

19 September 2023



**ACN 623 991 006 Pty Ltd
(Administrators Appointed)
(formerly Sun Cable Pty
Ltd)
ACN 623 991 006
("the Company")**

Report to creditors – Section 75-225 of the
Insolvency Practice Rules (Corporations) 2016

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1. About this report: a guide for creditors

1.1. Appointment background

Christopher Hill, David McGrath and John Park were appointed joint and several Administrators of the Company on Tuesday, 10 January 2023 pursuant to a resolution of the board of directors under section 436A of the Act.

We note that our appointment as Administrators is limited to ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) and does not extend to any of the Company's subsidiary entities, as set out at Section 5.1.

1.2. Purpose of this report

The purpose of this report is to table the findings of our investigations into the Company's business, property, affairs and financial circumstances, as well as setting out our opinion on the three options available to creditors in deciding the future of the Company, being:

- the Company executes a Deed of Company Arrangement; or
- the Company be wound up; or
- the administration should end and the Company be returned to its directors.

Alternatively, creditors can vote to adjourn the meeting for up to 45 business days to allow more time to make their decision.

1.3. Key messages and recommendations

1.3.1. Background

The Company was incorporated in Australia in 2018 and was the head Company of the Sun Cable Group, a developer of large-scale renewable infrastructure projects, including the world's largest solar energy infrastructure network, the AAPowerLink. The Group operated across Australia, Singapore and Indonesia, with its primary asset and most developed project being the AAPowerLink, anticipated to harness and store solar energy from the Northern Territory of Australia, for transmission to Darwin, Singapore and other markets.

As the Group was still in the development phase, it had been primarily funded via various equity capital raisings, with a \$36m Series A capital raise completed in December 2019 and a further \$210m Series B raise completed in March 2022. The Series B raise was structured in tranches, with the ability to draw down each tranche contingent upon completion of linked specific milestones. As a result of delays with certain regulatory approval processes in respect of two Series B tranches scheduled to be called in September 2022 (tranche 3) and November 2022 (tranche 4), the Company was unable to draw down c.\$65m in funding

during this period. Consequently, the Company anticipated it would encounter cash flow challenges and commenced negotiations with its Lead Investors with a view to resolving the funding gap.

Each Lead Investor held special approval rights pursuant to the terms of the Series B Shareholders' Deed, resulting in the proposals put forward by each of the Lead Investors becoming incapable of acceptance by the Company, given the requisite approval from the other Lead Investor could not be obtained. Due to the subsequent breakdown of negotiations between the Lead Investors as to the future direction of the Group and the resultant inability to raise further funding, the Company was placed into voluntary administration on 10 January 2023. Further details are provided in Section 5.

1.3.2. Outcome of Transaction Process

During the Administration, we sought additional funding from the Lender to enable the Sun Cable Group to continue to operate and further develop the AAPowerLink Project, to preserve value in the Sun Cable Group, whilst the Transaction Process was undertaken.

The Transaction Process resulted in the Administrators receiving one proposal capable of acceptance, being a proposal from an affiliate of Grok Ventures to acquire the assets of the Company, including the shares in the Subsidiaries (**Transaction**).

One further proposal was received from a participant in the Transaction Process, but it was not in a form capable of acceptance in that, amongst other things, it required a lengthy period of exclusivity to conduct extensive further due diligence and remained subject to finance.

The Transaction provides for unsecured creditors of the Company to be paid in full based on current known creditor claims. On that basis, and in the absence of competing proposals capable of acceptance, we determined that accepting Grok's proposal for the Transaction was in the best interests of creditors and on 26 May 2023, we executed a binding Asset Sale Agreement (**ASA**) with Grok's affiliate Helietta Holdings (**Purchaser**). Further details in relation to the Transaction Process are included at Section 6.

The Transaction completed on 5 September 2023. In between signing and execution, the ASA was amended a number of times. The final key terms of the Transaction as at the Completion Date were:

- A total purchase price of up to \$86.5m, comprised of the following:
 - Estimated Priority Claim amount of up to \$79.8m, to be utilised to:
 - Repay the amount drawn under the Administrators' Funding Facility as at completion, being \$74.0m
 - Pay transaction adviser fees of up to \$4.3m
 - Pay the costs of a liquidator or deed administrator of up to \$1.5m.
 - Estimated Creditor Claim Amount of \$5.7m (initially this amount was \$15.6m, however it was reduced to \$5.7m as a result of settlement of one unsecured creditor claim which was required in order to achieve the novation of contract that was a condition precedent to completion of the ASA); and

- Creditor Claim Top-up Amount of \$1m, which is available to be drawn from the Purchaser if required to be used to pay any unsecured creditor claims to the extent that creditor claims exceed the Estimated Creditor Claim Amount.

Prior to the Completion Date, the Transaction also provided for:

- The prompt completion of the Transaction, which at the time of signing the ASA was anticipated to occur on or before 26 July 2023, subject to the satisfaction of certain conditions precedent including counterparty consent for the novation of a limited number of material contracts to the Purchaser. Ultimately satisfaction of the CP's took longer than anticipated and hence the End Date under the ASA was extended to 31 August 2023, with completion ultimately occurring on 5 September 2023.
- The provision of ongoing funding to allow the business to continue to operate during the period between signing the ASA and completion, subject to budgets agreed with the Purchaser.

The Transaction completed on 5 September 2023 and the Administrators are currently holding funds sufficient to repay unsecured creditors in full, based on the known debts of the Company as at the date of this Report.

The key remaining steps required in the external administration of the Company are to:

- Satisfy the Administrators' obligations under the ASA, which primarily relate to the novation of further contracts from the Company to the Purchaser;
- Apply for an R&D tax refund (**R&D Refund**) in respect of the FY23 financial year, which once received by the Company (which is anticipated to occur in early 2024), is required to be remitted to the Purchaser; and
- Make a distribution to unsecured creditors, which could occur either through the creditors voting to place the Company into liquidation, or via a DOCA.

1.3.3. Recommendation to creditors

A DOCA proposal has been received from the Purchaser, which in summary provides for:

- The Estimated Creditor Claim Amount (and if required, the Creditor Claim Top-Up Amount) to be adjudicated and paid in accordance with the same statutory process that would apply in a liquidation (as prescribed by the Act). The Estimated Creditor Claim Amount is in effect, the value of the known creditors, with the Creditor Claim Top-Up Amount to cater for any unknown claims that may be lodged (up to the amount of c.\$1m), such that unsecured creditors are expected to receive 100 cents in the dollar;
- An Additional Contribution of up to \$0.1m to the deed fund from the proceeds of the R&D Refund which will be available to creditors as either:
 - An additional amount in respect of creditors' unsecured claims, to the extent these claims exceed the Estimated Creditor Claim Amount and the Creditor Claim Top-Up Amount (ie. approximately \$6.7m); or

- To the extent that creditors' unsecured claims are paid in full (as is currently envisaged), a pro-rata payment in respect of interest at the statutory rate accrued on creditors' claims in the period between 10 January 2023 and the date that such claims are paid in full.
- This Additional Contribution would not be available in a liquidation, meaning the proposed DOCA should provide for a greater return than in a winding up; and
- At the conclusion of the distribution process and subject to realising any residual assets of the Company for the benefit of the Purchaser (ie. that were sold to them as part of the ASA), allowing for the Company to be deregistered, subject to the Deed Administrators obtaining the consent of the Company's shareholders and the relevant instrument of deregistration being executed by the Company's Directors.

We highlight that if the aforementioned consents are not obtained, then the DOCA will terminate and the Company will be placed into liquidation. This will not have any impact on the distribution to unsecured creditors.

A copy of the proposed DOCA is included at **Appendix 7** of this Report.

The key difference for creditors between the proposed DOCA and a liquidation is the Additional Contribution of \$0.1m to the deed fund from the Purchaser, which as noted above will be available either as a contribution to payment of creditors' claims or for a pro-rata payment in respect of interest at the statutory rate (to the extent claims are paid in full).

Receipt of the \$0.1m Additional Contribution is contingent upon the Company obtaining the R&D Refund, which is expected to occur in early 2024.

There remains a theoretical risk that either no R&D Refund is received, or that the quantum will be less than \$0.1m, in which case the Additional Contribution will either not be available to creditors or may be less than \$0.1m. However, we think this outcome is unlikely as the R&D Refund is expected to be well in excess of \$0.1m.

In any event, as outlined above the Additional Contribution will not be available in a liquidation and even if the Additional Contribution was not available to creditors, the return under the proposed DOCA would be no worse than a liquidation.

For these reasons, in our opinion, the ultimate outcome for creditors under the proposed DOCA is either better or no worse than a liquidation.

The other residual benefit of the DOCA is that it is expected to allow for a more efficient wind down of the Company's affairs as compared to a liquidation. However, the benefit of the reduced costs in the DOCA will flow to the Purchaser, as any unused amount of the \$1.5m funded under the ASA for the purposes of winding up the Company's affairs will be returned to the Purchaser.

Our preliminary view is that the Company was solvent up until our appointment on 10 January 2023, for the reasons set out at Section 8. We have found no evidence of potential voidable transactions, although we note our investigations are preliminary at this stage. A liquidator, if appointed could investigate these matters further. However, assuming creditors are repaid in full (as is currently envisaged), then there would not be any unsatisfied creditor claims which could benefit from any actions or recoveries related to the solvency position of the Company prior to our appointment, or in connection with any other antecedent transactions. Notwithstanding this, we have completed our preliminary investigations into the failure of the Company and set out our findings in Sections 8 and 9 of this Report.

Based on all of the above, in our opinion it is in the creditors' best interests to resolve to execute the proposed DOCA.

1.4. Second meeting of creditors

The Second Meeting of creditors will be held on:

Date: Wednesday, 27 September 2023

Time: 3.00pm (AEST)

Address: By electronic means only

Teleconference: Please complete and return the relevant forms detailed below to our office

Formal notification Form 529 – Notice of Meeting of Creditors is attached at **Appendix 5**.

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit the following forms attached at **Appendix 5** or available for download from the FTI Consulting Creditor Portal at <https://www.fticonsulting.com/creditors/sun-cable-pty-ltd>

Forms must be submitted by no later than **4.00pm AEST on Tuesday, 26 September 2023** to this office or by email to SunCable@fticonsulting.com.

If you have previously submitted a POD and have not received separate correspondence on your proof from the Administrators, you do not need to complete a new POD form. However, you will need to complete a new proxy form.

Form 535 - Proof of Debt Form

You must submit this form in order to vote at the meeting.

This form is required to register your claim against a company for voting purposes ONLY.

A Creditor must nominate the company that their claim relates to in the Proof of Debt Form.

Documents to substantiate your claim (e.g. invoices, contracts) must also be provided. These will be checked against the Company's records.

Please take care when completing the form to ensure the correct party is named as the creditor. As an example, this may include ABC Pty Ltd as trustee for the XYZ Family Superannuation Fund.

Proxy Form

You must complete this form if you are representing a corporate creditor or wish to appoint another person to attend the meeting on your behalf.

Non-individual creditors (corporate, trusts, etc.) who want to be represented must appoint an individual to act on its behalf by executing a Proxy Form.

Individuals may choose to appoint a proxy/representative to vote on their behalf by executing a Proxy Form.

A Creditor must nominate the company that their claim relates to in the Proxy Form.

Meeting Registration Form

You must complete this form if you wish to attend the Second Meeting, and vote at the Second Meeting.

Once you have submitted your proxy and proof of debt form/s, please complete the meeting registration form:

https://us06web.zoom.us/webinar/register/WN_ZcAOEMMJT4mfHRwbakSTOg#/registration

Creditors will receive a link to register for the Zoom meeting by email, once they have submitted the required forms.

Once your registration is approved, a creditor unique identifier will be emailed to you to be used for voting at the meeting.

1.5. Report Guide

This Report is intended to serve as a summary of our investigations and recommendation in respect of the Company, being ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) only. However, due to the manner in which the Group operated prior to our appointment, Section 5 contains certain references to and information in respect of both the Company and the Sun Cable Group, due to the Group operating on a consolidated basis.

Specific details relating to the Company are included at Sections 5, 7 and 8, along with Appendix 2 of this Report, including the Company's:

- Statutory information (directors, shareholders)
- Summary of creditor claims
- Summary of ROCAP form
- Financial statement summaries.

When reading this Report, creditors should note that any statements referring to 'the Group' or 'Sun Cable Group' encompasses all entities within the Group, as set out at Section 5.1. Any reference to 'the Company' or 'Sun Cable' relates to ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) only, being the entity the subject of our appointment.

We have prepared this Report on this basis for the following reasons:

- the Company was the sole funder of the Sun Cable Group, through the use of funds raised via equity capital which were then distributed amongst Group entities to fund costs incurred
- some of the Group subsidiaries own assets and are parties to key contracts associated with the AAPowerLink development, while others are largely dormant
- historically, notwithstanding the legal structure, the Group was managed and operated on a consolidated basis without any formal agreements or policies dictating how the use of assets and funds were accounted for between the entities.

1.6. Questions and help

If you are unsure about any of the matters raised in this report and the impact that any decision about the Company's future may have on you, please contact us by email at SunCable@fticonsulting.com or by phone on +61 2 8247 8000.

2. Key messages

2.1. Overview of administration strategy

Administrators' Strategy and Major Actions

Strategy & Trading	<p>Entered into a Facility Agreement with the Lender to allow the Subsidiaries to remain solvent and to provide funding to continue development of the AAPowerLink Project for the purposes of preserving the value of the Sun Cable Group.</p> <p>Commenced a comprehensive financial review and monitoring process, to review and where possible, reduce costs of the Group's business during the VA period, whilst maintaining critical Group operations and optionality for the</p>	<p>Engaged Moelis to undertake the Transaction Process to seek offers for a sale or recapitalisation of the Sun Cable Group.</p> <p>Engaged expert advisers to assist us with reviewing the Group's critical project activities for the Administration period.</p> <p>Liaised with regulatory authorities regarding the Transaction Process, including the Northern Territory Government.</p>	<p>Actively engaged with internal and external stakeholders including employees of the Group, suppliers and various domestic and international government bodies to mitigate the risk of adverse impacts on the Company's assets and operations during the Administration period.</p> <p>Applied to the Court for orders limiting the Administrators' personal liability under the Facility Agreement.</p>	<p>As part of our financial monitoring process, worked with Management to ensure the accuracy of the Group's financial reporting and forecast expenditure.</p> <p>Maintained a comprehensive VA Budget for the Group to closely monitor the Company's cash expenditure.</p> <p>Managed the provision of funding to the Group's subsidiary trading entities, to facilitate payment of ongoing</p>	<p>Assessed and considered offers from interested parties submitted through the Transaction Process.</p> <p>Assessed binding offers received and negotiated, then executed the Asset Sale Agreement with the Purchaser to affect the Transaction.</p> <p>Completed a sale of the Company's assets (including the shares in its Subsidiaries) to the Purchaser.</p>
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	<p>ultimate successful bidder through the Transaction Process.</p> <p>Implemented trading controls and established accounts with suppliers to facilitate ongoing trade.</p>			<p>expenditure relating to the AAPowerLink Project.</p>	
Statutory matters & Investigations	<p>Attended to all required statutory obligations and requirements.</p> <p>Applied to the Court to extend the convening period for the Second Meeting of creditors, initially through to 30 June 2023, 31 August 2023 and subsequently through to 20 September 2023.</p>	<p>Conducted PPSR, property, motor vehicle, company and other searches.</p>	<p>Undertook preliminary investigations into the performance and position of the Company leading up to our appointment, to determine the causes of failure.</p>	<p>Performed financial analysis and investigations as to whether there were any potential voidable transactions (and any other potential breaches of the Act) available for a liquidator to pursue.</p>	<p>Placed insurance cover over the Company's assets and opened bank accounts in the name of the Administrators.</p>
Stakeholders	<p>Prepared and distributed circulars and other correspondence to creditors and suppliers.</p>	<p>Responded to numerous queries from creditors, employees of the Group and other stakeholders.</p>	<p>Corresponded and regularly met with creditors, suppliers, employees, regulatory authorities and other stakeholders (including shareholders) of the Group.</p>	<p>Prepared for and facilitated the First Meeting of creditors via electronic means.</p>	<p>Preparation of this Report pursuant to Section 75-225 of the Insolvency Practice Rules (Corporations) 2016.</p>

Key messages

2.2. Key messages for creditors

Set out below is a summary of the key messages and recommendations that are detailed in this report. Please read this summary in conjunction with the remainder of the report including the terms of reference contained in **Appendix 1** and any other attachments.

Key areas	Commentary	Analysis
Reasons for the Company's difficulties	<p>The key reasons for the Company's difficulties are considered to be as follows:</p> <ul style="list-style-type: none"> ■ The Company was the head entity of a Group engaged in project development. Since the Group's projects, including its primary project AAPowerLink, were not generating revenue, from inception the Company was reliant on equity funding to meet ongoing project development and corporate costs. ■ The Company raised significant capital through a Series B raise in March 2022. However, its ability to draw down under the Series B sub-tranches was tied to the achievement of certain milestones associated with the AAPowerLink Project. ■ Several of these milestones that were expected to be achieved in the second half of 2022 were delayed. Accordingly, the Company was unable to draw down the equity funding connected to these milestones. ■ The Company sought to deal with this issue by seeking additional funding from the Lead Investors, separate to the Series B capital raise. However, the terms of the Company's Shareholders' Deed special approval provisions effectively meant that the approval of both Lead Investors was required for the Company to enter into any additional funding arrangements. ■ Ultimately the Lead Investors could not agree on the terms of additional funding and, given the ongoing liabilities being incurred, the Directors had no alternative but to place the Company into Administration. 	Section 8.4
Conduct of Administration	<p>Since our appointment as Administrators we have, amongst other things:</p> <ul style="list-style-type: none"> ■ Entered into the Funding Agreement, securing a line of funding of up to \$65m from the Lender (which included a further \$12m available to be drawn at the discretion of the Lender) to provide funding for the Company and the Subsidiaries to continue to operate. ■ Successfully applied to the Court for an initial extension of the convening period to 30 June 2023 to provide time to undertake the Transaction Process, with further extensions being sought to 31 August 2023 and 	Section 6

Key areas	Commentary	Analysis
	<p>subsequently 20 September 2023, to allow sufficient time for the Transaction to complete, prior to convening the second meeting of creditors.</p> <ul style="list-style-type: none"> ■ Engaged Moelis to undertake the Transaction Process, which resulted in one offer capable of acceptance (including the Transaction outlined in Section 6). ■ Liaised with key stakeholders, including customers, key creditors, suppliers and the Group’s employees to ensure ongoing support to the Sun Cable Group, which in turn allowed for the business to continue to operate. ■ Regularly reported to relevant government bodies and authorities regarding the status of the administration and Transaction Process. ■ Held the First Meeting of creditors of the Company. ■ Conducted preliminary investigations for the purpose of reporting to creditors. ■ Executed the Asset Sale Agreement with the Purchaser. ■ Worked with the Purchaser, our advisers and numerous third party stakeholders to satisfy the conditions precedent to the Transaction. ■ Prepared this report and convened the Second Meeting of creditors. 	
Asset sale	<p>The ASA was executed on 26 May 2023 and the Transaction completed on 5 September 2023. The Transaction provides for Helietta Holdings, an entity associated with Grok, to acquire substantially all of Sun Cable’s assets, including the shares in all of Sun Cable’s Subsidiaries.</p> <p>Completion of the Transaction has also allowed for the AAPowerLink Project to continue to progress towards a final investment decision, with all material contracts held by the Company being novated to the Purchaser. In addition, the proceeds of the Transaction will allow for the payment of known unsecured claims in full.</p>	Section 6.4.1
Estimated date of insolvency	Our preliminary view is that the Company was solvent until immediately prior to our appointment. Whilst the Company was experiencing reducing liquidity in the period prior to our appointment, due primarily to having missed various milestones that were conditions to the drawdown of certain tranches of the Series B Funding,	Section 9

Key areas	Commentary	Analysis
	<p>up until the date of our appointment the Company was in ongoing dialogue with the Lead Investors with regards to the provision of additional funding.</p> <p>Whilst these discussions were ongoing, there were reasonable prospects that they would result in the provision of further funding that would allow the Company's creditors to be paid as and when they fell due.</p> <p>Upon having received and considered the best and final proposals for further funding from the Lead Investors and determining that neither proposal was capable of implementation, the Company's Directors resolved to appoint Administrators to the Company shortly thereafter.</p> <p>Since unsecured creditors are expected to be repaid in full, it is unlikely that there will be any claims available to creditors based on the solvency position of the Company prior to our appointment.</p>	
Voidable transactions and offences	<p>We have conducted preliminary investigations into whether there are transactions which a liquidator, if appointed, could pursue that may result in property or money being recovered for the benefit of creditors. We have not identified any transactions of this nature.</p> <p>Again, since unsecured creditors are expected to be paid in full, even if such recoveries existed there would be no creditor claims which the funds could be used to satisfy.</p>	Section 9
Offences by directors	<p>Based on our investigations to date, it does not appear that offences have been committed by the Directors of the Company.</p>	Section 9.5
Liability for insolvent trading	<p>We consider it unlikely that the Directors traded the Company whilst insolvent. Further investigations into the date of insolvency and any potential liability for insolvent trading would theoretically be undertaken if the Company was placed into liquidation, however, again, assuming all creditors are repaid in full, there would not be any claims available based on the solvency position of the Company prior to our appointment, as no creditor would have suffered loss.</p>	Section 9
Proposal for a deed of company arrangement	<p>The Transaction Process has resulted in the Administrators completing the ASA, with a DOCA now being proposed by the Purchaser to effect a distribution to the unsecured creditors of the Company, whilst providing for an efficient and cost effective mechanism to wind down the affairs of, and ultimately deregister, the Company. The proposed DOCA provides for:</p>	Section 10

Key areas	Commentary	Analysis															
	<ul style="list-style-type: none"> ■ The Estimated Creditor Claim Amount (and if required, the Creditor Claim Top-Up Amount) to be distributed to creditors in accordance with the same statutory provisions that would apply in a liquidation. This is expected to provide a return of 100 cents in the dollar to unsecured creditors; ■ To the extent creditors' unsecured claims are paid in full, a pro-rata payment utilising an Additional Contribution of \$0.1m in respect of interest at the statutory rate accrued on creditors' claims in the period between 10 January 2023 and the date that such claims are paid in full, to be recovered from the R&D Refund expected to be received from the ATO; and ■ At the conclusion of the dividend process and subject to the Deed Administrators having obtained the requisite consents, the ultimate deregistration of the Company and wind down of its affairs. Alternatively, if these consents cannot be obtained, the DOCA would terminate and the Company would transition to liquidation. This would not have any impact on the distribution to unsecured creditors. 																
Estimated outcome for creditors	<p>The estimates shown are based on the information presently available, our view of the Company's estimated realisable value of assets and estimated claims of creditors currently known to us:</p> <table border="1" data-bbox="546 821 1668 1136"> <thead> <tr> <th data-bbox="546 821 1010 874">Creditor Type</th> <th data-bbox="1010 821 1308 874">DOCA</th> <th data-bbox="1308 821 1668 874">Liquidation</th> </tr> </thead> <tbody> <tr> <td data-bbox="546 874 1010 927">Secured creditors</td> <td data-bbox="1010 874 1308 927">n/a</td> <td data-bbox="1308 874 1668 927">n/a</td> </tr> <tr> <td data-bbox="546 927 1010 979">Priority employee claims</td> <td data-bbox="1010 927 1308 979">n/a</td> <td data-bbox="1308 927 1668 979">n/a</td> </tr> <tr> <td data-bbox="546 979 1010 1032">Unsecured creditors</td> <td data-bbox="1010 979 1308 1032">100 cents in the dollar</td> <td data-bbox="1308 979 1668 1032">100 cents in the dollar</td> </tr> <tr> <td data-bbox="546 1032 1010 1136">Unsecured creditors – interest at the statutory rate[^]</td> <td data-bbox="1010 1032 1308 1136">Approximately 20 cents in the dollar</td> <td data-bbox="1308 1032 1668 1136">Nil</td> </tr> </tbody> </table> <p data-bbox="546 1145 1541 1169">[^]Assumes interest at the statutory rate on creditor claims (currently known) is calculated up to 31 December 2023.</p>	Creditor Type	DOCA	Liquidation	Secured creditors	n/a	n/a	Priority employee claims	n/a	n/a	Unsecured creditors	100 cents in the dollar	100 cents in the dollar	Unsecured creditors – interest at the statutory rate [^]	Approximately 20 cents in the dollar	Nil	Section 11
Creditor Type	DOCA	Liquidation															
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Unsecured creditors – interest at the statutory rate [^]	Approximately 20 cents in the dollar	Nil															
Timing of payments to creditors	<p>The indicative (estimated) timing of dividends are set out below for each class of creditor in a DOCA or liquidation scenario:</p> <table border="1" data-bbox="546 1289 1662 1343"> <thead> <tr> <th data-bbox="546 1289 1010 1343">Creditor Type</th> <th data-bbox="1010 1289 1308 1343">DOCA</th> <th data-bbox="1308 1289 1662 1343">Liquidation</th> </tr> </thead> </table>	Creditor Type	DOCA	Liquidation	Section 11												
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Priority employee claims	n/a	n/a												
Unsecured creditors	3 to 6 months	3 to 6 months												
Unsecured creditors – interest at the statutory rate	5 to 8 months	n/a												
Remuneration	<p>We are seeking approval for our remuneration (excluding GST) at the Second Meeting as summarised below.</p> <table border="1"> <thead> <tr> <th data-bbox="551 643 1738 710">Period</th> <th data-bbox="1570 643 1738 710">Amount (\$) (excluding GST)</th> </tr> </thead> <tbody> <tr> <td data-bbox="551 715 1738 778">Voluntary Administration Resolution 1: 10 January 2023 to 8 September 2023</td> <td data-bbox="1570 746 1738 778">3,408,295.50</td> </tr> <tr> <td data-bbox="551 783 1738 879">Voluntary Administration Resolution 2: 9 September 2023 to the date the DOCA is executed and/or the Administration concludes</td> <td data-bbox="1603 815 1738 847">250,000.00</td> </tr> <tr> <td data-bbox="551 884 1738 979">Deed of Company Arrangement Resolution 3: DOCA execution to DOCA finalisation (effectuation)</td> <td data-bbox="1581 916 1738 948">1,250,000.00</td> </tr> <tr> <td data-bbox="551 984 1738 1080">Liquidation (if applicable) Resolution 4: Commencement to the finalisation of the Liquidation</td> <td data-bbox="1581 1016 1738 1048">1,250,000.00</td> </tr> </tbody> </table> <p>We note that an amount of \$1.5m has been set aside under the ASA to fund the costs of concluding the affairs of the Company. Under the ASA, if this amount is not utilised in full, it must be refunded to the Purchaser rather than made available for payment to unsecured creditors. Consequently, any costs incurred by the Deed Administrators' (or liquidators) up to \$1.5m do not have a bearing on returns to unsecured creditors.</p>	Period	Amount (\$) (excluding GST)	Voluntary Administration Resolution 1: 10 January 2023 to 8 September 2023	3,408,295.50	Voluntary Administration Resolution 2: 9 September 2023 to the date the DOCA is executed and/or the Administration concludes	250,000.00	Deed of Company Arrangement Resolution 3: DOCA execution to DOCA finalisation (effectuation)	1,250,000.00	Liquidation (if applicable) Resolution 4: Commencement to the finalisation of the Liquidation	1,250,000.00	Appendix 6		
Period	Amount (\$) (excluding GST)													
Voluntary Administration Resolution 1: 10 January 2023 to 8 September 2023	3,408,295.50													
Voluntary Administration Resolution 2: 9 September 2023 to the date the DOCA is executed and/or the Administration concludes	250,000.00													
Deed of Company Arrangement Resolution 3: DOCA execution to DOCA finalisation (effectuation)	1,250,000.00													
Liquidation (if applicable) Resolution 4: Commencement to the finalisation of the Liquidation	1,250,000.00													

Key areas	Commentary	Analysis
	<p>We have sought approval for the full value of these funds, to take account of costs for the deed administrators (or liquidators), which may be incurred during the deed administration (or liquidation), including declaring and paying a dividend to creditors and complying with residual obligations under the ASA.</p> <p>Please refer to our Remuneration Report at Appendix 6 for full details of key activities undertaken by us, our senior managing directors and staff and the remuneration approval sought.</p>	

3. Recommendation on the Company’s future

In our opinion it is in the creditors’ interests that the Company execute a deed of company arrangement in line with the terms proposed. Details about the estimated return to creditors and other information about what creditors can decide at the meeting are provided throughout this Report.

Options available to creditors	Option 1: Execute a DOCA	Option 2: Administration end	Option 3: Liquidation
Description	<ul style="list-style-type: none"> Whether it would be in the creditors’ interests for the Company to execute a DOCA 	<ul style="list-style-type: none"> Whether it would be in the creditors’ interests for the administration to end 	<ul style="list-style-type: none"> Whether it would be in the creditors’ interests for the Company to be wound up
Key factors to considers	<ul style="list-style-type: none"> Under the proposed DOCA, creditors receive the benefit of the Additional Contribution, which can be allocated towards payment of unsecured claims, or interest at the statutory rate where claims have been paid in full. This is not available in a liquidation. On balance, the DOCA Proposal would be the most efficient approach to conclude the affairs of the Company, as compared to a liquidation scenario. In addition to the increased dividend driven by the Additional Contribution, utilising a deed fund to distribute the Estimated Creditor Claim Amount pursuant to the ASA to unsecured 	<ul style="list-style-type: none"> The Administrators hold sufficient cash to pay the current known creditor claims of the Company, which could theoretically restore it to solvency. However, since the Transaction has completed, the Company has no business, employees or material assets. Accordingly, there would be no utility in the Administration ending and control of the Company being returned to its directors. Rather, it would be appropriate for an independent party to declare and pay a dividend to creditors through either a DOCA proposal or the statutory liquidation mechanism, to provide 	<ul style="list-style-type: none"> In a liquidation the creditors will not receive the benefit of the Additional Contribution. A liquidation is likely to provide for a less efficient and cost effective mechanism to wind down the affairs of the Company.

	<p>creditors of the Company (together with any required Estimated Creditor Top-Up Amount) will provide a more cost effective solution to wind down the Company's estate, given the costs associated with additional statutory reporting and investigation requirements of a liquidator would not be required pursuant to the proposed DOCA.</p> <ul style="list-style-type: none"> ■ Subject to relevant consents being obtained, upon effectuation of the DOCA, the Company will be deregistered in accordance with the proposed DOCA. 	<p>creditors with certainty in respect of the timing and quantum of a dividend.</p>	
<p>Our opinion</p>	<ul style="list-style-type: none"> ■ Is in the creditors' interests that the Company execute a DOCA in line with the terms proposed 	<ul style="list-style-type: none"> ■ Not in the creditors' interests that the administration should end 	<ul style="list-style-type: none"> ■ Not in the creditors' interests that the Company be wound up
<p>Recommended option</p>	<p style="text-align: center;">Recommended</p>	<p style="text-align: center;">Not recommended</p>	<p style="text-align: center;">Not recommended</p>
<p>Potential to adjourn the meeting to a future date</p>	<ul style="list-style-type: none"> ■ Creditors may wish to adjourn the Second Meeting for up to 45 business days to allow time to make their decision regarding the future of the Company. ■ Whilst it is a matter for creditors to decide, we do not recommend that creditors resolve to adjourn the Second Meeting. 		

4. Background information

4.1. Appointment information

The Administrators were appointed on Tuesday, 10 January 2023 pursuant to a resolution of the Company's board of directors under section 436A of the Act.

In a voluntary administration, the Administrators take control of a company and its affairs, superseding the powers of the directors and officers to make decisions and perform management functions.

We also have a duty to investigate the Company's business, property, affairs and financial circumstances and to report to creditors on the options that are available in relation to the future of the Company.

4.2. Administrator's prior involvement and independence

In accordance with section 436DA of the Act, we provided a DIRRI with our first communication to creditors on 11 January 2023. The DIRRI disclosed information regarding any prior personal or professional relationships the Administrators and FTI Consulting had with the Company or related parties, our independence and any indemnities received relating to this appointment.

A copy of our DIRRI was provided in our first circular to creditors and can also be downloaded from the FTI Consulting Creditor Portal at <https://www.fticonsulting.com/creditors/sun-cable-pty-ltd>

This DIRRI included the circumstances that led to our appointment as Administrators and remains unchanged.

4.3. Purpose of this report

The Administrators are required to investigate the Company's business, property, affairs and financial circumstances and report to creditors on the Administrators' opinion on the options available to creditors of the Company, being that:

- the Company execute a deed of company arrangement if one is proposed; or
- the Company be wound up (liquidation); or
- the Administration of the Company should end (with control of the Company reverting to the Company's directors).

4.4. Outcome of the first meeting of creditors

Section 436E of the Act requires the Administrators to convene a first meeting of creditors within eight business days of being appointed. The First Meeting of creditors of the Company was held on 20 January 2023.

There were no nominations to appoint an alternative administrator to Sun Cable at the First Meeting. Creditors also did not resolve to appoint a Committee of Inspection (COI) for the Company.

4.5. Purpose of Second Meeting

The Second Meeting of creditors of the Company will:

- address the contents of this Report;
- respond to questions from creditors;
- determine the Company's future by resolving one of the three available options;
- seek approval of:
 - Administrators' remuneration;
 - Future remuneration of the deed administrators or liquidators (as applicable); and
 - Should creditors desire, the formation of a COI (in the event the Company is placed into liquidation).

The current Administrators automatically become the deed administrators or liquidators unless creditors resolve to replace them.

The options available to creditors and the Administrators' opinion on each option are set out in detail in **Section 12**.

It is our opinion, for the reasons stated in this Report, that it is in the creditors' best interests to **resolve that the Company execute the Deed as proposed**.

4.6. Second Meeting Convening Period

The Act stipulates the timing of the Second Meeting. Generally, the Second Meeting must be convened between 15-25 business days, or 20-30 business days in the event the appointment occurs immediately prior to Christmas or Easter, from the date the administration begins. The court may extend the convening period in appropriate circumstances.

On our application, the Court first extended the convening period until 30 June 2023. We sought the convening period extension to provide sufficient time to undertake the Transaction Process, particularly in light of both the complexity and unique nature of the Sun Cable Group's operations.

We subsequently sought a further extension of the convening period to 31 August 2023, to provide sufficient time to satisfy the conditions precedent to completion of the Transaction. However, in or around late August 2023, the Administrators were awaiting the satisfaction of certain conditions precedent pursuant to the ASA. In light of this, a further extension of the convening period was granted by the Court to 20 September 2023, to provide the Administrators with sufficient time to complete the Transaction.

Further details on the extension of the convening period are set out at Section 6.2.

4.7. Second meeting details

We are required under the Act to convene a second meeting of creditors for the Company, at which time creditors will vote on the future of the Company.

The Second Meeting will be held on Wednesday, 27 September 2023 at 3.00pm AEST. Formal notification Form 529 – Notice of Meeting of Creditors is attached at **Appendix 5**. This meeting will be held by electronic means only. No physical meeting will take place.

4.8. Meeting registration

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit the following forms attached at **Appendix 5**. Meeting forms are also available to download from the FTI Consulting Creditor Portal at: <https://www.fticonsulting.com/creditors/sun-cable-pty-ltd>

Form 535 - Proof of Debt Form

You must submit this form in order to vote at the meeting.

This form is required to register your claim against a company for voting purposes ONLY.

A Creditor must nominate the company that their claim relates to in the Proof of Debt Form.

Documents to substantiate your claim (e.g. invoices, contracts) must also be provided. These will be checked against the Company's records.

Please take care when completing the form to ensure the correct party is named as the creditor. As an example, this may include ABC Pty Ltd as trustee for the XYZ Family Superannuation Fund.

Proxy Form

You must complete this form if you are representing a corporate creditor or wish to appoint another person to attend the meetings on your behalf.

Non-individual creditors (corporate, trusts, etc.) who want to be represented must appoint an individual to act on its behalf by executing a Proxy Form.

Individuals may choose to appoint a proxy/representative to vote on their behalf by executing a Proxy Form.

A Creditor must nominate the company that their claim relates to in the Proxy Form.

Meeting Registration Form

You must complete this form if you wish to attend the Second Meeting, and vote at the Second Meeting.

Once you have submitted your proxy and proof of debt form/s, please complete the meeting registration form:

https://us06web.zoom.us/webinar/register/WN_ZcAOEMMJT4mfHRwbakSTOg#/registration

Creditors will receive a link to register for the Zoom meeting by email, once they have submitted the required forms.

Once your registration is approved, a creditor unique identifier will be emailed to you to be used for voting at the meeting.

Only creditors of the Company are entitled to vote at the Second Meeting. There is no requirement for creditors to resubmit a proof of debt form if previously filed with the Administrators, unless the amount claimed has changed.

4.9. Committee of Inspection

Creditors may wish to establish a COI at the Second Meeting, typically to assist and guide the liquidator or deed administrator (as applicable). A COI typically has between five and seven members, although it can have more or less depending on the size of the external administration.

We note that the DOCA as proposed makes no reference to a COI and expressly excludes the portion of Schedule 8A of the Regulations which refers to a COI. This is due to the fact that the intention of the proposed DOCA is to pay creditors 100 cents in the dollar and hence there are highly unlikely to be any issues that would require consultation with a COI.

Whilst it is at creditors discretion, we confirm it is our opinion that a COI is not required in respect of the Company, for the following reasons:

- the matter is not sufficiently complex to warrant a COI; and
- we are not currently aware of any issues that would require consultation with a COI.

However, in the event a COI was to be considered, creditors should consider whether they are in a position to be a COI member, as membership of a COI requires attendance at meetings (video conferencing facilities will be made available so members do not have to attend in person). When attending and considering matters, as members of the COI, the member must have regard to the interests of the creditor group as a whole, and not the interests of the creditor to which they may be connected.

Importantly, for a creditor to be eligible for appointment as a member of a COI, they must either:

- be in attendance at the Second Meeting; or
- appoint a general power of attorney to attend the Second Meeting on their behalf; or
- authorise a person in writing to be a member of the COI on their behalf.

4.10. Further information

To assist creditors, employees and shareholders understand the voluntary administration process, ASIC has released a package of insolvency information sheets endorsed by ARITA.

Enclosed at **Appendix 4** is ASIC's publication titled 'Insolvency information for directors, employees, creditors and shareholders', which provides an index of all the information sheets that are available.

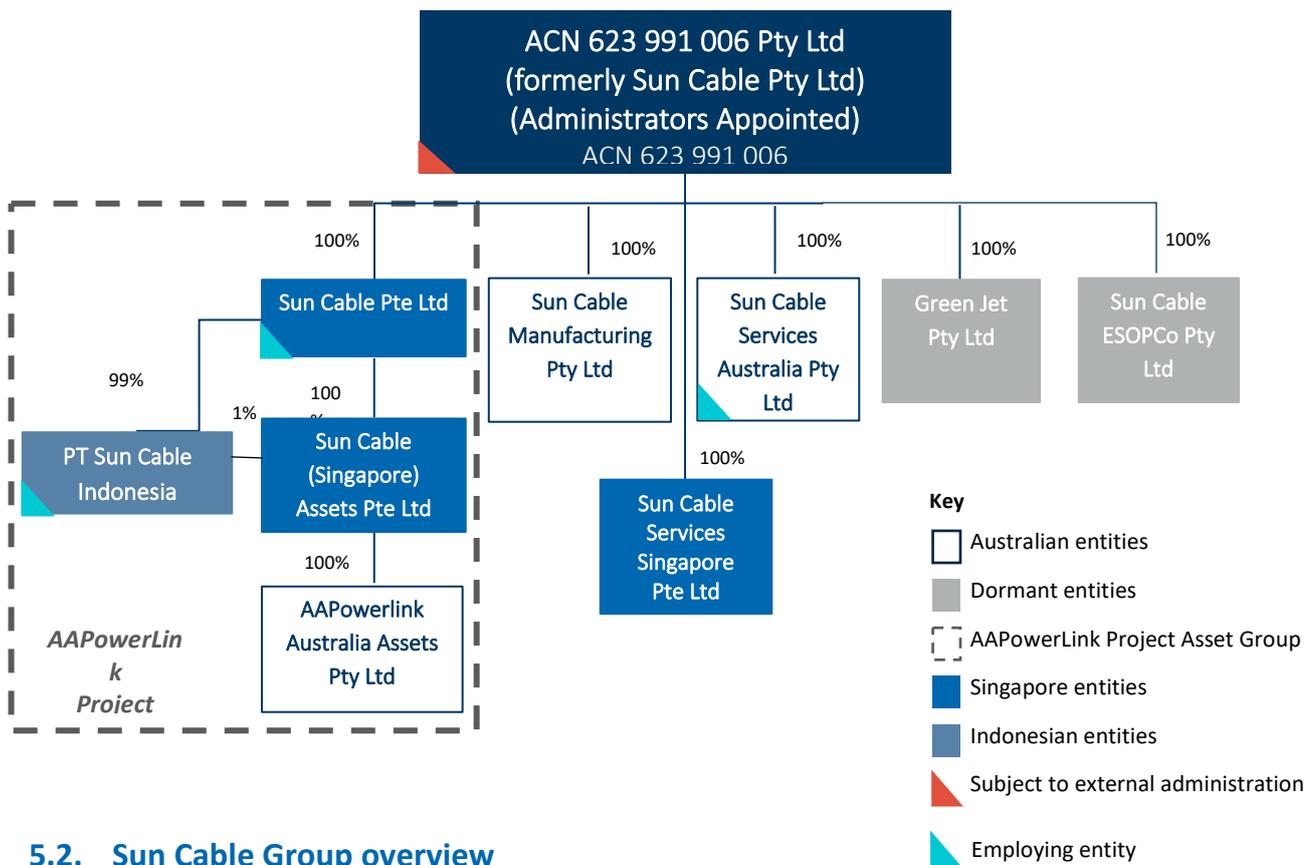
You can download these information sheets from:

- www.asic.gov.au
- www.arita.com.au

5. Company background

5.1. Sun Cable Group structure

The Sun Cable Group’s operating structure as at the date of our appointment is provided below.

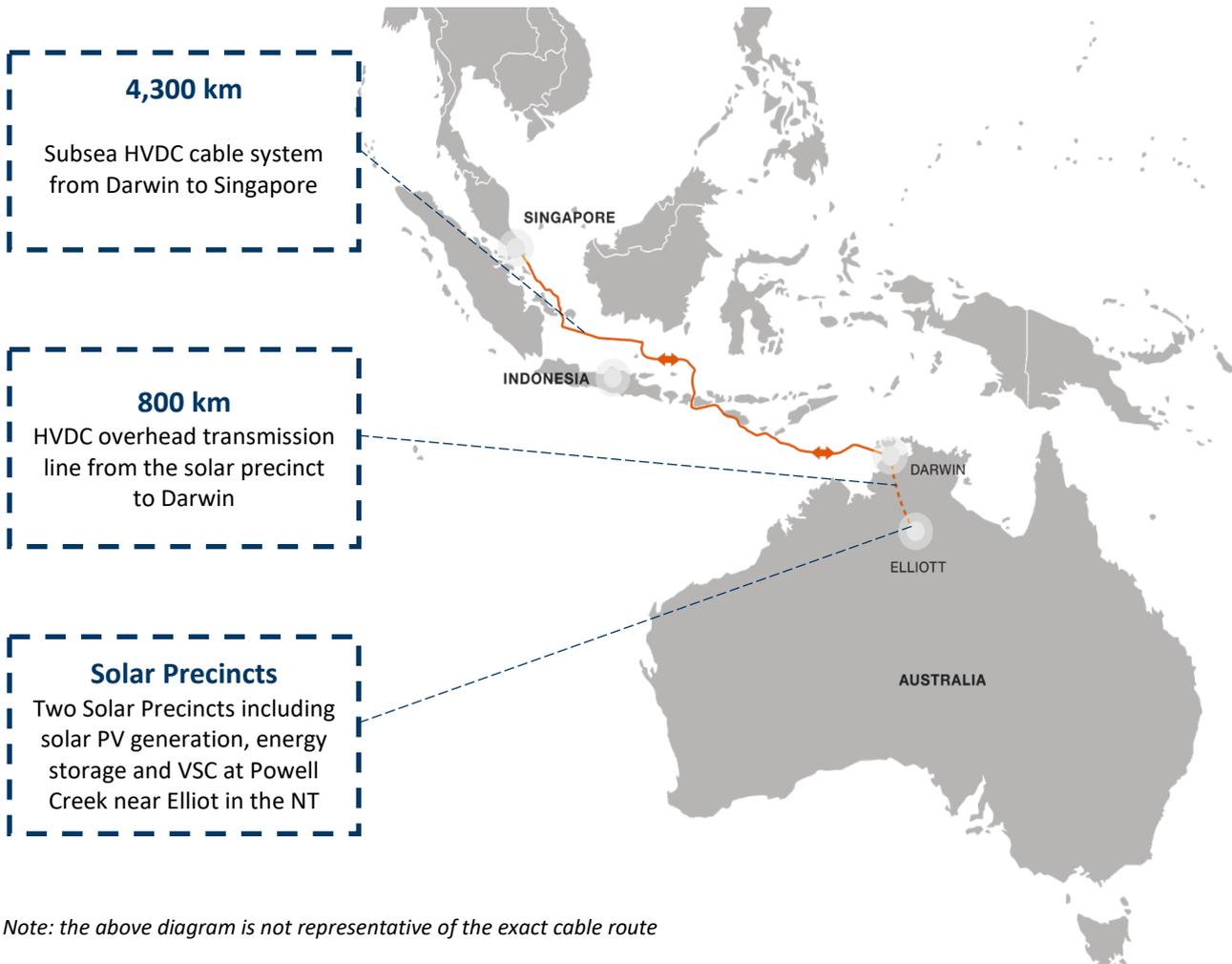


5.2. Sun Cable Group overview

The Company was the parent entity of the Sun Cable Group, which operated in Australia, Singapore and Indonesia. The Sun Cable Group was a developer of large-scale renewable energy infrastructure projects, including the world’s largest solar energy infrastructure network, being the Australia-Asia PowerLink Project. The AAPowerLink Project represented the Group’s primary asset and most significant project, seeking to harness and store solar energy from the Northern Territory of Australia, for 24/7 transmission to Darwin, Singapore and other markets via a 5,000km high voltage direct current transmission system.

5.2.1. AAPowerLink Project

Upon completion, AAPowerlink is expected to harness and dispatch approximately 6GW of solar energy across two phases from the Northern Territory of Australia. The first phase is anticipated to provide 24/7 power transmission to Darwin (900MW) and HVDC submarine cables to provide power to Singapore (1.74GW), which will supply reliable multi-gigawatt scale renewable electricity. Phase two is anticipated to provide approximately 3GW of dispatchable capacity to Darwin for potential green energy hydrogen production. An illustrative example of the AAPowerLink Project's scale is provided below.



The AAPowerLink Project was being developed by the Group and the Project Delivery Partner (**PDP**) consortium. The PDP was an unincorporated joint venture comprising:

- Bechtel: an engineering, construction and project management company who had overall responsibility for project delivery;
- Hatch: a global engineering, project management and professional services company who were responsible for HVDC transmission works; and
- SMEC: a global specialist engineering and design consultancy and provider of infrastructure development solutions who provided assistance regarding the Project's generation system.

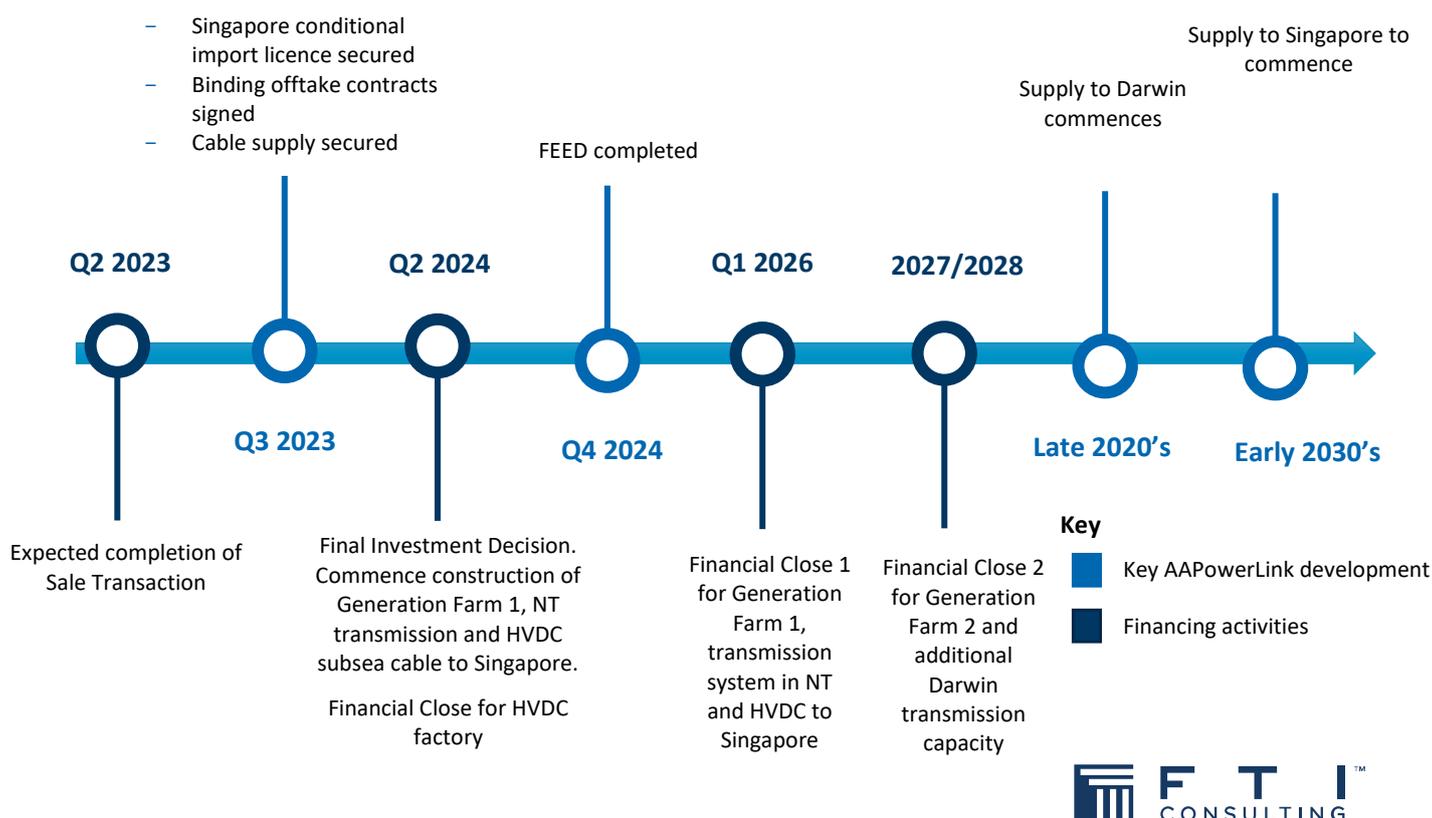
In addition to the above, the Risk Management Partner for the AAPowerLink Project was Marsh and the Project Advisory Partner (**PAP**) was PwC Australia, with the latter providing contracting and procurement services to the Group. Together, the PDP, PAP and Risk Management Partner were known as the Integrated Project Delivery Team (**IPDT**).

Key milestones achieved in relation to the AAPowerLink Project as at October 2022 are set out in the table below.

Area	Major milestones achieved to date
Land tenure, regulatory approvals and permits	<ul style="list-style-type: none"> – Secured tenure for Stage 1 generation site in the NT – Submitted the Australian Environmental Impact Statement (EIS) – Received preliminary subsea cable route approval from Indonesia – Obtained Letter of Support from Singapore’s Energy Market Authority (EMA) for electricity imports into Singapore
Engineering and procurement	<ul style="list-style-type: none"> – Approx. 70% of the subsea cable route survey complete – Substantially advanced irradiance monitoring and yield assessment
Commercial	<ul style="list-style-type: none"> – Identified 3.1GW of demand in Singapore – Identified 25GW of demand in Darwin
Finance	<ul style="list-style-type: none"> – Received “investment ready” status from Infrastructure Australia – Developed detailed preliminary financing strategy

5.2.2. AAPowerLink Project future milestones

At the date of our appointment, the AAPowerLink Project was expected to be delivered in a staged process, with the Project anticipated to achieve Final Investment Decision (**FID**) by H1 2024. We set out below the key future development and financing activities timetable for the Project, as at the Appointment Date.



We note that the Project requires significant further development expenditure to achieve the Final Investment Decision. Accordingly, it is expected that the Purchaser will either need to contribute significant capital or raise further external funding post transaction to further develop the Project.

5.2.3. Corporate Structure

The Company was incorporated in January 2018 and was the holding entity of the Australian subsidiaries and foreign entities within the Sun Cable Group.

The Company was initially established as the primary entity developing the AAPowerLink Project and in this capacity, employed employees and entered into various contracts associated with the AAPowerLink Project.

Over time, as the development of the AAPowerLink Project progressed, the size and complexity of the Company's operations increased and there was a desire to make the corporate structure suitable for future debt and equity transactions. In light of this, the corporate structure was expanded and certain aspects of the Company's operations were moved into (or established in) the Subsidiaries.

As at the date of our appointment, transition of all contractual arrangements from the Company into the relevant Subsidiaries had not been completed. Accordingly, the operations of the Company and the Subsidiaries remained significantly intertwined.

As at the date of our appointment, the Company:

- Was the sole funder of the Group, a role it undertook by raising equity capital which was then used to fund costs incurred in both the Company and across the Subsidiaries
- Did not employ any employees (with all employees being employed by various of the Subsidiaries)
- Held a large number of key contracts associated with the AAPowerLink Project, including the Project Development Agreement with NTG and rights in respect of various parcels of land required for the Project
- Engaged with some suppliers providing services in relation to the AAPowerLink Project, including the subsea survey provider.

An overview of the key functions of each of the Subsidiaries, as at the date of our appointment, is set out on the following page.

Sun Cable Group Entity		Overview
Corporate		
Sun Cable Services Australia	Employer of Australian-based personnel and the primary service entity in Australia for other subsidiaries, including research and development, technology and corporate functions of the Group including finance, payroll, legal, tax and treasury.	
Sun Cable Services Singapore	Employer of Singapore-based personnel and the primary entity for Singapore based activities along with the provision of services and support to other Group subsidiaries, including commercial, regulatory and legal services.	
AAPowerLink Entities		
Sun Cable Pte Ltd	Head entity of the AAPowerLink group which owns the shares in all other AAPowerLink entities. Anticipated that all (or a portion) of the shares in Sun Cable Pte Ltd may be sold to third party investor(s) at equity close of the Project, with debt funding to be raised in Sun Cable Pte Ltd or a separate financing entity.	
Sun Cable (Singapore) Assets	Applicant entity for Singapore import licence and prospective seller of electricity in Singapore, along with owner of AAPowerLink assets geographically located in Singapore. Contracts with external parties and other Group entities during the development, construction and operating phases of the Project for the provision of goods and services for Singaporean aspects of the Project.	
AAPowerLink Australia Assets	Applicant entity for Australian environmental approvals and the prospective exporter of electricity to Singapore and seller of electricity in Darwin. Owner of Australian based AAPowerLink assets. Contracts with external parties and other Group entities during the development, construction and operating phases of the Project for the provision of goods and services for Australian aspects of the Project.	
PT Sun Cable Indonesia	<p>Prospective owner of the subsea cable within Indonesian waters and designated holder of associated environmental and regulatory permits, licences and approvals. Undertakes Indonesian based activities required to secure the governmental and regulatory approvals for the subsea cable and conducts studies and engages in community activities as part of the Group's business commitment to Indonesia.</p> <p>Employer of Indonesian based staff and contractor with external parties and other Sun Cable entities during the development, construction and operating phases of the Project for the provision of goods and services for Indonesian aspects of the Project.</p>	
Other Projects		
Sun Cable Manufacturing	Entity was established to conduct business involving manufacturing opportunities identified as part of the Group's facilitating businesses, including solar array assembly and high voltage cable manufacturing.	
Green Jet	Established for the purpose of engaging with business partners in respect of the investigation of opportunities for the Sun Cable Group in Power-to-Liquids and acting as the trustee of the Company's employee share option plan. We understand this entity is currently dormant.	
Other		
Sun Cable ESOPCo	Established for the sole purpose of acting as the trustee of the Company's employee share option plan, with Green Jet ultimately replacing this entity in this role in October 2022. The entity is now dormant and expected to be deregistered.	

As noted above, the Company had historically provided funding (via equity raised from shareholders, including the Lead Investors) to the Australian and foreign subsidiaries within the Group to maintain the Group's ongoing business and operations. The Group's Subsidiaries did not, and will not in the short term, generate sufficient funds in order to meet expenses (including employee wages and entitlements) in the absence of funding being advanced by the Company. Without the continued funding provided by the Company, it is likely that each of the entities within the Group would also have become insolvent.

The Australian and foreign subsidiaries within the Group were parties to various key contracts associated with the AAPowerLink Project including licence agreements, land option agreements, project delivery, development, employment agreements, environmental studies and various agreements relating to the provision of professional services.

The Company operated from leasehold premises, with its head office located on Castlereagh Street, Sydney. The Group also had Australian based offices in Brisbane, Melbourne and Darwin, along with office premises in both Singapore and Indonesia.

Information regarding the Company's financial background is discussed at Section 7.

Further information on the Sun Cable Group's operations and history is available on the Group's website <https://suncable.energy/>.

5.3. Shareholder Funding

As noted earlier, given the AAPowerLink (together with the Group's other projects) was still in the development phase, since the Company's incorporation in January 2018 up until the period prior to our appointment, the Group has been primarily equity funded. The table below sets out the chronology of capital raises undertaken by the Company.

Date	Event
2018	Sun Cable incorporated in Australia
December 2019	Series A capital raise completed through the issue of 36,000,000 Series A Preference Shares, raising \$36m in funding for the Group
March 2022	Series B capital raise for up to \$210m completed, callable over six tranches. Tranche 1 called, issuing 22,471,673 Series B Preference Shares (excluding ESOP), raising \$40m
August 2022	Series B Tranche 2 called, issuing 15,095,919 Series B Preference Shares (excluding ESOP), raising \$32.5m
December 2022	Series B Tranche 5 called, issuing 12,930,435 Series B Preference Shares (excluding ESOP), raising \$30m (of the scheduled \$32.5m)

5.3.1. Series B Capital Raise

In 2019, the Lead Investors co-led a Series B funding round, which secured up to \$210m in funding for the Company. The Series B raising included participation by a number of third party investors, together with the Lead Investors.

The Lead Investors also committed to underwrite the Series B Capital Raise and subject to limited carve outs, were to take up to 50% of the shares not taken up by other shareholders at the time each tranche was called.

Pursuant to the Series B Capital Raise structure, subscription amounts were to be paid across six tranches, by issuing Series B preference shares in the Company as set out below.

Tranche	Target Milestone	Status	Funding Amount (\$)
B1 Amount	Tranche 1 subscription to be fulfilled within two business days of the Company and relevant shareholder executing a subscription deed	Completed March 2022	40,000,000
B2 Amount	May 2022: lodging Environmental Impact Statement (EIS) with the Northern Territory EPA, for the purpose of securing project environmental approval	Called August 2022	32,500,000
B3 Amount	September 2022: AMDAL / Analysis of Environmental Impacts for the Project to be lodged with Indonesian regulatory authority, Komisi Penilai AMDAL	Linked to regulatory approval milestones and delayed from September 2022	32,500,000
B4 Amount	November 2022: Indonesian Ministry of Environment approval of plan to mitigate environmental impacts, as described in the AMDAL	Linked to regulatory approval milestones and delayed from November 2022	32,500,000
B5 Amount	January 2023: EIS supplement lodged with Northern Territory EPA	Called November 2022, raising c.\$30m	32,500,000
B6 Amount	May 2023: environmental approval granted by the Northern Territory EPA for the proposed infrastructure to be located in the Northern Territory, including the solar farm, storage and transmission infrastructure	Scheduled to be called May 2023	40,000,000
Total Series B			210,000,000

Pursuant to the Series B Shareholders' Deed, drawdowns under each tranche were contingent on the Group achieving certain milestone targets, specific to each tranche. Further to this, the Series B Shareholders Deed

contained certain provisions in respect of matters requiring Special Approval rights. This provision provided that neither the Company nor any member of the Group could take any actions in respect of matters specifically requiring special approval rights, except by resolution of the Board approved by at least a majority of votes cast on the resolution, including a vote cast in favour by all Lead Investor Directors (or their appointed Lead Investor Director). Matters requiring Special Approval included the issue of securities, creating any class of shares with superior rights to the Series B Preference Shares, any restructure involving the Company or its subsidiaries, incurring capital expenditure of more than \$1m in a financial year or incurring any financial indebtedness by the Group which exceeds \$1m.

Due to missing a number of the milestones, only three Series B tranches were able to be called by the Company, being the B1, B2 and B5 tranches, totalling c.\$105m.

At the time Series B was raised, the target dates for Tranches B3 and B4 were September 2022 and November 2022 respectively, as set out above. However, these tranches were tied to the receipt by the Company of certain regulatory approvals from overseas government jurisdictions. Due to various issues, some of which were outside of the Company's control, including operational delays as a result of Covid along with changes to regulatory approval processes and certain government negotiations extending beyond timeframes originally anticipated, the Company was unable to draw the \$65m available under tranches B3 and B4, with the underlying milestones anticipated to be delayed by up to one year.

In light of its inability to call the B3 and B4 tranches, in around September 2022 the Company anticipated a potential funding shortfall and the need to source an alternate funding solution to maintain the Company and the Sun Cable Group's liquidity in order to continue with overall development of the AAPowerLink Project. As a result, upon it becoming evident that the B3 and B4 milestones would not be met, the Company took steps to formulate a plan to restructure the Series B Capital structure, which it discussed with its Board at a meeting held on 13 September 2022. The restructure sought to remove remaining tranches tied to certain milestones (totalling c.\$137.5m) and add two new tranches totalling c.\$290m to fund development of the AAPowerLink Project through to a Financial Close.

By 21 September 2022, the Company was considering a new proposal based on a restructure of the Series B tranche to alleviate short term liquidity constraints. This included a proposal to revise the Series B structure, along with a prospective Series C and cornerstone investor capital raise process to cover additional unforeseen costs. The proposed Series B restructure would allow the Company to call c.\$90m in funding immediately, with an additional \$90m and \$70m to be called in December 2022 and February 2023 respectively. This proposal was discussed with the Board on or about 22 September 2022, at which, the Board expressed concerns about the magnitude of funding required pre-financial close. In light of this, the Board requested that Management evaluate alternative development pathways for the Company, with consideration to be given to the associated advantages and trade-offs of each, and this proposal was not further progressed.

On or around 27 September 2022, a series of pathway options were presented by the Company to the Board, which remained dependant on a Series B restructure to maintain the Company's liquidity position. These proposals outlined a funding requirement of between c.\$150m to c.\$250m to the end of Q1 2023, depending on the development pathway pursued. At this time, Management held an informal meeting with the Lead Investors whereby a bridging facility was proposed to the Lead Investors for their consideration.

By early October 2022, the proposal to restructure the Series B funding as originally set out in September was not approved by the Lead Investors, with a request being made to Management to formulate an alternative strategy, including a new series capital raise. Following this, Management continued to work with the Lead Investors to mutually agree an appropriate solution to the Group's short-term funding

requirements. Management anticipated that this course of action would result in immediate short-term funding and shareholder support to ensure the solvency of the Group.

Management continued to modify its funding strategy, and around 28 October 2022, a discussion with Lead Investors was held on a revised funding structure to unlock c.\$25m in the immediate term by way of convertible note, coupled with the prospect of additional funding via the issuance of further convertible notes and commencement of a pre-financial close capital raise strategy.

The Company continued negotiations with the Lead Investors, and on 7 November 2022, the following separate funding proposals were considered by the Company's Board.

Grok Interim Notes Proposal:

- To be issued for a sum of \$25m;
- six month maturity date and, in the absence of the issuance of the Further Convertible Notes (see below), converted to fully paid Preference B Shares on maturity (six months);
- only redeemable on certain "disposal events"; and
- interest free.

Grok Further Convertible Notes Proposal:

- To be issued for a minimum of \$40m;
- convert to equity at a 12.5% discount at the next capital raising of the Company (same class of securities); and
- carry a payment in kind interest coupon of 12.5% (p.a.) with a 12 month maturity date.

Squadron Proposal:

- offering to issue up to an aggregate 125,151,609 ordinary shares for a total sum of \$50m to all existing shareholders;
- the Lead Investors act as underwriters and would each be entitled to take up to 50% of any unexercised rights of shareholders to acquire the new shares being issued;
- all further Series B tranches being cancelled; and
- changes to the minimum and maximum development service fee floor and cap (pursuant to the Series B Shareholders' Deed), relating to the conversion of the existing Preference B Shares into ordinary shares.

During an adjournment of the 7 November 2022 Board meeting, the Squadron representative resigned from the Board. Upon the meeting being resumed later that day, the Board was updated regarding the resignation, before proceeding to provide unanimous approval for the Company to accept and enter into the Interim Notes and Further Convertible Notes proposals, on the basis further capital was required for the Company to continue as a going concern.

However, whilst the Board voted in favour of the convertible notes proposal put forward by Grok, the special approval rights under the terms of the Series B Shareholders' Deed effectively meant that the approval of each of the Lead Investors was required for the Company to be in a position to accept any of the funding proposals put forward, or for there to be an amendment of the Series B Shareholders' Deed. Squadron (as the other Lead Investor) did not provide its consent to this proposal and thus, the Interim Notes and Further Convertible Notes Grok proposal was unable to be implemented.

During the months of November and December 2022, the Company, together with its Lead Investors, continued to negotiate around the funding options available. On or about 19 December 2022, the Company distributed a convertible note term sheet on its understanding that at this time, the proposal was acceptable

to both Lead Investors for consideration at the Company's next Board meeting, scheduled to be held on or about 22 December 2022. Key terms of the proposal included:

- funding of c.\$65m to be raised via convertible note;
- a maturity date of 30 September 2023 for the convertible notes, at which point the notes would convert to ordinary shares if a further capital raising had not been undertaken by Sun Cable;
- the capital raise contained certain conditions subsequent which included:
 - the Company appointing an independent expert (as agreed with the Lead Investors) to undertake an independent project analysis and strategic review of the Project;
 - Sun Cable providing a detailed expenditure review together with recommendations to minimise cost; and
 - Sun Cable to immediately launch a Series C fundraising campaign.

During the months of November and December 2022, the following steps were also taken by the Company to assist with managing its financial position:

- engaging relevant expert advisers to enable the preparation of a turnaround plan;
- taking steps to prepare for and accelerate the launch of the Series C or similar capital raise process; and
- issuing subscription notices in respect of Tranche B5 funding, receiving funds of c.\$28m by 23 December 2022 (noting the remaining \$2m of the \$30m tranche was not subscribed for and the underwriting shareholder did not take up its entitlement).

On or around 21 December 2022, the Company learnt that Squadron was not agreeable to the convertible note term sheet circulated on 19 December 2022. Consequently, the scheduled Board meeting was first postponed to 24 December 2022, and then on a number of other occasions to enable the Lead Investors to finalise their negotiations. The board meeting was finally held on 9 January 2023.

Up until early January 2023, we understand that the Lead Investors continued to correspond in respect of their separate funding proposals. In advance of the 9 January 2023 Board meeting, on 3 January 2023, Grok provided its best and final funding term sheet, which was substantially similar to the December 2022 convertible note proposal (detailed above) to provide short term funding for the Company. The proposal from Squadron remained draft and indicative, and was in line with the terms considered on 7 November 2022 (also detailed above).

At the 9 January 2023 Board meeting, both proposals were considered, together with a report prepared for the Company by an independent expert financial adviser, to determine which was in the best interests of Sun Cable to accept. Having considered background matters and the independent report, it was determined by the Company's board that the Grok proposal was the superior proposal and had the support of the Company's management. In this regard, it was unanimously resolved by the Company's Board that the Squadron proposal would not be progressed and that the Company would take steps to seek the relevant special approval as required under the Shareholders Deed to implement the Grok proposal.

The Board meeting was adjourned to allow the Company to seek Squadron's consent to the Grok proposal. The Board was informed by Squadron's representative that it did not support the Grok proposal, however it was willing to enter into further negotiations and engage on the basis of prior term sheets.

As a result of this impasse and a divergence of views between the two Lead Investors as to the future direction of the Group (and the right of veto each Lead Investor held), the Company was unable to accept either funding proposal. The Board highlighted that this position left the Company without a funding proposal and considered that the Company's remaining options were to enter into voluntary administration

or proceed with a sales process under the Shareholders' Deed (the latter requiring the support of not less than 75% of the shareholders).

Given that the Company would require interim funding whilst any sales process was undertaken, the Directors recognised that for this option to be pursued, some form of agreement regarding funding would need to be reached as between the Lead Investors. However, based on the inability for the relevant special approval majorities to be achieved in respect of the current funding proposals, the directors formed the view that there was no other option but for the Company to enter voluntary administration.

The Company's Directors then held a further Board meeting on 10 January 2023, and resolved to appoint the Administrators, on the basis that the Company was, or was likely to become, insolvent given an interim funding solution was unable to be ratified.

5.3.2. Major Capital Raise Process

Subsequent to securing the Series B funding in March 2022, in or about July 2022 the Company appointed Moelis, Macquarie Capital and White & Case to advise, structure, arrange and execute a capital raising strategy that would bring the AAPowerLink Project to a financial close by early 2024.

At the time, it was envisaged that this process would raise c.\$30bn of capital to fund the construction of the AAPowerLink Project.

Ultimately, we understand this process came to a natural halt in or around December 2022 in light of the events described above and was subsequently formally suspended as a result of the Company entering Administration, with no further capital being secured through this process.

5.4. Statutory information

Details of the Company's directors, other officers and shareholders based on ASIC's database is provided at **Appendix 2**.

We are not aware of any inaccuracy in ASIC's records.

5.5. Creditors' claims

As at the date of this Report, the claims of the Company's creditors total \$5,469,507.97. The following table summarises the estimated claims by each known class of creditor.

Creditor class	Report section	ROCAP (\$)	Administrators' Estimate (\$)
Secured creditors[^]	5.5.1	1,944.00	1,944.00
Priority creditors	5.5.2	-	-
Unsecured creditors			
Trade/External creditors	5.6.1	11,876,516.58	5,467,201.97
Related party creditors	5.6.2	12,760,031.65	-
Statutory creditors	5.6.3	362.00	362.00
Total creditor claims		24,638,854.23	5,469,507.97

[^] Based on registrations on the PPSR

We note that on appointment, an amount of approximately \$10.2m was owed to Guardian Geomatics, a supplier of the subsea survey services to the Company. Guardian subsequently assigned that debt to Squadron in or around February 2023. This amount was subsequently settled by the Administrators in order to satisfy a CP to the Transaction.

Whilst there were intercompany positions between the Company and its Subsidiaries as at the date of our appointment, these were all settled, released or otherwise restructured immediately prior to completion of the Transaction, to enable a clean exit of the Subsidiaries from the Group.

The amounts listed above are subject to adjudication of proofs of debt and have been derived from the:

- ROCAP provided by the Directors (**Section 7.8**);
- Company's books and records; and
- Formal proof of debt or claim forms submitted by creditors to date.

5.5.1. Secured creditors

A secured creditor is a creditor that holds a security interest over some or all of a company's assets. To be valid, the security interest must be registered on the PPSR or, in the case of land and buildings, at the relevant Land Titles Office. Security interests can be over:

- Circulating assets (formerly known as 'floating' assets) and can include debtors, stock and cash; or
- Non-circulating assets (formerly known as 'fixed' assets) which cover property, plant and equipment, land, goodwill and rights to dividends.

A search of the PPSR revealed the following security interests registered over the Company's assets as at 10 January 2023.

Collateral class	Number of creditors	No. of security interest(s)	Advised Amount (\$)
Mortgage over land	-	-	-
AllPAAP	-	-	-
General Intangible	-	-	-
Motor Vehicle(s)	-	-	-
Other goods	3 [^]	3 [^]	1,944.00
Total secured creditor claims	3	3	1,944.00

[^] Based on registrations on the PPSR as at the Appointment Date

We have written to all creditors registered on the PPSR in relation to their status as secured creditors. We note the following in respect of these secured creditor claims:

- Beverage Marketing Australia Pty Ltd: registration relates to the rental of a coffee machine pursuant to an agreement with Sun Cable, with an amount of \$1,617 advised as outstanding;
- Canon Finance Australia Pty Ltd: registration relates to a rental agreement in respect of photocopiers and printers utilised by Sun Cable at its various office locations, with an amount of \$327 advised as being owed; and
- ARB Corporation Ltd: to date, we have not received a response to our notification correspondence with this creditor and in this regard, have not been able to confirm any value in respect of this security

interest that may be outstanding. However, we note that this security interest was subsequently discharged on 26 April 2023.

It is envisaged that the agreements with Beverage Marketing Australia Pty Ltd and Canon Finance Australia Pty Ltd will either be novated to the Purchaser or terminated with the underlying goods returned to the respective secured party.

Should any additional creditors claim to have a registered security interest, we seek supporting documentation from creditors to assist the Administrators' investigations. We request any information be provided before Tuesday, 26 September 2023 at 4.00pm AEST to allow the Administrators adequate time to review any documents provided prior to the Second Meeting.

5.5.2. Employee entitlements

Outstanding employee entitlements have a statutory priority for payment over other creditors from proceeds relating to circulating assets. We note that all Australian based employees and their associated entitlements were transferred to Sun Cable Services Australia, effective from on or about 1 July 2022 and that since that date, new employees have been employed by Sun Cable Services Australia.

In this regard, we are not aware of any outstanding entitlements being owed to employees of Sun Cable, given the Company is no longer an employing entity.

5.6. Unsecured creditors and related party claims

As at the date of this report, the claims of the Company's unsecured creditors are estimated at \$5.5m as being outstanding, and are summarised in the table below. These figures are derived from the Company's books and records, Director's ROCAP and proofs of debt received to date.

Creditor class	Number of creditors	Amount (\$)
Unsecured creditors		
Trade/External creditors	133	5,467,201.97
Related party creditors	4	-
Statutory creditors	1	362.00
Total unsecured creditor claims		5,467,563.97

We note that no claims have been formally adjudicated upon and the numbers set out above are subject to change.

5.6.1. Trade / External Creditors

These represent external creditors of the Company, incurred in the ordinary course of business.

To date, we have received 13 claim assignments totalling c.\$12m in relation to claims assigned by trade creditors of the Company to Squadron.

Subsequent to payment of the Guardian claim referred to earlier, this has reduced to 12 assignments totalling c.\$1.9m.

5.6.2. Related Party Creditors

We were aware of 4 related party creditors shown in the books and records of the Company, in the amount of c.\$12m as at the date of our appointment. These amounts related to outstanding loan balances and service fee charges in respect of shared service arrangements as between the Company and Group entities and/or any interest charges applied to intercompany loans.

We note that these amounts were all settled, released or otherwise restructured immediately prior to completion of the Transaction and consequently none remain outstanding.

5.6.3. Statutory Creditors

Statutory creditors include creditors such as the ATO, state based Revenue offices and other government agencies. These creditors are unsecured creditors and do not receive any priority over other general non-priority unsecured creditors.

Based on the Company's books and records and our investigations, there may be amounts owing to ASIC. As at the date of this Report, we have not received any proof of debts in relation to same, however based on the Company's books and records any amounts outstanding are likely to be immaterial.

6. Conduct of administration

6.1. Statutory and Administrative tasks undertaken during the Administration period

Following our appointment as Administrators, we undertook all statutory obligations in accordance with the Act which primarily included correspondence with creditors, their legal representatives, the Directors of the Company, ASIC and preliminary investigations into the operational and financial affairs of Sun Cable. These activities included:

- Completed statutory reporting, including notification of our appointment to ASIC and the ATO
- Prepared and issued the first creditors report and notice of meeting
- Held the First Meeting of creditors on 20 January 2023
- Held ongoing communications with customers, creditors, suppliers, employees, government authorities, shareholders, key management and parties who expressed interest in the sale or recapitalisation of the business
- Collected available records and undertook initial investigations for the purposes of reporting to creditors
- Commenced the Transaction Process, which has resulted in the Transaction
- Managed the trading of the Company and its funding of the Subsidiaries, including preparing a budget for the Administration, establishing procedures for the management of cash around the Group, cash flow reporting, review and approval of purchase orders and payment of suppliers
- Completed a comprehensive process (in conjunction with our advisers) to review and where possible, reduce the costs of the Group's business during the VA period, whilst allowing for the continued development of the AAPowerLink Project whilst the Transaction Process was completed
- Received and responded to creditor enquiries via email and telephone
- Executed the ASA with the Purchaser and worked to complete all conditions precedent pursuant to the ASA
- Preparation of this Report and convening of the Second Meeting of creditors.

6.2. Extension of the convening period

The convening period for the second meeting of the Company's creditors was scheduled to end on 8 February 2023 in accordance with the Act.

On 24 January 2023 we filed an application with the Court for orders to extend the convening period through to 30 June 2023. Given the size and complexity of Sun Cable's operations together with the unique nature of the business of the Group, we considered that an extension was in the best interest of creditors of the Company for the following reasons:

- If the convening period, which was due to end on 8 February 2023, was not extended, there would not have been sufficient time to run a Transaction Process commensurate with the size and complexity of the Group and to adequately report to creditors on the outcome of that process. The Administrators were of the opinion, based on the information known to them at the time, that the Transaction Process could take until 31 May 2023 to complete. This was on the basis that the intention was for the Final Bids to be due by 28 April 2023;
- If the duration of the Transaction Process was reduced, we considered that potential buyers would not have had an adequate opportunity to conduct due diligence on the business, which would impact the value achievable for creditors and shareholders;
- We considered that one of the potential transaction structures could have been a Deed proposal and/or asset sale agreement from one or more parties – either as part of or separate to any binding bids received as part of the Transaction Process. In addition, it is common that once a Deed proposal is received, further time is required for such a proposal to be developed, negotiated and considered before being put to creditors for consideration;
- Having secured interim funding to allow the business of the Group to continue as a going concern, we did not consider that the extension of the convening period would cause any material prejudice to any creditor or any other interested parties; and
- Finally, the extension would also provide the Administrators with sufficient time to review and analyse the books and records of Sun Cable for the purposes of investigating its affairs and reconstructing its financial position for the purpose of preparing a detailed and thorough report to creditors.

On 21 June 2023, we filed an additional application with the Court, seeking a further extension of the convening period to 31 August 2023. On 23 June 2023, the application was heard and orders made by the Court granting the further extension, to provide for additional time to satisfy the conditions precedent to completion of the Transaction. In or around late August 2023, the Administrators were still awaiting the satisfaction of certain conditions precedent pursuant to the ASA. In light of this, a further extension of the convening period was granted by the Court to 20 September 2023, to provide the Administrators with sufficient time to complete the Transaction.

In accordance with the above, we considered that the various extensions would likely increase the possibility of a greater return to the majority of creditors of the Company, by allowing sufficient time for sale and/or deed proposals to be formulated, considered, completed, put to creditors and, if the creditors so resolve, executed.

6.3. Decision to continue to trade the business

Sun Cable, together with the Subsidiaries, was primarily engaged in developing and building the AAPowerLink Project.

In the event that the Company ceased to trade immediately upon appointment of the Administrators and/or ceased to provide funding to the Subsidiaries to allow them to continue to trade, it would have been highly likely that:

- The various contracts and agreements Sun Cable was a party to would have been terminated
- The Subsidiaries would have become insolvent, which would have included the introduction of overseas insolvency processes in respect of the Group's Singaporean and Indonesian entities
- All Group employees would have been terminated
- The PDP contracts would have been terminated.

The outcome of the above would have been:

- The loss of all knowledge in respect of the AAPowerLink Project held by the Group's employees and within the PDP
- The loss of value of the Group's assets, which essentially comprised the value in its contracts and the knowledge of its employees and contractors
- Increased creditor claims, due to additional insolvency events occurring across the Group
- Additional creditor claims, due to the crystallisation of prospective contingent claims under terminated contracts in respect of both the Company and subsidiaries of the Group
- Loss of value and assets as the Company's operations and development process ceased
- Increased employee claims due to crystallisation of employee entitlements, including payment in lieu of notice and redundancy claims, should Sun Cable Services Australia have entered into external administration.

Accordingly, we formed the view that a transaction involving the sale of the Company or its assets with the AAPowerLink Project continuing as a going concern would maximise the chances of Sun Cable and its business continuing in existence and result in a significantly higher return to creditors of the Company, whilst also preserving the value of the overall Group. This was due to the price expected to be obtained for the AAPowerLink Project as a going concern sale being significantly higher than a piecemeal sale of the assets of Sun Cable in a scenario which the development of the AAPowerLink Project ceased. In addition, the preservation of the Sun Cable Group's operations allowed for the continuation of employment for all employees across the Group, as opposed to a scenario whereby the business ceased to trade.

Furthermore, given the high level of interest in the business upon our appointment, including from existing shareholders, there were reasonable grounds to expect that a transaction could be achieved with respect to the Company and the Group.

Accordingly, immediately upon being appointed administrators of the Company, we took steps to put in place an interim funding facility to allow operations to continue during the administration process. This resulted in the Administrators securing funding from the Lender of up to \$65m (which included a further \$12m available to be drawn at the discretion of the Lender) for a period of up to six months, pursuant to the

Facility Agreement. The funding available under the Facility Agreement ensured that there was sufficient cash available to allow the Group to continue to operate and advance development of the AAPowerLink Project during the Administration, while the Transaction Process was undertaken.

In relation to this funding, on 25 January 2023 and again on 31 August 2023, the Court granted orders limiting the Administrators' personal liability in relation to the Facility Agreement. A copy of the Court Orders are attached at Appendix 8.

6.4. Transaction Process

We sought proposals from two potential advisers to act as sale adviser to the Administrators in relation to the planned sale or recapitalisation process.

Following the assessment of the proposals, on 30 January 2023, we engaged Moelis to commence the Transaction Process in accordance with the following timetable:

Key Date	Milestone
31 January 2023	Administrators and Moelis call for expressions of interest
6 February 2023	Stage 1 virtual data room opens
6 March 2023	Submission of non-binding indicative offers due
10 March 2023	Successful bidders to execute Stage 2 NDA
13 March 2023	Stage 2 virtual data room opens to shortlisted bidders
w/c 27 March 2023	Sun Cable management presentations
28 April 2023	Submission of binding offers
By 3 May 2023	Administrators to confirm preferred bidder
3 May 2023	Release commercially sensitive 'black box' due diligence materials
5 May 2023	Execution of transaction documents
6-31 May 2023	Satisfaction of relevant sale conditions
31 May 2023	Target transaction completion

Following commencement of the sale process, Moelis wrote to 96 prospective purchasers. These parties were identified by Moelis following an international search, based upon:

- Moelis' understanding of the Group's business and the industry it operates in;
- interest shown in the previous Major Capital Raise Process initiated by the Group; and
- other direct approaches to the Group.

The Transaction Process was also advertised in the Australian Financial Review on 24 February 2023.

Of the interested parties contacted by Moelis, 29 parties executed confidentiality agreements and were granted access to the Stage 1 materials. Following completion of the Stage 1 due diligence process, we received seven NBIO's. The NBIO's received:

- were from a mixture of existing shareholders, infrastructure investment funds, private investors and trade investors who saw benefit in the electricity offtake opportunity domestically;
- provided for a sale of the AAPowerLink Project in its entirety and were conditional upon extensive further commercial, financial and legal due diligence along with Management presentations; and
- in some instances, were also conditional upon the formation of consortia in order to maximise value.

Following receipt of the NBIO's, we shortlisted five parties to participate in Stage 2 of the Transaction Process. We note that only five of the seven parties who submitted NBIO's were shortlisted given:

- the value ascribed to the Group's business contained in the NBIO's;
- the methodology applied in deriving the valuations; and
- the Administrators' assessment of the bidders financial and technical capacity to complete a transaction.

We note that parties who did not submit NBIO's highlighted the risk profile, early stage and complexity of the AAPowerLink Project as being key reasons for electing not to proceed in the Transaction Process.

Stage 2 of the Transaction Process commenced in mid-March 2023 and involved shortlisted bidders:

- receiving significant further information via the Stage 2 dataroom in relation to the AAPowerLink Project, supporting assets and other projects being pursued by the Group;
- participation in management presentations and a range of workshops with the Group's Management team;
- commencing discussions with key stakeholders closely linked to the AAPowerLink Project; and
- review of draft transaction documentation and negotiating same with the Administrators.

In mid-April 2023, the five shortlisted parties formally re-confirmed their interest in pursuing a transaction following Management presentations. The Administrators were similarly satisfied that the fifth party's interest was sufficiently progressed, following a conversation between Moelis and the bidder.

As part of this reconfirmation process, three of the five bidders highlighted the extensive due diligence still required and, in this regard, requested an extension of time to submit binding offers. After consultation with Moelis, the Administrators agreed to an extension to the Transaction Process of approximately three weeks, amending the Transaction Process timetable as follows:

Key Date	Milestone
23 May 2023	Submission of binding offers due
By 26 May 2023	Administrators to confirm preferred bidder
26 May 2023	Release commercially sensitive 'black box' due diligence materials
30 May 2023	Execution of transaction documents
31 May – 31 July 2023	Satisfaction of relevant sale conditions
31 July 2023	Target transaction completion

6.4.1. Transaction Process outcome

Final bids were due on 23 May 2023, with a total of two interested parties submitting formal offers. The Administrators and our advisers determined the proposal from the Purchaser was the best offer received because it:

- was in a form capable of acceptance (subject to minor negotiation of final documentation)
- carried a higher degree of certainty of execution than the alternative proposal in that it:
 - was not subject to finance
 - did not require any further due diligence or any further period of exclusivity prior to execution of a binding agreement.
- provided for unsecured creditors to be paid in full, based on the known unsecured claims at the date it was executed
- provided funding to allow the Administrators to continue to operate the business during the completion period.

On 26 May 2023, the ASA was executed pursuant to which the Company agreed to sell substantially all of Sun Cable's assets, including the shares in all of Sun Cable's Subsidiaries. In between signing and completion, the ASA was amended a number of times.

The final key terms of the Transaction as at the Completion Date were are as follows:

- A total purchase price of up to \$86.5m, comprised of the following:
 - Estimated Priority Claim amount of up to \$79.8m, to be utilised to:
 - Repay the amount drawn under the Administrators' Funding Facility as at completion, being \$74.0m
 - Pay transaction adviser fees of up to \$4.3m
 - Pay the costs of a liquidator or deed administrator of up to \$1.5m.
 - Estimated Creditor Claim Amount of \$5.7m (initially c.\$15.6m, however this was reduced as a result of settlement of one unsecured creditor claim which was required in order to achieve the novation of contract that was a CP to completion of the ASA); and

- Creditor Top-Up Amount of \$1m, which is available to be drawn from the Purchaser if required to be used to pay any unsecured creditor claims to the extent that creditor claims exceed the Estimated Creditor Claim Amount.

In addition, prior to the Completion Date, the Transaction also provided for:

- The prompt completion of the Transaction, which at the time of signing the ASA was anticipated to occur on or before 26 July 2023, subject to the satisfaction of certain conditions precedent including counterparty consent for the novation of a limited number of material contracts to the Purchaser. Ultimately, satisfaction of the CP's took longer than the Administrators originally anticipated and in light of this, the End Date under the ASA was extended to 31 August 2023, with completion ultimately occurring on 5 September 2023.
- The provision of ongoing funding to allow the business to continue to operate during the period between signing the ASA and completion, subject to budgets agreed with the Purchaser.

The Transaction subsequently completed on 5 September 2023.

The estimated return to creditors arising from the Transaction is outlined in Section 11 of this Report.

6.4.2. Alternative proposal

A second proposal from a participant in the Transaction Process was received on 24 May 2023. Whilst that proposal envisioned a higher headline transaction price as compared with the Purchaser's proposal, the Administrators, together with our advisers, determined that it was not in the best interests of creditors as:

- the proposal did not conform with the requirements set out in the Transaction Process for a variety of reasons, including that it did not include marked up versions of the proposed transaction documents that the proponent would be willing to execute
- it was non-binding and not fully financed
- it required the proponent to be granted exclusivity for a period of 8 weeks, which would have required the Administrators to cease progressing a transaction with the Purchaser which carried a much higher degree of transaction certainty
- it was subject to significant further due diligence which created significant risk with regard to the final headline transaction price
- it did not provide for pre-completion funding, which would have required the Administrators to further indebt the Company during the proposed exclusivity period, with no certainty that a transaction would ultimately be consummated.

Accordingly, we took the decision not to proceed with this alternative proposal, but rather to proceed to execute the Transaction with the Purchaser.

6.5. Investigations

Our preliminary investigations are detailed in Section 8 of this Report. Further investigations will be completed by a liquidator, should creditors resolve to wind up the Company at the Second Meeting.

6.6. Receipts and payments in the administration

A summary of receipts and payments since the date of our appointment to 8 September 2023 is set out overleaf.

Receipts	(\$)
Pre-Appointment Cash at Bank	8,203,508.08
ASA Purchase Price	85,460,071.58
Trading Receipts	3,323.52
Administration Funding	73,990,621.05
GST and FBT Refunds	447,762.05
R&D Refund (including interest)	6,030,737.23
Interest and Other Income	5,973.04
Share Subscription B5 Shortfall	2,235,022.56
Refund of Pre-Appointment Expenses	63,157.66
Pre-Appointment GST Refunds	540,445.00
Total Receipts	176,980,621.77
Payments	
Repayment of Administration Funding	(73,990,621.05)
Bank Charges	(938.93)
Subscriptions (including IT)	(225,306.51)
Travel	(404,565.92)
Office Costs and Supplies	(64,787.96)
Intercompany Loans	(48,292,231.08)
Completion Cash Return	(123,500.00)
Accommodation	(6,088.34)
Vehicle Expenses	(6,096.08)
IT Consumables / Services	(203,613.63)
Lease Hire Costs	(17,774.19)
Cleaning and Waste Services	(43,192.19)
Rent	(600,506.69)
Consulting Fees	(1,845,689.77)
Security Costs	(21,460.41)
Sale Adviser Costs	(4,858,765.31)
Repairs and Maintenance	(102,332.86)
Legal Fees	(3,065,823.69)
Insurance Costs	(29,904.66)
Utilities	(15,995.33)
Advertising Costs	(28,943.77)
Licence, Permit and Registration Fees	(37,453.48)
Storage Costs	(3,171.54)
Unsecured Creditor Payment	(9,952,055.05)
Other Trading Costs	(8.25)
Total Payments	(143,940,826.69)
Net Receipts / (Payments)	33,039,795.08

7. Company financial background and performance

7.1. Overview

The Company, together with the Sun Cable Group maintains its financial records using the accounting software, Xero. Upon appointment, we gained access to the Group's Xero platform and were also provided with records of the Company from the Directors and the Company's Financial Controller.

We have undertaken a preliminary financial analysis of the following historical results:

- FY19 to FY22 unaudited management accounts; and
- YTD unaudited management accounts to December 2022.

These reports were generated by our staff from the Company's accounting platform and verified against financial information provided by the Company's Financial Controller.

Our requirement to report to creditors is limited to information related to the Company. However, as noted in Section 5.2.3:

- The Group has been in the process of disaggregating its operations out of the Company into relevant subsidiaries for a period of time, but this process was not complete as at the date of our appointment; and
- As a result, the Group's corporate and AAPowerLink related development expenditure is split across various Group entities, with the Company continuing to engage directly with some suppliers.

Accordingly, the Company's operations remain significantly intertwined with various Group entities.

In order to provide a full picture of the financial performance and position of the Company, in this section we provide financial information for the Company, followed by the same information for the Group (ie. the Company and the Subsidiaries consolidated).

7.2. Financial performance of the Company – Profit and Loss

The Company's financial performance (profit and loss statement) for the four financial years ended 30 June 2019 to 30 June 2022, along with FY23 YTD to December 2022 is summarised in the table overleaf.

Profit and Loss (\$'000)	Notes	FY19	FY20	FY21	FY22	FY23H1
Service Fee	1	-	(55)	(408)	(2,688)	(2,947)
R&D Tax Incentive	2	-	74	482	2,760	-
Interest Income		-	113	67	41	3,515
Other Income		-	-	-	-	5
Total Income		-	132	141	113	573
IPDT	3	-	-	-	392	716
SS Survey	4	-	345	4,592	10,675	25,073
Delivery Packages	5	-	76	396	369	(39)
R&D	6	14	76	543	1,320	568
Access & Approvals	7	124	-	321	116	-
PPA, Finance and Regulatory	8	129	40	351	1,744	71
Cable Factory	9	-	-	-	131	419
Other Facilitating Assets		-	-	-	74	81
Other Projects		-	-	-	132	4
Group Expenses	10	45	310	1,052	1,738	1,366
Depreciation, amortisation and interest expense		6	35	155	374	873
Capitalised Project Costs		-	3	-	-	-
Bank Fees		-	-	2	3	2
Employee Wages, Salaries and Expenses	11	26	890	4,149	6,981	155
ESOP Expense		-	-	180	283	-
Motor Vehicle Expense		-	-	17	89	50
Income and Other Tax Expense		(74)	74	-	10	5
Payroll Tax Expense		-	-	82	296	16
Realised and Unrealised FX Gains		-	-	1	74	185
Total Operating Expenses		269	1,850	11,842	24,802	29,546
Net Profit / (Loss)		(269)	(1,718)	(11,701)	(24,689)	(28,973)

Notes on the Company's Profit and Loss

1. Total service fee amounts reflect recharged intercompany amounts for services provided by Group subsidiary entities to Sun Cable. Costs recharged include amounts for the provision of personnel services (including finance, legal and commercial teams), together with third party project costs which are capitalised and recharged at cost.
2. R&D Tax Incentive relates to amounts received in respect of R&D Tax incentives, pursuant to a business program administered by the ATO to encourage Australian business to undertake R&D activities.
3. IPDT costs relate to the development and delivery of Sun Cable's marquee project, the AAPowerLink. The IPDT includes the PDP, being project planning, design and engineering, PAP costs and risk management costs. We note that whilst these costs are incurred by the AAPowerLink Entities, certain costs were subsequently recharged and capitalised against the Company.
4. Subsea survey costs relate to the survey of the sea bed and collection of data to design the cable route. Costs also include services to support environmental approvals for the cable route.^ The contract for these services was executed by the Company, notwithstanding that the services relate to AAPowerLink.
5. Delivery packages relate to costs associated with the design of the solar precinct and overhead transmission network.^
6. R&D costs relate to activities and studies undertaken to understand improvements available in the generation and measurement of solar energy.^
7. Access and approvals costs are associated with obtaining various regulatory, land owner and environmental approvals and licences along with associated advisory fees.^
8. Power purchase agreements, regulatory, legal and financial costs relate to works associated with creating a framework for negotiating and entering into offtake arrangements with customers and other legal costs.^
9. Cable factory expenses relate to amounts associated with developing the Group's cable factory (in partnership with a cable supplier) and other associated regulatory and environmental approvals.^
10. Group expenses relate to amounts associated with office rent, expenses, IT costs, travel and corporate costs.
11. Up until 30 June 2022, the Company was an employing entity of Australian based personnel. In this regard, amounts reflected relate to wages and salaries along with other employee on-costs and expenses for the Company. The costs incurred in FY23H1 (being to December 2022) relate to a number of independent contractors who continue to be engaged by the Company.

^ Note: notwithstanding these services relate to the AAPowerLink Project, certain contracts for these services were executed by the Company and therefore amounts relate to expenditure incurred by the Company.

7.3. Financial Performance of the Group – Profit and Loss

The Group's financial performance (profit and loss statement) for the four financial years ended 30 June 2019 to 30 June 2022, along with FY23 YTD, being to December 2022 is summarised in the table below.

Profit and Loss (\$'000)	FY19	FY20	FY21	FY22	FY23H1
Service Fee	-	-	-	-	-
R&D Tax Incentive	-	74	482	2,760	-
Interest Income	-	113	67	44	13
Other Income	-	-	-	69	62
Total Income	-	187	549	2,872	76
IPDT	-	-	-	3,660	7,104
SS Survey	-	345	4,592	10,665	25,115
Delivery Packages	-	76	384	385	(25)
R&D	14	76	493	1,362	971
Access & Approvals	124	-	392	256	78
PPA, Finance and Regulatory	2	12	(1,443)	1,608	2,396
Cable Factory	-	-	-	198	1,078
Other Facilitating Assets	-	-	-	7	67
Other Projects	-	-	-	-	-
Group Expenses	171	380	2,854	2,352	3,567
Depreciation, Amortisation and Interest Expense	6	35	162	584	1,453
Capitalised Project Costs	-	3	-	-	-
Bank Fees	-	1	3	4	3
Employee Wages, Salaries and Expenses	26	899	4,503	8,784	6,220
ESOP Expense	-	-	180	283	-
Motor Vehicle Expense	-	-	17	123	62
Income and Other Tax Expense	(74)	74	-	10	5
Rental Expense	-	-	-	-	(986)
Payroll Tax Expense	-	-	82	296	243
Realised and Unrealised FX Gains	-	2	7	(19)	96
Total Operating Expenses	269	1,904	12,225	30,557	47,450
Net Profit / (Loss)	(269)	(1,717)	(11,676)	(27,685)	(47,375)

7.4. Commentary on financial performance

We provide the following commentary on the financial performance of the Company and the Group:

- The Company, together with the Sun Cable Group has incurred consecutive losses in FY19, FY20, FY21 and FY22 which is consistent with the Company and the Group's business model as an early stage project developer with projects that are not yet generating revenue. As a result, and as noted previously, the Company has been reliant on equity funding to meet ongoing corporate costs and project development expenditure.
- The increasing losses across the period is reflective of the Sun Cable Group's development operations progressing year-on-year and the size of its operations expanding in line with the ramp up of development activity in relation to the AAPowerLink, including for example, hiring additional employees.
- The Company's largest expense relates to the subsea survey, being c.\$11m in FY22 and c.\$25m in FY23H1. Again, the increasing cost year-on-year reflects the ramp up in survey activity as the AAPowerLink progressed.
- In addition to the above, the Company's (together with the Group's) overhead base has also consistently increased (predominantly driven by employee and Group costs), as operations associated with development activities ramped up across the period.
- The significant expenses associated with development of the Project coupled with the increasing overhead base and lack of any revenues generated by the Company to fund operations in the ordinary course, is reflective of the Company's need for equity financing during the development phase to be in a position to continue to trade.

7.5. Financial Position of the Company – Balance Sheet

The Company's financial position (balance sheet) as at 30 June 2019, 30 June 2020, 30 June 2021, 30 June 2022 and 31 December 2022 is summarised overleaf.

Balance Sheet (\$'000)	Notes	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	31-Dec-22
Cash at Bank	1	50	6,837	8,851	14,610	10,626
Term Deposits		-	15,000	8,009	-	400
Accounts Receivable		-	-	-	-	2
Prepayments	2	-	346	415	715	62
Total Current Assets		50	22,183	17,275	15,325	11,090
Solar Equipment	3	27	47	26	740	824
Property, Plant & Equipment	4	1	63	242	738	886
ROU Asset	5	-	-	-	4,798	4,392
AAPowerLink Development Costs	6	-	835	4,801	29,169	59,645
Capitalised Business and Project costs	6	4	11	62	46	46
Investment in Subsidiary	7	-	1	1	253	253
Rental Security Deposits		-	-	10	570	1,233
Total Non-Current Assets		32	958	5,142	36,314	67,279
Total Assets		82	23,141	22,418	51,639	78,369
Accounts Payable	8	-	1	916	6,754	15,945
Accrued Expenses	8	-	-	541	2,244	4,577
Statutory Liabilities - Employee, GST, Tax		(88)	1	140	1,053	(485)
Lease Liability - Current		-	-	-	573	663
Sundry Creditors & Other Liabilities		24	2	1	6	6
Wages Payable		-	-	-	340	-
Total Current Liabilities		(64)	4	1,598	10,970	20,705
Lease Liability - Non-current		-	-	-	4,242	3,843
Intercompany and Related Party Loan	9	415	(6)	(602)	(100)	(14,264)
Total Non-Current Liabilities		415	(6)	(602)	4,141	(10,421)
Total Liabilities		351	(2)	996	15,111	10,284
Net Assets		(269)	23,143	21,422	36,528	68,085
Cost of Equity		-	(870)	(1,070)	(1,558)	(1,558)
Current Year Earnings		(269)	(1,718)	(11,701)	(24,689)	(28,973)
Retained Earnings		(0)	(269)	(1,987)	(13,688)	(38,377)
Ordinary and Series A and B Preference Shares	10	-	26,000	36,000	76,000	136,530
Share Based Payment Reserve		-	-	180	463	463
Total Equity		(269)	23,143	21,422	36,528	68,085

Notes on the Company's / Group's Balance Sheet

1. The Company's cash position as at 31 December 2022 was c.\$10m. This excludes cash held by other entities in the Group. Term deposit accounts were previously linked to the Company's legacy trading account and utilised to earn interest amounts on funds received, before being released to meet trading expenses in the ordinary course.
2. Prepayment amounts predominantly reflect monthly rental expenses and other expenses paid in advance.
3. Solar equipment represents assets owned by the Company and utilised at the Group's Technology Research Park which supports development of the AAPowerLink.
4. Property plant and equipment comprises all depreciated fixed assets of the Company including computer and office equipment along with motor vehicles.
5. Right of Use (ROU) asset is an accounting entry to capture the value in use of the Company's leases, primarily the Brisbane office lease. There is a corresponding (and broadly offsetting) lease liability recorded on the balance sheet which reflects the future payment obligations under these leases.

6. Amounts represent capitalised development costs associated with the development of the AAPowerLink. The balance has increased over time reflecting the cumulative effect of capitalising development expenditure over a number of years (and increasing expenditure in the more recent years, as noted in the previous section).
7. Investments represent shareholdings in Sun Cable Pte Ltd, the intermediate holding company of the AAPowerLink Entities and the other Subsidiaries directly held by the Company. The remaining Group subsidiaries have no value attributed to them in the Company's financials.
8. Accounts payable represent amounts owed to unsecured creditors of the Company, as detailed at Section 5.6.
9. As detailed at Section 5.6.2, amounts reflect intercompany loans and amounts payable by Sun Cable to the Subsidiaries.
10. Reflects the issued share capital of the Company which primarily relates to Series A c.\$36m and Series B c.\$100m drawn funding rounds.

7.6. Financial Position of the Group – Balance Sheet

Balance Sheet (\$'000)	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	31-Dec-22
Cash at Bank	50	6,848	9,612	15,053	11,269
Term Deposits	-	15,000	8,009	-	0
Receivables	-	-	-	0	2
Prepayments	-	346	421	914	210
Total Current Assets	50	22,194	18,042	15,967	11,481
Solar Equipment	27	47	26	740	824
Fixed Asset WIP	-	-	-	-	0
PPE	1	63	242	748	1,034
ROU Asset	-	-	-	5,178	11,409
AAPowerLink Development Costs	-	835	4,801	29,169	59,645
Capitalised Business and Project costs	4	11	62	46	46
Investment in Subsidiary	-	-	-	-	0
Rental Security Deposits	-	8	18	649	1,873
Total Non-Current Assets	32	965	5,149	36,530	74,830
Total Assets	82	23,159	23,192	52,496	86,311
Accounts Payable	-	3	916	4,333	8,982
Accrued Expenses	-	-	541	5,001	9,553
Statutory Liabilities - Employee, GST, Clearing, Income Tax	(88)	(34)	(14)	79	(817)
Employee Entitlements	-	36	154	805	1,237
Lease Liability - Current	-	-	-	831	1,823
Sundry Creditors & Other Liabilities	24	-	1	6	9
Loan Clearing Account	(14)	(9)	171	-	0
Short Term Loan	-	-	-	-	0
Accrued PDP Deferral Fee	-	-	-	3,289	9,460
Wages Payable	-	-	-	340	0
Total Current Liabilities	(78)	(5)	1,769	14,684	30,248
Lease Liability - Non-current	-	-	-	4,364	9,779
Intercompany and Related Party Loan	429	18	8	8	8
Total Non-Current Liabilities	429	18	8	4,372	9,787
Total Liabilities	351	13	1,777	19,056	40,035
Net Assets	(269)	23,146	21,415	33,440	46,276
Cost of Equity	-	(870)	(1,070)	(1,558)	(1,558)
Current Year Earnings	(269)	(1,715)	(11,675)	(27,819)	(47,383)
Retained Earnings	(0)	(269)	(1,985)	(13,658)	(41,548)
FX Difference	-	(0)	(35)	13	(227)
Ordinary and Series A Preference Shares	0	26,000	36,000	36,000	36,000
Series B Preference Shares	-	-	-	40,000	100,530
Share Based Payment Reserve	-	-	180	463	463
Total Equity	(269)	23,146	21,415	33,440	46,276

7.7. Commentary on financial position

We provide the following commentary on the financial position of the Company and Sun Cable Group:

- Whilst the Company had net assets of c.\$68.1m as at 31 December 2022, this was primarily due to the capitalisation of AAPowerLink development costs, which were funded through the Series A and Series B funding rounds.
- The Company (together with the Sun Cable Group) had no external debt financing and was entirely equity funded prior to the Administration, which is consistent with the financing strategy typically adopted by early stage project developers, given the lack of tangible assets or cash generation to support a debt financing.
- The intercompany payables due from Sun Cable to the Subsidiaries are reflective of an arrangement whereby the Subsidiaries would charge the Company for services provided for the benefit of the Company (for example re-charge of employee salaries paid by Sun Cable Services Australia).
- Whilst the capitalised development costs are significant, this represents funds expended on the development of AAPowerLink, rather than fixed assets which may otherwise have some recoverable value on a standalone basis.
- The Company holds minimal fixed assets (approximately \$1.5m of book value across property, plant and equipment and solar assets) which is again consistent with AAPowerLink being an early stage development which has not yet entered the construction phase.
- Net assets continued to increase (particularly across FY21 to FY22) at a Company and Group level, largely due to capitalised expenditure which has been funded through equity subscriptions.

7.8. Report on Company Affairs and Property (ROCAP)

A company director must provide an administrator with a ROCAP outlining the company's business, property, affairs and financial circumstances at the appointment date in accordance with section 438B of the Act within five business days of receiving a request from the administrator or such longer period as the administrator allows.

The ROCAP should include:

- net asset book values (based on historical financial records)
- estimated asset realisable values
- known liabilities.

The Directors were granted an extension to submit their ROCAP form until 17 March 2023 and provided us with a ROCAP in accordance with their responsibilities under the Act in accordance with this due date.

Detailed below is a summary of the information provided in the Directors' ROCAP and our estimated realisable values as at the date of our appointment. We note that the values in the ROCAP do not necessarily reflect the actual realisable values for a return to creditors. Further information on the estimated return to creditors is detailed in **Section 11** of this Report.

	Notes	Directors' ROCAP Estimated Value (\$)	Administrators' Estimated Value (\$)
Assets			
Cash at bank	1	300,209 [^]	8,203,508
Motor vehicles		232,750	n/a*
Plant and equipment		796,013	n/a*
Buildings		293,482	n/a*
R&D rebate FY22	2	5,991,000	6,030,737
Related party debtors	3	16,945,771	-
Total Assets		24,559,224	Unknown
Liabilities			
Secured creditors	4	-	(1,944)
Unsecured creditors	5	(11,876,517)	(5,467,564)
Related party creditors	3	(12,760,032)	-
Surplus / (Deficiency) to creditors		(77,325)	Unknown

* Values in respect of these assets were included in the total Transaction proceeds

[^]Includes foreign currency amounts

Notes on the ROCAP:

1. Cash at bank was c.\$8.2m on our appointment and has been recovered in full. We note that the amount disclosed in the ROCAP by the Directors is as at 31 January 2023 and in respect of pre-appointment accounts only (which as at that date had not yet been swept to our Administration account).
2. Prior to our appointment, the Company had lodged its tax return for FY22, which included a research and development tax incentive from the ATO, with the Directors' ROCAP reflecting the lodged amount. We note that on 2 March 2023 this amount was recovered from the ATO, with these proceeds being used to fund trading operations together with drawings under the Administrators' Facility.
3. Whilst there were intercompany positions between the Company and its Subsidiaries as at the date of our appointment, these were subsequently settled, released or otherwise restructured immediately prior to completion to enable a clean exit of the Subsidiaries from the Group.
4. The Directors' ROCAP did not differentiate secured creditors from unsecured creditors. Upon appointment, we conducted searches of the PPSR and issued correspondence to all parties with registrations against the Company. The search revealed three registrations over certain of the Company's assets, which are summarised at Section 5.5.1 of this Report.
5. Unsecured creditors represent general suppliers and third party service providers that were outstanding at our appointment as Administrators. We note upon appointment, an amount of c.\$10.2m was owed to Guardian, being a supplier of subsea survey services to the Company. This claim was subsequently assigned to Squadron in February 2023 and was subsequently settled by the Administrators, reducing estimated unsecured creditor claims to c.\$5.5m.

We note that ROCAP figures may differ from actual realisable values as:

- net book values are based on historical financial records
- asset values are not market tested and represent the Directors' views only
- Creditor claims are not yet adjudicated upon and quantified.

8. Investigations

8.1. Overview

Our preliminary view is that the Company's insolvency was caused by its inability to draw down the B3 and B4 tranches of equity funding as a result of missing associated project development milestones. These were required to fund the Group's ongoing corporate and project development expenditure, and the subsequent inability to replace this funding with alternative funding arrangements led to the inability of the Company to meet its debts as and when they fell due.

Subsequent to these missed milestones through to the point at which Administrators were appointed, the Company and the Lead Investors continued to negotiate in relation to the provision of additional equity capital. In our view, up to the board meeting on the 9 January 2023, there was a reasonable prospect that these negotiations would lead to the Company securing additional equity funding of a sufficient magnitude to allow it to pay its debts as and when they fell due.

It was not until the Company received best and final proposals from the two Lead Investors in early January 2023, evaluated these proposals at the Board meeting held on 9 January 2023, and then subsequently determined that neither proposal was capable of acceptance and/or implementation, that the prospect of obtaining further equity funding became unrealistic. At this point, the Company's ability to continue to meet its debts as and when they fell due came into question. We further note that the Company appointed Administrators within one business day after having considered these best and final proposals and determined that neither would be capable of satisfying the special approval conditions contained in the Shareholders' Deed.

In this context, it is our preliminary view that the Company was solvent up until our appointment as Administrators on 10 January 2023.

We also note that following completion of the Transaction, the Administrators are currently holding funds sufficient to repay claims of unsecured creditors in full, based on the estimate of claims currently known. On the assumption that creditors are repaid in full, then it follows that there would not be any unsatisfied creditor claims which could benefit from any actions or recoveries related to the solvency position of the Company prior to our appointment, or in connection with other antecedent transactions. Notwithstanding this, we have completed our preliminary investigations as set out below.

8.1.1. Duty to investigate

The law requires an administrator to investigate and specify whether there appear to be any voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under Part 5.7B of the Act.

We have sought to ascertain whether the Company was insolvent at any point in time prior to our appointment as Administrators, to determine a reference point from which these provisions may apply.

8.1.2. Relevance of insolvency and liquidation

The ability to challenge voidable transactions and recover money/property for the benefit of creditors is contingent on two elements:

- the Company being placed into liquidation; and
- a liquidator being able to establish the various elements of the applicable voidable transaction claim, including proving to the satisfaction of a Court that the Company was insolvent at the time it entered any particular transaction, or that the Company became insolvent as a consequence of that transaction.

8.2. General information and considerations

8.2.1. Date of insolvency

To ascertain if there were any insolvent transactions entered into by a company, it is first necessary to determine the date a company may have become insolvent.

Proving the date a company became insolvent is an essential element in recovery actions with respect to unfair preferences, uncommercial transactions and insolvent trading.

Recovery actions require the liquidator to prove that the company was insolvent at the time of the transaction or became insolvent as a consequence of the transaction, or in the case of an insolvent trading action, when the debt was incurred.

8.2.2. What is insolvency?

Solvency is defined in Section 95A of the Act as when a company is able to pay all its debts as and when they become due and payable. A company that is not solvent is insolvent.

Whether a company is able to meet its debts as and when they become due is under Australian law primarily a “cash flow” test rather than a “balance sheet” test (although the company’s balance sheet position is still relevant in the assessment of solvency). That is, does the company have sufficient resources to pay its debts as and when they fall due, as opposed to whether all its assets exceed all its liabilities at a specific point in time.

Consideration of the entire financial position of a company is required to establish if it is insolvent at a particular date. This includes factors such as the value of the company’s assets relative to its liabilities and the nature of those assets and liabilities, including whether they are readily realisable. Also, the extent to which cash is expected to be generated from future trading activities, or available from alternative sources, such as debt/equity or guarantee is also relevant to considering a company’s solvency position.

A detailed list of indicators of potential insolvency as published by ASIC are considered in ASIC Regulatory Guide 217. ASIC’s view is that these are some of the factors that a reasonable person would consider when determining whether a company is insolvent. The list of factors is not intended to be exhaustive. There may be other factors that would indicate to a reasonable person that a company may be insolvent.

8.3. Investigations conducted

We have conducted investigations into the reasons for the Company's failure to the extent possible in the available time. Further investigations will be conducted should creditors vote to wind up the Company at the Second Meeting. A liquidator has greater powers to undertake investigations and pursue recoveries than an administrator or deed administrator.

Our investigations are preliminary in nature given the size and complexity of Sun Cable's trading and development operations, along with the volume of books and records to review. At this stage, we have also not conducted formal examinations of the directors, officers or other persons of interest pursuant to the powers available under the Act.

We have based our investigations and opinions on information obtained from:

- the Company's books and records, including management reports and board reports
- electronic financial systems
- accounting and database information systems used by the Company
- directors, management and key staff members (where available)
- external professional reports
- publicly available information (eg, ASIC records).

8.4. Directors' explanation for Company's difficulties

The Directors' attribute the Company's ultimate financial distress to a misalignment of the Lead Investors on the future direction and funding structure of the Sun Cable Group. Pursuant to the Shareholders Deed, both Lead Investors had a series of special approval rights, which required all Lead Investors (or their appointed representative) to cast a vote in favour of a resolution in respect of matters requiring special approval (eg. creating a new class of securities, incurring financial indebtedness over \$1m or issuing new securities).

Both Lead Investors were involved in discussions with the Company in relation to the provision of new funding from September 2022 onwards, presented funding proposals to the board across the months of November 2022 to January 2023, and were involved in significant and ongoing negotiations with the Company in relation to those proposals. However, the funding proposals put forward were ultimately incapable of acceptance by the Company due to the inability to obtain the approval of both Lead Investors.

Due to the misalignment between the Lead Investors regarding the terms of any interim funding, the Directors of the Company were left with no other choice than to place the Company into voluntary administration.

8.5. Administrators' opinion of the reasons for the Company's difficulties

In addition to the Directors' stated reasons for the Company's current financial position, we believe the following matters are also relevant in relation to its failure:

- Project development milestones not being achieved, resulting in the Company's inability to access tranches B3 and B4 of the Series B funding, creating a liquidity shortfall in circumstances where corporate and project development costs continued to be incurred
- the Company being unable to raise additional capital through the Major Capital Raise process, which was unable to be achieved prior to the Company requiring additional working capital funding
- an excessive cost structure, including a large overhead base adding to the Company's funding requirements.

8.6. Insolvency of the Company

Our preliminary view is that the Company did not trade while insolvent, notwithstanding the fact the Company relied on ongoing support and funding from the Lead Investors. The Company's financial difficulties were caused by its inability to draw down the B3 and B4 tranches of equity funding in September 2022 and November 2022, respectively, due to missed project milestones, as set out at Section 5.3.1.

Once it became evident that the Company was likely to miss the milestones required to draw the B3 and B4 tranches (due to factors outside of its control), the Company commenced and continued to engage in significant and ongoing discussions and negotiation with the Lead Investors in the period from September 2022 through to January 2023. These discussions related to the terms and quantum of the required interim equity funding to allow the Company to continue to operate and to pay its debts as and when they fell due.

Based on the analysis set out in section 5.3, during this time the Directors were of the belief that the financial position would be restored in the short-term, given the various funding proposals put forward by the Lead Investors. Additionally, given the significant financial capacity of the Lead Investors and the level of investment that had occurred up to that point, it would be a reasonable expectation for the Group to assume that both Lead Investors would have had the ability to provide the quantum of funding contemplated at the time, in the event terms were agreed as between the Company and Lead Investors. In this regard, we are of the view that from October 2022 to January 2023, the Company encountered, at worst, a temporary lack of liquidity, which was capable of being overcome in the short term through the acceptance of a funding proposal and a subsequent draw down, which would have allowed the Company to restore its external trade debts within terms and meet future ongoing obligations.

At the time it became evident that the funding proposals offered were incapable of acceptance and negotiations between the Lead Investors broke down by 9 January 2023, the Directors of the Company took steps to appoint the Administrators as soon as possible, given there were reasonable grounds to expect that the Company would become insolvent in the absence of any interim funding arrangement.

The methods of testing solvency include, but are not limited to, the Cash Flow Test and the Balance Sheet Test, which are examined at a preliminary level below. A company is insolvent if it is unable to pay its debts as and when they become due and payable. Liquidators are required to demonstrate that a company is insolvent in order to pursue certain antecedent or 'voidable' transactions that were entered into prior to the appointment of administrators.

Creditors should note that insolvent and other antecedent trading claims are often difficult and costly to pursue, and even if successful, they may not generate an additional return for creditors. As with any litigation, the results are inherently uncertain, in terms of success, quantum and timing.

We also highlight that based on the quantity of known debts as at the date of this Report, the asset sale proceeds are anticipated to be sufficient to pay out all unsecured creditors and as a consequence, there would be no loss suffered by creditors upon which to base any insolvent trading claim.

8.6.1. Cash flow test

The Cash Flow Test is a measure of the Company's ability to pay its liabilities from available resources as and when they fall due and is considered to be the primary basis for assessing solvency of a company.

The Sun Cable Group operated on a consolidated basis, with the Group maintaining financial forecasts to assist management decisions at a Group level. The Group did not prepare cash flow forecasts for the Company on a standalone basis, albeit, a high level cash flow forecast was prepared in respect of the Group, with the following summary as prepared and utilised by the Group in respect of its draft turnaround plan, circulated to its Board for discussion on or about 20 December 2022, as set out below.

Week ended (\$'000s)	23-Dec-22	30-Dec-22	6-Jan-23	13-Jan-23	20-Jan-23	27-Jan-23	3-Feb-23
Cash Opening Balance	2,480						
AP Paid	1,269	(5,417)	(2,950)	(4,750)	(9,658)	(323)	(100)
Wages	(170)	(247)	-	-	(1,527)	(408)	-
Rent	-	-	(245)	-	-	-	-
Forecast	(1,269)	(250)	(2,497)	-	(760)	(5,024)	(4,000)
Total Outflows	(170)	(5,914)	(5,692)	(4,750)	(11,945)	(5,755)	(4,100)
GST Refund	-	-	-	-	475	-	-
Interim Note	-	-	-	-	-	-	-
Series B5 - EIS	13,006	-	4,017	-	-	-	-
Total Inflows	13,006	-	4,017	-	475	-	-
Closing Cash Balance	15,316	9,402	7,726	2,976	(8,494)	(14,248)	(18,348)

Week ended (\$'000s)	10-Feb-23	17-Feb-23	24-Feb-23	3-Mar-23	10-Mar-23	17-Mar-23	24-Mar-23
Cash Opening Balance							
AP Paid	(100)	(178)	(100)	(100)	(100)	(100)	(100)
Wages	-	(1,527)	(408)	-	-	(1,527)	(160)
Rent	-	-	-	-	-	-	-
Forecast	-	(1,310)	(4,422)	(4,300)	(412)	-	(243)
Total Outflows	(100)	(3,015)	(4,929)	(4,400)	(512)	(1,627)	(503)
GST Refund	-	1,104	-	-	-	-	5,990
Interim Note	-	-	-	-	-	-	-
Series B5 - EIS	-	-	-	-	-	-	-
Total Inflows	-	1,104	-	-	-	-	5,990
Closing Cash Balance	(18,448)	(20,359)	(25,288)	(29,688)	(30,200)	(31,827)	(26,341)

In the months prior and during this time, the Company had taken steps to improve its financial controls and had undertaken a detailed review of expenditure (including a reduction of IPDT and subsea survey related works) to manage its cash position whilst funding discussions were progressed. During the above period, the

Company was forecasting to receive a further amount of c.\$17m in respect of tranche B5 having been called on 25 November 2022. In addition, the Company anticipated receiving a R&D rebate from the ATO in the amount of c.\$5.99m, however timing of this receipt remained uncertain.

The cash flow forecast prepared by the Group indicates that:

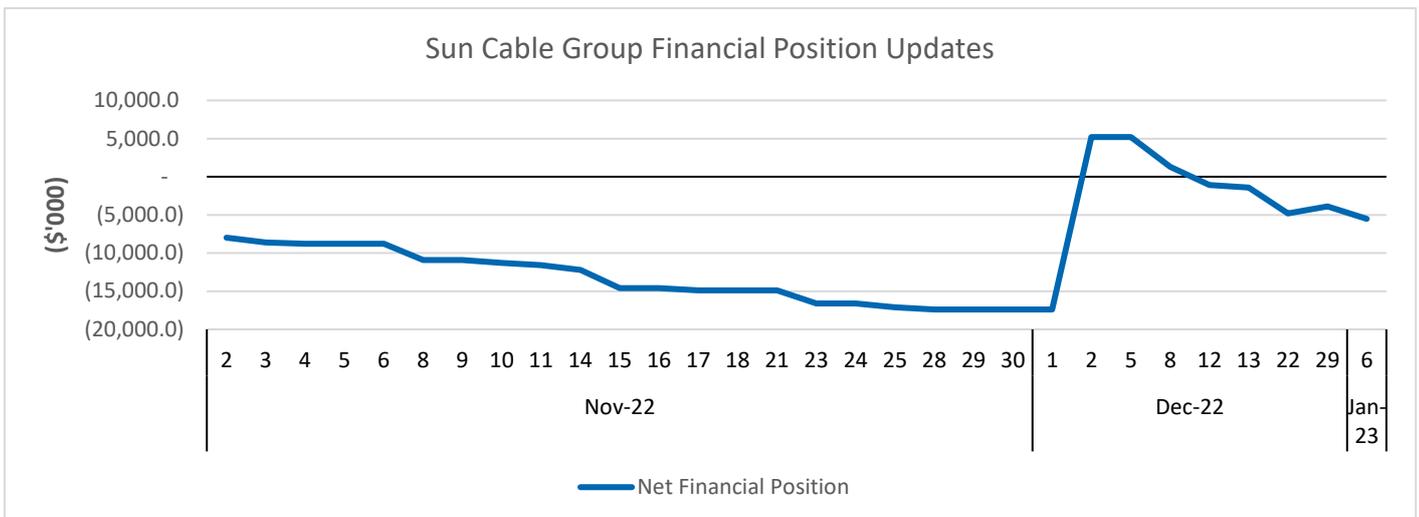
- the Company and Sun Cable Group, were only able to pay their debts as and when they fell due during the period due to the available equity funding received, pursuant to tranche B5 having been called in late November 2023. However, as outlined at Section 5.3, we consider that whilst ongoing negotiations were undertaken as between the Company and its Lead Investors, there was a reasonable expectation that the position would be resolved, with a view that equity funding would continue to be provided; and
- the Company was not forecasting to have sufficient cash available beyond the date of administration, without the provision of further equity funding being made available by mid-January 2023.

Furthermore, we understand that due to the funding challenges experienced by the Group (as set out at Section 5.3.1), Management was providing daily Financial Position Updates (on a consolidated basis, including the net financial position of the Group) to the Board and Board observers from on or around 2 November 2022, to assist the Board to assess the liquidity position of the Group.

In our view, the Financial Position Updates are the most appropriate of the available information on which to base an assessment of solvency under the cash flow test.

We have summarised below the output from the Financial Position Updates as follows:

- A chart setting out the “net financial position” of the Group, which reflects management’s assessment of the Group’s short-term liabilities net of its cash and readily realisable assets, for each of the days that the Financial Position Update was produced between 2 November 2022 and 6 January 2023, being the period during which the Financial Position Updates were being prepared on a daily basis; and
- A table setting out the content from the Financial Position Updates at the beginning of each reported month, being 2 November 2022, 2 December 2022 and 6 January 2023.



(\$'000)	2-Nov-22	2-Dec-22	6-Jan-23
Cash on hand	9,200	2,400	10,800
Salaries and wages due	(1,700)	(1,900)	(2,000)
Liquidity position	7,500	500	8,700
Invoices currently due	(7,500)	(9,800)	(9,400)
Invoices received but not due	(10,700)	(9,500)	(10,900)
Estimate of costs to be invoiced for prior month	(3,500)	(5,200)	(4,400)
Net position	(14,100)	(24,000)	(15,900)
R&D Refund	6,100	6,000	6,000
Remaining Tranche B5 Funds	-	23,300	4,500
Net Financial Position	(8,000)	5,200	(5,500)

Based on the above, we have formed the following conclusions:

- the Group was experiencing a temporary lack of liquidity from at least 2 November 2022, albeit at that date it had sufficient liquidity to meet invoices currently due. This temporary lack of liquidity was driven by its inability to draw down the B3 and B4 tranches. As set out in section 5.3, at this time the Company remained in discussions with the Lead Investors with regard to the provision of interim funding.
- The position had improved as at 2 December 2022, as in late November 2022 the Company had achieved the relevant milestone that enabled it to call on the B5 tranche and consequently had access to and the ability to rely on the provision of approximately c.\$32.5m of additional liquidity.
- The position had deteriorated once again by 6 January 2023, as a result of the Group utilising the bulk of the B5 funds to pay outstanding liabilities existing as at 2 December 2023, whilst additional invoices were being received.
- As at each of the dates above, the receipt of any short-term funding from the Lead Investors in the quantum contemplated as part of the Company's ongoing negotiations during this period, would have resolved the Group's temporary lack of liquidity. Furthermore, as set out in section 5.3.1 given the ongoing discussions between the Company and the Lead Investors, we consider there was a reasonable likelihood that the Company would have received interim funding, up until 10 January 2023.

8.6.2. Balance Sheet test

The Balance Sheet Test assesses the solvency of a company with reference to the company's net asset position (ie. the level of total assets relative to total liabilities). It is a relevant, but not determinative, method of ascertaining a company's solvency.

The Company's reported net asset position was positive throughout the period under review.

(\$'000)	30-Jun-20	30-Jun-21	30-Jun-22	30-Sep-22	31-Oct-22	30-Nov-22	31-Dec-22
Total Assets	23,141	22,418	51,639	64,454	66,345	66,323	78,369
Total Liabilities	2	(996)	(15,111)	(17,153)	(17,000)	(10,831)	(10,284)
Net Assets	23,143	21,422	36,528	47,300	49,345	55,491	68,085

However, we note that the increasing net asset position is primarily driven by the capitalisation of project development expenses which were funded by multiple rounds of equity funding in the years leading up to the Administration date.

The capitalised development costs, forming the significant majority of the Company's assets, are not readily convertible into cash to meet liabilities. Accordingly, the net asset position is not a reliable indicator of solvency in the context of the Company's business model.

8.6.3. Working capital and net current assets

Working capital is an indicator of liquid assets available to pay debts due within 12 months. A working capital ratio of less than one indicates that a company may not be able to pay its debts as and when they fall due.

As highlighted in Section 7, the Company's predominant current asset was the cash it held as a result of calling the various Series B tranches. The balance of current assets was generally comprised of prepayment amounts related to rent and other expenses paid in advance.

Current Liabilities of the Company were predominantly comprised of accounts payable and accrued expenses, along with amounts relating to current lease liabilities.

Our preliminary analysis of the Company's records relating to working capital and net current assets is set out below. We note that this analysis is for the Company on a standalone basis only, excluding the Group Subsidiaries.

(\$'000)	30-Jun-20	30-Jun-21	30-Jun-22
Total Current Assets	22,183	17,275	15,325
Total Current Liabilities	4	1,598	10,970
<i>Less: Intercompany Payables</i>	-	-	(4,576)
Total Adjusted Current Liabilities			6,394
Working Capital	22,179	15,677	4,355
Adjusted Working Capital			8,931
Working Capital / Liquidity Ratio	5.5 : 1	10.8 : 1	1.4 : 1
Adjusted Working Capital / Liquidity Ratio			2.4 : 1

\$'000	31-Jul-22	31-Aug-22	30-Sep-22	31-Oct-22	30-Nov-22	31-Dec-22
Total Current Assets	6,358	15,292	13,108	9,790	3,980	11,090
Total Current Liabilities	8,137	13,501	29,108	33,291	28,393	20,705
<i>Less: Intercompany Payables</i>	(4,567)	(4,581)	(17,020)	(21,578)	(16,862)	(12,409)
Total Adjusted Current Liabilities	3,570	8,920	12,088	11,713	11,531	8,296
Working Capital	(1,779)	1,791	(16,000)	(23,500)	(24,413)	(9,615)
Adjusted Working Capital	2,788	6,372	1,020	(1,922)	(7,550)	2,794
Working Capital / Liquidity Ratio	0.78 : 1	1.1 : 1	0.5 : 1	0.3 : 1	0.1 : 1	0.5 : 1
Adjusted Working Capital Ratio	1.8 : 1	1.7 : 1	1.1 : 1	0.8 : 1	0.3 : 1	1.3 : 1

We note that in or around June 2022, the Group appears to have changed its accounting practices such that the Company recorded intercompany payable amounts for recharges from Subsidiaries in respect of services performed for the benefit of the Company. These amounts were included as current liabilities on the Company's balance sheet, whilst the asset created from these costs would have been reflected as a non-current asset.

We have adjusted the reported working capital to remove these intercompany liabilities on the basis that it is unlikely the Subsidiaries would have called on the Company for payment of those amounts in

circumstances where the Company had insufficient liquidity to meet those payments, given it would have resulted in the insolvency of the Company which would not have been in the interests of the Subsidiaries.

We note the following in relation to the Adjusted Working Capital position:

- The Company maintained a liquidity ratio greater than 1 (ie. current assets in excess of current liabilities) through to in or about August 2022, which was primarily driven by the Company having matched equity funding in the Series B funding round to its committed operating and development expenses.
- The working capital position deteriorated from the end of September to November 2022, which reflects the Company's temporary lack of liquidity period due to a build-up of trade payables and accrued expenses as a result of the Company's inability to draw down the tranche B3 and B4 funds and/or be in a position to accept any interim funding proposal from the Lead Investors during this time.
- The working capital deficiency reduced in December 2022, as a result of the Company drawing down funding of c.\$30m from the B5 tranche, which enabled the Company to pay down certain of its trade liabilities. This restored the Company's liquidity ratio to a level greater than 1.

Further to the above, we have also reviewed the Company's aged payables balance as at 31 December 2023 to ascertain the extent of overdue creditors at the time of our appointment. The ageing profile of the Company's trade payables and intercompany payables is summarised in the table below.

(\$)	Current	Dec-22	Nov-22	Oct-22	Sep-22	Aug-22	Jul-22	Older	Total
Trade Payables	59	3,811	(421)	92	-	-	-	(5)	3,536
Intercompany Payables	6,843	2,792	-	-	-	-	-	2,773	12,409
Total Aged Payables	6,902	6,604	(421)	92	-	-	-	2,769	15,945

In addition, we have reviewed the Company's aged payables for the months of July to December 2022, as reflected in the books and records. In analysing this position, we have removed the intercompany payable positions to reflect the external trade creditor amounts due across these months, as set out in the below table.

(\$)	Current	< 1 Month	1 Month	2 Months	3 Months	Older	Total
Jul-22	604,670	578,144	22,734	(9,350)	413	(618)	1,195,993
Aug-22	2,339,059	2,116,924	20,775	(4,235)	(9,350)	(618)	4,462,555
Sep-22	2,004,551	57,670	3,243	3,929	(4,235)	(9,968)	2,055,190
Oct-22	645,840	1,843,206	55,633	-	-	(4,853)	2,539,825
Nov-22	3,321,191	1,568,494	2,540,678	67,564	-	(4,853)	7,493,074
Dec-22	58,847	3,811,284	(420,973)	91,939	(30)	(4,853)	3,536,214

We note the following in relation to the aged payables:

- The Company's payables were largely current, or less than one month outside their due dates at each month end point between July and December 2022, with the exception of November 2022, when a material portion of the Company's external trade payables was one month past their due dates.
- The total external trade payables peaked at c.\$7.5m in November 2022, the majority of which remained either within terms or 1 month overdue at this time. This position was reduced by 31 December 2022, which is consistent with the Company gaining access to funding in respect of tranche B5 in December 2022, which enabled it to pay down certain of these liabilities that had accumulated in the months of October and November 2022, whilst funding options were negotiated.

The above trade payables position further supports the fact that the Company experienced a period of temporary illiquidity, primarily during November 2022, given the amounts being due to its external creditors were not materially stretched and/or overdue by the time the Company entered external administration. In addition, the position improved in December, before deteriorating again in January. In the event that the funding position was restored at this time, it is evident that the Company would have been able to draw down sufficient funds to restore its working capital and current trade liability position, to bring creditors back within terms.

8.6.4. Other Indicators of Insolvency

Determining whether a company is insolvent (and the date at which insolvency occurred) is open to interpretation and is ultimately a matter for the courts to decide. The courts have identified fourteen general indicators on insolvency that are considered further in ASIC Regulatory Guide 217.

Our investigations to date have identified that some of these indicators apply, or may apply, to the Company as summarised below.

Indicator	Jun-22	Sep-22	Oct-22	Nov-22	Dec-22	10-Jan-23	Comment
Continuing trading losses	✓	✓	✓	✓	✓	✓	The Company had a history of trading losses but this reflects its business model as an early stage project developer, rather than a fundamental problem with the business.
Liquidity ratio below one	x	x	✓	✓	x	✓	Due to the Company's reliance on equity finance, the Company's liquidity ratio remained above one throughout FY22, with the position deteriorating from September 2022 onwards. We note, however that analysis of external trade payables suggests the Company's creditors were not materially outside of terms as at the date of our appointment.
Overdue Commonwealth and state taxes	x	x	x	x	x	x	We understand that the Company was up to date with all statutory lodgements up to the Appointment Date.
Poor relationship with borrower/financier including inability	x	x	x	x	x	✓	Notwithstanding that the Lead Investors could not ultimately agree on the terms of further funding,

to borrow additional funds							both made various offers of funding to the Company up to the Appointment Date.
No access to alternative finance	x	x	x	x	x	✓	Given the capital structure of the Group, the Special Approval rights in favour of the Lead Investors and the significant funding requirement to continue development operations, we consider it would not have been reasonable for the Company to seek to secure alternate finance outside of that provided by the Lead Investors.
Inability to raise further equity	x	x	x	x	x	✓	As noted above, the Company had reasonable prospects of raising further equity from the Lead Investors until shortly prior to the appointment.
Supplier placing debtor on COD terms, otherwise demanding special payments before resuming supply	x	x	x	x	x	x	We are not aware of any suppliers that were on cash on delivery terms prior to our appointment.
Creditor outside trading terms	x	x	✓	✓	✓	✓	Upon review of the Company's aged payables ledger, it was not until in or around November 2022 that certain trade creditors started to materially fall outside payment terms, with only a nominal quantum of trade creditors remaining outside of terms as at 31 December 2022, based on the Company's books and records.
Dishonoured cheques or payments	x	x	x	x	x	x	We are not aware of any dishonoured cheques or payments.
Special arrangements with selected creditors	x	x	x	x	x	x	We are not aware of any special arrangements with selected creditors of the Company. We are aware that management was in discussions with various

							creditors of the Subsidiaries with regards to the deferral of certain payments, but we are not aware of any formal payment plans being entered into.
Legal action threatened or commenced, or judgements entered against the company	x	x	x	x	x	x	We are not aware of any ongoing or threatened legal action.
Payments to creditors of rounded figures, which are irreconcilable to specific invoices	x	x	x	✓	x	x	We have identified a small number of rounded payments to one of the Company's trade creditors which may be preferential in nature and capable of further investigation.
Inability to produce timely and accurate information to display the Company's trading performance and financial position, and make reliable forecasts	x	x	x	x	x	x	The Company was able to produce timely and accurate financial information.

Key	Symbol
Indicator present	✓
Further investigation required	?
Indicator not considered present	x

8.6.5. Proving Insolvency

Further investigations into the Company's affairs will be conducted in the event the Company is wound up.

As evidenced in the table above, determining insolvency is not a straightforward process. Determining when a company became insolvent can be a costly and complex exercise, involving a detailed overview of the company's financial position, cash flow and other relevant information.

As outlined earlier in this section, based on the cash flow test and the balance sheet test, it is unlikely that the Company was insolvent until shortly prior to the appointment of the Administrators. We observe that throughout the period from September 2022 and up until the Appointment Date, the Company was in discussions with the Lead Investors with regards to the provision of further funding that would have enabled it to meet its debts as and when they fell due.

Therefore, it is the opinion of the Administrators that the Company was solvent up until our appointment on 10 January 2023.

8.7. Legal actions

We are unaware of any legal proceedings that were on foot against the Company at the time of our appointment.

Generally, there is a stay of proceedings against the Company and its property during the administration period except where an administrator has provided consent for the proceedings to continue, or the court has granted leave.

8.8. Outstanding or previous winding up applications

We are not aware of any outstanding or previous winding up applications against the Company.

8.9. Books and records

Our preliminary view is that the Company maintained adequate books and records in that:

- the books and records sufficiently disclose transactions that enable the Company's financial position to be ascertained at any particular time
- the Company has kept financial records up to the standard ordinarily used in similar organisations.

A company must keep written financial records that:

- correctly records and explain its transactions, financial position and performance
- would enable true and fair financial statements to be prepared and audited
- must be kept for seven years after the transactions covered by the records are completed, in accordance with section 286 of the Act.

Directors are responsible for ensuring that adequate financial records are maintained. Directors who fail to take all reasonable steps to ensure compliance with this requirement may be subject to a civil penalty order. This includes shadow and de facto directors.

Failure to maintain books and records may give rise to a presumption of insolvency (pursuant to section 588E of the Act).

A liquidator (if appointed) will continue investigations into whether any breaches of the Act have occurred in relation to the maintenance of proper books and records, including:

- failure to keep proper financial records (section 286 of the Act)
- failure to take all reasonable steps to comply with financial records reporting requirements (section 344 of the Act)
- requiring officers to exercise a reasonable degree of care and diligence in the exercise of their powers and discharge of their duties (section 180 of the Act).

While we consider the books and records to be adequate, we note that the Group historically prepared management accounts on a cash rather than accrual basis. In this regard, subsequent accounting adjustments were made by the Group to ensure that all existing costs were being accurately accounted for.

9. Offences and potential liquidation recoveries

9.1. Overview

While our investigations are ongoing, we summarise our preliminary findings below:

- It is our preliminary view that the Company did not trade whilst insolvent. Additional investigations by a liquidator would be required before a conclusive view could be formed.
- We have identified one creditor who may have received preferential payments from the Company in or around November 2022 in connection with the provision of ongoing services, however pursuing a claim to void this transaction will not likely provide any additional return to creditors.

As previously discussed in Sections 2.2 and 0, the Administrators are currently holding funds sufficient to repay known unsecured creditor claims in full. Assuming creditors are repaid in full, then it follows that there would not be any unsatisfied creditor claims which could benefit from actions or recoveries related to the solvency position of the Company prior to our appointment, or in connection with other antecedent transactions.

Notwithstanding this, we have completed relevant investigations and set out our findings below. These findings should be considered in the context that it is likely that all unsecured creditor claims will be repaid in full (based on current known claims as at the date of this Report).

A liquidator has the ability to pursue certain claims that may result in recoveries for creditors. Importantly, these claims are not available to a deed administrator should creditors vote to execute a Deed proposal. To compare the likely return to creditors under both a Deed and liquidation, administrators are required to identify claims that a liquidator could pursue, including:

- voidable transactions and other potential recoveries; and
- recoveries against past or present directors, secretaries, other officers and Company advisors.

Enclosed at **Appendix 4** is a *Creditor Information Sheet: Offences, Recoverable Transactions and Insolvent Trading* published by ARITA, which provides general information for creditors on the types of claims that a liquidator can pursue.

9.2. Voidable transactions

The Act requires an administrator to specify whether there are any transactions that appear to the administrator to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under the Act.

We set out below our preliminary findings in relation to potential recoveries from voidable transactions in a liquidation scenario, including our view on the likelihood of there being substantiated and supportable claims. Where applicable, we have included our commentary on any prospective recoveries.

Voidable transaction	Our view	Comments
Unfair loans	No claims	We are not aware of any potential unfair loans that would likely result in property being recovered for the benefit of creditors.
Unreasonable director related transactions	No claims	Our investigations to date have not found any evidence of unreasonable payments to directors.
Unfair preferences	Potential claim	We have reviewed the payments made by the Company during the period leading up to our appointment. We consider that there may be one unsecured creditor who may have received payments of a preferential nature.
Uncommercial transactions	No claims	We are not aware of any potential uncommercial transactions that would likely result in property being recovered for the benefit of creditors.
Related entity benefit	No claims	Our investigations to date have not revealed any transactions with related parties which would likely result in property being recovered for the benefit of creditors.
Arrangements to avoid employee entitlements	No claims	Our investigations to date have not revealed the existence of any such arrangements.
Voidable charges	No claims	Our investigations to date have not revealed the existence of any such arrangements.
Offences by directors	None	Based on our investigations to date, it does not appear that offences have been committed by the directors.

A liquidator, if appointed, would undertake further analysis as to whether the Company traded whilst insolvent, consider any voidable transactions and the commercial benefit of commencing any recovery actions.

9.2.1. Unfair loans (Section 588FD)

A loan is unfair if it is made to the Company and the interest of charges relating to the loan are extortionate. Our preliminary investigations have not identified the existence of any unfair loans. A liquidator, if appointed, would continue to undertake further investigations with respect to identifying any unfair loans.

9.2.2. Unreasonable director related transactions (Section 588FDA)

A transaction of a company is an unreasonable director-related transaction of the company if, and only if, the transaction is a payment, conveyance, transfer, disposition, issue of securities, incurring of an obligation made by the company to a director, a close associate of a director or a person on behalf of the director, and it may be expected that a reasonable person would not have entered into the transaction having regard to the benefit (if any) or detriment to the company entering into the transaction.

Section 588FDA(1)(c) of the Act, requires consideration as to whether or not a reasonable person in the company's circumstances would have entered into the transaction, having regard to:

- the benefits, if any, to the company entering into the transaction; and
- the detriment to the company of entering into the transaction; and
- the respective benefits to other parties to the transaction of entering into the transaction; and
- any other relevant matter.

The timing of the assessment of the above factors applies at the time the transaction is entered into, rather than as they existed at the time when the obligation was incurred in accordance with section 588FDA(2) of the Act.

At this time, we have not identified any unreasonable director related transactions. A liquidator (if appointed) will continue these investigations to identify whether any such transactions may have occurred.

9.2.3. Unfair preferences (Section 588FA)

A source of recoveries available to a liquidator are transactions considered voidable pursuant to section 588FA of the Act, which requires the company was insolvent at the time of the transaction, or became insolvent as a result of the transaction. If a transaction appears voidable, a liquidator may commence action to recover the proceeds of the transaction in order to distribute them in accordance with the priorities set out in the Act. Such transactions typically cover payments made to creditors within six months prior to our appointment, when a payment confers an advantage to the creditor above what would be received in a general distribution to creditors in a liquidation.

If creditors resolve to place the Company into liquidation at the Second Meeting, the relation back day is the six-months prior to the date of appointment of Administrators to the Company, being 10 July 2022 to 10 January 2023, or within this period, subject to the date of insolvency.

Factors which indicate payments might be unfair preferences include:

- payments in response to winding up applications, statutory demands and other pressure from the creditor
- repayment plans with the creditor
- significant 'round' payments made to the creditor.

The payments would be protected if the creditor from whom the liquidator seeks to recover:

- became a party to the transaction in good faith; and
- at the time when they became a party:
 - i. they had no reasonable grounds of suspecting that the company was insolvent at that time, or would become insolvent;

- ii. a reasonable person in that person's circumstances would have had no such grounds for suspecting insolvency; and
- iii. provided valuable consideration under the transaction or has changed their position in reliance on the transaction.

A liquidator would likely seek legal advice on the strength of a claim, including the applicability of any relevant defence. It is likely that any recovery action commenced by a liquidator would be defended, therefore making any associated costs to be incurred a major factor in the recovery probability.

Our initial investigations have identified one creditor that may have received a small number of rounded payments, which may be preferential in nature and capable of further investigation. However, in light of our preliminary analysis that the Company was solvent until immediately prior to our appointment (as set out at section 8.6), we have not comprehensively investigated these payments at this time, based on our view that the Company was not insolvent at the time these payments were made. Further investigation would be undertaken in the event that the Company is placed into liquidation at the Second Meeting and in light of this, we have not identified this creditor in this report for commercially sensitive reasons.

9.2.4. Uncommercial transactions (Section 588FB)

Section 588FB of the Act provides that a transaction of a company is an uncommercial transaction of the company if, and only if, it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction, having regard to:

- the benefits (if any) to the company of entering into the transaction
- the detriment to the company of entering into the transaction
- the respective benefits to the other parties to the transaction of entering into it
- any other relevant matters.

The company must be insolvent at the time of the transaction, or became insolvent as a result of entering into the transaction. In addition, the transaction must have occurred within two years of the appointment of the administrator or four years for related parties (under section 588FE(3) and 588FE(4) of the Act).

Section 588FG of the Act provides in summary, that a transaction is not voidable as against certain persons if it can be proved that:

- the person received no benefit as a result of the transaction
- the person received the benefit in good faith
- the person had no reasonable grounds for suspecting that the company was insolvent at the time or would become insolvent
- a reasonable person in the circumstances would have had no such grounds for so suspecting.

We have not identified any such transaction as part of our preliminary investigations.

9.3. Insolvent trading

Insolvent trading is when a company incurs a debt at a time when:

- the company was insolvent or became insolvent by incurring the debt; and
- there were reasonable grounds to suspect the Company was insolvent or would become so as a result of incurring the debt.

Company directors have a duty to prevent insolvent trading by not incurring debt when there are reasonable grounds for suspecting that the company is or will be unable to pay its debts as and when they fall due.

The objective test or standard of measure in deciding whether insolvent trading has occurred is whether a director can demonstrate that their actions are at the same degree and level that would be required of an ordinary reasonable person holding a similar position and responsibility in the same circumstances.

A director who fails to prevent a company from incurring a debt at a time when there are reasonable grounds for suspecting that the company is insolvent, or will become insolvent by incurring that debt, contravenes section 588G of the Act and can be personally liable.

Creditors should note that only a liquidator or an individual creditor with the liquidator's permission can bring an action against a director for breach of section 588G. An administrator or deed administrator cannot pursue a director for recoveries from contraventions of section 588G of the Act.

A liquidator may recover from a director the amount of loss or damages suffered by a creditor (section 588M of the Act).

As set out in Section 8, our initial investigations into whether the Company may have traded whilst insolvent suggest that, it is likely that the Company was solvent until on or about 10 January 2023 and, as a result, we have not identified any insolvent trading claim. A liquidator (if appointed) would usually conduct more thorough investigations in this regard, however given creditors are expected to be repaid in full, it is unlikely there would be any claims available based on the solvency position of the Company prior to our appointment.

9.4. Director defences

At this stage, we have not identified an insolvent trading claim against the directors.

In the event such a claim was identified, we note that defences available to directors under the Act in regard to allegations of insolvent trading are as follows:

- the director had reasonable grounds to expect, and did expect, that the company was solvent at that time and would continue to be solvent if it incurred the debt.
- the director had reasonable grounds to believe that a competent and reliable person was responsible for providing adequate information about whether the company was solvent and that person was fulfilling the responsibility and it was expected, that on the basis of the information provided, that the company was solvent and would continue to be solvent when the debt was incurred.
- at the time the debt was incurred the director, due to illness or other good reason, did not take part in the management of the company.
- the director took all reasonable steps to prevent the company from incurring the debt.
- the Company had a plan of action that was more likely to lead to a better outcome (the safe harbour test).

9.4.1. Safe Harbour

As highlighted above, directors have a duty to prevent a company trading whilst insolvent and may be found personally liable for debts the company incurs when there were reasonable grounds to suspect the company was insolvent.

Directors can however, be availed of personal liability for insolvent trading if the company is undertaking a restructuring plan which is reasonably likely to result in a better outcome than immediately placing the company into external administration. This process and protection is referred to as safe harbour.

We are aware of the Directors' engaging a qualified safe harbour adviser in or around November 2022 to provide assistance in developing and overseeing the implementation of a safe harbour plan pursuant to section 588GA of the Act. In this regard, it is possible that the Directors' have the ability to claim protection from any insolvent trading from this time.

We have conducted a limited scope assessment of the eligibility criteria required to claim safe harbour protection under the Act. Our findings are as follows:

Safe Harbour eligibility criteria	Criteria satisfied	Reference
Are the directors properly informing themselves of the company's financial position?	✓	Section 588GA(2)(a) of the Act
Are the directors taking appropriate steps to prevent any misconduct by officers or employees of the company that could adversely affect the company's ability to pay all its debts?	✓	Section 588GA(2)(b) of the Act

Are the directors taking appropriate steps to ensure the Company is keeping appropriate financial records consistent with the size and nature of the company?	✓	Section 588GA(2)(c) of the Act
Are the directors obtaining advice from an appropriately qualified entity who was given sufficient information to give appropriate advice?	✓	Section 588GA(2)(d) of the Act
Are the directors developing or implementing a plan for restructuring the company to improve its financial position?	✓	Section 588GA(2)(e) of the Act
Has the company met and continued to meet its employee entitlement obligations? This includes wages, leave entitlements and superannuation	N/A	Section 588GA(4)(a)(i) of the Act
Has the company complied and continued to comply with its tax reporting obligations? This includes returns, notices, statements, applications or other documents as required by taxation laws (within the meaning of the <i>Income Tax Assessment Act 1997</i> (Cth))	✓	Section 588GA(4)(a)(ii) of the Act

In light of the above and for the reasons previously outlined in this Report, we consider it is unlikely that an insolvent trading claim against the directors exists.

9.5. Other Potential Breaches of Directors' Duties

In addition to having a duty to prevent insolvent trading pursuant to section 588G of the Act, directors have the following duties to the Company:

- Section 180 of the Act: act with care and diligence
- Section 181 of the Act: act in good faith
- Section 182 of the Act: use of position
- Section 183 of the Act: use of information.

Our initial investigations have not identified any breaches made by the Directors of their duties pursuant to the Act, as highlighted above.

9.6. Offences

Directors and others have duties, obligations and responsibilities in relation to common law and statute.

9.6.1. Corporations Act 2001 (Cth)

If a director breaches any duties, obligations and responsibilities, they may be subject to civil and criminal penalties including:

- compensation to the company for damages resulting from the contravention
- fines (up to \$200,000)
- imprisonment (up to 5 years)
- disqualification from managing corporations.

We have not identified any offences of this nature by the Directors.

9.6.2. Other Legislation

In addition to offences under the Act, directors and others may commit offences in respect of the company under other legislation, for example:

- Taxation Laws
- Competition and Consumer Act 2010 (Cth)
- Fair Trading Act 1987 (NSW).

Our preliminary investigations have not identified any other breaches in this regard.

9.7. Public examinations

The Act provides that an 'eligible applicant', such as a liquidator, may examine officers of a company about its 'examinable affairs' and any other person who may be able to provide information relating to such affairs. 'Examinable affairs' is a comprehensive term with wide ranging application and includes:

- the promotion, formation, management, administration or winding up of the company
- other affairs of the company
- the business affairs of a connected company of the company insofar as they appear to be relevant to the company or its affairs.

If the court is satisfied that a summons for examination should be issued, the examinee is usually required to produce at the examination any specified books that are in the person's possession and relate to the corporation.

Public examinations are costly and, given we have been unable to identify any potential additional recoveries available to a liquidator, we do not believe there would be any material benefit to creditors in examining the directors or other possible persons of interest at this stage.

9.8. Reporting of offenses to ASIC

Administrators are required to complete and lodge a report with ASIC pursuant to section 438D of the Act where it appears that:

- a past or present officer of a company may have committed an offence
- money or property has been misapplied or retained
- a party is guilty of negligence, default, breach of duty or breach of trust in relation to a company.

A liquidator is required to lodge a report of his or her findings with ASIC, pursuant to section 533 of the Act. Creditors should also be aware that any report lodged pursuant to section 438D (or investigative report lodged by a liquidator pursuant to section 533 of the Act) is not available to the public.

We have not identified any offences at this stage which would require us to report to ASIC.

9.9. Costs of investigations and pursuing recovery actions

Creditors should note that recovery actions:

- may be expensive, lengthy and possess uncertain outcomes
- should not be commenced unless defendants have the financial resources to satisfy any judgement (this is often difficult to establish)
- must be funded by existing assets, creditor funding or external litigation funders. Litigation funders are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation.

9.10. Funding investigations and recoveries

Should creditors resolve that the Company be wound up, it may be that the liquidator(s) will be without adequate funds to meet the costs of any recovery actions that may be available to pursue.

In these circumstances, the liquidator(s) may invite creditors to consider funding to conduct further investigations. Alternatively, the liquidator(s) may seek external funding from a litigation funder in exchange for a share of any recovered proceeds.

10. Proposal for a deed of company arrangement (Deed)

10.1. What is a DOCA?

A DOCA is an arrangement which binds the company, its creditors, officers, members, the deed administrator and the proponent of the DOCA.

The proponent is an interested party who wishes the creditors to consider its proposal – usually involving a compromise of creditors' claims as opposed to either winding up the company (liquidation) or returning the company to its directors on the basis it is solvent.

A DOCA aims to:

- Maximise the chance of the company, or as much as possible of its business, continuing in existence; and/or
- Result in a better return for the company's creditors than an immediate winding up.

10.2. Proposal for DOCA

The Transaction Process resulted in the Administrators receiving one proposal capable of acceptance, a proposal from Helietta Holdings, being an affiliate of Grok ventures to acquire the assets of the Company, including the shares in the Subsidiaries (**the Grok Transaction**).

The Grok Transaction provided for unsecured creditors of the Company to be paid in full based on current known creditor claims. On that basis, and in the absence of competing proposals capable of acceptance, we determined that the proposed Grok Transaction was in the best interests of creditors, and on 26 May 2023, we executed a binding Asset Sale Agreement with the Purchaser.

Subsequent to the Transaction, Helietta Holdings has proposed a DOCA in respect of the Company with the objectives of:

- effecting a distribution of the Creditor Claim Amount paid under the ASA;
- providing a better return for creditors as compared with a liquidation, through the provision of the Additional Contribution; and
- providing for an efficient wind down of the Company's affairs.

A copy of the proposed DOCA is attached at **Appendix 7**. Creditors should read the proposed DOCA and ask any questions of us before the meeting if they have any specific queries that are not addressed in this report.

To assist creditors, below we have highlighted the key features and provided our comments on the operational aspects of the proposed DOCA and how they impact creditors.

10.3. Key features of the proposal

As part of completion of the Grok Transaction, Helietta Holdings has acquired all the assets of the Company, along with the shares in the Subsidiaries. The purchase price payable under the ASA included the Creditor Claim Amount, totalling approximately \$6.7m, which was paid by the Purchaser for the purposes of allowing the Administrators to pay all creditor claims in full, based on the estimated quantum of unsecured claims as at the date the Grok Transaction was entered into.

The Creditor Claim Amount is comprised of two components:

- the Estimated Creditor Claim Amount, which was received by the Administrators on completion of the Transaction and amounts to approximately \$5.7m and
- the Creditor Claim Top-Up Amount, which the Administrators (or subsequent Deed Administrators or Liquidators) can require the Purchaser to pay to them in circumstances where creditor claims exceed \$5.7m. This component amounts to approximately \$1.0m.

The three key features of the proposed DOCA are:

- the establishment of the deed fund, which includes the Creditor Claim Amount, which is to be applied by the Deed Administrators in the order set out below;
- a further \$0.1m contribution to the deed fund in the form of the Additional Contribution, which will be available to contribute to the payment of creditors' claims (to the extent they are higher than currently anticipated and not met in full by the Creditor Claim Amount) or to pay interest at the statutory interest rate (on a pro-rata basis) accrued on claims between 10 January 2023 and the date creditors' claims are paid in full; and
- the ability to deregister the Company in circumstances where the Deed Administrators obtain the consent of each of the Company's members to the deregistration and the Company, acting through its directors, makes an application to deregister the Company within one business day of the Deed Administrators lodging a termination notice with ASIC.

Receipt of the Additional Contribution is contingent upon the Company obtaining the R&D Refund. This is expected to occur in early 2024.

The deed fund is to be applied by the deed administrators in the following order of priority:

1. to the expenses properly incurred by the Administrators and Deed Administrators in the course of their appointment as Administrators and/or Deed Administrators;
2. debts for which the Administrators would be entitled to be indemnified under sections 443D(a) and/or (aa) of the Act (other than to the extent that these debts have been satisfied by paragraph 1 above), subject to the operation of sections 443A, 443B and 443BA of the Act;
3. the exercise by the Deed Administrators of the lien provided for in clause 11.8 of the DOCA to secure any right of indemnity conferred by clause 11.1 or 11.3 of the DOCA, or otherwise at law or in equity;
4. the remuneration of the Administrators and Deed Administrators, as approved from time to time;
5. to employee priority claims;
6. to the admitted claims of the unsecured creditors of the Company, up to the aggregate of the Creditor Claim Amount (as defined in the ASA) and the Additional Contribution in accordance with the priorities applicable to such claims in a liquidation; and
7. to the payment of interest rateably on admitted claims, calculated:
 - i. at the rate allowed for in regulation 5.6.70A of the Regulations;

- ii. from the Appointment Date to the date on which a final dividend is paid in respect of admitted creditor claims; and
- iii. on the amount of the admitted claim of each admitted creditor.

Importantly, creditors should note that the funds available for distribution to creditors are capped at the aggregate of the Creditor Claim Amount of approximately \$6.7m and the Additional Contribution of \$0.1m. We note that based on current known claims as at the date of this Report, it is anticipated the Creditor Claim Amount will provide for a full return to the unsecured creditors of the Company. We note that any unused portion of the Creditor Claim Amount must be returned to the Purchaser pursuant to the ASA.

In addition, we note that the DOCA does not contain any conditions precedent in light of the ASA having completed on 5 September 2023. In this regard, the main requirement for the DOCA to become effective is for the Company's creditors to resolve that the Company execute the proposed DOCA at the Second Meeting.

10.4. Our comments on the proposal

The proposed DOCA will offer a return to unsecured creditors of approximately 100 cents in the dollar (based on current known claims), together with a contribution towards interest at the statutory rate through the Additional Contribution. The Additional Contribution is only available under the proposed DOCA and will not be available to creditors in a liquidation.

In addition, the proposed DOCA will provide a more efficient mechanism for the wind down of the Company's affairs.

There remains a theoretical risk that either no R&D Refund is received, or that the quantum will be less than \$0.1m, in which case the Additional Contribution will either not be available to creditors or may be less than \$0.1m. However, we think this outcome is unlikely as the R&D Refund is expected to be well in excess of \$0.1m.

Even if the Additional Contribution was not available to creditors, the return under the proposed DOCA would be no worse than a liquidation.

Our estimate of the return to creditors of the Company is discussed separately at Section 11. In reviewing this information, creditors should review the detailed statement, our estimate of costs and the anticipated return compared to a liquidation scenario.

There is no alternate DOCA proposal. Accordingly, the only other realistic option for the Company, if the DOCA proposal (inclusive of any further amendments) was not executed, would be for the Company to be placed into liquidation. As noted above, in a liquidation the creditors will not benefit from the Additional Contribution.

In forming their own views as to whether or not the proposed DOCA is in their interests, creditors should consider the following items when comparing the proposed DOCA to liquidation:

- The proposed DOCA provides for a repayment of all unsecured creditor claims in full (based on current known unsecured creditor claim, through utilising the Estimated Creditor Claim Amount (and where required, the Creditor Claim Top-Up Amount), as set out in the ASA.
- The Additional Contribution also provides for creditors to receive a portion of interest at the statutory interest rate accrued in respect of their claims.

- The proposed utilisation of a deed fund to manage the adjudication and payment of dividends to creditors is in accordance with the same statutory process that would apply in a liquidation (as prescribed by the Act).
- At the conclusion of the distribution process and subject to realising any residual assets of the Company for the benefit of the Purchaser, the proposed DOCA allows for the Company to be deregistered, subject to the Deed Administrators obtaining the consent of the Company's shareholders and the relevant instrument of deregistration executed by one of the Company's Directors.
- There are no other assets or material claims for a liquidator to pursue in a liquidation scenario, which would otherwise provide for an enhanced return to creditors. In addition, given unsecured creditors are expected to be paid in full, even if such recoveries existed, there would be no creditor claims which the funds could be used to satisfy.
- In light of the above, we are of the view that the proposed DOCA provides a better monetary outcome for creditors and will provide a more cost-effective and efficient solution for the wind down of the Company's estate. This is due to any deed administration having less statutory reporting and investigation requirements as opposed to a liquidation scenario. Given we do not anticipate recovery of any antecedent recovery or material claims to be available to a liquidator, and on the basis that any realisation of the Company's residual assets are to be returned to the Purchaser (in accordance with the ASA), we recommend that creditors vote to accept the Deed as proposed.

It is important to note that in our opinion, the return to creditors is expected to be better than a liquidation, or in the case where the Additional Contribution is not received, no worse than a liquidation.

The benefit of the efficiency and reduced costs under the proposed DOCA as compared to a liquidation will flow to the Purchaser.

10.5. Expected timeline of events

If the proposed DOCA is approved by creditors at the Second Meeting, the following key events (in sequence) can be expected to occur:

- The DOCA will be executed by the parties subject to the deed. This is expected to occur shortly after the Second Meeting of creditors. Pursuant to the Act, there is a maximum time period of 15 business days after the meeting for the DOCA to be executed. If the DOCA is not executed within this time, the Company would be automatically placed into liquidation.
- If creditors resolve at the Second Meeting for the Company to execute the proposed DOCA, the Deed Administrators will establish the deed fund for the benefit of unsecured creditors. The DOCA will also provide for the review and adjudication of creditor claims, together with the ultimate advertisement and declaration of dividend to unsecured creditors of the Company.
- If the Administrators are appointed as Deed Administrators, the expected timing of distributions to creditors in accordance with the proposed DOCA is set out below:
 - Payment of an interim dividend in respect of admitted creditor claims, comprising as much of the deed fund as the Deed Administrators consider appropriate in the circumstances, as soon as reasonably practicable, following execution of the DOCA; and
 - Payment of a final dividend in respect of admitted creditor claims as soon as reasonably practicable after the latter of:

- i. the date on which the Deed Administrators receive any R&D Refund;
 - ii. if there is an appeal an appeal filed by the defendant in Supreme Court of New South Wales proceedings 2023/25359 (**Court Proceedings**), and the orders made by the Court have the effect that any or all of the assignment and novation deeds are rendered ineffective or inoperative in any way, subject to the below, 9 July 2025; and
 - iii. the date on which the appeal period expires.
- If subclause two above applies, the Deed Administrators will be entitled to make payment of a final dividend to admitted creditors prior to 9 July 2025, if the novations contemplated by the assignment and novation deeds become effective prior to that date. In addition, the Deed Administrators will pay a distribution in respect of interest at the statutory rate following receipt of the R&D Refund.
- The Deed will terminate on the first to occur of the following events:
- i. the Court makes an order under section 445D of the Act terminating the deed;
 - ii. the creditors of the Company pass a resolution terminating the deed in accordance with sections 445C(b) and 445CA of the Act; or
 - iii. if either:
 - a. a meeting of creditors is convened to consider a variation to the proposed DOCA, which the Deed Proponent has not given its consent in writing or to consider a resolution to the effect of section 445FA(b)(ii) of the Act; or
 - b. the Deed Administrators determine, in the exercise of their discretion, to make a distribution or distributions to creditors of 100 cents in the dollar in the aggregate before the date contemplated in clause 9.3(b)(ii) of the proposed DOCA;

and

 - c. the Deed Proponent gives notice in writing to the Deed Administrators that it wishes to terminate the proposed DOCA; or
 - iv. any of the conditions pursuant to section 445FA of the Act are met such that the Deed Administrators are required by that section to take the steps set out in section 445FA(d) and (e) of the Act,
- together, (**the Termination Events**), as prescribed by clause 16 of the proposed DOCA.
- We note that Court Proceedings were undertaken by the Administrators prior to completion of the Transaction, to obtain a necessary condition precedent pursuant to the ASA.
- In the event of an appeal in respect of the Court Proceedings, the proposed DOCA provides that the Deed Administrators will and will cause the Company to defend the appeal upon and subject to each of the following:
- i. The Deed Proponent requesting, in writing, that the Deed Administrators and the Company defend the appeal;
 - ii. The Deed Proponent providing sufficient funding to meet the Deed Administrators' and the Company's costs of defending the appeal, including the costs of obtaining legal advice referred to in subclause three below; and

- iii. The Deed Administrators obtaining legal advice to the effect that there are reasonable prospects of defending the appeal.
- Contemporaneously with discharging their other obligations under the DOCA, including to distribute the deed fund, the Deed Administrators will take steps to:
 - liaise with the Company’s Director’s to receive an executed consent to deregistration form in respect of the Company; and
 - obtain consent from all members of the Company in relation to the deregistration of the Company.
- Having satisfied the above, pursuant to the DOCA’s terms, the Company must make an application to be deregistered pursuant to section 601AA of the Act within one business day of the deed administrators lodging a termination notice with ASIC in accordance with clause 15.1(c) of the proposed DOCA.
- If the above deregistration steps cannot be satisfied, pursuant to the proposed DOCA, the DOCA will terminate and the Company will then be placed into liquidation (with the deed administrators to be appointed as the Company’s liquidators).
- The Company could also be placed into liquidation following termination of the DOCA if the Termination Events outlined in either subclauses (i), (ii) or (iii) above, (and as set out in clause 16.1(c) of the proposed DOCA) occur.

Taking into account all of the above, **we anticipate making payment of an interim dividend to creditors, comprising as much of the deed fund as the Deed Administrators consider appropriate (anticipated to be approximately 99 cents in the dollar) within 3 to 6 months of the Second Meeting of creditors.** Our estimate is contingent upon:

- Creditors submitting their claims in a timely manner following the Second Meeting; and
- Creditor claims being capable of being adjudicated upon quickly, with no creditors contesting the adjudication.

The remaining dividend (including the Additional Contribution) will follow as soon as practicable after the receipt of the R&D Refund and consideration of the status of the Court Proceedings.

10.6. Deed contributions from a third party

The Administrators are in possession of the Estimated Creditor Claim Amount which will form the component of the deed fund that is relevant to the payment of unsecured creditor claims.

As noted earlier, in circumstances where unsecured claims exceed c.\$5.7m, pursuant to the ASA the Administrators (or subsequently Deed Administrators or Liquidators) can request payment of the Creditor Claim Top-Up Amount from the Purchaser, Helietta Holdings.

Based on the fact that the Purchaser has already completed the Grok Transaction, and the fact it is an affiliate of Grok, the Administrator’s opinion is that the Purchaser has sufficient financial capacity to make this payment if required, and the risk of non-compliance with the proposal is extremely low.

10.7. Other matters relevant or consideration

Other key items to note in relation to the proposed DOCA are set out in **Appendix 7**, including information on:

- Deed Administrators and their powers and rights
- Control of the Company
- Binding effect of the deed
- Treatment of claims
- Releases applicable
- Administration of the deed fund
- Creditors meetings
- Completion and termination.

10.7.1. Treatment of related party claims

As set out in Section 5.6.2, all related party claims as between the Company and its Subsidiaries were settled, released or otherwise restructured immediately prior to completion of the Transaction. In this regard, no Sun Cable Group entity will hold any claim against the Company for the purposes of claiming or participating in any dividends in respect of those amounts pursuant to the DOCA.

The Directors, in their capacity as unsecured creditors, are entitled to submit proofs of debt and participate in a distribution from the deed fund in respect of any unpaid claims.

10.7.2. Effect of the DOCA on employees' ability to access the FEG Scheme

Current and former employees should note that effectuation of the DOCA will prohibit their ability to access the FEG scheme for any outstanding entitlements, in particular leave and redundancy, as the FEG scheme is only available if a company goes into liquidation. Any outstanding superannuation entitlements are not covered by the FEG scheme.

As set out in Section 5.5.2, we note that all Australian based employees and their associated entitlements were transferred to Sun Cable Services Australia, effective from on or about 1 July 2022 and since that date, new employees have also been employed by this entity. In light of this, we are not aware of any outstanding entitlements being owed to employees of the Company, given it is no longer an employing entity.

10.7.3. Extinguishment of claims

On effectuation of the DOCA, all claims (other than those which are not affected pursuant to section 444D of the Act) will be released, discharged and extinguished.

Any claims will be deemed to be abandoned if, prior to the declaration of the final dividend or distribution, a creditor has failed to submit a formal proof of debt or claim in accordance with the terms of the DOCA, or having submitted one which is rejected, fails to appeal against the rejection within 14 days of the date on

which the Deed Administrators notify the claimant of the rejection of all or part of the proof of debt, or such longer time as the Deed Administrators stipulate by notice to the claimant.

10.7.4. Moratorium

Subject to section 444E of the Act, creditors bound by a DOCA cannot:

- Make or proceed with an application for an order to wind up the Company;
- Institute, revive or continue any action, suit, arbitration, mediation or proceeding against the Company or in relation to the property of the Company;
- Institute, revive or continue with any enforcement process against the property of the Company;
- Take any action whatsoever to seek to recover any part of its claim;
- Exercise any right of set off or defence, cross claim or cross action to which that creditor would not have been entitled had the Company been wound up on the appointment Date;
- Commence or take any further step in any arbitration against the Company or to which the Company is a party in relation to any matter arising out occurring before the Appointment Date;
- In the case of a secured creditor, enforce its security interest or take possession, sell or otherwise recover or enforce rights against property subject to its security interest; or
- Otherwise enforce any right or interest it may have or acquire against the Company or its property.

10.8. Deed general information

If the creditors decide to vote for a Deed:

- The Company must sign/execute the DOCA within 15 business days of the Second Meeting, otherwise the Company will automatically proceed into liquidation. The court can allow longer time if required.
- Unsecured creditors will be bound by the DOCA, even if they vote against it.
- Property owners, lessors and secured creditors who vote in favour will be bound by the DOCA.
- The court can bind any creditor to the DOCA.

In the case of the Company, we would expect to execute the Deed shortly after the Second Meeting and within the 15 business day period allowed under the Act.

11. Estimated return to creditors

11.1. Administrators' estimated statement of position

We set out our estimated statement of position and commentary providing further details below, which includes an estimated return to each relevant class of creditor of the Company.

We have provided notes on the rationale for our liquidation outcome estimates.

The outcome resulting from the completion of the ASA provides for the following:

- An anticipated sale contribution of up to \$86.5m, comprised of the following:
 - Estimated Priority Claim amount of up to \$79.8m, to be utilised to:
 - Repay the Administrators' Funding Facility drawn on completion, of up to \$74.0m
 - Pay transaction adviser fees of up to \$4.3m
 - Pay future external administration costs of up to \$1.5m.
 - Estimated Creditor Claim Amount estimated to be an amount of \$15.6m, reduced to \$5.7m as a result of settlement of one unsecured creditor claim which was required in order to achieve the novation of contract that was a condition precedent to completion of the ASA); and
 - Creditor Top-Up Amount of \$1m, which is available to be drawn from the Purchaser if required to be used to pay any unsecured creditor claims to the extent that creditor claims exceed the Estimated Creditor Claim Amount.

We note that the outcome for unsecured creditors will not be known until after a POD adjudication exercise and the declaration of a dividend, however we currently estimate that the Creditor Claim Amount received as part of the Transaction will provide for an estimated return to unsecured creditors of 100 cents in the dollar, based on information presently held.

Completion of the ASA occurred on 5 September 2023, facilitating the assets of the Company (including the shares in the Subsidiaries) being transferred to the Purchaser as at the date of completion.

Assuming the Company either executes the relevant proposed DOCA or is placed into liquidation at the Second Meeting, we estimate that proceeds in either scenario are sufficient to provide for creditors to be paid in full, noting that timing of this distribution may take approximately three to six months given the requirement to follow the statutory timetable for the declaration and payment of a dividend in accordance with the Act, across both a DOCA or liquidation scenario.

(\$'000)	Notes	DOCA return	Liquidation return
Transaction Process Proceeds / Asset Realisations	1	86,467	86,467
Less: Trading and Administration Costs			
Transaction Process success fee	2	(4,300)	(4,300)
Administrators' Loan (drawings at completion)	3	(73,991)	(73,991)
Future External Administration Fees	4	(1,500)	(1,500)
Pre-Completion funding		Nil	Nil
Taxes payable as a result of the Transaction		Nil	Nil
Total Costs of Realisation		(79,791)	(79,791)
Liquidator claims			
Voidable recoveries		n/a	-
Insolvent trading actions		n/a	-
Funds available for distribution	5	6,676	6,676
Creditor Claims			
Secured creditor claims		Nil	Nil
Priority creditor claims		Nil	Nil
Unsecured creditor claims	6	(5,669)	(5,669)
Contingent liabilities		Unknown	Unknown
Surplus funds returned to Purchaser*	7	1,007	1,007
Additional Contribution			
	8	100	Nil
Estimated interest at the statutory rate distribution		20 cents in the dollar [^]	Nil

*Any surplus available to unsecured creditors to the extent additional claims are lodged through the dividend process.

[^]Assumes interest at the statutory rate on creditor claims (currently known) is calculated up to 31 December 2023.

Notes

We set out below our commentary on key items within the Administrators' estimated position:

1. Transaction Process Proceeds: represents the headline sale price offered by the Purchaser and subject to the ASA (as amended from time to time). This amount represents the overall purchase price for which the Purchaser has acquired substantially all of the assets of Sun Cable, including all property plant and equipment, together with the shares in all of Sun Cable's Subsidiaries.
2. Transaction Process success fee: this amount represents the minimum transaction fee payable to Moelis, in respect of their role acting as sale adviser to the Administrators.

3. Administrators' Loan: the sale structure as proposed by the Purchaser allows for full repayment of the drawings under the Administrators' Loan, which was c.\$73.9m as at completion (including an amount of c.\$9.9m drawn to repay Guardian Geomatics in full in order to achieve a novation of the Guardian agreement as a condition precedent to the ASA).
4. Future External Administration Fees: the Purchaser has included a provision for funding of future fees required to wind down the Company's affairs (either through a DOCA or liquidation process). These costs include fees associated with adjudicating and admitting creditor claims, attending to creditor queries and statutory reporting requirements (as required), along with any residual administration and transition requirements post sale completion. We note that the amount of c.\$1.5m as reflected above, represents the total amount of future remuneration being sought and that actual costs incurred may be lower than this amount. Further to this, we note that we anticipate any future external administration costs may be higher in a liquidation scenario, given additional statutory reporting and investigation requirements prescribed by the Act.
5. Funds available for distribution: after payment of all costs of realisation stemming from the Transaction, it is estimated that up to c.\$6.7m of funds will be available for distribution in relation to the Company's unsecured creditor claims. Based on current known claims, we estimate that unsecured creditors of the Company will be repaid in full.
6. Unsecured creditor claims: as at the date of our appointment unsecured creditor claims were estimated at c.\$15.6m. Following completion, this amount reduced to c.\$5.7m as a result of the Guardian claim (c.\$9.9m) having been paid in full, to facilitate novation of the Guardian agreement, which was a condition precedent to the Asset Sale Agreement. The unsecured creditor claims of c.\$5.7m were estimated at the time the ASA was entered into. We note that this estimated amount is now lower, however we further note that these claims will be subject to a proof of debt adjudication process, with any surplus to be returned to the Purchaser.
7. Surplus funds returned to Purchaser: surplus funds to be returned to the Purchaser comprise the Creditor Claim Top-Up Amount of c.\$1m, which will be available to unsecured creditors if claims exceed \$5.7m. Any unused amount must be returned to the Purchaser.
8. Additional Contribution: pursuant to the proposed DOCA, the Deed Administrators will be entitled to retain an amount equal to the Additional Contribution of \$0.1m from the total amount of any R&D Refund received by the Company, which is to form part of the deed fund. This Additional Contribution amount will be available as either a contribution to the payment of creditors' claims, or for a pro-rata payment in respect of interest at the statutory rate, to the extent claims are paid in full (as currently envisaged).

11.2. Summary of estimated returns

Below is a summary of the estimated returns to priority creditors and unsecured creditors in both a DOCA and liquidation scenario. Estimated returns are presented on a cents in the dollar basis.

	DOCA return	Liquidation return
Priority Creditors: Wages & Superannuation	n/a	n/a
Priority Creditors: Leave Entitlements	n/a	n/a
Priority Creditors: Redundancy & PILN	n/a	n/a
Unsecured Creditors	100 cents	100 cents
Unsecured Creditors: interest at the statutory rate[^]	Approx. 20 cents in the dollar	Nil
Return to Shareholders	Nil	Nil

[^]Assumes interest at the statutory rate on creditor claims (currently known) is calculated up to 31 December 2023.

11.3. Administrators receipts and payments

A summary of our receipts and payments for the Company since the date of our appointment to 8 September 2023 is set out at Section 6.6.

11.4. Impact of related entity claims on dividend prospects

Whilst there were intercompany creditor positions between the Company and certain of its Subsidiaries as at the date of our appointment, these were subsequently all settled, released or otherwise restructured immediately prior to completion to enable a clean exit of the Subsidiaries from the Group.

In light of these related party claims being extinguished, they will not prove or participate in any distribution made from the Company and therefore will not impact upon any dividend to unsecured creditors of Sun Cable.

11.5. Estimated timing of payments to creditors

An indicative range of the estimated timing of dividends under each option (and to each class of creditor) is set out below:

	DOCA	Liquidation
Secured Creditors	n/a	n/a
Priority employee claims	n/a	n/a
Unsecured creditors	3 to 6 months from execution of the DOCA	3 to 6 months from commencement of the liquidation
Unsecured creditors: interest at the statutory rate	5 to 8 months from execution of the DOCA	n/a

12. Administrators' opinion and recommendation

12.1. Opinion and recommendation to creditors

As highlighted earlier, as Administrators of the Company, we are required to provide our opinion on the options available to creditors, in deciding the future of the Company. In making our recommendation to creditors, we have particular regard to the certainty of both the quantum and timing of any distribution of funds to be made to the creditors.

In light of the above, we are of the opinion that it is in the **best interest of creditors of the Company to vote in favour of the proposed Deed**. Our opinion on each option available to creditors is discussed below.

12.1.1. What creditors can decide at the meeting

At the Second Meeting, creditors are required to decide the future of the Company, being:

1. the Company should execute a DOCA;
2. the Company should be wound up (liquidation); or
3. the administration of the Company should end, with control being returned to its directors.

In accordance with the requirements of Section 75-225 of the Insolvency Practice Rules (Corporations) 2016, the Administrators must provide an opinion on each of the above options, and whether the option is in the creditors' interests.

12.1.2. Administrators' opinions on the options available to creditors

Execution of a deed of company arrangement

We consider that it would be in the creditors' interests for the Company to execute a DOCA on the terms proposed as on balance, it will provide for a superior monetary outcome for creditors in light of the Additional Contribution prescribed under the proposed DOCA, together with a more efficient wind down of the Company's affairs as compared to a liquidation.

The Company is wound up

We do not consider it would be in the creditors' interests for the Company to be wound up as the proposed DOCA will provide for a higher monetary outcome and a more efficient wind down of the Company's affairs as compared to a liquidation.

The Administration comes to an end

If the creditors vote for this alternative, control of the Company would revert to the directors following the forthcoming meeting of creditors. As the ASA has completed and the Company has no business, employees or material assets, we do not see any utility in reverting control of the Company to the Directors.

12.1.3. Administrators' opinion on voidable transactions

It is the opinion of the Administrators that there do not appear to be transactions that may be voidable transactions as outlined in Section 75-225 of the Insolvency Practice Rules (Corporations) 2016. Further to this, given we anticipate that unsecured creditors are expected to be paid in full, even in such recoveries existed, there would be no creditor claims which any funds (if recovered) could be used to satisfy.

Dated this 19th day of September 2023



Christopher Hill

Joint and Several Administrator

13. Appendix 1 – Glossary and terms of reference

Item	Definition
AAPowerLink or AAPowerLink Project	Australia-Asia Power Link
AAPowerLink Australia Assets	AAPowerLink Australia Assets Pty Ltd ACN 653 396 948
AAPowerLink Entities	Entities within the Group's AAPowerLink Project, being: Sun Cable Pte Ltd Sun Cable (Singapore) Assets AAPowerLink Australia Assets PT Sun Cable Indonesia
AAPL Project or the Project	Infrastructure project being undertaken by Sun Cable and its subsidiaries
Act	Corporations Act 2001 (Cth)
Additional Contribution or Top Up Amount	Means the amount of \$100,000, pursuant to the proposed DOCA
Administrators	Christopher Hill, David McGrath and John Park
AEDT	Australian Eastern Daylight Time
AEST	Australian Eastern Standard Time
AllPAAP	All present and after-acquired property, a term associated with security interests under the PPSA
AMDAL	Analisis Manajemen Dampak Lingkungan or Analysis of Environmental Impacts
Appointment Date	10 January 2023
ARITA	Australian Restructuring Insolvency and Turnaround Association. ARITA was formerly the Insolvency Practitioners Association of Australia
Asset Sale Agreement or ASA	Asset Sale Agreement between Sun Cable Pty Ltd (Administrators Appointed) and Helietta Holdings 1 Pty Ltd and the Administrators and Eriostemon Pty Ltd dated 26 May 2023

ASIC	Australian Securities and Investments Commission
ATF	As trustee for
ATO	Australian Taxation Office
AUD / A \$ / \$	Australian Dollars
bn	Billion
Board	the Company's Board of Directors
c.	Approximately
COD	Cash on delivery
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Company or Sun Cable	ACN 623 991 006 Pty Limited (formerly Sun Cable Pty Limited) (Administrators Appointed)
Completion Date	5 September 2023
Court	Supreme Court of New South Wales
Court Proceedings	Supreme Court of New South Wales proceedings 2023/25359
Covid	Coronavirus disease (COVID-19)
CP	Condition precedent
Creditor Claim Amount	Means an amount required to pay all creditor claims in full, up to a maximum of the aggregate of the Estimated Creditor Claim Amount and the Creditor Claim Top-Up Amount, pursuant to the Asset Sale Agreement
Creditor Claim Top-Up Amount	Means an amount of up to \$1,007,840, pursuant to the Asset Sale Agreement
D&O	Directors and Officers
Deed Proponent	Helietta Holdings 1 Pty Limited, being the Purchaser
Directors	Macgregor Thompson, Alexander Austin, David Griffin, Fraser Thompson and Michael Cannon-Brookes (being directors of the Company)
DIRRI	Declaration of independence, relevant relationships and indemnities
DOCA or Deed	Deed of company arrangement
EBIT / EBITDA	Earnings before interest and tax / Earnings before interest, tax, depreciation and amortisation
End Date	31 August 2023
EPA	Environmental Protection Authority
ERV	Estimated Realisable Value

ESOP	Employee share option plan
Estimated Creditor Claim Amount	Means \$5,669,450.53, pursuant to the Asset Sale Agreement (as adjusted)
Estimated Priority Claim Amount	Means \$79,790,621.05, pursuant to the Asset Sale Agreement (as adjusted)
Facility Agreement	Facility Agreement between the Administrators and Eriostermon Pty Ltd ACN 119 827 593 dated 25 January 2023
FC	Financial close
FEED	Front end engineering design
FEG	Fair Entitlements Guarantee, a scheme administered by the Department of Employment and Workplace Relations to provide assistance to employees owed outstanding employee entitlements following the insolvency of an employer
FID	Final Investment Decision
Financial Position Updates	Daily financial position updates prepared by Management (including the net financial position of the Group) to the Board and Board observers from on or around 2 November 2022
FIRB	Foreign Investment Review Board
First Meeting	Meeting held pursuant to s436E of the Act on 20 January 2023 at 11.00am AEDT
FTI, FTI Consulting	FTI Consulting (Australia) Pty Ltd
FY	Financial Year (eg. the financial year 1 July 2021 to 30 June 2022 would be expressed as FY22)
Group or Sun Cable Group	The Company, and its subsidiary entities as set out at Section 5.1
Green Jet	Green Jet Pty Ltd (ACN 659 946 291)
Grok	Grokco Pty Ltd as trustee for the Grok Trust
GST	Goods and Services Tax, as applicable in Australia
Guardian or Guardian Geomatics	Guardian Geomatics Pty Ltd
GW	Gigawatt
H1	The first half of a respective financial year
H2	The second half of a respective financial year
HVDC	High voltage direct current
IPDT	Integrated Project Delivery Team
IPR	Insolvency Practice Rules (Corporations) 2016 (Cth)

IPS	Insolvency Practice Schedule (Corporations)
k	Thousand
km	Kilometres
Lead Investors	Grok and Squadron
Lender	Eriostemon Pty Ltd (ACN 119 827 593)
LOI	Letter of intent
m	Million
Major Capital Raise Process	A capital raising process commenced by the Company in July 2022 undertaken by Moelis, Macquarie Capital and White & Case, the objective of which was to raise c.\$30bn of capital to fund the construction of the AAPowerLink
Management	The senior officers, employees and advisors of the Sun Cable Group
Moelis	MA Moelis Australia and Moelis & Company LLC
MW	Megawatt
NBIO	Non binding indicative offer
NDA	Non disclosure agreement
NT	Northern Territory, Australia
NTG	Northern Territory Government
NPAT	Net profit after tax
OHTL	Overhead transmission line
PAP	Project Advisory Partner
PDP	Project Delivery Partnership
PO	Purchase order
POD	Proof of debt
PP&E	Property, plant and equipment
PPSA	Personal Property Securities Act 2009 (Cth)
PPSR	Personal Property Securities Register – a register set up under the PPSA for the registration of security interests
PT Sun Cable Indonesia	PT Sun Cable Indonesia (Indonesian registered company)
Purchaser or Helietta Holdings	Helietta Holdings 1 Pty Ltd ACN 657 443 902, an associated entity of Grok and CBC Co Pty Ltd as trustee for the Cannon-Brookes Head Trust
PV	Photovoltaic
Q1, 2, 3, 4	Quarters ended/ending September, December, March and June of a respective financial year

R&D	Research & development
Regulations	Corporations Regulations 2001 (Cth)
Report	This report, prepared pursuant to Insolvency Practice Rule 75-225 of the Act about the business, property, affairs and financial circumstances of the Company
ROCAP	Report on Company Affairs and Property submitted by the Directors
s	Section of the Act or IPR (as the case may be)
Sale Proposal	The binding offer for acquisition of the Company's assets from the Purchaser received by the Administrators on 23 May 2023
Second Meeting	Meeting held pursuant to s439A of the Act where creditors determine the future of the Company scheduled for 3.00pm AEST, 27 September 2023
Secured Creditors	ARB Corporation Ltd, Canon Finance Australia Pty Ltd and Beverage Marketing Australia Pty Ltd
Shareholders	Shareholding details as set out in Section 14.1
Shareholders Deed	Deed dated 25 November 2019 between Sun Cable and its Lead Investors
Squadron	Squadron Energy Pty Ltd
Subsidiaries	Subsidiary entities within the Group wholly owned by Sun Cable, including: Sun Cable Services Australia Sun Cable Services Singapore Sun Cable Pte Ltd Sun Cable (Singapore) Assets AAPowerLink Australia Assets PT Sun Cable Indonesia Sun Cable Manufacturing Green Jet Sun Cable ESOPCo
Sun Cable ESOPCo	Sun Cable ESOPCo Pty Ltd (ACN 642 525 586)
Sun Cable Manufacturing	Sun Cable Manufacturing Pty Ltd (ACN 647 564 323)
Sun Cable Pte Ltd	Sun Cable Pte Ltd (Company Number: 201832320H)
Sun Cable Services Australia	Sun Cable Services Australia Pty Ltd (ACN 659 859 524)
Sun Cable Services Singapore	Sun Cable Services Singapore Pte Ltd (Company Number: 202224787W)

Sun Cable (Singapore) Assets	Sun Cable (Singapore) Assets Pte Ltd (Company Number: 202111215D)
Transaction or Grok Transaction	The proposal received from the Purchaser to acquire the assets of the Company, including the shares in the Subsidiaries
Transaction Process	A sale process undertaken by Moelis, on behalf of the Administrators, the objective of which to achieve a recapitalisation or sale of the Company's business
VSC	Voltage source converter
w/c	Week commencing
YTD	Year to date, a period starting from the beginning of the current financial year and continuing up to a defined date (eg. monthly management accounts from 1 July 2021 to 31 January 2022 would be expressed as 'YTD January 2022')

13.1. Terms of reference

This report has been prepared for the creditors of the Company to assist them in evaluating their position as creditors and in deciding on the Company's future. None of the Administrators, FTI Consulting and its staff shall assume any responsibility to any third party to which this report is disclosed or otherwise made available.

This report is based on information obtained from the Company's records, the directors and management of the Company and from our own enquiries. While we have no reason to doubt the veracity of information contained in this report, unless otherwise stated we have proceeded on the basis that the information provided and representations made to us are materially accurate, complete and reliable. We have not carried out anything in the nature of an audit, review or compilation.

This report may contain prospective financial information, including estimated outcomes for creditors, and other forward looking information. As events and circumstances frequently do not occur as expected, there may be material differences between estimated and actual results. We take no responsibility for the achievement of any projected outcomes or events.

We reserve the right to alter any conclusions reached on the basis of any changed or additional information which may become available to us between the date of this report and the forthcoming meeting of creditors.

Creditors should seek their own advice if they are unsure how any matter in this report affects them.

14. Appendix 2 – Company information

14.1. Statutory Information

Company details	
Date of incorporation	23 January 2018
Registered office	Level 31, 85 Castlereagh Street, Sydney NSW 2000
Principal place of business	Level 31, 85 Castlereagh Street, Sydney NSW 2000
David Brereton Griffin	23 January 2018 to 10 August 2023
Macgregor Keith Thompson	1 August 2019 to 31 May 2023
Fraser Keir Thompson	25 November 2019 to 31 May 2023
Alexander John Austin	12 December 2019 to present
Michael Alexander Cannon-Brookes	18 July 2022 to present
Former directors' details	
	Appointment from/to
John Joseph Hartman	25 November 2019 to 7 November 2022
Secretary details	
	Appointment from/to
Angela Soek Yee Aroozoo	1 January 2022 to 10 July 2023
David Brereton Griffin	23 January 2018 to 1 January 2022
Shareholders	
	Shareholding details
Ordinary	
Dungowan Assets Pty Limited	37,125,000 ordinary shares held – 75%
Mac Thompson Superfund Pty Ltd	7,425,000 ordinary shares held – 15%
TF Nominees (Aus) Pty Ltd	4,950,000 ordinary shares held – 10%
Series A	
CBC Co Pty Ltd	12,500,000 Series A shares held – 35%
Givia Pty Ltd	8,400,000 Series A shares held – 23%
Golden Pathway Pty Ltd	1,000,000 Series A shares held – 3%
Hackett Foundation Nominees Pty Ltd	75,000 Series A shares held – 0.2%
Loddy Pty Ltd	100,000 Series A shares held – 0.3%
Ms Jane Thompson	100,000 Series A shares held – 0.3%
Network Capital Pty Ltd	200,000 Series A shares held – 1%
Platinum Path Pty Ltd	1,000,000 Series A shares held – 3%
Red Lenko Pty Ltd	125,000 Series A shares held – 0.3%
Squadron Energy Pty Ltd	12,500,00 Series A shares held – 35%
Series B	
Barton Brightside Nominees	25,187 Series B shares held – 0.05%
CBC Co Pty Ltd	20,353,952 Series B shares held – 40%
Givia Pty Ltd	5,006,880 Series B shares held – 10%
Golden Pathway Pty Ltd	435,202 Series B shares held – 1%
Hackett Foundation Nominees Pty Ltd	16,320 Series B shares held – 0.03%
Loddy Pty Ltd	59,605 Series B shares held – 0.1%
Mr Alan Frost	22,897 Series B shares held – 0.05%
Mr Jeswant Brahamanandam	12,250 Series B shares held – 0.02%

Mr Kiran Raj	24,500 Series B shares held – 0.05%
Mr Michael Cook	24,500 Series B shares held – 0.05%
Mr Mitesh Patel	45,794 Series B shares held – 0.1%
Ms Jane Thompson	59,605 Series B shares held – 0.1%
Network Capital Pty Ltd	119,212 Series B shares held – 0.2%
Northern Australia Investments Pty Ltd	4,280,319 Series B shares held – 8%
Pashanpat Pty Ltd	103,036 Series B shares held – 1%
Platinum Path Pty Ltd	435,202 Series B shares held – 1%
Red Lenko Pty Ltd	74,507 Series B shares held – 0.1%
Squadron Energy Pty Ltd	19,399,059 Series B shares held – 38%

14.2. Details of security interests and charges

Below are details the security interests registered on the PPSR, plus any other prima facie valid charges that the Administrators are aware of.

Registration Number	Secured Party	Date Registered	PMSI	Collateral Class
202110150033213	ARB Corporation Ltd [^]	15-Oct-2021	Yes	Other Goods
202210200060362	Canon Finance Australia Pty Ltd	20-Oct-2022	Yes	Other Goods
202206070030520	Beverage Marketing Australia Pty Ltd	07-Jun-2022	No	Other Goods

[^] Note: this was subsequently discharged on 26 April 2023

15. Appendix 3 – Investigations – general information

15.1. General information and considerations

15.1.1. Date of insolvency

In order to ascertain if there were any insolvent transactions entered into by a company, it is first necessary to determine the date a company became insolvent.

Proving the date on which a company became insolvent is an essential element of recovery actions with respect to unfair preferences, uncommercial transactions and insolvent trading.

Recovery actions require the liquidator to prove that the particular company was insolvent at the time of the transaction, or in the case of an insolvent trading action, when the debt was incurred.

15.1.2. What is insolvency?

Solvency is defined in section 95A of the Act as when a company is able to pay all its debts as and when they become due and payable. A company that is not solvent is insolvent.

It is generally accepted that there are two tests of insolvency, being the ‘cash flow test’ or the ‘balance sheet test’. The cash flow test goes to whether a company has sufficient resources available to it to pay all liabilities as they become due and payable. The balance sheet test is based on whether a company’s total assets exceed its total liabilities at a point in time.

Given the statutory definition as outlined above, the cash flow test is generally viewed as the appropriate basis for assessing the solvency of a company or group, while the balance sheet test (essentially whether assets exceed liabilities) enables an understanding of the overall financial position of the company at a point in time, which is to be considered in conjunction with the cash flow test.

An assessment of solvency needs to:

- Determine whether a company’s financial position can be characterised as more than a mere “temporary lack of liquidity” but rather “an endemic shortage of working capital whereby liquidity can only be restored by a successful outcome of business ventures in which the existing working capital has been deployed”, in which case the company is insolvent (*Hymix Concrete v Garrity* (1977) 13 ALR 321 at 328);
- Address not only the available cash to the company from day-to-day operations but also assets and other resources and opportunities (including the ability to raise debt and equity) that could be converted into cash in time to meet the liabilities; and
- Consider the prevailing circumstances and business practices of the company, as each will be unique.

Based on the above, it is important to note that consideration of the entire financial position of a company is required to establish if it is insolvent at a particular date. This includes factors such as the value of the

company's assets relative to its liabilities and the nature of those assets and liabilities. Also, the extent to which cash is expected to be generated from future trading activities, or available from alternative sources, such as debt/equity or guarantee is relevant to considering a company's solvency position.

ASIC has produced guidance on some of the factors it considers a reasonable person would take into account when determining whether a company is insolvent, with the list outlined below. The list of factors is not intended to be exhaustive and there may be other factors that would indicate to a reasonable person that a company may be insolvent.

- The company has a history of continuing trading losses.
- The company is experiencing cash flow difficulties.
- The company is experiencing difficulties selling its stock, or collecting debts owed to it.
- Creditors are not being paid on agreed trading terms and/or are either placing the company on cash-on-delivery terms or requiring special payments on existing debts before they will supply further goods and services.
- The company is not paying its Commonwealth and state taxes when due (eg. pay-as-you-go instalments are outstanding, goods and services tax (GST) or superannuation guarantee contributions are payable).
- Cheques are being returned dishonoured.
- Legal action is being threatened or has commenced against the company, or judgements are entered against the company, in relation to outstanding debts.
- The company has reached the limits of its funding facilities and is unable to obtain appropriate further finance to fund operations—for example, through:
 - Negotiating a new limit with its current financier; or
 - Refinancing or raising money from another party.
- The company is unable to produce accurate financial information on a timely basis that shows the company's trading performance and financial position or that can be used to prepare reliable financial forecasts.
- Company directors have resigned, citing concerns about the financial position of the company or its ability to produce accurate financial information on the company's affairs.
- The company auditor has qualified their audit opinion on the grounds there is uncertainty that the company can continue as a going concern.
- The company has defaulted, or is likely to default, on its agreements with its financier.
- Employees, or the company's bookkeeper, accountant or financial controller, have raised concerns about the company's ability to meet, and continue to meet, its financial obligations.
- It is not certain that there are assets that can be sold in a relatively short period of time to provide funds to help meet debts owed, without affecting the company's ongoing ability to continue to trade profitably.
- The company is holding back cheques for payment or issuing post-dated cheques.

Source: ASIC Regulatory Guide 217 - Duty to prevent insolvent trading: Guide for directors

We have considered these factors in assessing the possible date of insolvency for the Company.

15.1.3. General and commercial considerations

Proving insolvency is often a complex exercise and usually involves considerable time and expense in thoroughly investigating all aspects of claims. Legal advice on the merits of claims is generally required.

Typically, insolvent trading claims are defended and directors may seek to rely on the statutory defences available to them.

Legal proceedings are often necessary for liquidators to pursue claims. This adds to the time and costs involved in pursuing claims. There is also inherent uncertainty involved with any litigation. As a result, commercial considerations are relevant, including whether the amount of the claim is large enough to pursue on a cost and risk/benefit basis.

The capacity of a party to pay any successful claim to a liquidator is also a relevant consideration in determining whether or not pursuing an action is likely to be in the interest of creditors.

Liquidators may not have funds to pursue actions. At other times, the liquidator may view the risks/benefits of pursuing an action not to be in the interest of creditors (for example, in cases where pursuing an action would use up the available cash/assets when otherwise a small dividend to creditors could be paid). In these circumstances, it is possible that a creditor or a litigation funder may wish to fund an action to pursue a claim. This typically occurs only when there is a very strong case and high prospects of success and resources available by the defendant to meet any judgement debt, that is, personal assets and/or proceeds of a D&O policy.

16. Appendix 4 – Creditor Information Sheets

Voluntary Administration Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Queries about the voluntary administration should be directed to the administrator's office.

Insolvency information for directors, employees, creditors and shareholders

This is **Information Sheet 39 (INFO 39)**. It lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) *Insolvency: A glossary of terms*
- [INFO 42](#) *Insolvency: A guide for directors*
- [INFO 43](#) *Insolvency: A guide for shareholders*
- [INFO 45](#) *Liquidation: A guide for creditors*
- [INFO 46](#) *Liquidation: A guide for employees*
- [INFO 54](#) *Receivership: A guide for creditors*
- [INFO 55](#) *Receivership: A guide for employees*
- [INFO 74](#) *Voluntary administration: A guide for creditors*
- [INFO 75](#) *Voluntary administration: A guide for employees*
- [INFO 84](#) *Independence of external administrators: A guide for creditors*
- [INFO 85](#) *Approving fees: A guide for creditors*

Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

This information sheet was updated on 1 September 2017.

Last updated: 24/03/2023 08:46

17. Appendix 5 – Forms for Second Meeting

NOTICE OF SECOND MEETING OF CREDITORS

**ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd)
(Administrators Appointed) (“the Company”)
ACN 623 991 006**

Notice is now given that the second meeting of creditors of the Company will be held at **3.00pm (AEST) on Wednesday, 27 September 2023.**

The meeting is being held virtually and all creditors wanting to attend the meeting are required to attend via Zoom webinar facilities. Although there is no physical place where creditors are able to attend the meeting, I am required under law to nominate a notional place for the meeting for administrative purposes such as establishing the time of the meeting. The notional place for this meeting is FTI Consulting, Level 22, 1 Macquarie Place, Sydney NSW. **PLEASE DO NOT ATTEND AT THIS LOCATION.**

Further details regarding the meeting will be provided once creditors have registered their attendance for the meeting.

If you wish to attend the meeting, you must register at the below link and return the below forms on or before **4.00pm (AEST) on Tuesday, 26 September 2023** to suncable@fticonsulting.com:

- Meeting registration form:
https://us06web.zoom.us/webinar/register/WN_ZcAOEMMJT4mfHRwbakSTOg
- Proof of Debt form; and
- Proxy form (if required).

Once you have registered, a link to view the meeting will subsequently be sent to you by email.

Please note your name will be visible to other attendees of the meeting and in meeting documents we prepare and lodge with ASIC.

AGENDA

1. The purpose of the meeting is:
 - a) To review the report of the Administrators and their recommendation in connection with the business, property, affairs and financial circumstances of the Company; and
 - b) For the creditors of the Company to resolve:
 - i. that the Company execute a deed of company arrangement (“DOCA”); or
 - ii. that the administration should end; or
 - iii. that the Company be wound up.

2. Creditors will be requested to vote on the remuneration to be paid to the Voluntary Administrators, as calculated on a time basis for the periods:
 - a) 10 January 2023 to 8 September 2023;
 - b) 9 September 2023 to the end of the Voluntary Administration.
3. If the Company enters into a Deed of Company Arrangement, for creditors of the Company to vote on the remuneration to be paid to the Deed Administrators.
4. If the Company is placed into liquidation, for creditors of the Company to vote on the remuneration to be paid to the Liquidators and to consider the appointment of a Committee of Inspection and if required, to determine the members.
5. If the Company is placed into liquidation, to consider the destruction of books and records.
6. Any other business properly brought before the meeting.

Creditors wishing to vote at the meeting:

- who will not be attending the meeting or are a company, must complete and return an Appointment of Proxy Form (attached); and
- must complete and return a Formal Proof of Debt or Claim Form (attached) if not already done so.

Creditors are advised that proof of debts and proxies must be submitted to the Administrators by no later than Tuesday, 26 September 2023 at 4.00pm (AEST) by email to SunCable@fticonsulting.com or via post to FTI Consulting.

Dated this 19th day of September 2023



Christopher Hill
Joint and Several Administrator

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

APPOINTMENT OF PROXY
ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd)
(Administrators Appointed) (the Company)
ACN 623 991 006

I / We (name of signatory)

.....

of (creditor name)

.....

a creditor of the Company, appoint (add name and address of proxy)

.....

Or in his/her absence (add name and address of alternate proxy)

.....

as my / our proxy, to vote at the second meeting of creditors to be held at **3:00pm (AEST) on Wednesday, 27 September 2023** or at any adjournment of that meeting.

- Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
- Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

Voting instructions - for special proxy only	For	Against	Abstain
Resolution			
1. Future of the Company (<u>only vote for one of the below</u>)			
a) The Company should execute the Deed of Company Arrangement proposed by Helietta Holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) The Administration should end	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) The Company be wound up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Voluntary Administrators Remuneration			
2. "That the remuneration of the Voluntary Administrators of ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) ACN 623 991 006 and their staff, for the period 10 January 2023 to 8 September 2023, calculated at the hours spent at the rates detailed in the Initial Remuneration Notice dated 11 January 2023 provided to creditors, is approved for payment in the amount of \$3,408,295.50, plus GST, to be drawn from available funds immediately or as funds become available."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. "That the future remuneration of the Voluntary Administrators of ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) ACN 623 991 006 and their staff, for the period from 9 September 2023 to the finalisation of the Voluntary Administration, is determined at a sum equal to the cost of time spent by the Voluntary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p><i>Administrators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 11 January 2023 provided to creditors, up to a capped amount of \$250,000.00, plus GST, and that the Voluntary Administrators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available. Should a lesser amount be actually incurred, only the lesser amount will be drawn. Should a greater amount be actually incurred, further approval from creditors will be sought.”</i></p>			
<p>Deed Administrators’ Remuneration</p>			
<p>4. <i>“That the future remuneration of the Deed Administrators of ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) ACN 623 991 006 and their staff, for the period from execution of the DOCA to effectuation of the DOCA, is determined at a sum equal to the cost of time spent by the Deed Administrators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 11 January 2023 provided to creditors, up to a capped amount of \$1,250,000.00, plus GST, and that the Deed Administrators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available. Should a lesser amount be actually incurred, only the lesser amount will be drawn. Should a greater amount be actually incurred, further approval from creditors will be sought.”</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Liquidators’ Remuneration</p>			
<p>5. <i>“That the future remuneration of the Liquidators of ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) ACN 623 991 006 and their staff, for the period from commencement of the Liquidation to the finalisation of the Liquidation, 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 11 January 2023 provided to creditors, up to a capped amount of \$1,250,000.00, plus GST, and that the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available. Should a lesser amount be actually incurred, only the lesser amount will be drawn. Should a greater amount be actually incurred, further approval from creditors will be sought.”</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>If creditors resolve to wind up the Company:</p>			
<p>6. If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>7. Should Liquidators be appointed, that the Liquidators are authorised to destroy the Company’s books and records upon finalisation of the liquidation, and subject to obtaining consent from the Australian Securities and Investments Commission.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I / We authorise my / our proxy to vote as a general proxy on resolutions other than those specified above (delete if not required)

.....

Dated

.....

Name and signature of authorised person

CERTIFICATE OF WITNESS – only complete if the person given the proxy is blind or incapable of writing.

I, of

certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Dated: Signature of witness:

Description: Place of residence:

GUIDANCE AND INSTRUCTIONS

FORM OF PROXY

A person can appoint another person to attend the meeting on their behalf by completing the Form of proxy.

If the member is a company or a firm, a person needs to be appointed to represent the company.

This representative needs to be appointed by completing the Form of proxy in accordance with section 127 of the Corporations Act. Alternatively, the appointed person must be authorised to act as a representative for the company per section 250D of the Corporations Act.

The Form of proxy is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions). If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish appoint the Chairperson of the Meeting as your proxy. The Chairperson can be appointed as a general proxy or a special proxy.

FORM 535 – FORMAL PROOF OF DEBT OR CLAIM

ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd)
(Administrators Appointed) (the Company)
ACN 623 991 006

To the Administrators of ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) ACN 623 991 006 ("the Company")

1. This is to state that the Company was on 10 January 2023, 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?	<input type="checkbox"/>	<input type="checkbox"/>
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 (e.g., 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

18. Appendix 6 – Remuneration Approval Report

19 September 2023



Remuneration Approval Report

ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd)
(Administrators Appointed)
ACN 623 991 006

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Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 (Cth) (**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 Voluntary Administration of ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) ACN 623 991 006 (**the Company**).

We are asking creditors to approve the following remuneration and disbursements:

Appointment Type	Period	Remuneration (excl GST) (\$)	Disbursements (excl GST) (\$)
Voluntary Administration	Resolution 1: 10 January 2023 to 8 September 2023	3,408,295.50	3,553.66
Voluntary Administration	Resolution 2: 9 September 2023 to the end of the Voluntary Administration	250,000.00	
Deed Administration	Resolution 3: Execution of DOCA to Effectuation of DOCA	1,250,000.00	
Liquidation	Resolution 4: Commencement to Finalisation of Liquidation	1,250,000.00	

We estimate the total cost of the Voluntary Administration will be \$3,658,295.50 (excluding GST). This has increased compared to our initial estimate included in our Initial Remuneration Notice to Creditors issued 11 January 2023 due to the following:

- The Voluntary Administration continuing for a period longer than originally scheduled due to the various extensions to the convening period granted by the Supreme Court of New South Wales. These extensions were sought for the following reasons:
 - to allow sufficient time to conduct a comprehensive sale campaign commensurate with the size, complexity and unique nature of the business of the Sun Cable Group; and
 - to allow sufficient time to satisfy the conditions precedent to completion of the ASA.
- Extensive negotiations and additional due diligence time required pursuant to the Transaction Process;
- Satisfaction of conditions precedent pursuant to the ASA taking longer than anticipated and requiring more input from the Administrators and their staff; and
- Additional costs arising from the requirement to continue to trade the business of the Sun Cable Group for longer than originally anticipated, in light of the above.

Declaration

We, Christopher Hill, John Park, and David McGrath, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance

Remuneration Approval Report

with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

Remuneration sought

We will only seek approval of resolutions for the Deed of Company Arrangement (**DOCA or Deed**) if creditors agree to the proposal offered. Similarly, we will only seek approval of the resolution for the liquidation if creditors vote to place the Company into liquidation.

For	Period	Amount (excl GST) (\$)	Applicable Rates	Timing of Payment
Work already completed	10 January 2023 to 8 September 2023	3,408,295.50	As per the attached hourly rates at Schedule E	Immediately, when funds are available
Future work to finalisation of the Voluntary Administration	9 September 2023 to finalisation of the Voluntary Administration	250,000.00	As per the attached hourly rates at Schedule E	As time is incurred or as funds are available
Voluntary Administration Total		\$3,658,295.50		
Future work from the execution of DOCA to effectuation of DOCA	Execution of DOCA to effectuation of DOCA	1,250,000.00	As per the attached hourly rates at Schedule E	When funds are available and subject to the approval of the DOCA
DOCA Total		\$1,250,000.00		
Future work to the end of the liquidation	Commencement to Finalisation of Liquidation	1,250,000.00	As per the attached hourly rates at Schedule E	When funds are available and subject to entering liquidation
Liquidation Total		\$1,250,000.00		

Details of the work already done 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 already done.

Actual resolutions to be put to the meeting are included at **Schedule C**. These resolutions also appear in the proxy form for the meeting provided to you.

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 administration, but we must provide details to creditors. Details of these amounts are included in the attached Receipts and Payments for the Administration at **Schedule D**.

We are 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 11 January 2023.

The table below provides a breakdown of the external at cost disbursements incurred in the Voluntary Administration for the period 10 January 2023 to 8 September 2023.

Disbursements Claimed	Basis of Charge (excl GST)	Disbursements (excl GST)
Media	At Cost	\$218.16
Postage	At Cost	\$84.05
Staff Travel – Accommodation, Flights, Taxis	At Cost	\$2,512.26
Search Fees	At Cost	\$739.19
Total		\$3,553.66

Likely impact on dividends

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

Following completion of the Transaction, the Administrators are currently holding funds sufficient to repay unsecured creditor claims in full, based on the known debts of the Company as at the date of this Report. The key remaining step required in the external administration of the Company is to distribute these funds to creditors, which could occur either through the creditors voting to place the Company into liquidation, or execute the proposed DOCA.

We note that the outcome for creditors (including the timing and quantum of any dividend) is not expected to be materially different under the proposed DOCA, as compared to a liquidation, however we note that pursuant to the proposed DOCA, creditors may receive a pro-rata payment in respect of interest at the statutory rate in the event creditor claims are paid in full. We further note that the costs of administering the external administration of the Company will not impact the return to creditors, as pursuant to the ASA, future costs of

the external administration have been separately provided for, in the amount of up to \$1.5m (excluding GST). In light of this, any unused amount of the \$1.5m funded under the ASA for the purpose of winding down the Company's affairs will be returned to the Purchaser.

Summary of receipts and payments

A summary of the receipts and payments for the Voluntary Administration as at 8 September 2023 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 this office on (02) 8247 8000 or by email at suncable@fticonsulting.com.

Yours faithfully



Christopher Hill

Joint and Several Administrator

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 2022

Remuneration Approval Report

Schedule A – Details of work

Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
Period	10 January 2023 to 8 September 2023	9 September 2023 to finalisation of the Voluntary Administration	Execution of DOCA to effectuation of DOCA	Commencement to finalisation of Liquidation
Amount \$ (excl GST)	5,541.20 hours \$3,408,295.50	\$250,000.00	\$1,250,000.00	\$1,250,000.00
Assets	1,790.60 hours \$1,222,012.00	\$50,000.00	\$387,500.00	\$262,500.00
Sale of business as a going concern	<ul style="list-style-type: none"> ■ Engaged Moelis to undertake the Transaction Process to seek offers for a sale or recapitalisation of the Company ■ Obtained court orders to extend the convening period of the second creditors meeting to improve transaction opportunities ■ Engaged various third party experts to assist with the review of the AAPowerLink Project and to identify reduced expenditure options for the administration period to make the Project more attractive to a range of bidders ■ Co-ordinated preparation of an information memorandum ■ Reviewed key financial model and budget assumptions, including through internal meetings with management ■ Liaising with interested parties and maintenance of data room and interested party register ■ Reviewing sale information and documentation ■ Liaising with key stakeholders and regulatory authorities regarding the sale process 	<ul style="list-style-type: none"> ■ Attend to post-completion requirements pursuant to the ASA ■ Internal and external meetings to discuss post-completion issues 	<ul style="list-style-type: none"> ■ Internal and external meetings to discuss post-completion issues ■ Attend to post-completion requirements pursuant to the ASA ■ Attend to other post-completion issues and transition arrangements ■ Liaise with management regarding various contract novations and agreements required post-completion ■ Ongoing discussions with the Purchaser to facilitate the transfer of residual company assets, records and information 	<ul style="list-style-type: none"> ■ Internal and external meetings to discuss post-completion issues ■ Attend to post-completion requirements pursuant to the ASA ■ Attend to other post-completion issues and transition arrangements ■ Liaise with management regarding various contract novations and agreements required post-completion ■ Ongoing discussions with the Purchaser to facilitate the transfer of residual company assets, records and information

Remuneration Approval Report

Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
	<ul style="list-style-type: none"> ■ Prepared and reviewed non-disclosure agreements ■ Received and responded to queries received and information requests from interested parties ■ Held various meetings with shortlisted interested parties ■ Prepared for presentations to interested parties and providing internal updates regarding those presentations ■ Assessed and considered final offers from interested parties in relation to the Transaction process ■ Implementation and completion of the ASA ■ Review proposed DOCA received ■ Collated and verified information obtained from the Company for input into data room ■ Internal meetings to discuss Transaction process, considerations and strategy ■ Internal meetings to discuss/review offers received ■ Attendance at external meetings 			
DOCA proposal	<ul style="list-style-type: none"> ■ Discussions with the Purchaser regarding proposed DOCA ■ Received and reviewed DOCA proposal ■ Drafted DOCA specific information for report to creditors ■ Review and updates to various agreements including proposed DOCA ■ Liaising with legal counsel regarding updates to proposed DOCA 	<ul style="list-style-type: none"> ■ Ongoing discussions with the Purchaser in relation to Transaction completion steps ■ Review and updates to proposed DOCA received and liaise with legal counsel in respect of same ■ Internal and external meetings to discuss proposed DOCA ■ Finalisation and signing of the DOCA 	<ul style="list-style-type: none"> ■ Attending to completion of the DOCA ■ Liaising with legal counsel regarding the DOCA ■ Liaising with company directors regarding DOCA effectuation ■ Attending to company deregistration steps 	

Remuneration Approval Report

Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
Cash and Bank Accounts	<ul style="list-style-type: none"> ■ Notified major banks of appointment ■ Negotiated with JP Morgan regarding access to pre-appointment accounts ■ Arranged sweep of pre-appointment funds to the Administrators' bank account ■ Liaised with management regarding bank statement access 			
Plant & equipment	<ul style="list-style-type: none"> ■ Review of Company records and enquiries with Company staff concerning plant and equipment owned by the Company ■ Reviewing asset listings 			
Real property	<ul style="list-style-type: none"> ■ Conducted land title searches 			
Assets subject to specific charges	<ul style="list-style-type: none"> ■ Conducting PPSR searches and issuing notices to secured parties ■ Liaising with the Company's PPSR creditors 	<ul style="list-style-type: none"> ■ Liaising with the Company's PPSR creditors 		
Leased assets	<ul style="list-style-type: none"> ■ Reviewing leasing documents ■ Issuing notices concerning ongoing occupation of premises ■ Liaised with owners/lessors regarding leases held by the company ■ Corresponded with landlords with respect to continued occupation of particular premises ■ Liaised with legal counsel in relation to bank guarantee position ■ Understand ongoing requirements in relation to existing property arrangements ■ Correspondence in relation to termination and transfer of property leases 	<ul style="list-style-type: none"> ■ Correspondence in relation to transfer of property leases ■ Review and reconciliation of rental invoices received 	<ul style="list-style-type: none"> ■ Correspondence in relation to transfer of property leases ■ Review and reconciliation of rental invoices received 	<ul style="list-style-type: none"> ■ Correspondence in relation to transfer of property leases ■ Review and reconciliation of rental invoices received

Remuneration Approval Report

Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
	<ul style="list-style-type: none"> ■ Review and reconciliation of rental invoices received 			
Other assets	<ul style="list-style-type: none"> ■ Recovery of pre-appointment R&D refund ■ Tasks associated with realising other assets 		<ul style="list-style-type: none"> ■ Recovery of future R&D refund ■ Tasks associated with realising other assets 	<ul style="list-style-type: none"> ■ Recovery of future R&D refund ■ Tasks associated with realising other assets
Creditors	<p>710.10 Hours</p> <p>\$382,822.50</p>	\$100,000.00	\$312,500.00	\$312,500.00
Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> ■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Review and prepare initial correspondence to creditors and their representatives ■ Considering reasonableness of creditor requests ■ Set up online creditor portal ■ Compiling information requested by creditors ■ Maintain company creditor listing and updates as required ■ Collate review listing of creditor claims for the purpose of reporting to creditors ■ Receive and respond to creditor queries via email and telephone 	<ul style="list-style-type: none"> ■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Compile information requested by creditors ■ Receive and respond to creditor queries via email and telephone ■ Consider the reasonableness of creditor requests ■ Maintain online creditor portal 	<ul style="list-style-type: none"> ■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Compile information requested by creditors ■ Receive and respond to creditor queries via email and telephone ■ Consider the reasonableness of creditor requests ■ Maintain online creditor portal 	<ul style="list-style-type: none"> ■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Compile information requested by creditors ■ Receive and respond to creditor queries via email and telephone ■ Consider the reasonableness of creditor requests ■ Maintain online creditor portal
PPSR Creditors	<ul style="list-style-type: none"> ■ Search the PPSR register ■ Notify PMSI creditors identified from PPSR register ■ Provision of retention of title claim form to creditors ■ Receive completed retention of title claim forms ■ Adjudicating retention of title claims 	<ul style="list-style-type: none"> ■ Receive initial notification of creditors' intention to claim ■ Maintain creditor file ■ Adjudicate retention of title claim, if required 	<ul style="list-style-type: none"> ■ Maintain creditor file ■ Adjudicate retention of title claim, if required ■ Preparation of correspondence to claimants to accompany payment of claims 	<ul style="list-style-type: none"> ■ Maintain creditor file ■ Adjudicate retention of title claim, if required ■ Preparation of correspondence to claimants to accompany payment of claims

Remuneration Approval Report

Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
	<ul style="list-style-type: none"> ■ Forward correspondence to claimants notifying outcome of adjudication ■ Preparation of payment vouchers to satisfy valid claims ■ Preparation of correspondence to claimants to accompany payment of claims ■ Compiled PPSR creditor email address listing to ensure all PPSR creditors are to be included in creditor correspondence email distributions 	<ul style="list-style-type: none"> ■ Preparation of correspondence to claimants to accompany payment of claims 		
Secured creditor reporting	<ul style="list-style-type: none"> ■ Notifying PPSR registered creditors of appointment ■ Responding to secured creditor's queries 	<ul style="list-style-type: none"> ■ Responding to secured creditor's queries 	<ul style="list-style-type: none"> ■ Responding to secured creditor's queries 	<ul style="list-style-type: none"> ■ Responding to secured creditor's queries
Creditor reports	<ul style="list-style-type: none"> ■ Preparing, reviewing and issuing initial circular to creditors dated 11 January 2023 ■ Preparing Voluntary Administrator's 75-225 report, investigations, meeting and general reports to creditors ■ Corresponded with creditors regarding virtual meeting procedure and registration requirements ■ Provided circular to creditors advising of the intention to extend the convening period and limit personal liability, along with further notifications to creditors of court orders extending the convening period and limiting the personal liability of the Administrators 	<ul style="list-style-type: none"> ■ Preparing Voluntary Administrator's 75-225 report, investigations, meeting and general reports to creditors ■ Distribute the above to creditors 	<ul style="list-style-type: none"> ■ Preparing general reports to creditors ■ Distribute the above to creditors 	<ul style="list-style-type: none"> ■ Preparing Statutory Report, investigation, meeting and general reports to creditors ■ Distribute the above to creditors
Dealing with proofs of debt	<ul style="list-style-type: none"> ■ Receipting, entering and filing Proof of Debt ("POD") forms received, when not related to a dividend ■ Maintaining POD register ■ Corresponding with creditors in relation to POD, when not related to a dividend 	<ul style="list-style-type: none"> ■ Receipting, entering and filing POD, when not related to a dividend 	<ul style="list-style-type: none"> ■ Receipting, entering and filing POD, when not related to a dividend 	<ul style="list-style-type: none"> ■ Receipting, entering and filing POD, when not related to a dividend

Remuneration Approval Report

Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
Meeting of Creditors	<ul style="list-style-type: none"> ■ Corresponding with OSR and ATO regarding POD, when not related to a dividend ■ Preparation of first meeting notice, proxies and advertisement ■ Prepare for and hold first meeting of creditors on 20 January 2023 ■ Receiving and collating proxy responses ■ Forward notice of meeting to all known creditors via email and post ■ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting ■ Preparation and lodgement of minutes of meeting with ASIC ■ Responding to stakeholder queries and questions immediately following meeting 	<ul style="list-style-type: none"> ■ Forward notice of meeting to all known creditors ■ Respond to stakeholder queries and questions following meeting ■ Preparation of meeting notices, proxies and advertisements ■ Forward notice of meeting to all known creditors ■ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, draft minutes of meeting ■ Preparation of virtual meeting facilities ■ Hold and attend second meeting of creditors ■ Preparation and lodgement of minutes of meeting with ASIC 	<ul style="list-style-type: none"> ■ Responding to stakeholder queries and questions relating to meeting 	<ul style="list-style-type: none"> ■ Preparation of meeting notices, proxies and advertisements ■ Forward notice of meeting to all known creditors ■ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, draft minutes of meeting ■ Preparation and lodgement of minutes of meeting with ASIC ■ Responding to stakeholder queries and questions immediately following meeting
Shareholder enquiries	<ul style="list-style-type: none"> ■ Respond to shareholder queries ■ Review and respond to queries regarding the Company's ESOP 			
Trade On	<p>2,423.68 hours</p> <p>\$1,450,157.10</p>	\$50,000.00	\$187,500.00	\$125,000.00
Trade on management	<ul style="list-style-type: none"> ■ Negotiated and entered into Facility Agreement with the Lender 	<ul style="list-style-type: none"> ■ Working with management to ensure accuracy of financial reporting and forecast expenditure 	<ul style="list-style-type: none"> ■ Working with management to ensure accuracy of financial reporting and forecast expenditure 	<ul style="list-style-type: none"> ■ Working with management to ensure accuracy of financial

Remuneration Approval Report

Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
	<ul style="list-style-type: none"> ■ Provision of ongoing funding to Subsidiaries to continue development operations in relation to the AAPowerlink Project, and preserve overall value ■ Commenced comprehensive financial review, budget and ongoing monitoring process ■ Maintained critical trading operations ■ Implemented trading controls and established supplier accounts to facilitate ongoing trade ■ Engaged expert third party advisers to assist with reviewing the Company and its Subsidiaries' critical project activities ■ Engaged with various stakeholders including Group employees, suppliers and government bodies to mitigate risk of adverse impacts to the Company's assets ■ Working with management to ensure accuracy of financial reporting and forecast expenditure ■ Liaising with suppliers ■ Preparing and maintaining the VA budget and monitor performance ■ Negotiating commercial necessity payments with critical suppliers ■ Liaising with management and staff, including management meetings to review ongoing VA budget ■ Ongoing attendance at the Company's office ■ Inserting the Administrators team into the payment process ■ Review and authorise purchase orders ■ Maintaining purchase order registry 	<ul style="list-style-type: none"> ■ Liaising with suppliers ■ Preparing and maintaining the VA budget and monitor performance ■ Liaising with management and staff, including management meetings to review ongoing VA budget ■ Ongoing attendance at the Company's office ■ Preparing and authorising receipt vouchers ■ Preparing and authorising payment vouchers ■ Ongoing discussions with management regarding overall trade-on strategy ■ Communicating with suppliers regarding the transfer of control of the business ■ Closing supplier accounts with the voluntary administrators ■ Finalising trading liabilities relevant to the voluntary administration ■ Assisting with the transition of control of the Company to the Purchaser 	<ul style="list-style-type: none"> ■ Liaising with suppliers ■ Preparing and authorising receipt vouchers ■ Preparing and authorising payment vouchers ■ Communicating with suppliers regarding the transfer of control of the business ■ Closing supplier accounts with the voluntary administrators ■ Finalising trading liabilities relevant to the voluntary administration ■ Assisting with the transition of control of the Company to the Purchaser 	<ul style="list-style-type: none"> reporting and forecast expenditure ■ Preparing and authorising receipt vouchers ■ Preparing and authorising payment vouchers ■ Communicating with suppliers regarding the transfer of control of the business ■ Closing supplier accounts with the voluntary administrators ■ Finalising trading liabilities relevant to the voluntary administration ■ Assisting with the transition of control of the Company to the Purchaser

Remuneration Approval Report

Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
	<ul style="list-style-type: none"> ■ Preparing and authorising receipt vouchers ■ Preparing and authorising payment vouchers ■ Ongoing discussions with management regarding overall trade-on strategy ■ Liaising with management and staff with respect to critical suppliers and ongoing trade ■ Liaising with management to fund Group payroll ■ Amended agreements with suppliers and service providers where necessary ■ Obtaining legal advice in relation to Facility Agreement ■ Communicated with Group employees in relation to changes in operations ■ Communicating with suppliers regarding the transfer of control of the business ■ Closing supplier accounts with the voluntary administrators ■ Finalising trading liabilities relevant to the voluntary administration ■ Assisting with the transition of control of the Company to the Purchaser 			
Budgeting and financial reporting / Cashflow maintenance	<ul style="list-style-type: none"> ■ Undertook preliminary investigation of the Company's financial position and funding requirement on appointment ■ Undertake funding request process ■ Reviewing company's cashflow, budgets and financial statements ■ Maintaining comprehensive VA budget for the Company and its Subsidiaries, to closely monitor the Company's cash expenditure 	<ul style="list-style-type: none"> ■ Reviewing company's cashflow, budgets and financial statements ■ Maintaining comprehensive VA budget, to monitor cash expenditure ■ Preparing budgets ■ Internal and external meetings to discuss trading position ■ Finalising the trading position 	<ul style="list-style-type: none"> ■ Finalising the trading position ■ Accounting for Completion Cash under the ASA and facilitating its return to the Purchaser under the ASA 	<ul style="list-style-type: none"> ■ Finalising trading accounts ■ Accounting for Completion Cash under the ASA and facilitating its return to the Purchaser under the ASA

Remuneration Approval Report

Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
	<ul style="list-style-type: none"> ■ Prepare cashflow forecasts ■ Consider funding requirements ■ Hold various discussions with the Lender regarding funding and prepare monthly expenditure reports ■ Ongoing assessment of the Company's trading performance ■ Internal and external meetings to discuss trading position ■ Preparing budgets ■ Internal discussions regarding funding ■ Preparation of funding request forecasts and associated drawdowns ■ Performed analysis in relation to the Company's forecast trading position ■ Ensured compliance with the Facility Agreement 			
Trade on – Customers	<ul style="list-style-type: none"> ■ Reviewed and considered proposed non-binding term sheets for customer offtake 			
Processing receipts and payments	<ul style="list-style-type: none"> ■ Entering receipts and payments into accounting system ■ Review supplier reconciliations ■ Correspondence with management regarding supplier pay run 	<ul style="list-style-type: none"> ■ Entering receipts and payments into accounting system ■ Review supplier reconciliations ■ Correspondence with management regarding final supplier pay run 	<ul style="list-style-type: none"> ■ Entering receipts and payments into accounting system ■ Review supplier reconciliations 	<ul style="list-style-type: none"> ■ Entering receipts and payments into accounting system ■ Review supplier reconciliations

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Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
Investigations	182.22 hours \$111,387.90	\$25,000.00		\$187,500.00
Conducting investigation	<ul style="list-style-type: none"> ■ Collection and review of company books and records ■ Various discussions held with management, including CEO and leadership team ■ Prepare Request for Information (RFI) to obtain additional books and records from the company ■ Reviewing the company’s books and records, including board papers and packs and information relating to equity finance arrangements ■ Obtain access to the company’s accounting platform to extract a range of financial reports ■ Review and preparation of company nature and history ■ Conducting and summarising statutory searches ■ Preparation of unfair preference claim investigations ■ Preparation of financial analysis ■ Preparation of estimated statement of position ■ Review of specific transactions and liaising with directors and/or management regarding certain transactions ■ Liaising with company management regarding books and records ■ Preparation of investigation file ■ Analysis of historical financial statements ■ Analysis of various financial reports extracted from the company’s accounting system 	<ul style="list-style-type: none"> ■ Preparation of financial analysis ■ Preparation of estimated statement of position ■ Liaising with company management regarding books and records ■ Preparation of investigation file 		<ul style="list-style-type: none"> ■ Preparation and lodgement of statutory report to creditors ■ Preparation and lodgement of supplementary report, if required

Remuneration Approval Report

Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
	<ul style="list-style-type: none"> ■ Review of equity finance agreements and documentation ■ Undertook preliminary investigations to identify indicators of insolvency and possible claims for insolvent trading ■ Send to and follow up directors' request for Report on Company Affairs and Property ■ Undertake a limited scope review of the Company's safe harbour reports ■ Review of data retention and IT hosting arrangements regarding books and records ■ Liaise with legal counsel in relation to company investigations and court applications ■ Review of company information technology infrastructure and implementation of data capture and backups 			
ASIC reporting	<ul style="list-style-type: none"> ■ Liaising with ASIC ■ Preparation and lodgement of various ASIC forms 	<ul style="list-style-type: none"> ■ Preparation and lodgement of various ASIC forms 		<ul style="list-style-type: none"> ■ Preparing statutory investigation report ■ Liaising with ASIC ■ Preparation and lodgement of various ASIC forms
Dividend			\$237,500.00	\$237,500.00
Processing proofs of debt			<ul style="list-style-type: none"> ■ Preparation of correspondence to potential creditors inviting lodgement of POD ■ Receipt of POD ■ Maintain POD register ■ Adjudicating on POD 	<ul style="list-style-type: none"> ■ Preparation of correspondence to potential creditors inviting lodgement of POD ■ Receipt of POD ■ Maintain POD register ■ Adjudicating on POD

Remuneration Approval Report

Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
Dividend procedures			<ul style="list-style-type: none"> ■ Request further information from claimants regarding POD ■ Preparation of correspondence to claimant advising outcome of adjudication 	<ul style="list-style-type: none"> ■ Request further information from claimants regarding POD ■ Preparation of correspondence to claimant advising outcome of adjudication
			<ul style="list-style-type: none"> ■ Preparation of correspondence to creditors advising of intention to declare dividend ■ Advertisement of intention to declare dividend ■ Obtain clearance from ATO to allow distribution of company's assets ■ 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 	<ul style="list-style-type: none"> ■ Preparation of correspondence to creditors advising of intention to declare dividend ■ Advertisement of intention to declare dividend ■ Obtain clearance from ATO to allow distribution of company's assets ■ 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

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Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
Administration	246.00 hours \$123,018.00	\$25,000.00	\$125,000.00	<ul style="list-style-type: none"> ■ Preparation of correspondence to creditors enclosing payment of dividend
Correspondence	<ul style="list-style-type: none"> ■ Issue day one notifications and correspondence with various parties including creditors, suppliers, employees and customers ■ Responding to queries from various creditors ■ Phone calls with various creditors and suppliers ■ Prepare and issue ROCAP letter and various extension letters to company directors ■ General correspondence with various parties 	<ul style="list-style-type: none"> ■ General correspondence with various parties 	<ul style="list-style-type: none"> ■ General correspondence with various parties 	<ul style="list-style-type: none"> ■ General correspondence with various parties
Document maintenance/file review/checklist	<ul style="list-style-type: none"> ■ First month administration review ■ Filing of documents ■ File reviews ■ Updating checklists ■ Internal engagement team meetings 	<ul style="list-style-type: none"> ■ Filing of documents ■ File reviews ■ Updating checklists ■ Internal engagement team meetings 	<ul style="list-style-type: none"> ■ Filing of documents ■ File reviews ■ Updating checklists ■ Internal engagement team meetings 	<ul style="list-style-type: none"> ■ Filing of documents ■ File reviews ■ Updating checklists ■ Internal engagement team meetings
Insurance	<ul style="list-style-type: none"> ■ Identification of potential issues requiring attention of insurance specialists ■ Correspondence with Arthur J Gallagher regarding initial and ongoing insurance requirements ■ Reviewing insurance policies ■ Correspondence with previous brokers 	<ul style="list-style-type: none"> ■ Finalising insurance matters related to the trade on period 	<ul style="list-style-type: none"> ■ Finalising insurance related matters related to the trade on period 	<ul style="list-style-type: none"> ■ Finalising insurance related matters related to the trade on period

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Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
	<ul style="list-style-type: none"> ■ Review correspondence and documentation received from insurer 			
Funds handling	<ul style="list-style-type: none"> ■ Preparing correspondence opening accounts and requesting sweep of funds from pre-appointment to post-appointment account and closing accounts ■ Set up of company in accounting system ■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers 	<ul style="list-style-type: none"> ■ Preparing correspondence opening accounts and closing accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers 	<ul style="list-style-type: none"> ■ Preparing correspondence opening accounts and closing accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers 	<ul style="list-style-type: none"> ■ Preparing correspondence opening accounts and closing accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers
ASIC Forms and lodgements	<ul style="list-style-type: none"> ■ Preparing and lodging ASIC forms including 505, 507 and 5011 etc. ■ Correspondence with ASIC regarding statutory forms 	<ul style="list-style-type: none"> ■ Preparing and lodging ASIC forms including 5011 ■ Correspondence with ASIC regarding statutory forms 	<ul style="list-style-type: none"> ■ Preparing and lodging ASIC forms including 505 and 5602/5603 ■ Correspondence with ASIC regarding statutory forms 	<ul style="list-style-type: none"> ■ Preparing and lodging ASIC forms including 505, 5602/5603, 911 etc. ■ Correspondence with ASIC regarding statutory forms
ATO and other statutory reporting	<ul style="list-style-type: none"> ■ Notification of appointment ■ Preparing business activity statements ■ Correspondence to ATO regarding potential claims 	<ul style="list-style-type: none"> ■ Preparing business activity statements ■ Correspondence to ATO regarding potential claims 	<ul style="list-style-type: none"> ■ Preparing business activity statements ■ Correspondence to ATO regarding potential claims 	<ul style="list-style-type: none"> ■ Preparing business activity statements ■ Correspondence to ATO regarding potential claims
Planning / Review	<ul style="list-style-type: none"> ■ Discussions regarding status of administration ■ Ongoing review of checklist 	<ul style="list-style-type: none"> ■ Discussions regarding status of administration ■ Ongoing review of checklist 	<ul style="list-style-type: none"> ■ Discussions regarding status of administration ■ Ongoing review of checklist 	<ul style="list-style-type: none"> ■ Discussions regarding status of administration

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Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
	<ul style="list-style-type: none"> ■ Internal planning and review meetings 	<ul style="list-style-type: none"> ■ Internal planning and review meetings 	<ul style="list-style-type: none"> ■ Internal planning and review meetings 	<ul style="list-style-type: none"> ■ Ongoing review of checklist ■ Internal planning and review meetings
Books and records	<ul style="list-style-type: none"> ■ Dealing with electronic and/or storage records 	<ul style="list-style-type: none"> ■ Dealing with electronic and/or storage records 	<ul style="list-style-type: none"> ■ Dealing with electronic and/or storage records 	<ul style="list-style-type: none"> ■ Dealing with electronic and/or storage records
Non-insolvency Services	<p>188.60 hrs \$118,898.00</p>			
Strategic Communications	<ul style="list-style-type: none"> ■ Liaising with and monitoring media concerning the company ■ Responding to enquiries from local and national media ■ Preparing messaging and briefing materials for media ■ Liaising with company management regarding media strategy and assistance with communications and media monitoring and response 			
Economic and Financial Consulting	<ul style="list-style-type: none"> ■ Assistance with review of the Company's AAPowerLink development plan, operations and critical project activities ■ Assistance with VA budget review and energy price forecasting 			
Technology	<ul style="list-style-type: none"> ■ Collection and capture of electronic books and records and liaise with management 			

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Task area/General description	Work already done	Future Work to the End of the Voluntary Administration	Future DOCA work	Future Liquidation work
	<ul style="list-style-type: none">■ Review of data retention and IT hosting arrangements regarding books and records and electronic data■ Review of company information technology infrastructure and implementation of data capture and backup			

Schedule B – Time spent by staff on each major task

Employee	Position	\$/hour	Total Hours	Total \$	Task Area									
					Assets		Creditors		Trade on		Investigation		Admin	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
John Park	Senior Managing Director	740.00	58.50	43,290.00	22.20	16,428.00	6.80	5,032.00	16.30	12,062.00	-	-	13.20	9,768.00
Benjamin Shrimpton	Senior Managing Director	740.00	199.40	147,556.00	-	-	-	-	193.20	142,968.00	-	-	6.20	4,588.00
Christopher Hill	Senior Managing Director	740.00	124.60	92,204.00	66.30	49,062.00	3.30	2,442.00	35.60	26,344.00	17.40	12,876.00	2.00	1,480.00
Kathryn Evans	Senior Managing Director	740.00	4.50	3,330.00	-	-	-	-	4.50	3,330.00	-	-	-	-
David McGrath	Senior Managing Director	740.00	924.80	684,352.00	473.40	350,316.00	129.40	95,756.00	283.90	210,086.00	-	-	38.10	28,194.00
James Rogers	Managing Director	680.00	0.30	204.00	0.30	204.00	-	-	-	-	-	-	-	-
Asjadi Hone	Managing Director	680.00	442.00	300,560.00	118.60	80,648.00	-	-	319.60	217,328.00	3.20	2,176.00	0.60	408.00
Joan Kathleen Uy	Managing Director	680.00	50.90	34,612.00	-	-	-	-	50.90	34,612.00	-	-	-	-
Glen Smith	Managing Director	680.00	101.30	68,884.00	101.30	68,884.00	-	-	-	-	-	-	-	-
Drew Forbes	Managing Director	680.00	723.20	491,776.00	716.00	486,880.00	4.50	3,060.00	2.70	1,836.00	-	-	-	-
Asjadi Hone	Senior Director	620.00	330.70	205,034.00	1.00	620.00	0.40	248.00	325.90	202,058.00	0.40	248.00	3.00	1,860.00
Amy Gelevski	Senior Director	620.00	855.80	530,596.00	177.60	110,112.00	263.40	163,308.00	243.78	151,143.60	129.02	79,992.40	42.00	26,040.00
Jan Haubruck	Senior Director	620.00	23.70	14,694.00	21.80	13,516.00	-	-	-	-	1.90	1,178.00	-	-
Catherine Jaques	Director	550.00	15.50	8,525.00	6.00	3,300.00	1.10	605.00	0.10	55.00	8.30	4,565.00	-	-
Marial Kwan	Director	550.00	111.60	61,380.00	-	-	6.00	3,300.00	99.50	54,725.00	-	-	6.10	3,355.00
Jake Knight	Director	550.00	270.40	148,720.00	-	-	5.00	2,750.00	253.40	139,370.00	-	-	12.00	6,600.00
Jake Knight	Senior Consultant II	500.00	261.80	130,900.00	72.50	36,250.00	-	-	189.30	94,650.00	-	-	-	-
Catherine Jaques	Senior Consultant II	500.00	100.40	50,200.00	7.60	3,800.00	32.70	16,350.00	27.10	13,550.00	18.50	-	14.50	7,250.00
James Macreadie	Senior Consultant II	500.00	86.40	43,200.00	0.40	200.00	16.20	8,100.00	68.30	34,150.00	-	-	1.50	750.00
James Macreadie	Senior Consultant I	450.00	145.00	65,250.00	-	-	51.90	23,355.00	93.10	41,895.00	-	-	-	-
Matthew Timmons	Senior Consultant I	450.00	1.80	810.00	-	-	1.80	810.00	-	-	-	-	-	-
Munirah Azhar	Associate II	350.00	22.50	7,875.00	-	-	15.00	5,250.00	7.50	2,625.00	-	-	-	-
Anmol Arora	Associate II	350.00	13.50	4,725.00	-	-	-	-	11.80	4,130.00	-	-	1.70	595.00
Grace Patterson	Associate II	350.00	84.50	29,575.00	0.80	280.00	15.00	5,250.00	57.30	20,055.00	-	-	11.40	3,990.00
Grace Patterson	Associate I	315.00	73.40	23,121.00	0.20	63.00	10.80	3,402.00	54.20	17,073.00	0.30	94.50	7.90	2,488.50
Amy Dalton	Associate I	315.00	2.50	787.50	-	-	-	-	0.50	157.50	-	-	2.00	630.00
Henry Banton	Associate I	315.00	198.00	62,370.00	4.60	1,449.00	109.30	34,429.50	74.80	23,562.00	3.20	1,008.00	6.10	1,921.50
Selina Naylor	Treasury	300.00	0.90	270.00	-	-	-	-	-	-	-	-	0.90	270.00

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Yuet Yeng Yee	Treasury	300.00	9.20	2,760.00	-	-	-	-	-	-	-	-	9.20	2,760.00
Holly Wright	Treasury	300.00	3.60	1,080.00	-	-	-	-	-	-	-	-	3.60	1,080.00
Robyn Hardeman	Treasury	300.00	17.70	5,310.00	-	-	-	-	-	-	-	-	17.70	5,310.00
Alyse Kent	Treasury	300.00	0.50	150.00	-	-	-	-	-	-	-	-	0.50	150.00
Janine Wigham	Treasury	300.00	23.50	7,050.00	-	-	-	-	-	-	-	-	23.50	7,050.00
Chelsea Fisk	Treasury	300.00	19.30	5,790.00	-	-	-	-	-	-	-	-	19.30	5,790.00
Ashleigh Ubank	Administration II	250.00	1.20	300.00	-	-	1.20	300.00	-	-	-	-	-	-
Amy Dalton	Junior Associate	250.00	0.30	75.00	-	-	-	-	-	-	-	-	0.30	75.00
Joseph McDonald	Junior Associate	250.00	42.70	10,675.00	-	-	36.30	9,075.00	5.20	1,300.00	-	-	1.20	300.00
Jennifer Doran	Administration I	210.00	0.40	84.00	-	-	-	-	-	-	-	-	0.40	84.00
Alexander Phillis	Administration I	210.00	6.30	1,323.00	-	-	-	-	5.20	1,092.00	-	-	1.10	231.00
Total (ex GST)			5,352.60	3,289,397.50	1,790.60	1,222,012.00	710.10	382,822.50	2,423.68	1,450,157.10	182.22	111,387.90	246.00	123,018.00
GST				328,939.75										
Total (Incl GST)				3,618,337.25										
Avg hourly rate (ex GST)				614.54		682.46		539.11		598.33		611.28		500.07

The below table sets out work performed by other professional services provided by the firm for the period of 10 January 2023 to 8 September 2023:

Employee	Position	\$/hour	Total Hours	Total \$	Non-Insolvency Services					
					Technology	Strategic Communications	Economic Consulting			
Renee Law	Senior Managing Director	740.00	17.50	12,950.00	-	-	17.50	12,950.00	-	-
Kumar Padiseti	Senior Managing Director	740.00	7.00	5,180.00	-	-	-	-	7.00	5,180.00
Shane Murphy	Managing Director	680.00	89.50	60,860.00	-	-	89.50	60,860.00	-	-
Christopher Hatfield	Managing Director	680.00	3.60	2,448.00	3.60	2,448.00	-	-	-	-
Anthony Feldman	Director	550.00	48.60	26,730.00	48.60	26,730.00	-	-	-	-
Simon Li	Director	550.00	13.40	7,370.00	13.40	7,370.00	-	-	-	-
Mauricio Oliani	Senior Consultant I	450.00	2.00	900.00	2.00	900.00	-	-	-	-
Calvin Lu	Consultant I	375.00	4.50	1,687.50	-	-	4.50	1,687.50	-	-
Andrea Garcia Martinez	Consultant I	375.00	1.50	562.50	-	-	1.50	562.50	-	-
Sarah Hartland	Administration I	210.00	1.00	210.00	-	-	1.00	210.00	-	-
Total (ex GST)			188.60	118,898.00	67.60	37,448.00	114.00	76,270.00	7.00	5,180.00
GST				11,889.80						
Total (Incl GST)				130,787.80						
Avg hourly rate (ex GST)				630.42		553.96		669.04		740.00

Schedule C – Resolutions

Resolution 1 – Voluntary Administrators’ remuneration

10 January 2023 to 8 September 2023

“That the remuneration of the Voluntary Administrators of ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) ACN 623 991 006 and their staff, for the period 10 January 2023 to 8 September 2023, calculated at the hours spent at the rates detailed in the Initial Remuneration Notice dated 11 January 2023 provided to creditors, is approved for payment in the amount of \$3,408,295.50, plus GST, to be drawn from available funds immediately or as funds become available.”

Resolution 2 – Voluntary Administrators’ remuneration

9 September 2023 to finalisation of the Voluntary Administration

“That the future remuneration of the Voluntary Administrators of ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) ACN 623 991 006 and their staff, for the period from 9 September 2023 to the finalisation of the Voluntary Administration, is determined at a sum equal to the cost of time spent by the Voluntary Administrators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 11 January 2023 provided to creditors, up to a capped amount of \$250,000.00, plus GST, and that the Voluntary Administrators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available. Should a lesser amount be actually incurred, only the lesser amount will be drawn. Should a greater amount be actually incurred, further approval from creditors will be sought.”

Resolution 3 – Deed Administrators remuneration

Execution of the DOCA to the effectuation of the DOCA

“That the future remuneration of the Deed Administrators of ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) ACN 623 991 006 and their staff, for the period from execution of the DOCA to effectuation of the DOCA, is determined at a sum equal to the cost of time spent by the Deed Administrators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 11 January 2023 provided to creditors, up to a capped amount of \$1,250,000.00, plus GST, and that the Deed Administrators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available. Should a lesser amount be actually incurred, only the lesser amount will be drawn. Should a greater amount be actually incurred, further approval from creditors will be sought.”

Resolution 4 – Liquidators’ remuneration

Commencement of Liquidation to finalisation of Liquidation

“That the future remuneration of the Liquidators of ACN 623 991 006 Pty Ltd (formerly Sun Cable Pty Ltd) (Administrators Appointed) ACN 623 991 006 and their staff, for the period from commencement of the Liquidation to the finalisation of the Liquidation, 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 11 January 2023 provided to creditors, up to a capped amount of \$1,250,000.00, plus GST, and that the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available. Should a lesser amount be actually incurred, only the lesser amount will be drawn. Should a greater amount be actually incurred, further approval from creditors will be sought.”

Schedule D – Summary of receipts and payments

10 January 2023 to 8 September 2023

Receipts	(\$)
Pre-Appointment Cash at Bank	8,203,508.08
ASA Purchase Price	85,460,071.58
Trading Receipts	3,323.52
Administration Funding	73,990,621.05
GST and FBT Refunds	447,762.05
R&D Refund (including interest)	6,030,737.23
Interest and Other Income	5,973.04
Share Subscription B5 Shortfall	2,235,022.56
Refund of Pre-Appointment Expenses	63,157.66
Pre-Appointment GST Refunds	540,445.00
Total Receipts	176,980,621.77
Payments	
Repayment of Administration Funding	(73,990,621.05)
Bank Charges	(938.93)
Subscriptions (including IT)	(225,306.51)
Travel	(404,565.92)
Office Costs and Supplies	(64,787.96)
Intercompany Loans	(48,292,231.08)
Completion Cash Return	(123,500.00)
Accommodation	(6,088.34)
Vehicle Expenses	(6,096.08)
IT Consumables / Services	(203,613.63)
Lease Hire Costs	(17,774.19)
Cleaning and Waste Services	(43,192.19)
Rent	(600,506.69)
Consulting Fees	(1,845,689.77)
Security Costs	(21,460.41)
Sale Adviser Costs	(4,858,765.31)
Repairs and Maintenance	(102,332.86)
Legal Fees	(3,065,823.69)
Insurance Costs	(29,904.66)
Utilities	(15,995.33)
Advertising Costs	(28,943.77)
Licence, Permit and Registration Fees	(37,453.48)
Storage Costs	(3,171.54)
Unsecured Creditor Payment	(9,952,055.05)
Other Trading Costs	(8.25)
Total Payments	(143,940,826.69)
Net Receipts / (Payments)	33,039,795.08

Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

Typical classification	Standard Rates \$/hour	General guide to classifications
Senior Managing Director/Appointee	740	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	680	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	620	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	550	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	500	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	450	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	405	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	375	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	350	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	315	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Treasury	300	Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities.
Junior Associate	250	Undergraduate in the latter stage of their university degree.

Remuneration Approval Report

Typical classification	Standard Rates \$/hour	General guide to classifications
Administration 2	250	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Administration 1	210	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	210	Undergraduate in the early stage of their university degree.

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

19. Appendix 7 – Draft DOCA proposal

Deed of Company Arrangement

Helietta Holdings 1 Pty Ltd

ACN 657 443 902

ACN 623 991 006 Pty Ltd (Administrators Appointed)
(formerly Sun Cable Pty Ltd)

ACN 623 991 006

Christopher Clarke Hill, David Peter McGrath and John
Richard Park as joint and several administrators of ACN 623
991 006 Pty Ltd (Administrators Appointed)

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THIS DEED is made on _____ September 2023

BETWEEN:

- (1) ACN 623 991 006 Pty Ltd (Administrators Appointed) (formerly Sun Cable Pty Ltd) whose registered office is at Level 31 85 Castlereagh Street Sydney NSW 2000 (the **Company**); and
- (2) Helietta Holdings 1 Pty Limited ACN 657 443 902 whose registered office is at 13 Trelawney Street, Woollahra, NSW, 2025 (the **Deed Proponent**)
- (3) Christopher Clarke Hill, David Peter McGrath and John Richard Park of C/- FTI Consulting, Level 22, Gateway 1 Macquarie Place, Sydney, NSW 2000 in their capacities as the joint and several voluntary administrators of ACN 623 991 006 Pty Ltd (Administrators Appointed) (**Administrators**).

RECITALS:

- (A) On 10 January 2023, Christopher Clarke Hill, David Peter McGrath and John Richard Park were appointed as administrators of the Company.
- (B) This deed of company arrangement is propounded by the Deed Proponent.
- (C) At a duly convened meeting of the Company's creditors held on 27 September 2023, the creditors resolved pursuant to section 439C of the Corporations Act that:
 - (1) the Company execute a deed of company arrangement substantially in the form of this deed; and
 - (2) the Administrators be appointed deed administrators of the Company.
- (D) the Administrators are registered liquidators and are not disqualified from acting as administrators of this deed of company arrangement.

THIS DEED WITNESSES AS FOLLOWS:

1. **Purpose and objectives of this DOCA**

The purpose and objects of this DOCA are to:

- (a) provide a better return to creditors of the Company than would result from an immediate winding up of the Company; and
- (b) grant all necessary and incidental powers to the Deed Administrators to effect that objective.

2. **Interpretation**

2.1 **Definitions**

The following definitions apply in this deed.

Administration means the administration of the Company under Part 5.3A of the Corporations Act, which ended on the execution of this deed.

Administrator Remuneration and Costs has the meaning given in clause 11.2

Admitted Claim means any Claim that is admitted by the Deed Administrators in accordance with this Arrangement.

Admitted Creditor means any Creditor who has an Admitted Claim.

Admitted List means a list of Admitted Claims created and maintained by the Deed Administrators in accordance with this Arrangement.

Appeal means an appeal by the defendant in Supreme Court of New South Wales proceedings 2023/25359.

Appeal Period means the later of:

- (a) 29 days from 30 August 2023; or
- (b) if a Notice of Intention to Appeal is filed by the defendant in Supreme Court of New South Wales proceedings 2023/25359, the period of three months and one day from 30 August 2023; or
- (c) if an Appeal has been filed, the time when the Appeal (and any further appeal from the Appeal) is finally determined or otherwise disposed of.

Appointment Date means 10 January 2023.

Arrangement means the deed of company arrangement created by this deed as varied from time to time in accordance with clause 19.

Arrangement Period means the period commencing on the Commencement Date and ending on the Termination Date.

ASIC means the Australian Securities and Investments Commission.

Asset Sale Agreement means the document titled 'Asset Sale Agreement' dated 26 May 2023 between, amongst others, the Company, the Administrators, and the Buyer, as amended from time to time.

Assignment and Novation Deeds means each of the Deeds of Assignment and Novation executed on 31 August 2023 by the Registrar in Equity of the Supreme Court of New South Wales, on behalf of Consolidated Pastoral Company Pty Limited in relation to each of the Option Deeds.

Business Day means a day on which banks are open for general banking business that is not a Saturday, Sunday or public holiday in Sydney.

Buyer means the Deed Proponent, who is the 'Buyer' under the Asset Sale Agreement.

Claim means a debt payable by, a liability of, or a claim against, the Company (present or future, certain or contingent, ascertained or sounding only in damages), however arising, the circumstances giving rise to which occurred before the Appointment Date, that would be provable in a winding up of the Company under section 553 of the Corporations Act.

Commencement Date means the date on which this deed becomes a deed of company arrangement in accordance with section 444B(6) of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of New South Wales.

Creditor means a person having a Claim against the Company.

Deed Administrators means Christopher Clarke Hill, David Peter McGrath and John Richard Park of C/- FTI Consulting, Level 22, Gateway 1 Macquarie Place, Sydney, NSW 2000 as joint and several deed administrators of the Company.

Deed Fund means the aggregate of:

- (a) the aggregate consideration paid by the Buyer to the Administrators in accordance with the terms of the Asset Sale Agreement, including any amounts requested by the Administrators from the Buyer and paid by the Buyer in respect of clauses 6.3(c) and (d) of the Asset Sale Agreement, less any amounts required to be repaid to the Buyer under clause 6.3(a) of the Asset Sale Agreement;
- (b) the Retention Completion Cash as defined in the Asset Sale Agreement, less any amounts required to be repaid to the Buyer under clause 6.4(c) of the Asset Sale Agreement;
- (c) the proceeds of the realisation of any other assets which were not agreed to be sold or transferred to, or applied for the benefit of, the Buyer under the Asset Sale Agreement and which are recovered by the Deed Administrators during the Arrangement Period; and
- (d) to the extent received in accordance with clause 9.1(a), the Top Up Amount.

Demands has the meaning given in clause 11.4(c).

Director means any person who, by reason of the definition of director in section 9 of the Corporations Act, is a director of the Company.

DOCA means this Deed of Company Arrangement.

Employee means, a creditor of the Company who was an employee of the Company as at the Appointment Date.

Employee Priority Claims means payments to Employees which are adjudicated and paid in accordance with sections 556, 560 and 561 of the Corporations Act.

Enforcement Process has the same meaning as in the Corporations Act.

Entitlement means, in respect of each Admitted Creditor, the amount to be paid out of the Deed Fund to that Admitted Creditor in accordance with this Arrangement.

GST has the meaning given to that term in the *A New Tax System (Goods and Services) Tax Act 1999* (Cth).

Income Tax Law means as applicable:

- (a) the Income Tax Assessment Act 1997 (Cth);
- (b) the Income Tax Assessment Act 1936 (Cth);
- (c) the Taxation Administration Act 1953 (Cth); and
- (d) any other imposition, collection or subordinate legislation connected with any enactment or legislation referred to in this definition.

Insolvency Practice Rules means the *Insolvency Practice Rules (Corporations) 2016* (Cth).

Insolvency Practice Schedule means Schedule 2 '*Insolvency Practice Schedule (Corporations)*' to the Corporations Act.

Lessor means any person who is the legal or beneficial owner of or holds a leasehold interest in Property that is used or occupied by (or on behalf of) or otherwise in the possession of the Company.

Liabilities has the meaning given in clause 11.4(b).

Member Consents means the written confirmation from each Member of their agreement to the deregistration of the Company, as required by section 601AA (2), and a **Member Consent** is any one such consent.

Members means a person who is a member of the Company within the meaning of section 231 of the Corporations Act.

Option Deeds means each of the Option Deed and Access License, Option Deed for Access Easement, and Option Deed for Connection Easement as referred to at items 4, 5 and 6 of Schedule 3 to the Asset Sale Agreement.

Owner means any person who is the legal or beneficial owner of Property used or occupied by, or on behalf of, or in the possession of the Company.

Property in relation to the Company, includes all the property, assets and undertaking of the Company as at the Commencement Date, including without limitation property used or occupied by or in the possession of the Company, and includes PPSA retention of title property (as that term is defined in section 51F of the Corporations Act).

Regulations means the *Corporations Regulations 2001* (Cth).

Remuneration and Costs means the amounts payable to the Deed Administrators pursuant to clauses 11.4 and/or 11.5.

R&D Incentives means any research and development incentives received by the Company.

Secured Creditor means a Creditor which holds a Security Interest in any of the assets or undertaking of the Company.

Security Interest means any security interest as defined in section 51A of the Corporations Act.

Termination Date means the date on which this Arrangement is terminated in accordance with clause 16.

Top Up Amount means the amount of \$100,000.

2.2 **Rules for interpreting this deed**

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this deed, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a section of, or term defined in a statute is a reference to a corresponding section or defined term in an amended or replacement statute;
 - (iii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iv) a party to this deed or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (v) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (vi) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (g) The expression **this deed** includes the agreement, arrangement, understanding or transaction recorded in this deed.
- (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.
- (i) A reference to dollars or \$ is to an amount in Australian currency.
- (j) References to time are references to the time in Sydney.
- (k) Terms used but not defined in this document shall have the meanings given to them under the Corporations Act, or the *Personal Property Securities Act 2009* (Cth) (the **Personal Property Securities Act**) to the extent that such meaning is not inconsistent with the express terms of this deed.

2.3 Non Business Days

If the day on or by which a person must do something under this deed is not a Business Day:

- (a) if the act involves a payment that is due on demand, the person must do it on or by the next Business Day; and
- (b) in any other case, the person must do it on or by the previous Business Day.

2.4 **Multiple parties**

If a party to this deed is made up of more than one person, or a term is used in this deed to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately

except that this clause 2.4 does not apply to the Deed Administrators.

2.5 **Inclusion of prescribed provisions**

Except to the extent of any inconsistency with the terms of this DOCA which are to prevail, the prescribed provisions contained in Schedule 8A of the Regulations are expressly included in this deed as if they were set out in full herein with the exception of:

- (a) the whole of clause 11 (*Committee of Inspection*); and
- (b) the words "committee of inspection" in the first line of clause 3 of Schedule 8A, which are to be excluded.

3. **Commencement and term**

This Arrangement commences on the Commencement Date and continues until the Termination Date.

4. **Parties bound by this DOCA**

To the extent permitted by law, this DOCA will be binding on:

- (a) each Creditor of the Company;
- (b) each Secured Creditor of the Company;
- (c) each Owner and Lessor of the Company;
- (d) each Member of the Company;
- (e) any other party determined by a Court to be bound by this DOCA;
- (f) each of the directors and officers of the Company;
- (g) the Deed Administrators;
- (h) the Deed Proponent; and
- (i) each other party that executes this document and assumes obligations under this document.

5. **Deed Administrators**

5.1 **Consent to Appointment**

The Deed Administrators consent to their appointment as the administrators of this Arrangement.

5.2 **Joint and several administrators**

- (a) A function or power of a Deed Administrator may be performed or exercised by any one of them, or by any two or more of them together.
- (b) The rights, benefits and obligations of the Deed Administrators under this Arrangement are joint and several.

5.3 **Role of Deed Administrators**

The Deed Administrators will administer this Arrangement and have all the functions, powers and duties conferred on them by this Arrangement, the Corporations Act, and paragraph 2 of Schedule 8A of the Regulations.

5.4 **Agent of the Company**

In exercising the powers conferred by this Arrangement and carrying out the duties arising under this Arrangement, the Deed Administrators act as agents for and on behalf of the Company.

5.5 **Limitation of the Deed Administrators' Liability**

Subject to the Corporations Act, in the performance or exercise of the Deed Administrators' powers, functions and duties under this Arrangement, the Deed Administrators are not personally liable for:

- (a) any debt, liability or other obligation which the Deed Administrators themselves or any of their partners, employees, directors, officers, contractors, advisers, authorised agents or delegates incur on behalf of the Company pursuant to this Arrangement; or
- (b) any loss or damage caused by any act, default or omission by, or on behalf of, the Deed Administrators or any of their partners, employees, directors, officers, contractors, advisers, authorised agents or delegates, except where such loss, damage, claim, liability or expense is caused by the Deed Administrators' gross negligence or wilful misconduct.

5.6 **General Powers of Deed Administrators**

The Deed Administrators are entitled to exercise all the rights, powers and privileges, authorities and discretions which are conferred by the Company's constitution, or otherwise by law, on the Company's directors to the exclusion of the Company's directors, provided that the Deed Administrators will not be responsible for such statutory obligations that may continue to be imposed on the directors of the Company during the Arrangement Period.

6. **Moratorium**

To the extent permitted by law, including as provided for by section 444E of the Corporations Act, during the Arrangement Period Creditors in relation to a Claim may not, without the Deed Administrators' prior written consent:

- (a) **(Wind up)** make or proceed with an application for an order to wind up the Company;
- (b) **(Institute proceedings)** institute, revive or continue any action, suit, arbitration, mediation or proceeding against the Company or in relation to the Property of the Company;
- (c) **(Enforcement of Process)** institute, revive or continue with any Enforcement Process against the Property of the Company;

- (d) **(Enforcement of debts)** take any action whatsoever to seek to recover any part of its Claim;
- (e) **(Set off)** exercise any right of set off or defence, cross claim or cross action to which that Creditor would not have been entitled had the Company been wound up on the Appointment Date;
- (f) **(Arbitration)** commence or take any further step in any arbitration against the Company or to which the Company is a party in relation to any matter arising or occurring before the Appointment Date;
- (g) **(Enforcement of security)** in the case of a secured creditor, enforce its Security Interest or take possession, sell or otherwise recover or enforce rights against Property subject to its Security Interest; or
- (h) **(Other enforcement)** otherwise enforce any right or interest it may have or acquire against the Company or its Property.

7. **Secured creditors, owners and lessors**

The moratorium in clause 6 above shall apply to the rights of:

- (a) a Secured Creditor to realise or otherwise deal with its Security Interest; and
- (b) an Owner or Lessor of Property in relation to that Property,

if that Secured Creditor, Owner or Lessor voted in favour of this deed.

8. **Creditor's claims**

8.1 **Proofs of Debt**

Any Creditor who, for any purpose, submitted a proof of debt to the Administrators prior to the Commencement Date is taken to have formally proven their Claims with the Deed Administrators on the basis of that proof of debt.

8.2 **Request notice to Creditors or Prospective Creditors**

- (a) To the extent that clause 8.1 does not adequately address the Claims of any Creditor, the Deed Administrators shall be entitled to ask that Creditor to formally prove their Claim within 14 days of such request, or in such other period as agreed by the Deed Administrators. Any such request notice to a Creditor will comply with Regulation 5.6.48 of the Regulations, with such modifications as the Deed Administrators deem necessary, including:
 - (i) references to the 'liquidator' to be read as references to the Deed Administrators; and
 - (ii) references to a 'creditor' to be read as a reference to a Creditor.
- (b) The Deed Administrators will determine (including by adjudication on those formal proofs of the Creditors' Claims) the amount required to satisfy the Entitlement of each Admitted Creditor in accordance with clause 9.2.

8.3 **Admitted List**

The Deed Administrators shall make and maintain an Admitted List.

8.4 **Determination of Claims**

Subdivisions A, B, C and E of Division 6 of Part 5.6 of the Corporations Act, and regulations 5.6.39 to 5.6.56 of the Regulations apply to Claims made under this deed.

8.5 **Interpretation of Corporations Act provisions**

The provisions of the Corporations Act referred to in clause 8.4 must be read as if:

- (a) a reference to the liquidator were a reference to the Deed Administrators;
- (b) a reference to the relevant date were a reference to the Appointment Date;
- (c) where appropriate, a reference to the Company were a reference to the Deed Fund;
- (d) a reference to a debt or claim were a reference to a Claim; and
- (e) a reference that is relevant to any other matter relating to liquidation were a reference in a form that is applicable to the administration of this deed.

9. **The Deed Fund**

9.1 **Establishment of the Deed Fund**

- (a) The Deed Proponent agrees that, notwithstanding the terms of the Asset Sale Agreement, the Deed Administrators will be entitled to retain an amount equal to the Top Up Amount from the total amount of any R&D Incentives received by the Company, and that amount will form part of the Deed Fund.
- (b) Upon receipt by the Deed Administrators of the Deed Fund or any amount which forms part of it, that amount must be paid into a bank account to be opened and conducted by the Deed Administrators for that purpose.

9.2 **Application of the Deed Fund**

The Deed Administrators must apply the Deed Fund in the following order of priority **(Waterfall)**:

- (a) first, to the expenses properly incurred by the Administrators and Deed Administrators in the course of their appointment as Administrators and/or Deed Administrators;
- (b) second, subject to the operation of sections 443A, 443B and 443BA of the Corporations Act, to the debts for which the Administrators would be entitled to be indemnified under sections 443D(a) and/or (aa) of the Corporations Act (other than to the extent that these debts have been satisfied by paragraph (a) above);
- (c) third, the exercise by the Deed Administrators of the lien provided for in clause 11.8 to secure any right of indemnity conferred by clause 11.1 or 11.3 or otherwise at law or in equity;
- (d) fourth, the remuneration of the Administrators and Deed Administrators, as approved from time to time;
- (e) fifth, to Employee Priority Claims;
- (f) sixth, to the Admitted Claims of the unsecured Creditors of the Company rateably, in accordance with the priorities applicable to such claims in a liquidation; and

- (g) finally, to the payment of interest rateably on Admitted Claims, calculated:
 - (i) at the rate allowed for in regulation 5.6.70A of the Regulations;
 - (ii) from the Appointment Date to the date on which a final dividend is paid in respect of Admitted Claims; and
 - (iii) on the amount of the Admitted Claim of each Admitted Creditor.

9.3 **Timing of distributions**

- (a) The Deed Administrators must distribute the Deed Fund in accordance with the terms of this deed at such times as the Deed Administrators consider appropriate and feasible, in their absolute discretion. The Deed Administrators are entitled to pay interim distributions in their absolute discretion. For the avoidance of doubt, the Deed Administrators are entitled to withhold distribution of the Deed Fund in their reasonable discretion, including until the priority of all Claims is established, all liabilities of the Deed Administrators are finally adjudicated and resolved, and the Appeal Period has expired.
- (b) Without limiting or abridging in any way the absolute discretion of the Deed Administrators in clause 9.3(a), the Deed Administrators will, subject to the exercise of that discretion:
 - (i) make payment of an interim dividend to Admitted Creditors, comprising as much of the Deed Fund as the Deed Administrators consider appropriate in the circumstances, as soon as reasonably practicable after the Commencement Date; and
 - (ii) make payment of a final dividend to Admitted Creditors as soon as reasonably practicable after the later of:
 - (A) the date on which of the Deed Administrators receive any R&D Incentives;
 - (B) if there is an Appeal and the orders made by the Court have the effect that any or all of the Assignment and Novation Deeds are rendered ineffective or inoperative in any way, subject to subclause (c) below, 9 July 2025; and
 - (C) the date on which the Appeal Period expires.
- (c) If subclause (B) above applies, the Deed Administrators will be entitled to make payment of a final dividend to Admitted Creditors prior to 9 July 2025 if the novations contemplated by the Assignment and Novation Deeds become effective prior to that date.

9.4 **Balance of the Deed Fund**

If any of the Deed Fund remains once the payments set out in clause 9.2 have been paid in full, the amount so remaining must be paid to the Buyer in accordance with clause 6.3(a) of the Asset Sale Agreement.

10. **Release of Claims**

Subject to clause 7 of this deed and the Corporations Act:

- (a) the Claims of all Creditors against the Company are to be released and extinguished in exchange for a right to prove against the Deed Fund;

- (b) the release, discharge and extinguishment of Claims referred to in clause 10(a) above will take effect upon the distribution of the Deed Fund in accordance with clause 9.2 of this deed;
- (c) the release in this clause will be effective, even if the Claim of a Creditor is not accepted as an Admitted Claim by the Deed Administrators, whether because:
 - (i) the Deed Administrators reject the Claim; or
 - (ii) the Creditor has not made or proved for the Claim by the time of the distribution of the Deed Fund; or
 - (iii) for any other reason.
- (d) this deed may be pleaded as an absolute bar and defence, by the Company, the Deed Administrators or any successor in title to those parties, to any legal proceedings, claims, actions, suits or proceedings of whatever nature that may be brought or made in respect of any debt, liability or claim against the Company which is admissible to proof under this deed.

11. Administrators' and Deed Administrators' remuneration and indemnity

11.1 Indemnity for Administrators

The Administrators will be entitled to an indemnity from the Deed Fund for all Administrator Remuneration and Costs provided that the Administrators, or any partner, employee, director, officer, contractor, adviser, authorised agent, or delegate of the Administrators have not acted with gross negligence or wilful misconduct.

11.2 Remuneration for Administrators

The Administrators must be reimbursed and remunerated as applicable out of the Deed Fund in respect of:

- (a) the remuneration payable to the Administrators for work performed by them or any of their partners, employees, directors, officers, contractors, advisers or delegates with respect to acting as administrators of the Company as determined by Division 60 of the Insolvency Practice Schedule during the Administration; and
- (b) the costs, charges, fees (including legal fees), government charges, taxes and expenses incurred during the Administration Period in connection with the performance or as a result of any actual or attempted execution or exercise or failure to execute or exercise of the Administrators' duties, obligations and responsibilities under the Corporations Act.

(Administrator Remuneration and Costs)

11.3 Indemnity for Deed Administrators

The Deed Administrators will be entitled to an indemnity from the Deed Fund for all Remuneration and Costs provided that the Deed Administrators, or any partner, employee, director, officer, contractor, adviser, authorised agent, or delegate of the Deed Administrators have not acted with gross negligence or wilful misconduct.

11.4 **Costs and expenses of this deed**

The Deed Administrators must be reimbursed and remunerated as applicable out of the Deed Fund in respect of:

- (a) **(Preparation)** all costs, charges, fees, stamp duties and expenses in connection with the preparation, approval and implementation of this deed incurred and payment of which is made by the Deed Administrators, and of the preparation and implementation of any documents necessary as prerequisites to or associated with the approval of this deed;
- (b) **(Administration of this deed)** all costs, charges, expenses, claims and liabilities incurred and payments made by the Deed Administrators in good faith in respect of or in the performance or administration of this deed, or as a result of any actual or attempted execution or exercise or failure to execute or exercise, any power in relation to this deed of arising from their being the administrators of this deed, including without limitation liability for any GST or tax arising under Income Tax Law or other tax legislation, any money borrowed by them for the purposes of this deed, any interest or fees on borrowed money, and any contracts adopted or otherwise agreed to or entered into by the Deed Administrators (hereafter, **Liabilities**);
- (c) **(Actions)** all liabilities, costs and expenses incurred, and payments made, by the Deed Administrators as a result of any action, suit, proceeding, account, claim or demand arising out of or relating to this deed, which may be incurred or payment made by them, or which may be commenced against them by any person, including all liabilities incurred and payments made by them in defending any civil or criminal proceedings (hereafter, **Demands**);
- (d) **(Remuneration)** the remuneration of the Deed Administrators and reimbursement of amounts pursuant to clause 11.5; and
- (e) **(Partners and associates)** Liabilities and Demands incurred by the Deed Administrators' partners, employees, directors, officers, contractors, advisers, authorised agents, or delegates, and payments made by those parties in respect of Liabilities and Demands,

PROVIDED ALWAYS that the reimbursement and remuneration out of the Deed Fund provided for under this clause is not to exceed the amount determined from time to time in accordance with Division 60 of the Insolvency Practice Schedule, and must be paid from the Deed Fund monthly in arrears, and must be paid or provided for in full before full satisfaction of all Entitlements.

11.5 **Remuneration of Deed Administrators**

- (a) **(Remuneration)** The Deed Administrators are to be remunerated from the Deed Fund for work done by them, and any of their partners, agents or employees, in connection with:
 - (i) the period of voluntary administration of the Company for which remuneration has not yet been fixed or paid in full;
 - (ii) the preparation, approval and execution of this deed, and the preparation and execution of any documents necessary as prerequisites to the approval of this deed; and

- (iii) the administration and implementation of this deed and the exercise or their powers and discretions and the performance of their duties, obligations and responsibilities as Deed Administrators,

at the usual rates charged from time to time, calculated on an hourly basis plus disbursements and GST.

- (b) **(Resolution at Meeting)** The parties acknowledge that the creditors of the Company resolved by resolution at a meeting held on 27 September 2023 that the Deed Administrators' are entitled to be remunerated at the usual rates charged from time to time, calculated on an hourly basis (subject to approval of the Creditors)

11.6 **Continuing indemnity**

These indemnities will take effect on and from the Commencement Date and be without limitation as to time, and will endure for the benefit of the Administrators and Deed Administrators themselves and their partners, employees, directors, officers, contractors, advisers, authorised agents, or delegates, including any of their respective legal personal representatives, notwithstanding the removal of the Deed Administrators and the appointment of a new deed administrator or the termination of the Arrangement for any reason whatsoever.

11.7 **Indemnity not to be affected or prejudiced**

The indemnities under clause 11 of this deed:

- (a) **(Irregularity)** are not affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Deed Administrators, and extend to all actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Deed Administrators, the approval and execution of the Arrangement, or otherwise; and
- (b) **(Other Indemnity)** will not affect or prejudice any rights that the Deed Administrators or any of their partners, employees, directors, officers, contractors, advisers, authorised agents, or delegates may have against the Company or any other person to be indemnified against the costs, charges, claims, expenses and liabilities incurred and/or payments made by the Deed Administrators of or incidental to the exercise or performance of any of the powers or authorities conferred on the Deed Administrators by the Arrangement or otherwise.

11.8 **Administrators' and Deed Administrators' Lien**

The Administrators and Deed Administrators are entitled to exercise a lien at law and in equity over the Deed Fund and the Property of the Company (save for any and all property which has been, or is to be transferred to the Buyer under the Asset Sale Agreement) for all amounts in respect of which they are entitled to an indemnity under the terms of this deed.

11.9 **Priority of Administrators' and Deed Administrators' Lien**

For the avoidance of doubt, the Administrators' and Deed Administrators' right of indemnity and lien under clause 11 of this deed will have priority over the Claims of all Creditors and Members pursuant to clause 9.2 of this deed.

12. **The Board**

12.1 **Limit on Directors' powers**

During the Arrangement Period a Director must not perform or exercise or purport to perform or exercise a function or power as an officer of the Company unless authorised to do so by the Deed Administrators.

12.2 **Directors**

The Directors must use all reasonable endeavours to co-operate with and assist the Deed Administrators in carrying out their duties and functions under the Arrangement.

13. **Meeting of creditors**

13.1 **Convening of meetings by Deed Administrators**

The Deed Administrators may at any time convene a meeting of Creditors.

13.2 **Convening meetings at request of Admitted Creditors or others**

The Deed Administrators must convene a meeting of Creditors if so requested in writing by Creditors the value of whose Claims is not less than 10% of the value of the total of the Claims.

13.3 **Manner of convening meetings**

Meetings of Creditors must be convened by the Deed Administrators in accordance with Subdivision B of Division 75 of the Insolvency Practice Rules.

13.4 **Insolvency Practice Schedule**

Except to the extent (if any) they are excluded or modified by or are inconsistent with the terms of this Arrangement, rules 75-1 to 75-270 of the Insolvency Practice Rules apply, with such modifications as are necessary, to meetings of the Creditors of the Company (including such consequential modifications that are necessary to refer to the Deed Administrators and the deed administration of the Company).

13.5 **Right of Admitted Creditors to attend meetings**

Admitted Creditors who have received the full amount of their Dividend Entitlement (if any) pursuant to clause 9.2 are not entitled to attend and participate in meetings of Creditors.

14. **Reports to creditors**

Except as required by law, the Deed Administrators are not required to report to Creditors. However, during the Arrangement Period, the Deed Administrators may, in their absolute discretion, report to Creditors at such times as they consider appropriate, on any matters which the Deed Administrators consider should be brought to the attention of the Creditors.

15. **Appeal Period**

15.1 **Defence of Appeal**

- (a) In the event of an Appeal, the Deed Administrators will and will cause the Company to, defend the Appeal upon and subject to each of the following:
 - (i) the Deed Proponent requesting, in writing, that the Deed Administrators and the Company defend the Appeal;

- (ii) the Deed Proponent providing sufficient funding to meet the Deed Administrators' and the Company's costs of defending the Appeal, including the costs of obtaining the legal advice referred to in subclause (iii) below; and
 - (iii) the Deed Administrators obtaining legal advice to the effect that there are reasonable prospects of defending the Appeal.
- (b) Neither the Deed Administrators nor the Company shall bear any liability to any person for the outcome of the Appeal, for any reason.

15.2 Re-novation of deeds

If the Appeal is successful, and the orders made by the Court have the effect that any or all of the Assignment and Novation Deeds are rendered ineffective or inoperative in any way, the Deed Administrators will, upon provision of sufficient funding by the Deed Proponent to meet their costs of doing so, use their reasonable endeavours to novate the Option Deeds to the Buyer (or the Buyer's nominee, at the Buyer's direction) until such time as this Arrangement is terminated.

16. Termination of the Deed

16.1 Termination

The Arrangement terminates on the first to occur of the following events:

- (a) the Court makes under section 445D of the Corporations Act an order terminating the deed;
- (b) the Creditors pass a resolution terminating this deed in accordance with sections 445C(b) and 445CA of the Corporations Act;
- (c) if either:
 - (i) a meeting of creditors is convened to consider a variation to this deed to which the Deed Proponent has not given its consent in writing or to consider a resolution to the effect of section 445FA(b)(ii) of the Corporations Act; or
 - (ii) the Deed Administrators determine, in the exercise of their discretion, to make a distribution or distributions to creditors of 100 cents in the dollar in the aggregate before the date contemplated in clause 9.3(b)(ii),and
 - (iii) the Deed Proponent gives notice in writing to the Deed Administrators that it wishes to terminate the deed; or
- (d) any of the conditions pursuant to section 445FA of the Corporations Act are met such that the Deed Administrators are required by that section to take the steps set out in section 445FA(d) and (e) of the Corporations Act.

16.2 Effect of Termination

In accordance with section 445H of the Corporations Act, the termination or avoidance, in whole or in part, of this deed does not affect the previous operation of this deed.

16.3 **Severance**

If any part of this deed is or becomes illegal, ineffective, invalid or unenforceable, that part will be severed from this deed and that severance will not affect the effectiveness, validity or enforceability of the remaining part of this deed.

16.4 **Consequences of Termination of Deed for non-performance**

Upon termination of this deed under clause 16.1(b) or 16.1(c), the Company will be taken to have passed special resolutions under section 491 of the Corporations Act that:

- (a) the Company be voluntarily wound up; and
- (b) the Deed Administrators be appointed as the Company's liquidators.

17. **Deregistration**

17.1 **Obtaining Member Consents**

Prior to terminating this Arrangement pursuant to clause 16.1(d), the Deed Administrators must use reasonable endeavours to obtain the Member Consents, and provide the Member Consents to the Directors.

17.2 **Deregistration upon receipt of the Member Consents**

Except where clauses 16.1(b) or 16.1(c) apply, provided that the Company otherwise complies with all requirements for the lodgement of an application for voluntary deregistration, and subject to receipt of the Member Consents, the Company must make an application to be deregistered pursuant to section 601AA of the Corporations Act within one business day of the Deed Administrators lodging a termination notice with ASIC in accordance with clause 16.1(d).

18. **Goods and Services Tax**

18.1 **GST Exclusive Amounts**

- (a) If GST is or will be payable on a supply made under or in connection with this deed, to the extent that the consideration otherwise provided for that supply under this deed is not stated to include an amount in respect of GST on the supply:
 - (i) the consideration otherwise provided for that supply under this deed is increased by the amount of that GST; and
 - (ii) the recipient must make payment of the increase as and when the consideration otherwise provided for, or relevant part of it, must be paid or provided or, if the consideration has already been paid or provided, within 7 days of receiving a written demand from the supplier.
- (b) The right of the supplier to recover any amount in respect of GST under this deed on a supply is subject to the issuing of the relevant tax invoice or adjustment note to the recipient within the time period within which the recipient is otherwise entitled to the relevant input tax credit.

18.2 **Reimbursements**

If a payment to a person is a reimbursement or indemnification that is calculated by reference to a loss, cost or expense incurred by that person, the payment will be reduced by the amount of any input tax credit to which that person is entitled for the acquisition to which that loss, cost or expense relates and then, if consideration for a taxable supply, clause 18.1 will apply.

18.3 Interpretation

For the purposes of clauses concerning GST, all terms defined in the GST Law have the meanings given to those terms in the GST Law unless the context requires otherwise.

18.4 Survival of clause

18.5 Clause 18 will continue to apply despite termination of this deed.

19. Amendment

Subject to the terms of the Corporations Act, this deed can only be amended, supplemented, replaced or novated by another document executed by all the parties to this deed.

20. General

20.1 Governing law

- (a) This deed is governed by the law in force in New South Wales.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales, and any court that may hear appeals from any of those courts, for any proceedings in connection with this deed, and waives any right it might have to claim that those courts are an inconvenient forum.

20.2 Inconsistency

If there is any inconsistency between the terms of the Arrangement and the Corporations Act then the Corporations Act prevails, only to the extent of the inconsistency, and the Arrangement must be interpreted accordingly.

20.3 Variation of rights

The exercise of a right partially or on one occasion does not prevent any further exercise of that right in accordance with the terms of this document. Neither a forbearance to exercise a right nor a delay in the exercise of a right operates as an election between rights or a variation of the terms of this document.

20.4 Further Assurances

During the Arrangement Period, the Directors, the Officers and the Company will co-operate with and assist the Deed Administrators to give effect to the purpose, terms and conditions of this deed and otherwise co-operate with and assist the Deed Administrators in the performance of their obligations under this deed, including by providing any information reasonably necessary for the proper administration of this deed.

20.5 Attorneys

Each person who executes this deed on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

20.6 Severability

Any provision in this deed which is invalid or unenforceable in any jurisdiction is to be read down for the purposes of that jurisdiction, if possible, so as to be valid and enforceable, and is otherwise capable of being severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this deed or affecting the validity or enforceability of that provision in any other jurisdiction.

20.7 Counterparts

This document may be executed in counterparts. Delivery of a counterpart of this document by email attachment or fax constitutes an effective mode of delivery.

20.8 Giving effect to this deed

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this deed.

DRAFT

EXECUTED as a deed

SIGNED, SEALED and DELIVERED by
ACN 623 991 006 PTY LTD
(ADMINISTRATORS APPOINTED), by
one of its administrators:

Signature of administrator

Signature of witness

Name:

Name:

SIGNED, SEALED and DELIVERED by
CHRISTOPHER CLARKE HILL in the
presence of:

Signature of party

Signature of witness

Name

SIGNED, SEALED and DELIVERED by
DAVID PETER MCGRATH in the
presence of:

Signature of party

Signature of witness

Name

SIGNED, SEALED and DELIVERED by
JOHN RICHARD PARK in the presence
of:

Signature of party

Signature of witness

Name

EXECUTED by **HELIETTA HOLDINGS 1**
PTY LIMITED ACN 657 443 902:

Signature of director

Signature of director/secretary

Name

Name

DRAFT

20. Appendix 8 – Court Orders



Issued: 25 January 2023 12:30 PM

JUDGMENT/ORDER

COURT DETAILS

Court	Supreme Court of NSW
Division	Equity
List	Corporations List
Registry	Supreme Court Sydney
Case number	2023/00025359

TITLE OF PROCEEDINGS

First Plaintiff	Christopher Clarke Hill
Second Plaintiff	David McGrath
Number of Plaintiffs	4

First

DATE OF JUDGMENT/ORDER

Date made or given	25 January 2023
Date entered	25 January 2023

TERMS OF JUDGMENT/ORDER

VERDICT, ORDER OR DIRECTION:

Hearing of Originating Process filed 24 January 2023.

Ex tempore judgment delivered.

Black J makes orders in accordance with the Short Minutes of Order initialled by him and placed in the file.

The Court orders that:

1. Pursuant to section 447A(1) of the Corporations Act 2001 (Cth) (Corporations Act) that Part 5.3A of the Corporations Act is to operate in relation to the Plaintiffs as if s 443A(1) of the Corporations Act provides that:

(a) the liabilities of the First Plaintiffs (in their capacities as administrators of the Second Plaintiff) incurred with respect to any obligations arising out of, or in connection with any funding agreement substantially in accordance with the draft funding agreement in pages 991 to 1016 of Exhibit DMG-1 (Funding Agreement), between Eriostemon Pty Limited ACN 119 827 593 (or their nominee) and the First Plaintiffs are in the nature of debts incurred by the First Plaintiffs in the performance and exercise of their functions as joint and several administrators of the Second Plaintiff; and
(b) notwithstanding that the liabilities referred to in Order 1(a) are debts incurred by the First Plaintiffs in the performance and exercise of their functions as joint and several administrators of the Second Plaintiff, the First Plaintiffs will not be personally liable to repay such debts or satisfy such liabilities to the extent that the property of the Second Plaintiff is insufficient to satisfy the debts and liabilities incurred by the First Plaintiffs arising out of, or in connection with, the Funding Agreement.

2. Pursuant to section 439A(6) of the Corporations Act, that the date of the convening period as defined by section 439A(5) of the Corporations Act, for the second meeting of creditors of the Second Plaintiff required by section 439A of the Corporations Act (Second Meeting), be extended up to and including 30 June 2023.

3. Pursuant to section 447A of the Corporations Act, that Part 5.3A of the Corporations Act is to operate in relation to the Company as if the Second Meeting may be convened and held at any time during the convening period, or within 5 business days after the end of the convening period as extended by the order sought in paragraph #2 above, notwithstanding the provisions of 439A(2) of the Corporations Act.

4. The First Plaintiffs take reasonable steps to cause a copy of this application and the Court's orders to be given within two business days of the making of those orders:

(a) to:

- (i) creditors of the Second Plaintiff;
- (ii) the Australian Securities & Investments Commission;
- (iii) Squadron Energy Pty Ltd ACN 615 221 559; and
- (iv) Eriostemon Pty Limited ACN 119 827 593,

(b) by:

- (i) publishing the orders on the website maintained by the Administrators in respect of the Second Plaintiff;
- (ii) to the extent that the Administrators have on record an email address for each of the recipients listed in Order 4(a), sending a copy of the published order by email to that recipient; and
- (iii) to the extent that the Administrators do not have on record an email address for any of the recipients listed in Order 4(a), sending a copy of the published order by registered post to the last known address of each recipient.

5. That any person who can demonstrate a sufficient interest have liberty to apply to vary or discharge the Court's orders on two business days' notice.

6. That the First Plaintiffs' costs of and incidental to this application be costs in the administration of the company.

7. These orders be entered forthwith.

8. The exhibits be returned.

SEAL AND SIGNATURE



Signature Chris D'Aeth
Capacity Principal Registrar
Date 25 January 2023

If this document was issued by means of the Electronic Case Management System (ECM), pursuant to Part 3 of the Uniform Civil Procedure Rules (UCPR), this document is taken to have been signed if the person's name is printed where his or her signature would otherwise appear.

PERSON PROVIDING DOCUMENT FOR SEALING UNDER UCPR 36.12

Name Christopher Clarke Hill, Plaintiff 1
David McGrath, Plaintiff 2
John Park, Plaintiff 3
SUN CABLE PTY LTD (ADMINISTRATORS APPOINTED),
Plaintiff 4

Legal representative Camilla Clemente
Legal representative reference
Telephone 0439443153

FURTHER DETAILS ABOUT Plaintiff(s)

First Plaintiff
Name Christopher Clarke Hill
Address Gateway Level 22
1 Macquarie Place
SYDNEY NSW 2000

Telephone
Fax
E-mail
Client reference

Second Plaintiff
Name David McGrath
Address Gateway Level 22
1 Macquarie Place
SYDNEY NSW 2000

Telephone
Fax
E-mail
Client reference

Third Plaintiff
Name John Park
Address Gateway Level 22
1 Macquarie Place
SYDNEY NSW 2000

Telephone
Fax
E-mail
Client reference

Fourth Plaintiff
Name SUN CABLE PTY LTD (ADMINISTRATORS APPOINTED)
ACN 623991006
Address c/- Gateway Level 22
1 Macquarie Place
SYDNEY NSW 2000

Telephone
Fax
E-mail
Client reference

Legal representative
Name Camilla Clemente
Practicing certificate number 59418

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DX address	
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FURTHER DETAILS ABOUT (s)



Issued: 23 June 2023 5:19 PM

JUDGMENT/ORDER

COURT DETAILS

Court	Supreme Court of NSW
Division	Equity
List	Corporations List
Registry	Supreme Court Sydney
Case number	2023/00025359

TITLE OF PROCEEDINGS

First Applicant	Christopher Clarke Hill
Second Applicant	David McGrath
Number of Applicants	4

First

DATE OF JUDGMENT/ORDER

Date made or given	23 June 2023
Date entered	23 June 2023

TERMS OF JUDGMENT/ORDER

Black J makes orders in accordance with the Short Minutes of Order initialled by him and placed on the file.

The Court orders that:

1. Pursuant to section 447A of the Corporations Act 2001 (Cth) ("Act"), the period within which the Plaintiffs must convene the second meeting of creditors of Sun Cable Pty Ltd (Administrators Appointed) (ACN 623 991 006) (the Company) be extended up to and including 31 August 2023.
2. Pursuant to section 447A of the Act, Part 5.3A of the Act is to operate in relation to the Company as if the second meeting of creditors of the Company required by section 439A of the Act may be held at any time during the convening period, or within 5 business days after the end of the convening period as extended by the order sought in paragraph #1 above, notwithstanding the provisions of section 439A(2) of the Act.
3. The Exhibits be returned.
4. The First Plaintiff give notice of these orders to creditors of the Second Plaintiff by sending a circular letter to creditors of the Second Plaintiff (by email in respect of those creditors for whom the Administrators have an email address and by post in respect of all other known creditors) informing them of the substance of these orders and enclosing a copy of the orders.
5. Any person who can demonstrate sufficient interest have liberty to apply to vary or discharge the Court's orders on 2 business days' notice.
6. The First Plaintiff's costs of and incidental to this application be costs in the administration of the company.

7. These orders be entered forthwith.

Black J makes the following further order:

1. Until further order, which may only be sought on 2 business days' notice to the Plaintiffs, pursuant to s 7(b) of Court Suppression and Non-publication Orders Act 2010 (NSW) ("Suppression Act"), upon the ground of s 8(1)(a) of the Suppression Act, being that such an order is necessary to prevent prejudice to the proper administration of justice, publication or other disclosure of the last sentence of paragraph 22 and paragraphs 23-75, 82, 88 and 91 of Mr McGrath's affidavit dated 21 Jun 2023 and paragraphs 9-14 of Ms Scott's submissions be prohibited; and that affidavit and submissions be placed in a sealed envelope marked "Access not be permitted without leave of a judge of the Court, on application made with 2 business days' notice to the Plaintiffs". This order applies throughout the Commonwealth of Australia.

SEAL AND SIGNATURE



Signature Chris D'Aeth
Capacity Principal Registrar
Date 23 June 2023

If this document was issued by means of the Electronic Case Management System (ECM), pursuant to Part 3 of the Uniform Civil Procedure Rules (UCPR), this document is taken to have been signed if the person's name is printed where his or her signature would otherwise appear.

PERSON PROVIDING DOCUMENT FOR SEALING UNDER UCPR 36.12

Name Christopher Clarke Hill, Applicant 1
David McGrath, Applicant 2
John Park, Applicant 3
SUN CABLE PTY LTD (ADMINISTRATORS APPOINTED),
Applicant 4

Legal representative Camilla Clemente
Legal representative reference
Telephone 0439443153

FURTHER DETAILS ABOUT Applicant(s)

First Applicant
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1 Macquarie Place
SYDNEY NSW 2000

Telephone
Fax
E-mail
Client reference

Second Applicant

Name David McGrath
Address Gateway Level 22
1 Macquarie Place
SYDNEY NSW 2000

Telephone
Fax
E-mail
Client reference

Third Applicant

Name John Park
Address Gateway Level 22
1 Macquarie Place
SYDNEY NSW 2000

Telephone
Fax
E-mail
Client reference

Fourth Applicant

Name SUN CABLE PTY LTD (ADMINISTRATORS APPOINTED)
ACN 623991006
Address c/- Gateway Level 22
1 Macquarie Place
SYDNEY NSW 2000

Telephone
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E-mail
Client reference

Legal representative

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FURTHER DETAILS ABOUT (s)



Issued: 31 August 2023 12:15 PM

JUDGMENT/ORDER

COURT DETAILS

Court	Supreme Court of NSW
Division	Equity
List	Corporations List
Registry	Supreme Court Sydney
Case number	2023/00025359

TITLE OF PROCEEDINGS

First Applicant	Christopher Clarke Hill
Second Applicant	SUN CABLE PTY LTD (ADMINISTRATORS APPOINTED)

First

DATE OF JUDGMENT/ORDER

Date made or given	31 August 2023
Date entered	31 August 2023

TERMS OF JUDGMENT/ORDER

Her Honour, Williams J, makes the following orders in accordance with paragraphs 1-7 of the short minutes of order provided by the Plaintiffs, and an additional notation:

1. An order that pursuant to section 447A(1) of the Corporations Act that Part 5.3A of the Corporations Act is to operate in relation to the First Plaintiffs as if s 443A(1) of the Corporations Act provides that:

(a) the liabilities of the First Plaintiffs (in their capacities as administrators of the Second Plaintiff) incurred with respect to any obligations arising out of, or in connection with the funding agreement dated 25 January 2023, as amended by deeds of amendment dated 20 June 2023 and 3 August 2023, as exhibited at pages 1 to 38 of Confidential Exhibit DMG-6 (Funding Agreement), between Eriostemon Pty Limited ACN 119 827 593 (or their nominee) and the First Plaintiffs are in the nature of debts incurred by the First Plaintiffs in the performance and exercise of their functions as joint and several administrators of the Second Plaintiff; and

(b) notwithstanding that the liabilities referred to in order 1(a) of these orders are debts incurred by the First Plaintiffs in the performance and exercise of their functions as joint and several administrators of the Second Plaintiff, the First Plaintiffs will not be personally liable to repay such debts or satisfy such liabilities to the extent that the property of the Second Plaintiff is insufficient to satisfy the debts and liabilities incurred by the First Plaintiffs arising out of, or in connection with, the Funding Agreement.

2. Pursuant to section 447A of the Corporations Act 2001 (Cth) (the Act), that the period within which the First Plaintiffs must convene the second meeting of creditors of Sun Cable Pty Ltd (Administrators Appointed) (ACN 623 991 006) (the Company) be extended up to and including 20 September 2023.

3. Pursuant to section 447A of the Act, that Part 5.3A of the Act is to operate in relation to the Company as if the second meeting of creditors of the Company required by section 439A of the

Act may be held at any time during the convening period, or within 5 business days after the end of the convening period as extended by the order sought in paragraph 1 above, notwithstanding the provisions of section 439A(2) of the Act.

4. The First Plaintiffs give notice of these orders to creditors of the Second Plaintiff by sending a circular letter to creditors of the Second Plaintiff (by email in respect of those creditors for whom the Administrators have an email address and by post in respect of all other known creditors) informing them of the substance of these orders and enclosing a copy of these orders.

5. Any person who can demonstrate sufficient interest have liberty to apply to vary or discharge the Court's orders on 2 business days' notice.

6. The First Plaintiff's costs of and incidental to this application be costs in the administration of the company.

7. These orders be entered forthwith.

8. Note that Confidential Exhibit DMG-6 to the affidavit of Mr David McGrath affirmed on 23 August 2023 has been returned to the Plaintiffs.

SEAL AND SIGNATURE



Signature Chris D'Aeth
Capacity Principal Registrar
Date 31 August 2023

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PERSON PROVIDING DOCUMENT FOR SEALING UNDER UCPR 36.12

Name SUN CABLE PTY LTD (ADMINISTRATORS APPOINTED),
Corporation subject of the proceedings 1
Christopher Clarke Hill, Applicant 1
SUN CABLE PTY LTD (ADMINISTRATORS APPOINTED),
Applicant 2

Legal representative Camilla Clemente
Legal representative reference
Telephone 0439443153

FURTHER DETAILS ABOUT Applicant(s)

First Applicant
Name Christopher Clarke Hill
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1 Macquarie Place
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Second Applicant
Name

SUN CABLE PTY LTD (ADMINISTRATORS APPOINTED)
ACN 623991006

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