

Declaration of Independence, Relevant Relationships and Indemnities (“DIRRI”)

Union Standard International Group Pty Ltd

(In Liquidation)

ACN 117 658 349

(“the Company”)

7 September 2020

Peter Krejci and Andrew Cummins
Joint and Several Liquidators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
Level 30, Australia Square, 264 George Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Facsimile (02) 8263 2399
Email: usg@brifnsw.com.au
Website: www.briferrier.com.au



This is a replacement Declaration of Independence, Relevant Relationships and Indemnities (“DIRRI”) to the DIRRI previously issued by us, Peter Krejci and Andrew Cummins, dated 10 July 2020.

This DIRRI has been issued as a result of Orders made by Justice Yates of the Federal Court of Australian, whereby on 3 September 2020 the Voluntary Administration ended and the Company was placed into Liquidation. That day, we ceased to be appointed as Joint and Several Voluntary Administrators, and were appointed Joint and Several Liquidators of the Company.

This document requires the Practitioner appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including:
 - i the circumstances of the appointment;
 - ii any relationships with the Insolvent and others within the previous 24 months;
 - iii any prior professional services for the Insolvent within the previous 24 months;
 - iv. any other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our principals, BRI Ferrier (NSW) Pty Ltd and the other members of the BRI Ferrier network across Australia.

A. INDEPENDENCE

We, Peter Krejci and Andrew Cummins, of BRI Ferrier (NSW) Pty Ltd, have undertaken a proper assessment of the risks to our independence prior to accepting our previous appointments as Voluntary Administrators, and now Liquidators, of Union Standard International Group Pty Ltd (In Liquidation) (“the Company/USG”) in accordance with the law and applicable professional standards.

This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. DECLARATION OF RELATIONSHIPS

I. CIRCUMSTANCES OF APPOINTMENT

Our appointment as Voluntary Administrators, was referred to us by Mr Andrew Jeffers from Shuriken Consulting, the Company’s external accountants. Shuriken Consulting is an accounting firm who we have dealt with from time to time.

Our firm has been referred other matters from Shuriken Consulting, however these matters were referred to us on an irregular basis. Further, we have not received or paid any benefit to Shuriken Consulting with respect to these referrals. Therefore, we are of the view that the referral source will not give rise to a conflict of interest.

Detailed below is a summary of the communication leading to our appointment as Voluntary Administrators:

- On 29 June 2020, Mr Krejci received a telephone call from Mr Andrew Jeffers of Shuriken Consulting regarding his client USG. Mr Jeffers provided some background information on the Company's affairs referring to ASIC proceedings and the directors concerns around USG's solvency. In this telephone conversation, Mr Krejci explained the various options available to the Company and the nature and consequences of an insolvency appointment. Mr Jeffers referred Mr Krejci to the various judgments handed down by the Court in respect of the ASIC proceedings to obtain further background information on the Company.
- On 30 June 2020, Mr Krejci sent Mr Jeffers an email with commentary questioning the Company's Net Tangible Asset position and suggesting that the appointment of a Voluntary Administrator could be warranted if the Company was insolvent or about to become insolvent.
- On Thursday 2 July 2020, Mr Krejci received a phone call from Mr Andrew Jeffers asking him to meet with the director Mr John Martin and CEO Mr Shay Zakhaim on Friday 3 July 2020.
- On Friday 3 July 2020, Mr Krejci met with Mr Andrew Jeffers, Mr John Martin and Mr Zakhaim the purpose of this meeting was to:
 - Physically meet with Mr John Martin and confirm his identity;
 - Obtain sufficient information about the financial position of the Company and to advise the Company, its officers and its advisors on the Company's solvency; and
 - Discuss the potential appointment of an Administrator.
- On Monday 6 July 2020, Mr Krejci received a phone call from Mr Jeffers requesting a further meeting with Mr John Martin and Mr Zakhaim. On the same day, Mr Krejci met with Mr Jeffers, Mr Martin and Mr Zakhaim to discuss the appointment of a Voluntary Administrator and the process generally. I advised Mr Martin that I was prepared to Consent to Act as Administrator.
- On Tuesday, 7 July 2020, Mr Krejci received a phone call from Mr Jeffers requesting that he participate in a teleconference with Mr John Martin, Mr Darren Burns, Mr Zakhaim and the representatives of the Taiwanese shareholders. Mr Krejci participated in the teleconference with the these parties at 12pm that day. Included in this teleconference was Ms Joyce Shen (Company operations manager and translator) and Ms Queena as representative of the Company's shareholders. The purpose of the teleconference was to discuss the appointment of a Voluntary Administrator to the Company and the practicalities of such an appointment for the Company's business.

- On Tuesday, 7 July 2020, Mr Krejci received a phone call from Mr Jeffers requesting that he forward appointment documents for the appointment of a Voluntary Administrator to Mr John Martin.
- On Tuesday, 7 July 2020, Mr Krejci sent an email to Mr John Martin and Mr Zakhaim attaching appointment documents for a Voluntary Administrator.

Neither of us, nor our firm have received any remuneration for the abovementioned correspondence and advice.

These above meetings and correspondence do not impede our independence for the following reasons:

- The Courts and the Australian Restructuring Insolvency and Turnaround Association's ("ARITA") Code of Professional Practice ("COPP") specifically recognise the need for practitioners to provide advice on the insolvency practice and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- The nature of the discussions with the Director are such that it would not be subject to review and challenge during the course of the Voluntary Administration;
- The pre-appointment information provided by us will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the administration of the Company in an objective and impartial manner; and
- The Directors obtained their own advice and formed his own views regarding the financial position of the Company.

We have provided no other information or advice to the Company, its Directors or advisors prior to our appointment beyond that which we have outlined in the DIRRI.

Following our appointment as Administrators, we encountered substantial difficulties in dealing with the Company's affairs and conducting investigations due to the conduct of the shareholder, Union Standard Group International Holdings Limited and Mr Soe Hein Minn, one of the Directors of the Company and the major beneficial owner of the shareholder. The difficulties were such that the objects of the Act could not be met and the Voluntary Administration should not continue, in our view.

Accordingly, we filed an application in the Federal Court of Australia, seeking orders that the Voluntary Administration end and the Company be wound up on just and equitable grounds. On 3 September 2020, Justice Yates of the Federal Court of Australia made Orders granting our application.

We note that Justice Yates also considered an application from the Shareholder, who was seeking to have an alternate Liquidator appointed to the Company, instead of ourselves. It was, and still remains, our view that there is no conflict for us being appointed Liquidators of the Company. Justice Yates made Orders that day, 3 September 2020, that our appointment as Voluntary Administrators would end, and that we would be appointed Joint and Several Liquidators of the Company.

II. RELEVANT RELATIONSHIPS (EXCLUDING PROFESSIONAL SERVICES TO THE INSOLVENT)

Neither of us, nor our firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially whole of the Company’s property except as disclosed as follows:

Name	Nature of relationship	Reasons why not an Impediment or Conflict
The Australian Taxation Office (“ATO”) / Deputy Commissioner of Taxation	<p>Principals and Directors of BRI Ferrier around Australia, were, until its expiration at the end of 2014, members of a panel of Court Liquidators established by the ATO and accepted appointments by Australian Courts initiated by the Deputy Commissioner.</p> <p>These Court Liquidators have undertaken to the ATO to accept appointments as Liquidator appointed by a Court under the Corporations Act where the ATO is the applicant creditor, whether the company has assets or not.</p> <p>BRI Ferrier is likely to seek inclusion in any comparable panel should one be established in future.</p>	<p>The ATO is not currently known to be a creditor of the Company, however, this may change as the mater progresses.</p> <p>The ATO is a sophisticated statutory creditor and is administratively bound to act as a Model Litigant.</p> <p>In our experience the ATO does not seek to exert improper pressure on insolvency practitioners in connection with the discharge of their duties to creditors generally.</p> <p>Membership of the panel was not conditional upon any preference or benefit being conferred upon the ATO.</p>

III. PRIOR PROFESSIONAL SERVICES TO THE INSOLVENT

Neither of us, nor our Firm, have, or have had within the preceding 24 months, provided any professional services to the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially the whole of the Company’s property in the previous 24 months.

IV. NO OTHER RELEVANT RELATIONSHIPS TO DISCLOSE

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months, with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially the whole of the Company’s property other than disclosed in this DIRRI that should be disclosed.

C. INDEMNITIES AND UP-FRONT PAYMENTS

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute, and have not received any up-front payments.

Dated: 7 September 2020



.....
Peter Krejci
Joint and Several Liquidator



.....
Andrew Cummins
Joint and Several Liquidator

Notes:

- 1 If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.
- 2 Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.