

28 MAY 2014



ANNUAL REPORT

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

CRITICAL THINKING
AT THE CRITICAL TIME™

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Section 1: Introduction

Background

1. On 29 September 2011, Investec appointed the Liquidators 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 subject to the terms outlined in the Report to Creditors dated 28 October 2011. 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 9 March 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.
4. On 25 September 2013, Peter Bernard Allen retired as a joint and several liquidator of the Company.

Purpose of this Report

5. This report is prepared pursuant to Section 508 of the Act to provide, amongst other things, the following information to Creditors:
 - 5.1 An account of the acts and dealings of the Liquidators and the conduct of the winding up of the Company during the year commencing 9 March 2013;
 - 5.2 A description of the acts and dealings that remain to be carried out in order to complete the winding up; and
 - 5.3 An estimate of when the winding up is likely to be complete.

Glossary

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

Disclaimer

7. This report is based on information sourced from the Company's books and documents and information provided to the Liquidator. The Liquidator has reviewed the books, documents and information and whilst limited independent verification of the information has been conducted, no audit has been undertaken.
8. The Liquidator has 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 Liquidator reserves the right to alter any conclusions reached on the basis of any changed or additional information which may become available to him.
9. Neither the Liquidator, 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 Liquidator.
10. This report is not for general circulation, publication nor reproduction and must not be disclosed without the written approval of the Liquidator.

11. The Liquidator does 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.
12. 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

13. In the 12 months commencing 9 March 2013, the Liquidator attended only to his statutory reporting obligations as:
 - 13.1 The Company has insufficient available property to cover the expenses of the Liquidator undertaking a more expansive role in the winding up of the Company; and
 - 13.2 No Creditor has expressed an interest in providing funds to the Liquidator to allow him to undertake such a role in the winding up.
14. As such, since 9 March 2013, the Liquidator has only completed and lodged statutory reports with ASIC and the ATO.
15. 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.
16. Subsequent to the 12 month period commencing on 9 March 2013, the Liquidator and Investec agreed to a funding arrangement whereby the Company will receive an annual payment on account of the Liquidator's fees associated with his statutory reporting obligations. This arrangement commenced on 1 April 2014.

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

17. The winding up will be completed when the Liquidator has disclaimed or otherwise dealt satisfactorily with the Shares. During the period until which the Liquidator completes the winding up, the Liquidators will attend to his statutory reporting obligations.

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

18. The Liquidator cannot forecast when he 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

19. 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 second year of the liquidation no matters have arisen which have caused the Liquidator to change that forecast.

Section 6: Receipts and payments

20. There were no amounts received or paid by the Liquidator during the second year of the winding up.

Section 7: Questions

21. Please contact Ju Sheng Liow 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

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Schedule 1: Glossary

Abbreviation	Definition
Act	Corporations Act 2001 (Cth)
Administrators	Quentin James Olde and Peter Bernard Allen
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Company	Novak International Pty Ltd (In Liquidation) 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
Liquidator	Quentin James Olde
Liquidators	Quentin James Olde and Peter Bernard Allen
Report to Creditors	Administrators' Report dated 28 October 2011 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	Northgate Shopping Centre located at Piper Street, Tamworth
Subsidiary	Northgate Shopping Centre Property Holdings Pty Limited ACN 154 539 956



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