

ASX Limited
ASX Customer Services
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

15 June 2015

Dear Sir/Madam

ILH Group Limited (Subject to Deed of Company Arrangement)
ACN 120 394 194 ('the Company')
ASX Code: ILH

I refer to my notification to the Australian Stock Exchange of the appointment of Michael Brereton and Cliff Rocke as Administrators of the Company on 17 December 2014 and subsequently Deed Administrators on 23 April 2015.

I advise that we have applied to the Australian Securities and Investments Commission ('ASIC') for financial reporting relief pursuant to Section 340(1) of the Corporations Act ('the Act') and in accordance with Regulatory Guide 174.31.

Relief in the form of a deferral of reporting obligations under Part 2M.3 of the Act, has been provided by ASIC for the financial half year ending 31 December 2014 and full year ending 30 June 2015. The deferral period ends on 23 October 2015 and accordingly reporting obligations will need to be met by the Company on or before this date.

Appendix 1 of this announcement is ASIC Instrument 15-0553 granting the Company relief. The application for relief submitted to ASIC, detailing why the Company requires reporting relief is also attached at Appendix 2.

Should you have any queries in relation to this matter please do not hesitate to contact Andrew Hudson of my office on (02) 8257 3023.

Yours faithfully



Michael Brereton
Deed Administrator

Encl.

Appendix 1 - ASIC Instrument 15-0553

**Australian Securities and Investments Commission
Corporations Act 2001 - Subsection 340(1) - Order**

Enabling legislation

1. The Australian Securities and Investments Commission (*ASIC*) makes this instrument under subsection 340(1) of the *Corporations Act 2001* (the *Act*).

Title

2. This instrument is ASIC Instrument 15-0553.

Commencement

3. This instrument commences on 12 June 2015.

Order

4. ASIC relieves ILH Group Limited (subject to a Deed of Company Arrangement) ACN 120 394 194 (the *Company*) from Part 2M.3 of the Act for the financial half-year ended 31 December 2014 and the financial year ending 30 June 2015 until 22 October 2015.

Conditions

5. The Company must comply with the following conditions:
 - (a) the Company must put and keep in place arrangements for answering, free of charge, reasonable inquiries from its members that are about the consequences of the external administration;
 - (b) within 2 business days of the commencement of this instrument, the Company must make this instrument available on a website that is maintained by or on behalf of the Deed Administrators in a way that is readily accessible by the public from the website;
 - (c) within 2 business days of the commencement of this instrument, the Company must provide a written notice for release on the ASX Markets Announcement Platform which includes a statement describing the need for, and effect of, the relief provided by this order as it applies to the Company; and
 - (d) the Company must lodge the reports required to be prepared under Division 1 and 2 of Part 2M.3 of the Act with ASIC and report to members under section 314 of the Act for the financial half-year ended 31 December 2014 and the financial year ending 30 June 2015, on or before 23 October 2015.

Interpretation:

In this instrument:

Deed Administrators means Michael Craig Brereton and Clifford Stuart Rocke of KordaMentha Pty Ltd appointed as Deed Administrators of the Company on 22 April 2015.

Dated this 12th day of June 2015

A handwritten signature in black ink, appearing to be 'Kwan Leung', written over a horizontal line.

Signed by Kwan Leung
as a delegate of the Australian Securities and Investments Commission

Appendix 2 - Application for relief

The Manager, Corporate Finance
Australian Securities and Investments Commission
GPO Box 9827
Sydney NSW 2001

20 May 2015

By email: applications@asic.gov.au

Dear Sir/Madam

**ILH Group Limited (Subject to Deed of Company Arrangement)
ACN 120 394 194 ('the Company')
Request for reporting deferral**

As you are aware, Cliff Rocke and I were appointed as Voluntary Administrators of the Company on 17 December 2014. At the Reconvened Second Meeting of Creditors on 1 April 2015, the creditors resolved that the Company should execute a Deed of Company Arrangement and that Cliff Rocke and I be appointed as Deed Administrators.

We refer to our previous correspondence dated 19 February 2015 providing notification of reliance on ASIC Class Order 03/392 for relief from financial reporting requirements of the Company by deferring our obligations for a period of six months ending 16 June 2015.

The purpose of this letter is to apply for relief in the manner of a deferral all of the reporting requirements of Part 2M.3 of the Corporations Act 2001 ('the Act') for a period of six months from the date of execution of the Deed of Company Arrangement, being 24 April 2015.

This application is made under Section 340(3) of the Act. As Deed Administrators, we have express power pursuant to clause 7.2 of the Deed of Company Arrangement to exercise all functions and powers of the directors and therefore can make the application.

Pursuant to Section 34 of ASIC Regulatory Guide RG174 ('the Guide'), we consider the conditions of Paragraph (a) of the Guide to have been satisfied. Specifically, we note the following in respect to the ASIC requirements:

- a. We were appointed pursuant to the Deed of Company Arrangement approved by the creditors of the Company. Pursuant to the clauses of the Deed of Company Arrangement, we are authorised to exercise most or all of the management functions and powers in relation to the Company. We note there is significant uncertainty as to whether the Company's members have an ongoing economic interest in the Company, however the Administrators are unable to form the opinion that members have no ongoing economic interest in the Company pursuant to RG 174.31(b).

Grounds for relief

In our opinion, compliance with the disclosure and reporting obligations of Part 2M.3 of the Act would impose an unreasonable burden on the Company and the Company's creditors as contemplated by Section 342(1)(c) of the Act. The Company's present circumstances are broadly the same as those contemplated in our correspondence dated 19 February 2015, however we note:

1. The Company no longer has sufficient resources at its disposal to produce financial statements internally and would need to employ the services of external consultants at significant additional cost to the administration in order to comply with the reporting obligations of Part 2M.3 of the Act.
2. The members of the Company are not willing to bear the costs of compliance and so the burden will fall to the creditors of the Company.
3. On the basis of our assessment of the finances of the Company, the cost of preparing financial reports will reduce the funds available for distribution to the Company's creditors. Until such time as we reach a conclusion that the Company's members may have an ongoing financial interest in the Company, we believe the reporting obligations represent an unreasonable burden upon creditors.
4. We see no benefit in the preparation of financial statements for the potential users of those statements. In particular, we note our obligation to report upon the financial status of the Company throughout the administration pursuant to Section 445J of the Act and believe that no material benefit would arise from the provision of additional information.
5. There are two outcomes for the Company at this time:
 - a. Recapitalisation: The shareholders may vote in favour of the proposed recapitalisation and accordingly may have an ongoing economic interest. If this occurs we understand the Company will have to comply with the reporting obligations of Part 2M.3 of the Act.
 - b. Liquidation: The shareholders may vote against a recapitalisation, at which point the Company is likely to enter into liquidation and accordingly members will not have an ongoing economic interest. In this scenario, the Company will be in compliance with the exemption requirements of RG174.31.

We understand there is a prescribed fee for this application for the exemption from the financial reporting obligations and the obligation to hold an annual general meeting. Please forward an invoice for this fee to our office for prompt payment.

Should you have any queries in relation to this matter, do not hesitate to contact Andrew Hudson on (02) 8257 3023.

Yours sincerely



Michael Brereton
Deed Administrator