

## **CIRCULAR TO DEBENTURE HOLDERS**

10 November 2017

Dear Debenture Holder,

### **Eurofinance Capital Limited (Receivers & Managers Appointed) ("the Company") ACN 101 785 282**

I advise that David John Frank Lombe and I were appointed Joint and Several Receivers and Managers (**the Receivers**) of the Company on 7 November 2017 pursuant to a First Ranking Debenture Stock Trust Deed and Company Charge both dated 6 September 2002 created by the Company in favour of The Trust Company (Nominees) Limited (formerly known as Permanent Nominees (Aust) Limited). We attach a Form 505 – Notice of Appointment lodged with the Australian Securities and Investments Commission for your information.

The Receivers are in control of the Company and we have commenced an urgent assessment of its financial position. The directors of the Company have been requested to prepare a Report as to Affairs detailing the assets and liabilities as at the date of our appointment and also provide to us all the books and records of the Company.

We will write to Debenture Holders again in due course to provide an update on our investigations and the debt and asset position of the Company.

Please find enclosed an initial update to Debenture Holders from The Trust Company (Nominees) Limited as Trustee dated 9 November 2017.

Should you have any further queries in relation to the process described above, please contact Jack McGrath of my office on (02) 8260 4867 or by email at [jackmcgrath@deloitte.com.au](mailto:jackmcgrath@deloitte.com.au).

Yours faithfully,



**Vaughan Neil Strawbridge**  
Joint Receiver and Manager

Encl.

**Form 505**

Corporations Act 2001  
**415(1), 427(2), 427(4), 450A(1)(a),  
499(2C)(a) & (b), 537(1) & (2),**  
Insolvency Practice Rules (Corporations) 2016  
**s70-60(2)**

## External Administration or Controllership Appointment of an administrator or controller

### Liquidator details

Registered liquidator number

**322301**

Registered liquidator name

**VAUGHAN NEIL STRAWBRIDGE**

### Company details

Company name

**EUROFINANCE CAPITAL LIMITED**

ACN

**101 785 282**

Company industry type

**Financial and Insurance Services - Managed  
Investments**

### Add a new appointment

Appointee details

Liquidator No. **322301**

Person Name

**VAUGHAN NEIL STRAWBRIDGE**

Address

**C/- DELOITTE TOUCHE TOHMATSU,  
'GROSVENOR PLACE' LEVEL 2 225  
GEORGE STREET SYDNEY NSW 2000  
Australia**

Type of Appointment

**Appointed Jointly and  
Severally**

Appointee details

Liquidator No. **15697**

Person Name  
**DAVID JOHN FRANK LOMBE**

Address  
**C/- DELOITTE TOUCHE TOHMATSU  
GROSVENOR PLACE DELOI, 225  
GEORGE STREET SYDNEY NSW 2000  
Australia**

Type of Appointment **Appointed Jointly and  
Severally**

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**Appointment Details**

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Provide the date of appointment.  
**07-11-2017**

Type of administrator  
**Receiver and Manager of the property  
described in the schedule of property**

Method of appointment  
**appointment by instrument**

Date of instrument: **06-09-2002**

Description of instrument  
**Company Charge**

Instrument is registered in  
**Personal Property Securities Register**

Security Interest **201112150598192**

Schedule of Property  
**All the Property and of the income derived from it, with  
all powers, authorities and discretions conferred upon.**

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**Authentication**

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This form has been authenticated by  
Name **VAUGHAN NEIL STRAWBRIDGE**

This form has been submitted by  
Name **Jack MCGRATH**

Date **07-11-2017**

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**Payment**

You need to pay the fee (and any late fees if required) by Bpay or cheque in accordance with the instructions on your invoice

**For more help or information**

Web [www.asic.gov.au](http://www.asic.gov.au)  
Ask a question? [www.asic.gov.au/question](http://www.asic.gov.au/question)  
Telephone 1300 300 630

9 November 2017

Dear Sir/Madam,

**RE: First Ranking Debenture Stock Trust Deed dated 6 September 2002 made between Eurofinance Capital Limited as Issuer (“Company”) and Permanent Nominees (Aust) Limited (now known as the Trust Company (Nominees) Limited) (“Trustee”) as Trustee (as amended from time to time) (“Trust Deed”)**

### **UPDATE TO DEBENTURE HOLDERS**

We refer to our appointment as Trustee under the Trust Deed. This letter sets out important updated information regarding your investment in debentures issued by the Company.

As you are aware, the repayment date of the Company’s debentures was extended to 22 December 2017. In recent weeks the Trustee has been in discussions with the Directors of the Company regarding their intention to request that Debentureholders provide a further extension to the repayment date, on terms that were under consideration by the Directors.

In that regard, in late October 2017 the Trustee received an indicative proposal from the Directors to obtain a further extension to the repayment date for the Company's debentures. This indicative proposal contained new information regarding the Company's trading activities and financial position that caused the Trustee to request further information. It was also the first time that the Directors had indicated a change in their property development strategy, which resulted in a projected shortfall to Debentureholders in recovery on the debentures.

In response to the indicative proposal, the Trustee requested and received further information from the Directors regarding the Company. Following careful consideration of the new information and the circumstances generally, together with meetings with the Directors on 1 and 6 November 2017, the Trustee formed the view that the Company was in default of a number of provisions of the Trust Deed and gave notice to the Company in that regard on 7 November 2017.

### **Appointment of Receivers on 7 November 2017**

The Trustee also formed the view that those defaults were such as to warrant the immediate appointment of the Receivers to protect the interests of Debentureholders. At 2:00pm on 7 November 2017, the Trustee appointed David Lombe and Vaughan Strawbridge of Deloitte

Touche Tohmatsu as joint and several Receivers and Managers (**Receivers**) of the Company, pursuant to the Company Charge dated 6 September 2002 granted as security for the Company's obligations under the Trust Deed. The Receivers are now in control of the Company.

The appointment of the Receivers will facilitate the realisation of the Company's remaining assets for the benefit of Debentureholders. Furthermore, the appointment of the Receivers will also ensure an independent investigation into the past conduct and affairs of the Company's Directors and ensure that their conduct was consistent with their obligations to the Company.

The Directors of the Company may still make a proposal to the Debentureholders, which is entirely a matter for the Directors. In the meantime, the Receivers have taken control of management of the Company and its assets.

Please direct any immediate enquiries concerning the Receivership to:

Jack McGrath  
Deloitte Touche Tohmatsu  
Grosvenor Place, 225 George Street, Sydney, NSW, 2000, Australia  
Telephone: +61 (2) 8260 4867  
Email: jackmcgrath@deloitte.com.au

For all other queries please do not hesitate to contact Dan Rose on (02) 9229 9872 or Johnny Rashidi on (02) 9229 3656.

Yours faithfully,



**Dan Rose**  
**The Trust Company (Nominees) Limited**  
**as trustee for Eurofinance Capital Limited Debenture Trust**