

23 June 2023

CIRCULAR TO CREDITORS

RE: HILLS LTD
A.C.N. 007 573 417

HILLS FINANCE PTY LTD
ACN 007 527 040

HILLS INTEGRATED SOLUTIONS PTY LTD
ACN 000 376 394

LAN 1 PTY LTD
ACN 159 863 779

T.V RENTALS PTY LTD
ACN 009 701 213

NEW-TONE (AUST.) PTY LTD
ACN 009 753 637

AUDIO PRODUCTS GROUP PTY LIMITED
ACN 054 550 499

HOSPITAL TELECOMMUNICATIONS PTY LTD
ACN 061 558 245

ACN 614 478 090 PTY LIMITED
ACN 614 478 090

HILLS HEALTH SOLUTIONS PTY LTD
ACN 100 173 715

PACOM SECURITY PTY LTD
A.C.N. 096 595 005

HILLS GROUP OPERATIONS PTY LTD
A.C.N. 600 152 261

(ADMINISTRATORS APPOINTED)
(COLLECTIVELY THE “COMPANIES”)

SYDNEY

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Sydney NSW 2000
Australia
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PENRITH

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PERTH

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I refer to the appointment of John Vouris and I as Administrators of the Companies as well as my previous report to creditors dated 19 June 2023 (“my previous report”). This report should be read in conjunction with my previous report.

As noted in my previous report, given the circumstances of the appointment including, but not limited to, the ongoing trading of the Companies’ businesses, detailed investigations of the Companies’ financial affairs and the ongoing sale of business/recapitalisation campaign, I formed the opinion that an application to the Federal Court of Australia (the “Court”) under Section 439A(6) of the Corporations Act 2001 (“the Act”) to extend the convening period of the administration of each

Company (**Extension Application**) was in the best interests of the creditors of the Companies . Please refer to my previous report for further information regarding the application to Court.

I now confirm that, on 22 June 2023:

- a. the Extension Application was listed for hearing before the Honourable Justice Stewart;
- b. His Honour made orders, among other things, granting an extension to the convening period of the voluntary administration of each of the Companies up to and including 31 July 2023. **Attached** to this circular is an official copy of the Court's orders made on 22 June 2023 for creditors' reference

I will continue to facilitate the sale of business/recapitalisation campaign and will write to creditors by or on 31 July 2023 with a summary of my investigations to date, an update on the sale campaign and details of the options available to creditors with respect to the future of the Companies. Should I be in a position to write to creditors and convene the second meeting of creditors earlier than 31 July 2023, I will do so.

Should you have any queries regarding the above, please do not hesitate to contact Jessica Webb of my office via email on jwebb@hallchadwick.com.au.

Yours faithfully,



SULE ARNAUTOVIC
JOINT & SEVERAL ADMINISTRATOR



Federal Court of Australia

District Registry: New South Wales

Division: General

No: NSD593/2023

SULE ARNAUTOVIC AND JOHN VOURIS IN THEIR CAPACITY AS JOINT AND SEVERAL ADMINISTRATORS OF HILLS LIMITED (ACN 007 573 417)
(ADMINISTRATORS APPOINTED) and another/others named in the schedule
Plaintiff

ORDER

JUDGE: JUSTICE STEWART

DATE OF ORDER: 22 June 2023

WHERE MADE: Sydney

THE COURT ORDERS THAT:

Extension of convening period

1. Pursuant to s 439A(6) of the *Corporations Act 2001* (Cth), the period within which the plaintiffs must convene a second meeting of the creditors of Hills Limited (administrators appointed) and each of the companies listed in the Schedule (together with Hills Limited, the **Companies**) pursuant to s 439A(5) of the *Corporations Act* (**Second Meeting**) be extended up to and including 31 July 2023.
2. Pursuant to s 447A of the *Corporations Act*, Pt 5.3A of the *Corporations Act* operate such that the Second Meeting may be convened and held at any time during the convening period, or within five business days after the end of the convening period as extended by the orders sought in order 1 above, notwithstanding the provisions of s 439A(2) of the *Corporations Act*.

Service and Notices

3. The plaintiffs, within three business days' of the making these orders, take all reasonable steps to give notice of the orders to the Companies' creditors (including the persons claiming to be creditors), by means of a circular:



- (a) to be sent by email to creditors for whom the plaintiffs have a current email address; or
 - (b) to be sent by ordinary post to creditors for whom the plaintiffs have only a postal address.
- 4. Pursuant to s 447A(1) of the *Corporations Act*, Pt 5.3A of the *Corporations Act* operate in relation to the Companies such that any notice (including pursuant to r 75-15(1) and r 75-225(1) of the *Insolvency Practice Rules (Corporations) 2016* (Cth) (other than the notices referred to in order 3 above), reports and communication that the plaintiffs must or may give or send to creditors of the Companies will be validly given to creditors of the Companies by:
 - (a) giving such notice electronically by email sent to the email address of any creditor (including persons claiming to be creditors) of the Companies for whom or which the plaintiffs hold an email address;
 - (b) sending such notice to the postal address or facsimile number, or otherwise as provided for by the *Corporations Act* or the *Insolvency Practice Rules (Corporations) 2016* (Cth), to any creditors not being a creditor referred to in paragraph (a); and
 - (c) causing such notice to be published in the Insolvency Notices website located at: <https://insolyncynotices.asic.gov.au/>.
- 5. Any person who can demonstrate sufficient interest (including any creditor of the Companies) has liberty to apply on giving all other interested parties not less than three business days' notice for the purpose of modifying or discharging any orders made pursuant to orders 1 and 2 above.
- 6. The plaintiffs have liberty to apply in this proceeding on not less than three business days' notice in relation to:
 - (a) any variation of these orders including for the purpose of seeking any further extension of the convening period; or



- (b) any other matter generally arising in the administration of the Companies.
7. The plaintiffs' costs of and incidental to this application be costs in the administrations of the Companies and be paid out of the assets of the Companies.

Date that entry is stamped: 22 June 2023

Sia Lagos
Registrar



Schedule

No: NSD593/2023

Federal Court of Australia

District Registry: New South Wales

Division: General

Second Plaintiff	HILLS LIMITED (ADMINISTRATORS APPOINTED) ACN 007 573 417
Third Plaintiff	HILLS HEALTH SOLUTIONS PTY LTD (ADMINISTRATORS APPOINTED) ACN 100 173 715
Fourth Plaintiff	AUDIO PRODUCTS GROUP PTY LTD ACN 054 550 499
Fifth Plaintiff	HOSPITAL TELECOMMUNICATIONS PTY LTD (ADMINISTRATORS APPOINTED) ACN 061 558 245
Sixth Plaintiff	HILLS INTEGRATED SOLUTIONS PTY LTD (ADMINISTRATORS APPOINTED) ACN 000 376 394
Seventh Plaintiff	HILLS FINANCE PTY. LTD. (ADMINISTRATORS APPOINTED) ACN 007 527 040
Eighth Plaintiff	LAN 1 PTY LTD ACN (ADMINISTRATORS APPOINTED) ACN 159 863 779
Ninth Plaintiff	T.V. RENTALS PTY. LTD (ADMINISTRATORS APPOINTED) ACN 009 701 213
Tenth Plaintiff	NEW TONE (AUST.) PTY LTD ACN 009 753 637
Eleventh Plaintiff	ACN 614 478 090 PTY LIMITED (ADMINISTRATORS APPOINTED) ACN 614 478 090
Twelfth Plaintiff	HILLS GROUP OPERATIONS PTY LTD (ADMINISTRATORS APPOINTED) ACN 600 152 261
Thirteenth Plaintiff	PACOM SECURITY PTY LTD (ADMINISTRATORS APPOINTED) ACN 096 595 005