

25 JUNE 2025

ADMINISTRATOR'S SUPPLEMENTARY REPORT TO CREDITORS

NEPEAN RIVER DAIRY PTY LIMITED
(ADMINISTRATOR APPOINTED)
ACN 603 943 942



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F	APPOINTMENT OF PROXY FORM (PLEASE COMPLETE AND RETURN)
G	FORMAL PROOF OF DEBT OR CLAIM FORM (PLEASE COMPLETE AND RETURN)



GLOSSARY OF TERMS

Act	<i>Corporations Act 2001</i>
Active Forklifts	Active Forklifts (Australia) Pty Ltd
Administrators	Rajiv Goyal and Andrew McEvoy
Administrator	Rajiv Goyal
ALLPAAP	All Present and After – Acquired Property
ANZ	Australia and New Zealand Banking Group Limited
ARITA	Australian Restructuring Insolvency & Turnaround Association
ASIC	Australian Securities and Investments Commission
ACG	Aston Chace Group Pty Ltd
ATO	Australian Taxation Office
CGT	Capital Gains Tax
COI	Committee of Inspection
Company	Nepean River Dairy Pty Limited (Administrator Appointed)
Company Search	Company Search of ASIC data base
DCT	Deputy Commissioner of Taxation
Decision Meeting	Second meeting of creditors to be held on Thursday, 1 May 2025
Director	Emmanuel Vaggis
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities
DOCA	Deed of Company Arrangement
DOE	Department of Employment
DQ	Director Questionnaire
EOI	Expressions of Interest
ERV	Estimated Realisable Value
EXAD	External Administration
FEG	Fair Entitlements Guarantee
First Report	First report to creditors dated 10 January 2025
FLV	Forced Liquidation Value
FMVICU	Fair Market Value in Continued Use
Former Directors	Former directors of the Company named in section 3 of this report
GSA	General Security Agreement
GST	Goods & Services Tax
Holding Company	Nature One Dairy (Australia) Pte. Ltd.
IPR	<i>Insolvency Practice Rules (Corporations) 2016</i>
IPS	<i>Corporations Act 2001 - Insolvency Practice Schedule (Corporations)</i>
Landlord	Eastern & LG Holding Pty Ltd
LSL	Long Service Leave
MYOB	Mind Your Own Business (Accounting Package)
Mr Jomaa	Imad (Emad) Jomaa
NAB	National Australia Bank Limited
NBIO	Non-Binding Indicative Offer
NOD	Nature One Dairy (Australia) Pte Ltd.
NORCO	NORCO Co-operative Limited
NDA	Non-Disclosure Agreement
Origin	Origin Energy Electricity Limited
OSR	Office of State Revenue
PAYG	Pay As You Go Withholding Tax
PILN	Payment in Lieu of Notice
PSMI	Purchase Money Security Interest



POD	Proof of Debt
PPSA	<i>Personal Property Securities Act 2009</i>
PPSR	Personal Property Security Registration
Proponent	Nature One Dairy (Australia) Pte. Ltd
Recent Circular	Circular to creditors dated 2 May 2025
Trading Premises	7-9 Gibbon Road, Winston Hills NSW 2153
PRM	Professional Risk Manager
ROCAP	Report On Company Activities and Property
RBA	Running Balance Account
RMS	Road & Maritime Services
ROT	Retention of Title
ROU	Right of Use
Sanitarium	Australian Health Association Limited t/as Sanitarium Health Food Company
SGC	Superannuation Guarantee Charge
SI	Security Interest
SIG	SIG Combibloc Australia Pty Ltd
SIG Claims	The benefit of any Company claims against SIG
VA Report	Voluntary Administrator's Report to Creditors dated 23 April 2025
Xero	Xero (Cloud-based Accounting Package)



1. INTRODUCTION

I refer to my report to creditors dated 23 April 2025 (**VA Report**) and my recent circular to creditors dated 2 May 2025 (**Recent Circular**).

As creditors are aware, I adjourned the Second Meeting of Creditors on 1 May 2025 (**Second Meeting**) for a period of up to 45 business days to seek legal advice and adjudicate on the proper exercise of a significant creditors' vote. On the evening of Tuesday, 29 April 2025, I was made aware of a dispute between NOD and SIG in regard to the exercise of NOD's voting rights at the second meeting of creditors.

I have since received legal advice regarding this matter and note that at the reconvened Second Meeting, I will be allowing the special proxy appointed by NOD to vote on behalf of NOD and will not be allowing SIG to vote on behalf of NOD.

Accordingly, I am now in a position to reconvene the Second Meeting.

The reconvened Second Meeting will be held at **3pm, Wednesday, 2 July 2025**.

Please refer to **Section 7** of this report and **Annexure A** for further information regarding the details of the reconvened Second Meeting.

2. VARIATION OF THE PROPOSED DEED OF COMPANY ARRANGEMENT

I have received a variation of the proposed DOCA from NOD (**Proponent**). A copy of the varied proposed DOCA is attached at **Annexure B**.

Key variation terms are below. All other terms remain the same.

- The effectiveness of the DOCA will be conditional on an agreement being entered into between relevantly the Proponent and SIG in relation to a commercial settlement of the claims as between SIG and the Company.
- The treatment of SIG's claim against the Company and security interest will be dealt with under the agreement and are not impacted, released or amended by the DOCA.
- There will be no assignment of the SIG Claims to the Proponent.
- There will be no payment by the Proponent into the DOCA Fund of any proceeds of the SIG Claims (given the SIG Claims will no longer be assigned).

As detailed above, the primary variation to the proposed DOCA relevant to creditors of the Company is that there will no longer be an assignment of the SIG Claims to the Proponent. Therefore, there will be no prospect of any proceeds being paid into the DOCA Fund for distribution to creditors of the Company.

After further consideration by the Administrator, the Administrator (alongside counsel) has formed the view that recoveries from the SIG Claims remain uncertain given the status of the proceedings by SIG against the Proponent and there remains doubt over the recoverability and cost associated with doing so. As such, the Administrator's opinion is that there may not be a material outcome for creditors by virtue of the variation to the proposed DOCA, but the variation gives the Administrator comfort that SIG is unlikely to challenge the proposed DOCA as previously foreshadowed at the Second Meeting.



At the Second Meeting, MinterEllison raised various concerns it had in relation to the proposed DOCA, including whether it would be viable in circumstances where there were no proceeds recovered from the SIG Claims. The Administrator's view is and always has been that while any recoveries from the SIG Claims would of course maximise the return to creditors, such recoveries were uncertain and therefore the proposed DOCA needed to be a better outcome than a Liquidation even in the event the SIG Claims were unsuccessful.

The Administrator's view is that the varied proposed DOCA (which excludes any further contributions from the SIG Claims' proceeds) is a better outcome than a Liquidation for the reasons outlined below.

Advantages of the varied proposed DOCA

- The proposed DOCA contemplates the preservation of the business (which is one of the overriding objectives of Part 5.3A of the Act) to which I must have regard.
- The proposed DOCA (in a high scenario) provides a marginally higher return to participating ordinary unsecured creditors than in a Liquidation 'high scenario' (ie 1.86 c/\$ vs 1.54 c/\$).
- No return is expected in a DOCA or Liquidation in a 'low scenario'.
- The return to ordinary unsecured creditors in a Liquidation high scenario also assumes the following recoveries from litigation which the Company is not presently funded to pursue and are highly uncertain:
 - \$789,794 return from voidable transaction claims;
 - \$1,651,690 return from insolvent trading claims; and
 - \$6,000,000 return from the SIG Claims.
- Ultimately, a return to unsecured creditors is more certain under the proposed DOCA than in a Liquidation and not contingent on the success of any litigation which is both uncertain and likely to be protracted.
- In a Liquidation there will be an estimated shortfall to NAB of:
 - \$5,676,255 (being 90% of its total secured debt) subject to any potential recoveries under its Commonwealth guaranteed COVID loan in a low scenario;
 - \$379,319 (being 10.7% of its total secured debt) subject to any potential recoveries under its Commonwealth guaranteed COVID loan and an estimated recovery of \$6,000,000 from the SIG Claims.
- In contrast under the proposed DOCA, there will be a return to NAB sufficient for it to agree not to exercise rights under its security interests after the end of the administration and following resumption of the business' operations. Based on conversations the Administrator has had with NAB and the Proponent, any proposal sufficient to persuade NAB to enter into such an agreement will provide a significantly greater return to NAB than in at least the liquidation low scenario.
- The proposed DOCA contains a provision for the non-participation of NOD, SIG and the Landlord thereby increasing the pool of funds available to participating creditors. The amount has a significant impact on a dividend in a DOCA scenario.
- The lease agreement with the Landlord will continue and the Landlord will receive a greater return in respect of its pre-appointment debt than it would as an unsecured creditor in a Liquidation.



- SIG's claim against the Company will not be compromised under the proposed DOCA and will be dealt with under the commercial agreement. Further, given the commercial settlement to be reached between SIG and the Proponent is a condition precedent to the proposed DOCA, the Administrator considers there to be little risk of a challenge to the proposed DOCA by SIG.
- During the DOCA period the Company will be under the control of its new directors as nominated by the Proponent and the Company will be able to swiftly transition out of Administration with any costs incurred to be borne by the Proponent
- The Proponent has advised that there are sufficient funds in its lawyer's trust account to meet the initial deed contribution of \$650,000.

Disadvantages of the varied proposed DOCA

- Any dividend paid to creditors is to be in full and final satisfaction of their claims against the Company.
- A Deed Administrator cannot further investigate and/or commence any potential insolvent trading action or recover any voidable transactions.
- No guarantee or security has been provided by the Proponent or any other party to secure the payment of the Deferred Contribution of \$1,150,000.
- Furthermore, despite a request from me, no information has been provided by the Proponent as to how it will obtain the funds necessary to pay the Deferred Contribution.
- There will no longer be a prospect of a further payment into the DOCA Fund of any proceeds recovered by the Proponent from the SIG Claim.
- In addition, as previously noted, the Proponent is subject to winding up proceedings in the High Court of Singapore. These proceedings have arisen because SIG has served a statutory demand upon the Proponent in Singapore. This demand is based upon a guarantee given to SIG by the Proponent for the debts of the Company.
- I am unaware of the present position of the proceedings but I have been advised by the Proponent that they are being vigorously defended. Obviously, if the Proponent is unsuccessful in the proceedings, this may significantly impact upon its ability to pay the Deferred Contribution.

Notwithstanding these matters, having regard to the terms of the DOCA, I recommend that creditors resolve that the Company execute the DOCA at the reconvened meeting of creditors as it will provide a greater and more certain return to them.



3. ESTIMATED RETURN TO CREDITORS

The estimated return to creditors on a 'high' and 'low' basis under the revised proposed DOCA and Liquidation scenarios are detailed in the table below:

Item	Ref	DOCA High (\$)	DOCA Low (\$)	Liquidation High (\$)	Liquidation Low (\$)
Circulating Security Interest Assets					
Pre-appointment cash at bank	1	-	-	-	-
Debtors	2	-	-	-	-
Stock	3	-	-	-	-
SIG Claim	4	-	-	6,000,000	-
Less:					
Employee entitlements	5	-	-	748,056	748,056
Surplus circulating security interest assets available to secured creditors		-	-	5,251,944	-
Add:					-
Non-Circulating Security Interest Assets					
Plant and Equipment	6	-	-	934,800	934,800
Less:					
Estimated realisation costs	7	-	-	55,000	110,000
Total secured creditors debt	8	-	-	11,855,446	11,855,446
Estimated surplus / (shortfall)		-	-	(5,723,702)	(11,030,646)
Creditors					
Employee entitlements	9	748,056	748,056	-	748,056
Secured Creditors Shortfall	10	-	-	5,723,702	11,030,646
Trade and other unsecured creditors	11	5,865,513	5,865,513	18,901,833	18,901,833
Total estimated Creditors		6,613,569	6,613,569	24,625,535	30,680,535
Assets					
Funds held by Voluntary Administrators	12	27,203	27,203	27,203	27,203
Deed Fund Contributions	13	1,800,000	650,000	-	-
Voidable Transactions	14	-	-	789,794	394,897
Insolvent Trading	15	-	-	1,651,690	-
Less:					
Administrator's Remuneration (Approved)	16	405,689	405,689	405,689	405,689
Administrator's Remuneration (To be approved)	16	172,753	172,753	122,753	122,753
Voluntary Administrator's Disbursements	16	663	663	663	663
Administrator's Liabilities	17	60,366	60,366	60,366	60,366
Non-recourse Loan	18	-	-	400,000	400,000
Liquidator's Remuneration	19	-	-	500,000	300,000
Liquidator's Disbursements	19	-	-	663	663
Deed Administrator's Remuneration	20	100,000	75,000	-	-
Deed Administrator's Disbursements	20	663	663	-	-
Legal Fees - Voluntary Administration	21	200,000	200,000	200,000	200,000
Legal Fees – DOCA	22	30,000	20,000	-	-
Legal Fees – Liquidation	23	-	-	400,000	50,000
Amount available for Employee Entitlements		857,070	-	-	-
Employee entitlements		748,056	748,056	-	748,056
Estimated return - Employee entitlements (cents/\$)		100.00	-	-	-
Amount available for Unsecured Creditors		109,014	-	378,553	-
Unsecured Creditors		5,865,513	5,865,513	24,625,535	29,932,479
Estimated Return - Unsecured Creditors (cents/\$)		1.86	-	1.54	-



Detailed below are our key points in respect to the estimated return/s to creditors.

1. As outlined in section 10.1 of the VA report, no recoverable pre-appointment cash at bank was identified from searches.
2. To preserve the assets of the Company and allow the Voluntary Administrator to undertake a sale of the business, I have continued the Company's licensing arrangement with NORCO for use of the Company's premises. The payments from NORCO have been used to cover the Voluntary Administrator's holding costs. There are no surplus funds anticipated to be available for creditors. This arrangement has been terminated with effect from 30 April 2025. Please refer to section 10.2 of the VA report for further information.
3. The ERV of the stock is nil. Please refer to section 10.3 of the VA report for more information.
4. Under the DOCA proposal, there is no assignment of the SIG Claims to the Proponent. In a liquidation, I have assumed that the full claim of the Company against SIG is \$6 million. Please refer to section 11 of the VA report for further information regarding the SIG Claims.
5. Priority employee creditors will be entitled to receive the full amount owing to them under both a DOCA and liquidation scenario. Please refer to section 10.8 of the VA report for further information.
6. Under the DOCA proposal, the plant and equipment of the Company will not be available to creditors. The ERV of the assets under a liquidation scenario is based on the valuation report provided by Gordon Brothers which indicated a FLV of \$934,800. Please refer to section 10.4 of the VA report for more information.
7. The estimated costs with respect to the realisation of non-circulating security assets is \$55,000 in a liquidation low scenario and a \$110,000 in a liquidation high scenario.
8. NAB and SIG will not be participating creditors in the proposed DOCA. They will be participating creditors in a liquidation of the Company in accordance with section 554D of the Act. Please refer to section 10.7 of the VA report for details of secured creditors claims.
9. For details of employee entitlements and the DCT's SGC claim please refer to section 10.9 of the VA report.
10. Estimated shortfall to secured creditors after realisation of circulating and non-circulating assets.
11. Under the proposed DOCA, NAB, the Landlord, SIG and NOD will not participate in the DOCA. Under a liquidation scenario there are no excluded creditors. Please refer to section 10.10 of the VA report for further information.
12. Balance of funds held in the Voluntary Administration bank account as at 23 June 2025.
13. In a DOCA high scenario, the DOCA contributions of \$1.9 million are assumed to be paid in full by NOD. In a DOCA low scenario, it is assumed that NOD fails to pay the Deferred Contribution of \$1.15 million. Please refer to section 12 of the VA report for more information.

The \$100,000 upfront DOCA contribution is non-refundable and has been used to cover incurred costs of the Voluntary Administration.



14. There are potential voidable transactions totalling \$987,242. The recoverability of the voidable transactions will be subject to any defences raised by the defendants and their ability to satisfy the claim. Under a liquidation high scenario, based on the information available and my experience in the recoverability of voidable transactions, I have estimated 80% of the total voidable transactions to be recoverable. Under a liquidation low scenario, I have estimated 50% of the total voidable transactions to be recoverable. Please refer to section 11 of the VA report for further information.
15. There is a potential insolvent trading claim of at least \$3,303,380 against the relevant parties outlined in section 11 of the VA report. The recoverability of an insolvent trading claim will be subject to the me obtaining judgement or reaching a settlement with the defendants and the ability of the defendants to satisfy the claim. Under a liquidation high scenario, based on the information available to me regarding the financial capacity of the relevant parties, I have estimated 50% of the claim to be recoverable. Under a liquidation low scenario, I have estimated no recoveries from the insolvent trading claims. Please refer to section 11 of the VA report for further information.
16. To date, the Administrator's remuneration has been approved by the COI members up to a capped amount of \$675,863.50 (excl GST) and the Administrators have been paid a total of \$270,175 (excl GST). At the reconvened Second Meeting on Wednesday, 2 July 2025, I will be seeking further approval of my remuneration. Please refer to the Administrator's remuneration report for further details.
17. The Administrator has accrued liabilities of \$60,366 that remain outstanding as at the date of this report. This comprises estimated holding costs of \$45,367 and a valuation fee of \$15,000 (incl GST).
18. In a Liquidation of the Company, NOD will be entitled to claim from the Company the non-recourse loan of \$400,000 provided to the Voluntary Administrators.
19. Please refer to the Administrator's remuneration report detailing the tasks expected to be undertaken in a liquidation and estimated ASIC levy charges.
20. Please refer to the Administrator's remuneration report detailing the tasks expected to be undertaken in a DOCA and estimated ASIC levy charges.
21. Administrator's estimated accrued and future legal fees to the end of the Voluntary Administration.
22. Deed Administrator's estimated legal fees during the DOCA period.
23. Liquidator's estimated legal fees during the liquidation period to pursue recovery of the potential voidable transactions, insolvent trading claims, SIG claim and to sell the plant and equipment.



4. ADMINISTRATOR'S RECOMMENDATION

At the reconvened meeting of creditors, the following options are available to creditors to decide, being that:

- The Company should execute the DOCA.
- The Administration should end.
- The Company should be wound up.

Pursuant to Section 75-225(3)(b) of the IPR, I must provide a statement setting out my opinion about each of the above three options, whether each is in the interest of creditors and our reasons for those opinions.

Alternatively, creditors may resolve to adjourn the decision meeting of creditors in accordance with Section 75-140(3) of the IPR.

a) The Company should execute a DOCA.

As creditors are aware, a varied proposal for a DOCA has been received with expected funds to pay priority creditors in full and enhances the possibility of a greater return to unsecured creditors, therefore I **DO RECOMMEND** that creditors consider the proposal for a DOCA.

b) The Administration should end.

I am **NOT** of the opinion that it would be in creditors' interests for the Administration to end.

Should the Company's creditors resolve that the Administration be ended, the control of the Company would revert back to the Director. As detailed in my VA Report, I am of the view that the Company is insolvent and the affairs of the Company should be formally resolved.

c) The Company should be wound up.

Due to the fact that I am in receipt of a DOCA which provides a greater return to creditors than in a Liquidation, I am of the opinion that the Company **SHOULD NOT** be wound up.

Recommendation

The Administrator recommends that pursuant to Section 75-225(3)(b) of the IPR that the Company be authorised to execute the DOCA as the anticipated return under the DOCA is greater than that available under a Liquidation scenario.



5. RECEIPTS AND PAYMENTS

Attached at **Annexure C** is a summary of receipts and payments for the period, 8 January 2025 to 24 June 2025.

6. REMUNERATION

I attach at **Annexure E** my remuneration report which deals with remuneration incurred to date and future remuneration required to deal with the remainder of the Administration of the Company (and the DOCA/Liquidation of the Company, depending on the outcome on the reconvened meeting of creditors convened for **Wednesday, 2 July 2025**.

I also attach at **Schedule I** of my remuneration report, a schedule of ACG's rates for creditors' information.

Review of Administrators Remuneration

Pursuant to Section 60-11 of the IPS, the following parties may apply to Court for a review of a remuneration determination for an Administrator:

- ASIC.
- A person with a financial interest in the Administration.
- An officer of the Company.

Division 90 of the IPS provides that ASIC, the Court, creditors or members may appoint a Registered Liquidator to review the external administration including whether the remuneration, costs or expenses of the Administrator have been properly incurred. That Liquidator would be known as the "Reviewing Liquidator." Creditors should refer to my initial report to creditors dated 10 January 2025 which included ARITA's information sheet titled "Creditors Rights in Voluntary Administrations" or alternatively may access this via www.arita.com.au.

Pursuant to the provisions of the IPS, any of the above parties may appoint a Reviewing Liquidator by resolution or by agreement with the Administrator to assess the remuneration, costs or expenses incurred by us. The cost of the Reviewing Liquidator will be borne by the creditors (or those parties) or form part of the expenses of the Voluntary Administration.

Pursuant to Rules 70-45(2) and 70-45(3) of the IPR, before remuneration is fixed by the creditors or COI under Section 60-10 of the IPS, the Administrators must:

- (a) Prepare a report setting out such matters as will enable the creditors or members of the COI to make an informed assessment as to whether the proposed remuneration is reasonable; and
- (b) Give a copy of the report to each of the members of the COI or the creditors of the Company at the same time as they are notified of the relevant meeting of creditors.

Any creditors wishing to discuss the basis of my remuneration prior to the decision meeting of creditors should contact Kaiyan Wu of this office via kwu@astoncg.com.au.



7. RECONVENED SECOND MEETING OF CREDITORS

The decision meeting of creditors is now convened in accordance with Section 439A of the Act, to be held virtually at **3:00pm (Sydney Time) on Wednesday, 2 July 2025.**

Any proxy form submitted for the previous meeting cannot be used for the reconvened Second Meeting. A new proxy form must be completed. Creditors who intend to vote at the decision meeting of creditors are requested to submit a proxy (together with their POD if not done so already) by **4:00pm (Sydney Time) on Tuesday, 1 July 2025.** In the event that creditors do not submit particulars of their debts, they may be excluded from voting.

All corporate creditors must appoint a proxy if they wish to vote at the meeting and I require evidence of the authorisation of the corporation's officer executing the proxy, so that I may confirm its validity for voting purposes.

Creditors who have already lodged a POD do not need to complete a new POD.

Creditors are advised that the Administrator must act as Chairperson of the reconvened meeting of creditors. Further, it may be necessary for the Chairperson to use a casting vote in respect of a motion regarding the Company's future. It is my intention, as the Administrator, to use any casting vote in accordance with the recommendations contained within this report. This intention is based on the information available at the date of this report and the reasons set out in this report. This position is subject to the Administrator not receiving any further information before or during the meeting that would result in the recommendation being changed.

Should creditors have any queries in relation to this matter please do not hesitate to contact Kaiyan Wu of my office on (02) 8999 9375 or email to kwu@astoncg.com.au.

Yours faithfully

NEPEAN RIVER DAIRY PTY LIMITED (ADMINISTRATOR APPOINTED)

RAJIV GOYAL
Administrator