



21 December 2020

NOTICE TO DEBENTUREHOLDERS

Dear Debentureholder

Provident Capital Limited
ACN 082 735 573
(Receiver Appointed) (In Liquidation) ('Provident' or 'the Company')

I refer to previous communications in relation to this matter and set out below a brief update on the status of the Receivership.

I recommend that this letter is read in conjunction with other publications issued to Debentureholders. All previous publications are available on the PwC website at <https://www.pwc.com.au/business-restructuring/insolvency-cases/4021.html> under 'Provident Capital Limited' in the Insolvency Case section within Business Restructuring. Alternatively, copies of issued publications can be requested from the Debentureholder registry service being maintained by Link Market Services (**Link**). Link's contact details appear on the final page of this Notice.

Retirement of Christopher Hill

The Federal Court of Australia ordered that Christopher Hill retire as Receiver of Provident and that Andrew Scott and I be appointed as Joint and Several Receivers on 30 November 2020. The application was made by Mr Hill due to his retirement as a partner of PwC Australia. I confirm the incremental costs associated with this application were paid by PwC Australia directly and not Provident.

Realisation of loan portfolio

As outlined in the previous communication to Debentureholders, there is only one active loan remaining in Provident's portfolio. Provident is mortgagee in possession of the security property for this loan, a development site in Gold Coast, Queensland which is composed of two stages of development ('**Stage 1**' and '**Stage 2**').

Since the previous communication to Debentureholders:

- the sale Stage 2 has completed
- two separate titles for the two stages of development have been registered
- the development approval for Stage 1 has been granted by the Planning and Environment Court.

Completion of the sale of Stage 1 has been delayed due to a dispute with the purchaser of Stage 1 regarding the foreign resident capital gains withholding clearance certificate which has necessitated obtaining additional documentation from the Australian Taxation Office. The deadline for the receipt of this documentation is 8 January 2021 and I expect completion of the sale to occur shortly thereafter.

Forecast distribution to Debentureholders

I continue to estimate that Debentureholders will receive a total return of 21 cents in the dollar (inclusive of principal and interest).



Debentureholders have received a total return to date of approximately 18 cents in the dollar. Debentureholders should contact Link if they believe they have not received all of their distributions or if they require an accounting of the distributions paid to date.

The quantum and timing of the next distribution is dependent upon the successful completion of Stage 1. In our previous communication to Debentureholders, we estimated that the next distribution would be in December 2020, however I now expect the next distribution to be in January 2021 with a final distribution to occur before 30 June 2021.

Remuneration

In our previous communication to Debentureholders, we advised that we would file an application to the Court seeking approval of our fees for the period 1 May 2018 to 31 December 2019 in the amount of \$511,358.90 (plus GST). I confirm the Court approved our fees in full on 30 November 2020 and they have now been paid.

I will file a final application to the Court seeking approval of any outstanding fees for the period 1 January 2020 to the completion of the matter following the completion of Stage 1. My next update to Debentureholders will contain a breakdown of these fees.

Further information

Further information in respect of the Receivership is available on the PwC website at <https://www.pwc.com.au/business-restructuring/insolvency-cases/4021.html> under 'Provident Capital Limited' in the Insolvency Case section within Business Restructuring.

Please direct any further queries to the Debentureholder registry service maintained by Link Market Services, contact details are as follows:

Address: Provident Capital Limited
(Receiver Appointed) (In Liquidation)
c/- Link Market Services
Locked Bag A14
Sydney South, NSW 1235
Australia

Telephone: +61 2 8767 1194

Facsimile: +61 2 9287 0303

Email: provident@linkmarketservices.com.au

Next update

I will provide a further update in early 2021, following the next distribution to Debentureholders. I currently expect the next update to be my final update to Debentureholders.

Yours faithfully

Daniel Walley
Joint and Several Receiver
Provident Capital Limited