

CIRCULAR TO ALL CREDITORS AND EMPLOYEES

29 June 2017

Dear Sir/Madam,

Sebel Furniture Pty Ltd (Administrators Appointed) ACN 000 378 996 (the Company)

I refer to the appointment of Vaughan Neil Strawbridge and I as Joint and Several Administrators (**Administrators**) of the Company on 8 June 2017 pursuant to Section 436A of the *Corporations Act 2001 (the Act)*.

This circular has been prepared to advise all creditors that on 23 June 2017 the Administrators brought an application before the Federal Court of Australia and sought orders to extend the convening period by 180 days. The orders sought were granted by the Court.

The application to extend the convening period means that the convening period for the second creditors meeting has been extended from 7 July 2017 to 8 January 2018, pursuant to the Court order. This means that the second meeting of creditors must be held within five business days after the end of the convening period, which is 15 January 2018. However, as discussed at the first creditors meeting held on 20 June 2017, it is the intention of the Administrators to hold the meeting as soon as possible, once the sale or restructure of the Company has been determined.

In seeking an extension of the convening period, the Administrators took into account the following key considerations:

- i) An extension of the period will allow the best opportunity for the business to be sold as a going concern and provide the best return for creditors;
- ii) To allow the Administrators an opportunity to investigate the Company's affairs and therefore report to creditors in their Section 439A Report to decide on the Company's futures at the second creditors meeting;
- iii) To allow the business to continue as a going concern while offers to purchase the business are considered; and
- iv) To allow proposals to restructure the business to be considered.

The Administrators believe that the extension of the convening period will maximise the return to all stakeholders.

Finally, I will provide further notice to you regarding the time, date and location of the second meeting of creditors in due course. A copy of the court order is available on our website at <https://www2.deloitte.com/au/en/pages/finance/articles/sebel-furniture.html>.

Creditors should note that the Administrators also have an application before the High Court of New Zealand to extend the convening period to hold the watershed meeting for Sebel Furniture Limited. The result of the application in New Zealand will be placed on the abovenamed website.

Should you have any questions in relation to the Administration of the Company, please contact Jack McGrath of my office on (02) 8260 4867 or by email on sebel@deloitte.com.au.

Yours faithfully,



David John Frank Lombe
Joint and Several Administrator

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