

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

20 August 2024

**BY EMAIL**

**c/o EY Corporate Advisors Pte Ltd**  
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**17<sup>th</sup> Circular (Liquidation)**

**HODLNAUT PTE. LTD. (IN LIQUIDATION) (THE “COMPANY”)  
UPDATES ON THE COMPANY’S CLAIM AGAINST FTX TRADING LIMITED (“FTX”)**

Dear Sir / Madam,

As you will recall from our previous updates provided in the Second Interim Judicial Managers’ Report dated 15 December 2022, the Liquidators (acting in their capacity as former Interim Judicial Managers) had on 8 December 2022 filed a provisional claim against FTX on behalf of the Company in respect of the Digital Assets held by the Company on the FTX platform at the Petition Date.

We write to provide an update on the same.

**The Amended Joint Chapter 11 Plan of Reorganisation (the “Amended Reorganisation Plan”) proposed by FTX and its affiliated debtors (the “FTX Debtors”)**

On 7 May 2024, the FTX Debtors proposed the Amended Reorganisation Plan.

Pursuant to the terms of the Amended Reorganisation Plan:

1. Substantially all remaining assets of the FTX Debtors are to be consolidated into a single “Consolidated Wind Down Trust” special purpose vehicle and thereafter distributed to creditors;
2. The FTX Debtors have estimated that the combined value of the net assets available for distribution to creditors will be between US\$14.7 billion and US\$16.5 billion as at 31 October 2024 (the assumed effective date of the Amended Reorganisation Plan, if approved);
3. For the purposes of adjudicating creditors’ claims, creditors’ claims will be valued based on the relative value of each creditor’s claim at the Petition Date; and
4. The vast majority of unsecured creditors will receive a full recovery in respect of their unsecured admitted claims by way of cash distributions, plus statutory supplemental interest at the applicable rate.

We provide the above summary for ease of reference and your convenience only. The full version of the Amended Reorganisation Plan can be found in a disclosure statement filed by the FTX Debtors on 25 June 2024 (“**Disclosure Statement**”), accessible via the following link: <https://media.ra.kroll.com/ftx/plananddisclosurestatement/docs/FTX-DS-DN18976.pdf>

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**The Company's right to vote in the Amended Reorganisation Plan**

The Amended Reorganisation Plan is subject to approval by creditors and the United States Bankruptcy Court for the District of Delaware ("**US Bankruptcy Court**"), among other conditions.

The deadline for creditors of the FTX Debtors to lodge their votes (either approving or rejecting the Amended Reorganisation Plan) is 16 August 2024 (the "**Voting Deadline**").

FTX has confirmed that the Company's claim has been admitted for voting purposes as a Class 5A Dotcom Customer Entitlement Claim ("**Class 5A**"), in the amount of approximately US\$10.99M. Subject to the disclaimers and caveats described in the Disclosure Statement, FTX has estimated that Class 5A creditors may receive recoveries ranging between 129% and 143%. These estimates may be subject to material change in due course.

For completeness, the US\$10.99M claim which FTX has admitted for voting purposes with the Company as a Class 5A creditor does not take into account the Company's holdings of FTT tokens with FTX. In respect of the Company's holdings of FTT, the Company has been classified as a Class 13 to 18 creditor. The Company is not able to vote on the Amended Reorganisation Plan for its claims as a Class 13 to 18 creditor, as all Class 13 to 18 creditors are by default deemed to reject the Amended Reorganisation Plan.

Separately, in the voting form for the Amended Reorganisation Plan, the Company was also provided an option to decide on whether the Company consents to the Third-Party Releases contemplated in the Amended Reorganisation Plan, in the Company's capacity as a Class 5A and Class 13 to 18 creditor.

**The Liquidators' decision to vote in favour of the Amended Reorganisation Plan and not grant Third Party Releases on behalf of the Company**

Having considered the terms of the Amended Reorganisation Plan, the Liquidators are of the view that it would be in the best interests of the Company to vote in favour of the Amended Reorganisation Plan.

The Liquidators are also of the view that the Company should not consent to the grant of the Third-Party Releases, in order to retain the Company's right to pursue legal action against any Released Parties (as defined in the Amended Reorganisation Plan) in the future for any claims or damages, where necessary.

Prior to the submission of the Company's vote, the Liquidators wrote to the Company's major creditors to inform the major creditors of the Liquidators' proposed course of action, and provide the major creditors an opportunity to raise any comments or questions before the Liquidators submitted the Company's voting form. The Liquidators also sought legal advice from their Singapore and US law counsel on their proposed course of action.

As there were no objections received from any of the Company's major creditors, the Liquidators have proceeded to submit the Company's voting form to vote in favour of the Amended Reorganisation Plan.

The Liquidators will continue to monitor the Chapter 11 Proceedings of the FTX Debtors on the Company's behalf and keep creditors updated of any significant progress.

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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)