

9 August 2024

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

**Introduction**

I refer to the appointment of Benjamin Campbell, Kelly-Anne Trenfield and I, David McGrath, as Voluntary Administrators of the Company on 18 January 2024, and subsequently as Liquidators of the Company on 23 February 2024, and to the circular to creditors dated 28 June 2024 (**28 June Circular**).

The purpose of this document is to provide you with information regarding the settlement reached with Davex Malaysia SDN BHD and certain of its related entities (together, **Davex Malaysia**).

**Settlement with Davex Malaysia**

As outlined in the 28 June Circular, the Liquidators have previously:

- engaged in without prejudice discussions with Davex Malaysia in relation to the Statement of Support previously provided by Davex Malaysia SDN BHD to the Company; and
- negotiated an outcome with Davex Malaysia in which third party creditors (being the Company's unsecured creditors, other than Davex Malaysia) would be paid a dividend of 55 cents in the dollar, with any funds remaining to be distributed to Davex Malaysia (**Proposed Settlement**).

In the 28 June Circular, we requested that any creditor who was interested in proposing an alternative strategy to the Proposed Settlement, and willing to provide necessary funding for the Company to commence alternative recovery actions against Davex Malaysia in respect of the Statement of Support, contact the Liquidators by no later than 19 July 2024.

We did not receive any responses from creditors to our request.

Accordingly, 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 each received a dividend of 55 cents in the dollar in respect of their admitted claims;
- Davex Malaysia will then be eligible to receive dividends in respect of any of their admitted claims, with any such dividends to be paid from the remaining funds available to the Liquidators; and

**FTI Consulting (Australia) Pty Limited**

ABN 49 160 397 811 | ACN 160 397 811 | AFSL Authorised Representative # 001269325  
Level 22, Gateway | 1 Macquarie Place | Sydney NSW 2000 | Australia  
Postal Address | PO Box R367 | Sydney NSW 1225 | Australia  
+61 2 8247 8000 telephone | [fticonsulting.com](http://fticonsulting.com)

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- Mutual releases of claims between the Company, the Liquidators and Davex Malaysia become effective upon either (a) the payment of all dividends to third party creditors and Davex Malaysia, or (b) the Liquidators confirming that there are insufficient funds to make payment of a Davex Malaysia dividend.

### Next steps

Following the execution of the settlement agreement on 8 August 2024, the Liquidators now intend to proceed to collect the Company's remaining pre-appointment and post-appointment debtor amounts and prepare for payment of a dividend to the creditors of the Company.

We anticipate we will be in a position to declare and pay a dividend within 3 to 6 months of issuing this circular to creditors.

Should you have any queries, please contact Grace Patterson of this office on 02 8247 8000 or by email at [Davex@fticonsulting.com](mailto:Davex@fticonsulting.com).

Yours faithfully



David McGrath

Joint and Several Liquidator