

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

6 February 2024

**BY EMAIL**

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**9<sup>th</sup> Circular (Liquidation)**

**HODLNAUT PTE. LTD. (IN LIQUIDATION) (THE “COMPANY”)  
FILING OF CLAIMS, DISTRIBUTION OF FUNDS AND PRIORITY OF DEBTS**

Dear Sir / Madam,

We have received various queries regarding the relevant process and procedure for the submission of claims in the liquidation and the distribution of any available funds in due course.

A number of these queries are addressed in the Frequently Asked Questions published on the Company's website at [https://www.ey.com/en\\_sg/hodlnaut-pte-ltd](https://www.ey.com/en_sg/hodlnaut-pte-ltd).

For everyone's ease of reference, we set out further information in this circular to supplement the Frequently Asked Questions.

**Adjudication process in general**

At the appropriate juncture in the liquidation, the Liquidators will carry out the process of adjudicating the claims submitted by the creditors of the Company. In summary:

- The Liquidators will write to the creditors and request that they submit their claims in a form known as the Proof of Debt.
- In the Proof of Debt, the creditors will have to include their details as well as the details of their claims. The creditors will also have to provide the relevant supporting documents in respect of their claims.
- The Liquidators will adjudicate on the Proof of Debt where they will determine whether the party is indeed a creditor of the company, whether the claim is valid, and if so what quantum of the claim should be admitted as a debt of the Company.
- The Liquidators will send a formal response to the creditors on the outcome of the adjudication.
- After the adjudication process is completed, the Liquidators will be in the position to assess the percentage of funds that may be returned to the creditors. This is also known as the dividend payment.
- The Liquidators have to comply with the priority of debt, which is statutorily mandated and is set out in Section 203 of the Insolvency, Restructuring and Dissolution Act 2018. In essence, the Liquidators must make certain payments in priority before it makes payment to unsecured creditors (*ie* those who do not have any priority debt).
- The claims of unsecured creditors rank equally and without preference. The distribution to the unsecured creditors is made on a '*pari passu*' basis, meaning that all unsecured creditors will

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receive a proportional amount of what they are owed depending on the value of their claim that is admitted as a debt against the Company.

**Present stage of the Company's liquidation**

The Liquidators are currently still in the process of reviewing the Company's financial affairs and are carrying out investigations into the Company's dealings, including but not limited to the Company's dealings with Hodlnaut Trading Limited. As such, the Liquidators are currently not in a position to provide an estimated timeline and the percentage of funds to be returned to creditors of the Company at this juncture. The Liquidators will continue to provide updates of any significant developments.

For the time being, there is no action required from the creditors in relation to the submission of their claims against the Company.

At the appropriate juncture, you will be notified by the Liquidators to submit a Proof of Debt or other claim document in order to lodge your claim against the Company. To that end, a separate set of detailed instructions on how to submit your claim, along with the supporting documents and the calculations used to derive the claimed amount, will be sent to you then.

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.

If you have any queries in relation to the above, please email us at [hodlnaut@sg.ey.com](mailto:hodlnaut@sg.ey.com).

Yours faithfully,



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