

**HODLNAUT PTE. LTD.
(INTERIM JUDICIAL MANAGERS APPOINTED BY COURT)
(REG. NO. 201911850K)**

11 November 2022

BY EMAIL

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Sixteenth Circular

**HODLNAUT PTE. LTD. (INTERIM JUDICIAL MANAGERS APPOINTED BY COURT)
(THE “COMPANY”)**

Dear Sirs

We refer to the appointment of Ee Meng Yen Angela and I as Interim Judicial Managers (“**IJMs**”) of the Company on 29 August 2022. Capitalised terms used in this letter shall have the same meaning as those ascribed to such terms in the IJMs’ First Report (Amendment No. 1) dated 1 November 2022 (the “**First Report**”).

As mentioned in Sections 5.1.2 and 5.2.8 of the First Report, prior to the IJMs’ appointment, approximately 25% of the Group’s assets were deployed on Centralized Exchanges (*ie* the Digital Assets deployed on Centralized Exchanges). The IJMs maintained the status quo in respect of the Digital Assets deployed on Centralized Exchanges after their appointment. As of the Report Date, approximately 71.76% of the Digital Assets deployed by the Company on Centralized Exchanges were held with FTX, with an estimated market value of S\$18.47M.

As you may be aware, FTX has halted customer withdrawals due to liquidity issues (the “**FTX Withdrawal Halt**”). The FTX Withdrawal Halt was announced via the official FTX Telegram Group on 9 November 2022 (SGT). Prior to the announcement, the IJMs were already closely monitoring the news, information, and updates relating to the issues between FTX and Binance, and also looked into the steps they could take to protect the Company’s position.

In particular, shortly before the announcement, the IJMs had attempted to withdraw the BTC and ETH Digital Assets held with FTX and transfer it to another Centralized Exchange’s account held by the Company. However, despite the IJMs’ efforts, this could not be processed and effected. Although the IJMs then contacted FTX several times to escalate the matter, no response was received aside from an automated reply (even up to this date). We note from various news reports that the IJMs were not the only parties facing these difficulties, as many other FTX customers faced significant delays in effecting withdrawals prior to the announcement of the FTX Withdrawal Halt.

In the circumstances, the extent of the Company’s recovery of the Digital Assets held with FTX is currently uncertain. The IJMs will continue to monitor the situation and take all necessary and possible steps to recover the Digital Assets held with FTX.

We will update you as soon as there are further developments. Fuller details on the impact of the FTX Withdrawal Halt and the steps taken by the IJMs will also be detailed in the IJMs’ supplementary report that is currently due to be filed with the Honourable Court on 15 December 2022. In the meantime, if you have any queries in relation to the above, please email us at hodlnaut@sg.ey.com.

NOTICE

The affairs, business and property of the Company are being managed by the Interim Judicial Managers appointed by the Court. Pursuant to section 102(1)(a) of the Insolvency, Restructuring, and Dissolution Act 2018, the Interim Judicial Managers act only as agents for and on behalf of the Company and do not assume responsibility whatsoever in respect of any contracts entered into by the Company whether by this letter or by any action taken on their part.

**HODLNAUT PTE. LTD.
(INTERIM JUDICIAL MANAGERS APPOINTED BY COURT)
(REG. NO. 201911850K)**

Yours faithfully,



Aaron Loh Cheng Lee
Interim Judicial Manager
For and on behalf of
Hodlnaut Pte. Ltd.
(Interim Judicial Managers Appointed by Court)

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