

FMA Declaration

Lake Edge Resort Limited

For the year ended 31 December 2024

You hold shares in Lake Edge Resort Limited (Lake Edge Resort). The usual financial reporting and audit requirements under the Financial Markets Conduct Act 2013 do not apply to Lake Edge Resort Limited for the Financial Year ended 31 December 2024 because the Financial Markets Conduct (Lake Edge Resort Limited) Exemption Notice 2024 is in place.

As a result, these shares may be subject to the financial reporting and audit requirements of the Companies Act 1993 and the information provided in this document may not contain all the financial information usually required to be provided to shareholders for the Financial Year ended 31 December 2024.

If you would like any further information, please contact either Karryn Raikes, Resort Manager or any Lake Edge Resort Limited Director.

Financial Markets Conduct (Lake Edge Resort Limited) Exemption Notice 2024

This exemption is granted by the Financial Markets Authority under section 556 of the Financial Markets Conduct Act 2013 after being satisfied of the matters set out in section 557 of that Act.

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Notice

1 Title

This notice is the Financial Markets Conduct (Lake Edge Resort Limited) Exemption Notice 2024.

2 Commencement

This notice comes into force on 18 June 2024.

3 Revocation

This notice is revoked on the close of 17 June 2029.

4 Application

(1) The exemption granted by this notice applies to the following accounting periods of LER:

- (a) an accounting period ending 31 December 2024; and
- (b) subsequent accounting periods, up to and including the accounting period ending 31 December 2028.

5 Interpretation

(1) In this notice, unless the context otherwise requires—

Act means the Financial Markets Conduct Act 2013

LER means Lake Edge Resort Limited (company number 8378735)

Regulations means the Financial Markets Conduct Regulations 2014

shares means shares issued by LER in accordance with its constitution for the principal purpose of providing shareholders with occupation rights to apartments at the Lake Edge Resort in

Taupō

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning given to it by the Act or the Regulations.

6 Exemption

LER is exempted from Part 7 of the Act with respect to an accounting period if—

- (a) LER is an FMC reporting entity during that accounting period only because shares issued by LER are regulated products; and
- (b) the total revenue of LER and its subsidiaries (if any) for that accounting period (as determined in accordance with GAAP) does not exceed \$2 million.

7 Condition of exemption

The exemption in clause 6 is subject to the condition that LER must ensure that a statement in the following form is included, in a prominent position, at the front of every document provided to any shareholder that contains LER's financial statements or summary financial statements for that accounting period:

"You hold shares in Lake Edge Resort Limited (Lake Edge Resort). The usual financial reporting and audit requirements under the Financial Markets Conduct Act 2013 do not apply to Lake Edge Resort for [relevant accounting period] because the Financial Markets Conduct (Lake Edge Resort Limited) Exemption Notice 2024 is in place.

As a result, these shares may be subject to the financial reporting and audit requirements of the Companies Act 1993 and the information provided in this document may not contain all the financial information usually required to be provided to shareholders for [relevant accounting period].

If you would like any further information, please contact [contact details]."

Dated at Wellington this 14th day of June 2024.



John Horner

Director – Markets, Investors, and Reporting

Financial Markets Authority

Statement of reasons

This notice comes into force on 18 June 2024 and is revoked on the close of 17 June 2029.

This notice exempts Lake Edge Resort Limited (**LER**), a company whose principal purpose is to provide its shareholders with occupancy to the Lake Edge Resort in Taupō, from the financial reporting and auditing requirements under Part 7 of the Financial Markets Conduct Act (the **Act**) with respect to a particular accounting period, if:

- the revenue of LER and any subsidiaries is \$2 million or less for that accounting period; and
- LER is an FMC reporting entity only because shares issued by LER for the principal purpose of providing shareholders with occupation rights to apartments at the Lake Edge Resort in Taupō are regulated products. The effect of the notice is that LER will not be required to comply with financial reporting obligations under Part 7 of the Act (although financial reporting obligations may apply under other laws, such as the Companies Act 1993).

The Financial Markets Authority (the **FMA**), after satisfying itself as to the matters set out in section 557 of the Act, considers it appropriate to grant this exemption because—

- there is no expectation of financial return from ownership of shares in LER. LER's principal purpose in issuing shares is to provide shareholders with occupancy rights to apartments in the Lake Edge Resort in Taupō. They are not typical financial investments and the value of the shares is not dependent on any profits made by LER. The exemption therefore removes unnecessary compliance burdens by preventing financial markets law from regulating an activity that is not a financial product investment or financial markets activity;
- where LER's revenue (plus the revenue of any subsidiaries) for a particular accounting period is \$2 million or less, the financial risk to shareholders is low, and the costs of complying with Part 7 of the Act would be disproportionately high and would outweigh any benefit to shareholders;
- the financial reporting and auditing requirements of the Companies Act 1993 may continue to apply, which will require LER to prepare financial statements in accordance with generally accepted accounting principles and have those statements audited unless shareholders agree otherwise;
- for these reasons, the FMA is satisfied that the exemption is necessary or desirable in order to promote the purposes of the Act, specifically by avoiding unnecessary compliance costs while continuing to ensure the provision of timely, accurate and understandable financial information to assist decision making by shareholders; and
- the exemption only addresses the particular difficulties experienced by LER. Given that the exemption is limited to financial reporting periods where the revenue of LER (and any subsidiaries) is \$2 million or less, the FMA is satisfied that the exemption is not broader than is reasonably necessary to address the matters that give rise to it.