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10 October 2024

## Notice to Creditors

Dear Sir/Madam

**Beston Global Food Company Limited (Administrators Appointed) (BGF)**  
**ACN 603 023 383**  
**Beston Pure Dairies Pty Ltd (Administrators Appointed) (BPD)**  
**ACN 606 417 994**  
**(Collectively referred to as “the Companies”)**

I refer to the appointment of James Dampney, Gayle Dickerson, David Kidman and I as Joint and Several Voluntary Administrators (**Administrators**) of the Companies on Friday, 20 September 2024 pursuant to Section 436A of the Corporations Act 2001 (**the Act**). I also refer to our previous circular to creditors dated 23 September 2024.

### 1. Summary

As foreshadowed in the concurrent first meeting of creditors held on 2 October 2024, the Administrators have made an application to Court for an extension of the convening period(s) for the voluntary administrations of the Companies. Specifically, the Administrators intend to seek an extension of the convening periods until 28 February 2025.

Within the application, the Administrators are also seeking an order confirming that the Administrators are justified in entering into a loan between the Companies and National Australia Bank Limited (**NAB**) and limiting the Administrators' personal liability for repayment of loan to the available assets of the Companies. As discussed during the concurrent first meeting of creditors, the Administrators have secured a funding facility with the NAB to fund the Companies' working capital requirements during the administration period through an initial period to at least 1 November 2024.

Once the application has been heard by the Court, creditors will be notified of the outcome in a separate communication.

### 2. Current expiry date of the Convening Periods

The voluntary administration regime (as set out in Part 5.3A of the Act) is designed to facilitate orderly and timely outcomes for creditors. Pursuant to Section 439A of the Act, the Administrators must convene the second meeting of creditors within the “convening period”, generally being 20 – 25 business days after the voluntary administration begins.

The convening period for the Companies is due to expire on 28 October 2024.

The Court may extend this date should there be reasons that warrant an extension, including where an extension would enable a better outcome for the Companies' creditors and stakeholders.

As detailed in the notice to creditors and suppliers dated 23 September 2024, in the event that the convening period is not extended, a second meeting of creditors would be held for the Companies on or around **4 November 2024**.

At this meeting, the future of the Companies would be determined by creditors voting to:

- (a) accept a Deed of Company Arrangement (**DOCA**) proposal; or
- (b) return the Companies to the Directors' control (which will not be a viable outcome given the financial state of the Companies); or
- (c) resolving to place the Companies into liquidation.

### **3. Reasons to extend the Convening Periods**

As part of our role as Administrators of the Companies, the business and assets of the Companies are being marketed in one sale process, as this will maximise the likely purchaser interest in the Companies, their business operations and the assets (as a whole or in parts), and will also potentially maximise the sale price obtained as a consequence of that process.

As mentioned at section 2 above, currently the Administrators are scheduled to hold their second creditors meeting for the Companies on or around **4 November 2024**. This date is likely to be part-way through the Administrators' sale process, including any settlement period.

The convening period is sought to be extended to 28 February 2025 in the application to provide for the possibility that this sale process (including settlement period) can be properly completed and to avoid the need for an additional extension application in that event.

The further time contemplated by the extension of the convening period will in all likelihood increase the chances of the sale of the business as a going concern and/or a prospective purchaser putting forward a proposal to enter into a DOCA. Indeed, the sale campaign can be completed whilst the voluntary administration process continues. This will also enable the Directors (if they so desire) or other parties time and opportunity to formulate a DOCA proposal either as part of, or separate to, the sale campaign, including any due diligence requirements, thereby enabling optionality for all stakeholders and creditors.

It would be difficult for any creditor to reasonably assess any DOCA proposal that may be received by the end of the current convening period(s) (or at the second creditors meeting on or around 4 November 2024) in circumstances where the Administrators' sale campaign has not progressed to a point in which the Administrators have received and considered binding offers. Further, should an extension of the convening periods not occur then at the second meeting of creditors to be held on or before 4 November 2024, the Administrators, as of the date of this circular, would likely have no other option but to recommend that the Companies be placed into liquidation.

I note that any creditors meeting can always be brought forward, notwithstanding an extension being sought to 28 February 2025. I also note that no objections were raised by creditors when the proposed extension was discussed during the concurrent first meeting of creditors held on 2 October 2024.

### **4. Request of creditors**

Should any creditors object to the extension of the convening periods, you are requested to send this objection to my office in writing by no later than 5:00pm ACDT on Tuesday, 15 October 2024 by email to **beston@kpmg.com.au**.

The Administrators have already filed their urgent application with the Federal Court and the Court has advised a hearing at 9:30am ACDT on Thursday, 17 October 2024 in Adelaide. Any objections will be considered as part of this application.

Creditors will be notified of the result of the above in a separate communication.

Should you have any questions, please contact James Crabtree-Morton at [beston@kpmg.com.au](mailto:beston@kpmg.com.au).

Yours faithfully

A handwritten signature in black ink, appearing to read 'TD Mableson', written in a cursive style.

**TD Mableson**  
Joint and Several Voluntary Administrator