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Details of Filing

Document Lodged: Affidavit - Form 59 - Rule 29.02(1)
File Number: NSD818/2020
File Title: IN THE MATTER OF VAH NEWCO NO. 2 PTY LTD (IN LIQUIDATION) ACN 160 881 354 AND VB INVESTCO PTY LTD (IN LIQUIDATION) ACN 101 961 095
Registry: NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA



Sia Lagos

Dated: 27/07/2020 2:27:16 PM AEST

Registrar

Important Information

As required by the Court's Rules, this Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

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Form 59
Rule 29.02(1)

Affidavit

No. NSD of 2020

Federal Court of Australia
District Registry: New South Wales
Division: Commercial and Corporations List

**IN THE MATTER OF VAH NEWCO NO. 2 PTY LTD (IN LIQUIDATION) ACN 160 881 354 AND
VB INVESTCO PTY LTD (IN LIQUIDATION) ACN 101 961 095**

**RICHARD HUGHES IN HIS CAPACITY AS LIQUIDATOR OF EACH OF VAH NEWCO NO. 2
PTY LTD (IN LIQUIDATION) AND VB INVESTCO PTY LTD (IN LIQUIDATION)**

First Plaintiff

AND OTHERS IN THE SCHEDULE

Affidavit of: Richard John Hughes
Address: Level 23, Riverside Centre, 123 Eagle Street, Brisbane QLD 4000
Occupation: Registered Liquidator and Chartered Accountant
Date: 24 July 2020

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Document number	Details	Paragraph	Page
1	Affidavit of Richard John Hughes in support of application for orders under sections 436B(2)(g), 482(1), 448C(1) and 447A of the <i>Corporations Act 2001</i> (Cth) and section 90-15 of Schedule 2 - the Insolvency Practice Schedule (Corporations) affirmed on 24 July 2020.	All	2
2	Exhibit "RJH-1", being a bundle of documents exhibited to the deponent.	2	2

Filed on behalf of (name & role of party) The Plaintiff
Prepared by (name of person/lawyer) Timothy James Sackar
Law firm (if applicable) Clayton Utz
Tel +61 2 9353 4000 Fax +61 2 8220 6700
Email kaadams@claytonutz.com
Address for service Level 15, 1 Bligh Street, Sydney NSW 2000
(include state and postcode)

[Version 3 form approved 02/05/2019]

I, Richard John Hughes, of Deloitte Touche Tohmatsu (of which Deloitte Financial Advisory Pty Ltd is a wholly owned subsidiary) (**Deloitte**), at Level 23, Riverside Centre, 123 Eagle Street, Brisbane QLD 4000, Registered Liquidator and Chartered Accountant, solemnly and sincerely declare and affirm:

1. I am a partner in the Financial Advisory Group of the professional services firm trading as Deloitte. I am a Chartered Accountant and a Registered Liquidator and I have practised for more than 28 years as an accountant specialising in restructuring distressed companies and other insolvency related matters in Australia.
2. Exhibited to me at the time of making this affidavit is a bundle of documents, to which I make reference in this affidavit marked "**RJH-1**" (**Exhibit RJH-1**). A reference to a Tab in this affidavit is to a tab in Exhibit RJH-1, unless otherwise stated. A copy of my curriculum vitae is located at **Tab 1** of **Exhibit RJH-1**.
3. I make this affidavit in support of the relief sought by the Plaintiffs in the Originating Process filed in these proceedings, namely, orders under sections 436B(2)(g), 448C(1), 447A and 482(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**) and section 90-15 of the *Insolvency Practice Schedule (Corporations)* being Schedule 2 to the Corporations Act (**IPSC**).
4. Unless otherwise stated, I make this affidavit based on my own knowledge and belief and from information I and staff members at Deloitte have obtained through my role as the liquidator of VAH Newco No. 2 Pty Ltd (**VAH Newco 2**) and VB Investco Pty Ltd (**VB Investco**) (together, the **Companies**), which I believe to be true.

THE COMPANIES

The Virgin Group

5. Prior to their winding up, each of the Companies was part of a corporate group comprised of other companies incorporated and operating in Australia, New Zealand and Singapore known as the Virgin group of companies (**Virgin Group**).
6. The Virgin Group is an Australian-based corporate group that operates in the domestic and international passenger and cargo airline business. The Virgin Group offers a variety of aviation products and services to the Australian aviation market, including corporate, government, leisure, low cost, regional and charter travellers and air freight customers (collectively, the **Business**).
7. The Companies are both, ultimately and through intermediate holding companies, wholly owned subsidiaries of Virgin Australia Holdings Limited (Administrators Appointed)

(VAH), a public company whose shares are listed on the Australian Securities Exchange.

8. The Companies do not hold any substantial assets and have contingent liabilities pursuant to a deed of cross-guarantee entered into together with other entities in the Virgin Group (referred to in detail at paragraphs 19(c) and 20(c) below).
9. VAH Newco 2 has further contingent liabilities as guarantor of various AUD and USD denominated notes issued by VAH (referred to in detail at paragraph 20(d) below).

My appointment as liquidator of the Companies

10. On or around 7 June 2018, I was engaged by the Virgin Group to assist in implementing a restructuring strategy. The restructuring strategy involved deregistering or winding up dormant entities or entities with limited or no assets within the Virgin Group.
11. On 24 April 2019, Geoffrey Smith and Paul Scurrah, the directors of each of the Companies, signed declarations of solvency for the Companies (**Declarations of Solvency**). The Declarations of Solvency record that the Companies had no assets or liabilities as at 24 April 2019. Exhibited at **Tabs 2 and 3 of Exhibit RJH-1** is a copy of the Declarations of Solvency for each of the Companies lodged with the Australian Securities and Investments Commission (**ASIC**) on 24 April 2019.
12. On 26 April 2019, I was appointed as the liquidator of each of the Companies pursuant to section 491(1) of the Corporations Act by special resolution passed by Virgin Australia Airlines Holdings Pty Ltd (**VAAH**), the sole shareholder of the Companies, at general meetings of members held on 26 April 2019 (**Special Resolution**). Exhibited at **Tabs 4 and 5 of Exhibit RJH-1** is a copy of the Form 505 documents lodged with ASIC on 26 April 2019 giving notice of my appointment as liquidator.
13. The minutes of the meetings referred to in paragraph 12 above (**Minutes**) record, amongst other things, that *"the company be wound up voluntarily"* and *"that the remuneration of the Liquidator from the date of appointment to the date of completion is agreed at \$4,500 exclusive of GST, being the amount calculated in the remuneration approval report dated 21 march 2019 and sent to the members"*. Exhibited at **Tabs 6 and 7 of Exhibit RJH-1** is a copy of the Form 205 documents lodged with ASIC on 26 April 2019 giving notice of the Special Resolution and attaching the Minutes, signed by Geoffrey Smith and Paul Scurrah, as directors of VAAH.
14. A copy of a current and historical extract of the records maintained by ASIC obtained on 21 April 2020 in respect of each of the Companies is located at **Tabs 8 and 9 of Exhibit RJH-1**.

15. During my appointment as one of the joint and several voluntary administrators of the Virgin Companies (as defined in paragraph 22 below), in the course of my review of the records of those companies, it came to my attention that the appointment of administrators to the Virgin Companies, in particular to VAH and the DOCG Companies (as defined and referred to at paragraphs 22 and 23 below), may have triggered the Companies' contingent liabilities referred to at paragraphs 8 and 9 above.

Conduct of the windings up of the Companies

16. On 26 April 2019, I notified ASIC of my appointment as liquidator of the Companies (**Notices of Appointment**) and posted advertisements on the ASIC Insolvency Notices website inviting any creditors of the Companies to lodge a formal proof of debt or claim by 27 May 2019 (**Formal Proof of Debt Notices**). Exhibited at **Tabs 10 to 13** of **Exhibit RJH-1** is a copy of the Notices of Appointment and Formal Proof of Debt Notices.
17. I did not receive any response to the Formal Proof of Debt Notices and, thus far, no creditor has lodged a proof of debt or notified any claim in the winding up of either of the Companies.
18. To date, I have conducted the following activities with respect to the liquidation of each of the Companies:
- (a) prepared and arranged statutory advertisements and lodgements;
 - (b) written to major banking institutions to confirm that the Companies had no bank accounts;
 - (c) requested and obtained tax information of the Companies from the Australian Taxation Office (**ATO**);
 - (d) liaised with the ATO and the Office of State Revenue in New South Wales for taxation clearance;
 - (e) liaised with the directors of the Companies and the ATO regarding outstanding tax lodgements; and
 - (f) arranged for the engagement of Deloitte Private Pty Ltd (ACN 120 167 455) to provide stamp duty advice for the Companies.
19. From my review of the books and records of VB Investco and my investigation into the affairs of VB Investco, I have discovered the following:
- (a) VB Investco has a 49% shareholding in Airline Samoa Ltd, a foreign company incorporated in Samoa. I have been informed by Will Barker, Virgin Group Legal

Counsel, and verily believe to be true, that the shares are in Airline Samoa Ltd are worth only a nominal value of \$1.00;

- (b) VB Investco is the sole shareholder of VB Ventures Pty Ltd (Administrators Appointed) and Virgin Australia Holidays Pty Ltd (Administrators Appointed); and
- (c) VB Investco is a party to a deed of cross-guarantee dated 18 June 2007 (**DOCG**) which entitles eligible entities (including other companies in the Virgin Group) to relief from the requirement to prepare and lodge audited financial statements under Chapter 2M of the Corporations Act pursuant to the *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* and is enforceable in respect of a Group Entity (as defined by the DOCG):
 - (i) upon the winding up of the entity under subsection 459A or 461(1)(a), (h) or (j) of the Corporations Act or as a creditors' voluntary winding up under Part 5.5 of the Corporations Act; or
 - (ii) in any other case - if six months after a resolution or order for the winding up of the Group Entity any debt of a creditor of the Group Entity has not been paid in full,

and the effect of which is that, in that scenario, VB Investco is liable for the debts of each other Group Entity (as defined by the DOCG).

Exhibited at **Tab 14** of **Exhibit RJH-1** is a copy of the DOCG.

20. From my review of the books and records of VAH Newco 2 and my investigation into the affairs of VAH Newco 2, I have discovered the following:
- (a) VAH Newco 2 is the sole shareholder of A.C.N. 098 904 262 Pty Ltd (Administrators Appointed) (**ACN 098**). ACN 098 in turn holds 100% of shares issued by another Virgin Group company in administration, Virgin Australia Regional Airlines Pty Ltd (Administrators Appointed) (**VARA**). VARA is a Western Australia operating entity that charters F100 and A320 aircrafts and employs its own technology staff;
 - (b) VAH Newco 2 is the holding entity of various Singaporean and Australian incorporated "Skywest" entities that are currently in liquidation;
 - (c) VAH Newco 2 is a party to the DOCG referred to above at paragraph 19(c) pursuant to an Assumption Deed dated 4 June 2013, a copy of which is exhibited at **Tab 15** of **Exhibit RJH-1** (the effect of which is that, in the event of a winding up in insolvency or a creditors' voluntary winding up, VAH Newco 2 is liable for the debts of each other Group Entity (as defined by the DOCG)); and

(d) VAH Newco 2 is a guarantor of the following AUD and USD denominated notes (**Notes**) issued by VAH:

- (i) (**VAH Unlisted 2018 Notes**): AUD\$150,000,000 (face value) of 8.25% unsecured Fixed Rate Notes issued by VAH on 30 May 2018 and due for repayment on 30 May 2023. The terms of these notes are governed by a Note Deed Poll dated 17 May 2018 and a Pricing Supplement dated 25 May 2018. Exhibited at **Tab 16** and **17** of **Exhibit RJH-1** is a copy of the Note Deed Poll dated 17 May 2018 and the Pricing Supplement dated 25 May 2018;
- (ii) (**VAH Unlisted 2019 Notes**): AUD\$250,000,000 (face value) of 8.075% unsecured Fixed Rate Notes issued by VAH on 5 March 2019 and due for repayment on 5 March 2024. The terms of these notes are governed by a Note Deed Poll dated 17 May 2018 and a Pricing Supplement dated 27 February 2019. Exhibited at **Tab 18** of **Exhibit RJH-1** is a copy of the Pricing Supplement dated 27 February 2019; and
- (iii) (**USD 2016 Senior Notes**): USD350,000,000 (face value) of 7.875% Senior Notes issued by VAH pursuant to an Indenture dated 17 October 2016 and due for repayment on 15 October 2021. Exhibited at **Tab 19** of **Exhibit RJH-1** is a copy of the Indenture dated 17 October 2016,

and, as set out below, VAH Newco 2 is currently in default of the obligations in the Note Deed Poll dated 17 May 2018 and the Indenture dated 17 October 2016 because an insolvency event has been triggered.

21. On 22 January 2020, the Companies obtained Foreign Investment Review Board (**FIRB**) approval for an internal reorganisation allowing for the transfer of shares in other entities in the Virgin Group that are held by the Companies (other than those in liquidation (and as identified above)), to VAAH. These actions were scheduled to occur this year but were put on hold due to the onset of the COVID-19 pandemic.

ADMINISTRATION OF OTHER COMPANIES IN THE VIRGIN GROUP

The administrations

22. VAH and certain of its subsidiaries as set out in the table following paragraph 25 below (**Virgin Companies**) are currently in administration. The table also indicates which of the Virgin Companies are subject to the DOCG (**DOCG Companies**).

23. On 20 April 2020, Vaughan Neil Strawbridge, Salvatore Algeri, John Lethbridge Greig and I of Deloitte were appointed as the joint and several voluntary administrators of each of the Virgin Companies (other than Tiger International Number1 Pty Ltd (**Tiger 1**)).
24. On 28 April 2020, Vaughan Neil Strawbridge, Salvatore Algeri, John Lethbridge Greig and I of Deloitte were appointed as the joint and several voluntary administrators of Tiger 1.
25. Each of Messrs Strawbridge, Algeri, Greig and I are partners of Deloitte (**Deloitte Administrators**).

No.	Entity	DOCG Company?
1	Virgin Australia Holdings Ltd (Administrators Appointed) ACN 100 686 226	Yes
2	Virgin Australia International Operations Pty Ltd (Administrators Appointed) ACN 155 859 608	Yes
3	Virgin Australia International Holdings Pty Ltd (Administrators Appointed) ACN 155 860 021	
4	Virgin Australia International Airlines Pty Ltd (Administrators Appointed) ACN 125 580 823	
5	Virgin Australia Airlines (SE Asia) Pty Ltd (Administrators Appointed) ACN 097 892 389	
6	Virgin Australia Airlines Holdings Pty Ltd (Administrators Appointed) ACN 093 924 675	Yes
7	VAH Newco No.1 Pty Ltd (Administrators Appointed) ACN 160 881 345	Yes
8	Tiger Airways Australia Pty Limited (Administrators Appointed) ACN 124 369 008	Yes
9	Virgin Australia Airlines Pty Ltd (Administrators Appointed) ACN 090 670 965	Yes

No.	Entity	DOCG Company?
10	VA Borrower 2019 No. 1 Pty Ltd (Administrators Appointed) ACN 633 241 059	
11	VA Borrower 2019 No. 2 Pty Ltd (Administrators Appointed) ACN 637 371 343	
12	Virgin Tech Pty Ltd (Administrators Appointed) ACN 101 808 879	Yes
13	Short Haul 2018 No. 1 Pty Ltd (Administrators Appointed) ACN 622 014 831	
14	Short Haul 2017 No. 1 Pty Ltd (Administrators Appointed) ACN 617 644 390	
15	Short Haul 2017 No. 2 Pty Ltd (Administrators Appointed) ACN 617 644 443	
16	Short Haul 2017 No. 3 Pty Ltd (Administrators Appointed) ACN 622 014 813	
17	VBNC5 Pty Ltd (Administrators Appointed) ACN 119 691 502	
18	A.C.N. 098 904 262 Pty Ltd (Administrators Appointed) ACN 098 904 262	Yes
19	Virgin Australia Regional Airlines Pty Ltd (Administrators Appointed) ACN 008 997 662	Yes
20	Virgin Australia Holidays Pty Ltd (Administrators Appointed) ACN 118 552 159	Yes
21	VB Ventures Pty Ltd (Administrators Appointed) ACN 125 139 004	Yes
22	Virgin Australia Cargo Pty Ltd (Administrators Appointed) ACN 600 667 838	Yes

No.	Entity	DOCG Company?
23	VB Leaseco Pty Ltd (Administrators Appointed) ACN 134 268 741	Yes
24	VA Hold Co Pty Ltd (Administrators Appointed) ACN 165 507 157	
25	VA Lease Co Pty Ltd (Administrators Appointed) ACN 165 507 291	
26	Virgin Australia 2013-1 Issuer Co Pty Ltd (Administrators Appointed) ACN 165 507 326	
27	737 2012 No.1 Pty. Ltd (Administrators Appointed) ACN 154 201 859	
28	737 2012 No. 2 Pty Ltd (Administrators Appointed) ACN 154 225 064	
29	Short Haul 2016 No. 1 Pty Ltd (Administrators Appointed) ACN 612 766 328	
30	Short Haul 2016 No. 2 Pty Ltd (Administrators Appointed) ACN 612 796 077	
31	Short Haul 2014 No. 1 Pty Ltd (Administrators Appointed) ACN 600 809 612	
32	Short Haul 2014 No. 2 Pty Ltd (Administrators Appointed) ACN 600 878 199	
33	VA Regional Leaseco Pty Ltd (Administrators Appointed) ACN 127 491 605	
34	VB 800 2009 Pty Ltd (Administrators Appointed) ACN 135 488 934	
35	VB Leaseco No 2 Pty Ltd (Administrators Appointed) ACN 142	

No.	Entity	DOCG Company?
	533 319	
36	VB LH 2008 No. 1 Pty Ltd (Administrators Appointed) ACN 134 280 354	
37	VB LH 2008 No. 2 Pty Ltd (Administrators Appointed) ACN 134 288 805	
38	VB PDP 2010-11 Pty Ltd (Administrators Appointed) ACN 140 818 266	
39	Tiger International Number1 Pty Ltd (Administrators Appointed) ACN 606 131 944	

26. Prior to the commencement of the administrations of the Virgin Companies, the Virgin Group collectively employed approximately 10,000 employees nationally and operated a fleet of 144 aircraft.

Mutuality of creditors

27. By reason of the DOCG, VB Investco has contingent creditors (being the creditors of each other Group Entity (as defined in the DOCG)).
28. By reason of VAH Newco 2 being a guarantor of the Notes and a party to the DOCG, VAH Newco 2 also has contingent creditors (being the holders of the Notes and the creditors of each other Group Entity (as defined in the DOCG)).
29. The creditors or contingent creditors of the Companies are also creditors of at least some of the Virgin Companies and were provided with information about the affairs of the Virgin Companies and the impact of the administration of the Virgin Companies in the details provided in advance of, or at, the first meeting of creditors of the Virgin Companies that was held on 30 April 2020 (**First Meeting**). This information was set out in:
- (a) the Notice of Appointment and First Meeting of Creditors sent to the creditors on or about 21 or 22 April 2020, a copy of which is located at **Tab 20 of Exhibit RJH-1**; and

- (b) a Circular to Creditors dated 27 April 2020, sent to creditors on the same date, a copy of which is located at **Tab 21 of Exhibit RJH-1**.
30. In addition, after the First Meeting, each of the creditors of the Virgin Companies was issued:
- (a) a circular to creditors dated 5 May 2020 (sent to creditors on the same date), as I referred to above, which included information on the proposed Committee of Inspection; and
 - (b) a notice to VAH's noteholders dated 6 May 2020 (sent to noteholders on the same date), which contained information about the appointment of a Special Noteholder Liaison Counsel, a copy of which is located at **Tab 22 of Exhibit RJH-1**.

Sale and Recapitalisation Process of the Virgin Companies

31. Following the appointment of the Deloitte Administrators to the Virgin Companies, we immediately commenced a comprehensive global sale process seeking expressions of interest and ultimately binding offers for the sale and/or recapitalisation of the Business and assets of the Virgin Companies (**Sale Process**).
32. On 26 June 2020, following the conclusion of the Sale Process, the Administrators executed, both in their capacity as Administrators of the Virgin Companies and also on behalf of each of the Virgin Companies, a number of documents with entities associated or affiliated with Bain Capital Private Equity LP and Bain Capital Credit LP (**Bain**) in which the business of the Virgin Companies was sold to Bain (collectively, the **Transaction Documents**).
33. The Transaction Documents give effect to the terms on which the assets of the Virgin Companies, and the proposed recapitalisation of the companies, will be effected. The terms of the Transaction Documents are confidential. However, the Administrators believe, and Transaction Documents contemplate, that the most expeditious and cost effective way to achieve completion of the sale will be through a Deed of Company Arrangement proposal to be advanced by Bain which will be voted on at the second meetings of creditors.
34. At this stage, but subject to potential change, the proposed date for the second meetings of creditors is 26 August 2020.

PROPOSED ADMINISTRATIONS OF THE COMPANIES**Appointment of Voluntary Administrators to the Companies: Orders 1 and 2 of the Originating Process**

35. The Originating Process seeks orders pursuant to sections 436B(2)(g) and 448C(1) of the Corporations Act, to appoint the Administrators of the Virgin Companies (including me) as the joint and several administrators of the Companies.
36. Having regard to the obligations of the Companies under the terms of the DOCG referred to at paragraphs 19(c) and 20(c) above, and in the case of VAH Newco 2, also its obligations under the USD and AUD Denominated Notes referred to at paragraph 20(d) above, I am of the opinion that the Companies are insolvent and the external administrations of the Companies can no longer proceed by way of members' voluntary (solvent) winding up.
37. In those circumstances, I am required by reason of section 496(1) of the Corporations Act to:
 - (a) apply under section 459P for the companies to be wound up in insolvency;
 - (b) appoint an administrator of the companies under section 436B of the Corporations Act; or
 - (c) convene a meeting of the Companies' creditors, following which the liquidation would continue as a creditors' voluntary (insolvent) winding up.
38. In my opinion, it is appropriate that administrators be appointed to each of the Companies under section 436B of the Corporations Act (rather than immediately having the winding up of the Companies converted into a winding up in insolvency or a creditors' voluntary winding up) because it is likely that the Companies may form part of the same restructure as contemplated by the proposed deed of company arrangement being advanced in connection with the Virgin Companies.
39. In my opinion, and in the opinion of each of the other Administrators (whom I have consulted in relation to this application), the appointment of the Administrators to the Companies:
 - (a) would simplify the external administration of the Companies, particularly having regard to the DOCG to which they are each party;
 - (b) would save expense and duplication of work by an alternate appointee as the Administrators, among other things, have:

- (i) the benefit of being appointed to the Virgin Companies including the companies that are party to the DOCG;
 - (ii) the background knowledge of the Virgin Group and its books and records;
 - (iii) developed relationships and continuously liaised with stakeholders, including noteholders; and
 - (iv) run a comprehensive sale process in respect of the Virgin Companies; and
- (c) would not be contrary to the public interest given the reasons identified above.
40. Given the interrelationship between the Companies and the Virgin Companies (including their intermingled financial affairs) and the efficiencies of conducting the external administrations of those entities as a cohesive group, I consider that orders should be made to appoint administrators to the Companies pursuant to section 436B of the Corporations Act and, in that case, the Deloitte Administrators should be appointed as joint and several administrators of the Companies. Exhibited at **Tab 23** of **Exhibit RJH-1** is a signed copy of a Consent to Act signed by Vaughan Strawbridge, John Greig and Salvatore Algeri pursuant to section 448A of the Corporations Act. For avoidance of doubt, whilst I have not signed the consent to act, I confirm my written consent to act as administrator for the purposes of section 448A of the Corporations Act, if leave is granted by the Court.
41. Furthermore, as set out above, if the Companies are placed in administration, the Companies may be included in any deed of company arrangement proposal at the second meeting of creditors of the Virgin Companies which is anticipated to be held on or before 26 August 2020.
42. I intend to cause notice of this application to be given to ASIC and the noteholders of the Notes.

Stay of the members' voluntary liquidations: Order 6 in the Originating Process

43. The Originating Process seeks orders pursuant to section 482(1) of the Corporations Act staying the winding up of each of the Companies until after the outcome of the second meeting of creditors of the Companies are known, for the reasons set out above in this affidavit.

Administration Orders: Orders 3 and 5 of the Originating Process

44. The Originating Process also seeks the following orders modifying the operation of Part 5.3A of the Corporations Act and abridging the timeframes in the administrations of the Companies:
- (a) orders that the requirement to hold a first meeting of creditors of the Companies under section 436E of the Corporations Act be dispensed with as:
 - (i) the creditors of VB Investco (being, contingent creditors pursuant to the DOCG) and VAH Newco 2, (being, contingent creditors pursuant to the DOCG and as guarantor of the Notes) have already been provided with the information that would be provided to the creditors of the Companies at the first meeting of creditors in the course of the voluntary administration of the Virgin Companies; and
 - (ii) holding a first meeting of creditors would involve additional and unnecessary cost and expense in the administration of the Companies (which have no assets);
 - (b) orders to dispense with the requirement for the directors of the Companies to deliver reports to the administrators of the Companies concerning the Companies' business, property, affairs and financial circumstances under section 438B(2) of the Corporations Act as:
 - (i) the Companies are parties to the DOCG;
 - (ii) a single report on company activities and property (**ROCAP**) of the companies that are the subject of the DOCG has been delivered by the directors of those companies to the Deloitte Administrators pursuant to the orders made on 15 May 2020 by Justice Middleton of this Honourable Court in *Strawbridge, in the matter of Virgin Australia Holdings Ltd (Administrators Appointed) (No 2)* [2020] FCA 717, and lodged with ASIC on 23 June 2020 (**DOCG ROCAP**), a copy of which is exhibited at **Tab 24 of Exhibit RJH-1**; and
 - (iii) I am of the opinion that, based on the knowledge I have obtained in my capacity as liquidator of the Companies and as one of the Deloitte Administrators of the Virgin Companies (which includes the companies that are the subject of the DOCG), the DOCG ROCAP adequately reflects the position of each of the Companies' business, property, affairs and

financial circumstances and a further ROCAP would not be of any assistance in the administration or liquidation of the Companies; and

- (c) orders that the meetings required to be held under section 439A of the Corporations Act may be held at any time during the convening period for such meetings, as this will permit the second meeting of creditors of the Companies to be held concurrently with the second meeting of creditors of the Virgin Companies.

Notices to creditors generally: Order 4 in the Originating Process

45. The Originating Process seeks orders to enable the proposed administrators of the Companies to send notices to creditors of the Companies by electronic means and, only where an email address is not available, for notice to be provided by post.
46. If hard copy notices are required to be issued to creditors, it will impose a substantial cost (in terms of both external printing and the time of Deloitte staff members) in the administration of the Companies, each of which has no funds, and is likely to result in substantial delays.
47. Further, pursuant to the orders made on 24 April 2020 and 15 May 2020 by Justice Middleton of this Honourable Court in *Strawbridge, in the matter of Virgin Australia Holdings Ltd (Administrators Appointed)* [2020] FCA 571 and *Strawbridge, in the matter of Virgin Australia Holdings Ltd (Administrators Appointed) (No 2)* [2020] FCA 717, the creditors of the Companies, being creditors of the Virgin Companies, will in any event receive copies of any notices in the administrations of the Companies and the Virgin Companies by electronic means.
48. The Administrators therefore consider that it is in the best interests of the creditors of the Companies, for the Administrators to be permitted to send notices by email to those creditors for whom an email address has been provided.
49. **SWEARING OF THIS AFFIDAVIT**
50. I have not been able to swear this affidavit in proper form at the time that I have signed it due to the measures I have taken to minimise the spread of COVID-19.
51. I have been informed by Cassandra Suzann Adams, as the proposed witness to this affidavit, and believe, that the relaxation of formality with respect to the unsworn nature of this affidavit does not diminish the need for me to satisfy myself that the contents of this affidavit are true and correct. I have satisfied myself that that is the case.

52. I will formally swear this affidavit when circumstances allow and will instruct Clayton Utz to file the sworn version with the Court.

Affirmed by the deponent
at Brisbane
in Queensland on 24 July
2020
Before me:

)
)
)
) Signature of deponent,
) **Richard John Hughes**

Signature of witness
Kassandra Suzann Adams

SCHEDULE

No. NSD

of 2020

Federal Court of Australia

District Registry: New South Wales

Division: Commercial and Corporations List

IN THE MATTER OF VAH NEWCO NO. 2 PTY LTD (IN LIQUIDATION) ACN 160 881 354 AND
 VB INVESTCO PTY LTD (IN LIQUIDATION) ACN 101 961 095

Plaintiffs

First Plaintiff	RICHARD HUGHES IN HIS CAPACITY AS LIQUIDATOR OF EACH OF VAH NEWCO NO.2 PTY LTD (IN LIQUIDATION) ACN 160 881 354 AND VB INVESTCO PTY LTD (IN LIQUIDATION) ACN 101 961 095
Second Plaintiff	VAH NEWCO NO.2 PTY LTD (IN LIQUIDATION) ACN 160 881 354
Third Plaintiff	VB INVESTCO PTY LTD (IN LIQUIDATION) ACN 101 961 095
Fourth Plaintiffs	SALVATORE ALGERI, VAUGHAN NEIL STRAWBRIDGE AND JOHN LETHBRIDGE GREIG