural/Future Residential	8.5

¹ Unity Pacific Group owns 4 apartments

6.5 Financial position of Unity Pacific

6.5.1 Unity Pacific Limited Consolidated Statement of Financial Position

On 22 August 2016 Unity Pacific released its 2016 Financial Report and Appendix 4E for the year ended 30 June 2016.

Unity Pacific's Consolidated Statement of Financial Position (audited) at 30 June 2016 is:

	Audited 30 June 2016 (\$m)
Cash and Cash Equivalents	35.2
San Remo site	8.5
Cumberland Lorne Resort apartments	1.1
Other Assets	0.5
Total Assets	45.3
Provision for capital distribution	(28.6)
Other Liabilities	(1.6)
Total Liabilities	(30.2)
Net Assets	15.1
NTA per Unity Pacific Security	42 cents

Further details can be found in Unity Pacific's 2016 Financial Report and related results announcements released to the ASX on 22 August 2016.

The capital distribution of 80 cents per security totalling \$28.64 million, which was announced to Unity Pacific Securityholders on 17 June 2016, was paid on 25 July 2016. This capital distribution was included in Unity Pacific's net tangible assets per security as at 30 June 2016.

Unity Pacific has retained sufficient cash reserves following the payment of the capital distribution paid on 25 July 2016 to fund future working capital requirements until the program for realising the remaining asset value for Unity Pacific Securityholders is completed.

6.5.2 Historical financial and trading information on Unity Pacific

The security price, earnings per security, net tangible asset value per security and dividends/distributions declared at the end of the financial year for the last five years are shown in the following table:

	2012	2013	2014	2015 ²	2016 ²
Basic earnings/(loss) per security (cents)	9.5	(2.6)	0.3	3.7	17.0
Security price at year end	\$0.25	\$0.25	\$0.25	\$1.03	\$1.18 ³
Change in security price	\$0.07	-	-	\$0.78	\$0.15
Total dividends/distributions declared (\$ per security) ¹	-	\$0.03	-	-	\$1.22
Net tangible asset per security (\$)	\$0.38	\$0.35	\$0.36	\$1.47	\$0.42

¹ Capital distributions were paid from the Trust on 7 June 2013 (3 cents per security), 31 August 2015 (42 cents per security) and 25 July 2016 (80 cents per security).

² The 2015 and 2016 figures reflect the 1:4 security consolidation completed in December 2014. The \$0.78 change in security price in 2015 is a consequence of the security consolidation.

³ An 80 cent per security capital distribution was announced during the year and paid on 25 July 2016. Securities traded 'cum div' until 6 July 2016.

7. Risks

7.1 Risks related to holding San Remo Shares

If you receive the Offer Consideration, then you will receive San Remo Shares. There are a number of risks associated with holding San Remo Shares and being a shareholder of Sentinel Investments – see Section 2.5 of this Target's Statement and section 5.4 of the Bidder's Statement.

7.2 Risks relating to the outcome of the Offer

Maintaining your investment in Unity Pacific may have the following risks, depending on the outcome of the Offer:

- if you choose not to accept the Offer and Sentinel Investments subsequently exercises compulsory acquisition rights and exercises those rights, you will be compelled to sell your Unity Pacific Securities to Sentinel Investments but may not receive the consideration for some time;
- if you choose not to accept the Offer and Sentinel Investments is not able to exercise its compulsory acquisition rights (as discussed in Section 5.11), but declares the Offer unconditional, then Sentinel Investments will have acquired control of Unity Pacific (provided it acquires more than 50% of the Unity Pacific Securities). This has a number of possible implications for remaining Unity Pacific Securityholders, including:
 - Sentinel Investments (and its Associates) may be in a position to cast a majority of votes at a general meeting of Unity Pacific. This would enable it to control the composition of the Unity Pacific Board and senior management, determine Unity Pacific's dividend policy and control the strategic direction of the business;
 - there may be a substantially reduced number of Unity Pacific Securities that are available for trading on the ASX, thereby reducing the liquidity of Unity Pacific Securities and making it more difficult for you to sell your Unity Pacific Securities on ASX;
 - if Sentinel Investments (and its Associates) acquires a Relevant Interest in 75% or more of the Unity Pacific Securities, Sentinel Investments will be able to pass a special resolution. This will enable Sentinel Investments to, among other things, change Unity Pacific's constitution;
 - while Sentinel Investments' intentions for Unity Pacific are described in section 6 of the Bidder's Statement, those intentions may change; and
 - Sentinel Investments has stated in the Bidder's Statement that, to the extent it is able to do so, it will seek to have Unity Pacific apply for its removal from the official list of ASX. If Unity Pacific is delisted, investors will no longer be able to acquire or trade Unity Pacific Securities on the ASX; and
- if you choose not to accept the Offer and Sentinel Investments does not acquire a Relevant Interest in at least 50.1% of the Unity Pacific Securities or declare the Offer unconditional, the Offer will not be successful and you and other Unity Pacific Securityholders will continue as in the past.

7.3 Key risks associated with an investment in Unity Pacific

There are various risks associated with an investment in Unity Pacific that Unity Pacific Securityholders should be aware of before deciding whether or not to accept the Offer. There are general risks affecting the operations of Unity Pacific, various risks which affect companies operating in the property industry as well as various risks affecting the price of Unity Pacific Securities as with any stock market investment.

Set out below is a summary of some of these risks associated with an investment in Unity Pacific. They are not exhaustive and are relevant to Unity Pacific Securityholders as at the date of this Target's Statement and may continue to be relevant to Unity Pacific Securityholders who may remain Unity Pacific Securityholders following completion of the Offer, subject to Sentinel Investments' intentions for Unity Pacific as described in section 6 of the Bidder's Statement should it acquire control of Unity Pacific.

7.3.1 Operational risk

Unity Pacific's remaining property assets generate an immaterial level of income. As such, there is insufficient income to fund the operating costs of the business indefinitely.

Unity Pacific's operating costs are high relative to the value of its remaining assets. As there is insufficient income to fund the operating costs of the business, cash reserves in the business will be materially reduced in the future. Any capital expenditure requirements for Unity Pacific or its assets will further impact on cash reserves.

7.3.2 Diversification risk

As at the date of this Target's Statement, and subject to the completion of the sale of the San Remo Property, Unity Pacific will own 4 apartments at the Cumberland Lorne Resort and cash, and so it will not be diversified by investment class, geographic location or property sector.

7.3.3 Security price risk

The market price of Unity Pacific Securities may fluctuate due to various factors including changes in Australian and international economic conditions, interest rates, inflation rates, financial markets and investor sentiment.

Although Unity Pacific Securities are listed on the ASX, there is a risk that there will not be a liquid market for Unity Pacific Securities. If insufficient liquidity exists in the market for the Unity Pacific Securities, investors who wish to sell their securities may be unable to do so at an acceptable price, or at all.

7.3.4 Property and valuation risks

The future value of property is subject to a number of risks which include a downturn in the property market in general, pricing of any competing properties, tenants defaulting, increased competition from new or existing properties, increases in supply or falls in demand for property in the relevant sectors, and general economic conditions, such as interest rates and rental capitalisation rates.

Independent valuations represent a best estimate of the independent valuer at the time of undertaking the valuation and may not reflect the actual price the property (including the San Remo Property) would realise if sold. Independent valuations are subject to a number of assumptions which may prove to be inaccurate.

8. Additional information

8.1 Other material information

This Target's Statement is required to include all the information that Unity Pacific Securityholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer, but:

- only to the extent to which it is reasonable for Unity Pacific Securityholders and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is actually known to any Director.

The Directors are of the opinion that the information that Unity Pacific Securityholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- the information contained in the Bidder's Statement;
- the information contained in this Target's Statement; and
- the information contained in Unity Pacific's releases to the ASX prior to the date of this Target's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate. However, the Directors do not take any responsibility for the contents of the Bidder's Statement and are not taken to be endorsing, in any way, any or all of the statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

- the nature of the Unity Pacific Securities;
- the nature of Unity Pacific Stapled Trust, being a managed investment scheme;
- the matters that Unity Pacific Securityholders may reasonably be expected to know; and
- the fact that certain matters may reasonably be expected to be known to Unity Pacific Securityholders' professional advisers.

8.2 Bid Implementation Deed

On 28 July 2016, Unity Pacific and Ebert Investments entered into the Bid Implementation Deed in relation to the Offer. A copy of the Bid Implementation Deed was provided to ASX on 28 July 2016 and is available at www.asx.com.au (ASX code: UPG).

A summary of the Bid Implementation Deed is set out in section 18.1 of the Bidder's Statement.

8.3 The Marie Street Trust

Unity Pacific Funds Management Limited, a wholly owned subsidiary of Unity Pacific Limited, is the responsible entity and manager of The Marie Street Trust, a single asset, fixed term, unlisted wholesale property trust. The Marie Street Trust has a term of 6 years from acquisition date of The Marie Street Property.

Pursuant to the Bid Implementation Deed, Sentinel Investments is required to do all things within its control to ensure that the board of Unity Pacific Funds Management Limited is comprised of three directors, being Chris Morton, Murray Boyte and one nominee of Sentinel Investments, from the date on which the Offer becomes unconditional and Sentinel Investments acquires a Relevant Interest in at least 50% of the Unity Pacific Securities up until the earlier of:

- Unity Pacific Funds Management Limited ceasing to be the responsible entity and a manager of The Marie Street Trust; and
- The Marie Street Property is sold.

Chris Morton and Murray Boyte will not be entitled to receive any remuneration for their services as directors of Unity Pacific Funds Management Limited.

8.4 Unity Pacific's issued securities

As at the date of this Target's Statement, Unity Pacific's issued securities consisted of:

- 35,803,992 Unity Pacific Securities; and
- 1,875,000 Unity Pacific Options.

If the Unity Pacific Options (which are held by a former Unity Pacific director) are converted into Unity Pacific Securities in accordance with their terms of issue during the Offer Period, they will participate in the Offer together with all other Unity Pacific Securities.

8.4.1 Substantial holders of Unity Pacific Securities

As at the date of this Target's Statement, and based on information available to Unity Pacific, the substantial holders of Unity Pacific Securities, the number of Unity Pacific Securities in which they had a Relevant Interest and their voting power in Unity Pacific is as set out below:

Substantial holder	Number of Unity Pacific Securities	Voting power
Lochinvar Pastoral Company Pty Ltd and associated entities	9,757,720	27.25%
Kingsley Developments Pty Ltd and associated entities	7,779,507	21.73%
Ebert Investments Pty Ltd <Ebert Investments A/C>	5,757,494	16.08%

8.4.2 Interests of Directors in securities of Unity Pacific

The following table provides the following information about each Director as at the date of this Target's Statement:

- the number of Unity Pacific Securities in which the Director has a Relevant Interest; and
- the number of Unity Pacific Options held by the Director.

Name of Director	Number of Unity Pacific Securities	Number of Unity Pacific Options
Brett Heading	73,976	-
Christopher Morton	9,757,720	-
Murray Boyte	-	-
TOTAL	9,831,696	-

8.4.3 Dealings by Directors in Unity Pacific securities

There has been no dealing by any of the Directors in any market securities of Unity Pacific or Sentinel Investments in the four (4) months preceding 7 September 2016, the last practicable trading date before the date of this Target's Statement.

8.4.4 Interests and dealings in Sentinel Investments (or its Related Bodies Corporate)

No Director has a Relevant Interest in any securities in Sentinel Investments.

8.4.5 Benefits to Directors

Except as set out in this Target's Statement:

- there is no payment or other benefit that is proposed to be made or given to any Director, secretary or executive officer of Unity Pacific (or any of its Related Bodies Corporate) as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in Unity Pacific or any of its Related Bodies Corporate as a consequence of or in connection with the Offer and no Director, secretary or executive officer of Unity Pacific (or any of its Related Bodies Corporate) has had or is to have the amount of any payment or benefit which may be made to them upon their loss of office or retirement from office materially affected by the Offer;
- the Directors do not have any other interests in a contract entered into by Sentinel Investments or any member of the Sentinel Investments Group;
- there are no contracts or arrangements between a Director and any person in connection with or conditional upon the outcome of the Offer; and
- the Directors do not have a material interest in relation to the Offer.

8.5 Potential impact of Offer on Material Contracts

As noted in section 5.5 of this Target's Statement and set out in detail in section 8.1 of the Bidder's Statement, the Offer is conditional upon Unity Pacific obtaining consent from any person with a right under a Material Contract arising by virtue of the making or implementation of the Offer or any change of control in Unity Pacific.

Some of the contracts to which members of the Unity Pacific Group are a party (including leases, supply contracts and financing arrangements) contain change of control provisions that have been, will, or may if certain conditions pertain, be triggered by either entry into the Bid Implementation Deed or the successful completion of the Offer. Such provisions allow the counterparty to, variously, review, adversely modify or terminate the contract, which may individually or in aggregate have an adverse effect on Unity Pacific.

Unity Pacific considers that the only instance where the effect of triggering such 'change of control' rights is, individually, material is the finance facility entered into by Unity Pacific Funds Management Limited as responsible entity for The Marie Street Trust as borrower. Although Unity Pacific Funds Management Limited is not directly liable under the finance facility other than in its capacity as responsible entity for The Marie Street Trust, the Offer, if successfully completed, will give rise to a 'change of control' for the purposes of that facility. Unity Pacific has received the appropriate consent from the financier of The Marie Street Trust in relation to the proposed change of control.

8.6 Consents

8.6.1 Consent to inclusion of a statement

Each of the persons listed below has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to the inclusion of the statements in this Target's Statement that are specified below in the form and context in which the statements are included and to the inclusion of all references in this Target's Statement to those statements in the form and context in which they are included:

- each Director - to being named as a Director and to the inclusion of statements made by him.

8.6.2 Consent to be named

The following parties have given and have not, before the date of this Target's Statement, withdrawn their consent to be named in this Target's Statement in the form and context in which they are so named:

- Jones Day as Australian legal adviser to Unity Pacific;
- InterFinancial, as corporate adviser to Unity Pacific;
- BDO, as Australian tax adviser to Unity Pacific;
- Link Market Services Limited as the Unity Pacific Registry; and
- each Director.

8.6.3 Disclaimer regarding statements made and responsibility

Each person named above as having given its consent to the inclusion of a statement or to being named in this Target's Statement:

- does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Target's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Target's Statement with the consent of that party.

Each person referred to in Section 8.6.2 of this Target's Statement:

- does not make, or purport to make, any statement in this Target's Statement other than those statements made in the capacity and to the extent the person has provided its consent, as referred to above; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement other than as described in this Section 8.6 with that person's consent.

8.7 Continuous disclosure

Unity Pacific is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed entity, Unity Pacific is subject to the listing rules of the ASX which require continuous disclosure of any information Unity Pacific has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Copies of the documents filed with the ASX by Unity Pacific may be obtained from the ASX website at www.asx.com.au (ASX code: UPG) or from the Unity Pacific website at www.unitypacific.com.au. In addition, any Unity Pacific Securityholder who would like to receive a copy of those documents may obtain a copy free of charge during the Offer Period by calling Unity Pacific, Monday to Friday between 8.30am to 5.00pm (Brisbane time) on 07 3370 4800 (within Australia) and +61 7 3370 4800 (outside of Australia).

8.8 Date of Target's Statement

This Target's Statement is dated 8 September 2016, which is the date on which it was lodged with ASIC.

9. Glossary

9.1 Definitions

Acceptance Form means the transfer and acceptance form(s) enclosed with the Bidder's Statement.

AFSL means Australia Financial Services Licence.

Agents' Commissions means any and all fees payable to any agents, brokers or persons appointed to sell the San Remo Property.

ASIC means Australian Securities and Investments Commission.

Associate has the meaning set out in section 12 of the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context requires, the securities exchange operated by it.

ASX Listing Rules means the official listing rules of the ASX.

Bid Implementation Deed means the Bid Implementation Deed dated 28 July 2016 between Unity Pacific and Ebert Investments relating to the Offer (as amended).

Bidder's Statement means the bidder's statement of Sentinel Investments under Part 6.5 Division 2 of the Corporations Act relating to the Offer, prepared by Sentinel Investments and dated 6 September 2016.

CGT has the meaning given under Section 5.14.1.

CGT Discount has the meaning given under Section 5.14.1.

Competing Proposal means any proposal, transaction, arrangement or offer (whether from a person with whom Unity Pacific has previously been in discussions or not) that:

- (a) would, if completed substantially in accordance with its terms, result in any person or persons other than Sentinel Investments (or an Associate of Sentinel Investments):
 - (i) acquiring:
 - (A) directly or indirectly, an interest in all or a substantial part of the assets of Unity Pacific; or
 - (B) a Relevant Interest in more than 20% of the voting securities of Unity Pacific or otherwise acquire control of Unity Pacific (within the meaning of section 50AA of the Corporations Act); or
 - (ii) otherwise acquiring or merging with Unity Pacific whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back, sale or purchase of assets, joint venture, reverse takeover, dual listed company structure or other synthetic merger or any other transaction or arrangement; or
- (b) may materially reduce the likelihood of success of the Offer.

Corporations Act means *Corporations Act 2001* (Cth).

Deeds of Guarantee means the deeds of guarantee dated 28 July 2016 provided by Ebert Investments and Warren Ebert, details of which are set out in Schedule 2 of the Bidder's Statement.

Director means a current director of Unity Pacific.

Ebert Investments means Ebert Investments Pty Ltd (ACN 138 124 044) as trustee for Ebert Investment Trust.

FAQ has the meaning given under Section 4.

Gladius means Gladius Holdings Pty Ltd (ACN 169 446 146).

GST has the meaning given under Section 5.3.

Ineligible Foreign Securityholder means, for the purposes of the Offer, a Unity Pacific Securityholder:

- (a) who is a resident of a jurisdiction other than Australia;
- (b) whose address as shown on the Unity Pacific Register is in a jurisdiction other than Australia; or
- (c) who is acting on behalf of a person in paragraph (a) or (b).

However, such person will not be an Ineligible Foreign Securityholder if Sentinel Investments otherwise determines that it is lawful and not unduly onerous or not unduly impractical to make the Offer and to issue San Remo Shares to such a securityholder on acceptance of the Offer and provided it is not unlawful for such a securityholder to accept the Offer by the law of the relevant place outside Australia and its external territories.

Material Contract means any agreement, contract or other arrangement to which a member of the Unity Pacific Group is a party and that:

- (a) imposes obligations or liabilities on any party of at least \$100,000 per annum or \$300,000 over its term (excluding agreements, contracts or other arrangements relating to The Marie Street Trust); or
- (b) is otherwise material in the context of the businesses, assets or properties of the Unity Pacific Group as a whole.

NTA means net tangible assets.

Offer means the off-market takeover offer by Sentinel Investments to acquire all Unity Pacific Securities under Chapter 6 of the Corporations Act on the terms and conditions set out in the Bidder's Statement.

Offer Consideration means the consideration offered under the Offer, being 41.5 cents cash and one (1) San Remo Share for each Unity Pacific Security.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with section 9 of the Bidder's Statement.

Projected Sale means the sale of the San Remo Property within 9 months of the end of the Offer Period for a gross sale price of \$8.5 million, and assuming estimated Transaction Costs of \$0.43 million.

Redemption Amount has the meaning given under Section 5.3.2.

Redemption Date has the meaning given under Section 5.3.2.

Redemption Trigger has the meaning given under Section 5.3.2.

Register means the stapled security register of Unity Pacific maintained by the Unity Pacific Registry.

Register Date means the date set by Sentinel Investments under section 633(2) of the Corporations Act, as the date for determining the persons to whom the Bidder's Statement and the Target's Statement will be sent, being 7.00pm (Sydney time) on 8 September 2016.

Related Body Corporate has the same meaning as in the Corporations Act.

Relevant Interest has the meaning given to it in sections 608 and 609 of the Corporations Act.

San Remo Disposal Expenditure means all costs, expenses and liabilities arising from or in connection with, the sale of the San Remo Property including:

- (a) all marketing and advertising costs, valuation costs, consultants and advisor fees, application fees, consent fees, travel expenses, legal costs, stamp or transfer duty; and
- (b) all costs incurred to enhance the value of the property so as to maximise its sale price including the making of town planning applications and the progressing of those applications,

but excludes the Agents' Commissions.

San Remo Property means the property situated at 140 Punchbowl Road, San Remo, Victoria, Australia.

San Remo Share means a fully paid redeemable preference share in the capital of Sentinel Investments paid-up to 5.5 cents.

Sentinel Investments means Sentinel Security Investments Limited (ACN 614 308 735).

Sentinel Investments Group means Sentinel Investments and its Related Bodies Corporate.

Sentinel Property Group means Sentinel Property Group Pty Ltd (ABN 43 149 805 489) and its Related Bodies Corporate.

Superior Proposal means a bona fide Competing Proposal received by Unity Pacific before the end of the Offer Period which the Directors acting in good faith and after obtaining written advice from Unity Pacific's legal advisers, determine:

- (a) is reasonably capable of being valued and completed taking into account all of the aspects of the Competing Proposal, including timing considerations, financing, conditions and the identity of the person making the Competing Proposal; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to Unity Pacific Securityholders than the Offer, taking into account all terms and conditions of the Competing Proposal.

Target's Statement means this document.

The Marie Street Property means the property situated at 16 Marie Street, Milton, Queensland, Australia.

The Marie Street Trust means The Marie Street Trust (ARSN 167 058 693).

Transaction Costs means the aggregate of all San Remo Disposal Expenditure and Agents' Commissions.

Unity Pacific means Unity Pacific Limited and Unity Pacific Stapled Trust, or one of them as the context requires.

Unity Pacific Board means the board of Directors of Unity Pacific Limited and the board of directors of Unity Pacific Investment Management Limited (as those boards are constituted from time to time), and includes any authorised committee of directors of those boards.

Unity Pacific Funds Management Limited means Unity Pacific Funds Management Limited (ABN 72 164 404 595; AFSL No. 442262).

Unity Pacific Group means Unity Pacific and its Related Bodies Corporate.

Unity Pacific Investment Management Limited means Unity Pacific Investment Management Limited (ABN 47 137 565 149; AFSL No. 338688).

Unity Pacific Limited means Unity Pacific Limited (ABN 11 110 831 288).

Unity Pacific Limited Share means a fully paid ordinary share in Unity Pacific Limited.

Unity Pacific Option means an option to subscribe for a Unity Pacific Security granted by Unity Pacific existing at the Register Date.

Unity Pacific Registry means Link Market Services Limited (ABN 54 083 214 537).

Unity Pacific Security means a fully paid stapled security comprising one Unity Pacific Limited Share and one Unity Pacific Stapled Trust Unit.

Unity Pacific Securityholder means a person who is registered in the Register as a holder of Unity Pacific Securities from time to time.

Unity Pacific Stapled Trust means Unity Pacific Stapled Trust (ARSN 111 389 596).

Unity Pacific Stapled Trust Unit means a fully paid unit in the Unity Pacific Stapled Trust.

VWAP means the volume weighted average price.

9.2 Interpretation

Unless the context otherwise requires:

- headings used in this Target's Statement are inserted for convenience and do not affect the interpretation of this Target's Statement;
- words or phrases defined in the Corporations Act have the same meaning in this Target's Statement;
- a reference to a Section is a reference to a Section of this Target's Statement;
- a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- the singular includes the plural and vice versa;
- the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency; and
- Australian dollars, dollars, A\$, \$ or cents is a reference to the lawful currency of Australia.

10. Authorisation

This Target's Statement has been approved by a resolution passed by the Directors of Unity Pacific Limited and Unity Pacific Investment Management Limited:

Signed for and on behalf of Unity Pacific Limited and Unity Pacific Investment Management Limited:



Brett Heading
Chairman

Corporate Directory

Registered Office

Unity Pacific Limited

Level 1, 88 Creek Street
Brisbane QLD 4000
Australia

T: +61 7 3370 4800

E: info@unitypacific.com.au

www.unitypacific.com.au

Unity Pacific Enquiries

07 3370 4800 (within Australia) or

+61 7 3370 4800 (outside Australia, from 8.30am to 5.00pm (Brisbane time) Monday to Friday.

Unity Pacific Registry

Link Market Services Limited

Level 15, 321 Queen Street
Brisbane QLD 4000
Australia

Enquiries (within Australia): 1300 554 474

Enquiries (outside Australia): +61 1300 554 474

www.linkmarketservices.com.au

Corporate Adviser

InterFinancial

Level 3, 145 Eagle Street
Brisbane QLD 4000
Australia

Legal Adviser

Jones Day

Aurora Place
Level 41, 88 Phillip Street
Sydney NSW 2000
Australia

Tax Adviser

BDO

Level 10, 12 Creek Street
Brisbane QLD 4000
Australia

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Unity Pacific