



**Ross Beach Mining Limited (In Receivership)
("the Company")
and
Xiaoguang (Terry) Song ("the Individual")**

Receiver' First Report

8 February 2022

Disclaimer

This report is prepared in accordance with section 23 of the Receivership Act 1993 and is intended only for the purposes of reporting on the Company's statement of affairs and the conduct of the Receivership. This report is based upon information available to the Receiver as at the date of the report. We take no responsibility for any misinformation contained in the report that has been obtained from the Company, its officers or any other persons. This report is not to be reproduced, circulated or used for any other purpose without the Receiver prior consent and the Receiver, their firm and its Employees accept no responsibility or liability to any party for loss or damaged caused from any use of or reliance on this report.

Appointment

Thomas Lee Rodewald, along with Kenneth Peter Brown, Licensed Insolvency Practitioners were appointed as Receivers of the above-named Company on 1 December 2021. On the same date the same Receivers were appointed to the guarantor of the company secured debt Xiaoguang (Terry) Song.

The Receivers were appointed pursuant to the powers contained in an Account Application Form dated 10 July 2017 and three Finance Agreements all dated 5 May 2020 in favour of Porter Finance Limited pursuant to section 6(2) of the Receivership Act 1993 (“the Act”). The appointment was in respect of all of the Company and Individual’s present and future rights in any land and any other property or asset, other than any personal property to which Personal Property Securities Register Act 1999 applies. property.

The Receiver can confirm that they have validated both the security due to the appointer and their appointment.

Company Information

The following information has been obtained from the Companies Office as at the time of the appointment:

Date of Incorporation	4 April 2017
Company Number	6259021
Company NZBN	9429046037985
Registered Office	1012 Main South Road, Camerons, Greymouth 7805
Trading Address	Maori Gully Road, Greymouth
Type of Business	Gold Mine
Date Trading Ceased	Unknown

Shareholders

Name	Shareholding
Xiaoguang Song and Shaolei You	100

Directors

Name	Address
Xiaoguang Song and Shaolei You	62 Parr Terrace, Castor Bay, Auckland: and Room 1604, Gate 7, 223 Lane, Nandan Road, Shanghai, China

Commentary

The Company traded from 4 April 2017 in Gold Mining. The Receiver were approached by the GSA Holder to act as Receiver of the Company and have been advised that the reason for the failure of the Company which led to the appointment of the Receiver is due to lack of profitability. This also resulted in the guarantor, being the company director being placed into receivership on the same day.

Prior to the appointment of Receivers, Porter Finance Limited had repossessed 3 items of secured plant, hence the company was not trading at the date of appointment of Receivers.

The company plant and equipment is located on 2 mine sites, with some minor items in the possession of the company director.

The individual owns 2 properties, one is located in Greymouth and one being the Maori Gully mine site.

A conditional contract has been entered into to sell the Maori Gully site. This contract is due to become unconditional on 20 February 2022. As a result no action has been taken to sell any items of plant and equipment. We understand Porter Finance Limited have yet to realise assets they have repossessed.

Statement of Affairs

As regards the individual, his Greymouth property is mortgaged to the ASB bank. We understand there is equity in this property. No mortgage is in place over the Maori Gully Road property, we understand Porter Finance Limited has registered a caveat against this property.

As regards the Company – no valuation has yet been completed on the fixed assets as full payment is expected from the sale of the individual's property.

Proposals for Conducting the Receivership

As advised above a conditional contract was entered into to sell one of the individuals' properties at a price in line with what he had listed it with a Real Estate Agent at prior to the appointment of a Receiver, and in line with a valuation received.

If this property sale does not go unconditional – the fixed assets will be offered for sale in March 2022.

Assets

The Receiver have been advised that the Company had the following assets as at the date of the Receivership:

- Plant and equipment
- Bond
- Vehicles
- Intangible asset being resource consents.

Creditor Claims

Secured Creditor Claims

The GSA Holder registered a financing statement on the Personal Properties Securities Register (“PPSR”) on 18 July 2017, 7 August 2017 in respect of all of the Company's and individuals present and after acquired property. A total of \$355,657.51 was owed to them as at the date of the Receivership. After completing a valuation of items repossessed The Porter Group estimate a shortfall of \$109,043.89.

Only Porter Finance Limited has registered PPSR charges against the Company and Individual

No distribution has yet been made to secured creditors.

Preferential Creditor Claims

No preferential debts exist.

Unsecured Creditor Claims

No unsecured creditor claims have been received.

Estimated Completion Date

It is not practicable to estimate the date of completion of the Receiverships or if there will be any distribution at this stage. However, if you are an interested party and wish to assist the Receiver by providing additional information that would assist the Receivership, please contact the Receiver as soon as possible. The Receiver request that the information be provided in writing along with copies of supporting documentation.

Statutory Reporting

Further reports will be issued every 6 months and a final report will be issued at the conclusion of the Receivership pursuant to section 24 of the Act.

Contact Information

If you require any further information or have information that can assist the Receiver, please contact:

Contact	Tom Rodewald
Email	tomr@rodewaldconsulting.co.nz
Phone Number	021 2277408
Postal Address	PO Box 15543, Tauranga



Thomas Lee Rodewald

Receiver

(Registration Number: IP49)

Dated 8th February 2022