
MINUTES OF FIRST MEETING OF CREDITORS OF D&G HOISTS & CRANES (AUS) PTY LTD (ADMINISTRATORS APPOINTED), ACN 136 357 054, HELD AT THE MERCURE, 10 IRWIN STREET PERTH WA 6000 AT 2:00PM (AWST) ON 22 AUGUST 2012.

PRESENT: As per attendance register (Annexures A and B).

CHAIRMAN: Martin Jones, one of the Administrators of the companies, opened the meeting and advised that he would act as Chairman of the meeting in accordance with Regulation 5.6.17(1) of the Corporations Regulations.

The Chairman noted that commercially sensitive matters may be discussed, and that he did not propose to have any members of the media or press in attendance, and asked that any such members leave the meeting.

The Chairman then advised that this was the first meeting of the creditors of D&G Hoists & Cranes Pty Ltd and D&G Hoists & Cranes (Aus) Pty Ltd (the Companies) which were to be held contemporaneously and that the purpose of the meeting was:

- for creditors to consider whether or not to form a Committee of Creditors, and if so who should be members of that Committee, and;
- whether or not the voluntary administrator appointed by the Companies should remain in office.

NOTICE OF MEETING: The Chairman advised that the notice calling the meeting was published on the ASIC insolvency notices website on Monday 13 August 2012 and that the notice was also posted to all known creditors and employees on 13 August 2012.

It was moved by Panda Panyanonroy of Select Plant Hire:

“THAT the notice calling the meeting be taken as read”.

The motion was declared carried on the voices.

James McCusker noted that it was hard to hear, as another telephone attendee was not on mute. The chairman briefly passed over the resolutions that he had announced thus far.

ADMISSION OF PROXIES: The Chairman tabled the attendance register and proxies received (Annexure A) for the meeting and noted that they would be available for inspection after the meeting if any creditor so desired. The Chairman noted that he was required to consider and either admit or reject the proxies submitted for the purpose of voting for the meeting. In that regard, he noted that all proxies had been admitted for voting apart from one which was found to be invalid.

The Chairman also performed a telephone roll call. Teleconference attendees are listed in Annexure A.

- QUORUM:** The Chairman then determined, in accordance with Regulation 5.6.16(2) of the Corporations Regulations that a quorum was present for both companies.
- DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES:** The Chairman tabled the Declaration of Independence, Relevant Relationships and Indemnities. The Chairman noted that:
- (a) A copy of the declaration had been provided to creditors with the notice of meeting on 13 August 2012.
 - (b) There has been no change to the declaration since the date it was circulated.
 - (c) An arrangement with the major shareholder for funding of wages was being discussed, and further detail would follow shortly.
- RESOLUTIONS:** The Chairman advised that all motions were to be resolved on the voices, unless a poll was demanded pursuant to Regulation 5.6.19 of the Corporations Regulations.
- PURPOSE OF MEETING:** The Chairman advised that the primary purpose of this meeting was to determine firstly whether to appoint a Committee of Creditors (the Committee) and, if so, who are to be the Committee members and secondly whether to replace the Administrators, although he noted that no nominations to do so had been received prior to the meeting.
- REPORTING:** The Chairman advised that a Second Meeting of Creditors would be held within 25 business days from the date of appointment, and that 5 business days before that date, creditors would be sent a copy of a detailed report pursuant to section 439A of the Corporations Act. This timeframe may be extended by the Court, if considered desirable, to allow for a complete examination of the affairs of the Companies.
- VOLUNTARY ADMINISTRATION PROCESS:** The Chairman gave a brief outline of the Companies, and their operations, before providing a brief overview of the voluntary administration process to the meeting, covering its time driven nature, the objectives of the voluntary administration process and the potential outcomes for creditors. The Chairman also discussed the statutory moratorium imposed on creditors' claims by the voluntary administration process.
- TASK COMPLETED TO DATE:** The Chairman discussed tasks completed to date during the Administration. These were as follows:
- i) Attempted to stabilise the position of the Companies and attended to initial trading issues, statutory obligations and undertook a review of the Companies business operations.
 - ii) Took control of the companies' assets including bank accounts, plant & equipment and contracts and are currently seeking a proposal for an OHS report in regard to the equipment.
 - iii) Contacted all equipment financiers and currently seeking the deferral of contractual lease obligations for the administration period.

- iv) Engaged with the major shareholder to obtain funding of operations to the second meeting of creditors to preserve the business as a going concern.
- v) Contacted customers and currently engaged in discussions with them regarding the continuity of the projects during the Administration.
- vi) Plant, equipment and stock are being quantified and valuers have been engaged to value these items.
- vii) Commenced statutory investigations into the affairs of the Companies.

THE NEXT STEPS:

The Chairman advised the meeting of the next steps involved in his appointment as:

- i) The Administrators to explore options to extract value from the Companies for creditors via a dual track process, being:
 - Refinance / restructure the Companies through a deed of Company arrangement, or
 - To sell the business and assets of the Companies.
- ii) To prepare and issue his Administrators Report pursuant to section 439A of the Act, covering the causes of failure, options available to creditors and a recommendation to creditors.
- iii) To convene a Second Meeting of Creditors on or before 14 September 2012, at which creditors will determine the future of the Companies as:
 - a. The Companies to be wound up;
 - b. The Companies to execute a Deed of Company Arrangement; or
 - c. The Administration to end (should the Companies be solvent).

The Chairman also noted that Creditors may vote to adjourn the second meeting for up to 45 business days, and that he was also considering an application to Court to extend the convening period for the second creditors meeting.

INDICATIVE TIMETABLE:

The Chairman tabled and discussed an indicative timetable for the sale process (set out below for reference) that had been undertaken. He noted that he was mindful of the confidentiality obligations included in various contracts that the Companies were engaged in.

Event	Date
Determine viability of operations	Ongoing
Disclaim all equipment leases	Monday, 20 August 2012
Negotiate standstill agreement for leases	Tuesday, 21 August 2012
Second meeting of creditors (If not extended by Court)	Friday, 14 September 2012
Determine more complete funding package	Ongoing negotiations with major shareholder
DOCA Proposal	Working Draft

The Chairman also noted that the equipment financiers had met on Friday, 17 August 2012, to discuss extending the moratorium on lease payments.

It was also discussed that the funding to date had been week to week. Negotiations on longer terms to assist customers and creditors were being undertaken.

A term sheet for a DOCA proposal had already been put forward for the Companies and it was noted that this would need to be resolved quickly, if the Companies were to continue to operate.

QUESTIONS:

The Chairman then asked whether there were any questions which creditors wished to raise and requested that questions be directed to the Chairman in the first instance and that questioners identify themselves and the creditors they represent.

The Chairman then opened the meeting to questions from creditors.

Q. KELVIN KENT – MANITOWOC CRANES

Noted that an audit of stock had been undertaken and was enquiring as to whether an agreement been made or who would be paying for that audit.

A. CHAIRMAN

The Chairman responded that a listing had started in WA and he was awaiting a proposal and costing in relation to the other states. This matter had been raised in the funding requests with the major shareholder, as this was something that would be to the benefit of all stakeholders.

Q. PETER BROTHERRSON- DE LAGE LANDEN

Wanted to know why the draft DOCA had not yet been circulated.

A. CHAIRMAN

Advised that only an informal term sheet had been received from JP Nelson represented by Deloitte, however it is very embryonic and not capable of being circulated. As soon as it is in a form, capable of being shared then it will be distributed to creditors.

Q. MARIA – ATO

If D&G propose a DOCA then the ATO would require the lodgements to be brought up to date.

A. CHAIRMAN

Noted.

Q. MARIA – ATO

Asked how many debtors and creditors there are?

A. CHAIRMAN

Responded that he hadn't prepared the Statement of Position at this point in time, but he was working through it and will comment on this in the next report to creditors.

Q. MARIA – ATO

Noted that the ATO would require information on any employee benefits still outstanding.

ADMINISTRATORS INDEMNITY: As the Administrators of the Companies are personally liable for the debts incurred during their appointment, the Chairman advised that he would be making an application to the Court that this be treated without recourse to him personally, but would be covered by the assets of the Companies, and that if creditors had any concerns or wished to be involved in this process, it was open to them to do so.

COMMITTEE OF CREDITORS: The Chairman discussed the role of a Committee of Creditors, and that committee members could add value to the outcome of an administration process by bringing specific industry knowledge. He also noted that as the Committee would be privy to certain information they would be required to sign confidentiality agreements. He further advised that pursuant to Section 438F of the Act, the functions of a Committee of Creditors are:

1. To consult with the Joint and Several Administrators about matters relating to the Administration; and
2. To receive and consider reports by the Joint and Several Administrators.

The Chairman advised that in his view, creditors would benefit from the formation of a Committee in this case, but he would leave it to the creditors present to decide. The Chairman called for nominations, for each company and several nominations were received.

It was resolved:

“THAT a committee of creditors be formed for D&G Hoists & Cranes Pty Ltd, with the members to be:”

Creditor Represented	Committee Member
JP Nelson Equipment Pty Ltd	Teo Yew Boon or Dermott McVeigh
Manitowoc Cranes	Kelvin Kent
De Lage Landen	Peter Brotherson
Employee's Representative	Chris Whitney
Cbus	Clara Lai
Westpac Banking Corporation	James McCusker

Moved: The resolution was carried on the voices.

It was resolved:

“THAT a committee of creditors be formed for D&G Hoists & Cranes (Aus) Pty Ltd, with the members to be:”

Creditor Represented	Committee Member
JP Nelson Equipment Pty Ltd	Teo Yew Boon or Dermott McVeigh
Manitowoc Cranes	Kelvin Kent
De Lage Landen	Peter Brotherson
Employee's Representative	Chris Whitney
Cbus	Clara Lai
Alimak Hek Pty Ltd	Keith Carrol or Kapila Madanayake
Autumn Finance	Andrew Cossen
Westpac Banking Corporation	James McCusker

Moved: The resolution was declared and carried on the voices.

**PROPOSED APPOINTMENT OF
REPLACEMENT
ADMINISTRATOR:**

The Chairman advised that pursuant to Section 436E(4), creditors may, by resolution, remove the Administrators and appoint someone else as Administrators of the Companies however he had not received any other nominations to act as Administrator, and noted that this resolution then fell away and his appointment would stand.

CLOSURE:

There being no further business, the Chairman thanked those present for attending. The Chairman advised that a further meeting would ordinarily be held within 25 business days following the commencement of the voluntary administration (subject to any extensions of the convening period) to receive and discuss the Administrators' report as to the Companies business, property, affairs and financial circumstances, and resolve:

- Whether a Deed of Company Arrangement shall be entered into; or
- Whether the Administration should come to an end; or
- Whether the Companies should be wound up.

The Chairman closed the meeting at 2.45pm.

Signed as a correct record.

DATED this 4th day of September 2012



Martin Jones
Chairman

ANNEXURE A - Attendance Register: D&G Hoists & Cranes (Aus) Pty Ltd

Creditor	Proxy	Manner of Attendance	Amount Claimed (\$)	Amount admitted for (\$)
Aaction Traffic Services	The Chairman	In person	5,744.63	5,744.63
Alimak Hek Pty Ltd	Kapilla Madwan	By Telephone	456.50	456.50
Amist Superannuation	Clara Lai	By Telephone	1.00	1.00
Australian Super	Clara Lai	By Telephone	1.00	1.00
Autumn Finance	Andrew Cossen	By Telephone	31,427.00	31,427.00
Barry Evans Lifting World	The Chairman	In person	6,924.50	6,924.50
Borger Crane Hire & Rigging	The Chairman	In person	86,944.00	86,944.00
Cbus Superannuation	Clara Lai	By Telephone	1.00	1.00
De Lage Landen	Peter Brotherson	By Telephone	1,951.40	1,951.40
DG Hibbert Construction Engine	The Chairman	In person	39,864.00	39,864.00
DKSH Australia Pty Ltd	The Chairman	In person	31,427.00	31,427.00
DMG Welding & Tool Centre Pty Ltd	The Chairman	In person	1,222.71	1,222.71
Kempe Industrial Products	The Chairman	In person	1,951.40	1,951.40
Kennards Hire (NSW)	The Chairman	In person	9,994.09	9,994.09
Kennards Hire (QLD)	The Chairman	In person	2,036.80	2,036.80
Kwik Kopy Printing – Homebush	The Chairman	In person	1,797.04	1,797.04
Mad Design	The Chairman	In person	456.50	456.50
Manitowoc Cranes	Kelvin Kent	By Telephone	2,036.80	2,036.80
Merlo Group Australia Pty Ltd	Demunj Lasantha Gamage	In person	6,865.46	6,865.46
Morger Crane & Rigging	Sean Morger	By Telephone	1.00	1.00
MTAA Superannuation	Clara Lai	By Telephone	1.00	1.00
Select Plant Hire	Panda Panyanonroy	In person	25,129.76	25,129.76
Westpac Banking Corporation	James McCusker	By Telephone	1.00	1.00
Wright Express Australia Pty Ltd	The Chairman	In person	22,812.55	22,812.55
Home Consulting	Mathew O'Brian	By Telephone	1.00	1.00

ANNEXURE B – Register of Observers: D&G Hoists & Cranes (Aus) Pty Ltd

Company Name	Representative Name
CFMEU	Aaron Mackrell
De Lage Landen	Nick Lazarou
Scottish Pacific D.F	Coral O'Neill
JP Nelson	Dermmot McVeigh
Corrs for Manitowoc	Mark Wilkes

ANNEXURE C – Powerpoint Presentation

