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Our ref 36063455\_2

To the creditor as addressed

5 April 2019

Dear Sir/Madam

**Specialty Mens Apparel Pty Ltd (Administrators Appointed)**  
**ACN 149 766 307 (“the Company”)**  
**Trading as “Ed Harry”**

**Voluntary Administrators’ report to creditors pursuant to Insolvency  
Practice Rule 75-225(3) of the Insolvency Practice Rules (Corporations)  
2016**

We refer to the appointment of Gayle Dickerson and I, Brendan Richards, of KPMG as joint and several Voluntary Administrators’ of the Company on 15 January 2019 and to our previous correspondence dated 16 January 2019 regarding the Voluntary Administration of the Company.

We have convened the second meeting of creditors in accordance with section 439A of the Corporations Act 2001 (*Cth*) (“the Act”) to determine the Company’s future. Accordingly, we enclose our Administrators’ report to creditors in accordance with rule 75-225(3) of the Insolvency Practice Rules 2016 (“IPR”) (“Voluntary Administrators’ Report”):

**Details for the Second Meeting of Creditors**

The second meeting of creditors to decide the future of the Company will be held as follows (“Second Meeting”):

**Date:** Tuesday, 23 April 2019  
**Time:** 12:00pm ACDT (local Adelaide time)  
**Address:** KPMG Office, Adelaide, 151 Pirie Street, Adelaide SA 5000



Specialty Mens Apparel Pty Ltd (Administrators  
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5 April 2019

At the Second Meeting, creditors will be entitled to vote on whether:

- the Company should enter a Deed of Company Arrangement (if one is proposed);
- the administration should end; or
- the Company should be wound up.

### **Voluntary Administrators' Report**

As outlined in the Voluntary Administrators' Report attached, we have recommended that creditors should resolve to **wind up the Company**.

We have formed this opinion based on our analysis of the Company's business, property, affairs and financial circumstances. We have set out our analysis, a statement including our opinion and reasons for this opinion in the Voluntary Administrators' Report, which is attached to this letter.

The Voluntary Administrators' Report, notice convening the Second Meeting and other documents relevant to the opinion and meeting procedures are attached as Appendices to this letter and are also available for download from our website at: <https://home.kpmg/au/edharry>.

If you do not have access to the internet and have not already received a copy of the Voluntary Administrators' Report, you can request that a copy of the report be mailed to you.

### **Proof of Debt and Appointment of Proxy forms**

To participate and vote on the future of the Company at the Second Meeting, you may need to:

- Submit a **proof of debt form** for voting purposes and information to substantiate your debt or claim (if one was not previously submitted).
- Appoint a person – a "**proxy**" or person authorised under a power of attorney – to vote on your behalf at the Second Meeting. This may be necessary if you are unable to attend the meeting, or if the creditor is a company.

You can appoint the chairperson of the meeting as your proxy and direct the chairperson how you wish your vote to be cast. If you choose to do this, the chairperson must cast your vote as directed.



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5 April 2019*

Please refer to the Voluntary Administrators' Report for detailed instructions on what you are required to do if you are a creditor of the Company and wish to vote or participate in this meeting including how to complete and submit a formal proof of debt and appointment of proxy form. If you have any further questions about how to complete these forms, please contact our office by email at [edharry@kpmg.com.au](mailto:edharry@kpmg.com.au) or by telephone +61 2 9335 7546.

Electronic facilities are available for creditors who are unable to attend the Second Meeting in person however creditors who wish to participate and vote at the Second Meeting by teleconference call must lodge a formal proof of debt form and appointment of proxy form.

In order to use this facility, creditors are required to notify a representative of the Administrators' by email at [edharry@kpmg.com.au](mailto:edharry@kpmg.com.au), one business day before the date of the Second Meeting. Upon receipt of this correspondence, creditors will be provided with details and instructions on how to access the electronic facilities for the Second Meeting by return email.

To facilitate the conduct of the meeting, the completed proof of debt (voting) form and proxy form must be returned to our office by post to KPMG, Level 38, Tower Three, 300 Barangaroo Avenue, Sydney NSW 2000, fax +61 2 9335 7001 or email at [edharry@kpmg.com.au](mailto:edharry@kpmg.com.au) by **12.00pm ACDT on 18 April 2019**. Failing this, creditors or their appointed proxies will be excluded from voting at the Second Meeting.

### **Remuneration approval of the Administrators'**

Attached to the Voluntary Administrators' Report at Annexure D is our Remuneration Approval Report.

The Remuneration Approval Report is a detailed report explaining our remuneration claim (retrospective and prospective) that we are seeking creditor approval for at the upcoming meeting of creditors in accordance with the Act and the Australian Restructuring Insolvency and Turnaround Association, Code of Professional Practice for Insolvency Practitioners.

We are unable to pay our remuneration without the approval of creditors or alternatively the Court. Accordingly, the Administrators' will be seeking approval for remuneration at the Second Meeting as outlined in the Voluntary Administrators' Report.



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## **Attachments**

The following documents accompany this letter:

- The Voluntary Administrators' report to creditors pursuant to Insolvency Practice Rule 75-225(3) of the Insolvency Practice Rules (Corporations) 2016 including the statement of the Voluntary Administrators' opinion about the option that would be in the creditors' interest for the Company to execute
- Appendix A - Notice of Meeting
- Appendix B - Declaration of Independence, Relevant relationships and Indemnities dated 5 April 2019
- Appendix C - Estimated Outcome Statement
- Appendix D - Remuneration Approval Report
- Appendix E - Appointment of Proxy Form
- Appendix F - Formal Proof of Debt or Claim Form
- Appendix G - Information Sheet: Approving Remuneration of an External Administrator
- Appendix H - Information Sheet: Creditor Rights in Liquidations
- Appendix I - Information Sheet: Offences, Recoverable Transactions and Insolvent Trading
- Appendix J – Information Sheet No 74, Voluntary Administration: A guide for creditors

## **What to do next**

You should now:

- read the Voluntary Administrators' Report including the Administrators' statement of opinion and supporting information
- decide whether you are going to attend the meeting, and
- complete and return your proof of debt (voting) form and appointment of proxy form, which must be received by our office by no later than **12.00pm ACDT on 18 April 2019**.

Further information which may assist you can be accessed on the following websites:

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for "insolvency information sheets").

There is also additional information on our website: <https://home.kpmg/au/edharry>.



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Please contact our office by email at [edharry@kpmg.com.au](mailto:edharry@kpmg.com.au) should you have further queries or require additional information.

Yours faithfully

*Brendan Richards*

Brendan Richards  
Joint and Several Voluntary Administrator