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Form 5011

Corporations Act 2001
s436E, 439A
Insolvency Practice Rules (Corporations) 2016
s75-145(1)(c)

Copy of minutes of meeting

Liquidator details

Registered liquidator number

559206

Registered liquidator name

LISA MARIE GIBB

Company details

Company name

OCEANIA GLASS PTY LTD

630 152 206

Section under which minutes are lodged

Date of meeting

17-03-2025

Are the minutes being lodged for a meeting convened under s436E, or s439A of the Corporations Act 2001?

No

Certification

I certify that the attached minutes of meeting are a true copy of the original minutes of meeting signed by the chair of the meeting as identified in the minutes.

Yes

Authentication

This form has been authenticated by
Name LISA MARIE GIBB
This form has been submitted by
Name David TREHY
Date 02-04-2025

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MINUTES OF MEETING OF COMMITTEE OF INSPECTION (COI) OF OCEANIA GLASS PTY LTD (ADMINISTRATORS APPOINTED) (THE COMPANY) ACN 630 152 206

HELD VIRTUALLY VIA MICROSOFT TEAMS ON 17 March 2025 AT 1:00 PM AEDT

Chairperson

The Chairperson introduced themselves and informed the meeting they were presiding over the meeting pursuant to Insolvency Practice Rule (IPR) 75-50.

Opening

The Chairperson opened the meeting at 1:07 PM.

Present

Lisa Gibb, Chairperson

Grace Lyon, Staff of the Joint and Several Administrators

The following members of the COI are present at the meeting:

- Warren Seal, representing XINYI Group (Glass) Company Limited.
- Peter Lyon-Mercado, representing CCP VI VG Holdings Pty Ltd.
- William Segaert, representing Saint-Gobain Glass India Private Ltd & Saint-Gobain Glass Deutschland GmbH.
- Jimmy Mastrandonakis, representing the Australian Workers Union.
- Skye Hennessy, a priority (employee) creditor.

Individuals representing body corporate members were authorised in writing in accordance with Insolvency Practice Rule (**IPR**) **80-5(7).**

The Chairperson further advised that Robert Malt from the Department of Employment and Workplace Relations was present at the meeting as an observer and has a legal entitlement to do so under **IPR 80-5(2)(d).**

Quorum

The Chairperson advised that as a majority of its members were present a quorum was constituted, and the meeting may proceed pursuant to **IPR 80-5(6).** The Chairperson advised that pursuant to **IPR 80-5(6**) the committee can act by the majority of its members present.

Notice of meeting

The Chairperson tabled a copy of the Notice of Meeting and advised it was sent to all members of the Committee of Inspection on 4 March 2025, in accordance with **IPRs 75-10 – 75-25**. It was also published with ASIC in accordance with **IPR 75-40**.

The Chairperson noted that less than 10 business days' notice of the meeting was given as it was appropriate in the circumstances and unless there were any objections the meeting would proceed. There were no objections.

Purpose of meeting

The Chairperson advised that the purpose of the meeting was to:

- To receive and consider a report from the Administrators; and
- To consider the progress of the Voluntary Administrators Appointment.

General business could also be discussed.

Administrators' Update

The Chairperson tabled a copy of the Report to the Committee of Inspection sent to all members of the Committee on 11 March 2025 and advised this was to be taken as read.

The Chairperson discussed the key content of the Report to the Committee of Inspection.

The update included details of the following:

- Trading and wind down of manufacturing.
- Extension of the convening period.
- Application to the Department of Employment and Workplace Relations for employees early access to the Fair Entitlement Guarantee Scheme ('FEG').
- Financial Position.
- Receipts and Payments.
- Sale of Business.

Please note that some information presented and discussed in this meeting may have been omitted from the minutes due to the confidential nature of the information which is available only to the COI.

Trading and wind down of manufacturing

- The Chairperson provided details surrounding the staged wind-down of the manufacturing plant including confirmed employee redundancies as well as planned future redundancies. The Chairperson reiterated the reasoning behind the decision to cease manufacturing operations.
- An update was provided on the steps taken in ceasing manufacturing operations and shutting down the float line including draining the tin bath and decommissioning the site in accordance with the requirements set by Environmental Protection Australia.

Warren Seal, representing XINYI Group (Glass) Company Limited, asked a question to the Chairperson as detailed below.

Question from Warren Seal, representing XINYI Group (Glass) Company Limited	Who will be responsible for the demolition of the plant?
Chairperson response	The Chairperson advised that Charter Hall, as landlord, will be responsible for preparing the site for its next use. The premises are rented, and the Administrators will safely close down the plant prior to handing it back to the landlord. The Chairperson stated that the Administrators have engaged with Charter Hall from early in the Administration and that Charter Hall had attended the Dandenong premises with external consultants on multiple occasions.

Extension of Convening Period

- The Chairperson advised that the Administrators sought an extension of the period in which they are required to convene a second meeting of creditors and that a copy of the affidavit in support of the application was previously sent to all creditors.
- The Chairperson noted that it was originally the Administrators intention to seek an extension up to 31 August 2025. As no buyer had been found for the business as a whole, the Administrators elected to only seek an extension to 31 July 2025. The extension granted was up to and including 31 July 2025, and the Administrators are required to hold the second meeting of creditors on or before 7 August 2025 at which point creditors will decide whether to place the Company into Liquidation, hand control of the company back to the director, or enter into a Deed of Company Arrangement.

- The Chairperson advised that at this stage it is most likely that the Administrators will recommend to place the Company into Liquidation. This is because the Company is insolvent and it would not be feasible to hand it back to the director. The Chairperson also confirmed that the Administrators have not received a proposal for a Deed of Company Arrangement.
- The Chairperson noted the concerns around the extension to the convening period and the effects this would have on employees' ability to access FEG, given the extension would delay the Company being placed into Liquidation. The Chairperson noted that the affidavit in support of the convening period extension addressed these concerns and outlined the reasons for the necessity of the extension. The Chairperson noted specifically that there was a high volume of stock held by the Company at leased premises and by placing the Company into Liquidation, this provided an avenue for landlords to potentially repossess the premises and claim a lien over the stock. The Chairperson stated the importance of avoiding this situation given the stock is a circulating asset that will ultimately be for the benefit of priority creditors.

Application to the Department of Employment and Workplace Relations

- The Chairperson advised that on 4 March 2025, shortly after the announcement of the cessation of manufacturing operations, the Administrators lodged an application with the Minister for the Department of Employment and Workplace Relations to allow employees early access to the FEG Scheme. On 11 March 2025, this application was approved by the Minister. The Chairperson advised that a copy of the legislative instrument is available on the Federal Register of Legislation.
- In respect of the FEG Scheme, the Chairperson noted that FEG was in the process of setting up the portal so that employees could commence their claims process.
- The Chairperson advised that the Administrators had been working to calculate the employee entitlements but noted that this was a particularly complex process in these circumstances given the various EBAs. The Chairperson noted that it was their intention to notify the employees of their entitlements within the forthcoming days as well as announce the early access to FEG.

Financial Position

- The Chairperson detailed the assets that were available upon the appointment of Administrators, as:
    - Cash and cash equivalents: c.$1.28 million
    - Debtors: c.$21.1 million
    - Stock (at cost): $50.41 million
    - PPE (Net Book Value): '*Withheld from the minutes'*
- The Chairperson noted that the Company's debtor book was secured by ScotPac Finance but advised that the ScotPac's debt had now been paid out. The Company is continuing to collect debtors and the Chairperson noted that there had not been any issues with debtor collections to date.
- The Chairperson advised that there had been high demand for the stock, and that the Administrators were able to secure $17m in pre-paid sales shortly after appointment. The total sales during the Administration as at the date of the meeting were approximately $25m excluding GST.
- The Chairperson noted that the Company held a large volume of Property, Plant & Equipment ('PPE'). The Administrators have obtained an independent valuation on the equipment but details of this valuation were confidential. The Administrators were working to sell this PPE as a part of a broader sale of the business but would also consider piecemeal offers if required.
- The Chairperson provided details of the Company's creditors as at the date of appointment, as detailed below:
    - Secured creditor (CCP VI VG Holdings) c.$48.13 million
    - Secured creditor (Scotpac) c.$10.55 million (now repaid)
    - Employee entitlements c.$61.01 million
    - Trade and other unsecured creditors c.$13.79 million

- The Chairperson explained the reason as to why the value of employee entitlements had increased from the figure advised in the first meeting of creditors.

Receipts and Payments

The Chairperson advised of the details of the key receipts and payments in the Administration up to 9 March 2025, as stated below:

Key receipts:

- Prepaid sales (bulk orders): c.$17.44m
- Foreign exchange settlements: c.$705k
- Cash at bank on appointment: c.$583k

Key payments

- Wages and salaries (net): c.$2.291m
- Raw materials: c.$1.01m
- Rent & rates: c.$1.285m

- The Chairperson noted that the payments stated were the actual cash payments made by the Administrators and did not include the value of any goods or services supplied to the Administrators on credit terms, of which the Administrators estimate c.$6.3m remains due and payable.
- The Chairperson discussed the value of key expenses in the Administration, noting that wages and salaries (c.$3.41m), rent and outgoings (c.$1.2m), energy costs (c.$2m), and outwards freight (c.$330k/week) were the most significant costs.
- The Chairperson noted that wages have been scaled back significantly due to a majority of the workforce being made redundant.

Sale of Business

- The Chairperson advised that the meeting was called with the intention of providing an update to the Committee on the status of the sale. The Chairperson noted that unfortunately they were not able to give a detailed update as the sale had not yet been finalised and the offers received were subject to a confidentiality clause, but provided the below details:
    - Initially, there were twenty-one (21) non-disclosure agreements signed by interested parties, seven (7) non-binding offers were received with three (3) of these offers being only for specific assets.
    - There were (4) parties who submitted non-binding offers for the sale of the business that were progressed to the next stage in the sale process, but two (2) of these parties did not subsequently submit a binding offer after further due diligence.
    - Binding offers were due initially on 7 March 2025, however a number of parties were provided an extension. The Chairperson provided reasoning for granting the extensions.
    - The Administrators are currently working with two interested parties. Both binding offers are for the distribution business only, including PPE and stock.
    - The offers are confidential and cannot be discussed in detail, and the offers themselves contain confidentiality clauses.
- The Chairperson advised that they would provide the Committee an update on the sale when it becomes available.

Jimmy Mastrandonakis, representing the Australian Workers Union, asked a question to the Chairperson as detailed below.

Question from Jimmy Mastrandonakis, representing the Australian Workers Union	Are the offers for the purchase of the business for all of the distribution centres?

Chairperson response	The Chairperson advised that the offers were not necessarily in respect of all distribution centres, but that the details of each offer could not be disclosed due to confidentiality. However, the Chairperson confirmed that both offers do not include all distribution sites.

- The Chairperson noted that the Administrators are currently reviewing these offers and are also comparing these offers to a Liquidation scenario.
- The Chairperson reiterated that they could not provide any further details regarding the offers.

Questions and Answers

The Chairperson asked the members if there were any questions.

Questions were asked and answered in the meeting as follows.

Question from Warren Seal, representing XINYI Group (Glass) Company Limited	When a decision is made regarding sale of distribution network, how long does the process of actually executing the sale take?
Chairperson response	The Chairperson advised that the execution of a sale could take a couple of weeks and that it can take a number of forms depending on the offer. The Administrators hope to have a contract signed in the next 2-3 weeks.
Question from Warren Seal, representing XINYI Group (Glass) Company Limited	In terms of maximising the value of distribution network, the suppliers of Oceania would be important intellectual property, has this information been disclosed to the interested parties?
Chairperson response	The Chairperson advised the financial information has been disclosed to the interested parties and therefore they would be aware of who the suppliers are.
Question from Warren Seal, representing XINYI Group (Glass) Company Limited	The reason I ask is because I have heard a rumour, which may not be true, that Oceania Glass employees are doing work with Viridian to assist them with supplier arrangements.
Chairperson response	The Chairperson advised that they cannot comment on these allegations as they have not been advised of this to date.
Question from Warren Seal, representing XINYI Group (Glass) Company Limited	Can this be checked because it doesn't feel right?
Chairperson response	The Chairperson advised that they would not have the Company's employees working for another party. The employees may assist during a sale process if there were questions from a third party.

Question from Warren Seal, representing XINYI Group (Glass) Company Limited	Advised that this was on good information so asked for it to be checked.
Chairperson response	The Chairperson confirmed that this can be checked and if appropriate, will be dealt with.
Question from Peter Lyon-Mercado, representing CCP VI VG Holdings Pty Ltd	It was mentioned before about the employee entitlements being c.$61m, and then it was revised down, has it now gone back up to the c.$61m?
Chairperson response	The Chairperson advised that it was initially advised to creditors that employee entitlements were c.$46m which was based on the information available at the time from Company records. The Administrators' staff have spent significant time reviewing the employee entitlements and c.$61m is what the Administrators believe to be owed, after their detailed review.
Question from Peter Lyon-Mercado, representing CCP VI VG Holdings Pty Ltd	The tin from the tin bath has been set aside, but has it been sold?
Chairperson response	The Chairperson advised that the tin bath had been drained and that there were three (3) parties interested in purchasing the tin. The offers were relatively similar as they were all based on market pricing. The Administrators hope to have the tin sold in the coming days but that they were still working through the offers.
Question from William Segaert, representing Saint-Gobain Glass India Private Ltd & Saint-Gobain Glass Deutschland GmbH	Can the stock levels on a stock item basis be shared?
Chairperson response	The Chairperson advised that this information was not available at this stage as the Administrators are still exploring a sale of the business. If a sale of the business was not successful, the Administrators could work with customers on a one-by-one basis. The Administrators could not provide a full stock listing but could check key stock items that were of interest.
Question from William Segaert, representing Saint-Gobain Glass India Private Ltd & Saint-Gobain Glass Deutschland GmbH	Do you share the stock listing information with customers?

Chairperson response	The Chairperson advised they do not share this information with customers other than in WA. If an order is placed, it will either be approved or not, but a stock listing cannot be provided.
Question from William Segaert, representing Saint-Gobain Glass India Private Ltd & Saint-Gobain Glass Deutschland GmbH	Are you continuing to trade on an open account basis with customers?
Chairperson response	The Chairperson confirmed that the Administrators were continuing to trade on normal terms with customers based on their current agreements with the Company.
Question from William Segaert, representing Saint-Gobain Glass India Private Ltd & Saint-Gobain Glass Deutschland GmbH	What securities of payment have you got with these customers?
Chairperson response	The Chairperson advised that the Administrators were trading on normal terms and that the Company runs a tight credit system with their customers. The Administrators have no reason to doubt that the customers cannot make payment. The customers have credit limits, and these have not been increased.
Question from William Segaert, representing Saint-Gobain Glass India Private Ltd & Saint-Gobain Glass Deutschland GmbH	I would anticipate that there should be some securities of payment attached to trading in this situation.
Chairperson response	The Chairperson advised that typically this would mean less sales if cash on delivery was required and that they are continuously reviewing the risk profile of customers.
Question from William Segaert, representing Saint-Gobain Glass India Private Ltd & Saint-Gobain Glass Deutschland GmbH	The industry is in turmoil at the moment and there is a high risk of customers not being able to meet their obligations.
Chairperson response	The Chairperson advised that this is something that is managed daily and that the Administrators have not had any issues with debtor collections. There has been upfront payment for a majority of orders.

	The Company's CFO is across the debtor collections and any customer who defaults is immediately put on stop credit, with some customers already on COD terms. The Administrators have weighed up the risk and have considered the commerciality but cannot expect all customers to be able to satisfy their existing debts as well as pay cash upfront. The risk in implementing a COD policy is that it may reduce sales, which means trading for a longer period and incurring significant costs.
Question from William Segaert, representing Saint-Gobain Glass India Private Ltd & Saint-Gobain Glass Deutschland GmbH	Are there retention of title agreements with any of the customers?
Chairperson response	The Chairperson advised that the Company has this as standard.
Question from William Segaert, representing Saint-Gobain Glass India Private Ltd & Saint-Gobain Glass Deutschland GmbH	Can this be checked?
Chairperson response	The Chairperson confirmed that this will be checked. The Chairperson requested that if Mr Segaert is aware of any party that he believes is a credit risk that he should provide that information to the Administrators.
Question from William Segaert, representing Saint-Gobain Glass India Private Ltd & Saint-Gobain Glass Deutschland GmbH	It was suggested that there was an $8m revenue opportunity with the tin, how would that be realised? Is that scrap?
Chairperson response	The Chairperson advised that it was the Administrators understanding that it is part of the raw materials as there is a certain amount of tin that gets fed into the process to make the glass and then there is a by-waste of the tin. The tin has been built up over time. The tin sits at the bottom of the tin bath and the last time the Company extracted the tin was 10 years ago. From a credit risk perspective, the sale of this tin will be cash on delivery.

Question from Jimmy Mastrandonakis, representing the Australian Workers Union	Will the value of the stock, once realised, fall for the benefit of the employees?
Chairperson response	The Chairperson confirmed that the realisation of the stock will benefit priority creditors as it is a circulating asset. When FEG provide payment to the employees, the value of these employee claims are subrogated to FEG. The circulating asset pool will be for FEG and any other priority (employee) claims that are not met by FEG. The Chairperson clarified that PPE is considered a non-circulating asset and that this would be realised for the benefit of the secured lender. The Chairperson advised that they could not comment on what the exact realisation value of the stock would at this stage as it would be dependent on the outcome of the sale and the trading of the business. In respect of the tin, the Chairperson noted that the Administrators have obtained initial legal advice that the tin would be a circulating asset.

The Chairperson confirmed with all COI members that there were no further questions. The Chairperson advised Robert Malt from the Department of Employment and Workplace Relations that given he is an observer, that any questions could be discussed outside of the meeting.

The Chairperson advised that an update on the sale would be provided to the COI in the form of an email as soon as the Administrators are able to do so. The Chairperson reiterated that any information shared to the COI is strictly private and confidential.

Closure

There being no further questions or discussion, the Chairperson declared the meeting closed at 1:50PM.

Dated 1 April 2025

Lisa Gibb

Chairperson