



McDonald
Vague

business recovery partners

McDonald Vague Limited

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KTIAI Limited (formerly Heron Point Projects Limited) (In Liquidation)

Liquidators' First Report to Creditors and Shareholders

1 INTRODUCTION AND APPOINTMENT

KTIAI Limited ("the company") was placed into liquidation by the High Court at Auckland pursuant to Section 241(2)(c) of the Companies Act 1993 ("the Act") on 12 April 2018 at 10:12 a.m. on the application of Michael Lorimer and Johnathon Flaws as Trustees of the Lorimer Family Trust. Peri Micaela Finnigan and Iain McLennan, accredited Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of the company.

2 RESTRICTIONS

In preparing this report and its appendices, we have relied upon information provided to us. We have not independently verified or audited that information. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction, or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, amend this report to take into account any information existing at the date of this report that becomes known to us after this report is published.

3 ATTACHMENTS

The following documents are attached to this report:

- Appendix 1: Statement of Affairs setting out the company's estimated financial position
- Appendix 2: Schedule of company creditors' names and addresses
- Appendix 3: Notice of Liquidators' decision to dispense with meeting of creditors
- Appendix 4: Notice to creditors to prove debts or claims
- Appendix 5: Creditors claim form

4 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	3 April 2006
Company number:	1795634
Date ceased trading:	unknown
Nature of business:	Property Development
Trading address:	153 St Stephens Avenue, Parnell, Auckland 1072
Previous name:	Heron Point Projects Limited
Share capital:	100 Shares
Shareholder:	Chong Du Cheng
Director:	Chong Du Cheng
Related companies:	HP Projects Limited, White Heron Project Limited, White Heron Investments Limited, Equinox Group Limited, and others.

The company developed the White Heron Point apartment complex in Parnell between 2008 and 2009. 12 apartments in the complex were judged to have been fitted with defective fireplaces, and the owners of those apartments were awarded damages and costs which the company failed to pay. The company was placed in liquidation on the application of the owners.

5 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company's estimated financial position as at the date of our appointment is provided at Appendix 1.

6 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

The company was formerly the corporate trustee of Heron Point Projects Trust. We have been advised that the trusteeship was changed by Deed of Retirement and Appointment of Trustee, to HP Project Limited which has also indemnified the retiring trustee. The liquidators are seeking payment from HP Project Limited pursuant to the contractual indemnity provided.

We will realise all available assets.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties and take appropriate steps where necessary.

If there are funds available for distribution to creditors, we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

7 LIABILITIES AND CREDITOR CLAIMS

A schedule of known creditors and their addresses is provided at Appendix 2, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is provided at Appendix 4. Also provided is a creditor's claim form at Appendix 5 for completion and return to this office by Thursday, 31 May 2018. Creditors that have not made a claim by the date on the notice may be excluded from any distribution made. If you believe that you are a secured creditor, please contact us and the appropriate form will be sent to you.

7.1 Secured Creditors

As at the date of liquidation the following party had a security interest registered over all present and after acquired property of the company on the Personal Property Securities Register.

- White Heron Apartments Limited as Trustee of White Heron Apartments

The above claims to be owed \$5,716,676.

Personal Property Securities Act / Reservation of Title

If any creditor believes that they hold a Purchase Money Security Interest entitling them to any goods or proceeds from realisation of goods, they should contact us immediately.

If any creditor believes that they have a Reservation of Title over goods and they have not perfected their interest, they should also contact us immediately.

7.2 Preferential Creditors

The applicant creditor's claim amounts to \$4,471.

7.3 Unsecured Creditors

We estimate that the amount due to unsecured creditors is approximately \$165,800 (including interest to date of liquidation).

8 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 3.

Any creditor or shareholder may at any time in the course of the liquidation request that the liquidators call a meeting pursuant to Section 314 of the Companies Act 1993, for the purpose of appointing a liquidation committee. Any request for a meeting must be submitted to the liquidators in writing.

9 FURTHER INFORMATION

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence, and send it to us. Please note that it can be difficult for liquidators to act in reliance on information that is not provided in writing.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on your creditors' claim form.

This report and all subsequent reports will be available on the Liquidators' website at www.mvp.co.nz

10 ESTIMATED DATE OF COMPLETION

It is currently too early to estimate a date of completion for the liquidation.

11 CONTACT DETAILS

Enquiries should be directed to Dalwyn Whisken on DDI (09) 969 5336 or by email to dwhisken@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 52 Swanson Street, Auckland 1010
P O Box 6092, Wellesley Street, Auckland 1141



IAIN McLENNAN
LIQUIDATOR

DATED this 18th day of May 2018

Appendix 1

KTIAI Limited (In Liquidation)
(formerly Heron Point Projects Limited until 13 March 2018)
Statement of Affairs

Statement of Affairs for the above named company as at 12 April 2018 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

No securities are registered against specific assets on the Personal Property Securities Register

	Book Value	Estimated to Realise
	\$	\$
ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS		
Indemnity from Trust	Unknown	Unknown
Total	<u>Unknown</u>	<u>Unknown</u>
Less preferential creditors		
Applicant creditors		4,471
Total		<u>\$4,471</u>
Estimated deficiency as regards preferential creditors		<u>(\$4,471)</u>
ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER/S		
Indemnity from Trust	Unknown	Unknown
Total	<u>Unknown</u>	<u>Unknown</u>
LESS GENERAL SECURITY AGREEMENT HOLDER/S		
White Heron Apartments Limited as Trustee of White Heron Apartments Trust	5,716,676	5,716,676
Total	<u>\$5,716,676</u>	<u>\$5,716,676</u>
Estimated deficiency as regards General Security Agreement holders		\$5,716,676
Less deficiency as regards preferential creditor		4,471
Deficiency ranking as unsecured		<u>(\$5,721,147)</u>
LESS UNSECURED CREDITORS		
Judgment Creditors		165,800
Estimated surplus (deficiency) as regards unsecured creditors		<u><u>(\$5,886,947)</u></u>

Notes:

1. We are unaware of any unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.
3. Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.

Disclaimer of Liability:

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.



Appendix 2

KTIAI Limited (In Liquidation)
Schedule of Creditors' Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993

Creditor Names	Address 1	Address 2	Address 3
Michael Lorimer and Johnathon Flaws as trustees of the Lorimer Family Trust	2A/154 St Stephens Avenue	Parnell	AUCKLAND
Donald Claason and John Wooley as trustees for the DG Claason Properties Trust	2B/154 St Stephens Avenue	Parnell	AUCKLAND
Anthony Ian Houston, Robyn Ann Neil and Anthony Harris Trustees Limited	2D/154 St Stephens Avenue	Parnell	AUCKLAND
Rosamond Torrance, Wayne Barnes, David Cleal and Kerry Torrance as trustees for the Rosamond Torrance Trust	3A/154 St Stephens Avenue	Parnell	AUCKLAND
Kevin Weston	35 Coombes Road	Remuera	AUCKLAND
Zhonghai Yang	3C/154 St Stephens Avenue	Parnell	AUCKLAND
Gregg Behrens and Red Baron Trustee Limited	3D/154 St Stephens Avenue	Parnell	AUCKLAND
Charlotte and Danvers Devereaux as trustees of the Colyn Devereaux Family Trust	2A/150 St Stephens Avenue	Parnell	AUCKLAND
Garry and Janette Rice	2C/150 St Stephens Avenue	Parnell	AUCKLAND
Phillip and Fiona Pritchard as trustees of the Ambrose Family Trust	3A/150 St Stephens Avenue	Parnell	AUCKLAND
Roderick Ellis	3B/150 St Stephens Avenue	Parnell	AUCKLAND
Hamish and J Sillars	160 Gillies Avenue	Epsom	AUCKLAND
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
White Heron Apartments Limited	First Floor, Shed 20	Princess Wharf	AUCKLAND


Appendix 3

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of KTIAI Limited (In Liquidation) and the likely result of the liquidation, the liquidators propose to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

The liquidators do not, however, wish to preclude creditors from expressing their views. Please contact Dalwyn Whisken of this office on DDI (09) 969 5336 if you have any specific enquiries.

If you wish to request that a creditor's meeting be called, notice in writing is required within 10 working days of receiving this notice. Your notice you must also state the reason you require a meeting so that an agenda can be prepared and circulated to creditors and creditors can be given the opportunity to vote on any proposed resolutions by voting letter.



IAIN McLENNAN
LIQUIDATOR

DATED this ¹²18 day of May 2018

Appendix 4

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of KTIAI Limited (In Liquidation)
(formerly known as Heron Point Projects Limited until 13 March 2018)

Notice to Creditors to Prove Debts or Claims

Notice is given that the liquidator of KTIAI Limited (In Liquidation) ("the company"), fix Thursday, 31 May 2018, as the day on or before which the company's creditors are to make their claims and establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.



IAIN McLENNAN
LIQUIDATOR

DATED this ^{18th} day of May 2018

ADDRESS OF LIQUIDATOR

McDonald Vague Limited
Level 10, 52 Swanson Street
AUCKLAND 1010

PO Box 6092
Wellesley Street
AUCKLAND 1141

Telephone: (09) 303 0506
Facsimile: (09) 303 0508
Website: www.mvp.co.nz

DATE OF LIQUIDATION: 12 April 2018

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL

Telephone Numbers: ()

()

E-Mail

My Reference is:
(if applicable)

* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.

The information will be used and retained by the liquidators and McDonald Vague and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993.

Under Section 304(1) of the Companies Act 1993 any claim by an unsecured creditor against a company in liquidation must be in this prescribed form and must –
(a) Contain full particulars of the claim; and
(b) Identify any documents that evidence or substantiate the claim.

You may have access to and request correction of any personal information.

(*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)

NAME OF COMPANY IN LIQUIDATION:

(IN LIQUIDATION)

(If claim is made on behalf of creditor, specify relationship to creditor and authority)

claim that the company was at the date it was put into liquidation indebted to the abovenamed creditor for the sum of (Amount in words):

STATUS OF CLAIM:

1. I am an unsecured creditor for
(Also applicable to secured creditors who hereby surrender their security)

\$

2. I am a preferential creditor for
(Refer details on reverse)

\$

3. My total claim is for
(State currency if other than \$NZ)

Other
Currency

NZ \$

4. I have claimed retention/reservation of title rights pursuant to rights held by me

Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you. Tick if Applicable (Refer details on reverse)

Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form.

(The liquidator may require the production of a document under Section 304(2) of the Companies Act 1993. You are **not required to attach any supporting documents** at this stage; but you may attach them now, if you think it would expedite the processing of the claim.)

SIGNED:

Date: / /

WARNING —

It is an offence under Section 304(6) of the Companies Act 1993 to –

Make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or

Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Received
(Date Stamp)

RESERVED FOR OFFICE USE:

Claim admitted/rejected for voting purposes:
(Delete one)

Signed:

Date: / /

Preferential Claim for:

Ordinary Claim for:

~~CLAIM REJECTED FOR PAYMENT:~~

\$

\$

or
~~CLAIM ADMITTED FOR PAYMENT:~~

\$

\$

Signed
Liquidator:

Date: / /

Note: If the decision to admit or reject a claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.

The Insolvency & Business Recovery Specialists

McDONALD VAGUE LIMITED

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

If the creditor owes money to the company, please give full details.

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$

CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.

Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

PREFERENTIAL CLAIMANTS ONLY

Guideline

The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed \$20,340 or such greater amount as is prescribed at the commencement of the liquidation.

1. Why do you believe you are a preferential creditor?
(eg. employee, GST, etc) _____
2. Details of your claim: _____

If applicable please record here your GST Registration number: _____
and total GST included in your tax invoice: \$ _____