



Tel: +64 9 379 2950
Fax: +64 9 303 2830
www.bdo.nz

Level 4
BDO Centre
4 Graham Street
PO Box 2219
Auckland 1140
New Zealand

23 December 2019

To All Creditors

RE: SUNFRUIT ORCHARDS LIMITED (ADMINISTRATORS APPOINTED)

We, **Andrew Bethell** and **Andrew McKay** both Chartered Accountants and RITANZ Accredited Insolvency Practitioners of BDO Auckland, Level 4 BDO Centre, 4 Graham Street, Auckland, were appointed joint administrators of the above-named Company on 20 December 2019 pursuant to section 239I of the Companies Act 1993 (the "Act").

For the purposes of sections 239F and 280 of the Act, we have obtained orders from the High Court for leave for us to act as joint and several administrators of the Company and a copy of such orders are **enclosed** with this letter.

The Administrators now control the assets and operations of the Company and are assessing the financial position of the Company. The director of the Company has been requested to prepare a statement about the business, property, affairs and financial circumstances of the Company as at the date of our appointment.

We raise the following matters regarding the administration.

1. First Meeting of Creditors

We are required to call a first meeting of creditors within eight working days of the appointment under s 239AN of the Act. The purpose of this meeting is to provide creditors of the Company with an opportunity to:

- Appoint a Committee of Creditors; and
- Appoint an alternative Administrator, if they so desire.

In this regard, we enclose the following documents:

- (a) Notice of meeting of Creditors for the Company. *Please note that the meeting commences at 1.00pm on Friday, 10 January 2020. You should arrive for registration at least 30 minutes prior to the meeting.*
- (b) Informal Claim Form for Voting Purposes for the Company.

A person is not entitled to vote at the meeting unless they provide particulars of the debt or claim to the Administrators before the meeting. Please note this

form is for voting purposes only. All creditors must give full details of their claim, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Company or any lien over goods in their possession which are property of the Company.

- (c) Appointment of Proxy form for the Company. The form enables you to appoint a person to act on your behalf at the meeting.
- (d) Postal Voting form for the Company. This form enables you to cast your vote at the meeting by post.
- (e) Voluntary Administration - Guide for Creditors.

The Informal Claim Form for Voting Purposes and Proxy form and any Postal Voting Form for the Company of which you are a creditor should be lodged with this office before the meeting and, in any event, no later than **1:00pm on Wednesday 8 January 2020**. Forms can be scanned and emailed to sunfruit.administrators@bdo.co.nz. Coirle Bradding of BDO Auckland, Level 4 BDO Centre, 4 Graham Street, Auckland is authorised to receive and count postal votes in relation to the creditors' meeting for the Company.

2. Trading

At this stage, the Administrators intend continuing the trading of the Company and draw your attention to the following:

2.1 Trading Accounts

The Act provides that the Administrators are personally liable for liabilities arising from services rendered, goods bought or property hired, leased, used or occupied during the administration. Please note that the Administrators do not accept liability for any goods purchased or services rendered without:

- (i) A purchase order authorised by one or more of the specified authorised signatories set out in the list accompanying this circular. Please note the authority limits; and
- (ii) A Tax Invoice.

Please open a new account in the name of the Company with the notation '(Administrators Appointed)' after the company name, addressed to the Company's premises and charge future authorised orders to that account. Accounts will be paid in accordance with your usual terms of credit, or other credit terms agreed between you and the Administrators, provided the supply of goods or services has been properly authorised and the invoice value is the amount specified on the authorised order. Invoices submitted for amounts exceeding the authorised amount will only be paid to the amount authorised.

If there are any outstanding or unfulfilled orders placed by the Company prior to the appointment, including those under which there are goods in transit, please contact Andrew McKay of this office on Andrew.mckay@bdo.co.nz to obtain written confirmation that the order should proceed.

If you are currently a customer of the Company and also a creditor, please note that any goods or services supplied to you after the date of the appointment must be paid for by you. You cannot off set an amount due to the Company, for goods or services supplied after the appointment, against a pre-appointment account owed to you by the Company. Supply will not proceed until you confirm in writing that payment will be made in accordance with agreed credit terms.

You may be aware that payment of unsecured creditors' accounts as at **20 December 2019** is postponed pending the outcome of the second meeting of creditors (see section 5 below).

2.2 Consignment of Stock, Retention of Title and Liens

If you supplied consignment stock to the Company, leased property to the Company or believe you provided stock or equipment subject to a purchase money security interest or a 'Retention of Title' clause to the Company, please contact Andrew McKay of this office as a matter of urgency via email at Andrew.McKay@bdo.co.nz.

If you claim a security interest over any of the assets of the Company, you are asked to set out details of your claim in writing to the Administrators immediately.

2.3 Contracts/Agreements

The Administrators expressly refrain from personally adopting any of the contracts of the Company existing at the date of the appointment. All contracts are currently under review. The Administrators will advise the status of contracts as soon as practicable; that is, whether or not they remain on foot.

2.4 Property Used but Not Owned by a Company

Under section 239ABD of the Act, the lessor or owner of property in a Company's control is not entitled to take possession of such property without leave of the Court or the Administrators' written consent.

We will write separately to known lease and hire purchase creditors regarding such assets. If you do not receive our letter, please contact this office via email at sunfruit.administrators@bdo.co.nz.

3. Legal Proceedings

The appointment of Administrators stays a proceeding in a court against the Company. You cannot commence or continue a proceeding against the Company without the consent of the Administrators or with the leave of the Court.

4. Employees

We have written separately to employees regarding the appointment. If you are an employee, the Administrators have included in your creditors' claim form (attached), for the purposes of voting at the first creditors' meeting, the amount that is stated in the payroll records of the Company as owing to you as an employee. If you disagree with the amount listed on the creditors' claim form, you should submit a creditors' claim form for the revised amount claimed. The Administrators reserve all rights to further scrutinise claims for the purpose of a distribution or call for new claims to be filed.

5. Report to Creditors and Second Meeting of Creditors

The Administrators will prepare a report to creditors of the Company under section 239AU of the Act which will include details on the business, property, affairs and financial circumstances of the Company.

A second "watershed" meeting of creditors of the Company will be held on or before 5th May 2020 unless the Court extends this date. Please note that we have applied for and received an extension of the initial convening period, and will notify you of that application in more detail separately. It is at the watershed meeting that creditors of the Company will consider the Administrators' report and consider resolutions regarding the future of each of the Company.

6. Administrators' Remuneration

For the purposes of the administration of the Company, the Administrators intend that their remuneration be fixed on the basis of time spent by them, and their staff of an appropriate level having regard to the nature and complexity of the work, and calculated by reference to hourly rates.

7. Electronic Notification

You may elect to receive future notices or other documents, including circulars and reports regarding the administration, via email. Should you wish to do so, please email sunfruit.administrators@bdo.co.nz with the following information:

- The person to whom matters regarding the administration should be directed.
- The full name of the creditor entity.
- The email address at which the creditor is to receive future correspondence.

Further Information

For further information concerning the voluntary administration process and BDO, you may wish to visit our website at www.bdo.nz . Queries regarding the administration should be directed to sunfruit.administrators@bdo.co.nz .

Yours faithfully

A handwritten signature in black ink, appearing to read 'A. McKay'.

Andrew McKay
Administrator

SUNFRUIT ORCHARDS LIMITED (ADMINISTRATORS APPOINTED)
SPECIFIED AUTHORISED SIGNATORIES AND AUTHORITY LIMITS

AUTHORITY

Andrew Bethell - Administrator



AUTHORITY LIMIT

Unlimited

Andrew McKay - Administrator



Unlimited

AUTHORITY

Coirle Bradding - BDO Auckland



AUTHORITY LIMIT

\$25,000

Derek Tang - BDO Auckland



\$25,000