

16 May 2016

TO CREDITORS AND MEMBERS

Dear Sir/Madam

**Killarnee Civil & Concrete Contractors Pty Ltd (In Liquidation)
ACN 085 230 486 (the Company)**

We refer to the appointment of Darren Weaver, Ben Johnson and Martin Jones as Joint and Several Voluntary Administrators of the Company on 1 September 2014 pursuant to section 439A of the Corporations Act 2001 (**the Act**) and their subsequent appointment as Liquidators on 9 December 2014. Mr Darren Weaver and Mr Ben Johnson have both retired as Liquidators of the Company following their resignation from the Ferrier Hodgson partnership in October and December 2015 respectively.

Annual Meeting

We advise that pursuant to section 508 of the Act, the Liquidator is required to convene an annual meeting of the Company. Accordingly, a meeting of creditors of the Company has been convened on **Wednesday, 1 June 2016**.

We enclose the following documents regarding the Annual Meeting:

1. **Form 529: Notice of Meeting.** Please note that the meeting commences at **11:00am (AWST)**. Please arrive for registration at least fifteen (15) minutes prior to the meeting.
2. **The Liquidator's Annual Report to Creditors** pursuant to section 508 of the Act, which includes a Remuneration Request Approval Report explaining the Liquidator's remuneration claim setting out:
 - (a) Details of time spent by category of staff at the rates applicable for such staff; and
 - (b) A summary of the work undertaken by the Liquidator and his staff in the Liquidation.
3. **Form 548: Notice to Creditor or Person Claiming to be a Priority Creditor of Intention to Declare a First and Final Priority Dividend**

A priority dividend is to be declared for **priority** creditors (former employees) of the Company. Priority creditors whose debts or claims have not already been admitted are required on or before 24 June 2016 to formally prove their debts or claims. If you do not, I will exclude your claim from participation, and I will proceed to make a first dividend without having regard to it.

4. **Form 535: Formal Proof of Debt Form / Employee Claim Form**

A person is not entitled to vote at the meeting unless they provide particulars of the debt or claim to the Liquidator before the meeting. All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Company or any lien over goods in their possession which are property of the Company.

SYDNEY	Affiliated through:
MELBOURNE	Zolfo Cooper
ADELAIDE	CARIBBEAN
BRISBANE	UNITED STATES
PERTH	KLC Kennic Lui & Co.
KUALA LUMPUR	CHINA
SINGAPORE	HONG KONG

5. **Form 532: Appointment of Proxy form.** The form enables you to appoint another person to act on your behalf at the meeting. Proxy Forms submitted for prior creditor meetings are **not** valid at this meeting.

IMPORTANT

A proxy form will be deemed to be invalid by the Chairman if any of the following occurs:

- (a) *The proxy form is not completed in full.*
- (b) *If a Company wishes to appoint a proxy, the proxy form must be completed and signed by an officer of the Company under the Company seal. The presence of a Company manager without being appointed as proxy is insufficient.*
- (c) *A creditor will not be permitted to vote at the meeting unless that creditor is present in person or his representative has provided a correctly completed proxy form or Power of Attorney.*

The Formal Proof of Debt / Employee Claim Form and Proxy Form should be lodged with this office before the meeting and, in any event no later than **4:00pm on Tuesday, 31 May 2016**. Forms can be sent by facsimile on **(08) 9214 1400** marked to the attention of Nirav Shah or scanned and emailed to nirav.shah@fh.com.au. However, Corporations Regulation 5.6.36A requires lodgement of the original of the Proxy Form with the Liquidator's office within 72 hours of lodging the faxed / emailed copy.

Liquidator's Application to the Federal Court of Australia (FCA)

We advise that we have made an application to the FCA for directions (WAD 181/2016), to determine whether Westpac Banking Corporation, as secured creditor has a priority in the preference claim recovery to the extent of the amounts paid to the employees by the Administrators / Liquidators during the course of the voluntary administration and liquidation period. Further details regarding the Liquidator's application is outlined in section 4(ii) of the Liquidator's Annual Report dated 16 May 2016.

In the table below, we outline our estimates of the likely return to the different classes of creditors, depending on the outcome of our application:

Estimated return	Westpac entitled to subrogation	Westpac NOT entitled to subrogation
	Total Claims approximately \$4,738,105	Total Claims approximately \$2,005,000
Priority creditors	Return of 100 cents in the dollar	Return of 100 cents in the dollar
	Total Claims approximately \$25,307,934	Total Claims approximately \$26,731,039
Ordinary unsecured creditors	Estimated return of 7.38 cents in the dollar	Estimated return of 12.31 cents in the dollar

We further advise that the matter has been fixed for hearing on **22 June 2016** at 10am AWST and a copy of our Notice to Creditors of the application for court directions is enclosed as Annexure A.

Should creditors have any objection to the order sought by the Liquidator, you are advised to inform the Liquidator in writing and provide the ground(s) of your objection (including any relevant supporting documents, where applicable) on or before 5pm on Monday, 6 June 2016. Alternatively, if you wish to be heard, you must file a notice of appearance, in the prescribed form, in the Federal Court Registrar and serve a copy of it on the Liquidator.

Further queries

Should you require any further information concerning the contents of this report, or the liquidation in general, please do not hesitate to contact either Nirav Shah or Yvonne Liew of this office.

Yours faithfully

Killarnee Civil & Concrete Contractors Pty Ltd



Martin Jones

Liquidator

Encl.