

Receivers' First Report on the State of Affairs of

Pounamu Prime Limited (In Liquidation and In Receivership)

21 September 2011

Company Number: 1458580

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Introduction

Timothy Wilson Downes and Richard Grant Simpson of Grant Thornton New Zealand Ltd were appointed jointly and severally as Receivers and Managers of all the assets, property and undertakings of Pounamu Prime Limited (In Liquidation and In Receivership) ("the Company") on 13 July 2011. We were appointed under the powers contained within a General Security Agreement dated 12 June 2007 issued by the Company.

This appointment was in place of Grant Robert Graham and Brendon James Gibson who had previously been appointed on 20 April 2009 and who had vacated office as Receivers and Managers of the Company with effect from 13 July 2011.

We set out below our first report on the state of the affairs of the Company as required by section 23 of the Receiverships Act 1993.

Events Leading Up to Our Appointment

Quilington Pte Limited purchased the first GSA holders, BOS International (Australia) Limited ("BOSI"), loan and immediately replaced the Receivers appointed by BOSI with Mr Downes and Mr Simpson.

The Official Assignee was appointed liquidator of the Company on 14 September 2011 following a petition by Inland Revenue.

Trading On of the Business

At the date of our appointment the Company owned 6 apartment units at 29 Panorama Terrace, Queenstown.

Property Disposed of To Date

Since our appointment four units have been sold of which one has settled.

Proposals for Disposal of Receivership Property

Two units remain to be sold and we expect to conclude Sale & Purchase Agreements for these in the near future.

Amounts Owing to the General Security Agreement Holder

Based upon the information provided to us by the General Security Agreement Holder, an amount of \$20,080,000 plus any accrued interest and penalties is outstanding in respect of the general security agreement dated 12 June 2007.

It is unlikely that the General Security Agreement Holder will be paid in full.

Preferential Creditors

We have been advised that there is \$3,139,610 owing to the Commissioner of Inland Revenue of which \$1,986,119 is preferential.

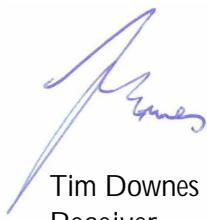
Based on available information, no distribution will be made to preferential creditors.

Unsecured Creditors

As things currently stand, it appears that no funds will be available to meet the claims of unsecured creditors and that there will be insufficient funds to repay the full amount of the debt due to the General Security Agreement Holder.

Particulars of Assets and Liabilities

We have attached as Appendix A particulars of the assets and liabilities of the Company as at the date of our appointment.



Tim Downes
Receiver



Richard Simpson
Receiver

Appendix A – Assets and Liabilities of the Company

	\$
Assets	
Six apartment units at 29 Panorama Terrace, Queenstown	Unknown
Total Assets	<u>Unknown</u>
Liabilities	
Secured Creditors	
¹ Mortgagee & First Registered GSA Holder – Quilington Pte. Ltd C/- Winton Partners, Level 15, 25 Bligh Street, Sydney, NSW	20,080,000
Second Registered GSA Holder – Strategic Finance Limited Level 2, Shed 22, Prince's Wharf, 147 Quay Street, Auckland	7,020,000
Preferential Creditors	
IRD - GST	1,986,119
Unsecured Creditors	
IRD	1,153,492
Trade Creditors	201,461
Total Liabilities	<u>30,441,072</u>

Notes

¹ Amount outstanding at the date of appointment. Interest and penalties are in addition to this amount



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