



DEM ASIA GROUP

29 October 2019

TO CREDITORS AND RESIDENTS

CONFIDENTIAL

Dear Sir/Madam

**RE: SETTLERS COMPANY PTY LIMITED ACN 606 610 904
 ATF SETTLERS PROPERTY TRUST ABN 78 694 717 061
 (ADMINISTRATOR APPOINTED) (RECEIVERS & MANAGERS APPOINTED)
 AND
 SETTLERS OPERATIONS PTY LIMITED ACN 609 526 605
 (ADMINISTRATOR APPOINTED) (RECEIVERS & MANAGERS APPOINTED)
 (Collectively "THE COMPANIES")**

I refer to my previous circular dated 24 September 2019.

The joint and several Receivers and Managers of the Companies, Ian Charles Francis, John Richard Park and Joseph Ronald Hansell (**Receivers**), remain in possession and control of the Companies' assets and business, including the Companies' five Retirement Villages.

I have been provided with an update by the Receivers in relation to sale campaign of the Companies' Retirement Villages and the operations generally, as outlined below.

Sale Campaign

As outlined in my previous circular, the extension of the convening period was sought of the Receivers to accommodate the sale campaign of the Companies' Retirement Villages. This extension was granted to 23 May 2020.

The Receivers have now appointed Noral Wild of JLL (formerly known as Jones Lang Lasalle) to market the Companies' Retirement Villages by Expression of Interest (**EOI**).

The EOI sale campaign commenced on Monday, 28 October 2019 and will conclude on Friday, 29 November 2019. The Receivers will then review and assess all offers. Prospective purchasers may choose to make their offers for one, all or a combination of the five Retirement Villages.

Once offers are finalised, the Receivers will work with the respective State governments to ensure that the transition to the new purchaser(s) meets with the requirements of the relevant state legislation. Given that the five Retirement Villages operate in three different jurisdictions it may be that the settlement of each Retirement Village sale will not occur at the same time due to different legislative requirements for operators in each state. While the Receivers will be aiming for settlement and completion of the sale(s) prior to January 2020, it will depend on the legislative requirements to transition operations in each state.



Attached is the Receivers' Media release in relation to the sale campaign.

Continued Operations

The Receivers will continue to operate the Retirement Villages during the sale campaign. Refurbishments to various villas are underway and will be conducted in an orderly manner as required by legislation and resident contracts.

Buyback Creditors

The Receivers are not able to complete any exit entitlements (buybacks) at either Rockhampton or Forest Lakes.

The exit entitlements are afforded a statutory priority under the legislation in Queensland, which means that the requirement to pay the exit entitlements is paid in priority to the secured creditor and that obligation is attached to the underlying ownership of the land.

Next Update

We will keep creditors updated on the sale campaign and the Administration generally. Updates will also be available via our website at www.demasiagroup.com/settlers, including this update.

Should you have any further queries in relation to this or any other matter concerning the administration, please contact my office either via email on settlers@demasiagroup.com or by telephone +61 2 8004 4315.

Yours faithfully,

DAMIEN M HODGKINSON
ADMINISTRATOR

Sale of Settlers Lifestyle Operations and Villages

- Five villages to be sold, with 687 separate units -

29 October 2019

On 28 August 2019, Joseph Hansell, Ian Francis and John Park of FTI Consulting were appointed Receivers and Managers over entities trading as Settlers Lifestyle¹ (collectively the “**Settlers Group**”), a retirement accommodation and village provider with operations throughout Australia.

The Receivers have today commenced a formal campaign to sell the entire business and operations of the Settlers Group, which includes operations at five separate villages, with a total of 687 separate units accommodating more than 1000 residents. The properties are:

Village location	Units	Residents	Land (Ha)
Gillieston Heights, NSW	44	66	1.38
Forest Lake, QLD	86	86	0.99
Rockhampton, QLD	74	69	2.22
Ravenswood, WA	243	396	8.60
Ridgewood, WA	240	401	10.81
Total	687	1,018	24.01

Jones Lang LaSalle has been appointed sole sales agent, with instruction to conduct a sale process of the business and real property as a going concern.

Whilst the sale campaign envisages an ‘in one line’ sale of the entire Settlers Group portfolio, the Receivers and Managers will consider all offers in relation to the individual villages, and the ultimate sale of the portfolio will be determined by the offer that achieves the best outcome for all stakeholders. Depending on the offers received, this may result in a break-up of the portfolio through a sale to more than one purchaser.

Since their appointment, the Receivers and Managers have been operating the facilities on a business as usual basis. During the sales period there will be minimal disruption to residents.

The Facilities are to be sold by way of Expression of Interest campaign, which will conclude on 29 November 2019.

The Facilities within the Settlers Group last transacted on 31 October 2016.

¹ Namely Settlers Company Pty Limited (ACN 606 610 904), Settlers Operations Pty Limited (ACN 609 526 605) and Forum Settlers Pty Ltd (ACN 613 584 759), collectively the “Settlers Group”.

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For further information, please contact:

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