

IN THE SUPREME COURT OF VICTORIA AT MELBOURNE  
COMMERCIAL AND EQUITY DIVISION  
COMMERCIAL COURT

List B

S CI 2013 01478

BETWEEN

THE TRUST COMPANY (NOMINEES) LIMITED (ACN 000 154 441)

Plaintiff

and

MICHAEL FUNG IN HIS CAPACITY AS RECEIVER AND MANAGER OF ALIGN FUNDS  
MANAGEMENT LIMITED (RECEIVER AND MANAGER APPOINTED) (ACN 105 684 231) IN  
ITS CAPACITY AS THE RESPONSIBLE ENTITY OF THE TIMBERCORP ORCHARD TRUST  
AND ORS (ACCORDING TO THE SCHEDULE ATTACHED)

Defendants

CERTIFICATE IDENTIFYING EXHIBIT

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Date of document: 21 March 2014

Filed on behalf of: The plaintiff

Prepared by:

**Allens**

Lawyers

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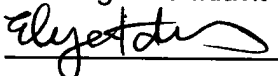
Ref CCHM:120338387

(Clint.Hinchen@allens.com.au)

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This is the Exhibit marked 'CCH-27' now produced and shown to Clinton Charles Hinchen at the time of swearing his affidavit on 21 March 2014.

Before me



**ELYSE KATE ADAMS**  
of 101 Collins Street, Melbourne  
Victoria 3000  
An Australian Legal Practitioner  
within the meaning of the  
Legal Profession Act 2004

**'CCH-27': a true copy of the  
covering letter to Debenture  
Holders dated 6 February 2014**

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6 February 2014

Dear Debenture Holder

### **Timbercorp Orchard Trust – Meeting of Debenture Holders**

The Trust Company (Nominees) Limited (**Trustee**) is the trustee for the holders of debentures (**Debenture Holders**) issued by Align Funds Management Limited in its capacity as the responsibility entity of the Timbercorp Orchard Trust (Receivers and Managers Appointed) (**Align**) pursuant to the Timbercorp Orchard Debenture Trust Deed dated 17 October 2003 (**Trust Deed**).

As you are aware, in 2013 the Trustee commenced the following two proceedings in the Supreme Court of Victoria:

- (a) Proceeding No. SCI 2013 1478 (the ***Kangara Rights Proceeding***); and
- (b) Proceeding No. SCI 2013 1477 (the ***Bella Vista Rights Proceeding***),

to resolve the dispute as to how the net proceeds of sale of the land and associated water rights owned by Align should be apportioned between the Trustee (as secured creditor), the growers who invested in the Timbercorp projects, and other interested parties.

As communicated in the update to Debenture Holders dated 14 January 2014 and posted on the PwC website ([www.pwcrecovery.com](http://www.pwcrecovery.com)), a deed of compromise in respect of each of the Kangara Rights Proceeding and the Bella Vista Rights Proceeding has been executed by the relevant parties. Each deed of compromise sets out, relevantly, the terms of a 'Compromise' of each proceeding.

Each deed of compromise provides for, among other things, a sum representing approximately 5% of the gross sale proceeds of the relevant assets to be paid to growers. **The Compromises will result in a meaningful return of funds to Debenture Holders and given the circumstances are considered by the Trustee to be in the best interests of Debenture Holders. Accordingly, the Trustee recommends that Debenture Holders vote in favour of the Special Resolutions (further details are in the explanatory memorandum attached).**

There are certain conditions precedent to the Compromises taking effect. The deeds of compromise are conditional on, among other things, separate approval by Special Resolution by the Debenture Holders of both Compromises contained in those documents on or before 7 March 2014. If both of the Special Resolutions are not passed by the Debenture Holders by 7 March 2014, neither Compromise will have any effect.

Accordingly, the Trustee is convening a meeting of Debenture Holders on 28 February 2014 at 11.00am (Melbourne time) at the offices of its lawyers, Allens, Level 37, 101 Collins Street, Melbourne to enable Debenture Holders to consider passing Special Resolutions to approve the Compromises.

In that regard, the following documents are enclosed for your attention:

- A Notice of Meeting;
- An Explanatory Memorandum to the Notice of Meeting; and
- a Proxy Form.

Details of the requirements for a quorum for the meeting and the approval threshold for the Special Resolution are set out in the Notice of Meeting. A copy of the executed deeds of compromise in the Kangara Rights Proceeding and the Bella Vista Rights Proceeding, and a frequently asked questions document, can be viewed at:

[www.thetrustcompany.com.au/corporate/debt-capital-markets/timbercorp-orchard-trust/](http://www.thetrustcompany.com.au/corporate/debt-capital-markets/timbercorp-orchard-trust/)

**You are encouraged to attend the meeting, but if you cannot you are requested to complete and return the enclosed Proxy Form without delay. As the outcome of the vote on the Special Resolutions will affect all Debenture Holders, your vote is important.**

Yours sincerely



**Rupert Smoker**

Head of Corporate and Debt Capital Markets Trustee Services  
The Trust Company (Nominees) Limited

**For any inquiries please call:**

1. the hotline facility that the Trustee has set up on 1800 783 447 (within Australia) or +61 (3) 9415 4000 (outside Australia), or
2. email [timbercorp@thetrustcompany.com.au](mailto:timbercorp@thetrustcompany.com.au).