McDonald Vague
business recovery partners

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Sinorama Holidays Limited
(In Liquidation)

Liquidators' First Report

TO: The directors, shareholders, and known creditors of the company

1 INTRODUCTION AND APPOINTMENT

Sinorama Holidays Limited ("the company") was placed into liquidation by a special resolution of the sole shareholder pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 2 October 2018 at 9:00 a.m. Peri Micaela Finnigan and Iain McLennan, Accredited Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of the company.

2 RESTRICTIONS

In preparing this report and its appendices, we have relied upon information provided to us. We have not independently verified or audited that information. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction, or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, amend this report to take into account any information existing at the date of this report that becomes known to us after this report is published.

3 INDEPENDENCE

A declaration of independence is attached at Appendix 2. As far as we are aware there are no conflicts real, perceived, or risks of independence.

4 ATTACHMENTS

The following documents are attached to this report:

Appendix 1:	Statement of Affairs setting out the company's estimated financial position
Appendix 2:	Declaration of independence / relationships / indemnities and upfront payments
Appendix 3:	Schedule of company creditors' names and addresses
Appendix 4:	Notice of Liquidators' decision to dispense with meeting of creditors
Appendix 5:	Notice to creditors to prove debts or claims
Appendix 6:	Creditors claim form (previously sent to customers on 4 October 2018)

5 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	10 March 2014
Company number:	5028020
Date ceased trading:	1 October 2018
Nature of business:	Travel Agency
Trading address:	Level 5, 16 Kingston Street, Auckland 1010
Share capital:	70,000 Shares
Shareholder:	Jie Gao
Director:	Jie Gao

The company acted as an agent, sourcing customers for a Canadian company. It placed bookings using Vacance Sinorama Inc. a Canadian based company and paid for the bookings in order for that company to make bookings. Vacance Sinorama Inc. managed the travel bookings platform and arranged payments to suppliers, tour operators, and airlines. The director has advised that significant sums were transferred to Canada between January 2018 and August 2018. Bank records confirm that. Vacance Sinorama Inc. has been placed into Administration and PWC LLP (Montreal) have been appointed. The failure of Vacance Sinorama Inc. has led to the immediate insolvency of Sinorama Holidays Limited ("Sinorama").

The company stopped taking bookings a month ago.

6 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company's estimated financial position as at the date of our appointment is provided at Appendix 1.

7 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

We will realise all available assets. The company has minimal physical assets. The office furniture and computers will be sold at auction with All About Auctions. Refer: www.allaboutauctions.com if there is an interest in company assets. The liquidators have recovered the computer hard drives and all company records held at the offices.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties and take appropriate steps where necessary.
- Investigate any prospect of recovery from Vacance Sinorama Inc.

If there are funds available for distribution to creditors, we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

The company has funds at the bank which may include some client funds, a bond for the landlord, and a bond for Travel Agents' Association New Zealand Inc ("TAANZ"). The liquidators will report to TAANZ with a listing of customers who paid direct to Sinorama. TAANZ will communicate with all relevant customers in due course. The TAANZ bond will be held for a specific period and then distributed.

8 LIABILITIES AND CREDITOR CLAIMS

A schedule of known creditors and their addresses is provided at Appendix 3, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is provided at Appendix 5. Also provided is a creditor's claim form at Appendix 5 for completion and return to this office by 9 November 2018. Creditors that have not made a claim by the date on the notice may be excluded from any distribution made. If you believe that you are a secured creditor, please contact us and the appropriate form will be sent to you.

Customers with travel booked from 1 October 2018 to 2019 are unsecured creditors and need to lodge a claim form. All customers have been sent a claim form requesting details of tour name, Sinorama identity number, and have been requested to advise when and how they paid for trips. Customers please complete the claim form. The liquidators will provide more details by email.

8.1 Secured Creditors

As at the date of liquidation two secured parties had registered security interests against the company on the Personal Property Securities Register.

- ANZ Bank of New Zealand Limited
- BMW Financial Services New Zealand Limited

The BMW car owed more than the value and has been returned to BMW Finance.

Personal Property Securities Act / Reservation of Title

If any creditor believes that they hold a Purchase Money Security Interest entitling them to any goods or proceeds from realisation of goods, they should contact us immediately.

If any creditor believes that they have a Reservation of Title over goods and they have not perfected their interest, they should also contact us immediately.

8.2 Preferential Creditors

We are in the process of determining if there are any further unpaid wages, holiday pay or redundancy pay owing to former employees. We estimate that there is approximately $5,000 owing to former employees for wages and holiday pay. We understand the director paid wages and a week's notice prior to voluntarily appointing the liquidators.

The Inland Revenue Department has not yet provided us with a creditor's claim form, but we understand that the company is current with compliance but will have PAYE due for the September 2018 period only.

8.3 Unsecured Creditors

From our review of the company's accounting records and advice of the director and other information at hand we estimate that the amount due to unsecured creditors, including customers (1,000+) is approximately $1.9 million.

9 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 4.

Any creditor or shareholder may at any time in the course of the liquidation request that the liquidators call a meeting pursuant to Section 314 of the Companies Act 1993, for the purpose of appointing a liquidation committee. Any request for a meeting must be submitted to the liquidators in writing.

10 FURTHER INFORMATION

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence, and send it to us. Please clearly identify the subject of your email since there will be a significant quantity of communications. Please note that it can be difficult for liquidators to act in reliance on information that is not provided in writing.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on your creditors' claim form. All customers will be communicated with by email. The email addresses have been collected from company records.

This report and all subsequent reports will be available on the Liquidators' website at www.mvp.co.nz

11 ESTIMATED DATE OF COMPLETION

The Liquidators believe the liquidation may be concluded within one year.

12 CONTACT DETAILS

Enquiries should be directed to sinorama@mvp.co.nz.

Please limit phone calls and use email. The liquidators will struggle to respond to phone calls given the quantum of claimants.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141

PERI M FINNIGAN
LIQUIDATOR

DATED this 5th day of October 2018

PMF/YW/gck/150
Sinorama Holidays/205 First Report

Sinorama Holidays Limited (In Liquidation)
Statement of Affairs

Statement of Affairs for the above named company as at 2 October 2018 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

ASSETS SPECIFICALLY PLEDGED	Estimated to Realise	Due to Secured Creditor	Deficiency Ranking as Unsecured	Surplus
Security registered on the Personal Property Securities Register				
Auckland City BMW - 2017 BMW X4	60,000	78,824	(18,824)	-
Estimated (deficiency) as regards specifically pledged asset	**$ 60,000**	**$ 78,824**	**($18,824)**	**$ -**

ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS	Book Value	Estimated to Realise
Bank account balances - Landlord Bond	24,788	Nil
ANZ Client Funds/Account 1001 - TAANZ	73,000	Unknown
ANZ Term Deposit	367,000	Unknown
Vacance Sinorama Inc. (In Administration) (refer Note 7)	1,800,000	Unknown
Total	**2,264,788**	-
Less preferential creditors		
Employees - Wages and Holiday Pay		5,000
Inland Revenue Department (estimate)		4,000
Total		**$9,000**
Estimated deficiency as regards preferential creditors		**($9,000)**

ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER	Book Value	Estimated to Realise
Furniture and Computers	2,710	1,500
Total	**$2,710**	**$1,500**

LESS GENERAL SECURITY AGREEMENT HOLDER	
ANZ Bank of New Zealand Limited - General Security Agreement holder (refer Note 8)	Unknown
Total	**Unknown**
Estimated surplus as regards General Security Agreement holder	**$1,500**
Less deficiency as regards preferential creditors	9,000
Deficiency ranking as unsecured	($7,500)

AVAILABLE FOR UNSECURED CREDITORS (INCLUDING CUSTOMERS)	**$Nil**

LESS UNSECURED CREDITORS	
Estimated deficiency as regards Secured Creditor (BMW)	18,824
Estimated deficiency as regards General Security Agreement holder (ANZ)	Unknown
Estimated deficiency as regards preferential creditors	7,500
Trade creditors (estimate)	269,977
Customers Pre-paid Forward Bookings	1,778,201
Estimated (deficiency) as regards unsecured creditors	**($2,074,502)**

Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.
3. Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.
4. The General Security Agreement holder's claim IS UNKNOWN AT THE DATE OF THIS REPORT.
5. There is a contingent liability in respect of the lease of the premises. However a bond is held at ANZ Bank and the landlord will fully recover the arrears owing. There is a 'make good' clause in the lease.
6. The BMW vehicle has been returned to the finance company. There is an expected shortfall.
7. The liquidators are making enquiries into the $1.8 million of funds transferred to Vacance Sinorama Inc. between January 2018 and October 2018 for client bookings
8. The ANZ hold a GSA over the company assets. The terms of the client funds account are yet to be disclosed.
9. The TAANZ funds are likely available for clients who paid direct.
10. The nature of the funds held at the bank is currently unknown.

Disclaimer of Liability:

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

Appendix 2

Sinorama Holidays Limited (In Liquidation)
Declaration of Independence / Relationships / Indemnities and Upfront Payments

A DECLARATION OF INDEPENDENCE

(i) The appointed and McDonald Vague Limited have undertaken a proper assessment of the risks of independence prior to accepting appointment in accordance with the law code of conduct and applicable professional standards and have concluded that they have no prior business or professional relationship with the insolvent that is a real or potential risk and that they are independent.

B DECLARATION OF RELATIONSHIPS

(ii) The appointed and McDonald Vague Limited have no prior business or professional or personal relationship with known associates of the insolvent, the director, or the major secured creditors that are a real or potential risk and that they are to the extent of:

Name	Relationship	Reason
ANZ Bank of New Zealand Limited	Professional	The firm have previously acted for ANZ or accounted to ANZ as a major secured creditor on former appointments.

(iii) The appointed disclose there are no other relevant relationships to declare.

(iv) The appointed and McDonald Vague Limited have not provided any prior professional services to the insolvent or known associates of the insolvent in the prior two years, with the exception of a first enquiry meeting held to discuss the consequences of liquidation. No fee was recovered for this initial meeting. In our opinion this does not result in a conflict of interest.

C DECLARATION OF INDEMNITIES AND UPFRONT PAYMENTS

(v) An upfront fee of $4,000 was received from the director, however since appointment we understand this was company moneys transferred from the trading account. This was intended to cover initial remuneration and expenses associated with the appointment. The funds are held in a Trust account and will be drawn on as work is produced and expenses incurred. There is no condition on the conduct or outcome of the liquidation attached to the provision of these funds.

PERI M FINNIGAN - LIQUIDATOR

DATED this 5th day of October 2018

Sinorama Holidays Limited (In Liquidation)
Schedule of Creditors' Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993

Creditor Names	Address 1	Address 2	Address 3
Accident Compensation Corporation	P O Box 3248	WELLINGTON 6140	
ANZ Bank New Zealand Limited	P O Box 788	AUCKLAND	
Auckland City BMW	P O Box 9718	Newmarket	AUCKLAND 1149
Cambridge Management Limited	PO BOX 30528	Lower Hutt 5040	
Chinese Herald Limited	P O Box 99 063	Newmarket	AUCKLAND 1149
Eftpos New Zealand Limited	PO BOX 3457	Wellington 6140	
Glenfield Tax Accountants	P O Box 334 000	Sunnynook	AUCKLAND 0743
Grabone	NZME	2 Graham Street	AUCKLAND 1010
Groupon New Zealand Limited	8A Cleveland Road	Parnell	AUCKLAND 1052
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
Indochina Legend Travel Company Limited	Suite 514, 4F Building	Trung Hoa Street, Cau Glay	HONG KONG
Jwide Co Limited	6-7-2 Sinnihonumesin Bld 7 F,	Nishitemma, Kita-ku Osaka-shi	Osaka, 530-0047, JAPAN
Luxury Escapes			
NZME Publishing Limited	P O Box 3992	Shortland Street	Auckland 1140
NZME Radio Limited	P O Box 1075	Whangarei 0140	
Paymark Limited	P O Box 799	Shortland Street	AUCKLAND 1140
Stripe Media Limited	P O Box 708	Whangaparaoa	AUCKLAND 0943
Stuff Limited	Private Bag 4906	CHRISTCHURCH 8140	
Travel Agents' Association New Zealand Inc	P O Box 1888	WELLINGTON 6140	
Travel Zoo (Australia) Pty Limited	R 2300-2301, Level 23	52 Martin Place Sydney	NSW 2000, AUSTRALIA
Unicom Telecommunication & Networks	P O Box 7565	Wellesley Street	AUCKLAND 1141
World TV Limited			

Note: CUSTOMER NAMES ARE NOT INCLUDED FOR PRIVACY REASONS .

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Appendix 4

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Sinorama Holidays Limited (In Liquidation) and the likely result of the liquidation, the liquidators propose to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

The liquidators do not, however, wish to preclude creditors from expressing their views. Please contact Yvonne Wei of this office on DDI (09) 969 5352 if you have any specific enquiries.

If you wish to request that a creditor's meeting be called, notice in writing is required within 10 working days of receiving this notice. Your notice you must also state the reason you require a meeting so that an agenda can be prepared and circulated to creditors and creditors can be given the opportunity to vote on any proposed resolutions by voting letter.

PERI M FINNIGAN
LIQUIDATOR

DATED this 5th day of October 2018

PMF/YW/gck/150
Sinorama Holidays/205 First Report

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Appendix 5

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Sinorama Holidays Limited (In Liquidation)

Notice to Creditors and Customers to Prove Debts or Claims

Notice is given that the liquidator of Sinorama Holidays Limited (In Liquidation) ("the company"), fix Friday, 9 November 2018, as the day on or before which the company's creditors (including customers for cancelled travel) are to make their claims and establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.

PERI M FINNIGAN
LIQUIDATOR

DATED this 5th day of October 2018

ADDRESS OF LIQUIDATOR

McDonald Vague Limited
Level 10, 52 Swanson Street
AUCKLAND 1010

PO Box 6092
Wellesley Street
AUCKLAND 1141

Telephone: (09) 303 0506
Facsimile: (09) 303 0508
Website: www.mvp.co.nz

DATE OF LIQUIDATION: 2 October 2018

McDonald Vague

McDONALD VAGUE LIMITED
PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Unsecured Creditor's Claim

(Also for use by Preferential Creditors)

SECTION 304(1) COMPANIES ACT 1993
(For help see www.mvp.co.nz or email claims@mvp.co.nz)

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL

Telephone Numbers: (   )

(   )

E-Mail

My Reference is:
(if applicable)

* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.

The information will be used and retained by the liquidators and McDonald Vague and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993.

Under Section 304(1) of the Companies Act 1993 any claim by an unsecured creditor against a company in liquidation must be in this prescribed form and must –
(a) Contain full particulars of the claim; and
(b) Identify any documents that evidence or substantiate the claim.

You may have access to and request correction of any personal information.

(*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)

NAME OF COMPANY IN LIQUIDATION:

______________________________ **(IN LIQUIDATION)**

I ______________________________
(If claim is made on behalf of creditor, specify relationship to creditor and authority)
claim that the company was at the date it was put into liquidation indebted to the abovenamed creditor for the sum of (Amount in words):

____

____

STATUS OF CLAIM:

1. **I am an unsecured creditor for** — $
   (Also applicable to secured creditors who hereby surrender their security)
2. **I am a preferential creditor for** — $
   (Refer details on reverse)
3. **My total claim is for** — Other Currency — NZ $
   (State currency if other than $NZ)
4. I have claimed retention/reservation of title rights pursuant to rights held by me — Tick if Applicable ☐ (Refer details on reverse)
   Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you.

Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form.

(The liquidator may require the production of a document under Section 304(2) of the Companies Act 1993. You are **not required to attach any supporting documents** at this stage, but you may attach them now, if you think it would expedite the processing of the claim.)

SIGNED:

Date: /   /

WARNING —

It is an offence under Section 304(6) of the Companies Act 1993 to –

Make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or

Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Received
(Date Stamp)

RESERVED FOR OFFICE USE:

Claim admitted/rejected for voting purposes: (Delete one) — Signed: — Date: /   /

	Preferential Claim for:	Ordinary Claim for:
CLAIM REJECTED FOR PAYMENT:	$	$
or CLAIM ADMITTED FOR PAYMENT:	$	$

Signed Liquidator: — Date: /   /

Note: If the decision to admit or reject a claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.

McDonald Vague

McDonald Vague

McDONALD VAGUE LIMITED
PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, *Facsimile 0-9-303 0508*

Particulars of Claim

If the creditor owes money to the company, please give full details.

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount $

CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.

Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

PREFERENTIAL CLAIMANTS ONLY

Guideline
The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed $22,160 or such greater amount as is prescribed at the commencement of the liquidation.

1. Why do you believe you are a preferential creditor?
(eg. employee, GST, etc) ______________________________

2. Details of your claim: ______________________________

____

If applicable please record here your GST Registration number: ______________________________

and total GST included in your tax invoice: $