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INVESTOR UPDATE – 17 December 2020

Halifax Investment Services Pty Limited (In Liquidation) (Halifax AU)

Halifax New Zealand Limited (In Liquidation) (Halifax NZ) (together the Halifax Group)

Update on hearing

The joint hearing of the Federal Court of Australia and the High Court of New Zealand (**the Courts**) in respect of the distribution of Client Moneys held by Halifax AU and Halifax NZ commenced on Monday, 30 November 2020, and finished on Wednesday, 9 December 2020.

The Liquidators were very satisfied with the manner in which the hearing was conducted by all parties. The parties raised the issues which the Liquidators considered necessary to be ventilated before the Courts. There were no issues that arose or matters that were raised by the parties which had not already been anticipated by the Liquidators.

Having regard to the complexity of this matter and the number of parties joined to the proceedings, the Liquidators are pleased that the main hearing has been completed within 2 years of the appointment of the Voluntary Administrators.

Investors may recall that in July 2020, Mr Jeffrey Worboys and Hong Kong Capital Holdings (**the Majority Shareholders**) successfully applied to be joined to the proceeding. However, shortly prior to the commencement of the hearing, we were advised by their legal advisors that the Majority Shareholders no longer intended to participate in the proceedings to pursue their claims, which the Liquidators regarded as wholly unmeritorious. On the final day of the hearing, the Liquidators made an application for costs on an indemnity basis in the Federal Court of Australia in respect of legal fees incurred in responding to the claims of the Majority Shareholders, given the Liquidators' view that that their claims lacked any merit.

As expected, their Honours Justice Venning and Justice Markovic have reserved judgment on the matter. We are unable to say when the judgments will be handed down, however given the volume of material before the Courts and evidence filed in this matter, this process is likely to take some months.

Due to the time required to verify Investor claims and apply the directions and orders made by the Courts to these claims and distribute available assets, we estimate that following receipt of final Court directions and orders after the hearing of all issues, it will take at least 6 months to make a distribution. The Liquidators do not anticipate that a distribution to all Investors will be made prior to June 2021.

Please visit the links to the following websites for copies of all correspondence issued to Investors:

- **Halifax Australia:** <https://home.kpmg/au/en/home/creditors/halifax-investment-services.html>
- **Halifax New Zealand:** <https://home.kpmg/au/en/home/creditors/halifax-nz-limited.html>