

25 MAY 2018



ANNUAL REPORT

NOVAK INTERNATIONAL PTY LTD (IN LIQUIDATION)
ACN 107 025 114

EXPERTS WITH IMPACT™

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Section 1: Introduction

Background

1. On 29 September 2011, Investec appointed Peter Bernard Allen and myself, Quentin James Olde as joint and several administrators of the Company pursuant to Section 436C of the Act.
2. On 4 November 2011 at the Second Meeting of Creditors, the Creditors of the Company resolved that the Company enter into a DOCA proposed by Investec.
3. Subsequently, the Company executed the DOCA.
4. The DOCA required, amongst other things:
 - 4.1 The incorporation of the Subsidiary;
 - 4.2 The issue of the Shares to the Company;
 - 4.3 The transfer of the Shopping Centre to the Subsidiary;
 - 4.4 The Subsidiary to grant a mortgage over the Shopping Centre in favour of Investec; and
 - 4.5 The Company to be wound up when certain conditions specified in the DOCA were satisfied.
5. On 9 March 2012, Mr Allen and I, in our capacity as administrators of the DOCA, certified that the conditions had been satisfied and as a consequence:
 - 5.1 The Company was placed into liquidation; and
 - 5.2 Mr Allen and I became the liquidators of the Company.
6. On 25 September 2013, Mr Allen retired as liquidator of the Company and I became the sole liquidator of the Company.

Purpose of this Report

7. This report is prepared pursuant to Section 508 of the Act to provide, amongst other things, the following information to Creditors:
 - 7.1 An account of my acts and dealings and the conduct of the winding up of the Company during the 12 months commencing 9 March 2017;
 - 7.2 A description of the acts and dealings that remain to be carried out in order to complete the winding up; and
 - 7.3 An estimate of when the winding up is likely to be complete.

Glossary

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

Disclaimer

9. This report is based, in part, on information sourced from the Company's books and documents and information provided to me and my staff. My staff and I have reviewed the books, documents and information and whilst limited independent verification of the information has been conducted, no audit has been undertaken.

10. I 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. I reserve the right to alter any conclusions reached on the basis of any changed or additional information which may become available to me.
11. Neither I, 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 us.
12. This report is not for general circulation, publication nor reproduction and must not be disclosed without my written approval.
13. I 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 this report.
14. 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

15. In the 12 months commencing 9 March 2017, I attended only to my statutory reporting obligations.
16. I was unable to perform further actions as:
 - 16.1 The Company has insufficient available property to cover my expenses of undertaking a more expansive role in the winding up of the Company; and
 - 16.2 No Creditor has expressed an interest in providing funds to allow me to undertake such a role in the winding up.
17. 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

18. The winding up will be completed when I have disclaimed or otherwise dealt satisfactorily with the Shares. During the period until I complete the winding up, I will attend only to my statutory reporting obligations in the absence of a Creditor providing funds to allow me to undertake a more expansive role.

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

19. The winding up cannot be completed until Investec consents to me disclaiming or otherwise dealing with the Shares as Investec, in its capacity as Secured Creditor of the Company, exercise rights over those Shares.
20. Investec has advised that it ought to be in a position, following the sale of the Shopping Centre under the terms of its mortgage, to consent to me disclaiming or otherwise dealing with the Shares on or before 30 June 2018.

Section 5: Forecast return to ordinary unsecured creditors

21. I continue to forecast a return to Ordinary Unsecured Creditors of \$NIL cents in the dollar.

Section 6: Receipts and payments

22. A summary of the amounts received and paid by me during the 12 months commencing 9 March 2017 is shown in the following table.

**Summary of Receipts and Payments for the period
9 March 2017 to 8 March 2018**

| | Amount \$ |
|----------------------------|-------------------|
| Opening Balance | 0.73 |
| Receipts | |
| Administration Funding | 11,750.00 |
| Total Receipts | 11,750.00 |
| Payments | |
| Liquidator's fees | (2,234.50) |
| Liquidator's disbursements | (15.50) |
| Total Payments | (2,250.00) |
| Closing Balance | 9,500.73 |

Section 7: Questions

23. Please contact Jonathan Chee of this office if you have any questions concerning this report or the Liquidation generally.

Yours faithfully
Novak International Pty Limited
(In Liquidation)



Q J Olde
Liquidator

Schedule 1: Glossary

| Term | Defintion |
|-----------------------------|---|
| Act | Corporations Act 2001 (Cth) |
| Appointment Date | 29 September 2011 |
| Company | Novak International Pty Limited (Administrators Appointed) (Controller Appointed) ACN 107 025 114 |
| 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 |
| Report to Creditors | The Report to Creditors dated 28 October 2011 prepared pursuant to section 439A of the Act |
| Second Meeting of Creditors | The Second Meeting of Creditors convened pursuant to section 439A of the Act |
| Shares | 100 ordinary shares held by the Company in the Subsidiary |
| Shopping Centre | Northgate Shopping Centre located at Piper Street, South Tamworth |
| Subsidiary | Northgate Shopping Centre Property Holdings Pty Limited ACN 154 539 956 |



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