

Frequently Asked Questions (“FAQ”)

Global Capital Property Fund Limited (In Liquidation) ACN 635 565 070 (“GCPF” or “Company”)

Question	Answer
<i>What is the current status of the Liquidation?</i>	Ross Blakeley and Kelly Trenfield of FTI Consulting were appointed as Joint and Several Liquidators (“Liquidators”) of the Company by order of the Federal Court of Australia on 3 October 2024 (“Appointment Date”). Prior to the Appointment Date, the Company’s records indicate that there were 81,999,001 shares on issue in the Company. This FAQ has been prepared to provide an update on the liquidation process to all shareholders in the Company (Shareholders or Investors). Since their appointment, the Liquidators have spent significant time conducting investigations into the Company’s affairs, its financial position, and the Australian Securities and Investments Commission’s concerns regarding the conduct of the Company prior to the Liquidators’ appointment by its officers and representatives. At the Appointment Date, the Company had invested funds in fourteen (14) property developments through a number of related and unrelated entities, predominantly by way of joint venture and loan agreements (“Investments”). The Liquidators and their team have liaised with the entities relevant to each Investment (joint venture partners and borrowers) and conducted their own independent investigations, to better understand the issues relevant to, and to assess the recoverability of, each of the Investments. Whilst the Liquidators recognise and appreciate that Investors desire information and advice as to the expected outcome of the liquidation, particularly the quantum and timing of any recovery of their invested funds, the Liquidators’ assessment of and engagement with various parties related to the Investments is commercially sensitive at this time. In some cases, the Liquidator’s engagements are governed by legal agreements and in others, formal disputes. To comment publicly (including by providing recovery estimates) may compromise the Company’s rights and the Liquidators’ negotiations in relation to the Investments, which would be detrimental to the longer term interests of Investors.
<i>How long will the liquidation process take?</i>	The duration of the liquidation will be dictated by a number of factors, including the time and actions required to recover monies invested in the Investments, together with any broader investigations and potential recovery actions. Although extensive investigations have been undertaken to date, it is not possible to definitively determine when the liquidation process will be completed. The Liquidators will endeavour to assist Investors by making progressive distributions during the liquidation process, in compliance with their statutory obligations
<i>When will the next update to investors be issued?</i>	The Liquidators will update this FAQ for Investors as significant progress is made in the liquidation process. Milestones in respect of which future updates may be provided include realisation of specific Investments, outcomes of court proceedings and/or distribution announcements.
<i>How can I access details of my holding balances and reports?</i>	You can access your holding balances, details of your investment and reports via the Company’s registry system, Registry Direct (www.registrydirect.com.au).

	All Investors should have received an email prior to the Appointment Date from Registry Direct to set up an account. If you cannot recall your login details, please reset your password through the website. Should you wish to authorise a third party to gain access to your Registry Direct account, please contact gcpf.investors@fticonsulting.com with details of your request. For any other queries regarding accessing Registry Direct, please contact gcpf.investors@fticonsulting.com.
<i>What is the value of my holdings in the Company?</i>	The Liquidators understand that as at the Appointment Date, the Company's books and records valued the shares at \$1.189 per share. The Liquidators cannot provide an update as to the current value of your shares in the Company. However, based on the Liquidators' preliminary investigations, Investors are unlikely to receive a full return on their investments. Consequently, the value of the shares is likely to be less than the value ascribed by the board of the Company as at the Appointment Date. Please note that this is not considered tax advice. The Liquidators recommend that Investors obtain their own independent tax advice in relation to their shareholding in the Company.
<i>Do the Liquidators still have my funds?</i>	As at the Appointment Date, the Company held approximately \$15.85m cash on varying deposits. The Liquidators have taken control of this cash and deposited it, including in interest bearing accounts, with major Australian banks. The application of the balance of funds advanced by Investors is still being investigated by the Liquidators. The Liquidators' investigations to date show that, generally, the funds have been invested in the Investments, or otherwise expended, including in the payment of management fees.
<i>What amount or percentage of my investment is recoverable and what is the estimated timeframe?</i>	It is too early to advise on the potential quantum and timing of any return to investors. Factors which may impact any return include: 1. the value and realisation of recoverable assets (i.e. Investments); 2. whether there are other potential sources of recovery; 3. the steps and costs required to effect recoveries; 4. the general costs of the liquidation; and 5. the quantum of any creditor claims and their respective ranking. At this stage, the Liquidators do not expect to recover all of the initial principal invested in all of the Investments. As noted above, due to the commercially sensitive nature of the ongoing negotiations, the Liquidators are unable to provide further details regarding any anticipated recoveries at this time.
<i>Can I transfer or withdraw my investment from the Company?</i>	Investors are not able to transfer their shares or withdraw their investment from the Company. The majority of Investors' funds are allocated and invested across the Investments, which are currently 'locked-in' and illiquid until a viable commercial position is realised for each of the Investments. Funds will be distributed in due course according to the statutory dividend process under the Corporations Act 2001 (Cth) (the "Act"). This process provides, at a high level, that the costs and expenses of the liquidation and claims of creditors of the Company are afforded priority ahead of Shareholders / Investors of the Company. Investors will be notified via email when a dividend to Investors is declared by the

	Liquidators. It is likely that distributions will be made progressively, the timing of which however cannot be advised at this stage.
<i>What do I have to give you to prove my claim?</i>	At this stage, you are only required to complete the Investor Claim Form attached to the Initial Information for Investors dated 9 October 2024. Additionally, please send through any documents available to support your shareholding (Portfolio Valuation, Holding Statements etc.). Holding statements can be sourced through Registry Direct. All correspondence to Shareholders can be accessed and downloaded at the FTI Consulting Creditor Portal (https://www.fticonsulting.com/creditors/global-capital-property-fund-limited-in-liquidation).
<i>How can I obtain the Company's financial statements?</i>	As the Liquidators' assessment of the Company's financial position is incomplete, the Liquidators are not currently in a position to finalise and provide financial statements. This includes the financial statements to 30 June 2024, which were not finalised prior to appointment.
<i>Does my status as an Investor of GCPF qualify me as a creditor?</i>	Please refer to the Australian Securities & Investments Commission's regulatory resource on insolvency for investors and shareholders for general information for shareholders. A copy of the information sheet is included at Appendix A. The Liquidators understand that Investors were allocated shares in the Company in exchange for funds received from Investors. Accordingly, as shareholders, Investors are equity holders and are not creditors of the Company.
<i>Do I need to seek my own advice?</i>	You are entitled to, and the Liquidators recommend, that you seek your own independent legal and/or accounting advice to consider your individual circumstances. The liquidation process is governed by the Act and subject to regulatory overview by the Australian Securities and Investments Commission. The Liquidators will continue to report to all stakeholders on the progress and outcome of the liquidation in accordance with the Act.
<i>Who pays for the liquidation?</i>	The Liquidators and their staff charge professional fees based on the time spent on the liquidation, with rates determined by their level of experience. Before these fees can be paid from the Company's assets, the Liquidators must seek approval from either the creditors or the Court. The Liquidators professional fees and expenses will be paid from the Company's assets, including those realised by the liquidation. Investors are not required to contribute any additional funds for the completion of the liquidation.
<i>When will further updates be provided?</i>	The Act does not prescribe any specific reporting requirements in a liquidation for shareholders. The Liquidators however intend providing ongoing updates to Investors by way of email and via the FTI Consulting Creditors Portal approximately every two (2) months or as circumstances warrant during the course of the Liquidation. The Liquidators do not intend to hold a formal meeting of Investors at this time, however should matters in the Liquidation warrant such a meeting to be held the Liquidators will update and provide the appropriate notice to Investors.

Appendix A | ASIC – Shareholder Information Sheet



ASIC
Australian Securities &
Investments Commission

Insolvency for investors and shareholders

If a company is in financial difficulty, it can be put under the control of an independent external administrator (liquidator or voluntary administrator) or receiver. The role of the external administrator or receiver depends on the type of appointment.

This information sheet (INFO 43) gives general information for shareholders on:

- liquidation
- voluntary administration
- receivership

Liquidation

There are two types of liquidation for an insolvent company – creditors' voluntary liquidation and court liquidation. The most common type is a creditors' voluntary liquidation, which usually begins when:

- an insolvent company's shareholders resolve to liquidate the company and appoint a liquidator, or
- creditors vote for liquidation following a voluntary administration or a terminated deed of company arrangement (DOCA).

In a court liquidation, a liquidator is appointed by the court to wind up a company following an application, usually by a creditor. Directors, shareholders and ASIC can also make a winding-up application to the court.

The liquidator's role

The liquidator's role is to:

- protect, collect and sell the company's assets
- investigate and report to creditors about the company's affairs, including:
 - unfair preference payments (payments to certain creditors over others) that may be recoverable
 - uncommercial transactions that may be set aside
 - possible claims against the company's officers (including insolvent trading)
 - creditor defeating dispositions, including illegal phoenix activity.
- inquire into the failure of the company – and possible offences by people involved with the company – and report to ASIC
- distribute money from the collection and sale of assets after payment of the costs of the liquidation, including the liquidator's fees (subject to the rights of any secured creditor) – first to priority creditors, including employees, and then to unsecured creditors.

Except for lodging documents and reports required under the *Corporations Act 2001* (Corporations Act), a liquidator is not required to incur an expense for the winding up unless there are enough assets to pay their costs.

The directors' role

Directors cannot use their powers after a liquidator has been appointed. They must help the liquidator, including providing the company's books and records, and a report about the company's affairs.

Shareholders and liquidation

The liquidator's main duty is to all the company's creditors. The shareholders will only get paid any return on their shares in an insolvent liquidation after all creditors get paid in full. If shareholders also have a claim as a creditor, then they may receive a payment as a creditor (separate from any return on shares).

Reporting to shareholders

An external administrator or receiver is not required to report to shareholders on the progress or outcome of the liquidation.

An external administrator (liquidator or voluntary administrator) must keep books that give a complete and correct record of the administration of the company's affairs – and shareholders are entitled to inspect these books at the external administrator's office. A managing controller (or receiver and manager) must also keep books that correctly record and explain all transactions entered into as managing controller – and allow shareholders to inspect these records.

Every year, on the anniversary of their appointment and at the end of the liquidation (or administration or receivership), the liquidator (or voluntary administrator or receiver) must lodge with ASIC a detailed list of receipts and payments (i.e. an annual administration return). A copy of these returns can be found on ASIC Connect.

Transfer or alteration of shares

A transfer of shares in a company or alteration of status of shareholders during liquidation (or voluntary administration or receivership) will not be effective unless the liquidator (or voluntary administrator or receiver) gives written consent or the court permits. The liquidator (or voluntary administrator or receiver) or court will need to be satisfied the transfer of shares, or the alteration in the status of shareholders, is in the best interest of the company's creditors and does not breach the rights of shareholders under the Corporations Act.

When giving written consent to a transfer of shares in a company or alteration of status of shareholders, the liquidator (or voluntary administrator or receiver) can impose conditions that must be satisfied before the transfer or alteration is effective. For share transfers, the affected shareholder, prospective shareholder or creditor may apply to the court to set aside any or all these conditions.

Similarly, a shareholder or a creditor may apply to the court to set aside any or all conditions that must be satisfied for an alteration in the status of shareholders to have effect. A shareholder or creditor may also apply to the court to authorise an alteration in the status of shareholders if the liquidator (or voluntary administrator or receiver) refuses the alteration.

A liquidator can call on the holders of any unpaid or partly paid shares in the company to pay the amount outstanding on those shares to the company.

If a liquidator makes a written declaration that they have reasonable grounds to believe there is no likelihood shareholders will receive any further distribution in the winding up, shareholders can realise a capital loss. To realise a loss, the shares in the company must have been purchased on or after 20 September 1985. If no such declaration is made by a liquidator, the deregistration of a company at the end of a liquidation also enables realisation of any capital loss.

Financial reporting and annual general meeting (AGM) requirements

The Corporations Act imposes financial reporting obligations on listed and very large companies. These obligations do not apply if the company is in liquidation. Companies in liquidation that are also AFS licensees may only rely on our relief from the financial reporting and AFS licensee reporting obligations if they have cancelled and do not hold an AFS license on the date they would be required to lodge the relevant report with ASIC. For more information, see ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251.

Public companies in liquidation do not need to hold AGMs.

Voluntary administration

Voluntary administration is designed to resolve a company's future direction quickly. An independent registered liquidator (the voluntary administrator) takes full control of the company to try save the company or the company's business.

The voluntary administrator aims to administer the company's affairs to obtain a better return to creditors than if the company had been placed straight into liquidation. A better return may be achieved through a DOCA which is generally proposed by the directors or other third-parties, usually in consultation with the voluntary administrator.

The voluntary administrator's role

After taking control of the company, the voluntary administrator investigates and reports to creditors about the company's business, property, affairs and financial circumstances. They also report on the three options available to creditors:

- end the voluntary administration and return the company to the directors' control
- approve a DOCA through which the company will pay all or part of its debts and then be free of those debts
- wind up the company and appoint a liquidator.

The voluntary administrator must give an opinion on each option, including an opinion on any DOCA proposal and recommend which option is in the best interests of creditors.

The voluntary administrator has all the powers of the company and its directors, including the power to sell or close the company's business or sell individual assets in the lead up to the creditors' decision on the company's future.

The voluntary administrator is also responsible for reporting possible offences committed by people involved with the company to ASIC.

If a DOCA proposal is approved, the voluntary administrator will usually become the deed administrator and oversee its operation.

The directors' role

Directors cannot use their powers while the company is in voluntary administration. They must help the voluntary administrator by providing the company's books and records and completing ASIC form Report on Company Activities and Property (ROCAP) – as well as any further information about these that the voluntary administrator reasonably requires.

If the company goes from voluntary administration into a DOCA, the directors' powers depend on the DOCA's terms. When the DOCA is completed, the directors regain full control of the company, unless the DOCA provides for the company to go into liquidation on completion.

If the DOCA is not completed and the company goes into liquidation, the directors cannot use their powers.

Shareholders and voluntary administration

Reporting to shareholders

Shareholders do not get to vote on the future of the company. A voluntary administrator (or receiver) is not required to report to shareholders on the progress or outcome of the voluntary administration.

Transfer or alteration of shares

Shareholders are bound by a DOCA approved by creditors. The deed administrator may transfer shares in the company with the written consent of the shareholder or with the court's permission. A shareholder, a creditor, ASIC or any other interested person can oppose a court application to approve a share transfer.

Financial reporting and annual general meeting (AGM) requirements

While subject to voluntary administration or under a DOCA (or in receivership), listed and very large companies must still comply with their statutory financial reporting obligations.

ASIC provides relief so that a company in voluntary administration (or receivership) automatically has a six-month extension of time for lodging financial reports that are due when the administrator (or receiver and manager) is appointed or will become due in the six-month period after the appointment. The automatic relief applies even if the company enters a DOCA during the six-month period after the voluntary administrator's appointment. If a voluntary administrator is appointed before a receiver and manager is appointed, then our automatic deferral relief will apply from the date the voluntary administrator is appointed.

To get the benefit of this automatic deferral relief, the voluntary administrator (or receiver and manager) must have arrangements during the deferral period to answer, free of charge, reasonable questions from shareholders about the administration (or receivership). At the end of this deferral period, if the company remains in voluntary administration or under a DOCA (or in receivership), the company may apply to ASIC for further deferral relief.

A public company in voluntary administration (or receivership) may also apply for an extension of time to hold an AGM. A public company under a DOCA may also apply for an extension of time to hold an AGM in certain circumstances.

Listed companies should also inform the relevant securities exchange if the company relies on automatic relief or is granted further relief or an extension of time to hold an AGM. This information should also be available on the company's website and the voluntary administrator's (or receiver and manager's) website.

For more information on ASIC's automatic relief or applying for other relief, see [Regulatory Guide 174 Relief for externally administered companies and registered schemes being wound up](#) (RG 174).

Receivership

A company goes into receivership when an independent registered liquidator (the receiver) is appointed by a secured creditor or by the court to take control of some or all the company's assets.

Court receiverships and controllerships are not covered in this information sheet.

A secured creditor is someone who holds a security interest, such as a mortgage, in some or all the company's assets, to secure a debt owed by the company. Lenders usually require a security interest in company assets when they provide a loan.

Security interests over personal property other than land are registered on the Personal Property Securities Register (PPSR) if the creditor wants to ensure their security interest is enforceable and given priority in an insolvency. You can [search the PPSR](#) to find out if anyone holds a security interest (other than a mortgage over land) in the company's assets.

The powers of the receiver are set out in the security agreement between the company and the secured creditor, the appointment documentation and the Corporations Act.

Under the terms of appointment, if a receiver has the power to manage the company's affairs, they are known as a receiver and manager or a managing controller.

The receiver's role

Generally, the receiver's role is:

- to collect and sell enough of the secured assets to repay the debt owed to the secured creditor
- if they have been appointed under a non-circulating security interest (e.g. over land, plant or equipment), to pay the money collected:
 - first, to the secured creditor
 - second, to the company or an external administrator (if appointed) if there are any funds left over
- if they have been appointed under a circulating security interest (e.g. over cash, debtors or stock), to pay the money collected:

- o first, to priority creditors (including certain employee entitlements)
 - o second, to the secured creditor
 - o third, to the company or an external administrator (if appointed) if there are funds left over
- to report to ASIC any possible offences or irregular matters.

The receiver is usually paid from the money collected during the receivership.

The directors' role

Receivership does not affect the legal existence of the company. The directors continue to hold office, but their powers depend on the powers of the receiver and the extent of the assets over which the receiver is appointed. Control of the secured assets, including the company's business, is taken away from the directors.

Directors must provide the receiver with a [ROCAP](#) and must allow the receiver access to books and records relating to the charged property.

Shareholders and receivership

The receiver's main duty is to the company's secured creditor. The duty owed to unsecured creditors and shareholders is an obligation to take reasonable care to sell the secured assets for not less than its market value or, if there is no market value, the best price reasonably obtainable. A receiver also has the same general duties as a company director.

Reporting to shareholders

See above for information on [reporting to shareholders](#).

Financial reporting and annual general meeting (AGM) requirements

See above for information on [financial reporting and AGM requirements](#).

More information

- › [Information Sheet 39](#) *Insolvency information for directors, employees, creditors and shareholders* (INFO 39)
- › [Australian Restructuring Insolvency & Turnaround Association \(ARITA\) website](#)
- › [ARITA Code of Professional Practice for Insolvency Practitioners](#)

Important notice

Please note that this information sheet is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice.

You should also note that because this information sheet avoids legal language wherever possible, it might include some generalisations about the application of the law. Some provisions of the law referred to have exceptions or important qualifications. In most cases your particular circumstances must be taken into account when determining how the law applies to you.

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