

**HODLNAUT PTE. LTD.
(IN LIQUIDATION)
(REG. NO. 201911850K)**

8 January 2024

BY EMAIL

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6th Circular (Liquidation)

**HODLNAUT PTE. LTD. (IN LIQUIDATION) (THE “COMPANY”)
HC/CWU 94/2023 (“CWU 94”) – HC/SUM 3850/2023 (“SUM 3850”)
APPLICATION BY LIQUIDATORS FOR COURT’S AUTHORISATION PURSUANT TO SECTION
144 OF THE INSOLVENCY, RESTRUCTURING AND DISSOLUTION ACT 2018 (“IRDA”)**

Dear Sir / Madam,

We refer to the subject matter. We also refer to the Forty-Sixth Circular issued by the Former Interim Judicial Managers (“**IJMs**”) of the Company on 10 August 2023 (“**46th IJM Circular**”).

As mentioned in the 46th IJM Circular, the Honourable Aedit Justice Abdullah had, among other things, authorised the IJMs to commence and continue claims in respect of the Company’s possessory and/or proprietary rights to the cryptocurrencies that were seized by the Singapore Police Force and ordered to be disposed to the liquidators of Samtrade Custodian Limited (In Liquidation) (“**Samtrade Custodian**”) pursuant to the orders made in DI-900058-2022 (*ie*, the disposal inquiry).

Further to the above, the Company had, on 8 September 2023, commenced a claim against Samtrade Custodian *viz* HC/OC 596/2023 (“**OC 596**”). At that point in time, the Company was still under interim judicial management and the winding up application in CWU 94 was still pending.

Subsequently, on 10 November 2023, the Company was placed into liquidation. Ms. Ee Meng Yen Angela and I were discharged as IJMs of the Company, and appointed as joint and several liquidators (the “**Liquidators**”) of the Company.

As a result of being placed into liquidation, the authorisation of the Court or the committee of inspection (if any) is required in order for Liquidators to continue with OC 596, as well as to defend any counterclaim brought therein, pursuant to Section 144(1)(e) of the IRDA.

Given that there is presently no committee of inspection, the Liquidators filed an application seeking the Court’s authorisation to continue with OC 596, as well as defend any counterclaim filed therein, *viz* SUM 3850 on 20 December 2023 (the “**Liquidators’ Authorisation Application**”).

Pursuant to directions given by the Court at a case conference on 4 January 2024, the Liquidators invite all creditors to write to the Liquidators’ solicitors, WongPartnership LLP (at Project.Interstellar@wongpartnership.com) by 22 January 2024, to state if they have any objections to the Liquidators’ Authorisation Application. Such information will then be provided by way of letter update to the Court by 25 January 2024, ahead of the next case conference scheduled for 30 January 2024, at 9.30am.

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From the Liquidators' perspective, we wish to highlight the following points:

- a. OC 596 concerns a proprietary claim by the Company against Samtrade Custodian, regarding certain cryptocurrencies that the Singapore Police Force, Commercial Affairs Department had seized from the Company on 14 July 2022 (amounting to approximately US\$10.25 million in total value) (the "**Seized Crypto**"), prior to the Company's entry into interim judicial management. The Seized Crypto had been delivered to the liquidators of Samtrade Custodian (the "**Samtrade Liquidators**"), following a disposal inquiry that took place on 25 July 2023. The Company seeks, among other relief, a declaration that the Company has title to the Seized Crypto; and an order that the Seized Crypto be delivered by the Samtrade Liquidators to the then-IJMs.
- b. At the time of commencement of OC 596, the then-IJMs had considered that it was in the interests of the Company to commence OC 596 since the relief sought therein would increase the pool of potentially realisable assets, for subsequent distribution to the Company's creditors.
- c. Subsequently, on 29 September 2023, the then-IJMs were informed by the Samtrade Liquidators that apart from defending OC 596, Samtrade Custodian intended to pursue a counterclaim in OC 596 to claim title to the entirety of the cryptocurrencies which had been transferred into the account maintained by Samtrade Custodian with the Company between 29 December 2021 and 18 May 2022 (amounting to approximately US\$13 million in total value), and not merely the Seized Crypto. The Samtrade Liquidators obtained authorisation from the Court to defend OC 596 and pursue a counterclaim against the Company in the same, on 1 December 2023.
- d. The Liquidators are of the view that continuing with the proceedings in OC 596 and defending against any counterclaim therein would be in the interests of the Company and its creditors. In the Liquidators' view, the same reasons justifying the commencement of OC 596 while the Company was in interim judicial management (as set out at paragraph (b) above) continue to apply with equal force even when the Company has been placed into liquidation.

A copy of the cause papers for the Liquidators' Authorisation Application, including the 3rd Affidavit of Aaron Loh Cheng Lee dated 20 December 2023 (the "**Supporting Affidavit**"), can be downloaded at the following link:

- (1) [Summons for HC/SUM 3850/2023](#)
- (2) [3rd Affidavit of Aaron Loh Cheng Lee dated 20 December 2023](#)

For ease of reference, please note that the Statement of Claim for OC 596 can be found at pages 283 to 302 of the Supporting Affidavit.

Please note that the documents accessible by the link above are password-protected. All known interested parties of the Company will be receiving the passwords through the email addresses in the Company's records. Any such party of the Company who has not been sent the password or who has difficulty accessing the documents may email the Liquidators at hodlnaut@sg.ey.com for assistance.

For avoidance of doubt, nothing herein shall be construed as an admission by the Liquidators and/or the Company of any outstanding sums which may be due and owing by the Company to you.

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If you have any queries in relation to the above, please email us at hodlnaut@sg.ey.com.

Yours faithfully,



Aaron Loh Cheng Lee
Liquidator
For and on behalf of
Hodlnaut Pte. Ltd.
(In Liquidation)