

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

Liquidators' First Report

Dilmon Holdings Limited (In Liquidation)

1. Appointment

We advise that Jeffrey Philip Meltzer and Lloyd James Hayward were appointed joint and several Liquidators of the above company on 27 April 2006 by special resolution of shareholders.

Jeff Meltzer and Lloyd Hayward are Chartered Accountants and full time Insolvency Practitioners. They have not previously acted in any capacity for the company or the officers and shareholders of the company.

2. Background

<i>Date of Incorporation:</i>	8 July 2002
<i>Trading Address:</i>	12/34 Triton Drive, Albany, Auckland
<i>Type of Business:</i>	Corporate Trustee
<i>Date Ceased Trading:</i>	26 April 2006
<i>Shareholder:</i>	Husain Khalil Ebrahim Al Saffaf 100 shares
<i>Director:</i>	Husain Khalil Ebrahim Al Saffaf
<i>Share Capital:</i>	100 ordinary shares
<i>Date of Liquidation:</i>	27 April 2006

3. Events Leading to Appointment

The company undertook high quality property development projects. The current project experienced difficulties that have culminated in litigation and costs exceeding the market sale value for the properties (now all sold). The secured lender and unsecured creditors have not paid in full and no realisable assets remained. Creditor action to place the company into liquidation had commenced and the shareholder/director resolved that the company be placed into liquidation.



4. Statement of Affairs

The Liquidators have prepared an Estimated Statement of Affairs being the assets and liabilities of the company at the date of liquidation. We attach a copy.

5. Proposals for Conducting the Liquidation

5.1 Realisation of Assets

The director advises that there are no assets.

5.2 Investigations

The Liquidators will review the company's books and records, conduct an initial investigation into the trading affairs of the company and conduct all other investigations that the Liquidators are charged to do.

6. Creditors Claim Form

Creditors should complete and return the attached Creditor's claim form by 29 May 2006. Creditors who do not make a claim within the period may be excluded from any distribution that may be made.

7. Retention of Title Claims/Security Interests

Please note, if you believe you have a valid retention of title claim or security interest over goods or equipment supplied to Dilmon Holdings Limited (In Liquidation), and you have not yet contacted the Liquidators, please contact us immediately.

8. Initial Creditors Meeting

As it is unlikely there will be a distribution to creditors, pursuant to s245 of the Companies Act 1993 the Liquidators propose to dispense with the meeting of creditors to consider whether to appoint different Liquidators, and to consider the views of creditors.

Accordingly a meeting of creditors will not be called unless a creditor gives notice to the Liquidators within 10 working days after receiving this notice, requiring a meeting to be called.

9. Liquidation Committee

At any time during the liquidation, any creditor may in writing, request the Liquidators to call a meeting of creditors to consider whether a Liquidation Committee should be appointed, and if so, to choose the members of the Committee.

A Liquidation Committee has certain powers set out in s315 of the Companies Act 1993, including to assist the Liquidators as appropriate in the conduct of the liquidation.

10. Estimated Date of Completion of Liquidation

It is not practicable to estimate the date of completion of the liquidation at this stage.

Enquiries should be directed to: Lloyd Hayward

L J Hayward
Liquidator

Dated this 4th day of May 2006

Attach:

**Estimated Statement of Affairs of
Dilmon Holdings (In Liquidation)
As at the date of the Appointment of Liquidators
Being 27 April 2006**

	<i>Book Value</i>	<i>Estimated Realisable Value</i>
	\$	\$
Assets not Specifically Pledged:		
Debtors	346,907	Nil
		<u>Nil</u>
	<i>Estimated to Realise</i>	<i>Owed to Secured Creditor</i>
Assets Specifically Pledged:		
Indemnity to Crescent Road Trust	2,690,000	4,785,000
Estimated Deficiency as regards Secured Creditors		<u>2,095,000</u>
<i>Less</i> – First Ranking Preferential Creditors		2,095,000
Wages and Holiday Pay (Includes PAYE)		Nil
		<u>2,095,000</u>
<i>Less</i> – Second Ranking Preferential Creditors		
Inland Revenue Department – GST		916,584
Estimated Deficiency as regards Preferential and Secured Creditors		<u>3,011,584</u>
<i>Less</i> – Unsecured Creditors		427,470
Estimated Total Deficiency as regards Secured, Preferential, Unsecured Creditors and Shareholders		<u><u>3,439,054</u></u>

Note: The above estimates are subject to the costs of realisation, including Liquidators' fees.

Disclaimer of Liability:

We have prepared the Estimated Statement of Affairs as at the date of liquidation being (date).

The Estimated Statement of Affairs has been prepared based on information from the books and records of the company together with information supplied by the Director. This information has not been verified. The Liquidators have not carried out an audit or reviewed the information supplied and therefore they do not accept any responsibility for the accuracy of the information from which the Estimated Statement of Affairs has been prepared. Further, the Estimated Statement of Affairs has been prepared for the purpose of the liquidation only, and the Liquidators do not accept any responsibility on any ground whatever, including liability in negligence, to any other person.