

19 September 2017

Our Ref: PYP_457365.0003r3

CIRCULAR TO CREDITORS AND EMPLOYEES

Dear Sir/Madam

**RE: SurfStitch Group Limited (Administrators Appointed) ACN 602 288 004 ('SGL')
SurfStitch Holdings Pty Limited (Administrators Appointed) ACN 601 114 603 ('SHPL')
(‘the Companies’)**

John Park, Quentin Olde and Joseph Hansell were appointed Administrators of SurfStitch Group Limited and SurfStitch Holdings Pty Limited on 24 August 2017 pursuant to Section 436A of the *Corporations Act 2001 (Cth)* (**‘the Act’**).

Extension of the Convening Period

Pursuant to Section 439A of the Act, the Administrators were required to convene and hold the Second Meeting of Creditors to decide each Companies’ future by 29 September 2017, being five (5) business days after the end of the convening period on 22 September 2017.

On 15 September 2017, the Administrators filed an application in the Federal Court of Australia to extend the convening period in accordance with Section 439A(6) of the Act.

The Administrators made the application to extend the convening period to allow sufficient time to, investigate possible restructuring and recapitalisation options via an expressions of interest process, investigate the examinable affairs of the Companies and to provide a detailed report to creditors providing an opinion as to what the Administrators consider is in creditors’ best interest.

On 15 September 2017, Justice Gleeson of the Federal Court of Australia made orders to extend the convening period to 21 December 2017. The effect of the orders is that the Second Meetings of Creditors of SGL and SHPL can be held at **any date up to 2 January 2018** by providing creditors with at least five (5) business days’ notice.

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Expression of Interest Process

We are seeking expressions of interest to either recapitalise the Companies via a Deed of Company Arrangement proposal and/or acquire the Australian trading business which is not under external Administration.

The expression of interest campaign will remain open until **6 October 2017**.

Interested parties should contact Preeti Inchody via email Preeti.inchody@fticonsulting.com or on (02) 8247 8000 to request further information.

Past Communication to Creditors

Should creditors wish to obtain copies of the first report to creditors or a proof of debt form, they can be downloaded via our website link below:

Website Access: <http://www.fticonsulting-asia.com/cip/surfstitch-group-limited>

Password: 457365.SGL

Should you have any queries please contact Paris Parasadi on (07) 3225 4900 or surfstitch_enquiries@fticonsulting.com.

Yours faithfully

FTI Consulting



John Park
Administrator