



Pacific HVAC Engineering Pty Ltd (Administrators Appointed)
ACN 087 430 715
(Pacific HVAC)

Initial Information for Creditors

Matthew Caddy and I were appointed Joint and Several Administrators of Pacific HVAC on 26 July 2019.

We have been appointed to represent the interests of all creditors. We are responsible for taking control of Pacific HVAC's assets and business, investigating Pacific HVAC's affairs, reporting and providing opinions to creditors and holding meetings of creditors to make decisions on the future of Pacific HVAC.

According to Pacific HVAC's records, you may be a creditor of Pacific HVAC.

The purpose of this document is to provide you with information about the voluntary administration and your rights as a creditor.

Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

We enclose our DIRRI. The DIRRI assists you to understand any relevant relationships that we have, and any indemnities or upfront payments that have been provided to us. We have considered each relationship and it is our opinion that none of the relationships disclosed in the DIRRI result in a conflict of interest or duty, or affect our independence.

What you should do

You should:

- read the enclosed information;
- decide whether you are going to participate in the first meeting; and if so
- complete and return your proof of debt and proxy form (if required) by **4:00pm on Monday, 5 August 2019**.

Meetings of creditors

As voluntary administrators, we are required to hold two meetings of creditors.

First meetings of creditors

The first meeting of creditors will be held as follows:

Melbourne

Date: 7 August 2019

Time: 11:00am (AEST)

Address: Citadines, 131-135 Bourke Street, Melbourne, VIC, 3000

We will also be making a venue available in Auckland for creditors to participate by teleconference. This is not a separate creditors meeting.

Auckland

Date: 7 August 2019

Time: 1:00pm

Address: McGrathNicol, Level 17, AIG Building, 41 Shortland Street, Auckland, 1010, New Zealand



The purpose of this meeting is to consider:

- our appointment; and
- whether to appoint a Committee of Inspection.

We enclose a notice of meeting.

The meeting will be chaired from the Melbourne meeting location. Please note that the Auckland meeting location is provided to allow creditors to attend and participate by way of teleconference. McGrathNicol staff will be present at the Auckland meeting venue.

To participate in this meeting, you must submit a proof of debt and information to substantiate your claim. If the creditor is a person and will attend the meeting, this is all that is required. However, if the creditor is another type of entity (such as a company), they must also appoint a person – a “proxy” or person authorised under a power of attorney – to vote on behalf of the creditor at the meeting. A proxy should also be appointed if the creditor is a person, but is not available to attend the meeting.

You can appoint the chairperson of the meeting as your proxy and direct the chairperson how you wish your vote to be cast. If you choose to do this, the chairperson must cast your vote as directed.

Proof of debt and proxy forms are enclosed, together with guidance notes to assist you when you complete them. Completed proof of debt and, if applicable, proxy forms must be returned to my office by post, fax or email by **4:00 PM (AEST) on Monday 5 August, 2019.**

Creditors who are unable to attend either meeting location in person may attend the meeting via teleconference subject to providing relevant proof of debt and proxy documents in advance. Please contact PacificHVAC_creditors@mcgrathnicol.com on or before 4:00 PM on Monday 5 August 2019 should you wish to attend the meeting via teleconference. Please note that those attending by telephone, will not be able to verbally contribute or vote at the meeting unless they submit a proxy for a person physically attending the meeting.

We also enclose general information for attending and voting at meetings of creditors.

Committee of Inspection

At the first meeting, creditors will consider whether a Committee of Inspection (**COI**) should be appointed. The role of a COI is to consult with the voluntary administrators and receive reports on the conduct of the administration. A COI can also approve the voluntary administrators’ fees.

It is our opinion that a COI would be useful to assist with the conduct of the voluntary administration (**VA**). However, it is for creditors to decide if they would like to form a COI in this voluntary administration.

We enclose a copy of the information sheet “Committees of Inspection” issued by the Australian Restructuring Insolvency & Turnaround Association (**ARITA**). You should consider whether you would like to act as a member of the COI, if one is appointed.

Second meeting of creditors

We will also, in due course, call a second meeting of creditors.

The purpose of that meeting is for creditors to consider our report and make a decision on the future of Pacific HVAC.

Before that meeting you will be sent the notice of meeting and a detailed report which will set out the options for Pacific HVAC’s future. We will also provide our opinion as to what option we think is in the best interests of creditors.

You are encouraged to attend these meetings and participate in the voluntary administration process.



What do you need to know?

Question	Answer
<p>What is a voluntary administration?</p>	<p>A voluntary administration, or VA, is a process initiated by the director(s) of a company or a secured creditor of a company when they form the view the company is, or is likely to become, insolvent. 'Insolvent' means that the company is, or is likely to become, unable to pay its debts when they fall due. Less commonly, a VA is commenced by a liquidator of the company. In this case, the VA appointment was made by the directors of Pacific HVAC.</p> <p>The objective of a voluntary administration is to preserve as much as possible of the business of the company or, if that is not feasible, seek a better outcome for creditors than an immediate liquidation of the company. The process involves the appointment of a voluntary administrator to the company to administer and investigate the business, property, affairs and financial circumstances of the company. A voluntary administrator must complete investigations, form an opinion about the company's financial position and its future and issue a detailed report to creditors of the company. Creditors are then given the opportunity to vote on the future of the company.</p>
<p>What are your rights as a creditor?</p>	<p>We enclose a copy of the information sheet "Creditor Rights in Voluntary Administrations" issued by ARITA. It includes information on your rights to:</p> <ul style="list-style-type: none"> ▪ make reasonable requests for information; ▪ give directions to the Administrators; ▪ appoint a reviewing liquidator; and ▪ replace us as Administrators.
<p>What happens to your debt?</p>	<p>All creditors of Pacific HVAC are now creditors in the voluntary administration and your debt will be dealt with in the voluntary administration.</p> <p>It is important to note that a voluntary administration creates restrictions on creditors being able to enforce their rights. You generally cannot enforce your claim, recover your property, enforce your security, commence an action to place the company into liquidation or act on a personal guarantee. If you have leased property to Pacific HVAC, have a retention of title claim or have a registered personal property security interest in relation to Pacific HVAC, please contact PacificHVAC_PPSR@mcgrathnicol.com as soon as possible.</p> <p>We are continuing to trade the business of Pacific HVAC. If you are a supplier or employee, you should have received a separate communication on how this appointment affects your ongoing dealings with Pacific HVAC.</p>



Question	Answer
What is the cost of the voluntary administration?	<p>We get paid out of Pacific HVAC's money, including realisations from assets or from money paid to us by others, such as Pacific HVAC's directors. If there is not enough money in the voluntary administration, we do not get paid in full.</p> <p>We enclose our Initial Remuneration Notice which provides you with information about how we propose to be paid for undertaking the voluntary administration.</p> <p>We have not been provided with any indemnities or upfront payments for remuneration or costs associated with the conduct of these voluntary administrations.</p> <p>We will seek your approval of our remuneration at the second meeting of creditors, unless that remuneration is approved earlier by a COI (if one is appointed). We will provide you with detailed information about what tasks we have undertaken and the costs of those tasks.</p>
What happens next with the voluntary administration?	<p>We will proceed with the voluntary administration, which will include:</p> <ul style="list-style-type: none">▪ trading the business;▪ potentially realising some or all of the assets of Pacific HVAC, where it is the most appropriate course of action;▪ dealing with interested parties (i.e. employees, suppliers, landlords, etc.)▪ preparing for and holding the meetings of creditors;▪ investigating Pacific HVAC's affairs;▪ analysing any offer for a Deed of Company Arrangement that is proposed; and▪ preparing our report to creditors. <p>As discussed above, you will receive further correspondence from us before the second meeting of creditors.</p>
Where can you get more information?	<p>ARITA provides information to assist creditors to understand voluntary administrations and insolvency. This information is available from ARITA's website at www.arita.com.au/creditors.</p> <p>A copy of the information sheet, "Insolvency information for directors, employees, creditors and shareholders", issued by the Australian Securities and Investments Commission (ASIC) is also enclosed for your information.</p>

If you have any queries, please contact PacificHVAC_creditors@mcgrathnicol.com. For further information about this engagement, please refer to the website www.mcgrathnicol.com/creditors/pacific-hvac-engineering-pty-ltd.

Dated: 31 July 2019

Rob Smith
Joint and Several Voluntary Administrator



Enclosures:

- 1 ARITA Information Sheet - Creditor Rights in Voluntary Administrations
- 2 Declaration of Independence, Relevant Relationships and Indemnities
- 3 Notice of Meeting
- 4 Proof of Debt (Form 535)
- 5 Proof of Debt Guidance Notes
- 6 Proxy Form
- 7 Proxy Form Guidance Notes
- 8 General information for attending and voting at meetings of creditors
- 9 ARITA Information Sheet – Committees of Inspection
- 10 Initial Remuneration Notice
- 11 ASIC Information Sheet - Insolvency information for directors, employees, creditors and shareholders