

25 January 2022

**UNION STANDARD INTERNATIONAL GROUP PTY LTD (IN LIQUIDATION)
ACN 117 658 349**

FREQUENTLY ASKED QUESTIONS – UPDATED ON 25 JANUARY 2022

Dear USG Client,

This Frequently Asked Questions (FAQ) document has been compiled to update creditors based on the various enquiries we have received. It is also available to view on our BRI Ferrier website: <https://briferrier.com.au/about-us/current-matters/union-standard-international-group-pty-ltd>.

1. What is happening regarding the Liquidators' application to the Federal Court of Australia?

On 23 April 2021, we submitted an application to the Federal Court of Australia, seeking directions on various matters, including the treatment of recoveries in the Liquidation and the entitlements of the different classes of creditors. As part of these proceedings, interim orders were made by Justice Jagot on 24 June 2021 confirming the appointment of two (2) "contradictor" creditors and their respective lawyers, as representatives for the major creditor classes, being the "Trading" clients and "Investor" clients.

The purpose of appointing the contradictors was so that they could advance arguments to the Court on behalf of their respective classes on the matters to be addressed in our application, while we, as Liquidators, remained relatively neutral and led the factual evidence. The matter was complex, with limited precedent case law on the particular circumstances of the Company's affairs.

On 26 November 2021, Justice Jagot handed down her decision with detailed reasons over 46 pages, and on 14 December 2021, Justice Jagot made orders, giving effect to her decision. Those orders effectively mean that both Trading clients and Investor clients are trust creditors with equal standing and funds recovered to date are held on trust for these trust creditors. The trust creditors are entitled to a pro-rata distribution of any surplus trust assets, after costs. Our expenses and remuneration are costs to be paid from the available trust assets and any deposits made by Trading or Investor clients into the Company's trust accounts after 8 July 2020 were made in error and can be returned in full.

Creditors can access a copy of the judgment and the Court orders from the BRI Ferrier website.

2. What are the next steps in the Liquidation?

There are insufficient funds available to declare a meaningful dividend to creditors at this stage, and therefore we are moving to hold public examinations as we pursue recovery actions for the benefit of creditors. Public examinations are a formal process which allow Liquidators to compel relevant parties to

produce documents and ask questions under oath. The outcome is that evidence is gathered which can then be used to recoveries via litigation (or other means) and/or prosecution of parties involved.

Given the complex nature of Company's dealings with clients and the quantum of missing funds, we anticipate that the public examination process will be substantive and may occur in stages. We are hopeful that the outcomes will be recoveries for creditors and prosecution of the true parties behind the Company's operations.

We have reported to the COI in regard to the public examination process, and the COI have expressed support for this course of action. Much of our enquiries are confidential and commercially sensitive therefore we are unable to provide further detail, so as not to prejudice potential recovery actions. However, should any creditors have information they consider is relevant to our investigations and public examinations, they are invited to contact our office without delay. Such communication can be done on a confidential basis, if necessary.

3. What happens if I deposited funds in USG after 8 July 2020?

As part of the orders made by the Federal Court of Australia on 14 December 2021, we will shortly be issuing correspondence to clients who have deposited funds into the Company's bank accounts after our appointment in error. This will establish the process (including the information and documentation we require to be produced) and timeframe for the return of these funds. All funds deposited with the Company before 8 July 2020 are subject to the Liquidation process, and cannot be returned at this time.

4. Do I need to complete a proof of debt form?

Until you are paid the amounts the Company owes you, you are considered a creditor of the Company. All creditors are encouraged to complete and return to this office a proof of debt form, a copy of which is available to download from the BRI Ferrier website.

This document represents a formal declaration by you as to the funds owed to you by the Company as at our appointment on 8 July 2020. If your account(s) shows there is a balance owed to you, you should submit your claim in respect of this balance, excluding any credits as it cannot be "cashed out".

Please note that pursuant to orders from the Federal Court of Australia on 14 December 2021, any negative account balance(s) will be set-off against the positive balance(s).

Please also note that pursuant to the orders, if you have an account balance with less than \$50, you are not entitled to participate in any distribution from the Liquidation.

We also request that you provide supporting documents with your claim, such as banking deposits or screenshots of your MT4 account(s).

Completion of the Proof of Debt Form does not automatically provide you with an entitlement to receive a refund.

5. When will I receive further updates from BRI Ferrier?

We will issue reports from time to time, as relevant matters transpire in the Liquidation. There is no set statutory timeframe.

At this stage, we intend to issue a detailed report to all creditors once we have completed the public examination process. This will likely to take a number of months to be held. In the interim, we continue to provide regular reporting to the COI.

We will continue to provide updates on the matter via our website and request that creditors who have additional queries to email usg@brifnsw.com.au.

6. Who are the members of the Committee of Inspection (COI)?

We note that the COI members are the creditor representatives, who were appointed by the creditors at the creditors meeting on 16 October 2020. The appointed COI members are currently:

- ▲ Andrew McCloskey;
- ▲ Chin-Chun Chen;
- ▲ Jiapei Liu;
- ▲ Peter Huang;
- ▲ Shih Keui Cheng; and
- ▲ Wang Xu Hong.

No new members are currently being admitted to the COI. The Corporations Act 2001 requires a resolution to be passed at a full meeting of creditors, and at this time it is impractical and too costly to convene another full meeting of creditors for the sole purpose of considering further COI appointments. Should circumstances change, we will advise creditors accordingly.

7. What else have the Liquidators been doing?

The Liquidators have been focused on asset recoveries which will increase the pool of funds available to creditors. These have included the following:

- ▲ A significant amount of work was undertaken in relation to company tax that was paid to the Australian Taxation Office (“ATO”) in the years prior to our appointment. Our analysis of the historical financial statements indicated that the Company had not correctly accounted for the transactions with the Investor clients, and in doing so, that the profit had been dramatically overstated. The effect was that the Company had incurred significant trading losses and had incorrectly paid the ATO around \$6M in company tax between FY2017 and FY2020. We are pleased to advise that we have recovered the overpaid tax, plus a minor amount of interest.
- ▲ We are continuing to pursue the Money Processors who held the Company’s funds as at our appointment. Unfortunately, the majority of the offshore Money Processors have been uncooperative to date, in particular UPay and TVPay which we understand were controlled by the Shareholder and may in effect be a sham. Regardless, we have sought recoveries, including participating in an international arbitration process with one of the parties.
- ▲ We are continuing to explore a possible recovery in respect of settlement monies paid out to former clients of Maxi EFX Global AU Pty Ltd (trading as EuropeFX) and BrightAU Capital Pty Ltd (trading as TradeFred), the Company’s former Client Authorised Representatives. In addition, there are outstanding client complaints that are being investigated in respect of potential external funding.
- ▲ As previously advised, we engaged a private investigator to assist in locating key individuals/parties located offshore, in particular Myanmar and Taiwan. These investigations are ongoing, and we note

that they have been hampered by the political unrest in Myanmar and the COVID-19 pandemic. We are seeking to progress this by conducting public examinations, as discussed above.

8. I have never dealt with USG, why am I receiving correspondence?

We understand that there has been a migration of clients from the Corporate Authorised Representative of USG, Maxi EFX Global AU Pty Ltd, trading as EuropeFX, with which you may have had previous dealings.

In the event you are certain you have had no dealings with USG, you are invited to expressly advise this office of same (that you are not a client/creditor of USG) by sending an email to usg@brifnsw.com.au. It is suggested that you do not simply 'unsubscribe' from receiving further email correspondence from this office.

9. Can I withdraw funds from my USG account?

All client accounts were suspended upon our appointment on 8 July 2020, meaning no new deposits or withdrawals from that date.

Pursuant to orders from the Federal Court of Australia on 14 December 2021, client claims against the Company are to be calculated as at 8 July 2020. We note that any clients with negative account balance(s) will be set-off against the positive account balance(s) held by those same clients.

Please refer to Question 4 above for further information on formally lodging your claim in the administration.

10. Can my account be transferred?

We understand that some parties may have transferred or attempted to transfer their accounts out of USG Australia, potentially to "USG" branded operations in Vanuatu, the UK or elsewhere. We are not parties to any transfers, nor have we authorised any such transfers. We would urge caution should you seek to transfer your account.

Unless you have been paid the funds owed, then you continue to have creditor claim against the Company. In the event that you have received your funds from another party, then this party may be able to subrogate (substitute) your claim against the Company.

11. I received an email from clientsupport@usgfx.com about my refund/a change in the Company's regulations, what does this mean?

Please be advised that the email account clientsupport@usgfx.com does not act for or on behalf of the Liquidators. Instead, we understand this email address is controlled by the Shareholder of the Company and/or parties acting for them, offshore (likely in Taiwan). We are aware of clients receiving confirmation from this email address that refunds are ready to be issued, in direct contravention of the Liquidators' position.

The Shareholder (or parties acting on their behalf) restricted our access to the Company's MT4/MT5 platforms effectively from our appointment, in breach of orders made by the Federal Court of Australia. The reported ultimate beneficial owner Mr Soe Hein Minn and the Shareholder were/are in contempt of the Federal Court as a result. We obtained limited access to the MT4/MT5 platforms and acquired a copy of the available client data, which has allowed us to progress the Liquidation as best possible.

Further, we are aware that a template email/document was distributed from clientsupport@usgfx.com informing clients to seek a refund from our office. As previously advised, there is shortfall in client funds and no refunds can be issued.

The only dedicated email address from the Liquidators' office for any correspondence relating to the Company and the Administration process is usg@brifnsw.com.au.

12. I received an email from notify@ns.usgfx.global about a new USG website, does this mean the Company is trading again?

This email was not sent by the Liquidators or the Company. The Liquidators have not authorised the setup of a new website and the Company has not recommenced trading.

Please be advised that the email account notify@ns.usgfx.global does not act for or on behalf of the Liquidators. Instead, we understand this email address is controlled by the Shareholder of the Company and/or parties acting for it offshore. The only authorised email address for any correspondence relating to the Company and the Liquidation process is usg@brifnsw.com.au.

Our enquiries indicate that a new website has been created as a direct result of the Liquidators taking down the Company's website, <https://www.usgfx.com/> in order to stop trading. We are aware that the new website may still have references to the Company and the Company's AFSL. The Liquidators have not authorised the use of the Company's details and the Company's AFSL remains cancelled by ASIC.

The Company has not resumed trading and the business has not been sold. Withdrawals remain suspended, and are to be dealt with through claims submitted in the Liquidation process.

13. I received an email from notify@ns.usgfx.global about the transfer of USG bank accounts to First Bank of Puerto Rico, are my funds safe?

As noted above, the email account notify@ns.usgfx.global does not act for or on behalf of the Liquidators. The trust accounts held with Commonwealth Bank of Australia were frozen upon our appointment on 8 July 2020.

The funds have since been secured as part of the Liquidation process, pursuant to the orders of the Federal Court of Australia.

The Liquidators have not transferred any client funds to the First Bank of Puerto Rico or anywhere else offshore.

14. I am based in Russia and have been unable to contact the Liquidators to date. How can I lodge my claim?

We have been made aware that some clients based in Russia have attempted to lodge their claim in the Liquidation but have been unable to contact our office. Unfortunately, our IT systems cannot receive emails from ".ru" domains and therefore we request any clients who wish to lodge a claim in the Liquidation to contact us using an alternate email account (e.g. Gmail, Outlook). Otherwise, they may physically post their proof of debt documentation to our office at:

BRI Ferrier, Level 30 Australia Square, 264 George Street, Sydney NSW 2000 Australia

15. Union Standard International Group has rebranded as United Strategic Group, does this impact my claim in the Liquidation?

We understand that the UK, Saint Vincent and the Grenadines and South Africa USG entities have rebranded to “United Strategic Group”. USG Australia was not a part of the rebranding and this has no impact on the Liquidation, nor clients claims against USG Australia.

16. How you can help.

If you have any information that you believe may assist in our investigations and recoveries, please send information to us via email at usg@brifnsw.com.au.

The above list should not be considered exhaustive and will be updated periodically as the matter develops.