

Matarangi Beach Estates Limited (In Receivership) ("the Company") Company No: 1251850

30515
17 January 2011

Introduction

Grant Robert Graham and Michael Peter Stiassny were appointed Joint and Several Receivers and Managers of the assets and undertakings of the Company on 18 November 2010 pursuant to a General Security Agreement dated 29 June 2005 granted in favour of The Hongkong and Shanghai Banking Corporation ("HSBC").

Restrictions

This report has been prepared by us in accordance with and for the purposes of Section 23 of the Receiverships Act 1993. It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the receivership. In compiling this report we have relied on the accuracy of all relevant information provided by the Company. While all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this report.

All information contained in this report is for the confidential use of the parties to which it is provided, in accordance with Sections 26 and 27 of the Receiverships Act 1993 and is not to be disseminated or passed to any other person without prior written authority or in accordance with the law.

Commentary

- Matarangi Beach Estates Ltd (In Receivership) ("MBEL") is the parent company of a group of entities that is undertaking a coastal development at Matarangi in the Coromandel. The assets of MBEL and its subsidiaries include an 18 hole golf course and clubhouse, five luxury villas, residential sections, farm land, zoned development land and unzoned development land.
- Since the date of receivership we have continued to trade the golf course and restaurant operations. The Company's busy summer season occurs from late December to the end of February.
- The Receivers are currently assessing options in relation to realising the assets of the Company. Since the date of the receivership no assets have been sold.
- The receivership commenced as a consequence of an event of default under the Company's banking arrangements.

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- HSBC is the first ranking secured financier. HSBC was owed \$18.9 million as at the date of the receivership.
- Allied Farmers Investment Ltd also provided financial support to MBEL, and was owed approximately \$20 million at the date of receivership.
- The following security interests were registered on the Personal Property Securities Register as at the date of receivership:

Secured Party	Address	Collateral Type	Date Registered
The Hongkong and Shanghai Banking Corporation	PO Box 5947, Auckland	All Present And After Acquired Personal Property	23-Nov-04
		All Present And After Acquired Personal Property	30-Jun-05
Allied Farmers Investments Ltd	Level 5, 33 Shortland Street, Auckland	All Present And After Acquired Personal Property	6-Sep-07
		All Present And After Acquired Personal Property	5-Oct-10
Custom Fleet NZ	PO Box 3630, Shortland Street, Auckland	Goods - Motor Vehicle	9-Feb-05
Rent Plus Ltd	PO Box 1061, Shortland Street, Auckland	Goods - Other	15-Dec-05
		Goods - Other	15-Dec-05
Leasing Solutions Ltd	PO Box 68 542, Newton, Auckland	Goods - Other	5-Feb-04
	PO Box 68 542, Newton, Auckland	Goods - Other	13-Nov-06
Linkz Marketing Ltd	PO Box 80208, Green Bay, Auckland	Goods - Other	3-Oct-08
Peninsula Group Hardware	PO Box 387, Whitianga	Goods - Other	30-Jul-10
Brittain Wynyard & Co Ltd	PO Box 1438, Auckland	Goods - Other	7-Jun-06
Finance Now Ltd - Business Finance	PO Box 41335, St Lukes, Auckland	All Present And After Acquired Personal Property	16-Nov-06
Chemiplas NZ Ltd	PO Box 37 408, Parnell, Auckland	Goods - Other	30-May-07

- To date, we are yet to receive notification from Inland Revenue Department regarding the Company's indebtedness. However based upon Company records we estimate the IRD preferential claim is \$5k
- The amount owing for preferential employee claims is approximately \$49k.
- Outstanding rates of \$246k is owed to the Thames-Coromandel District Council and \$21k to Environment Waikato.
- From the Company records and claims received to date, we estimate that the total unsecured creditor liability is approximately \$280k.
- Based on our preliminary estimates, we believe that it is unlikely there will be a return to unsecured creditors.



G R GRAHAM
Joint Receiver