



The Ralan Group Pty. Ltd & Associated entities

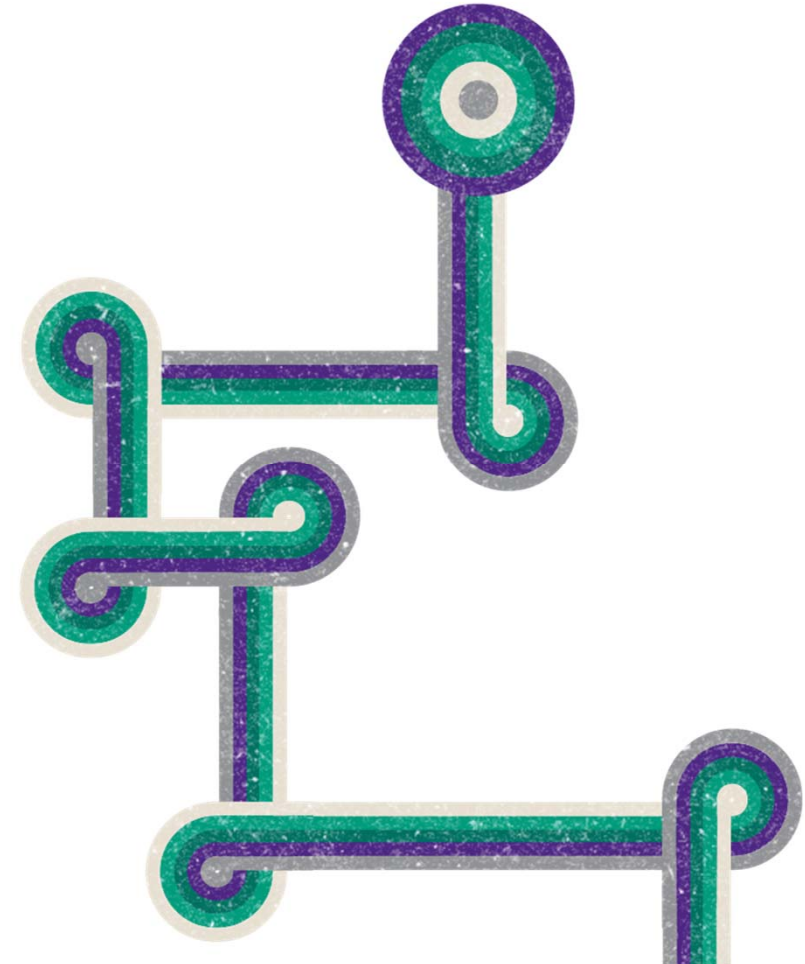
(Administrators appointed)

(Receivers and Managers appointed to entities within the Group)

("the Group")

First Meeting of Creditors

Friday, 9 August 2019, 3.30pm



Agenda

1. Welcome
2. Declaration of Independence, Relevant Relationship and Indemnities
3. Update on the Administrations
4. Questions
5. Resolutions
6. Next Steps
7. Closure of Meeting

1. Welcome

- Said Jahani will act as Chairman of the meetings in accordance with Insolvency Practice Rule 75-50.
- The meetings of the Group entities will be held concurrently – are there any objections?
- A quorum is present and the meetings are being held at a date, time and place convenient to the majority of creditors.
- The meetings have been called in accordance with the notice of meetings dated 31 July 2019 in accordance with Insolvency Practice Rule 75-10 to 75-25.
- Resolutions put to the vote will be decided on the voices (using your coloured voting cards) unless a poll is requested.
- The meetings are being recorded for ease of minute taking and a copy of the minutes of the meetings will be available on the Grant Thornton website within 2 weeks of the meetings.

Ralan (Culworth) Pty Ltd	Ralan 888 Pty Ltd	Ralan Arncliffe Pty Ltd	Ralan Beaconsfield Pty Ltd
Ralan Boundary Street Pty Ltd	Ralan Budds Beach Holdings Pty Ltd	Ralan Budds Beach No1 Pty Ltd	Ralan Budds Beach No 2 Pty Ltd
Ralan Budds Beach No 3Pty Ltd	Ralan Burwood Pty Ltd	Ralan Capital Investment Pty Ltd	Ralan Cecil Street Pty Ltd
Ralan Cherry Street Pty Ltd	Ralan Constructions Pty Ltd	Ralan Corona Pty Ltd	Ralan Culworth No2 Pty Ltd
Ralan Developments No 2 Pty Ltd	Ralan Developments Pty Ltd	Ralan Duff Street Pty Ltd	Ralan Dumaresq No 2 Pty Ltd
Ralan Dumaresq Pty Ltd	Ralan Eulbertie Pty Ltd	Ralan Gordon Pty Ltd	Ralan Holdings Pty Ltd
Ralan Killara Pty Ltd	Ralan Lamond Pty Ltd	Ralan Marian Pty Ltd	Ralan Mascot Pty Ltd
Ralan McIntyre Pty Ltd	Ralan Merriwa Pty Ltd	Ralan Mortgage Corporation Pty Ltd	Ralan Nominees Pty Ltd
Ralan Ocean Avenue Holdings Pty Ltd	Ralan Ocean Avenue No 1 Pty Ltd	Ralan Ocean Avenue No 2 Pty Ltd	Ralan Ocean Avenue No 3 Pty Ltd
Ralan Paradise No 1 Pty Ltd	Ralan Paradise Holdings Pty Ltd	Ralan Paradise No 2 Pty Ltd	Ralan Paradise No 3 Pty Ltd
Ralan Paradise No 4 Pty Ltd	Ralan Paradise Resort Pty Ltd	Ralan Property Care Pty Ltd	Ralan Property Services Pty Ltd
Ralan Property Services QLD Pty Ltd	Ralan Pymble Pty Ltd	Ralan Rhodes Pty Ltd	Ralan Rosebery Pty Ltd
Ralan Ruby No2 Pty Ltd	Ralan Ruby Pty Ltd	Ralan St Leonards Pty Ltd	Ralan Warrangi Pty Ltd
Ruby Apartments Pty Ltd	Ruby Collections Management Pty Ltd	Ruby GC Pty Ltd	The Ralan Group Pty Ltd
Garryspillane Pty Ltd	Menufeast Pty Ltd		

2. Liquidators' DIRRI/Background of Appointment

- Reference is made to the DIRRI provided in our notice to creditors dated 31 July 2019 which was lodged with ASIC and published on the Grant Thornton website.
- On 7 August 2019, the Voluntary Administrators updated their DIRRI to reflect that they had no conflict of interests as a result of being appointed over different entities in the Group. An updated copy of the DIRRI was lodged with ASIC and uploaded on the Grant Thornton website on 8 August 2019.
- The Administrators' DIRRI provides background on how the Administrators were appointed in the matter. We are not aware of any reasons that would prevent us from accepting the appointment. The updated DIRRI is taken as read for the purposes of the meetings.
- On 29 July 2019, Said Jahani and his staff attended a meeting with Deloitte and a director of the Group, William O'Dwyer, to discuss the background and financial position of the Group and the implications of the formal insolvency process.
- The Administrators had no prior dealings with Mr O'Dwyer or the Group prior to the meeting on 29 July 2019 and no remuneration was received for attending any meeting.

3. Update on the Administrations

Borrowing Business (loans)	1 Company
Ruby Development	6 Companies
Sapphire Development	4 Companies
Real Estate and Management Companies	4 Companies
Arncliffe Development	1 Company
Ruby Tower 1	3 Companies
Non-Trading Entities	39 Companies

Voluntary Administrators appointed to 58 entities

3. Update on the Administrations

- Said Jahani, Graham Killer and Philip Campbell-Wilson were appointed Joint and Several Administrators of the Group on 30 July 2019 by resolution of the director(s).
- On 1 August 2019, Jason Tracey, Timothy Heenan and Salvatore Algeri of Deloittes were appointed Joint and Several Receivers and Managers of the following entities by Wingate:
 - Ralan Paradise Holdings Pty Ltd
 - Ralan Paradise No. 1 Pty Ltd
 - Ralan Paradise No. 2 Pty Ltd
 - Ralan Paradise No. 3 Pty Ltd
 - Ralan Budds Beach No 1 Pty Ltd
 - Ruby Apartments Pty Ltd
- On 5 August 2019, Ken Whittingham was appointed Receiver and Manager of Ralan Paradise Resort Pty Ltd and Ralan Paradise No 4 Pty Ltd by Babbl Pty Ltd (Balmain).

3. Update on the Administrations

Trading Entity	Activity	Assets
<p>Ralan Paradise Resort Pty Ltd</p> <p><i>Now under control of Receiver and Manager (Ken Wittingham)</i></p>	<p>Operates the trading business at Paradise Resort, Surfers Paradise – a 359 hotel/family resort</p> <p>Employees - c.300 individuals</p>	<p>Cash at Bank</p> <p>Fixtures and Fittings and stock</p> <p>Building and resort facility</p>
<p>Ralan Paradise No 1 Pty Ltd,</p> <p><i>Now under control of Receivers and Managers (Deloitte)</i></p>	<p>Entity established for the Ruby Tower 1</p>	<p>Owens unsold apartments in Ruby Tower 1 and commercial premises</p>
<p>Ralan Paradise No 2 Pty Ltd, Ralan Paradise No 3 Pty Ltd</p> <p><i>Now under control of Receivers and Managers (Deloitte)</i></p>	<p>Entities established for the Ruby development in Surfers Paradise.</p> <p>Entities who entered into contracts with purchasers.</p>	<p>N/A. Entity does not own the land which the development was due to be built</p>
<p>Ralan Paradise No 4 Pty Ltd</p> <p><i>Now under control of Receiver and Manager (Ken Wittingham)</i></p>	<p>Owens the land on which Paradise Resort is situated and the future Ruby Towers 2,3,4 developments were due to be built.</p> <p>Entities who entered into contracts with purchasers.</p>	<p>Land/Paradise Resort</p>

3. Update on the Administrations

Trading Entity	Activity	Assets
Ralan Budds Beach No 1 Pty Ltd <i>Now under control of Receivers and Managers (Deloitte)</i>	Entities established for the Sapphire project in Surfers Paradise. Entity who entered into contracts with purchasers.	Land on which Sapphire development is due to be built.
Ruby Apartments Pty Ltd	Holds management rights for Ruby Tower 1 and has provided rental guarantee to owners of Tower 1.	Management Rights at Ruby Tower 1
Ruby Collections Management Pty Ltd	Owens the furniture used in apartments in Ruby Tower 1 (subject to finance lease) and other IP used in running the serviced apartment business	Letting Agreements. Furniture & Fittings in Ruby Tower 1 and IP
Ralan Property Services QLD Pty Ltd and Ralan Property Services Pty Ltd	Holds the real estate licences in NSW and QLD. Overseas the Group's trust accounts and operates real estate agency services.	Cash at Bank (held on trust for clients – rental income etc) Rent Roll
Ralan Arncliffe Pty Ltd	Entity undertaking the Arncliffe, Orchid development and entity to which deposits were released to as unsecured loans for the Arncliffe.	Land/Building at Arncliffe
Ralan Property Care Pty Ltd	Operates maintenance business in NSW servicing primarily strata contracts. Undertook remedial work for the Group on previous builds.	Plant and Equipment Contracts with strata units
Ralan Capital Investments Pty Ltd	Entity which purchasers' deposits released as unsecured loans for the Gold Coast developments	Cash at Bank.

3. Update on the Administrations

Future Projects – Ruby (all figures are preliminary and subject to confirmation)

Ruby 2		Ruby 3	
3 Norfolk Ave, Surfers Paradise		2 Brit Avenue, Surfers Paradise	
477 residential Units (446 exchanged)		489 residential Units (433 exchanged)	
Sold:	\$381,491,150	Sold:	\$386,651,450
Value unsold:	\$ 31,593,850	Value unsold:	\$ 58,563,550
Deposits Received	\$ 59,868,519	Deposits Received	\$ 60,642,749
Deposits Released	\$ 59,486,162	Deposits Released	\$ 60,060,595
Held in Trust	\$ 382,357	Held in Trust	\$ 582,154
Shortfall from Trust	\$ 59,486,612	Shortfall from Trust	\$ 60,060,595

3. Update on the Administrations

Future Projects - Ruby & Sapphire (all figures are preliminary and subject to confirmation)

Ruby 4		Sapphire	
8 Brit Avenue, Surfers Paradise		3 Pine Street, Surfers Paradise	
406 residential Units (347 exchanged)		673 residential Units (397 exchanged)	
Sold:	\$275,835,960	Sold:	\$472,150,200
Value unsold:	\$ 65,716,040	Value unsold:	\$291,783,800
Deposits Received	\$ 39,917,181	Deposits Received	\$ 71,327,165
Deposits Released	\$ 39,543,659	Deposits Released	\$ 70,643,788
Held in Trust	\$ 373,522	Held in Trust	\$ 683,377
Shortfall from Trust	\$ 39,543,659	Shortfall from Trust	\$ 70,643,788

3. Update on the Administrations

Future Projects – Arncliffe (all figures are preliminary and subject to confirmation)

Arncliffe

318 Residential Units (204 exchanged)
36 Commercial Units (13 exchanged)

Sold: \$157,574,900
Value unsold: \$133,774,100

Deposits Received \$ 44,122,554
Deposits Released \$ 44,014,253
Held in Trust \$ 108,301

Shortfall from Trust \$ 44,014,253

- Builder is Richard Crooks Construction. They have been stood down.
- At the date of the Voluntary Administrators appointment, the project was on time and on budget with the original completion date being March 2020.
- Expected cost to finish the project is between \$70-\$80 million.
- We are working with the lenders to solve funding issues to allow this project to be finalised.

3. Update on the Administrations

Completed Projects - Ruby (all figures are preliminary and subject to confirmation)

Ruby 1

9 Norfolk Avenue, Surfers Paradise

243 residential Units (219 settled)

Sold: \$163,884,558

Value unsold: \$ withheld

Deposits Received \$ 3,755,874
(not settled)

Deposits Released \$ 3,639,574
(not settled)

Held in Trust \$ 116,300

Shortfall from Trust \$ 3,639,574

3. Update on the Administrations

Total Shortfall to purchasers (all figures are preliminary and subject to confirmation)

Total Shortfall/Deposits released

	\$
Ruby 1	3,639,574
Ruby 2	59,486,612
Ruby 3	60,060,595
Ruby 4	39,543,659
Sapphire	70,643,788
Owed primarily by Ralan Capital Investments Pty Ltd	233,374,228
Owed by Ralan Arncliffe Pty Ltd	44,014,253
Grand Total Shortfall	277,388,481

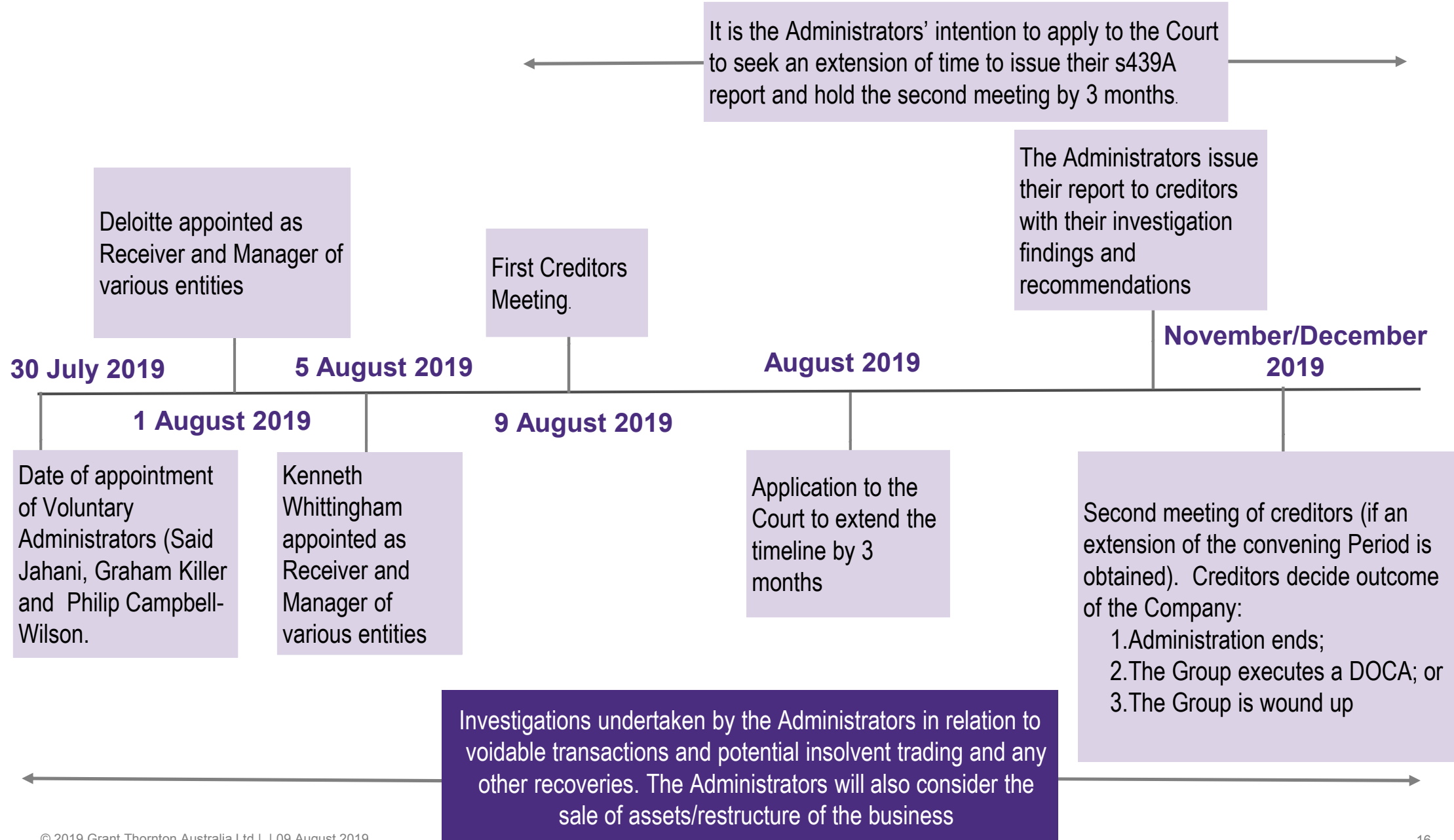
All figures are preliminary and subject to confirmation

3. Update on the Administrations

Investigations

- Primary Director: William O'Dwyer.
- Currently co-operating with our investigations.
- Provided written confirmation that he will be remaining in the country to assist our investigations.
- Our investigations will need to determine if there has been any breach of director duties.
- We have also notified ASIC of our appointment and our pending investigation.

3. Update on the Administrations



4. Questions



5. Resolutions (1)

Confirm Appointment of Voluntary Administrators

- The Voluntary Administrators have not received a consent to act from another Insolvency Practitioner.
- As there has been no nomination for an alternative Voluntary Administrator, the Administrators confirm their appointment and no resolution will be put to the floor.

5. Resolutions (2)

Committee of Inspection

- Creditors are advised that a member of the Committee of Inspection:
 1. Cannot instruct or direct an Administrator to undertake a certain course of action
 2. Acts as a sounding board for all creditors;
 3. Is non-remunerated. It is a voluntary position and members will be bound by the terms of a confidentiality agreement; and
 4. If in breach of the Confidentiality Agreement, the member will be removed from the Committee.
- The ideal number of creditors for the Committee is between 4 and 6 to ensure that it is workable.
- Under Section 80-55(1) and 80-60 (2) of the Insolvency Practitioners Schedule a Committee of Inspection member must not directly or indirectly derive any profit or advantage from the administration of a Company. Due to the nature of the creditor claims in the Administrations and the resolutions that will be required to be put to a Committee of Inspection, it is the Administrators' intention to table a resolution that this Section does not apply to the Committee of Inspection members.

5. Resolutions (2)

Committee of Inspection

- We recommend a Committee is formed for the following entities which hold the majority of creditors and/or have issues to be resolved/assets to be realised.

Entity	Colour Voting Card	Issues/ Assets
Ralan Arncliffe Pty Ltd	Red	Land at Arncliffe
Ralan Capital Investments Pty Ltd	Pale Yellow	Released deposits – Gold Coast
Ralan Paradise Resorts Pty Ltd	Pale Pink	Paradise Island Trading entity
Ruby Apartments Pty Ltd	Bright Blue	Management Rights for Ruby 1

- The Voluntary Administrators do not recommend that a Committee of Inspection be formed for any of the Ralan Paradise 1,2,3 or 4 entities as these entities do not have any assets and the value of creditors claims in them is minimal (typically \$100 per creditor for the deposit remaining on trust).

5. Resolutions (2)

Committee of Inspection

- We have received the following nominations for the following Committee of Inspections:

Ralan Arncliffe Pty Ltd	Ralan Capital Investments Pty Ltd	Ruby Apartments Pty Ltd
Lijun Liu (Hunter)	Lijun Liu (Hunter)	Koon Tung Chu (Gary)
Pin Li (Cindy)	Zhangfu Qiu (Geoff)	Ning Zhang (Oscar)
Siwei Han (Anthony)	Ning Zhang (Oscar)	Chun Ye (David)
Zhangfu Qiu (Geoff)	Wei Li (Doris)	Xin Chen (Sam)
Jie Deng (Mila)	Xu Zhi Hu (Roger)	Linxin Niu (Mark)
Jiangtao Du	Xin Chen (Sam)	Zhangfu Qiu (Geoff)
Cheewei Cawthorne (Frank)	Koon Tung Chu (Gary)	Wei Li (Doris)
Yajun Zhang (Helen)	Wenying Li (Shelley)	
Wenhuang Zhang (Felix)	Wei Huang	
Xin Chen (Sam)	Peishu Wu	
Koon Tung Chu (Gary)	Xiaoqing Wu (Jane Wu)	
Tony Yao	Jie Xu (Jenny)	
Ning Zhang (Oscar)	Tony Yao	
Wei Li (Doris)	Wenhuang Zhang (Felix)	
Wenying Li (Shelley)	Pin Li (Cindy)	
David Sharp (Richard Crooks Construction)		

5. Resolutions (2)

Committee of Inspection

Resolutions:

1. That a Committee of Inspection be formed for _____ (Administrators Appointed) and that the members of that Committee be: _____
2. That the restrictions provided under sections 80-55(1) and 80-60(2) of the Insolvency Practice Schedule shall not apply to any members of the Committee of Inspection of _____ (Administrators Appointed).

6. Next Steps

Extension of Convening Period

- For the following reasons, it is the Voluntary Administrators' intention to seek a 3 month extension of the convening period (the length of time the Administrators have to call the second meeting of creditors) from the Court:
 1. Due to the size and complexity of the Group, an extension will allow the Voluntary Administrators sufficient time to properly investigate the affairs of the Companies in order to report to creditors (Section 439A report); and
 2. To ascertain the possibility of the Voluntary Administrators in conjunction with the current funding group obtaining funding from a third party to finalise the Arncliffe build with a view of achieving a greater return for creditors than if the property was sold as a partially completed development.
- It is not possible for the Voluntary Administrator to pass a formal resolution seeking creditors approval to extend the convening period. However, if any creditor has any concern regarding the extension of the convening period, please contact Lisa Gibb of Grant Thornton to discuss after the meeting.
- Creditors will be updated in due course of the outcome of the Court application.

7. Closure of Meeting

Key Contacts:

- All creditor notifications/documents: <https://www.grantthornton.com.au/en/creditors-information/creditors-information-n-t/the-ralan-group-pty-ltd/>
- Email: ralan@au.gt.com
- Phone: (02) 8297 2400
- Fax: (02) 9299 4533
- Regulatory Guides on Insolvency: <https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/voluntary-administration-a-guide-for-creditors/>



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