

30 July 2020

To the Creditor
As Addressed

CIRCULAR TO CREDITORS

Dear Sir or Madam

UNION STANDARD INTERNATIONAL GROUP PTY LTD (ADMINISTRATORS APPOINTED) ACN 117 658 349 (“THE COMPANY”)

I refer to Andrew Cummins and my appointment as Joint and Several Voluntary Administrators of the Company on 8 July 2020, and to previous correspondence on this matter.

We advise that an application to extend the convening period was heard by Justice Stewart of the Federal Court of Australia on 28 July 2020. That same day, Justice Stewart granted our request and made Orders extending the convening period to 18 September 2020, and other ancillary orders.

The Orders extend the Voluntary Administration timeline, by extending the date by which the Second Meeting of Creditors is to be convened, to not later than 18 September 2020. By this date, the Second Report to Creditors will be issued providing at least five (5) business days notice ahead of the second meeting of creditors.

In accordance with the Court’s directions, this circular has been emailed to all known or potential creditors of the Company, and a copy of these Orders and the Interlocutory Process have been published on our website: <http://briferrier.com.au/about-us/current-matters/union-standard-international-group-pty-ltd>

We sought these orders for the benefit of all creditors, and note the following critical matters:

- ▲ Firstly, we have real concerns as to the Company’s true financial position. There was a large amount of creditor claims submitted for the first creditors meeting, which far exceed those disclosed in the Company’s financial records. We are investigating these claims as a matter of priority, so that the creditors’ position can be accurately reported and those parties can determine the future of the Company at the Second Meeting of Creditors.
- ▲ Secondly, we have experienced substantial difficulties gaining access to the trading platforms and data, such that we have not been able to determine the true financial position of the Company. Much of these issues have resulted from the shareholder refusing to assist or comply with our reasonable requests for access. We are currently attempting to resolve these issues and obtain access urgently.

- ▲ Thirdly, we are currently offering the business and assets of the Company for sale publicly. A number of parties registered interest in the business and assets (in part or as a whole) and we are now embarking on a due diligence phase. That sale process will take additional time, beyond the ordinary Voluntary Administration timeframe. At this stage, we anticipate that the sale process will conclude in late August 2020, however it is too early to determine what offers will be forthcoming or the return that may be available for creditors.
- ▲ Finally, you will be aware that there are clients with open positions and that a formal request has been made to clients to close their open positions prior to 7 August 2020. The extension of the convening period will allow time for clients to close-out and crystallise their claims, such that they can vote at the Second Meeting of creditors where the future of the Company will be determined.

Should you have any further queries, please contact our office on (02) 8263 2300 or usg@brifnsw.com.au.

Yours faithfully

UNION STANDARD INTERNATIONAL GROUP PTY LTD
(ADMINISTRATORS APPOINTED)



PETER KREJCI

Joint and Several Administrator