

21 February 2020



**Sinopacific Constructions Pty Ltd
(In Liquidation) ACN 603 013 583
("the Company")**

STATUTORY REPORT TO CREDITORS

Company Details	
Company Name	Sinopacific Constructions Pty Ltd (In Liquidation)
ACN	603 013 583
Date of Incorporation	24 November 2014
Date of Liquidation	21 November 2019
Director Name	Jovanovic Pavle
Shareholder Name/s	Jovanovic Pavle
Registered Office	Level 19, 10 Eagle Street, Brisbane QLD 4000
Principal Place of Business	Level 19, 10 Eagle Street, Brisbane QLD 4000
Nature of Business	Residential Construction
Liquidators' Details	
Liquidators	Joanne Dunn and John Park
FTI Contact	Matt Burns
FTI Contact phone number	07 3225 4901
FTI Contact email	Matt.Burns@fticonsulting.com

1 BACKGROUND

I refer to the appointment of John Park and I, Joanne Dunn, as Joint and Several Liquidators of the Company on 21 November 2019 by order of the Supreme Court of Queensland following the petition to wind up the Company by Boral Resources (QLD) Pty Limited ACN 099 671 809 and supported by Big River Group Pty Ltd ACN 000 099 754 and Now Civil Pty Ltd ACN 612 798 222.

Since the commencement of the winding up, I have conducted investigations into the Company's affairs, its financial position and the reasons for its failure, and following is my report to creditors.

The purpose of this report is to:

- provide you with an update on the progress of the liquidation; and
- advise you of the likelihood of a dividend being paid in the liquidation.

2 UPDATE ON THE PROGRESS OF THE LIQUIDATION

I provide an update on the progress of the liquidation as follows:

2.1 Background

The Company was incorporated on 24 November 2014 in the state of Queensland with its registered office and principal place of business being Level 19, 10 Eagle Street, Brisbane, QLD 4000. The registered office and principal place of business appears to be a co-working space that operates on a short-term lease.

I understand that the Company operated as a residential construction business. Due to inaccessibly to books and records, I am not able to determine the exact time that the entity ceased trading. However, a review of the Company's bank statements, obtained from Westpac, shows that they were still active up until 4 November 2019.

At the time of our appointment, Mr Jovanovic Pavle ('the Director'), was the Company's Sole Director and Company Secretary. Shortly after our appointment, my staff attempted to contact the Director and brief them on the effects of our appointment and the restrictions placed upon their powers in relation to the management of the Company, however, our initial attempts were unsuccessful.

A response was not received from the Director until 31 January 2020 after multiple requests issued via post and email for the Director to complete a Report On Company Affairs and Property ("ROCAP") on 27 November 2019 and 20 December 2019.

A summary of the Company's previous director appointments is tabled below:

Company Directors		
Individual	Date Appointed	Date Resigned
Miroslav Jack Samardzija	24 November 2014	27 August 2016
Andrew Shofay	27 August 2016	15 September 2018
Milan Gravora	22 October 2017	15 January 2019
Jovanovic Pavle	15 January 2019	N/A

The Company has issued and paid up capital of \$450,000 in ordinary shares as follows:

Company Shareholders			
Name	Class	Number	Share
Jovanovic Pavle	ORD	100,000	100%

2.2 Conduct of liquidation

The following matters have been attended to since the commencement of the winding up of the Company:

- Attended to all necessary statutory lodgements and administrative matters;
- Correspond with known creditors to obtain information on the Director and former Directors;
- Undertaken initial investigations into the affairs of the Company, including possible recoveries from voidable transactions such as preferential payments, unreasonable director (including shadow director) related transactions, and insolvent trading;
- Attended to external enquiries concerning the status of the liquidation; and
- Prepared a report to creditors.

2.3 Assets and liabilities

I confirm at the date of this report I have not received a completed ROCAP from the Director. I intend to report this non-compliance to the Australian Securities & Investments Commission (**ASIC**) in the immediate future. ASIC may assist in obtaining a completed ROCAP from the Director, and should non-compliance in this respect continue, ASIC may prosecute the Director for failing to assist the Liquidators.

Further, Mr. Miroslav Jack Samardzija ("**Mr. Samardzija**") was a former director of the Company. An ASIC company search extract indicated that Mr. Samardzija resigned as director of the Company on 27 August 2016. I have reason to suspect that Mr. Samardzija continued to be involved in some capacity with the Company thereafter.

Due to Mr. Samardzija's continued involvement we have requested he assist with the preparation of a ROCAP.

Presently, due to a lack of records I do not have a complete understanding of what assets, if any, may be recoverable for creditors, nor the full extent of creditor claims against the Company.

I am currently aware of creditor claims of \$551,053.59:

Creditor Listing		
Creditors	Notes	Amount (\$)
Secured Creditors		
Bunnings Group Limited	1	27,040.15
Total Secured Creditors		27,040.15
Unsecured Creditors		
Big River Group Pty Ltd		63,685.60
Boral Resources (QLD) Pty Ltd		77,894.98
Faranu Pty Ltd T/AS Harvey Normal Commercial		9,366.81
Kyle Windsor		23,738.28
Lifestyle Carpets Pty Ltd		4,350.38
Metal Line North Brisbane Pty Ltd		4,829.76
National Credit Insurance (Brokers) Pty Ltd		214,672.46
Now Civil Pty Ltd		40,932.75
RAD Cabinets and Stone Pty Ltd		28,937.70
R.J. Beaumont		51,634.82
Stronger Foundations Pty Ltd		3,969.90
Total Unsecured Creditors		524,013.44
Total Secured and Unsecured Creditors		551,053.59

Notes

1. Bunnings Group Limited appears to hold security over a variety of goods provided to the Company since July 2018. My investigations to date have not identified any assets of the Company.

2.4 Receipts and payments to date

No receipt or payments have been made throughout the course of the Liquidation, to date.

3 INVESTIGATIONS AND RECOVERY ACTIONS

As Liquidators, we are required to investigate and specify whether there may be any voidable transactions in respect of which money, property or other benefits may be recoverable in our capacity as Liquidators of the Company.

I set out below details of our investigations to date and our findings in relation to same.

3.1 Investigations undertaken

To date, the following investigations have been undertaken into the Company's affairs:

- Contacted the Director of the Company and informed him of his obligations to submit a ROCAP, and to assist the Liquidators in investigating the affairs of the Company.

- Corresponded with Westpac, who held accounts for the Company, to obtain bank statements.
- Contacted the Company’s former director, Mr. Samardzija, to discuss his involvement with the Company, and requested he also complete a ROCAP.
- Contacted the Company’s external accountant, Tantlye Pty Ltd, to discuss the Company’s affairs.
- Conducted searches including, but not limited to, ASIC searches, Google searches, property searches, vehicle searches, company searches, and personal name searches;
- Reviewed information provided by the ATO as per Freedom of Information (FOI) request.

3.2 Findings and possible recoveries

As a result of my investigations, I have identified:

- Mr. Samardzija is a director of a number of other companies, including Aim Business Holdings Pty Ltd ACN 169 733 091 (“AIM”) of which he was appointed director on 8 December 2018. Mr Andrew Shofay, a former director of the Company from 28 August 2016 to 15 September 2018, was also a former director of AIM from 27 August 2016 to 13 March 2019.
- From a review of creditor claims submitted to date, it appears the Company performed services at, or received goods delivered to:

Address	Ownership	Comments
86 Grace Street Wulkuraka QLD 4305	AIM	Property appears to be a strata titled townhouse development. Some properties in the development have been sold, AIM retains ownership of others.
16 Dempsey Street Annerley QLD 4103	Dempsey Profits Pty Ltd ACN 167 045 427 (“Dempsey Profits”)	Mr Samardzija is currently the sole director and shareholder of this company.

- As Mr. Samardzija and Mr Shofay were both former directors of the Company, and entities related to Mr. Samardzija and Mr Shofay may have received a benefit from goods or services provided to the Company, then the Liquidators may have a claim against:
 - Mr Samardzija and/or Mr Shofay by way of ‘unreasonable director related transactions; or
 - An equitable claim against AIM and/or Dempsey Profits for the value of the creditors which were incurred by the Company to benefit these entities.

- An initial inspection of the Company's bank statements identified a \$20,000 deposit and immediate withdrawal of funds on 4 November 2019. A trace performed in relation to the transaction revealed AIM to be the beneficiary. Given the transaction was entered into approximately 2 weeks prior to my appointment as Liquidator, I expect this transaction to be an insolvent transaction of the Company which may be void against the Liquidators.
- I have also requested additional bank statements for the two years preceding my appointment be made available from Westpac to identify other insolvent transactions which may be recovered for the benefit of creditors. At the date of this report I have not received the additional bank statements.
- Further, I may also have a claim against the Director, Mr Samardzija, and Mr Shofay in relation to insolvent trading. I do not hold sufficient records to quantify the extent of this claim due to a lack of books and records at this time.

However, in relation to the winding up of a company, Liquidators may be permitted to assume a company is insolvent on the basis company records are not available or exist to provide otherwise. Accordingly, I estimate the value of an insolvent trading claim could be \$551,053.59, being the value of total unpaid creditors identified at the date of this report.

3.3 Further inquiries to be undertaken

In order to progress my investigations into the Company's affairs, the following tasks must be undertaken:

- Obtain a sufficiently documented ROCAP from the Director, and seek assistance from the former Directors;
- Request the assistance of ASIC, if required, to obtain completed ROCAP;
- Obtain financial records of the Company, including but not limited to bank statements, to determine if the Company entered into other transactions which may be void against the Liquidators;
- Prepare a statutory investigative report to ASIC pursuant to Section 533 of the Act;

Presently the liquidation is currently unfunded. As a result, in order to advance my investigations into the Company's dealings, I require funding to do so.

I will approach ASIC for funding to complete my investigations into the Company's affairs. In addition, creditors may also consider funding my investigations. Should you be interested in funding the Liquidation to complete investigations, please make contact with my office.

Section 533 of the Act requires a liquidator to investigate and report any offences that may have been committed by the directors or persons who took part in the formation, promotion, administration management or winding up of a company and to lodge a report on his/her findings to ASIC. I expect to lodge my report with ASIC within 6 months.

If creditors are aware of any other matters which require further investigation, please contact my office as soon as possible.

3.4 What Happened to the Business of the Company?

Neither the current or former Directors have provided us with an explanation on the reason for the Company's failure, nor have they provided us with any records to assist with our investigations..

Accordingly, I am unable to determine the reasoning behind the Company becoming insolvent at this time.

4 LIKELIHOOD OF A DIVIDEND

Based on the information presently available, the investigations undertaken to date and that no assets have been identified there will not be sufficient funds to pay a dividend to any class of priority or unsecured creditors.

However, if this changes, and I do declare a dividend, any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt.

Should you wish to submit a claim in the liquidation, a proof of debt form is ***attached** for your completion.

5 LIQUIDATORS' REMUNERATION

At this point in time, the Liquidators are not seeking creditor approval for remuneration incurred.

6 WAY FORWARD

The following actions are required to proceed with the liquidation, including:

- Complete my investigations into the Company's affairs
- Complete my reporting to ASIC
- Any other matters relevant to the liquidation

Please note that if I receive a request for a meeting that complies with the guidelines set out in the initial information provided to you, I will hold a meeting of creditors.

I may write to you again with further information on the progress of the liquidation.

I expect to have completed this liquidation within 6 to 9 months, which may be influenced by various factors including investigations which are ultimately undertaken.

You can access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for "insolvency information sheets").

Should you have any queries or require any further information, please contact Matt Burns of my office on 07 3225 4901 or Matt.Burns@fticonsulting.com.

Dated 21 February 2020



Joanne Dunn
Liquidator

*Encl.



Matt Burns
+61 7 3225 4901
Matt.Burns@fticonsulting.com

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SINOPACIFIC CONSTRUCTIONS PTY LTD (IN LIQUIDATION) ACN 603 013 583

To the Liquidators of Sinopacific Constructions Pty Ltd (In Liquidation) **ACN 603 013 583 (the "Company")**

1. This is to state that the Company was on 21 November 2019 and still is, justly and truly indebted to: _____

(full name, ABN and address of the creditor and, if applicable, the creditor's partners) for _____ dollars and _____ cents

Particulars of the debt are:

Date	Consideration (state how the debt arose)	Amount (\$/c)	Remarks (include details of voucher substantiating payment)
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2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: _____

(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

Date	Drawer	Acceptor	Amount (\$/c)	Due Date
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3. Signed by (select correct option):

- I am the creditor personally.
- I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.
- I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Signature: _____ Dated: _____

Name: _____ Occupation*: _____

Address: _____

* If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor

RECEIVE REPORTS BY EMAIL	Yes	No
Do you wish to receive all future reports and correspondence from our office via email?	<input type="checkbox"/>	<input type="checkbox"/>
Email:.....		

If being used for the purpose of voting at a meeting:

- a) Is the debt you are claiming assigned to you? No Yes
- b) If yes, attach written evidence of the debt, the assignment and consideration given. Attached
- c) If yes, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) \$ _____
- d) If yes, are you a related party creditor of the Company? No Yes
(f you are unsure contact the Liquidators)