

6 February 2025

CIRCULAR TO CREDITORS
DAVEX AUSTRALIA PTY LTD (IN LIQUIDATION)
ACN 052 491 657 ("THE COMPANY")

1. Introduction

I refer to the appointment of Benjamin Campbell, David McGrath, and I, Kelly-Anne Trenfield as Voluntary Administrators of the Company on 18 January 2024, and subsequently as Liquidators of the Company on 23 February 2024. I also refer to my Statutory Report to Creditors dated 8 May 2024 ("Statutory Report") and our previous correspondence regarding the Liquidation of the Company.

The purpose of this circular is to provide you with:

- An update on the progress of the Liquidation;
- An updated Estimated Statement of Position ("ESOP"); and
- To formally advise of our intention to declare a first and final dividend to unsecured creditors.

We will also be seeking approval of our remuneration and disbursements by way of Proposal without Calling a Meeting. Accordingly, this report is to be read in conjunction with the **attached** Proposal Meeting Form and information sheet, and detailed Remuneration Approval Report.

2. Progress of the liquidation

2.1. Collection of pre-appointment debtors

We have now collected the remaining pre- and post-appointment debtor book, recovering an additional c. \$96,789 from pre-appointment receivables since our last report and c. \$574,049 in post-appointment debtors. We consider the limited outstanding debtors to be uncommercial to pursue further due to the passage of time and protracted attempts to make contact with certain debtors.

2.2. Estimated Statement of position

We set out below the Liquidators' current ESOP detailing the amounts realised or expected to be realised following the conclusion of the Liquidation.

I have included a low and a high case to illustrate the potential range of returns for creditors; the key variable between the two (2) cases is the total value of unsecured creditor claims which successfully prove in the Liquidation.

Liquidators' estimated statement of position			
	Notes	Low	High
Cash balance as at 31 January 2025		1,169,286	1,169,286
Future administration recoveries and costs			
Debtor recoveries		-	-
Liquidators' remuneration	1	(103,025)	(103,025)
Liquidators' disbursements		(222)	(222)
Further legal fees	2	(5,000)	(10,000)
Estimated cash available for unsecured creditors		1,061,039	1,056,039
Unsecured Creditors			
Davex Engineering - supply of goods		(2,903,680)	(2,903,680)
Davex Engineering - shared Services		(1,003,209)	(1,003,209)
Davex Singapore - shared Services		(866,196)	(866,196)
Davex Lumilinx - intercompany Loan		(157,911)	(157,911)
Total related party creditors	3	(4,930,996)	(4,930,996)
Statutory creditors		(416,519)	(416,519)
Other unsecured creditors		(949,989)	(768,176)
Total third party unsecured creditors	4	(1,366,508)	(1,184,695)
Total unsecured creditors		(6,297,504)	(6,115,692)
Estimated future dividends			
Dividend to third party unsecured creditors		(751,579)	(651,582)
Estimated cash available for related party creditors		309,460	404,457
Third party unsecured creditors dividend (cents/\$)	5	0.55	0.55
Related party creditors dividend (cents/\$)	6	0.06	0.08

I note the following with respect to the ESOP:

- Liquidators' remuneration:** The ESOP includes a further 103,205 in Liquidators' remuneration representing incurred and future remuneration of \$63,025 and \$40,000 respectively. Please refer to the Remuneration Approval Report at Annexure 6 for further details of the remuneration approvals sought.
- Further legal fees:** We have provided for a further \$5,000 to \$10,000 contingency for legal fees to cover any costs of dealing with any unforeseen matters which may arise in dealing with the dividend or finalisation of the Liquidation.
- Related party creditors:** The ESOP includes estimated related party unsecured creditor claims, based on proof of debts submitted by the Company's related entities Davex Engineering SDN BHD, Davex Lumilinx SDN BHD, and Davex Singapore Pte Ltd (together the "Davex Entities"). These claims have not yet been subject to a formal adjudication process and accordingly the quantum of claims admitted in the Liquidation may be different to the estimates set out above.

- 4. Third party unsecured creditors:** The ESOP includes estimated unsecured creditor claims which relate to third party unsecured creditors, based on proof of debts submitted and the Company's records. These claims have not yet been subject to a formal adjudication process and accordingly the quantum of claims admitted in the Liquidation may be different to the estimates set out above.
- 5. Third party unsecured creditors dividend (cents/\$):** The estimated dividend to third party unsecured creditors reflects the settlement agreement reached with Davex Malaysia SDN BHD ("**Davex Malaysia**"). Under this settlement Davex Malaysia and its related entities, including the Davex Entities, will not participate in the dividend process unless and until third party creditors have all received a dividend of 55 cents in the dollar in respect of their admitted claims. The Company is a 100% owned subsidiary of Davex Malaysia.
- 6. Related party unsecured creditors dividend (cents/\$):** The estimated cents in the dollar return to related party creditors reflects the remaining funds available to be paid to Davex Malaysia following completion of a 55 cents in dollar dividend distribution to third party unsecured creditors.

2.3 Dividend

We advise, following receipt of tax clearance from the Australian Taxation Office ("**ATO**"), the Liquidators intend to declare a first and final dividend to unsecured creditors of the Company, in accordance with the Settlement agreement with Davex Malaysia, on or before **4 April 2025**.

The records of the Company indicate you may be a creditor, however, your debt or claim has not yet been admitted.

In order to participate in the dividend, you must provide a completed formal proof of debt form and supporting documents by **28 February 2025**, otherwise you will be excluded from the dividend.

In light of the above, I attach the following notices to this circular for your attention:

Annexure 1 – Form 547 – Notice of intention to declare a dividend;

Annexure 2 – Form 534 – Notice inviting formal proof of debt or claim;

Annexure 3 – Form 535 – Formal proof of debt or claim;

Annexure 4 – Proof of Debt Guidance Notes; and

Annexure 5 – Bank Account Details Form.

If you have already submitted a proof of debt form you do not need to submit another unless your claim has changed.

As outlined in our Circular to Creditors dated 9 August 2024, we have entered into a settlement agreement with Davex Malaysia pursuant to which, Davex Malaysia agree to not participate in the dividend process unless and until third party creditors have all received a dividend of 55 cents in the dollar in respect of their admitted claims. We currently anticipate the first dividend to creditors to

be at a rate of approximately 55 cents in the dollar, however this rate remains subject to the receipt of any further creditor claims.

We request all creditors, complete and return the bank details form to enable the dividend to be paid by electronic fund transfer.

7. Liquidators' Remuneration

Enclosed at Annexure 6 is our detailed Remuneration Approval Report on the cost of the liquidation and the tasks we have undertaken and anticipate undertaking.

Under Insolvency Practice Schedule (Corporations) 75-40 of the Act, a Liquidator is able to obtain resolutions of creditors without holding a meeting of creditors, known as a proposal without meeting. An information sheet on "*proposals without a meeting*" is included at **Annexure 7**

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, as long as not more than 25% in value objected to the proposal being resolved without a meeting.

The resolutions we are seeking approval for are detailed in the Remuneration Approval Report at **Annexure 6**.

To participate in the proposal, please complete and return the following by no later than Friday, **28 February 2025**

- The "proposal without a meeting" form is included at Annexure 8.
- The "proof of debt" form included at Annexure 3 which provides information about what the Company owes you, along with supporting documents for your claim (only if you have not previously provided it).

The documents can be scanned and emailed to davex@fticonsulting.com or returned via post to our firm's address, attention Henry Banton. If you choose to return these documents via post, please ensure you allow enough time for me to receive them by the due date.

Should you have any queries, please contact Henry Banton of this office on (02) 8247 8091 or by email at davex@fticonsulting.com.

Yours faithfully



Kelly-Anne Trenfield

Joint and Several Liquidator

Schedule of Annexures

Annexure 1 – Form 547 – Notice of intention to declare a dividend;

Annexure 2 – Form 534 – Notice inviting formal proof of debt or claim;

Annexure 3 – Form 535 – Formal proof of debt or claim;

Annexure 4 – Proof of Debt Guidance Notes;

Annexure 5 – Bank Account Details Form;

Annexure 6 – Remuneration Approval Report;

Annexure 7 – Information sheet on proposals without a meeting; and

Annexure 8 – Proposal without a meeting form.

Annexure 1

FORM 547

Subregulation 5.6.65(1)

Corporations Act 2001

**NOTICE TO CREDITOR OR PERSON CLAIMING TO BE A CREDITOR
OF INTENTION TO DECLARE A DIVIDEND**

DAVEX AUSTRALIA PTY LTD (IN LIQUIDATION)

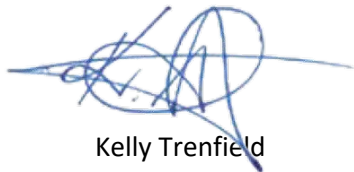
ACN 052 491 657 ("THE COMPANY")

A first dividend is to be declared on Friday 4 April 2025 for the Company.

- You are listed as a creditor in the report on the affairs of the Company; and/or
- You are known to me to claim to be a creditor, but your debt or claim has not yet been admitted.

You are required formally to prove your debt or claim on or before 28 February 2025. If you do not, you will be excluded from the benefit of the dividend.

Dated this 6th day of February 2025



Kelly Trenfield
Joint and Several Liquidator

C/- FTI Consulting
Level 22, Gateway,
1 Macquarie Place,
Sydney NSW 2000

Annexure 2

FORM 534

Subregulation 5.6.48(3)

Corporations Act 2001

NOTICE INVITING FORMAL PROOF OF DEBT OR CLAIM

DAVEX AUSTRALIA PTY LTD (IN LIQUIDATION)

ACN 052 491 657 ("THE COMPANY")

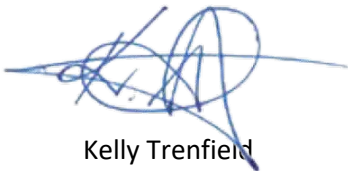
Take notice that creditors of the Company, whose debts or claims have not already been admitted, are required on or before 28 February 2025 to prove their debts or claims and to establish any title they may have to priority by delivering or posting to me at my address a formal proof of debt or claim in accordance with Form 535 containing their respective debts or claims.

If they do not they will be excluded from:

- (a) the benefit of any distribution made before their debts or claims are proved or their priority is established; and
- (b) objecting to the distribution.

Form of proof is included as Annexure 3.

Dated this 6th day of February 2025



Kelly Trenfield
Joint and Several Liquidator

C/- FTI Consulting
Level 22, Gateway,
1 Macquarie Place,
Sydney NSW 2000

Annexure 3

FORM 535 – FORMAL PROOF OF DEBT OR CLAIM
DAVEX AUSTRALIA PTY LTD (IN LIQUIDATION) ACN 052 491 657
("THE COMPANY")

To the Liquidator of Davex Australia Pty Ltd (In Liquidation) ACN 052 491 657 ("the Company")

1. This is to state that the Company was on 18 January 2024, and still is, justly and truly indebted to:.....
.....
.....
(full name, ABN and address of the creditor and, if applicable, the creditor's partners)
for \$*(dollars and cents)*

Particulars of the debt are:

Date	Consideration	Amount (\$/c)	Remarks
	<i>(state how the debt arose)</i>		<i>(include details of voucher substantiating payment)</i>

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following:
.....
(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

Date	Drawer	Acceptor	Amount (\$/c)	Due Date
------	--------	----------	---------------	----------

3. Signed by *(select correct option)*:
- ☐ I am the creditor personally
- ☐ I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied
- ☐ I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Signature: Dated:

Name: Occupation:

Address:

** If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor*

RECEIVE REPORTS BY EMAIL	YES	NO
Do you wish to receive all future reports and correspondence from our office via email?	☐	☐
Email:		

If being used for the purpose of voting at a meeting:

- a) Is the debt you are claiming assigned to you? ☐ Yes ☐ No

- b) If yes, attach written evidence of the debt, the assignment and consideration given. ☐ Attached
- c) If yes, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) \$
- d) If yes, are you a related party creditor of the Company?
(If you are unsure contact the Administrator) ☐ Yes ☐ No

Annexure 4

GUIDANCE NOTES

FORMAL PROOF OF DEBT OR CLAIM

Information to support your claim

Generally, an external administrator will not admit a claim for the purpose of a dividend distribution in an external administration without sufficient supporting documentation. The below table provides an example of the supporting documentation that can be provided to substantiate various types of creditor claims.

Creditor type	Example of supporting documents
Trade creditors / suppliers	■ Invoice(s) and statement(s) showing the amount of the debt; and ■ Statement of account.
Landlords / leases	■ Copy of the lease; and ■ Statement showing amounts outstanding under the lease, with a clear split between the amount outstanding as at date of appointment and any future amounts.
Guarantees / indemnities	■ Executed guarantee/indemnity; ■ Notice of Demand served on the guarantor; and ■ Calculation of the amount outstanding under the guarantee.
Employees	■ Breakdown of calculation of the debt; ■ Claim type (e.g. wages, annual leave, long service leave, etc.); ■ Supporting documentation relating to the debt claimed (i.e. correspondence); and ■ Contract of Employment (if any).
Secured debt shortfall	■ Security Documents (e.g. mortgage); ■ Independent valuation of the secured portion of the debt (if not yet realised) or the basis of the creditor's estimated value of the security and supporting calculation; ■ Calculation of the deficiency on the security; and ■ Details of income alongside expenses incurred by the secured creditor in respect of the secured asset since the date of appointment.
Loans	■ Executed loan agreement; and ■ Loan statements showing payments made, interest accruing and the amount outstanding as at the date of appointment.
Statutory debts	■ Documentation showing the assessment of debts, with clarification as to if it is an actual debt or an estimate, and separate amounts for the primary debt and any penalties applied.

Annexure 5

BANK ACCOUNT DETAILS FORM

DAVEX AUSTRALIA PTY LTD (IN LIQUIDATION)

ACN 052 491 657 ("THE COMPANY")

Bank Account Details

Name of creditor:

Bank:

Account name:

BSB:

Account number

Signature:

Dated:

Name of preparer:

Occupation:

Annexure 6

6 February 2025



Remuneration Approval Report

Davex Australia Pty Ltd
(in Liquidation)
ACN 052 491 657

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Summary

This remuneration approval report provides you with the information the Corporations Act 2001 (“the Act”) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (“ARITA”) requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Liquidation of the Company.

We are asking creditors to approve by proposal (“Proposal”) the following Liquidators’ remuneration:

Appointment type	Period	Remuneration \$ (excl GST)
Liquidation	10 July 2024 to 31 January 2025	63,025
Liquidation	1 February 2025 to Finalisation of liquidation	40,000
Total		103,025

Creditors have previously approved our remuneration and disbursements as follows:

Appointment type	Period	Remuneration (excl GST)
Voluntary Administration	18 January 2024 to 9 February 2024	379,685
Voluntary Administration	10 February 2024 to 23 February 2024	170,315
Liquidation	24 February 2024 to 19 April 2024	250,000
Liquidation	19 April 2024 to 3 May 2024	44,588*
Liquidation	4 May 2024 to 9 July 2024	55,412
Total		900,000

*Whilst creditors approved remuneration up to this amount only \$44,352 was drawn by the Liquidators to reflect time incurred over the period.

We estimate the total cost of this Liquidation will be \$453,025 (excluding GST), being made up of the remuneration previously approved by the creditors of \$350,000 (excluding GST), and this additional remuneration request of \$103,025 (excluding GST).

Although the work will be necessarily incurred to ensure the completeness of all material matters in the liquidation, we acknowledge the total costs incurred are over and above our initial expectation. The total cost of the Liquidation has increased from our previous estimate because of:

- Protracted debtor collections due to number of follow ups required;
- Preparation of a letter of earnings for each employee in relation to the pre-appointment period to assist with preparation of their personal income tax returns;
- Time taken to finalise and lodge all outstanding taxation and other returns; and
- Time taken by the ATO to provide taxation clearance.

In addition, we note at the time of seeking our previous remuneration request, the prospect of a dividend to unsecured creditors was still uncertain, and accordingly, it was difficult to forecast the cost of distribution.

This is our final remuneration approval request.

Declaration

We, David McGrath, Kelly-Anne Trenfield, and Benjamin Campbell of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Liquidators of the Company in accordance with the law and applicable professional standards. We are satisfied the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, the disbursements have been incurred in the conduct of the liquidation are necessary and proper.

Remuneration sought

The remuneration we are asking creditors to approve by way of Proposal is summarised as follows:

For	Period	Amount \$ (excl GST)	Applicable rates	Timing of payment
Work Already Completed	10 July 2024 to 31 January 2025	63,025	As per the attached hourly rates	Immediately on receipt of creditor approval
Future Work	1 February 2025 to finalisation of liquidation	40,000	As per the attached hourly rates	When funds are available, and billable time has been incurred
Total		103,025		

Details of the work already completed and future work we intend to do are enclosed at **Schedule A**.

Schedule B includes a breakdown of time spent by staff members on each major task for work we have already completed.

The actual resolutions to be put to creditors by proposal are included **Schedule C** for your information. These resolutions also appear in the proposal forms provided to you in **Annexure 8**.

Disbursements

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the liquidation, but we must provide details to creditors. We are however required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit. For more information about disbursements, please refer to the Initial Remuneration Notice dated 22 January 2024.

External disbursements claimed	Basis of charge (\$) (excl GST)	Amount (\$) (excl GST)
Electronic searches	At Cost	221.86
Total		221.86

Previous remuneration approvals

The following remuneration approvals have previously been provided by creditors:

Appointment type	Period	Approved by	Approved Amount (\$) (excl GST)	Amount Paid (\$) (excl GST)
Voluntary Administration	18 January 2024 to 9 February 2024	Creditors	379,685	379,685
Voluntary Administration	10 February 2024 to 22 February 2024	Creditors	170,315	170,315
Subtotal Voluntary Administration			550,000	550,000
Liquidation	24 February 2024 to 19 April 2024	Creditors	250,000	250,000
Liquidation	19 April 2024 to 3 May 2024	Creditors	44,588	44,352
Liquidation	4 May 2024 to 9 July 2024	Creditors	55,412	55,412
Subtotal Liquidation			350,000	349,764
Total remuneration			900,000	899,764

We are now seeking approval of remuneration in the amount of \$103,025 (exclusive of GST) for the period 10 July 2024 to finalisation of the Liquidation, which will bring total remuneration claimed in this Liquidation to \$453,025.

Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Liquidator to be paid in priority to other claims. This ensures when there are sufficient funds, the Liquidators receive payment for the work completed to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Liquidation
- the estimated total of creditor claims based on the Company's records and claims lodged

Priority creditors and the first ranking secured creditor have been paid in full to date. We expect there will be sufficient funds to pay a dividend of 55 cents in the dollar to third-party unsecured creditors and 6 to 8 cents in the dollar to related-party creditors even after taking account of the proposed additional remuneration.

A summary of the estimated returns to creditors is detailed at Section 2 of the circular to creditors dated 6 February 2025.

Report on the progress of the Administration

Please refer to the section 2 of the Circular to Creditors dated 6 February 2025.

Summary of receipts and payments

A summary of the receipts and payments for the Liquidation as at 31 January 2025 is **enclosed** at Schedule D to this report.

Queries

Further supporting documentation for our remuneration claim can be provided to creditors on request.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for INFO 85).

If you have any queries in relation to the information in this report, please contact Henry Banton of this office on (02) 8247 8091 or by email at davex@fticonsulting.com

Yours faithfully



Kelly-Anne Trenfield

Liquidator

Attachments:

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – Summary of receipts and payments

Schedule E – FTI Consulting schedule of rates effective 1 July 2024

Schedule A – Details of work

Task area/General description	Work already done	Future work in Liquidation
Period	10 July 2024 to 31 January 2025	1 February 2025 to Finalisation of the Liquidation
Assets	\$14,992.00 (30.5 hrs)	Nil
Other assets	Tasks associated with realising other assets	<i>Intentionally left blank</i>
Leased assets	Liaising with owners/lessors in relation return of bonds and bank guarantees associated with leased assets	<i>Intentionally left blank</i>
Debtors	- Correspondence with debtors - Reviewing and assessing debtor ledgers - Collecting outstanding pre-appointment and post-appointment debtors	<i>Intentionally left blank</i>
Creditors	\$ 4,643.50 (11.3hrs)	\$9,000.00
Creditor enquiries, requests and directions	Receive and respond to creditor enquiries	- Receive and respond to creditor enquiries - Maintaining creditor request log - Considering reasonableness of creditor requests - Documenting reasons for complying or not complying with requests or directions - Compiling information requested by creditors
Creditor reports	Preparing and distributing reports to creditors	Preparing and distributing reports to creditors
Dealing with proofs of debt	- Receipting and filing POD when not related to a dividend - Corresponding with creditors in relation to POD when not related to dividend	- Receipting and filing POD when not related to a dividend - Corresponding with OSR and ATO regarding POD when not related to a dividend - Corresponding with creditors in relation to POD when not related to dividend

Task area/General description	Work already done	Future work in Liquidation
Period	10 July 2024 to 31 January 2025	1 February 2025 to Finalisation of the Liquidation
Meeting of Creditors	■ Prepare and issue proposal form without a meeting of creditors	■ Prepare and issue proposal form without a meeting of creditors, Preparing for and convening meeting of creditors, if required
Employees	\$3,739.50 (9.1 hrs)	Nil
Employee enquiries	■ Receive and follow up employee enquiries ■ Preparing letters of earnings in relation to pre-appointment period for the purposes of personal income tax returns	<i>Intentionally left blank</i>
Trade On	\$ 5,626.00 (15.0hrs)	Nil
Trade on management	■ Finalising all trade on related matters ■ Preparing and authorising receipt vouchers ■ Preparing and authorising payment vouchers ■ Liaising with superannuation funds regarding contributions, in relation to transfer and / or termination of employees' employment ■ Liaising with OSR regarding payroll tax issues	<i>Intentionally left blank</i>
Investigations	\$2,507.00 (3.3 hrs)	Nil
Conducting investigation	■ Liaising with directors regarding certain transactions ■ Preparation of investigation file ■ Lodgement of investigation with the ASIC ■ Negotiating and finalising settlement with Davex Malaysia	<i>Intentionally left blank</i>
ASIC reporting	■ Preparing statutory investigation reports ■ Preparation and lodgement of various ASIC forms ■ Liaising with ASIC	<i>Intentionally left blank</i>
Dividend	\$10,062.00 (17.0 hrs)	\$25,000.00

Task area/General description	Work already done	Future work in Liquidation
Period	10 July 2024 to 31 January 2025	1 February 2025 to Finalisation of the Liquidation
Processing proofs of debt (POD)	<i>Intentionally left blank</i>	■ Preparation of correspondence to potential creditors inviting lodgement of POD ■ Receipt of POD ■ Maintain POD register ■ Adjudicating on PODs ■ Request further information from claimants regarding POD ■ Preparation of correspondence to claimant advising outcome of adjudication
Dividend procedures	■ Correspondence with ATO regarding SGC proof of debt ■ Correspondence with ATO regarding the request for tax clearance ■ Calculating future dividend rate to unsecured creditors ■ Preparing dividend file ■ Advertising dividend notice ■ Preparing distribution timeline ■ Ensuring PAYG is remitted to ATO ■ Preparation of correspondence to creditors advising of intention to declare dividend	■ Preparation of correspondence to creditors advising of intention to declare dividend ■ Advertisement of intention to declare dividend ■ Preparation of dividend calculation ■ Preparation of correspondence to creditors announcing declaration of dividend ■ Advertise announcement of dividend ■ Preparation of distribution ■ Preparation of dividend file ■ Preparation of payment vouchers to pay dividend ■ Preparation of correspondence to creditors enclosing payment of dividend
Administration	\$21,455.00 (46.7 hrs)	\$6,000.00
Correspondence	■ General correspondence with various parties	■ General correspondence with various parties
Document maintenance/file review/checklist	■ Filing of documents ■ File reviews ■ Updating checklists	■ Filing of documents ■ File reviews ■ Updating checklists

Task area/General description	Work already done	Future work in Liquidation
Period	10 July 2024 to 31 January 2025	1 February 2025 to Finalisation of the Liquidation
Insurance	■ Correspondence with previous brokers ■ Finalising insurance matters related to trade on	<i>Intentionally left blank</i>
Funds handling	■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers	■ Preparing correspondence closing accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers
ASIC Forms and lodgements	■ Preparing and lodging ASIC forms ■ Correspondence with ASIC regarding statutory forms	■ Preparing and lodging ASIC forms ■ Correspondence with ASIC regarding statutory forms
ATO and other statutory reporting	■ Preparing BAS ■ Completing STP reporting obligations	■ Preparing BAS
Finalisation	<i>Intentionally left blank</i>	■ Notifying ATO of finalisation ■ Cancelling ABN / GST / PAYG registration ■ Completing checklists ■ Finalising WIP
Planning / Review	■ Discussions regarding status of liquidation	■ Discussions regarding status of liquidation
Books and records	■ Dealing with electronic records	■ Dealing with electronic records

Schedule B – Time spent by staff on each major task (work already done)

Employee	Position	\$ /hour	Total Hours	Total \$	Task Area													
					Assets		Creditors		Employees		Trade on		Investigation		Admin		Dividend	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
David McGrath	Senior Managing Director 1	780.00	5.7	4,446.00	0.5	390.00	-	-	-	-	-	-	2.8	2,184.00	1.9	1,482.00	0.5	390.00
Kelly Trenfield	Senior Managing Director 1	780.00	7.8	6,084.00	1.0	780.00	-	-	-	-	-	-	0.1	78.00	3.2	2,496.00	3.5	2,730.00
Renee Wilkes	Managing Director	675.00	1.6	1,080.00	-	-	0.5	337.50	0.1	67.50	-	-	0.2	135.00	0.8	540.00	-	-
Alexa Sutherland	Director	550.00	42.7	23,540.00	15.7	8,635.00	0.5	275.00	1.2	660.00	0.1	110.00	0.2	110.00	13.3	7,315.00	11.7	6,435.00
Amy Dalton	Consultant	390.00	0.4	156.00	0.4	156.00	-	-	-	-	-	-	-	-	-	-	-	-
Beau Lyndon	Consultant	390.00	2.3	897.00	-	-	-	-	0.3	117.00	0.6	234.00	-	-	1.4	546.00	-	-
Grace Patterson	Consultant	390.00	26.5	10,335.00	12.9	5,031.00	2.1	819.00	6.9	2,691.00	3.9	1,521.00	-	-	0.7	273.00	-	-
Henry Banton	Consultant	390.00	12.8	4,992.00	-	-	6.8	2,652.00	-	-	4.7	1,833.00	-	-	-	-	1.3	507.00
Urjaa Ved	Consultant	390.00	2.0	780.00	-	-	-	-	-	-	0.3	117.00	-	-	1.7	663.00	-	-
Zoe Petridis	Consultant	390.00	0.6	234.00	-	-	-	-	-	-	-	-	-	-	0.6	234.00	-	-
Rajdeep Singh	Associate	340.00	18.5	6,290.00	-	-	1.4	476.00	0.6	204.00	4.4	1,496.00	-	-	12.1	4,114.00	-	-
Alexander Phillis	Treasury	315.00	1.3	409.50	-	-	-	-	-	-	1.0	315.00	-	-	0.3	94.50	-	-
Gonzalo Reyes Mora	Treasury	315.00	2.6	819.00	-	-	-	-	-	-	-	-	-	-	2.6	819.00	-	-
Janine Wigham	Treasury	315.00	2.4	756.00	-	-	-	-	-	-	-	-	-	-	2.4	756.00	-	-
Jennifer Doran	Treasury	315.00	1.1	346.50	-	-	-	-	-	-	-	-	-	-	1.1	346.50	-	-
Michelle Oxnam	Treasury	315.00	2.1	661.50	-	-	-	-	-	-	-	-	-	-	2.1	661.50	-	-
Rachel Hughson	Treasury	315.00	0.3	94.50	-	-	-	-	-	-	-	-	-	-	0.3	94.50	-	-
Robyn Hardeman	Treasury	315.00	1.4	441.00	-	-	-	-	-	-	-	-	-	-	1.4	441.00	-	-
Selina Naylor	Treasury	315.00	0.2	63.00	-	-	-	-	-	-	-	-	-	-	0.2	63.00	-	-
Ashleigh Ubank	Administration 2	280.00	0.4	112.00	-	-	0.3	84.00	-	-	-	-	-	-	0.1	28.00	-	-
Barbara Pirie	Administration 2	280.00	0.4	112.00	-	-	-	-	-	-	-	-	-	-	0.4	112.00	-	-
Tanya Kratz	Administration 2	280.00	0.6	168.00	-	-	-	-	-	-	-	-	-	-	0.6	168.00	-	-
Lulu Elliott	Junior Associate	260.00	0.8	208.00	-	-	-	-	-	-	-	-	-	-	0.8	208.00	-	-
Total (ex GST)			134.5	63,025.00	30.5	14,992.00	11.6	4,643.50	9.1	3,739.50	15.0	5,626.00	3.3	2,507.00	46.2	21,455.00	17.0	10,062.00
GST				6,302.50														
Total (Incl GST)				69,327.50														
Avg hourly rate (ex GST)				468.59		491.54		400.30		410.93		375.07		759.70		464.39		591.88

Schedule C – Resolutions

Resolution 1 – Liquidators’ past remuneration

10 July 2024 to 31 January 2025

“The past remuneration of the Liquidators of Davex Australia Pty Ltd (In Liquidation) ACN 052 491 657 (formerly trading as Davis Lighting) and their staff, for the period from 10 July 2024 to 31 January 2025, calculated at the hours spent at the rates detailed in the Initial Remuneration Notice dated 22 January 2024 provided to creditors, is approved for payment in the amount of \$63,025 exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 2- Liquidators’ future remuneration

1 February 2025 to finalisation of the Liquidation

“The future remuneration of the Liquidators of Davex Australia Pty Ltd (In Liquidation) ACN 052 491 657 (formerly trading as Davis Lighting) for the period from 1 February 2025 to the finalisation of the Liquidation, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 22 January 2024 provided to creditors, up to a capped amount of \$40,000 exclusive of GST, and the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available”.

Schedule D – Receipts and Payments Summary

For the period 18 January 2024 to 31 January 2025

Receipts and Payments Summary	
Opening Cash at Bank	400,066.25
Receipts	
Accounts Receivable (Pre-Appointment)	1,418,438.13
Stock/Inventory on Hand	745,168.24
Accounts Receivable (Post-Appointment)	574,048.91
Employee Entitlements Offset	220,271.50
Plant and Equipment	220,271.50
GST Control: GST Paid (Received)	92,190.00
Business Contracts Reimbursement	84,506.83
Other Current Assets	33,845.34
Debtor Funds Received in Error	5,435.65
Foreign Currency Gain (Loss)	629.56
Bank Charges	27.11
Total Receipts	3,394,832.77
Payments	
Appointee Fees and Disbursements	(1,001,680.10)
Dividend to Secured Creditor	(923,476.01)
Legal Fees and Disbursements	(138,870.10)
Employee Entitlements	(136,463.62)
Dividend to Priority Creditors	(97,819.03)
Rent - Commercial	(87,974.02)
PAYG Control: PAYG Paid (Received)	(56,198.00)
Freight Outwards (Taxable)	(41,771.90)
Freight Costs	(34,509.23)
IT Consumables / Services (Trading)	(27,686.37)
Professional Fees (Excluding Appointee/s Fees)	(22,000.00)
Superannuation Control (Non-Trading): Superannuation Withheld (Priority Dividend)	(17,746.48)
Insurance Costs	(15,409.44)
Utilities	(9,606.02)
Other Payments	(6,415.40)
Payroll Tax	(5,063.34)
Duress Payments	(1,447.74)
Superannuation Control (Trading)	(950.00)
Repairs / Maintenance	(292.60)
Staff Reimbursements (Trading)	(233.40)
Total Payments	(2,625,612.80)
Net Receipts and Payments	769,219.97
Cash at bank as at 31 January 2025	1,169,286.22

Schedule E – Explanation where remuneration previously approved (Liquidation)

Creditors approved our remuneration of \$550,000 (excluding GST) for the Voluntary Administration and \$350,000 for the Liquidation (\$900,000 excluding GST in total). Our remuneration for the Liquidation has exceeded this remuneration approval and in this report, we are now seeking approval of a further amount of \$103,025 (excluding GST) to enable us to complete the Liquidation.

Task	Liquidators Fees approved and drawn to date (\$ excl GST)	Approval sought for work already done (\$)	Approval sought for future work (\$)	Total fees sought per task (\$)
Assets	61,957.50	14,992.00	-	76,949.50
Creditors	55,122.50	4,643.50	9,000.00	68,766.00
Employees	5,620.50	3,739.50	-	9,360.00
Trade on	127,261.50	5,626.00	-	132,887.50
Investigation	14,122.00	2,507.00	-	16,629.00
Dividend	24,269.50	10,062.00	25,000.00	59,331.50
Admin	61,410.50	21,455.00	6,000.00	88,865.50
Total (\$) (excl GST)	349,764.00	63,025.00	40,000.00	452,789.00

In the below table we compare, on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Liquidators Fees approved to date (\$) excl GST	Total fees sought per task (\$) excl GST	Difference	Reason for difference
Assets	61,957.50	76,949.50	5,814.50	■ Recovery of receivables has continued for longer and required more work was required due to number of follow ups.
Creditors	55,122.50	68,766.00	24,981.00	■ Additional time was spent preparing the reports to creditors and determining the estimated statement of position.
Employees	5,620.50	9,360.00	4,179.00	■ Additional time was spent preparing letters of earnings in relation to pre-appointment period for the purposes of personal income tax returns
Trade on	127,261.50	132,887.50	12,531.50	■ Additional tasks in attending to the finalisation of trading matters
Investigation	14,122.00	16,629.00	1,350.00	■ Further negotiations were required to finalise a settlement with Davex Malaysia in relation the Statement of Support
Dividend	24,269.50	59,331.50	13,858.50	■ Preparation in respect of a dividend process to unsecured creditors.
Admin	61,410.50	88,865.50	40,073.50	■ Additional time taken to finalise and lodge all outstanding taxation and other returns
Total (\$) (excl GST)	349,764.00	452,789.00	102,788.00*	

*As mentioned earlier in this report, creditors approved our remuneration for the period 19 April 2024 to 3 May 2024 in the amount of \$44,588. The actual time incurred across this period was \$44,352 hence the variance between this amount and the total remuneration of \$103,025 sought in this report.

Schedule F – FTI Consulting discounted schedule of rates

Typical classification	Standard Rates \$/hour	General guide to classifications
Senior Managing Director	780	Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement.
Managing Director	675	Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry.
Senior Director	600	Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	550	Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant	485	Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals.
Consultant	390	Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff.
Associate	340	Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff.
Treasury	315	Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities.
Junior Associate	260	Undergraduate in the latter stage of their university degree.
Administration 2	280	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management.
Administration 1	220	Has appropriate skills and experience to support professional staff in an administrative capacity.

The FTI Consulting Discounted Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review

Annexure 7

Information sheet: Proposals without meetings

You may be a creditor in a liquidation, voluntary administration or deed of company arrangement (collectively referred to as an external administration).

You have been asked by the liquidator, voluntary administrator or deed administrator (collectively referred to as an external administrator) to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

Meetings of creditors were previously the only way that external administrators could obtain the views of the body of creditors. However, meetings can be very expensive to hold.

A proposal without a meeting is a cost effective way for the external administrator to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The external administrator is able to put a range of proposals to creditors by giving notice in writing to the creditors. There is a restriction under the law that each notice can only contain a single proposal. However, the external administrator can send more than one notice at any single time.

What information must the notice contain?

The notice must:

- include a statement of the reasons for the proposal and the likely impact it will have on creditors if it is passed
- invite the creditor to either:
 - vote yes or no to the proposal, or
 - object to the proposal being resolved without a meeting, and
- specify a period of at least 15 business days for replies to be received by the external administrator.

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the external administration. The external administrator will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The external administrator must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided.

For example, if the external administrator is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the external administrator's remuneration for undertaking the external administration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the external administrator can choose to amend the proposal and ask creditors to consider it again or the external administrator can choose to hold a meeting of creditors to consider the proposal.

The external administrator may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. The external administrator will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be additional costs associated with convening a meeting of creditors or the external administrator seeking the approval of the Court. This cost will normally be paid from the available assets in the external administration.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at asic.gov.au (search for "insolvency information sheets").

Annexure 8

6 February 2025

NOTICE OF PROPOSAL TO CREDITORS

Davex Australia Pty Ltd (in Liquidation) ACN 052 491 657

("THE COMPANY")

Please complete this document and return with any supporting documents by no later than 28 February 2025 your vote to be counted, by email to Henry Banton at davex@fticonsulting.com. If you have any questions please call 02 8247 8091

Completed forms may also be sent by post attention to Henry Banton at FTI Consulting, Level 22, 1 Macquarie Place, Sydney 2000 although you should ensure this is sent with sufficient time to arrive by the date the vote closes.

Proposal for creditor approval

10 July 2024 to 31 January 2025

"The past remuneration of the Liquidators of Davex Australia Pty Ltd (In Liquidation) ACN 052 491 657 (formerly trading as Davis Lighting) and their staff, for the period from 10 July 2024 to 31 January 2025, calculated at the hours spent at the rates detailed in the Initial Remuneration Notice dated 22 January 2024 provided to creditors, is approved for payment in the amount of \$63,025 exclusive of GST, to be drawn from available funds immediately or as funds become available."

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The proposal if passed will minimise the cost of approving remuneration to the Liquidators, which would otherwise require a meeting of creditors or court application to be approved – which can be costly.

Remuneration of the Liquidators is to be paid in priority to other claims under the Corporations Act. This ensures when there are sufficient funds, the Liquidators receive payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve my remuneration, this does not guarantee I will be paid, as I am only paid if sufficient assets are recovered.

We estimate there to be sufficient funds to pay a partial dividend to unsecured creditors, however this is affected by many variables including the value of assets and complexity of realising those assets, the level of creditor enquiries, and the total value of creditor claims to be admitted to participate in a dividend.

My remuneration approval report, which has been provided with this notice provided more detailed information on the remuneration I am seeking to be approved.

Vote on Proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- | | | |
|--------|--------------------------|--|
| Yes | ☐ | I approve the proposal |
| No | ☐ | I do not approve the proposal |
| Object | ☐ | I object to the proposal being resolved without a meeting of creditors |

Your claim against the Company must be admitted for the purposes of voting by the Liquidators for your vote to count. Please select the option which applies:

- ☐ I have previously submitted a proof of debt form and supporting documents
- ☐ I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: ACN / ABN (if applicable):

- ☐ I am not a related creditor of the Company.
- ☐ I am a related creditor of the Company, relationship:

Address:

Name of creditor / authorised person:

Signature: Date:

6 February 2025

NOTICE OF PROPOSAL TO CREDITORS

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Proposal for creditor approval

1 February 2025 to finalisation of the Liquidation

"The future remuneration of the Liquidators of Davex Australia Pty Ltd (In Liquidation) ACN 052 491 657 (formerly trading as Davis Lighting) for the period from 1 February 2025 to the finalisation of the Liquidation, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 22 January 2024 provided to creditors, up to a capped amount of \$40,000 exclusive of GST, and the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available".

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- ☐ I am a related creditor of the Company, relationship:

Address:

Name of creditor / authorised person:

Signature: Date: