



Federal Court of Australia

District Registry: Victoria Registry

Division: General

No: VID1041/2025

**DUNCAN EDWARD CLUBB AND LUKE FRANCIS ANDREWS IN THEIR  
CAPACITY AS JOINT AND SEVERAL DEED ADMINISTRATORS OF TOYS "R"  
US ANZ LIMITED (ACN 063 886 199) (SUBJECT TO DEED OF COMPANY  
ARRANGEMENT)** and another named in the schedule  
Plaintiff

### ORDER

**JUDGE:** JUSTICE MCELWAIN

**DATE OF ORDER:** 20 August 2025

**WHERE MADE:** Melbourne

### THE COURT ORDERS THAT:

1. The Plaintiffs' originating application dated 13 August 2025 (**Application**) is listed for hearing on a date to be fixed (**hearing date**).
2. By 4.00pm on 26 August 2025, the first plaintiffs (**Deed Administrators**) are to take all reasonable steps to give notice to:
  - (a) the creditors and members of the second plaintiff (**Toys ANZ**); and
  - (b) any person that holds vested or unvested share options, warrants or other instruments convertible into securities in Toys ANZ (**Options**),  
(together, the **Interested Parties**) of the Application, the hearing date of the Application and the means by which the documents relevant to the Application (Court documents, the Explanatory Statement (once it has been approved by ASIC) and the independent expert's report of Pitcher Partners and these orders) can be obtained (the **Notice**), by the following methods:
    - (c) where the Deed Administrators have an email address for an Interested Party (including from the books and records maintained by Toys ANZ), by sending the Notice to each such Interested Party via email; and
    - (d) where the Deed Administrators do not have an email address for an Interested Party (or have received notification of non-delivery of a notice sent by email



in accordance with paragraph (c) above) but the Deed Administrators have a postal address for that Interested Party (including from the books and records maintained by the Toys ANZ), by sending the Notice to each such Interested Party via ordinary post; and

- (e) by uploading a copy of the Notice to the websites of Toys ANZ ([www.toysrus.com.au](http://www.toysrus.com.au)) and BDO Chartered Accountants.
3. By 14 days prior to the hearing date, the Deed Administrators are to take all reasonable steps to provide to each Interested Party an email or letter with a link where they can download a copy of the final Explanatory Statement (a draft of which is annexed to this document and marked "Annexure A"), by the methods described at order 2(c) or 2(d) above.
  4. Any person who is entitled to oppose the Application pursuant to section 444GA(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**) and wishing to appear at the hearing of the Application is to, by no later than 4pm on the day five business days prior to the hearing date, file and serve on the Plaintiffs and the Australian Securities and Investments Commission a Notice of Appearance in the prescribed form and indicating the grounds of opposition.
  5. By 12 pm on the day two business days prior to the hearing date, the Plaintiffs are to file and serve upon any party that has filed a notice of appearance in accordance with the order at paragraph 4 above any further evidence upon which the Plaintiffs intend to rely at the hearing of the Application, including any supplementary affidavits deposing as to any correspondence or communications received by the Deed Administrators from any person who is entitled to oppose the Application pursuant to section 444GA(2) of the Corporations Act and any responsive correspondence or communication from the Deed Administrators.
  6. By 12 pm on the day two business days prior to the hearing date, the Plaintiffs are to file an outline of written submissions upon which they intend to rely at the hearing of the Application.



7. There be liberty to apply.

Date orders authenticated: 20 August 2025

*Sia Lagos*  
Registrar

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.



## **Schedule**

No: VID1041/2025

Federal Court of Australia

District Registry: Victoria Registry

Division: General

Second Plaintiff

TOYS "R" US ANZ LIMITED (ACN 063 886 199) (SUBJECT  
TO DEED OF COMPANY ARRANGEMENT)



## Annexure A

# Explanatory Statement

## Toys"R"Us ANZ Limited

(Subject to Deed of Company Arrangement)  
ACN 063 886 199

**Date:** 12 August 2025

## Explanatory Statement and Independent Expert's Report

This Explanatory Statement provides information to the security holders of **Toys"R"Us ANZ Limited** (Subject to Deed of Company Arrangement) ACN 063 886 199 (**Company**) in respect of the deed of company arrangement entered into by the Company, A.C.N., 687 771 679 (ACN 687 771 679) (**A.C.N.**) and Luke Andrews and Duncan Clubb as joint and several deed administrators of the Company (**Deed Administrators**) executed on 31 July 2025 (**DOCA**). A.C.N. is a special purpose acquisition vehicle and a related entity of Directed Electronics Australia Pty Ltd ACN 126 066 322 (**Directed**). Directed controls 100% of the issued shares in A.C.N.

It is a condition to completion and effectuation of the DOCA that the Deed Administrators obtain a Court order under section 444GA(1)(b) of the *Corporations Act 2001 (Cth)* (**Act**) granting leave to the Deed Administrators to transfer all of the ordinary shares in the Company (**Shares**) to A.C.N. or its nominee for nil consideration (**Share Transfer**).

The Deed Administrators have made an application for this order in the Federal Court of Australia under section 44GA(1)(b) and also section 447A (**Section 444GA Application**). The Section 444GA Application also seeks orders (under section 447A(1)) permitting that all vested or unvested share options, warrants or other instruments convertible into securities in the Company (**Options**) are transferred to A.C.N. or its nominee for nil consideration.

A directions hearing was held in relation to the Section 444GA Application on [insert date] at the Federal Court of Australia (**Court**). The Court made procedural orders in relation to the Section 444GA Application, which included timetabling directions for filing of notices of appearance by any interested parties and confirmation of the final hearing date.

The Section 444GA Application has been listed for a final hearing at ### 2025 at ### am (AEST) at the Federal Court of Australia located at 305 William Street, Melbourne Victoria 3000.

If you wish to appear at the final Court hearing and/or oppose the Section 444GA Application, you must file with the Court, and serve on the Deed Administrators, a notice of appearance and supporting affidavit in the prescribed Court form indicating your grounds of opposition by no later than ### pm (AEST) on ### 2025.

Attached to this Explanatory Statement are copies of:

- (a) an Independent Expert's Report prepared by Liesl Malcolm of Pitcher Partners Corporate Pty Ltd providing a valuation of the Shares (and Options) in the Company (at **Annexure 1**); and
- (b) the Court Documents (at **Annexure 2**) comprising of:
  - (i) the Originating Process and Supporting Affidavit of Luke Francis Andrews filed by the Deed Administrators in support of the Section 444GA Application; and
  - (ii) Court orders from the directions hearing.

**This is an important document. You (and your advisors and any other interested parties) should read this Explanatory Statement, Independent Expert's Report and the Court Documents carefully and in their entirety before making a decision regarding whether or not to take any action in respect of the Section 444GA Application. If you**

are in any doubt as to the action you should take, please consult your legal or other professional adviser(s).

## 1. Purpose of the Explanatory Statement

- 1.1 This document is an Explanatory Statement issued by the Company in connection with the DOCA. If the Section 444GA Application is successful (and the relevant Court orders are made), ASIC Relief is granted and the DOCA is effectuated, all of your Shares (and to the extent necessary, Options) in the Company **will be transferred to A.C.N. or its nominee for no consideration and you will cease to own those securities.**
- 1.2 The Explanatory Statement has been provided to you by the Company to assist you to understand:
  - (a) the Section 444GA Application to the Court for approval of the Share Transfer as part of the DOCA and the treatment of any Options on issue;
  - (b) the steps which you need to take if you wish to appear at the Court hearing on the Section 444GA Application, which has been listed for hearing on **[insert date]** at **[insert time]**;
  - (c) the effect of the DOCA on you as a Shareholder and / or Option holder, which may assist you in deciding whether to take action in respect of the Section 444GA Application; and
  - (d) the requirements to apply for and obtain ASIC Relief for the Share Transfer as part of the DOCA.
- 1.3 An Independent Expert's Report prepared by the Independent Expert, which contains an objective valuation of the Shares and Options in the Company, is attached to this Explanatory Statement at **Annexure 1**.
- 1.4 This document is not a prospectus or other disclosure document under Chapter 6D of the Act.
- 1.5 A copy of this Explanatory Statement (including the Independent Expert's Report) has been given to Australian Securities and Investments Commission (**ASIC**) for the purpose of obtaining relief from the takeover requirements of Chapter 6 of the Act (**ASIC Relief**). Neither ASIC, nor any of its officers, take any responsibility for the contents of this Explanatory Statement.
- 1.6 Capitalised terms used in this Explanatory Statement have the meaning contained in the Glossary in **Schedule 1**, unless the context otherwise requires or a term has been defined in the text of this Explanatory Statement.
- 1.7 You should carefully read this Explanatory Statement and the Independent Expert's Report **in their entirety** before making a decision regarding the Section 444GA Application. If you are in doubt as to the action you should take, you are recommended to obtain your own personal financial advice from your stockbroker, solicitor, accountant and/or any other independent professional adviser.

## 2. Administration of the Company

- 2.1 On 4 June 2025, Luke Andrews and Duncan Clubb of BDO Australia Limited (**Administrators**) were appointed as joint and several voluntary administrators of the Company, Toys R Us Licensee Pty Ltd ACN 632 418 494, Hobby Warehouse Pty Ltd ACN 148 094 517 and Mittoni Pty Ltd ACN 114 705 038 (the **Companies**) under section 436A of the Act.
- 2.2 At the date that the Company entered into voluntary administration, the Board resolved that the Company was, or was likely to become, insolvent.
- 2.3 On 5 June 2025, the Company's securities were suspended from trading on the Australian Securities Exchange (**ASX**) and are still suspended as at the date of issue of this Explanatory Statement.
- 2.4 Shortly after their appointment, the Administrators commenced a process to explore options for the restructure or sale of the business. On 11 June 2025, the Administrators advertised the Companies for sale in the Australian Financial Review. On 12 June 2025, the Administrators sent out a process letter to interested parties inviting offers for the potential acquisition of the business, operations and assets of, or shares in, the Companies.
- 2.5 In total, the Administrators received 25 expressions of interest ranging from the acquisition of certain assets of the Companies such as stock and equipment to proposals to acquire the entire business and assets of the Companies and alternatively 100% of the Shares in the Company. In total, 13 parties ultimately executed confidentiality deeds and were provided access to a data room established for the purposes of the sale process.
- 2.6 Following due diligence, the Administrators received 2 offers for the sale of the entire business and assets of the Companies (including a DOCA proposal from A.C.N. for the transfer of all of the Shares in the Company to A.C.N. or its nominee (**DOCA Proposal**)). Further enquires and offers for certain parts of the business continued during the period following the due date for final offers. However, none of these offers provided for a comparable return to the employees and creditors or were otherwise not capable of being accepted and put to creditors for their consideration.
- 2.7 In substance, the DOCA Proposal provides for:
  - (a) an offer of ongoing employment for 16 of 17 existing employees of the Companies and full recognition of, or payment of, employee entitlements of those employees;
  - (b) a payment by A.C.N. of a deed contribution of \$2 million which will result in a distribution to participating ordinary creditors via the Creditors' Trust of between 1 and 6.5 cents in the dollar in respect of their claims;
  - (c) the transfer to A.C.N. or its nominee of 100% of the issued capital in the Company, subject to leave by the Court and ASIC Relief being granted;
  - (d) the senior secured lender (who is owed approximately \$14,377,000) has agreed to a debt-to-equity swap and will be an "excluded creditor" for the purposes of the DOCA; and

- (e) Shareholders and / or Option holders will not receive a payment from the Creditors' Trust and no other payment in return for the transfer of their Shares or Options (as applicable).

2.8 The DOCA Proposal from A.C.N. will facilitate the payment of a higher dividend to creditors than any of the other offers received by the Administrators. This is in part facilitated by significant creditors not claiming under the DOCA Proposal therefore reducing the quantum of creditor claims and allowing for an increased return.

### Key information in relation to the DOCA

2.9 A DOCA is a statutory compromise of certain claims of creditors of the Company. At the second meeting of creditors of the Company convened pursuant to section 439A of the Act on 10 July 2025, the creditors of the Company resolved that the Company execute the DOCA and the Administrators be appointed as joint and several deed administrators (**Deed Administrators**).

2.10 On 31 July 2025, the DOCA was executed by the Deed Administrators, the Company and A.C.N.

A copy of the DOCA is annexed to this Explanatory Statement at **Annexure 3** and also available at: [\[BDO website link\]](#).

2.11 The DOCA contemplates the following:

- (a) the Deed Administrators will establish a fund whereby upon the effectuation of the DOCA, all eligible creditors' claims against the Company will transfer to the creditors' trust and a dividend will be paid in respect of those eligible creditor claims to satisfy those claims (**Creditors' Trust**);
- (b) the Deed Administrators will transfer all of the Shares (and to the extent necessary, Options) in the Company to A.C.N. or its nominee(s);
- (c) A.C.N. will pay the sum of \$2,000,000 for the Creditors' Trust;
- (d) any Shareholder claims which are subordinated to the claims of other unsecured creditors under the Act will be extinguished and Shareholders are not eligible to receive a dividend from the Creditors Trust in respect of those claims;
- (e) replacement of officers of the Company; and
- (f) the Company will be de-listed from the ASX.

2.12 The implementation of the DOCA is subject to the satisfaction of certain conditions, including:

- (a) execution of a Creditors' Trust Deed;
- (b) the Court granting leave in accordance with the Section 444GA Application;
- (c) the Company being granted ASIC Relief;
- (d) all of the Shares being transferred to A.C.N. or its nominee;
- (e) replacement of officers of the Company;

- (f) payment of \$2,000,000 by A.C.N. and the Deed Administrators transfer that sum into the Creditors' Trust account; and
- (g) de-listing of the Company from the ASX,

**(Conditions).**

- 2.13 The DOCA may only be effectuated once all of the Conditions have been satisfied or waived. Conditions may only be waived by written agreement between the Deed Administrators and A.C.N.
- 2.14 If all of the Conditions under the DOCA are satisfied or waived and the DOCA is effectuated:
  - (a) your Shares and (to the extent necessary) any Options in the Company will be transferred to A.C.N. or its nominee;
  - (b) you will **not** receive any consideration for the transfer of your Shares and any Options in the Company;
  - (c) you will no longer be a Shareholder (and / or Option holder as applicable) of the Company;
  - (d) any claims you have against the Company in your capacity as a Shareholder (and / or Option holder as applicable) will be extinguished; and
  - (e) it is not expected that you will receive a dividend from the Creditors' Trust in respect of any claims you may have against the Company in your capacity as a Shareholder and / or Option holder (as applicable).
- 2.15 In the event that all of the Conditions of the DOCA are not satisfied or waived by the longstop date of 25 September 2025 (or other such date as agreed), the most likely alternative is the liquidation of the Company which would require any assets of the Company be used to pay creditors of the Company before there is any payment to Shareholders.
- 2.16 It is not anticipated that any funds will be available for distribution to Shareholders or Option holders in the event of the Company being placed into liquidation.

**What must the Court be satisfied of in making an order under section 444GA and what did the Independent Expert conclude?**

- 2.17 As noted above, the Section 444GA Application has been commenced by the Deed Administrators in the Federal Court of Australia seeking leave of the Court under section 444GA(1)(b) and section 447A(1) of the Act for the transfer of the Company's Shares (and Options to the extent necessary) to A.C.N. or its nominee.
- 2.18 In considering the Section 444GA Application, under section 444GA(3) of the Act, the Court will only grant leave where it is satisfied that the Share Transfer would not unfairly prejudice the interests of Shareholders. Relevant to this assessment is whether there is any residual value in the Company.
- 2.19 The Deed Administrators engaged an independent expert, Liesel Malcolm of Pitcher Partners to prepare an Independent Expert's Report valuing the shares in the Company. A copy of the Independent Expert's Report is at **Annexure 1**.

- 2.20 In accordance with ASIC Regulatory Guide 112, Ms Malcolm is independent from the Company, A.C.N. and the Deed Administrators.
- 2.21 ASIC Regulatory Guide 111 requires the Independent Expert's Report to provide an opinion of the value of the Shareholders' residual equity in the Company. As the Company is likely to be subject to a winding-up if the Share Transfer is not approved, Ms Malcolm has valued the residual equity on a liquidation basis.
- 2.22 The key findings of the Independent Expert's Report are:
- (a) the Companies' assessed shortfall of assets as at 10 July 2025 is between \$47,493,099 and \$58,076,243;
  - (b) the forced liquidation value of the issued Company's Shares as at 4 June 2025 **is NIL**; and
  - (c) if the Companies are placed into liquidation, the "recoverable amount from realising the assets of the Companies is insufficient to fund the full amount of the obligations of the Companies and hence there is no residual value for equity holders".
- 2.23 The Independent Expert also considered the value of the Options on issue in the Company to be nil. Please see section 2.37 below and the Independent Expert's Report for more information.
- 2.24 The Independent Expert's Report will be provided to the Court to assist with the determination of whether the Share Transfer will unfairly prejudice Shareholders. The Independent Expert's Report will also be provided to ASIC for the purpose of the application for ASIC Relief, referred to in section 0 below.

### Section 444GA Application

- 2.25 To effectuate the DOCA, among other things, the Deed Administrators must be granted leave from the Court in respect to the Section 444GA Application.
- 2.26 On [date], the Deed Administrators commenced the Section 444GA Application by filing [proceeding no.] with the Court, as provided in **Annexure 2** of this Explanatory Statement. On [insert date], the Court made the following Court orders (**Court Orders**):
- (a) a timetable was set for the preparation of the matter for the final hearing, which includes the dates by which any interested person (including any Shareholder wishes to oppose the Section 444GA Application) must file with the Court and serve on the Deed Administrators any ASIC notice of appearance in the prescribed form and indicate its grounds for opposing the Section 444GA Application, being no later than [insert time and date]; and
  - (b) the final hearing date and time was set for [insert].
- 2.27 A copy of the Court Orders is attached in **Annexure 2** of this Explanatory Statement.
- 2.28 The final hearing date is indicative only and subject to change. The Deed Administrations will release an ASX announcement if there are any changes to the final hearing date.



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## **Your right to object to the Section 444GA Application**

- 2.29 Shareholders, creditors of the Company, ASIC and any other interested person are entitled to oppose the Section 444GA Application at the final Court hearing.
- 2.30 If you wish to be heard by the Court at the final Court hearing, you must enter an appearance by **### pm (AEST) on ### 2025**. You will need to file at the Court, and serve on the Deed Administrators, a notice of appearance in the prescribed Court form and any affidavit on which you intend to rely.
- 2.31 The Deed Administrators will accept service by:
- (a) Post: Attention: Luke Andrews, BDO, GPO Box 5099, Melbourne VIC 3001; or
  - (b) Email: [toysrus@bdo.com.au](mailto:toysrus@bdo.com.au)
- 2.32 If you take no action in respect of the Section 444GA Application and the conditions of the DOCA are satisfied, your Shares will be automatically transferred to A.C.N. or its nominee and you will cease to hold those Shares.

## **What will happen if the Section 444GA orders are not made?**

- 2.33 If the Court does not grant leave to the Deed Administrators in respect to the Section 444GA Application, the Conditions of the DOCA will not be satisfied. In those circumstances and in absence of further funding, or an alternate transaction, it is likely that the Company will be placed into liquidation.

## **What will happen to your Shares if the Section 444GA orders are made?**

- 2.34 If the Section 444GA Application is successful, the relevant Court orders are made and the DOCA is fully implemented, all of your Shares in the Company will be transferred by the Deed Administrators to A.C.N. or its nominee and you will not receive any consideration for the transfer.

## **Your rights as Option holders**

- 2.35 In addition to the Shares, the Company as at the date of this Explanatory Statement has on issue the following Options in the Company:

<b>Option holders</b>	<b>Number Options</b>	<b>of</b>	<b>Exercise price (as applicable)</b>	<b>Expiry date (as applicable)</b>
<b>Unlisted options</b>				
<b>ALCFAM Pty Ltd</b>	<b>45,707</b>		<b>\$0.1200</b>	<b>2 September 2027</b>
<b>Blueheeler Capital Pty Ltd</b>	<b>125,622</b>		<b>\$0.1200</b>	<b>2 September 2027</b>
<b>Directed Electronics Australia Pty Ltd</b>	<b>14,285,715</b>		<b>\$0.1200</b>	<b>2 September 2027</b>
<b>Mr Anthony John Gregory</b>	<b>45,680</b>		<b>\$0.1200</b>	<b>2 September 2027</b>
<b>Ms Sarah Lim</b>	<b>45,681</b>		<b>\$0.1200</b>	<b>2 September 2027</b>
<b>Loire Investments Pty Ltd</b>	<b>357,142</b>		<b>\$0.1200</b>	<b>2 September 2027</b>
<b>Mercer Street Global Opportunity Fund II LP</b>	<b>5,593,804</b>		<b>\$0.1162</b>	<b>31 May 2027</b>
<b>Mercer Street Global Opportunity Fund II LP</b>	<b>3,479,610</b>		<b>\$0.1128</b>	<b>27 August 2027</b>
<b>Mercer Street Global</b>	<b>8,903,134</b>		<b>\$0.08424</b>	<b>14 October</b>

<b>Opportunity Fund II LP</b>			<b>2027</b>
<b>More Lamb Pty Ltd</b>	<b>172,618</b>	<b>\$0.1990</b>	<b>1 November 2025</b>
<b>Netwealth Investments Limited</b>	<b>23,023</b>	<b>\$0.1200</b>	<b>2 September 2027</b>
<b>UBS Nominees Pty Ltd</b>	<b>2,857,143</b>	<b>\$0.1200</b>	<b>2 September 2027</b>
<b>Share Appreciation Rights</b>			
<b>Penelope Cox*</b>	<b>1,454,546</b>	<b>-</b>	<b>-</b>
<b>Service Rights</b>			
<b>Loire Investments Pty Ltd</b>	<b>818,182</b>	<b>-</b>	<b>-</b>
<b>Tripcorp Pty Ltd</b>	<b>818,182</b>	<b>-</b>	<b>-</b>
<b>John Tripodi</b>	<b>50,000</b>	<b>-</b>	<b>-</b>
<b>Mark Anthony Simari</b>	<b>905,430</b>	<b>-</b>	<b>13 December 2032</b>
<b>Teresa Ann Smith</b>	<b>905,430</b>	<b>-</b>	<b>13 December 2032</b>
<b>Employee Rights</b>			
<b>Sokha Mony</b>	<b>1,000</b>	<b>\$0.18</b>	<b>21 September 2026</b>
<b>Ngan Le Nguyen</b>	<b>1,000</b>	<b>\$0.18</b>	<b>21 September 2026</b>

<b>David Wong</b>	<b>3,000</b>	<b>\$0.18</b>	<b>21 September 2026</b> ★
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\* Please note that these Share Appreciation Rights lapsed on 9 April 2025 as per the ASX announcement on 10 April 2025.

- 2.36 The Company's last ASX Share price was \$0.027 on 3 June 2025 before being suspended from trading.
- 2.37 With respect to the value of the Options, the Independent Expert's Report (as provided in **Annexure 1**) concluded that the value of the Options detailed in the table above is **nil** on the basis that:
- (a) as the vesting conditions attached to the 'Service Rights' and 'Share Appreciation Rights' is continued employment, in a liquidation context, it is unlikely that these conditions will be met, and therefore these rights will not vest;
  - (b) the unlisted options have varying exercise prices. In a liquidation context, the current value of the Shares is likely to be zero as total creditor claims are unable to be paid in full, resulting in the unlisted options being 'out of the money'. The option holder would therefore have to pay a premium to exercise these unlisted options; and
  - (c) as the 'Employee Rights' have an exercise price of \$0.18, in a liquidation context, these rights are also 'out of the money'.
- 2.38 In addition to the above, Independent Expert's Report notes that "*in a liquidation context, there is no market to sell any of the rights or options*".
- 2.39 It may be the case that the Court takes the view that the Options are considered claims against the Company which will be compromised by the DOCA.
- 2.40 However, to the extent that the Court considers that the Options are not compromised by the DOCA, the Deed Administrators will in accordance with the terms of the Court orders made under the Section 444GA Application transfer all of the Options to A.C.N. (or its nominee) for nil consideration and the Deed Administrators will take steps to cause the Company to cancel all of the Options.
- 2.41 Accordingly, this Explanatory Statement is being provided to Option holders (as interested parties) in addition to Shareholders.
- 2.42 Option holders are entitled to oppose the Section 444GA Application at the final Court hearing. If an Option holder wishes to be heard by the Court at the final Court hearing, the Option holder must enter an appearance by **### pm (AEST) on ### 2025**. The Option holder will need to file at the Court, and serve on the Deed Administrators, a notice of appearance in the prescribed Court form and any affidavit on which the Option holder intends to rely.
- 2.43 The Deed Administrators will accept service by:
- (a) Post: Attention: Luke Andrews, BDO, GPO Box 5099, Melbourne VIC 3001; or
  - (b) Email: [toysrus@bdo.com.au](mailto:toysrus@bdo.com.au)

- 2.44 If Option holders take no action in respect of the Section 444GA Application and the conditions of the DOCA are satisfied, the Option holders' Options will be automatically transferred to A.C.N. or its nominee for no consideration and Option holders will cease to hold those Options.

### What other information is available to assist you?

- 2.45 To assist you in deciding whether to oppose the Section 444GA Application, in addition to this Explanatory Statement and the Independent Expert's Report, Shareholders can access:
- (a) A copy of the Court application filed by the Deed Administrators in relation to the Section 444GA Application at **Annexure 2**;
  - (b) A copy of the Court orders made by the Court in relation to the Section 444GA Application at **Annexure 2**; and
  - (c) the Administrators s439A report to creditors dated 3 July 2025 available at [\[website link\]](#).
- 2.46 Alternatively, you may request copies of the above documents from the Deed Administrators free of charge.
- 2.47 This Explanatory Statement does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation, taxation position or your particular needs. Your decision whether to take any action in relation to the Section 444GA Application will depend on an assessment of your individual circumstances. As the financial, legal and taxation consequences of that decision may be different for each interested party, you should seek professional financial, legal and taxation advice before making their decision.
- 2.48 The key dates are as follows:

1. Event	2. Date
3. Explanatory Statement made available to Shareholders and Option holders	4. #####
5. Last day to oppose the Section 444GA Application by filing a notice of appearance and supporting affidavit in the prescribed Court form and serving that material on the Deed Administrators	6. By #.## pm on #####
7. The Deed Administrators to file any further evidence with the Court in support of the Section 444GA Application	8. By #.## pm on #####
9. Tentative final hearing date for the Section 444GA Application	10. #.## am on #####

11.

## ASIC Relief

- 2.49 Section 606 of the Act prohibits a person from acquiring a relevant interest in a listed company if, as a result of that acquisition, that person's, or someone else's, voting power in the entity increases:
- (a) from 20% or below to more than 20%; or
  - (b) from a starting point that is above 20% and below 90%.
- 2.50 As the Share Transfer would directly increase A.C.N.'s voting power in the Company to 100% and indirectly increase Directed's voting power in the Company from approximately 18.9% to 100%, in the absence of ASIC Relief, the Share Transfer would be prohibited under section 606 of the Act.
- 2.51 Accordingly, the Deed Administrators have provided this Explanatory Statement (containing the Independent Expert's Report) to ASIC for the purposes of obtaining ASIC Relief from the requirements of Chapter 6 of the Act as are necessary to enable the Share Transfer to proceed.
- 2.52 Under the terms of the DOCA, the Share Transfer will not proceed without ASIC Relief.
- 2.53 At the time of issuing this Explanatory Statement, the ASIC Relief application has not been determined by ASIC. The Deed Administrators will release an ASX announcement in relation to the ASIC Relief as developments occur.

## Contact information

- 2.54 If you have further questions, you can contact the Deed Administrators at:
- (a) Email: [toysrs@bdo.com.au](mailto:toysrs@bdo.com.au)
  - (b) Phone: (03) 9603 1700

## Signature of Company

- 12. This Explanatory Statement has been signed by the Company.
- 13. [Signature]
- 14. Luke Francis Andrews
- 15. In his capacity as joint and several deed administrator of Toys"R"Us ANZ Limited (Subject to Deed of Company Arrangement).

## Schedule 1 - Glossary

For the purposes of this Explanatory Statement, capitalised terms have the meanings set out in the following table, unless the context requires otherwise. Words in singular include the plural and vice versa.

<b>A.C.N.</b>	A.C.N., 687 771 679 (ACN 687 771 679) or its nominee
<b>Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASIC Relief</b>	ASIC granting an exemption pursuant to section 655A(1)(a) of the Act from the application of section 606 of the Act to permit the transfer of all of the Shares in the Company to A.C.N. or its nominee
<b>Conditions</b>	The conditions set out in clause 16.1 of the DOCA
<b>Companies</b>	The Company, Toys R Us Licensee Pty Ltd ACN 632 418 494, Hobby Warehouse Pty Ltd ACN 148 094 517 and Mittoni Pty Ltd ACN 114 705 038
<b>Company</b>	Toys"R"Us ANZ Limited (subject to DOCA) ACN 063 886 199
<b>Court</b>	Federal Court of Australia
<b>Creditors' Trust</b>	Has the meaning as described in clause 2.11(a)
<b>Deed Administrators</b>	Luke Andrews and Duncan Clubb of BDO Australia Ltd
<b>Directed</b>	Directed Electronics Australia Pty Ltd ACN 126 066 322
<b>DOCA</b>	The deed of company arrangement entered into between the Company, A.C.N. and the Deed Administrators on 31 July 2025 annexed to this Explanatory Statement as <b>Annexure 3</b>
<b>Explanatory Statement</b>	This document as described in section 1.1
<b>Independent Expert</b>	Liesel Malcolm of Pitcher Partners Corporate Pty Ltd ABN 28 082 323 868
<b>Independent Expert's Report</b>	The report by the Independent Expert as described in section 0 and as annexed to this Explanatory Statement as 0
<b>Option holders</b>	The holders of Options in the Company
<b>Options</b>	Means vested or unvested share options, warrants, or other instruments convertible into securities in the Company and without limitation, includes all securities described in clause 2.35
<b>Section 444GA Application</b>	The application by the Deed Administrators pursuant to section 444GA and 447A of the Act for the transfer of all the Shares and (to the extent necessary) Options to A.C.N. as described in section 0
<b>Shares</b>	The ordinary shares in the Company
<b>Shareholders</b>	Means the shareholders of the Company as at the date of the Explanatory Statement
<b>Share Transfer</b>	The transfer of the Company's Shares to A.C.N. or its nominee(s) pursuant to the DOCA



## – Independent Expert's Report

DRAFT

## – Court Documents



DRAFT

- DOCA



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