

To the Recipient as Addressed

Friday 16 November 2018

**Grant Thornton
Australia Limited**
Level 17
383 Kent Street
Sydney NSW 2000

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Dear Sir / Madam

**Gordon HLHS Epping Pty Ltd (Receiver and Manager Appointed)
(In Liquidation)
ACN 609 101 635 (the “Company”)**

Online Report Notification

I advise that on 9 November 2018 Said Jahani and I were appointed Joint and Several Liquidators of the Company.

According to the Company’s records, you may be a creditor of the Company.

We have issued our first notification to creditors and it will be available for download on 23 November 2018 on our firm’s website at: <https://www.grantthornton.com.au> under Creditors Information.

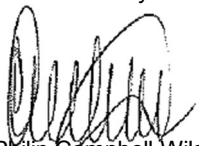
The initial notification to creditors includes information on:

- Notification of appointment and Declaration of Independence, Relevant Relationships and Indemnities;
- What is a creditors’ voluntary liquidation?
- Your rights as a creditor;
- Process of the liquidation; and
- Costs of the liquidation.

A copy of our Declaration of Independence, Relevant Relationships and Indemnities (DIRRI) is attached. The DIRRI assists you to understand any relevant relationships that we have, and any indemnities or upfront payments that have been provided to us. We have considered each relationship and it is our opinion that none of the relationships disclosed in the DIRRI result in a conflict of interest or duty or affect our independence.

If you do not have access to the internet, you can request that a copy of the report be mailed to you. Please contact Kevin Yue of our office on (02) 8297 2507 or kevin.yue@au.gt.com should you require further information.

Yours faithfully



Philip Campbell-Wilson

Joint and Several Liquidator

Encl

Declaration of Independence, Relevant Relationships and Indemnities

Declaration of Independence, Relevant Relationships and Indemnities

GONDON HLHS EPPING PTY LTD (IN LIQUIDATION)

ACN 609 101 635 (“The Company”)

The Corporations Act 2001 and professional standards require Practitioners 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 [company/debtor] and others within the previous 24 months;
 - iii any prior professional services for the [company/debtor] within the previous 24 months;
 - iv that there are no 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 partners, Grant Thornton Australia Limited (“GTAL” or “Grant Thornton”) and any of GTAL’s associated entities.

A. Independence

We, Philip Campbell-Wilson and Said Jahani of Grant Thornton Australia Limited have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Liquidators of Gondon HLHS Epping Pty Ltd 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

This appointment was referred to us by the Director of Australian Select Mortgage Pty Limited who is also a shareholder/former director of the Company (“the Shareholder”).

On 28 May 2018, a representative of GTAL held a telephone conversation with the Shareholder. On 5 June 2018, representatives of GTAL had a further meeting with the Shareholder. A number of subsequent telephone conversations/meetings were held with the Shareholder to discuss a potential engagement on assistance with the sell-down of the Company’s asset, the remaining stock of a development at 6-10 Carlingford Road & 1 -5A Cliff Road, Epping NSW.

On 29 June 2018, representatives of GTAL had a meeting with the Company’s director and the Shareholder. The purpose of the meeting was to discuss with the assistance provided by GTAL in relation to the Company’s plan to rapidly sell-down the properties.

On 9 July 2018, the Company engaged Grant Thornton and the details of this engagement are disclosed in the section of Prior Professional services to the Insolvent.

During this engagement we had several meetings and telephone conversations with the director and the Shareholder to discuss the sale progress of the aforementioned collective asset.

Grant Thornton received the total remuneration of \$60,000 (excluding GST) payable in advance of services provided under the terms of the engagement. This engagement was terminated prior to our appointment as Liquidators.

We also had the following meetings with the Company's director, the Shareholder and its legal advisor:

- On 20 September 2018, representatives of GTAL had a meeting with the Company's legal advisor and the Shareholder
- On 5 November 2018, representatives of GTAL had a meeting with the director and internal accountant.

A number of subsequent telephone conversations were also held with the Company's director, the Shareholder and its legal advisor.

The purpose of the above meetings and telephone conversations were to discuss the background and financial position of the Company, clarify queries on information provided by the Company and explain and answer queries in relation to the implications of a formal insolvency process.

We received no remuneration for this advice.

We believe that the aforementioned engagement and these meetings/telephone conversations do not result in a conflict of interest or duty, or affect our independence because:

- The Courts and ARITA's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or it an impediment to accepting the appointments;
- Advice was only provided to the Company in respect of the limited scope on the sale of the Company's properties to discharge its secured debt, which did not eventuate;
- The nature of the advice provided to the Company would not be subject to review and challenge during the course of the Liquidation; and
- The pre-appointment advice will not influence our ability to be able to fully comply with statutory and fiduciary obligations associated with the Liquidation or the Company in an objective and impartial manner.

We have provided no other information or advice to the Company, the directors and its advisors prior to our appointment beyond that outlined in this DIRRI.

ii. Relevant Relationships (excluding Professional Services to the Insolvent)

We have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons
Gordon Seven Pty Limited ("Gordon Seven")	<p>Grant Thornton was engaged by the Director of Gordon Seven Pty Limited, who is also a director of the Company to provide advice in relation to Gordon Seven's plan to rapidly sell-down its properties. This engagement was terminated prior to any work being undertaken.</p> <p>GTAL received \$15,000 (excluding GST) in advance payment for the services rendered under this engagement.</p>	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <p>We undertook very limited services for Gordon Seven before being instructed to cease work.</p> <p>Any work previously carried out in respect of Gordon Seven does not have any bearing on this liquidation and will not impact on compliance with our statutory and fiduciary duties.</p> <p>These circumstances do not preclude us from acting under the Corporations Act 2001 or the ARITA Code of Professional Practice.</p>

<p>Pacific Alliance Group (“PAG”)</p>	<p>PAG holds a registered security interest over the Company and have appointed Receivers.</p> <p>Philip Campbell-Wilson is the appointee of a long running and current receiverships whereby the appointor is PAG.</p>	<p>We believe this relationship does not result in a conflict of interest or duty because:</p> <p>I have not acted for PAG in respect of this matter.</p> <p>Any work previously carried out in respect of other appointments on behalf of the PAG does not have any bearing on this liquidation and will not impact on compliance with our statutory and fiduciary duties.</p> <p>These circumstances do not preclude us from acting under the Corporations Act 2001 or the ARITA Code of Professional Practice.</p>
<p>Australian Taxation Office (“ATO”)</p>	<p>The ATO may be a creditor of the Company.</p> <p>We and our colleagues undertake and have undertaken work from time to time on behalf of the ATO.</p>	<p>We believe this relationship does not result in a conflict of interest or duty because:</p> <p>I have not acted for PAG in respect of this matter.</p> <p>Any work previously carried out in respect of other appointments on behalf of the PAG does not have any bearing on this liquidation and will not impact on compliance with our statutory and fiduciary duties.</p> <p>These circumstances do not preclude us from acting under the Corporations Act 2001 or the ARITA Code of Professional Practice.</p>

iii. Prior Professional services to the Insolvent

We have provided the following professional services to the Company in the 24 months prior to the acceptance of this appointment:

Nature of Professional Services	Reasons
<p>Prior to our appointment as Liquidators of the Company. Grant Thornton was engaged by the director of the Company to provide advice on a sell-down of the properties owned by the Company with a limited scope. The only work undertaken during this engagement was to:</p> <ul style="list-style-type: none"> Identify and appoint a suitable qualified agent and manage the sell-down process of the Company’s properties with the engaged agent; and 	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> The work undertaken during the engagement has assisted us in developing an understanding of the Company and its activities. Much of the work undertaken during the engagement is work that would have done by us as the liquidators to realise the assets of the Company as such this information will be made available to creditors when we report to them in due course. The payment made to GTAL for the service rendered was paid in advance which is not subject to review and challenge during the course of the Liquidation.

<ul style="list-style-type: none"> Engage with Grant Thornton's private advisory division in regards to determining the appropriateness of a rental product. <p>The engagement occurred over a period of 3 months and it was terminated prior to our appointment.</p> <p>The scope of this engagement was not completed due to the appointment of Receivers and Managers of the Company.</p> <p>GTAL was paid a fee in advance of services of \$60,000 (plus GST) for the service rendered.</p>	<ul style="list-style-type: none"> The nature of the engagement provided to the Company is such that it would not be subject to review and challenge during the course of the Liquidation as the assets are under the control of the Receivers and Managers at the date of our appointments. The engagement will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the liquidation of the Company in an objective and impartial manner.
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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 security over the whole or substantially whole of the Company's property that should be disclosed.

C. Indemnities and up-front payments

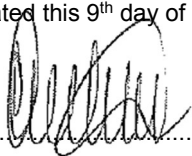
We have been provided with an upfront payment of \$88,000 for remuneration for the conduct of this Creditors Voluntary Liquidation:

Name	Relationship with Gondon HLHS Epping Pty Ltd	Nature of indemnity or payment
Song Cui	A director of the Company	Cash payment of \$88,000 for professional fees and costs to be incurred by the Liquidators in conducting the Liquidation of the Company.

Should sufficient assets be realised in the Liquidation to meet our remuneration and expenses, the upfront contribution will be returned to the party that provided the funds.

This does not include statutory indemnities. I have not received any other indemnities or upfront payments.

Dated this 9th day of November 2018


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Philip Campbell-Wilson


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Said Jahani

Note:

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.