

Gung Ho Enterprises Limited (In Liquidation)

Liquidators' First Report

10 June 2010

1. Background

Gung Ho Enterprises Limited ("the company") was placed into liquidation by special resolution of the shareholders on the 25th day of May 2010, at 9.00am. Kenneth Peter Brown and Robert James Neilson, Chartered Accountants of Tauranga were appointed as Joint and Several Liquidators of the company.

2. Disclaimer

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose other than that outlined above without written permission in each specific instance. The Liquidators do not accept any responsibility or liability for any damage or loss occasioned to any party as a result of the circulation, publication, reproduction or use of this report. In particular the Liquidators take no responsibility for any misinformation contained therein that has been supplied by the company, its officers or any other person. The report is also based upon information available at this date, and the Liquidators therefore reserve the right to review, and if necessary, amend the report.

3. Company Information

Date of Incorporation: 8 March 2005
Trading Address: 902A River Road, RD 10, Hamilton
Type of business: Property Developers
Date trading ceased: January 2009
Shareholders: Tony Begbie and Andrew Haultain
Director: Tony Begbie

4. Events Leading to Appointment of Liquidators

The primary business was in-fill subdivision projects. The director of the company has advised the downturn in the economic environment impacted on the financial ability of the company. This resulted in losses being incurred on property sales and the subsequent inability to pay monies owing to the Inland Revenue Department for GST on these property sales. The company was struck off in November 2009 and then reinstated in April 2010 at the request of the Inland Revenue Department in order to pursue the debts outstanding.

5. Statement of Affairs

We attach as *Appendix I* a statement of the company's affairs as at the date of our appointment.

This has been prepared from information provided by a director of the company and the Liquidators are not yet able to express an opinion on the validity of that information.

Also attached as *Appendix II* is a list of known creditors as at the date of appointment.

6. Proposals for Conducting the Liquidation

The Liquidators will be pursuing further information from the director of the company in relation to the affairs of the company.

On receipt of records for the company the Liquidators will be investigating the roles of the various parties in the running of the company and duties of each as prescribed under the Companies Act. We will also be reviewing the various property transactions, shareholder current accounts and any potential voidable transactions.

7. Estimated Date of Completion of Liquidation and Notice As To Further Reports

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

8. Creditors Meeting

A Liquidator may call a meeting of creditors in order to decide whether an application should be made to the Court to appoint a replacement Liquidator.

Having regard to the assets and liabilities of the company, the likely result of the liquidation and other relevant matters, the Liquidator considers in accordance with section 245 of the Companies Act 1993 that no such meeting should be held.

A meeting will not be called unless within 10 working days after receiving this notice a creditor gives notice in writing to the Liquidator requiring a meeting to be called.

No meeting will be held. The Liquidators dispense with holding a creditors meeting pursuant to Section 243 of the Companies Act 1993 as the dividend is expected to be nil or very small.

In accordance with Section 314 of the Companies Act 1993 a creditor or shareholder may request the Liquidators to call a meeting of creditors or shareholders at any time in the course of the Liquidation to vote on a proposal that a Liquidation Committee be appointed to act with the Liquidators. This request must be in writing.

The Liquidators may decline a request by a creditor or a shareholder to call a meeting on the grounds that:

- a) the request is frivolous or vexatious; or
- b) the request was not made in good faith; or
- c) the costs of calling the meeting would be out of proportion to the value of the company's assets.

The decision to decline a request may be reviewed by the Court on the application of any creditor or shareholder.

9. Creditors Claims

If your terms of trade with the company include reservation of title of goods supplied please contact Stephen Wheeler on 07 571 6280.

Please complete and return the enclosed Unsecured Creditors Claim form by 16th July 2010 to P O Box 15660, Tauranga. If you believe that you are a secured creditor please contact our Tauranga office and the appropriate forms will be sent to you.

Completion of your claim should be given your urgent attention. If creditors do not lodge a claim with the Liquidators, they are not entitled to share in any distribution to creditors that may be made by the Liquidators.

10. Further Information

If you require any further information or if you have any information that will be of assistance to the Liquidators please contact Stephen Wheeler at our Tauranga Office.



Kenneth Peter Brown
Joint Liquidator

Appendix I

Gung Ho Enterprises Limited (In Liquidation) Statement of Affairs as at the Date of the Appointment of the Liquidators being 25th day of May 2010

	<i>Estimated to Realise</i>
Assets	
Tools, Plant & Equipment	<i>Nil</i>
Debtors	
Cash in Bank	<hr/>
	<i>Nil</i>
Less Secured Claims	
Nil	
Less Preferential Claims	
Inland Revenue	
IRD – GST	<hr/> 244,624
	<hr/> 244,624
Deficit before Unsecured Creditors	(244,624)
Less Unsecured Creditors	
IRD – GST (penalties & interest)	111,168
Trade Creditors	<hr/> 0
	111,168
Deficit (before costs of liquidation)	<hr/> (\$355,792) <hr/>

Disclaimer

This statement should be read in conjunction with the disclaimer on page one of the above Liquidators report and RHB Chartered Accountants Limited have not audited the report and they, their directors or employees accept no liability to any other party in relying on the information presented. The purpose of the report is to give creditors of the company an indication of the financial position of the company as at the date of appointment of the Liquidators.

RHB Chartered Accountants Limited

Appendix II

Gung Ho Enterprises Limited (In Liquidation)
Schedule of Creditors as at 25th May 2010

The Commissioner of Inland Revenue

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