

27 AUGUST 2013



ANNUAL REPORT

VILLAGE CENTRE AT KELVIN GROVE PTY LTD (IN LIQUIDATION)
ACN 105 138 467

CRITICAL THINKING
AT THE CRITICAL TIME™

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Section 1: Introduction

Background

1. On 30 March 2012, Investec appointed the Liquidators as joint and several administrators of the Company pursuant to Section 436C of the Act.
2. On 11 May 2012 at the Second Meeting of Creditors, the Creditors of the Company resolved that the Company enter into a DOCA subject to the terms outlined in the Report to Creditors dated 4 May 2012. The terms of the DOCA required, amongst other things:
 - 2.1 The incorporation of the Subsidiary;
 - 2.2 The issue of the Shares to the Company; and
 - 2.3 The transfer of the Shopping Centre to the Subsidiary.
3. On 1 June 2012, the Liquidators (in their capacity as administrators of the DOCA) certified that the conditions provided for in clause 7.1 of the DOCA were satisfied and as a consequence:
 - 3.1 The Company was wound up; and
 - 3.2 The Liquidators became the liquidators of the Company.

Purpose of this Report

4. This report is prepared pursuant to Section 508 of the Act to provide, amongst other things, the following information to Creditors:
 - 4.1 An account of the acts and dealings of the Liquidators and the conduct of the winding up of the Company during the year commencing 1 June 2012;
 - 4.2 A description of the acts and dealings that remain to be carried out in order to complete the winding up; and
 - 4.3 An estimate of when the winding up is likely to be complete.

Glossary

5. A glossary of the defined terms used in this report appears as Schedule 1.

Disclaimer

6. This report is based on information sourced from the Company's books and documents and information provided to the Liquidators. The Liquidators have reviewed the books, documents and information and whilst limited independent verification of the information has been conducted, no audit has been undertaken.
7. The Liquidators have no reason to doubt the information contained in this report. The statements and opinions given in this report are given in good faith and in the belief that such statements and opinions are not false or misleading. The Liquidators reserve the right to alter any conclusions reached on the basis of any changed or additional information which may become available to them.
8. Neither the Liquidators, FTI Consulting nor any employee thereof undertakes any responsibility in any way whatsoever to any person in respect of any errors in this report arising from incorrect information provided to the Liquidators.
9. This report is not for general circulation, publication nor reproduction and must not be disclosed without the written approval of the Liquidators.
10. The Liquidators do not assume or accept any responsibility for any liability or loss sustained by any Creditor or any other party as a result of the circulation, publication, reproduction or any other use of the report.

11. Each Creditor must seek their own independent legal advice as to their rights and the options available to them with respect to the Liquidation of the Company.

Section 2: Conduct of winding up

12. In the 12 months commencing 1 June 2012, the Liquidators attended only to their statutory reporting obligations as:
 - 12.1 The Company has insufficient available property to cover the expenses of the Liquidators undertaking a more expansive role in the winding up of the Company; and
 - 12.2 No Creditor has expressed an interest in providing funds to the Liquidator to allow them to undertake such a role in the winding up.
13. As such, since 1 June 2012, the Liquidators have:
 - 13.1 Completed their investigation into the Company's affairs;
 - 13.2 Lodged a report pursuant to Section 533 of the Act with ASIC on 27 July 2012;
 - 13.3 Elected to not apply for funding under the AA Fund scheme operated by ASIC. The Liquidators did not identify any matters which warranted further investigation and which could be the subject of funding by ASIC under the scheme; and
 - 13.4 Completed and lodged other statutory reports with ASIC and the ATO.
14. For further information about a liquidator's obligation when a company has insufficient available property to cover the expenses of the liquidator, please refer to section 545 of the Act.

Section 3: Acts and dealings that remain to be carried out

15. The winding up will be completed when the Liquidators have disclaimed or otherwise dealt satisfactorily with the Shares. During the period until which the Liquidators complete the winding up, the Liquidators will attend to their statutory reporting obligations.

Section 4: Estimate of when the winding up is likely to be complete

16. The Liquidators cannot forecast when they will complete the winding up as their right to disclaim or otherwise deal with the Shares is the subject of third party rights including those of Investec

Section 5: Forecast return to ordinary unsecured creditors

17. In the Report to Creditors issued prior to the Second Meeting of Creditors, the Liquidators forecasted a return to Ordinary Unsecured Creditors of \$NIL cents in the dollar. During the first year of the liquidation no matters have arisen which have caused the Liquidators to change that forecast.

Section 6: Receipts and payments

18. A list of the amounts received and paid by the Liquidators during the first year of the winding up appears as Table 1 and Table 2 below.

Table 1: Summary of Receipts and Payments from the Liquidators Account

| | Amount \$ |
|---|--------------------|
| Receipts | |
| Administration Funding | 5,170.70 |
| Business Activity Statement Funding | 19,221.27 |
| Funds transferred from Deed Administrator Account | 7,222.56 |
| GST Control: GST Inputs | 130.00 |
| Insurance Refund | 1,120.11 |
| Interest Income | 3.37 |
| Total Receipts | 32,868.01 |
| Payments | |
| Advertising | (990.22) |
| Bank Charges | (10.00) |
| Deed Administrators Fees | (8,005.09) |
| Deed Administrators Disbursements | (2,378.75) |
| Dividend to Secured Creditor | (941.46) |
| GST Control: GST Outputs | (19,110.00) |
| Liquidators Fees | (1,430.20) |
| Liquidators Disbursements | (2.29) |
| Total Payments | (32,868.01) |
| Closing Balance | NIL |

Table 2: Summary of Receipts and Payments from the Agents Account

| | Amount \$ |
|---|---------------------|
| Receipts | |
| Funds transferred from Agents Account (Deed Administration) | 39,406.82 |
| Lease Revenue | 211,433.08 |
| Total Receipts | 250,839.90 |
| Payments | |
| Bank Charges | (120.00) |
| Dividend to Secured Creditor | (94,978.71) |
| Rental Income (Post Transfer of Control) | (154,217.71) |
| Trade Expenses | (1,523.48) |
| Total Payments | (250,839.90) |
| Closing Balance | NIL |

Section 7: Questions

19. Please contact Ju Sheng Liow of this office if you have any questions concerning this report or the Liquidation generally.

Yours faithfully
Village Centre At Kelvin Grove Pty Limited
(In Liquidation)

A handwritten signature in black ink, appearing to read 'Q J Olde', written in a cursive style.

Q J Olde
Joint and Several Liquidator

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Schedule 1: Glossary

| Abbreviation | Definition |
|-----------------------------|---|
| AA Fund | Assetless Administration Fund |
| Act | Corporations Act 2001 (Cth) |
| Administrators | Quentin James Olde and Peter Bernard Allen |
| ASIC | Australian Securities and Investments Commission |
| ATO | Australian Taxation Office |
| Company | Village Centre At Kelvin Grove Pty Limited (In Liquidation) ACN 105 138 467 |
| Creditors | Creditors of the Company who have a claim admissible to proof in the Liquidation of the Company |
| DOCA | Deed of Company Arrangement |
| Investec | Investec Bank (Australia) Limited ACN 071 292 594 |
| Liquidators | Quentin James Olde and Peter Bernard Allen |
| Report to Creditors | Administrators' Report dated 4 May 2012 prepared for Creditors in accordance with Section 439A of the Act |
| Second Meeting of Creditors | The Second Meeting of Creditors convened in accordance with Section 439A of the Act |
| Shares | 100 ordinary shares held by the Company in the Subsidiary |
| Shopping Centre | Kelvin Grove Village located at Musk Avenue, Kelvin Grove |
| Subsidiary | Kelvin Grove Village Centre Pty Limited ACN 158 439 224 |



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