



**MGW Engineering Pty Ltd (subject to a Deed of Company Arrangement)  
trading as Forefront Services  
ACN 104 180 734  
(Forefront Services)**

**Circular regarding execution of a Deed of Company Arrangement**

As you are aware, on 21 June 2021, Forefront Services entered into Voluntary Administration and Jonathan Henry and I were appointed as Joint and Several Voluntary Administrators (**the Administrators**).

At the Second Meeting of Creditors on 26 July 2021, creditors voted for Forefront Services to enter into a Deed of Company Arrangement (**DOCA**) and that Jonathan Henry and I be appointed as Joint and Several Deed Administrators (**Deed Administrators**).

**DOCA execution**

On 13 August 2021, the DOCA instrument was executed by the Deed Administrators and the Deed Proponent, Forefront Services' Director, Anthony Redfern. By way of confirmation Form 509E is attached at Annexure A.

**Control Conditions**

Under the terms of the DOCA (as set out in our Report to Creditors dated 19 July 2021), the control of Forefront Services' business, assets and operations will remain with the Administrators until certain conditions have been satisfied (**Control Conditions**). Once the Control Conditions are met, the Director (Anthony Redfern) will resume control of Forefront Services (excluding certain assets which would comprise the Deed Fund), during the remaining term of the DOCA.

By way of reminder, the Control Conditions were:

- the shares held by Clout Holdings Pty Ltd being transferred to the Deed Proponent or his nominee;
- an initial payment of \$1.235 million in cleared funds being paid to the Deed Administrators;
- a further payment of \$248,982 being paid by the Deed Proponent to the Deed Administrators on account of funds owing by him to the Company; and
- THN Capital Funding Pty Ltd (**THN Capital**) provides a release of their security over the assets comprising the Deed Fund.

In our circular to creditors dated 3 August 2021, we advised that the Administrators would be required to seek a court order to transfer the Clout Holdings Pty Ltd's shares to the Deed Proponent (or his nominee). The Administrators are pleased to confirm that Mr Clout agreed to transfer the Clout Holdings Pty Ltd shares voluntarily and it was therefore not necessary to seek a court order. The Deed Administrators hold an irrevocable agreement that the shares can be transferred upon the other Control Conditions being met.

**Control of the Company by the Director**

The DOCA requires that the Control Conditions be met within three weeks following the Second Meeting of Creditors, i.e. 16 August 2021 (the **Sunset Date**) or such further date as agreed between the Deed Administrators and the Deed Proponent.

Following a request from the Deed Proponent, the Sunset Date was extended to 5pm, 18 August 2021 so that funding agreements with THN Capital could be finalised and the relevant funds could be transferred to the Deed Fund.

We understand that the funding agreements are well progressed, and the Deed Proponent and THN Capital are now agreeing final terms, however it is anticipated that a short further extension may be necessary.

The Administrators will write again to creditors in the next few days to provide a further update.



In the meantime, control of Forefront Services business, assets and operations remain with the Deed Administrators and accordingly, the trading protocols established for the voluntary administration continue to apply.

If you have any queries, please contact Yvonne Young at [forefront-general@mcgrathnicol.com](mailto:forefront-general@mcgrathnicol.com). For further information, please refer to the website <https://www.mcgrathnicol.com/creditors/mgw-engineering-pty-ltd/> .

Dated: 17 August 2021

Barry Kogan  
*Deed Administrator*

Enclosures:

1 Notice to Creditors of execution of a Deed of Company Arrangement (Form 509E)



**FORM 509E**

Paragraph 450B(a)

Corporations Act (2001)

**NOTICE TO CREDITORS OF EXECUTION OF A  
DEED OF COMPANY ARRANGEMENT**

MGW Engineering Pty Ltd (subject to a Deed of Company Arrangement)  
**(Forefront Services)**

1. Notice is given under section 450B that Forefront Services executed a Deed of Company Arrangement on 13 August 2021.
2. A copy of the Deed of Company Arrangement is available on our website <https://www.mcgrathnicol.com/creditors/mgw-engineering-pty-ltd/>.

Dated 17 August 2021

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Barry Kogan  
Deed Administrator