



ANGAS SECURITIES LIMITED ABN 50 091 942 728  
AUSTRALIAN FINANCIAL SERVICES LICENCE NO. 232 479

## DEBENTURE HOLDER RUN-OFF UPDATE 30 JUNE 2017

The Angas Securities first ranking debenture fund continues in Run-Off. The following portfolio information is provided for the exclusive use of Angas Securities investors and is not to be referred to or otherwise used or relied upon by third parties without my express consent.

1. There were no loan repayments made by borrowers during June. Funds were applied towards loan balances from other sources including rent received from leased properties that are being managed by Angas Securities.
2. As previously reported, Angas is witnessing renewed interest around Bio-Credits. Sales of \$4.186 are looking probable for July, and negotiations are well advanced with the NSW Department of Roads and Marine Services for potential sales of a similar amount.
3. All five individual allotments comprising the Mayfair precinct of Fernhill Estate have executed sale contracts with deposits paid. The NSW Office of Environment & Heritage ("OEH") has executed the Variation Deed. Angas expects to book in settlements for July &/or August.
4. Rookwood General Cemetery Trust ("Rookwood"), which is the prospective purchaser of the Fernhill Central precinct, provided Angas Securities with a comprehensive presentation on 15<sup>th</sup> June 2017. All is proceeding well and in a systematic way with Rookwood's due diligence under the binding Heads of Agreement with the Angas Contributory Mortgage Fund ("ACMF") syndicated loan. Rookwood has invoked its rights under the Heads of Agreement to extend the due diligence period. In the absence of any unforeseen developments, I anticipate settlement on or around 30 September 2017.
5. In January 2017, Angas executed a conditional sale contract for a residential development site at Wellard, WA for \$6.95M. The prospective purchaser withdrew from the sale at the conclusion of the due diligence period. It now wants Angas to hold the price for eighteen (18) months whilst it rezones the site. Angas can see little merit in such a proposal as rezoning will substantially increase the value of the land. Accordingly, Angas has accepted a conditional contract submitted by another substantial Perth developer at a higher price.

ADELAIDE  
Level 14, 26 Flinders Street, Adelaide SA 5000  
GPO Box 2948, Adelaide SA 5001  
Ph [61 8] 8410 4343 Fax [61 8] 8410 4355

SYDNEY  
3 Spring Street, Sydney NSW 2000  
Royal Exchange, PO Box R1835, Sydney NSW 2001  
Ph [61 2] 9259 0777

PERTH  
Suite 12, 448 Roberts Road, Subiaco WA 6008  
PO Box 1602, Subiaco WA 6904  
Ph [61 8] 9380 4983 Fax [61 8] 9380 4480

Email [reception@angassecurities.com](mailto:reception@angassecurities.com)

Web [www.angassecurities.com](http://www.angassecurities.com)

Investor Service Line 1800 010 800

6. A conditional sale contract with an agreed price of \$5.65M for a property in Dayton, WA was executed by the borrower. The purchaser required the borrower to obtain an amended DA and expressions of interest for fifty per cent of the proposed commercial tenancies which the borrower failed to do. Angas Securities has now executed a conditional sale contract for \$6.1 M plus GST subject to the purchaser obtaining an amended DA for a medical centre which is a permitted use of the site. Since commencement of the Run-Off, several conditional offers have been submitted to Angas for the Dayton property. All of these offers have been well in excess of the Trustee's valuation of \$4.4 million obtained as at July 2016.
7. Angas has executed a conditional contract for sale of a high rise beachfront development site at Safety Bay WA. CBRE conducted an Expression of Interest campaign which closed in August 2016. Bids were lodged by several parties and Angas has been negotiating to enhance the terms. The sale price is \$500,000 more than the contracting party offered in its initial proposal and several of its conditions have been ameliorated. The threshold condition was met this month in that the purchaser was successful in obtaining an adequate allocation under the ACAR round to proceed with its proposal to amend the DA to use the approved development for Aged Care.
8. Angas has accepted a sale contract for an allotment in Kununurra WA. This contract is unconditional. Settlement is expected in July.

The Angas Commercial Property Trust held three substantial investment properties part funded by a bank loan. All three were placed on the market as part of the Run-Off. Two sold and settled within the last year. The third attracted interest from three buyers at a price range of \$8.9M to \$8.95M but none proceeded to settlement. The property was sold last month for \$9.1M. Settlement took place after 5pm on 30<sup>th</sup> June 2017 which was too late to be included in the June distribution; however clearance of funds permitted an interim distribution in the first week of July.

The Trust Company (Aust) Limited ("Trustco") continues to expressly criticise Angas Securities for failing to accept lower offers for investments. Trustco says that the Run-Off would be finalised faster if lower offers were accepted. Whilst that is true, the effect would be to reduce return to investors. The Run-Off cannot continue without an extension of time. If the proposed meeting proceeds on 16<sup>th</sup> August 2017, then debenture holders will have the opportunity to decide what is in their best interests, the approach being taken by Angas Securities or that favoured by Trustco.

Yours faithfully,  
**Angas Securities Limited**



**Andrew Luckhurst-Smith**  
Executive Chairman